



to Mr Wolff  
Mr Lawson

Prime Minister

To glance - especially  
at para 9.

TL

## NOTE OF A MEETING HELD ON 18 FEBRUARY 1980

Present: Mr Butler Mr Norton  
Mr Mayhew Mr Adams  
Mr Murray  
Mr Waite - DEm

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The purpose of the meeting, which had been arranged following a request from Mr Norton the previous week, was to give Mr Norton an opportunity to explain the situation at Hadfields to Ministers.

2 Mr Norton began by saying that he had that morning sought an interview with the Home Secretary who had regrettably been unable to see him. However he had spoken to Mr Whitelaw's private secretary who had told him that the Home Secretary had much sympathy with the feelings of Mr Norton and his workforce about the nature and extent of the picketing of the company, but his position required him to remain publicly impartial, and it would not therefore have been appropriate for him to have granted Mr Norton an interview.

3 Mr Norton briefly outlined the background to Lonrho's involvement in Hadfields. Lonrho had acquired the company 2 1/2 years ago. It had then been in a worse state than BSC. The management had reduced the workforce from 5,200 to 2,800 whilst at the same time capacity had increased 50%. The workers were now far better paid than their counterparts in BSC: £80 pw for a basic 39 hour week. It had been profitable up until the strike.

4 Mr Norton described the events outside Hadfields of the preceding Thursday (14 February). His workforce at Leeds Road had agreed to come out only because of the dispensation that Mr Sirs had given Hadfields to continue production at East Hecla and provided the latter works was not picketed. Both conditions had been broken. Mr Sirs had withdrawn the dispensation because the local strike committee had refused to comply with it. Mr Norton said that Mr Butler would have read of the picketing in the press. There had been 2,000 pickets; it had taken some of his men from 7.00 am until 10.30 am to enter the works. Mr Norton said that he believed Mr Scargill had decided to bring his pickets to East Hecla because of its proximity to the motorway and ease of access to the media. The police had acted commendably, but because of the sheer scale and intimidatory nature of the picketing, they had not been able to control the situation. He had left evidence of this with the Home Office. Mr Norton said that he was outraged at the threatening and violent behaviour of the pickets; he had evidence that Mr Scargill had personally manhandled two seventy year old cleaners. He was hoping to get statements on this which he would pass on to the police.

5 Mr Norton said that the picket leaders had told him that unless the workforce at East Hecla joined the strike on Friday, there

/ ... would be





there would be 1,000 more pickets; and they would enter the works to "drag them out on strike". Mr Mead, the Assistant Chief Constable, had said that in the circumstances he could not guarantee the safety of the workforce. Mr Norton said that the combination of the threat of even greater picketing on the Friday and the inability of the police to guarantee the safety of his workforce had decided him against opening his East Hecla works that day. Mr Norton emphasised that he was determined to get his workforce back to work and would use all legal means at his disposal. Mr Butler said he agreed that the picketing at Hadfields had been deplorable, but as the law stood, the unions were not prevented from secondary picketing of this kind provided, of course, that it was not intimidatory. Mr Butler said that he was reassured that Mr Norton was intent on action within the law.

6 Mr Mayhew said that he too had been horrified by the picketing at Hadfield. It seemed to him contrary to the criminal law and he hoped that Hadfields would publicise it vigorously. Mr Norton assured Mr Mayhew that he would do so. Mr Mayhew said that one of the problems at Hadfields had been to enforce the existing law. He said that the Home Secretary was reviewing the law on public order; one aspect he would be looking at would be the difference between a picket and a demonstration. But the police nevertheless had a very difficult job on their hands. As far as the civil law was concerned, Mr Mayhew said that Trades Unions had wide immunity provided that they believed their action to be in furtherance of a trade dispute. The Government believed that the immunities were too wide and were taking steps to reduce them; under provisions to be included in the Employment Bill, immunity from civil action would be confined to pickets at their own place of work; and for plaintiffs to seek redress from union funds where the Courts found against individual union members acting on behalf of the Union. However, Mr Mayhew said it would not be right to rush these measures through to deal with the present situation; this would only prejudice the long term legal framework which the Government were hoping to establish. Mr Norton said he understood the position; it was a sorry state of affairs, but he would not urge the Government to press ahead faster with their legislation.

7 Mr Norton said that since Mr Sirs had withdrawn his dispensation, he did not feel bound by the assurances he had given to ISTC not to move his stocks. Hadfields had in fact over the weekend moved out all their stocks which were now with customers. Mr Norton was anxious to keep this completely confidential.

8 Mr Norton said he had approached Sir Charles Villiers with a view to making a bid for some of BSC's assets, but had been rejected out of hand. Mr Norton said Hadfields were interested in BSC's Yorkshire and Humberside Works and also the whole of Shotton. He agreed that the Shotton steelmaking plant was out of

/ ... date, but





date, but added that Hadfields had been making profits with old plant for years and felt confident they could do the same at Shotton. The main attraction at Shotton was that the customers had confidence in the works. He would be glad to talk to BSC, but they would have to provide more information if the talks were to get down to detail.

9 Mr Norton said his main purpose in seeking a meeting with Mr Butler was to see if there was any Government assistance available to help fund the losses of £½ million a week which Hadfields were incurring as a result of the strike. Unless such assistance was forthcoming, he would seriously have to consider closing the works with the loss of 2,800 jobs. He did not feel able to recommend to the Lonrho Board that they should continue to carry the losses. Mr Norton made it clear that if Hadfields did close, he would take steps to pin the blame firmly on Government. He said the onus was on Government as shareholder to bring BSC and their Unions back to the negotiating table. Mr Butler said that there was no Government assistance available to help Hadfields through their present difficulties. Neither could they compel the parties to negotiate: the Government were determined that BSC should manage its own commercial affairs; and they certainly had no locus to intervene with the Unions. Mr Norton was severely critical of BSC management; the way in which BSC had handled its wage negotiations; and the presentation of its closure proposals. Mr Butler said that the BSC were keen to negotiate; it was the Unions who were holding back.

10 Mr Adams said that it was clear that either the BSC had to go into receivership; or the Government would have to provide more money than planned to help it through the aftermath of the strike. If the latter course was adopted, then Hadfields would not be able to compete unless they got similar help from its Banks. The latter had already been very helpful in the engineering and road haulage drivers' strike. Mr Adams said he was reluctant to have to keep going back to the Bank unless there was an end in sight to industrial strife. He asked Mr Butler which of the two courses for BSC it proposed to adopt. Mr Butler explained that technically a Nationalised Industry could not go into receivership. Neither would the Government put any more taxpayers' money into BSC. BSC would have to find their own solution - by sale of assets, for example. Mr Butler said he would not comment further except to say that Mr Adams' analysis was intensely realistic.

11 Mr Norton said he was grateful to Mr Butler for agreeing to meet him, but he could not say he was going away heartened by what had been said. Mr Butler and Mr Mayhew re-iterated their sympathy. It was agreed that no comment on the meeting would be given to the press, other than to say that the discussions had been frank and open.

T.M. Jaffray

T M Jaffray  
PS/Mr Butler  
11-10 Ash

19 February 1980

cc list attached



20 FEB 1980







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of State

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OFFICE OF THE  
MINISTER OF STATE

21 February 1980

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Dear Mr Jaffrey

R 22/2

Thank you for the note of the meeting with Mr Norton held on the 18 February with your minister and Mr Mayhew.

The Minister has however drawn my attention to two inaccuracies in the minutes, which he would like correcting by a circulated amendment.

I refer you to para 6, line 14: "to be" should be "already", and lines 16 and 17; "... and for plaintiffs to seek redress... acting on behalf of the union", should be amended by the following:-

"A further possibility would be to enact that a court's contempt procedure could sequester union funds in the event of non-payment of a fine imposed on anyone (including a union official) acting on behalf of a principal".

Thank you for your assistance in this matter.

Yours Sincerely  
Jaqui Williams

J S WILLIAMS  
Assistant Private Secretary.



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