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10 DOWNING STREET

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THE PRIME MINISTER

11 March 1980

Alan D. Coleman

Thank you for your letter of 20 February about the petition sent to me by employees of Metal Box at Neath concerning the steel strike and the wider effects of the BSC's closure plans in West Glamorgan.

We are, of course, very conscious of the problems the steel strike is causing for firms such as Metal Box. While the lack of supplies of tinsplate from BSC is obviously a major contributor to these problems, I understand that at Neath a significant part of Metal Box's difficulties are caused by secondary picketing of the works. I deplore such interference, and it is precisely to deal with picketing activities of this kind that we have put forward the proposals embodied in the Employment Bill now before the House.

That said, we do very much want to see an end to the dispute between the British Steel Corporation and its unions as soon as possible. I am deeply disappointed that previous attempts to find a solution broke down, and I hope that renewed efforts will soon be possible. ACAS are ready to give their assistance if this would help, either directly or through the appointment of a mediator or arbitrator if both sides agree. But in view of the BSC's competitive /weakness,

weakness, it is vital that any settlement that is reached should be on terms the BSC can afford.

On the question of remedial measures for those areas affected by the BSC's closure proposals (including West Glamorgan), the Assisted Area gradings for these areas are currently being reviewed. Keith Joseph hopes to make an announcement on the results of this review as soon as possible after final decisions have been reached by the BSC following the necessary consultations with the unions. And as you know, Nicholas Edwards announced in the Welsh Affairs debate on 4 February that the Government will be making available some £48 million (mainly through the WDA) for the development of industrial sites and factories in the areas likely to be affected.

In the area of employment measures, Jim Prior announced in the House on 14 February that the Youth Opportunities Programme would be expanded from 210,000 entrants in the current year to 250-260,000 entrants in 1980-81, with the number of filled places rising to 100-150,000. And we have agreed to proposals from the Manpower Services Commission that the Community Industry scheme should be maintained at the current level of 6,000 places nationally, and that the Special Temporary Employment Programme for long term unemployed adults should be maintained at 12-14,000 filled places nationally, concentrated in Special Development Areas, Development Areas and designated inner city areas.

Through all these types of remedial measure, the Government is demonstrating that it fully accepts its responsibility for helping to alleviate the consequences of a rapid decline in employment at BSC.

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But the Government can only help; the mainspring for recovery must lie with the enterprise and imagination of individual firms - and the greatest contribution government can make is to create an environment which encourages such enterprise and does not stifle it.

I should add that Keith Joseph has written to the Metal Box Works Council at Neath agreeing to meet them.

Yours sincerely
Raymond Deliber

D. R. Coleman, Esq., O.B.E., M.P.