

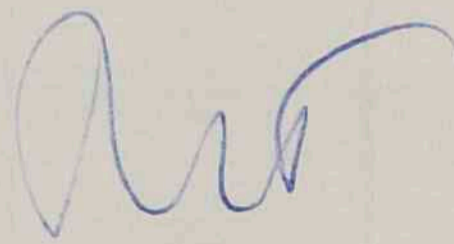
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Not Incl.
Prime Minister
URGENT
AS

PS/PRIME MINISTER

Steel Pay Negotiations

1. After a full day of talks, the present round was adjourned this evening without agreement. The union representatives will now report back to their negotiating bodies. The intention is for the two sides to meet again next week.
2. During the day, agreement was reached first on the central agreement and then on a cut-off date of 30 June for local productivity bonus schemes. BSC confirmed their offer of 10 per cent plus 4 per cent against these. However, the unions asked for 14 per cent against the central agreement, plus 5 per cent against the local bonus schemes.
3. BSC have asked the union representatives to ballot their members on the BSC offer. The unions "noted" this request. Until the unions decide against such a ballot, BSC will make no move about a second ballot of their own.
4. Mr. Scholey said that Mr. Sirs appeared under considerable pressure from the other union representatives during the day but in the end they stood by him.



S.J. Gross
Department of Industry
12 March 1980

cc: S.J. Gross
S/S for Industry

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