

CONFIDENTIAL



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Private Secretary
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3 March 1980

Dear Tom,

ADVANCE CIRCULATION OF KEY ECONOMIC STATISTICS

... I enclose for your information a copy of a minute sent by the Permanent Secretary to all Department of Employment recipients of advance information on unemployment, earnings, the retail prices index and the CSO forecast of the index. A copy also goes to John Wiggins (Treasury), Sir Douglas Wass (Treasury), John Beverley (Bank of England), Peter Unwin (CSO), David Wright (CO), Ian Ellison (DI), Stuart Hampson (DT), Godfrey Robson (SO), Joe Pilling (NIO), and Gordon Craig (WO).

Yours sincerely

ANDREW HARDMAN
Private Secretary

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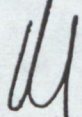
ADVANCE CIRCULATION OF KEY ECONOMIC STATISTICS

1 In 1978, following a number of apparent leaks, stricter arrangements were made for the circulation in advance of publication of certain key economic statistics. These included figures of unemployment, earnings, the retail prices index and the CSO forecast of the index. The arrangements were confirmed on behalf of the Prime Minister by her office in June 1979.

2 I am writing to remind all recipients of the importance of maintaining the strict security of these figures.

3 There have recently been some press references, giving figures which were close to the outcome in advance of publication. These may reflect no more than capable and intelligent speculation by specialists, but are a warning of the continuing danger of there being further leaks.

4 I must stress that the figures are provided to you in advance on a personal basis and that only Secretaries of State and their Permanent Secretaries can authorise the provision of advance figures to others in their Departments (whether Ministers or officials). Such provision must be confined strictly to those who need to know for operational purposes.


K BARNES

29 February 1980

4 MAR 1980



cc. Mr. Whitmore



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10 DOWNING STREET

From the Press Secretary

3 March, 1980

Dear Ken

Superficially, my conspiracy theory re the Daily Mail seems to have broken down. In spite of a reasonably accurate but not detailed account in The Guardian (attached), I could not find anything in the Daily Mail. Perhaps your note of February 22 influenced behaviour.

I look forward to seeking you on Friday.

A handwritten signature in dark ink, appearing to read 'B. Ingham', written in a cursive style.

B. INGHAM

Sir Kenneth Barnes, K.C.B.

Enc.

United Nations has any commitment to release American hostages for the UN Commission investigation of Iran's actions against the de Shah. The element led to the confusion situation felt in America the hostages issue.

cks go on

are investigating two suspicious fires in it is thought they are the continuing campaign of arson by Welsh strikers which would bring 1 of attacks on second of 21 since mid-December 4.

gage threat

ION of tax relief on es is advocated in an sts' report, and the societies want the lor to abolish stamp on house purchase. pages 4 and 12.

er at Fairey

MANAGEMENT of Holdings Ltd has re- with anger to indi- that the National ise Board may reject a £19.5 million by Ham- nk for the engineering Page 13

s cleared

UIRY into the case of fessor who killed him- ter an outbreak of x which came from his ology department has no evidence of im- behaviour by the Page 3.

t wary

UGH Egypt and Israel. exchanged ambassadors. mer's application of the reaty between the two es is being grudgingly Eric Silver explains ge 11.

oslavia deal

LAVIA has taken a tep toward closer rela- ith the EEC with the on of a commercial tion agreement. Page 6

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weather

Y dry after fog clears. back page.

Although officials of the Iron and Steel Trades' Confederation would make no comment afterwards, the workers were told that the plant would have to close permanently if the strike went ahead.

The decision was not unexpected. Mr. Sirs, the ISTC general secretary, said last night. The union was aware that the strike was not receiving the kind of support in the private sector that it had against the BSC.

He thanked all the private sector workers who had come out, but said that the union was unlikely to take any action against those who had not.

Half the 1,000 ISTC members at Sheffield's other large private company, Firth Brown's, have already voted to return to work today and a

package. Later Mr Sirs will be attending a meeting of the TUC steel committee with the corporation, but without much hope of there being any moves towards a settlement.

Mr Sirs said that he thought that the strike could last for some time more. In spite of the fact that much had been made of the ISTC's refusal to pay strike pay, Mr Sirs declared that the strike was costing the unions thousands of pounds in administration and organisation.

The only concession which the corporation is likely to make today is an offer to put back the timetable of redundancies. The original date for agreement had been set by the BSC for March 31, but the duration of the strike has jeopardised this plan.



Weather halts oil battle

From George Coats in Athens

Bad weather and high seas yesterday prevented anti-pollution teams from tackling a mile-long oil slick which threatens some of the most unspoilt beaches in Greece.

The threat followed the sinking on Saturday afternoon of a Greek oil tanker, the Irene Serenade. It sank after explosions in its stern had set it ablaze, and began spilling its cargo of 102,000 tons of crude oil into the sea less than two miles off the port of Pylos in the South-western Peloponnese.

The tanker sank shortly afterwards leaving the oil slick which a Greek Merchant Marine Ministry official described yesterday as a black river in the sea.

Anti-pollution teams, including one from the Netherlands, arrived at the scene but have been able only to place a floating barrier in an attempt to contain the slick.

"We have all the materials and equipment we need to hand in Pylos, including an airforce helicopter," a merchant marine spokesman said. "All we need now is for the weather to calm down."

The tanker is an ecological time bomb which can deposit its cargo up onto the nearby beaches at any time, just as the tourist season is beginning. It had on board more than enough oil to pollute the entire Gulf of Navarino, one of the most beautiful regions in Greece. A plan to site an industrial complex in the area was dropped after a national outcry a few years ago.

Latest jobless total to be around 1.5M

By our Labour Editor

The latest batch of unemployment figures tomorrow will be around the 1.5 million mark and will bring little hope to the Government that a reduction is on the way.

Even though the number of schoolleavers out of work is diminishing, the hard core of unemployed is moving steadily up, particularly in the North, Scotland and Wales.

The figures will lead to further pressure from the TUC, and from the Opposition for the Government to closely examine its manpower policies, due to be reconsidered at the end of the month.

The unions will be demanding that they be renewed, and will say that job creation has allowed at least 200,000 people to be kept off the register.

Mr Len Murray, the TUC general secretary, said last night that the unions would not be fooled by talk of bring-

ing down the Government. They wanted to say to Mrs Thatcher that they did not like her policies, which had to be replaced by policies which bind the wounds of the nation.

Mr Murray explained that the country's problems could not be solved by the "public school" policy of the short, sharp shock or the carrot and stick solution.

Speaking to Dover, Kent, Trades Council, he said that the carrot had been the tax incentive, and the stick was becoming bigger, rougher and sharper.

Referring to the TUC's one-day national strike on May 14 against the Employment Bill proposals Mr Murray declared that the unions must not allow themselves to be pushed by the Tory party's inadequacies into accepting simple solutions.

"We, too, must learn the lesson of unity and understand that we can only assert our rights and challenge inadequacy and oppression if we stand together," he said.

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Test cricketers s

By our Sports Staff

The West Indian cricketers staged a 10-minute strike yesterday to protest against the umpiring in the Second Test against New Zealand in Christchurch.

Clive Lloyd and his team refused to take the field after the tea interval in response to umpire Fred Goodall's refusal to give the New Zealand captain, Geoff Howarth, out caught behind the wicket.

The players eventually emerged from their locked dressing room and agreed to carry on after hurried con-

sultations between their manager, Willie Rodriguez, and New Zealand officials.

But they spent the rest of the day engaged in what looked suspiciously like a work-to-rule, moving slowly and producing an extraordinary number of wide deliveries and bouncers.

Not surprisingly, they did not take another wicket. Howarth, 68 when the West Indies thought he was out, finished the day on 141 and New Zealand were well in control of the match.

The First Test, when New Zealand beat the West Indies for the first time in 11 years,

was a ments Lloyd ted th claime "aide land a contr Mike kicked groun "Las fused had replac proble added haviou ings."



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 Telephone 01-213 3000

Sir Kenneth Barnes KCB
 Permanent Secretary

22 February 1980

MJ Dwyer
Henry W...
John
22nd

PERSONAL

Mr. Whitmore
you will recall

Bernard Ingham Esq
 10 Downing Street
 SW1

John

Dear Bernard,

You may remember dropping me a line at the end of January about references in the press to the unemployment figures which could have been a leak.

... With the February figures imminent, you may like to know that I have put round the attached reminder to those who get advance copies of the figures.

I look forward to having lunch.

Yours ever,

K BARNES

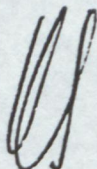
K Barnes

SECURITY OF ECONOMIC STATISTICS

1 The February unemployment figures will be circulated shortly and this is a reminder of the need to maintain strict security.

2 Last month there were references in 'The Guardian' and 'The Mail' which gave grounds for concern. (See attached extracts.)

3 Although intelligent outside commentators could have guessed that the January figures would show a substantial increase, the detailed reference to the increase of Scottish school-leavers is striking even although this is a regular occurrence and in no way confidential. It is not the sort of point that we expect journalists to make without prompting.



K BARNES

22 February 1980

Why the jobless total is rising

By MICHAEL EDWARDS
Industrial Editor

AN alarming increase in unemployment, taking Britain's workless total towards 1,400,000, is expected to be announced today.

At the same time job opportunities at the labour exchanges are diminishing rapidly.

The situation is likely to worsen over the coming months as the recession deepens—and as the national steel strike bites into industry's productive and export capacity.

The Government will argue that it has consistently warned that excessive pay deals can only lead to lengthening dole queues.

Casual

Last month's workless total of 1,355,458 has been inflated by three factors:

Firms have shed casual staff taken on for the Christmas spending spree;

Thousands of Scottish school leavers, who traditionally leave a term later than in England, have been thrown on to the labour market;

And some employers have been forced to reduce their staff to meet the cost of heavy pay settlements.

Job creation measures are at present keeping more than 230,000 off the dole—but this figure will drop as some temporary employment schemes are phased out.

GUARDIAN MON JAN 21

Jobless figure again edges toward 1.5M

By Keith Harper,
Labour Editor

The January unemployment figures will start rising uncomfortably tomorrow towards 1.5 million again, causing the Government some foreboding about the rest of the winter.

The figures, to be published by the Department of Employment, will be swollen by the inclusion of the number of Scottish school-leavers. But they cannot be excused as the underlying trend upwards, which began to reveal itself in December, is likely to become more marked.

Mrs Thatcher and her Ministers have had a reasonably easy time in the Commons so far on the question of rising unemployment. A combination of increasing inflation and unemployment will give Mr Callaghan the opportunity to harry the Government over its economic strategy. The unemployment total this month is expected to be only the precursor of graver troubles later this winter and into spring.

Tomorrow's figures will

bring cold comfort to Scotland and the North. As the winter progresses Ministers, particularly Mr James Prior, the Employment Secretary, who has hitherto enjoyed good personal relations with the unions, will come under increasing pressure to say how they intend tackling the problem.

Today Labour Party and TUC leaders will be discussing their own economic strategy. Before the meeting will be a paper from the Labour Party calling for reflation, strict import controls and revitalisation of the National Enterprise Board.

The paper is an expression of well-aided party policy, but the TUC's approach is milder. On import controls, for instance, it proposes controls where indigenous industries are under threat.

Last month, a survey by a firm of City stockbrokers projected a rise of total unemployment to well over the 2 million mark within two years. The survey estimated that total unemployment could rise to 1.87 million this year and to 2.2 million in 1981.