

Confidential File

leak from the PSA of information
on contract for the RAF War
HQ at High Wycombe

SECURITY

April 1982

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
28.4.82							
4.5.82							
5.5.82							
1.7.82							
12.7.82							
19.7.82							
28.9.82							
1.10.82							
9.3.83							

PREM 19/1130

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Zic AA

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

I have shown the Prime Minister your minute of 7 March (A083/0744) about the action being taken on articles by Civil Service trade union representatives attacking the Government and the Civil Service. Mrs Thatcher was grateful for your minute.

F.R.B

9 March 1983

AT+

CONFIDENTIAL

Prime Minister

Ref. A083/0744

MR BUTLER

D. H. G. on
not

You will see that a way has
been found around the legal objections
to taking disciplinary action against
Civil Service trade union representatives
who do the sort of thing described in para. 2.

In my minute (A09583) of 28 September 1982 I undertook to report further on the question of unacceptable behaviour by Civil Service trade union representatives who misused their position to attack the Government and the Civil Service.

FERB
8.3.

2. This matter arose from the behaviour of two civil servants in the Property Services Agency who, in their capacity as trade union representatives, used their union departmental news sheet as a vehicle for personal abuse of Ministers and senior officials and for criticism of Government policies. While legal advice was being sought, a similar case arose in the Department of Health and Social Security.

3. The initial opinion of Department of the Environment lawyers was that the provisions of Sections 23 and 24 of the Employment Protection (Consolidation) Act 1978, as they have been interpreted by the Employment Appeal Tribunal, would effectively protect employees who were trade union representatives from disciplinary action by the employer in such circumstances. The Treasury Solicitor, however, considers that actions which were "unreasonable, extraneous or malicious" would not be protected by the 1978 Act provided that management had strong grounds for asserting that the conduct complained of could be so described.

4. The existing Code of Conduct on the use of official information or experience precludes:

- i. discussion of matters of current or potential political controversy; and
- ii. comments on individuals or organisations in terms which the Department would regard as objectionable;

and is binding upon all civil servants including Civil Service trade union representatives. There is scope here, in the light of the legal advice, for dealing with offensive behaviour within existing rules. I have discussed this matter further with Permanent Secretary colleagues and we think that that is likely to be a more satisfactory



way of dealing with the problem than amending the Civil Service Pay and Conditions of Service Code to provide a more precise definition of what constitutes "objectionable" or "unacceptable behaviour": it could be difficult to find a way of doing that which would be acceptable even to moderate union leaders, and such amendments might unduly restrict management's right to determine what is objectionable or unacceptable.

5. We conclude therefore that we should continue to deal with each such case on its merits, taking legal advice when necessary, and ensuring that the basis for taking disciplinary action is quite clear and can be defended in law.

6. The two Departments with outstanding cases have issued letters, cleared with the Management and Personnel Office to ensure consistency of approach, drawing attention to the unacceptable nature of the articles under consideration and giving formal warning of disciplinary action in the event of subsequent offences. This is in accordance with established disciplinary procedures.

A handwritten signature in black ink, consisting of the letters 'R' and 'A' in a stylized, cursive font.

ROBERT ARMSTRONG

7 March 1983

SECURITY : Leak on the PSA : April 1962



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10 DOWNING STREET

Security

File AH

cc AOF

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

The Prime Minister has seen your minute of 28 September (A09583) about the two security matters raised with her by the Secretary of State for the Environment after Cabinet on 15 July.

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The Prime Minister has noted the outcome of the inquiries into the leaks from the New Statesman, and has also noted that you will be reporting further on the wider issues raised by the activities of two trade union representatives in the PSA when you have received legal advice. On the latter point, the Prime Minister feels that we should handle such cases firmly.

I am copying this minute to Mr Edmonds (Department of the Environment).

F.R.B.

1 October 1982

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CONFIDENTIAL

Ref. A09583

MR BUTLER

875

*Re para 3 - we
must be firm
about these
cases. not*

Prime Minister -

*to note the outcome of
the leak inquiries and that Sir
R. Armstrong will report again
on the more general issue
discussed in para. 3.*

FERB.

Mr Scholar's minute of 19th July to Mr Wright recorded the Prime Minister's wish for a report on two security matters raised with her by the Secretary of State for the Environment after Cabinet on 15th July. The first of these, concerning the leak of information about a PSA contract involving Sheerness Steel, was also raised with me by Sir George Moseley and this minute is by way of an interim report on that. The second, concerning the Secretary of State's security responsibilities in Royal Palaces and Government buildings has, I understand, now been resolved directly with you.

2. I have discussed with officials of the Departments concerned the issues arising from the leak which gave rise to the article in the New Statesman of 23rd April on the PSA contract involving Sheerness Steel. We also considered a second article in the New Statesman of 2nd July, which contained leaked information about a new complex at the Atomic Weapons Research Establishment at Aldermaston. Both leaks were thoroughly investigated. In neither investigation did it prove possible conclusively to find the culprit. In the first case the probable source of the leak was established, but the evidence was largely circumstantial. It was insufficient for disciplinary action to be taken, though administrative action was taken by PSA to post the officer concerned to a less sensitive job.

3. One of the issues which the investigation identified was the activities of two civil servants in the PSA who, in their capacity as trade union representatives, were using their union's departmental news sheet as a vehicle for personal abuse of Ministers and senior officials and for criticism of Government policies. One of these appeared to be conducting a smear campaign against the PSA Chief Executive, and had also reprinted the offending New Statesman article in the union House Journal while the leak inquiry was still in progress. The other individual, who was in fact implicated in the leak, had contributed articles for the journal which were of a political character and abusive of Ministers. These activities raised



the general question how we should react to union representatives (paid by the Government) who misuse their positions to attack the Government and Civil Service in an unacceptable manner.

4. The positive vetting process offers little defence against the appointment of unacceptable union officials or representatives. It is confined to the occupants of posts involving regular and constant access to highly classified information; and, in any case, would not identify individuals likely to get involved in such activities who also belonged to subversive political organisations. Administrative posting action is also unlikely to be effective. We believe that the way to proceed is to attempt to bring such activities within the disciplinary process through the currently undefined offence of 'unacceptable behaviour', and we think it might be possible to formulate a definition of such behaviour which would not be objectionable to union leaders, many of whom are also worried by militant activity within their organisations. We agreed that a warning notice should be sent to the individuals in the PSA whose activities were objectionable.

5. This is proving more difficult to implement than we hoped. The PSA, in considering the terms of the warning to be sent, sought legal advice. This indicated that the provisions of Sections 23 and 24 of the Employment Protection (Consolidation) Act 1978, interpreted as they have been by the Employment Appeal Tribunal, effectively protect the trade unionist employee in respect of the type of activity we are trying to tackle. Furthermore, such protection may override any more specific definitions attached to trade union activities in the Civil Service for which facility time might be afforded.

6. I am seeking further advice on these legal complications from the Treasury Solicitor, and I will report again when the outcome is known.

7. I am sending a copy of this minute to Mr Edmonds, the Private Secretary to the Secretary of State for the Environment.

ROBERT ARMSTRONG

28th September 1982

cf: security :- Buckingham
Palace Councils,
August 1981



B/S/-

Security *lo*

10 DOWNING STREET

From the Private Secretary

Mr. Wright

I mentioned to you on the telephone at the end of last week that the Secretary of State for the Environment had a brief word with the Prime Minister after Cabinet on Thursday on several security matters, one relating to a leak in connection with a PSA contract which involved Sheerness Steel; another about the Secretary of State's security responsibilities in Royal Palaces and Government buildings. You told me that Sir George Moseley had been in touch with Sir Robert Armstrong on the same points, and that Sir Robert would be taking action to deal with the questions which arise.

The purpose of this minute is to record that the Prime Minister would be grateful for a report from Sir Robert Armstrong on these matters. She would be grateful if the report were copied to the Secretary of State for the Environment.

I am sending a copy of this minute to David Edmonds (Department of the Environment).

M. C. SCHOLAR

19 July, 1982.

of: Security:- Buckingham
Palace Grounds: Aug 1981

(1)

PRIME MINISTER

Following your short talk with Mr. Heseltine yesterday after Cabinet you asked ^{me} ~~him~~ to arrange a meeting with Sir Robert Armstrong to discuss the security points raised by Mr. Heseltine.

I have enquired into this. In fact the Department of the Environment (Sir George Moseley) have already raised these points with Sir Robert Armstrong as Permanent Secretary of the MPO and Head of the Civil Service. I understand he is going to arrange a meeting to consider what action to take to deal with the ~~se~~worrying points which have arisen. Would you like the outcome to be reported to you?

MCS

Yes not

16 July, 1982.



CABINET OFFICE

With the compliments of
Sir Robert Armstrong KCB, CVO
Secretary of the Cabinet

C. A. Whitmore, Esq

70 Whitehall, London SW1A 2AS
Telephone: 01-233 8319

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Security

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MANAGEMENT AND PERSONNEL OFFICE

70 Whitehall, London SW1A 2AS Telephone 01-233 8319

From the Permanent Secretary: Sir Robert Armstrong KCB CVO

Ref: A08958

12th July 1982

Many thanks for your letter of 1st July.

I am content with the action you propose to take following the investigation into the leak of classified information which appeared in the 23rd April issue of New Statesman. In the absence of other than circumstantial evidence against the suspect, I agree that disciplinary action is out of the question, but I am glad to hear that you will be moving him to a post where he will have no access to sensitive information. I also agree that no substantive public comment is necessary.

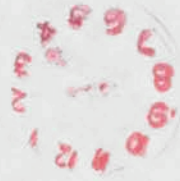
I have taken note of the Investigator's comments about Duncan Campbell.

I am copying this to John Jones, Antony Acland, Michael Franklin, Peter Carey, Frank Cooper and Clive Whitmore.

ROBERT ARMSTRONG

A. M. Alfred, Esq

CONFIDENTIAL



3 JUL 1985

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Department of the Environment

PSA

Property Services Agency

Chief Executive A. Montague Alfred

2 Marsham Street London SW1P 3EB

Telephone 01-212 7651

1 July 1982

Sir Robert Armstrong KCB CVO
Management and Personnel Office
Whitehall
London
SW1A 2AZ

Security
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will request
back pps if
required

I am writing to you in your capacity as Secretary of the Official Committee on Security as required in Chapter 18 of "Security in Government Departments".

The investigations into the leak of classified information in an article by Mr Duncan Campbell in the New Statesman of 23 April have been completed.

A copy of the report of Mr Scott's investigation has already been sent to the MPO and the Security Service under separate cover together with the requisite background information. I enclose a copy of the report of Mr Boyd's subsequent investigation.

I broadly accept their findings and conclusions. It is clear that there was a leak. Most likely it occurred in Contracts HQ Division of the PSA. There was some laxity in security in Contracts HQ which will be rectified, but nothing systematically wrong. The source appears to have been an HEO in the Division whose motive seems to have been political. There is no direct evidence of his guilt and no prospect of obtaining any.

Because there are only strong grounds for suspicion and no proof, I think that direct and overt action against the suspect would be inequitable and might very likely prove to be ineffectual.

I propose to remove him, ostensibly for career and operational reasons, to a post where he will have no access to sensitive information.

I propose no further action and intend making no substantive public comment on the matter.

I am copying this letter to the Director General of the Security Service (with copy of enclosure) and to the Prime Minister's Private Secretary. Copies of this letter also go to Antony Acland, Michael Franklin, Peter Carey and Frank Cooper.

AMA

A M ALFRED

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22 JUL 1982

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[Faint, mostly illegible text covering the majority of the page, possibly bleed-through from the reverse side.]

Handwritten initials or signature in the bottom right corner.

CONFIDENTIAL

✓ Copy for Clive Whitmore
Esq.

PSA

Security



Department of the Environment

Property Services Agency

Chief Executive A. Montague Alfred

2 Marsham Street London SW1P 3EB
Telephone 01-212 7651

5 May 1982

Sir Robert Armstrong
KCB CVO
Management and Personnel Office
70 Whitehall
London
SW1

RWA
GW

Leak of Confidential Information

Thank you for your letter of 4 May about this. I quite see that the investigation should be handled by one of your central panel, if there is reason to believe that the leak may have come from a Department other than PSA, and I have stood down P D Davies accordingly.

Your letter spoke about Tom Beagley, but I gather that he has proved to be unavailable, and that you have in mind a Mr A B Scott in his stead.

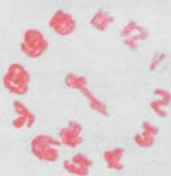
James Fells, with whom Mr Scott has already been in touch, and I are content with this, and James will see that Mr Scott gets whatever help he needs from our internal security people.

Copies as your letter.

A M ALFRED

CONFIDENTIAL

76 MAY 1962



Clive Whitmore Esq



CABINET OFFICE

With the compliments of
Sir Robert Armstrong KCB, CVO
Secretary of the Cabinet

70 Whitehall, London SW1A 2AS
Telephone: 01-233 8319



MANAGEMENT AND PERSONNEL OFFICE

70 Whitehall, London SW1A 2AS Telephone 01-233 8319

From the Permanent Secretary: Sir Robert Armstrong KCB CVO

Ref. A08293

4th May 1982

Dear Monty,

AM

4v.

Leak of Confidential Information

Thank you for your letter of 28th April reporting that the recent article in the New Statesman by Duncan Campbell was probably based on a leak of confidential information.

I understand that it is possible that the leak emanated not from the PSA but from another Department. In the circumstances, I think we should have a full inter-departmental enquiry and that one of our panel of investigators should undertake this. Tom Beagley who has considerable experience in this area would be suitable and, if you are content, I suggest that James Fells should liaise with Rex Davie about the arrangements.

I am copying this to John Jones, Clive Whitmore and Jim Nursaw.

Yours sincerely
Robert Armstrong

A Montague Alfred Esq

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This copy for:
PS/Prime Minister

PSA

Security



Department of the Environment

Property Services Agency

Chief Executive A. Montague Alfred

2 Marsham Street London SW1P 3EB
Telephone 01-212 7651

AM
28w

Sir Robert Armstrong
Chairman
Official Committee on Security

28 April 1982

1. I am writing in accordance with paragraph 18.21 of 'Security in Government Departments' to report a suspected leak of confidential information in the PSA. The attached article from the New Statesman of Friday last, April 23, although in many respects misleading, does contain material clearly deriving from a confidential draft submission to Ministers on the question of the contract for the RAF War Headquarters at High Wycombe. Although there had been some inter-Departmental discussion of this problem, the author of the article on the face of it must have had sight of a version of the draft which to our knowledge was only circulated to a limited number of people within the PSA.
2. We are accordingly, in agreement with our Secretary of State, launching a leak investigation into this episode. We have concluded that in the circumstances it should be conducted by a senior investigator rather than by our own internal Security staff, and we have in mind, asking Mr P D Davies, recently retired Principal Establishment Officer of the PSA, to undertake the job and he has indicated he is free to do so. We propose, therefore, subject to your agreement, to launch the investigation on this basis at once.
3. If the inquiry can establish that an individual made improper use of a classified document, then a prosecution under the Official Secrets Act might clearly be appropriate. But we are not at this stage in a position to go any further; there is no prima facie evidence pointing to the source of the leak. But if in the course of the investigation it does appear that there is any prospect of getting firm evidence, I will report further at once.
4. I am copying this letter to the Private Secretary to the Prime Minister, the Director General of the Security Service and the Legal Secretary to the Law Officers Department.

A M ALFRED

CONFIDENTIAL

Secret deal for Sheerness

What price will Mrs Thatcher pay to ensure that a £40 million bunker is built with steel from a private strike-breaking firm? DUNCAN CAMPBELL investigates.

A £40 MILLION PROJECT to build a huge new underground headquarters for the Royal Air Force may be disrupted for a year or more because of interference by Mrs Thatcher in the awarding of construction and supplies contracts. The Prime Minister would like the contract for steel to build the bunker to go to Sheerness Steel Ltd, as a reward for their prominent strike-breaking and anti-union activities during the 1980 steel strike. If the pressure to buy British from Sheerness continues, then Defence Ministry officials fear that the whole project could be held up for at least a year. In addition, Britain could lose up to £80 million in NATO subsidies, provoke a lengthy EEC investigation, and finish up having to use more rather than less foreign-made steel on military projects.

The project is a new RAF Permanent Static War Headquarters at Naphill, near High Wycombe. The new bunker, which would cover 11 acres and use half a million

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7. There is an additional danger that the funding of any other current NATO projects involving steel, and many do, could also be held up and NATO funds put at risk if there was an

[(e) Short of an undercover payment outside the PSA's contract there is no way a buy-British policy can be implemented in this case without NATO, and particularly the US, becoming aware of the UK's action.]

12. Officials have therefore concluded that Ministers should

The High Wycombe 'Permanent Static War Headquarters' which will control all Britain's strike aircraft and air defences, is at risk through Margaret Thatcher's and other Ministers' intention to buy from 'the Laker of the steel industry'. Above: what the civil servants have suggested (facsimile).

tons of concrete, is already the focus of considerable national controversy. The entire site is owned by the National Trust in perpetuity, and is an Area of Outstanding Natural Beauty.

The contract cannot be awarded until the National Trust have signed a lease for the site, which they have said they will do — possibly at the end of this week. But even if they had signed the lease in January, the contract to build the centre could not have been awarded because of the wrangle over steel supplies. Two major firms, Taylor Woodrow and a joint venture led by Wimpey, are competing for the contract. Although Wimpey produced a

higher tender, it was intended, by some Property Services Agency officials if not the Ministry of Defence, that they should nevertheless have won the contract. But Taylor Woodrow's willingness to buy British steel in obedience to Mrs Thatcher's wishes has now swung the contract their way.

If the row over the steel supplies enables National Trust members — who now intend to call an Emergency meeting — to block the lease, then Defence Ministry officials fear that four years' planning work on the centre could be wiped out. The Trust has already been sensitive to public opinion, and prohibited the Ministry of

LEAD POISON

NS Report 7

Lead poison

Lead is a brain poison. It can harm people and it can kill. Yet we put it in paint that is used in schools and in homes. We allow it to contaminate our food. We tolerate it in our domestic water supply through the use of lead plumbing. We add it to petrol so it spews out of car exhausts into city streets and school playgrounds.

In this important new report, RICK ROGERS shows how industry, government ministers, civil servants and scientists have sought to hide the damage it does, to avoid taking measures against it. He explains why it is vital for Britain to become 'lead free', and how we can fight to make it so.

Des Wilson, chairman of CLEAR, the anti-lead campaign, says:

When nine out of ten people in Britain are calling for a ban on lead in petrol, it is inexplicable that the authorities continue to deny the evidence of the health risk. RICK ROGERS'S book should convince the remaining ten per cent that lead pollution is Britain's number one health hazard. A comprehensible and readable summary of the issues involved.

Publication date: 7 May

NS REPORT 7

Available from all good bookshops and through W. H. Smith, or direct from Ted Peacock, New Statesman, 10 Great Turnstile, London WC1, £1.95 (incl. postage & packing)

Defence from making a planning notification until after the Easter peace demonstrations. At present, the RAF's Strike Command headquarters operates from a bunker originally built for World War II Bomber Command operations, a hundred yards south of the new site.

So far, the row has involved six government departments - Industry, Trade, the Cabinet and Foreign Offices, the Department of Environment's Property Services Agency and the Ministry of Defence. Another row, at least as complex, is looming over the award of the main construction contract. One of Thatcher's, and Michael Heseltine's innovations in government contracting has been to appoint an 'Advisory Board' of construction industry directors to advise the Property Services Agency. A former businessman, Mr A. Montague Alfred, has also been installed on a 'consultancy' basis as the Agency's Chief Executive, at a salary of over £50,000 a year, in place of a civil servant at just over half the price.

This policy - 'privatisation' - has already led to some unpleasant disputes, as advisers and others, who represent Britain's largest construction companies, argue over the carve-ups of public sector assets. One of the two bidders for the High Wycombe contract, Taylor Woodrow, have a PSA Advisory Board member in the form of their Joint Managing Director, Mr Norman Baker (see box). The other contenders for the bunker are Wimpey, Fairclough, and Balfour Beatty, who decided to propose a joint venture instead of competing with each other.

SHEERNESS STEEL is one of two privately run steel firms singled out for high praise by Thatcher during the steel strike. At the time, Mrs Thatcher described Sheerness's virtues as 'independent... non-subsidised... thriving... the Laker of the steel industry'. She spoke more wisely than she knew.

Hadfields, the other firm praised by Thatcher and Joseph, collapsed last year. Now Sheerness is being desperately and secretly propped up by the Department of Industry, who have been trying to steer steel contracts in their direction. Department officials fear that Sheerness faces severe financial difficulties and may not survive. They have not yet been directly subsidised by the public purse. But a classified ministerial briefing sent to the MoD by the Department of Industry now contemplates an 'undercover payment' in order to buy British (Sheerness's) steel. The proposal is secret because of the consequences if either NATO or the United States were to find out.

Each week's delay at High Wycombe is likely to push up the cost by at least £50,000. And - notwithstanding potential problems with the National Trust - any more delay in awarding a contract for the overall project may make the work impossible to do this year. The bunker is to be built in a huge hole, which has yet to be excavated. It will take at least six months to dig, and must be finished before winter. Construction will not finish until 1985.

These costs are nothing compared with other potential consequences of a 'buy Sheerness' decision. The new Permanent

Heseltine's Advisers

The Property Services Agency Advisory Board was set up just over a year ago to assist Michael Heseltine in 'privatising' the services provided to government departments by this chunk of the DoE. Its explicit objectives include 'the direct employment of fewer people (sic) ... whilst maintaining an effective service' and the 'greater involvement of the private sector in the work of the PSA'. The Board has been examining and 'experimenting' with the privatisation of almost every government service from designing buildings to building furniture. Last year Bovis were very nearly given the job of running the DoE and Home Office buildings in Croydon.

Although some members of the PSA Advisory Board are senior members of building professions, others have a strikingly close interest in government business, and in the success of the Conservative Party. Four of the Board's 12 members are:

	Position	1980 Company political donations
Nigel Mobbs (Chairman of Advisory Board)	Chairman, Slough Estates Chairman, Charterhouse Group	£4,500 Conservative Party £1,500 (Aims of Industry) £5,000 (British United Industrialists)
Norman Baker	Joint Chief Executive, Taylor Woodrow.	£15,048 Conservative Party £15,000 (BUI)
B J Hill P Radford	Higgs and Hill Ltd Stag Furniture Ltd	£1,000 Conservative Party £4,000 Conservative Party

Static War Headquarters is to be 50 per cent funded by NATO - up to £24 million of its £48 million estimated total cost (although bids so far are only around £33 million). A condition of getting the NATO money is that its rules on international competitive bidding are followed; the lowest tender from a NATO country should be accepted. At least one NATO steel producer, in Italy, can provide the steel around £350,000 cheaper, than Sheerness or other British firms. A subsequent appeal from the Italian government over the award of the £1.5 million steel sub-contract could cause Britain penalties of over £80 million, if NATO funds for this and other projects were blocked or cancelled in an ensuing enquiry. Other contracts, for example for the construction of the Cruise Missile bases, could be affected. In particular, NATO-funded contracts might start using US steel instead of British supplies.

Precisely the same situation may be provoked inside the EEC, which strictly prohibits any activities which restrict free international competition. These rules are more or less openly flouted in Britain - as one Departmental circular, described to the NS, explains:

On no account should details of steps taken to 'buy British' in the award of contracts be put in writing.

Nudged by the Defence and Industry Secretaries, the Cabinet Office has adroitly construed an anti-competition 'buy British' policy also to be EEC policy. The Cabinet Office's EEC staff have obligingly interpreted a series of decisions taken last year to protect the overall European steel industry the way Mrs Thatcher would want - they warn that buying nasty, cheap Italian steel would endanger the 'discipline' which has been installed in the European steel market. Discipline, on this occasion, means keeping prices high so as to avoid direct government subsidies.

THE PERSISTENT interventions of Sheerness's top directors have also affected the carve-up of the main, £33 million construction contract. At the beginning of 1982, some senior MoD and Property Services Agency officials decided that the contract should be awarded to the 'joint venture' led by Wimpey. Their motives for doing so are not clear, and their recom-

mendation was contrary to long-established rules for spending public money, which suggest that the lowest tender should normally be accepted, other things being equal. And Wimpey's tender, which was going to be accepted, was around £¼ million higher than Taylor Woodrow's.

Wimpey were given 'the nod' in January that the contract was theirs. They started shopping around for steel, and immediately provoked a series of calls from Peter Learmond, the Sheerness Deputy Chairman, and Clancy Schueppert, the Chairman. In turn, Learmond and Schueppert began pressuring senior officials in the Departments of Industry, Defence, the Cabinet Office and the Property Services Agency. Did the officials know, perhaps, of Sheerness's 'top-level Conservative connections'? Or that government policy was strongly to support our own hard-pressed (private) steel industry? Of course, they weren't just lobbying out of self interest. This initiative, as one official put it, opened up 'a right can of worms' which continue to squirm. Wimpey's have, apparently, burnt their boats by going Italian. Now, the contract is set to go to Taylor Woodrow instead for a handy £32,235,000. This new decision will, it is hoped, avoid the risks of having to force Wimpeys to buy British. Taylor Woodrow told the DoI last month that they would buy more expensive British steel anyway - of their own free will, of course. It is now hoped that this patriotic sacrifice of £300,000 worth of profits by the company will not attract the attention of NATO or EEC officials. □

Next week CLASS AFTER CLASS

The universities have fewer working-class students than ever

Part I of a new investigation into Britain's uncomprehensive system of post-school education, by Rick Rogers and Anna Coote

