

PRIME MINISTER

cc Mr. Wolfson

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Nationalised
Industries

Steel Negotiations

The following is ~~the~~^a state of play report at 7 o'clock this evening.

BSC and the unions spent all day going line by line through the union document. As I told you earlier today, it was BSC's aim to move the unions to a central agreement as close as possible to "agreement 6b", which the craftsmen agreed earlier in the dispute. The union side have moved significantly towards this during the course of the day. There remain two significant difficulties: first, Bill Sirs is refusing to include a reaffirmation of the 1976 agreement and, secondly, he wants no cut-off date for the local productivity payments.

BSC want some reference to the 1976 agreement because it included certainly important changes in manning, etc., which are not otherwise mentioned in the unions' proposals; but they are willing to show some flexibility on the cut-off date for local productivity payments. (By this, I assume they mean they will go a few months beyond the four months originally offered.)

There was an adjournment of the talks at 7 o'clock to allow BSC to retype the trade union proposals in the way they would like to see them. The talks are now being resumed and, apart from the points of difference mentioned above, they will now move on to money. The unions will ask BSC how much they regard the proposed agreement as being worth, and BSC intend to repeat their offer to the craftsmen of 14.4 per cent. If this develops into an argument, Scholey will suggest an adjournment until tomorrow or later in the week.

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11 March 1980

PRIME MINISTER

Prin sum

At hand 2
c. Mr. Wolfson
Mr. Ingham

Steel Negotiations

I have had the following report from Solly Gross on yesterday's steel negotiations.

As the press have reported, the talks went off very smoothly: both sides were polite and made it clear that they did not want another breakdown.

They discussed the unions' proposal for a central agreement. This agreement would be considerably less stringent in terms of de-manning and productivity than the so-called "agreement 6b" which the craftsmen accepted earlier in the dispute. Scholey has told Solly that BSC are prepared to move a little towards the union side on this; but they would not be willing to go anywhere near accepting their proposed agreement in full.

Scholey is not very optimistic about reaching a settlement in this round of talks. This is partly because he does not believe the unions will move far enough on the central agreement, and partly because they are asking for another 4 per cent in return for negotiating as a joint body - and Bill Sirs, at least, does not look like coming off this. If the talks do break down, BSC's preference would be to go for a second ballot rather than to arbitration. The Electoral Reform Society have now said they would be prepared to run a second ballot for BSC: earlier, they had said that they would only do it at the behest of the unions. On the strength of the first ballot, and with what looks like mounting grass roots pressure against the strike, a second ballot could well succeed.

B.

11 March 1980

PRIME MINISTER

Steel Pay Talks

- 1) BSC - unions talks adjourned this evening. They will resume at 11 a.m. tomorrow. The union representatives will first meet privately amongst themselves from 10 am to 11 am.
- 2) Today's talks concentrated almost entirely on the terms of the central productivity agreement. Percentage increases were not discussed although Mr. Scholey has privately told some of the more moderate union representatives that he is sticking to the 14.4%.
- 3) Some signs of internal dissension amongst the different union representatives with some critical of Mr. Sirs quibbling approach today. Object of tomorrow's meeting may be for the other union representatives to bring pressure on Mr. Sirs.
- 4) According to Mr. Scholey Mr. Sirs' fighting talk to the media after the adjournment in no way accurately reflected the restrained and relatively low key discussions during the day.
- 5) Unless there is an unexpected break through Mr. Scholey fears that the talks will end in disagreement some time tomorrow.

11 March 1980

Solly Gross
Department of Industry

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STEEL OPTIONS: A DISCUSSION DOCUMENT

What we can do depends a lot on what our legal advisers and Parliamentary draftsmen say is possible in various time scales. I suspect that they will not be prepared to give a final answer until they have read and considered the House of Lords judgements. Whatever else we do I am sure that we need a cold clear analysis of how far the present Prior Bill deals with the existing situation which is now a new and changed one, and what amendments are needed to reinforce it and in what time scale it could become law. The Prime Minister can rightly argue the need for a complete reassessment of the situation in union law in the light of recent developments. Against this background I see the following options open to us.

1. Do nothing.

Pro arguments:

- (a) Probably least likely to divide colleagues;
- (b) Prior Bill passing through the House of Commons and White Paper on further action on immunities available for consultation;
- (c) Cannot make industrial situation in short term much worse;
- (d) In immediate future without even knowing the reasons for the Law Lords' decision probably inevitable.

Con arguments:

- (a) Public and party opinion will be running high;
- (b) Government already being accused of weakness;
- (c) Situation gives great encouragement to strikers;
- (d) Doubts about how long industry could hold on;
- (e) Might end fairly quickly in complete defeat with Government having to anti up full demand;
- (f) Prior Bill widely regarded as inadequate to the situation which now exists.

2. Do nothing but greatly strengthen present Bill

Pro arguments:

- (a) Provides some long term solution to this type of situation;
- (b) Seeks to cover issue in a general context rather than a one off solution on steel;
- (c) Could be accompanied by powerful statement of objectives by Prime Minister;

Con arguments:

- (a) Will not affect the present strike;
- (b) Will not be effective until autumn;
- (c) Probably lead to settlement of dispute on strikers terms;
- (d) Will be accompanied by long drawn out battle with TUC;
- (e) Unlikely to satisfy party or public opinion and will be compared with swift reforms introduced by Labour.

3. Short swift Bill repealing all Labour legislation on topic or any other means advised to repeal McShane decision or strengthen management.

Pro arguments:

- (a) Only way likely to affect present dispute;
- (b) Satisfies party opinion pressing for action;
- (c) Takes pressure off private steel mills;
- (d) Probably does represent what we were put in power to do and might well carry a great deal of public opinion including trade union opinion.

Con arguments:

- (a) Thought by some to be likely to precipitate a general strike;
- (b) May not be technically possible;
- (c) Changing rules in middle of the game;
- (d) Likely to be pretty divisive among colleagues.

4. Settle the steel strike and proceed with new legislation.

Pro arguments:

- (a) If we are going to lose the steel strike it could be argued that a settlement would be easier to defend attributing it to the declaration of the Law Lords that the law of this country permits every strike to be a general strike;
- (b) If the strike was out of the way discussion among colleagues in seeking a realistic and much tougher approach to T.U. reform might be easier.

Con arguments:

- (a) It would probably be represented as an important defeat for the Government and a personal one for the Prime Minister;
- (b) With the steel strike removed, it might be even harder to impose an adequately tough reform of the law upon an exultant trade union movement.

I would put forward the following tentative conclusions:

- (a) That we insist on the need to hear the House of Lords reasons before making final decisions;
- (b) That we use the interval to get clear advice from the Law Officers, Parliamentary draftsmen as to the legislative possibilities;
- (c) That we conduct a private opinion poll on attitudes to the situation. I have draft questions available;
- (d) That we announce our objectives and our reasons for wishing to hear the Lords' judgement on the present state of the law in Ministerial broadcasts by the Prime Minister making it quite plain that an "every strike a general strike" is not in our view a

/ tolerable

tolerable situation and making some clear and simple points about the way the public is being exploited;

- (e) Such an approach shows respect for the Lords, gives time for careful consideration, enables contingency planning to be carried out, allows public opinion to be both tested and to some extent formed, is not easily shot down inside the Cabinet, and provides a chance either to toughen the Prior Bill or to draft a separate one.

DRAFT QUESTION LIST

(Not In Order)

- Q. Do you think that a Labour Government would have handled this British Steel situation better or worse than the Conservatives are doing ?

Labour would have done better
Labour would have been worse
Would have been no different
Don't know

- Q. If the steel strike were to go on for another month or so how much do you think it would affect your everyday life ?

Quite a lot
Not much
Not at all

- Q. Do you think that the courts and some of the judges are generally biased against the Trade Unions or do you think they try and deal with them as fairly as with everyone else ?

Biased
Fair
Don't know

- Q. Do you think that Trade Unionists should obey the Judges or the Courts however strongly they may disagree with what they say, or do you think that if they feel strongly they should go against Court decisions ?

Should obey
Should go against
Don't know

- Q. If the Government were to bring in a new law quickly to prevent secondary picketing do you think that this would be in the national interest or do you think it would cause more problems than it is worth ?

In national interest
Cause more problems
Don't know

Q If the answer to the previous question is "In the national interest"

How strongly do you feel that this would be in the national interest ?

Extremely strongly
Very strongly
Fairly strongly
Not very strongly
Don't know

Q It does not matter how you answered the previous question, would you please say whether you believe the Government :

Should or should not introduce a a new law on Trade Union Reform quickly ?

Should
Should not
Don't know

Q. Which of these do you think is the best description of the steel strike as it stands now ?

(a) It is mainly about political disagreement between the Unions and Government

or (b) It is mainly about steel workers getting a reasonable living wage from the British Steel Corporation.

Q. a. Which of these statements do you think best expresses what the Government is trying to do in the steel strike ?

i. They don't care at all what happens

ii. They care more about having a showdown with Trade Unions generally than they do about getting a fair settlement in the steel strike

iii. They really do care, but genuinely believe that it is up to management and Unions to solve industrial disputes like this

Q. b. Which of these statements do you think best expresses the motives of the Trade Unions ?

i. The T.U.'s is fighting a battle against the Conservative Government and care more about this than they do about getting a fair settlement in the steel strike

ii. The T.U.'s is trying to get a settlement in the steel strike and cares more about this than it does about the political situation.

Q. At present groups of workers who are not on strike can "Black "
 READ OUT : (That is stop goods moving in order to help workers who
 are on strike) Do you think that the Government should introduce
 legislation to stop this or do you think that it would cause too many
 problems?

Should introduce
 Would cause too many problems
 Dont know

IF " SHOULD INTRODUCE"

Q. How important do you think it is that the Government should do this ?

Extremely important
 Very important
 Fairly important
 Not very important
 Don't know

ASK ALL

Do you think that to introduce a law to prevent blacking would be in the
 national interest or do you think that it would cause more problems than it is
 worth

In National interest
 More problems than it is worth.
 Don't know

Q. Do you think that there should be a law or not to stop strikes in a firm
 when the only reason for them is to try and help other strikers in other
 firms or industries ?

-
 Should
 Should not
 Don't know.

ASK ALL SAYING "SHOULD"

Q. Do you think the Government ought to introduce such a law quickly, or
 do you feel that they ought to take their time ?

Quickly
 Take their time
 Dont know

ASK ALL.

Q. Do you think that firms who face losses because of action by strikers
 who have no dispute with those firms should or should not be allowed by law to
 sue the Unions involved in the strike action ?

Should
 Should not
 Don't know

Q. Some people have said that the right to strike without previously having had a ballot should be restricted just to workers who are in dispute with their employers. Do you agree or disagree with this ?

- Agree
- Disagree
- Don't know

Q. Thinking about the present steel workers strike, which one of these groups do you think is most to blame for it ?

- The steel workers
- The steel Trades Unions
- Mrs. Thatcher and her Cabinet
- British Steel Corporation management
- The TUC
- The CBI
- The Civil Service
- None of these
- Don't know

Q. Which of these groups do you think should be doing most to try to settle the steel workers strike ?

- The steel workers themselves
- The steel Trades Union leaders
- Mrs. Thatcher and her Cabinet
- British Steel Corporation management
- The TUC
- The Advisory, Conciliation and Arbitration Service (ACAS)
- The CBI
- None of these
- Don't know

Q. In its attitude to the steel strike is the Government being too tough, too weak or about right ?

- Too tough
- Too weak
- About right

Q. If the Government were to introduce laws very quickly to deal with some of the strike problems would you be inclined to see this as :

- (a) A firm step to deal with a serious problem
- or (b) A sign of weakness because they haven't been able to solve the problems by means other than laws.
- or (c) Just a political move to try and harm the Trade Union movement.

Q. I am going to read you some statements which people have made about the current industrial situation. For each one could you tell me whether on the whole you agree or disagree with it.

1. On the whole the Conservative Government this year have a better record in dealing with strikes than the Labour Government did last year.
2. The higher the pay rises the steel workers get this year, the more the redundancies will have to be in the long run.
3. ~~But~~ Although there have been some strikes this winter it has been nothing like as bad as last winter.
4. The steel workers pay rise has got to be earned by increased productivity.
5. There will be a lot more strikes before the winter is over
6. If the B.S.C. Management had handled the situation better there would have been no strike.
7. It is time for the Government to take firm action to deal with strikes
8. However annoyed the steel-workers are by the BSC attitude, they should still put the good of the Country first.
9. If the Government tries to take firm action on strikes it will lead to more trouble than people are prepared to accept.
10. It is time for the Government to take firm action to deal with strikes.
11. What the Country needs quickly is new laws to deal with the Trade Unions
12. No matter what the Conservative Government does we will have trouble with the Unions.
13. Even if there were a Labour Government we would still have trouble with the Unions.

Q. Which of these statements is closest to your own view ?

The Government should move more slowly on Trade Union reform, because if they move quickly it will cause a lot of disputes,

OR.

It is important for the Government to introduce Trade Union Law Reform quickly, even if this means trouble with the Unions

OR

The Government should not introduce Trade Union Law Reform at all.

Q. Do you think that the Government should pay more to strikers to prevent strikes now, despite what it might cost,

Or do you think that the Government should stand firm and make sure that strikers are not paid more than what they are being offered?

Q. Do you think that it would be in the National interest for the Government

a) To drop all its proposals for Trade Union Reform.

OR b) To press ahead with its proposals for legislation outlined in the manifesto

OR c) To speed up the legislation it proposed to deal with the main problems we have faced this winter.

Q. Do you think that a Labour Government would have handled the problems this winter better than the Conservatives are doing ?

Would have handled better.

Would not have handled better

Would have been no different

Dont know.