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NOTE OF A MEETING BETWEEN THE PRIME MINISTER AND REPRESENTATIVES
OF THE STUC IN THE VIP SUITE AT PRESTWICK AIRPORT ON THURSDAY
5 SEPTEMBER 1985 AT 1015

Present: Prime Minister	Mr. J. Milne, STUC
Secretary of State	Mr. J. Henry, STUC
for Scotland	Mr. D. Harrison, STUC
	Mr. H. Wyper, STUC & TGWU
	Mr. G. Boulton, NUM
	Mr. C. Lewis, ISTC
	Mr. Evans, ISTC
	Mr. T. Brenan, Convenor - Ravenscraig
	Mr. Doyle, Convenor - Gartcosh

After thanking the Prime Minister for seeing them at such short notice, the spokesman for the STUC said that there was no issue of greater economic concern in Scotland than the future of Ravenscraig and the closure of Gartcosh. Mr. Milne recalled that the development of Ravenscraig, which was of tremendous importance to the local economy of Motherwell, had been decided under a Conservative Prime Minister. All but one Conservative backbenchers were urging the retention of Ravenscraig and Gartcosh. Ravenscraig would no longer be an integrated plant if Gartcosh closed, and he doubted whether Ravenscraig could survive without Gartcosh. Closure would lead to an irretrievable loss of market share. The Prime Minister would not succeed in her aim of increasing British content in our manufacturing goods, which was so necessary in view of the deterioration in the balance of manufactured trade, if BSC was unable to provide steel of the right quality. This required the retention of Ravenscraig because only that plant could supply certain grades of high quality steel. Ravenscraig's future could be assured only if Gartcosh continued and the coke ovens were developed. Another STUC speaker recalled events leading to the concentration of the steel industry on the five integrated coastal sites. The British steel industry was now the most efficient in Europe. A further speaker said that the future of Ravenscraig went beyond party politics in Scotland. If the MacGregor closure decisions had been carried out, 1½ million tonnes of sheet steel would have been lost for Britain. The workforce at

Gartcosh, which had the lowest conversion costs in BSC, had done everything the Prime Minister had asked for in the way of reliability, cutting costs and so on. There should be an investigation by the Government into the future of Gartcosh.

The Prime Minister said that there was only sufficient business to employ four of the integrated plants. The key to retention of all five plants was therefore winning more orders. She was aware of the determination and commitment of the Ravenscraig workers (and those in Llanwern and Port Talbot) who kept the plants working during the coal strike. The future of Gartcosh was a matter for BSC. Obviously Government would need to be involved in major decisions concerning the future of Ravenscraig, one of the five integrated plants.

The Government had shown its commitment to Ravenscraig by authorising BSC to spend well in excess of £100 million of taxpayers' money for the purchase of Alphasteel's quota. This decision which would benefit Ravenscraig (as well as the two Welsh integrated plants) would not be popular in Wales. She disagreed that Gartcosh was vital for the future of Ravenscraig, Ravenscraig would produce steel for Shotton. Her duty was to be fair to all plants in the UK. There was no need for extra investment in coke ovens. Techniques were changing; and some Welsh coke plants were older than Ravenscraig. The real answer was for BSC to be hungry for business and win more orders.

STUC delegates disputed that the purchase of Alphasteel's quota would benefit the Scottish steel industry. They repeated their plea for a Government inquiry into the case for closing Gartcosh. The Prime Minister replied that that was a decision for BSC.

The meeting closed at 1045.

N.h.w.

7 September 1985