

PREM 19/2245

Confidential Filing

Industrial Action by Seamen.

INDUSTRIAL POLICY

JANUARY 1981

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
21-1-81		15-4-88					
30-1-81		15-5-88					
6-2-81		15-6-88					
12-2-81							
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25-3-88							
28-3-88							

PREM 19/2245

cc B. J. P.

PRIME MINISTER

P & O

Hand le is coming in.

Nigel

3/4 how well do J. Sterling well with July, Nigel

1730-1815
Wednesday
20 July

7/6
17/6

Jeffrey Sterling telephoned today to say that P & O were bringing another ship back into service on the cross Channel routes. Passengers were returning now that they saw that a regular service was maintained. The quality of the new personnel engaged was in many cases better than those who had been sacked. There were still ships to bring back into service, but he was confident that the company would do this in due course. You may want to ask Mr. Fowler for a report at tomorrow's Cabinet.

Reflecting on my talk with Sir Jeffrey, I wonder whether the experience of his dispute does not suggest a case for a further change in the labour law on the following lines:

There are legal powers to compel a secret ballot before a strike. But once the strike begins, it is entirely a matter for the Union Executive whether to call another secret ballot. The Unions appear to resort to shows of hands at mass meetings where clearly there is scope for intimidation, in order to suggest that continued strike action has mass support.

As part of the Government's campaign to give rights back to union members, there is a case for giving union members on strike a statutory right to require a further strike ballot say 6 weeks after the strike has begun and if say 10 per cent of members concerned so request. There might need to be provisions to protect the anonymity of those requesting the new ballot.

You may want to suggest that Mr. Fowler considers possibilities here.

Finally, Sir Jeffrey Stirling asked whether he might have half an hour with you for a general talk. I pleaded pressures of diary in the near future. But would you like to see him in July?

N.L.W.

Yes

(N.L. WICKS)

15 June 1988

DCAAKT

P&O

1 PC
2 RETA
✓
✓

With the Compliments of

Sir Jeffrey Sterling, C.B.E.

Chairman

The Peninsular and Oriental Steam Navigation Company
79 Pall Mall, London SW1Y 5EJ
Telephone: 01-930 4343 Telex: 885551 Fax: 01-930 8572



1837 **150** 1987
YEARS

11th May 1988

Commenting on overnight NUS statements concerning the Ferry Dispute, Sir Jeffrey Sterling, Chairman of P&O, said in London this morning:

"I deeply regret that once again Mr Sam McCluskie is deliberately misleading his NUS members and the country in saying that further talks with P&O would put the ferries back to sea.

This is total nonsense.

What is stopping the ferries leaving port and what is causing the lorry drivers to blockade is the failure of the NUS to obey the law, the failure of the NUS to call off their secondary and illegal picketing.

The solution lies in the hands of Mr McCluskie and the NUS, and it is no good them trying to pass the buck."

(ends)



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Liability Limited by Royal Charter Head Office: 79 Pall Mall, London SW1Y 5EJ Registered Number: 271 England

Following an approach by ACAS on behalf of the NUS concerning:

1. Further talks with the NUS and
2. The re-employment of the 700 dismissed P&O employees

Peter Thomas, Director of Corporate Affairs for P&O said:

- "1. We are no longer in dispute with the NUS in Dover, therefore there is nothing to negotiate. We already have an agreement, "The Red Book", with our workforce. The majority of NUS members have accepted it.
2. The Company have already received applications from former employees and confirmed that they were perfectly prepared to accept, indeed welcomed, further applications for re-employment from any more of their former employees. The Company would select for re-employment but the terms available would of course be the Red Book."

He added:

"The lorry drivers' blockade and Sealink's stoppage would be solved immediately if the NUS were to obey the law by calling off all secondary picketing."

(ends)

Telephone Office: 01-930 4343

Home: 01-852 3721





P&O

With the Compliments of

Sir Jeffrey Sterling, C.B.E.
Chairman

PS
per.

The Peninsular and Oriental Steam Navigation Company
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News Release

The P&O Group

6 May 1988

REMARKS MADE BY SIR JEFFREY STERLING, CHAIRMAN OF THE P&O GROUP,
AT THE COMPANY'S ANNUAL GENERAL MEETING HELD IN LONDON TODAY,
FRIDAY, 6 MAY 1988

Before we proceed with the formal business I would like to comment on the Dover situation.

In these testing circumstances we should keep a clear view of what we are trying to achieve and why.

At the beginning of this week I sent a message to all of our seafarers, worldwide.

I would like to read it to you.

"Sam McCluskie has signalled NUS members aboard P&O ships.

Let me give you the facts not the fiction:

1. P&O, throughout the Group works constructively with many unions. We are not interested in union bashing, we are opposed to it.

(more)



P&O Group Information
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Registered Office: 79, Pall Mall, London SW1Y 5EJ Registered Number 273 England

2. We employ only experienced seafarers; to state otherwise is an insult to the men and women who man our ships in Dover or anywhere else.
3. The Dover dispute was needless - the ratings were misled by the Port Committee's incompetence - 65 per cent accepted and they refused to put it to a vote.
4. I have made it clear in Dover that we will not give way to intimidation, we will support our seafarers in any way necessary.
5. We are Britain's biggest employer of seafarers. We are committed to shipping. We are building ships and creating jobs.
6. Only successful businesses can make certain we continue to do this.
7. The terms and conditions in Dover are decent and fair. It is the company that provides jobs. We are fighting for the Dover company against savage foreign competition. We must win together or there will be no future.
8. Let me repeat WE MUST WIN TOGETHER - that is the only way.

P&O has a great history - with you I intend it to have a great future."

(more)

That is what I said to our ships and today I would like to extend those remarks:

The economic facts of life as they apply to P&O European Ferries Dover Ltd are clear and inescapable - the business must earn a proper return - that is the only way your best interests and those of our employees are served. That is the only way it will survive.

Amidst all of the emotional rhetoric, the truth is that it is we who are fighting for the future and jobs. The Union leadership has talked itself into a blind alley.

It is my view that our seafarers have been sadly let down by their leaders.

The radical changes we have made to outdated work practices in Dover were inescapable.

To have ignored this need for change, as happened in the past, would have been an abrogation of our responsibilities to you, to our customers, to our employees and to the Dover community.

To have ignored this need for change would have led to foreign flag ships manned by foreign seamen.

The prize for which we are now fighting is British ships flying the red ensign manned by experienced British seamen.

(more)

I am fully aware of just how difficult it is for people to accept change after years of established practice. The process is tough but we can and will help.

Two of our Dover ships are sailing and the rest of the fleet will be progressively introduced.

As always, safety is paramount.

As I have already said, intimidation, from whatever quarter, will play no part in these proceedings.

We will give our seafarers, wherever they serve, every support and protection and continue to defend our right to manage.

(ends)

PRIME MINISTER

pa

P&O FERRY DISPUTE

I attach a Press Notice issued by P&O today in which they report that they are going over the head of the union and writing direct to their seafarers with new proposals. These proposals appear to be better than those so far put forward by the company. The company give their seafarers until Wednesday 20 April to accept these new terms.

We understand from the Department of Transport that if there is a good response from the seafarers, the company will proceed to sail as many ships as possible. If there is a low response, the company will try to recruit alternative UK (not foreign) crews and tell their officers that they must work with these new crews or be sacked.

Apparently, the Department (because of safety rules) have to check that the company's new contract is in accordance with statutory provisions. So far, the Department see no problems here.

Thadson mr

N.L.W.

N. L. WICKS

15 April 1988



PL to see Mr.



With the Compliments of

Sir Jeffrey Sterling, C.B.E.

Chairman

The Peninsular and Oriental Steam Navigation Company
79 Pall Mall, London SW1Y 5EJ
Telephone: 01-930 4343 Telex: 885551 Fax: 01-930 8572



Press enquiries:

Allan George/Chris Laming

Tel: (0304) 223833 (24-hour operation)

15 April 1988

P&O EUROPEAN FERRIES IN NEW MOVE TO END FERRY STRIKE

P&O European Ferries has taken an initiative to end the 10-week-old strike by its NUS workforce at Dover by going over the head of the union and writing direct to the seafarers with new proposals.

The company has taken this step because it has become obvious the NUS has failed to represent the best interests of its members throughout protracted negotiations and has failed to commit itself to the changes necessary to ensure viable jobs into the future.

The company is giving the strikers until 1800 hrs next Wednesday, 20 April, to accept the new terms and conditions of employment -- known as the 'Red Book' proposals.

These provide an acceptable solution to the dispute and take into account the main concerns expressed by the seafarers -- more pay on the Zeebrugge and Boulogne services and shorter periods on board ship.

The proposals allow for an annual salary of between £11,300 to £17,400 plus profit sharing -- together this means the earnings of most ratings will be increased. Shifts on board will be of 24 hour duration.

The deadline will not be extended, nor will the terms be improved.

The company will only employ experienced seafarers aboard its ships and re-emphasises that the question of safety is paramount and not open to negotiation.

ends.

P&O European Ferries Public Relations Departments

Dover: Channel House, Channel View Road, Dover, Kent CT17 9TJ Tel: (0304) 223833 Telex: 956517 Fax: (0304) 223457

Portsmouth: Viking House, Wharf Road, Portsmouth, Hampshire PO2 8TA Tel: (0705) 772000 Telex: 869108 Fax: (0705) 772134

Felixstowe: PO Box 7, European House, The Docks, Felixstowe, Suffolk IP11 8TB Tel: (0394) 604100 Telex: 98232 Fax: (0394) 604949

Larne: The Harbour, Larne, Co. Antrim, Northern Ireland BT40 1AQ Tel: (0574) 74609 Telex: 747322 Fax: (0574) 70949



14th April, 1988

Since no further discussion has taken place between your Union and the Company, we now intend to take the following steps in your interests:-

1. *We are withdrawing the previous proposals we put forward – the "Blue Book" and Option B.*
2. *New terms are now enclosed as the "Red Book", together with a summary. They are based on the original ACAS proposals. They are similar to "Option B" but salaries for those serving on the Zeebrugge and Boulogne routes have been increased by £400 p.a. Quins Bonus is retained for those on the Calais service.*
3. *When profit-sharing is included, most ratings can expect to earn more than they do at present.*
4. *If you wish to accept the "Red Book" you must sign and return the Acceptance Form to reach this office no later than Wednesday 20th April at 18.00 hours. A stamped addressed envelope is enclosed. If you prefer not to use the form, you can accept by writing to me direct, stating you accept the terms in the "Red Book".*
5. *Those of you who previously accepted the "Blue Book" or Option B should write and accept the "Red Book" since previous proposals are no longer valid. Having accepted the "Blue Book" or Option B you will of course, retain your P&O Profit Sharing rights.*

continued/

P&O European Ferries (Dover) Limited
Channel House, Channel View Road, Dover, Kent CT17 9TJ

Telephones: (0304) 223000 Admin. and Accounts. (0304) 203388 Reservations. (0304) 210004 Group Travel. (0304) 223875 Freight Marketing
Fax: (0304) 223223. Freight Marketing Fax: (0304) 223439
Telex: 965104 Administration. 96200 Reservations and Accounts. 965296 Group Travel. 966517 Freight Marketing

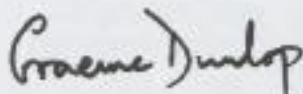
Registered Office: Channel House, Channel View Road, Dover, Kent CT17 9TJ

Registered in England No. 237626

6. *Once having accepted, you will be paid under the new terms when rostered for duty. You will also have the opportunity to participate in any Company severance programme.*
7. *We want to get back to work and resume service to our customers. The "Red Book" proposals answer your two main concerns - shorter duty periods and more pay for Zeebrugge and Boulogne.*
8. *The deadline of Wednesday 20th April will not be extended and nor will these terms be improved.*

Please sign the Acceptance Form now. I look forward to working together with you again and getting our ships back into service.

Yours sincerely,



GRAEME DUNLOP
MANAGING DIRECTOR

GUIDE TO TERMS & CONDITIONS OF
EMPLOYMENT BASED ON
THE ACAS PROPOSALS

Introduction

We hope that the following notes will help to clarify some of the points contained in the enclosed booklet. Please read these notes carefully in conjunction with the booklet.

1. CREW AGREEMENT

No change to standard clauses you have worked under in the past.

2. MEDICAL STANDARDS

No change to the medical standards. The same statutory medical examinations will apply.

3. NOTICE OF TERMINATION OF CREW AGREEMENT AND/OR EMPLOYMENT

No change to the past agreement.

4. COMPANY SERVICE CONTRACT

This is an improvement to the previous minimum 2 year qualifying period. Now ratings may be invited to sign a Company Service Contract at any time.

5. SALARY AND METHOD OF PAYMENT

This is an important new benefit under these proposals. You will be paid a monthly salary. There will no longer be fluctuations in your earnings depending on your duty pattern or whether you are off work, at work or sick.

An important feature of the new salaries is the incorporation of quintuple earnings for those who work on the Calais service.

6/7 ANNUAL DUTIES AND TIME OFF

ROSTER PATTERN

Improvements on blue book proposals:

(a) Zeebrugge and Boulogne Vessels

(i) 3 crews not 2.5

(ii) Single day duties, not three days on.

(iii) 122 duties per annum, not 146.

Continued

Time Off: One week off in any three week period. Longer periods of time off will be achieved by adjustments to the roster.

(b) Calais Quins

- (1) 3.6 crews not 3.5*
- (ii) 187 duties per annum not 209.*
- (iii) Retention of quintuple earnings.*
- (iv) No change to previous roster and time off arrangements.*

8. DUTY DAYS ON BOARD AND DUTY PERIODS

Self explanatory

9. RECALL AND EXTENDED DUTIES

We have normally had more volunteers for recall in the past than have been required, and we see no reason why this should not continue. However on occasion we have encountered difficulties. It is therefore necessary, in exceptional circumstances, for us to be able to recall people to duty. This will be conducted on an equitable, rota basis should it prove necessary.

10. VESSEL DELAYS/ROUTE ALTERATIONS

No additional payment will be made to compensate for delayed circumstances, since ratings will be on a salaried rate comparable to the existing arrangements for officers.

Existing arrangements apply to route alterations. The Company must retain total flexibility of scheduling of all vessels to meet traffic demands.

11. MANNING

- (i) The manning scales are self explanatory, and are those proposed by ACAS.*
- (ii) We have changed the previous practices regarding the employment of seasonal staff. This new approach is designed to give the flexibility to employ additional staff at any time as dictated by passenger numbers.*

N.B. Continuation of temporary employment or offer of permanent employment to ratings will be based on work performance/ conduct irrespective of length of temporary engagement.

Continued.....

12. REFIT/LAY-UP

The change here is that your set salary will apply.

13. UNAUTHORISED ABSENCE FROM DUTY

No change to past agreement.

14. SICK PAY/REPEATED SHORT TERM SICKNESS

This is a considerable improvement to past entitlements. Salary payments continue up to certain specified limits provided the sickness is genuine.

15/16 PENSIONS FUND/RETIREMENT/SEVERANCE/MEDICAL SEVERANCE

The change here is new pension fund rules from the 1st July, 1988.

17. TRAINING/STUDY LEAVE

No change to past agreement.

18. GRIEVANCE PROCEDURE

No change in principle, but the time scales have been speeded up.

19. DISCIPLINARY RULES AND PROCEDURE

Self explanatory, reflects current procedures.

20. INDUSTRIAL ACTION

No change to rights of all parties

21. COMPANY CLOTHING ETC.

No change to previous arrangements.

22. TIME OFF FOR COMPASSIONATE REASONS

This is an important new concept, allowing up to seven additional days off per year should you be faced with a domestic crisis/ circumstances as detailed in Appendix K.

Continued

23. ALCOHOL

The major change here is that you may not consume alcohol during your time on board. Non-alcoholic drinks will be available. However when you are going on extended time off you may, in line with customs allowances, be able to buy and land alcohol.

The ships will be dry - a move most seafarers will welcome.

24. PROMOTION

Self explanatory.

25. RESIDENCE

We wish to maintain up to date address and telephone contact numbers for all ratings so that we can contact them if and when required.

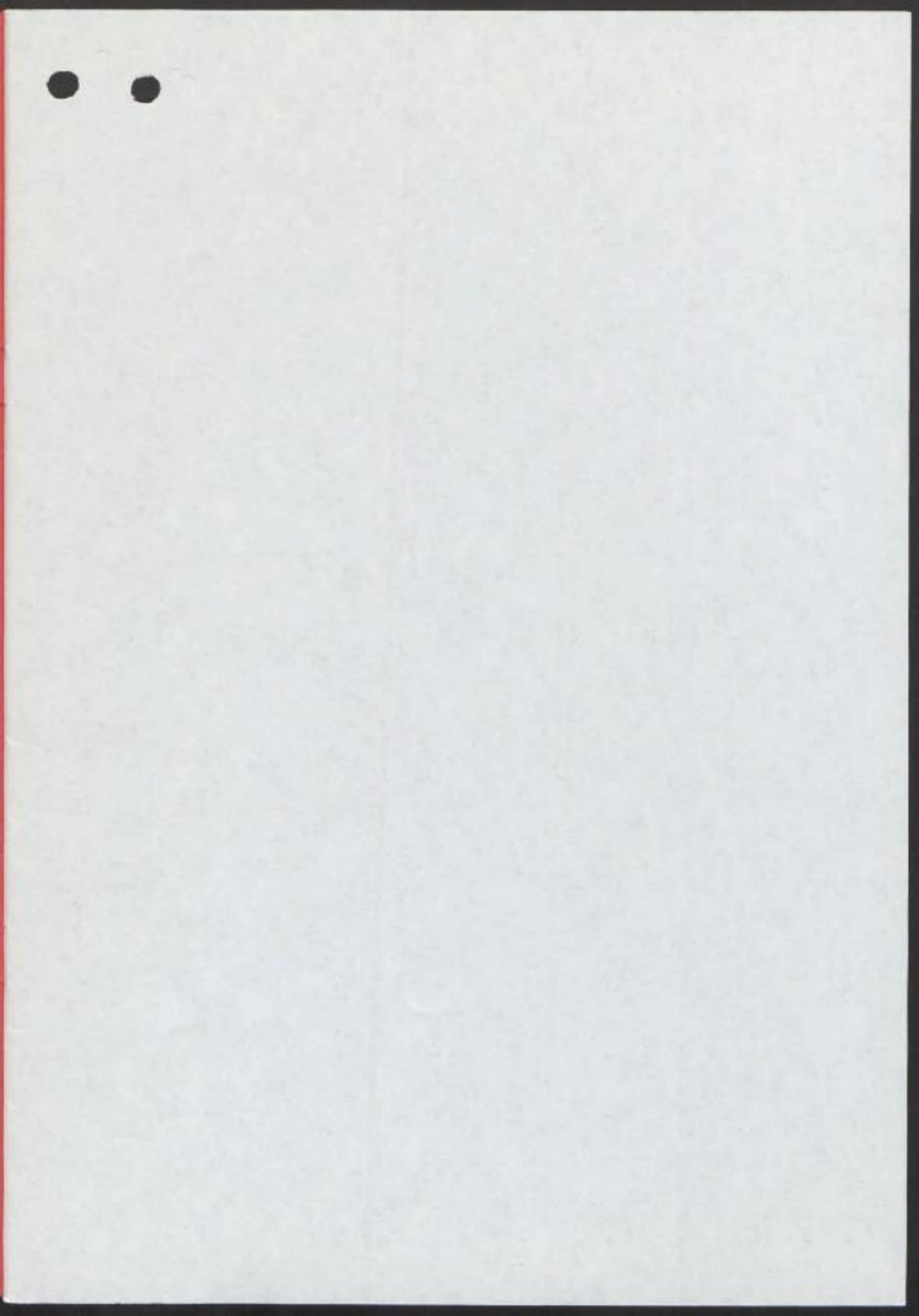
26. SHORE DUTIES/NEW BUILDING

No change to past agreement.

P. & O. EUROPEAN FERRIES (DOVER) LIMITED

RATINGS

TERMS AND CONDITIONS OF EMPLOYMENT



TERMS AND CONDITIONS OF SERVICE
FOR ALL RATINGS EMPLOYED ON DOVER/ZEEBRUGGE
DOVER/BOULOGNE AND DOVER/CALAIS SERVICES
(ALL VESSELS)

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	Paragraph 3	NOTICE OF TERMINATION OF CREW AGREEMENT AND/OR EMPLOYMENT
Page 3	Paragraph 4	COMPANY SERVICE CONTRACT
	Paragraph 5	SALARY AND METHOD OF PAYMENT
Page 4	Paragraph 6	ANNUAL DUTIES AND TIME OFF
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TERMS AND CONDITIONS OF SERVICE
FOR ALL RATINGS EMPLOYED ON DOVER/ZEEBRUGGE
DOVER/BOULOGNE AND DOVER/CALAIS SERVICES
(ALL VESSELS)

Note: Throughout this Agreement the male gender has been used although its terms apply equally to both male and female ratings.

1. CREW AGREEMENT

Each Rating will sign and as and when required re-sign on a Collective Crew Agreement which will permit him to be employed on any of the Company's vessels owned, chartered or managed by the Company at the Port of Dover.

A Rating will transfer from vessel to vessel and/or watch to watch on any particular vessel when requested to do so by ship or shore Management.

2. MEDICAL STANDARDS

Initial employment and continued employment with the Company is subject to the seafarer meeting the statutory medical standards for Merchant Seamen.

It is a condition of employment that Ratings submit, as and when required, to medical examinations by any Medical Authority nominated by the Company. The cost of such examinations will be met by the Company.

Ratings will agree to inoculation and or vaccination at the Company's expense.

3. NOTICE OF TERMINATION OF CREW AGREEMENT AND/OR EMPLOYMENT

(i) The minimum period of notice to terminate the employment of a Rating with the Company is:

Non Contract Ratings: 7 days in accordance with Crew Agreement.

Contract Ratings (Company Service Contract or Company Contract (Non registered Seafarers): Three calendar months.

(ii) (a) The Crew Agreement will stipulate a minimum notice period of seven days to terminate the Agreement. Notice of termination of the Crew Agreement is to be given in writing.

(b) Notwithstanding the provisions of the Crew Agreement a Contract Rating shall not give notice to terminate that Agreement by less than the minimum period of notice which would be required to terminate his employment with the Company (as in (i) above) unless the prior written consent of the Company is obtained.

(iii) Notice given by a Rating to terminate the Crew Agreement shall operate to terminate employment with the Company unless the Company shall agree otherwise in writing.

(iv) On termination of employment with the Company any outstanding credits or debits will be adjusted in cash.

4. COMPANY SERVICE CONTRACT

A Rating may be invited to sign a Company Service Contract at the discretion of the Management.

5. SALARY AND METHOD OF PAYMENT

(i) Permanent Ratings

Ratings will be paid a salary in accordance with Appendix A of this Agreement. These salaries take account of all conditions of service. They are set at a figure which completely covers the total work content of the job to which it applies. There are no additional payments such as overtime, shorthand money, overlap or leave food allowance etc.

Payment of a Rating's salary will be made on the 15th day of each month for that calendar month by credit transfer to an account with a Bank (which must be on the Automated Clearing System) nominated by the individual Rating.

A new Rating having completed fourteen days on Crew Agreement can on request, obtain an advance of wages earned (less an allowance for Tax and National Insurance contributions). The advance will be deducted from the first month's salary payment.

Salaries are intended to be competitive with National Maritime Board terms. Accordingly all salaries will be reviewed to reflect pay awards negotiated at the National Maritime Board. The quantum percentage increase will be applied to Ratings' salaries. The application of the percentage increase will automatically revalue previous locally agreed payments or pay elements.

Any adjustment in annual leave awarded through the National Maritime Board may be reflected with a pay adjustment rather than by any adjustment of time off.

Subject to qualifying criteria (as separately specified from time to time) all Ratings may participate in the Company's profit sharing schemes.

(ii) Temporarily Employed Ratings

Wages payable to temporarily employed Ratings are detailed at Appendix A.

Temporarily employed Ratings will be paid weekly, on Thursdays, one week in arrears by Credit Transfer. The pay week will be Thursday to Wednesday.

On completion of the temporarily employed Rating's first duty an advance on pay to the value of the duty performed (less an allowance for Tax and National Insurance contributions) will be made if requested. This advance will be deducted from the next week's pay.

General Note

Ratings are required to work on Public Holidays and weekends if so rostered.

There will be no distinction on board between weekdays, Saturdays, Sundays and Bank Holidays. Any duties performed on week days will be performed equally on Bank Holidays and weekends.

6. ANNUAL DUTIES AND TIME OFF

(i) Zeebrugge and Boulogne Vessels

Each Rating will normally be required to work 122 nominal duty days per service year. A Rating completing this requirement will be entitled to 243 nominal days off.

(ii) Calais Quad and Quin Service Vessels

Each Rating will normally be required to work 187 nominal half day duties per service year. A Rating completing this requirement will be entitled to 543 nominal half days off.

Notes

- (a) A simple debit and credit system will apply to keep account of each Ratings time on duty and time off. (Appendix B).
- (b) "Time off" in this context is any time off the vessel. No distinction is made between time off and leave periods
- (c) It is expected that a Rating will present himself for duty capable to perform the duties required of him.

7. ROSTER PATTERN

(i) Zeebrugge/Boulogne Service Vessels

Each vessel will have 3.0 crews of Ratings to enable each Rating to work 122 days on with 243 off.

The duty period of each crew of Ratings will be on a rostered basis of 7 x 24 hours nominal duties in any 21 day period.

Individual Ratings within each crew will be rostered time off in order to adhere so far as possible to the principle of 243 days off.

All Ratings will remain on board for the duration of their rostered duties.

Where a vessel is occasionally transferred to the Calais Service or scheduled on a "split" Calais/Zeebrugge or Boulogne Service, the vessel shall be treated for the purposes of this Agreement as on the Zeebrugge or Boulogne service.

(ii) Calais Quad and Quin Service Vessels

Each vessel will have 3.6 crews of Ratings in total. These Ratings will be rostered in such a manner that they adhere so far as possible to the principle described in Clause 6 (ii).

All rosters will be drawn up by the Shipboard Management. Rosters will be compiled equitably to ensure that so far as possible there is even distribution of time off throughout the year.

Rosters are submitted to the Personnel Department at least one month in advance for approval prior to publication.

Temporary Ratings' rosters will be decided by Management in accordance with passenger numbers.

8. DUTY DAYS ON BOARD AND DUTY PERIODS

(i) Zeebrugge and Boulogne Service Vessels

Under normal operational circumstances each Rating will be expected to work a maximum of 14 hours within each nominal 24 hour duty day.

The remaining 10 hours is normally "off time". This time will be rostered by Shipboard Management in accordance with service requirements.

("Off time" is time which under normal operational circumstances is available for meals/rest/sleep).

(ii) Calais Service Vessels

Ratings will be available for work as required by Shipboard Management throughout the duty period. Meal breaks will be taken as directed by Shipboard Management.

General Notes - All Vessels

The length of the duty period will be subject to the exigencies of the service. However, Management will make every effort to ensure that Ratings work within their normal roster patterns.

Commencement of the duty period will be at the time of starting work on the vessel.

Termination of the duty period will be at the time of completion of duties prior to leaving the vessel.

During all duty times on board each Rating will carry out all normal operational and safety work and work flexibly in port and at sea as and when required by shipboard Management.

Offgoing Ratings will carry out effective "handovers" as an integral aspect of their duties.

It is a condition of employment that all Deck Ratings who possess a valid driving licence undertake the driving of import and export motor cars as, when and where required without limitation on numbers per sailing.

9. RECALL AND EXTENDED DUTIES

Ratings will be subject to recall for duty during time off. They will only be required to attend for duty against their wishes in exceptional circumstances.

A recall for duty may involve working on a vessel or watch other than one on which the Rating normally serves.

Recalled duties will qualify for additional payment as below. The duty performed will not count towards the annual quota of nominal duty days or qualify for a debit or credit.

(i) Zeebrugge and Boulogne Service Vessels

In addition to normal salary

$2.0 \times \frac{\text{Annual Salary}}{365}$ per nominal duty day worked

(ii) Calais Quad and Quin Service Vessels

In addition to normal salary

$1.45 \times \frac{\text{Annual Salary}}{365}$ per nominal half day duty worked.

For a part duty, payment will be made pro-rata, based on the number of return sailings made by the Rating relative to the total made by the vessel in the duty period.

If seven or more days notice of an alteration or addition to rostered duties/time off is given, a recall payment will not be made and the duty performed will instead count towards the annual service requirement and qualify for a debit or credit.

10. VESSEL DELAYS/LATE RUNNING/SCHEDULE AND OR ROUTE ALTERATIONS

It is fundamental that continuity of sailings be maintained and so Ratings will sail Company vessels, and vessels managed or chartered by the Company as and when required.

The Company reserves the right to maintain complete flexibility of operation and in order to do so it may be necessary at short notice to alter vessels schedules and or sailing routes.

Every effort will be made to rotate individual vessels schedules annually dependant on service requirements.

11. MANNING

(i) Each crew for vessels on scheduled service will consist of the requisite number of Ratings consistent with certification and safety requirements for the individual vessels, depending on schedule/route.

The manning scales, including Hotel Services Department Basic Manning Scales, are detailed at Appendix C.

The Company will make every effort to maintain a full complement at all times. On occasions that this is not possible Ratings will work as instructed by shipboard Management.

(ii) Management reserve the right to determine, in accordance with passenger numbers, the voyages on which additional manning will be allocated to vessels.

Additional manning will be engaged on a temporary basis.

Seasonal reductions in the number of temporary Ratings employed will be determined by Management as necessary.

Selection of temporarily employed Ratings for termination of temporary engagements or for continuation of temporary engagement or for any subsequent permanent employment will be at Management's discretion.

12. REFIT/LAY-UP

"Refit" includes scheduled and unscheduled drydocking, off service repair, survey, breakdown or maintenance.

"Lay up": a vessel is laid up when not on a scheduled service or proceeding to or from refit or lay up or at refit.

Ratings are required to work on vessels not on scheduled service including proceeding to or from refit or lay up as directed by the Company or Shipboard Management. The manning will be decided by the Company on an individual basis dependant on the work to be carried out.

Management will decide when scheduled service commences and terminates.

The debit and credit system will apply. (See Appendix B).

For living and travel arrangements see Appendix D.

13. UNAUTHORISED ABSENCE FROM DUTY

A Rating reporting late for duty will report to the Head of Department who will decide whether the Rating will work or be considered absent. It is only if the Head of Department decides that the Rating shall work that the Rating will be paid.

Debit and Credit for part duties worked will be as in Appendix B.

Each duty for which a Rating is considered absent will result in loss of pay for the duty missed in accordance with:

(i) Zeebrugge and Boulogne Service Vessels

Number of nominal duty days absent x $3.0 \times \frac{\text{Annual Salary}}{365}$

(ii) Calais Quad and Quin Service Vessels

Number of nominal half day duty periods absent x $1.95 \times \frac{\text{Annual Salary}}{365}$

The disciplinary procedures apply to unauthorised absence.

14. SICK PAY/REPEATED SHORT TERM SICKNESS

(i) Ratings who are unable to report for work because of sickness/injury will continue to receive pay in accordance with Appendix E.

(ii) Ratings who are frequently absent from work due to sickness will be treated in accordance with the procedure outlined at Appendix F. Where a Rating is frequently absent from work without any acceptable reason, Management may decide not to pay Company Sick Pay for part or all of any such absence(s).

15. PENSION FUND/RETIREMENT AGE

- (i) As from 1st July 1988 all Ratings may be members of any Pension Fund.
- (ii) Ratings normal retirement age is 62. Female ratings may, if they wish, retire at age 60.

16. SEVERANCE AND MEDICAL SEVERANCE

- (i) Where the Company is to effect a permanent reduction in its Rating establishment, severances will be conducted and severance payments made in accordance with Appendix L.
- (ii) In the event that a Rating be declared medically unfit to continue his service with the Company he will be entitled to a Company Medical Severance Payment in line with the National Maritime Board Company 'll Health Severance Payments' Agreement, uplifted in line with Appendix G.

17. TRAINING COURSES/STUDY LEAVE

Senior Ratings will be requested to train other Ratings. Ratings will undergo training required by the Company.

Where Ratings are asked by the Company to attend any training or courses the debit and credit system will apply.

Expenses for training courses will be assessed by management.

All Ratings will be required to participate in on-board training programmes as directed by the Head of Department.

18. GRIEVANCE PROCEDURE

The grievance procedure in Appendix I applies.

19. DISCIPLINARY RULES AND PROCEDURE

- (i) The Disciplinary Procedure based on the Code of Conduct for the Merchant Navy as modified and extended in Appendix J applies to all Ratings. It is agreed that the Code of Conduct for the Merchant Navy is indicative of the sort of matters which will constitute disciplinary offences and that the matters which will be appropriate for disciplinary proceedings in the Company will reflect the nature and exigencies of the Company's service.
- (ii) The Rating will comply with all applicable Company Rules, Procedures, Fleet Regulations, Standing Orders, Shore Management Directives and other publications as issued from time to time detailing duties and/or obligations; also all relevant external rules and regulations including but not limited to Customs Rules, Port Authority Bye laws and Immigration Regulations.

- (iii) Disciplinary action may be taken in respect of any conduct whether on or off a ship and/or on or off Crew Agreement where the conduct is relevant to and/or reflects on service with the Company and/or employment obligations.

20. INDUSTRIAL ACTION

- (i) Subject to (ii) below in the event that industrial action is taken, whether involving a strike or action short of a strike by a group or groups of workers, salary payments will be paid, at Management's discretion, at a rate not less than a Registered Seafarer would receive in Unemployment Benefit and Establishment Benefit under the National Maritime Board Established Service Scheme Agreement.
- (ii) Should a trade dispute concern Ratings employed by the Company then the Company may in its option reduce and/or suspend pay or benefits to Ratings, whether or not participating in industrial action, for the duration of the dispute.
- (iii) Should Management deem it necessary Ratings will sail vessels to safe berths as and when directed. Similarly Ratings will, if required, man vessels for the duration of the dispute in accordance with Management's requirements. For the period that a Rating is so employed he will be entitled to full pay and benefits notwithstanding the preceding provisions.

21. COMPANY CLOTHING/UNIFORM/SAFETY EQUIPMENT

- (i) The Company will provide uniform clothing, protective clothing and safety equipment where appropriate.
- (ii) The Rating shall always be appropriately and neatly dressed. Failure to wear the correct clothing and equipment supplied will render the Rating liable to disciplinary action.
- (iii) All clothing will remain the property of the Company, and must be kept clean and in good condition at all times.

22. TIME OFF FOR COMPASSIONATE REASONS

Time off for compassionate reasons may be granted at the Management's discretion. See Appendix K.

23. ALCOHOL

- (i) Subject always to (ii) and (iii) below, a Rating may not consume alcohol whilst on board any of the Company's vessels unless travelling as a concessionary or full fare paying passenger.

- (ii) A Rating shall not be under the influence of alcohol whilst on board any of the Company's vessels.

- (iii) A Rating may not consume alcohol or be under the influence of alcohol in public whether on board or ashore while wearing identifiable Company clothing.

Failure to observe these rules will render the Rating liable to dismissal.

24. PROMOTION

Promotion of Ratings will be at the Company's discretion, and in accordance with the Company's promotion practice as from time to time applicable.

If the Company does not consider there to be a suitable internal candidate for promotion to a vacancy then external recruitment will be conducted.

25. RESIDENCE

Ratings are to provide a local address and telephone number at which they can be contacted. The Company is not responsible for travelling expenses incurred by Ratings joining and leaving vessels at Dover.

26. SHORE DUTIES/NEW BUILDING

- (i) Ratings engaged on shore duties in excess of five days will be granted time off in accordance with accepted shore staff levels.
- (ii) In the event of a new building of a vessel being announced Management will decide the debit and credit that will apply should a Rating(s) be required to attend.

APPENDIX A (a)

SECTION (1) PERMANENT RATINGS SALARIES (1988)

ZEEBRUGGE AND BOULOGNE SHIPS

1. APPENDIX A = SALARY
2. APPENDIX B = DEBIT/CREDIT
3. APPENDIX C = MANNING SCALES
4. APPENDIX D = LIVING ALLOWANCES AND TRAVEL - REFIT
5. APPENDIX E = SICK PAY ENTITLEMENT
6. APPENDIX F = FREQUENT SICKNESS ABSENCE
7. APPENDIX G = MEDICAL SEVERANCE PAYMENTS
8. APPENDIX H = TIME OFF FOR TRADES UNION DUTIES
9. APPENDIX I = GRIEVANCE PROCEDURES
10. APPENDIX J = DISCIPLINARY PROCEDURE
11. APPENDIX K = TIME OFF FOR COMPASSIONATE REASONS
12. APPENDIX L = SEVERANCE

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DECK/ENGINE DEPARTMENT

HOTEL SERVICES DEPARTMENT

	£		£
CPO Bosun Begin At	14400	Asst. Purser Begin At	13300
CPO Bosun After 2 yrs.	14600	Asst. Purser After 2 yrs.	13500
CPO Bosun After 4 yrs.	14800	Asst. Purser After 4 yrs.	13700
CPO Bosun After 6 yrs.	15200	Asst. Purser After 6 yrs.	14100
Snr. Bosun Begin At	15100	F.E.C. Begin At	13100
Snr. Bosun After 2 yrs.	15300	F.E.C. After 2 yrs.	13200
Snr. Bosun After 4 yrs.	15600	F.E.C. After 4 yrs.	13300
Snr. Bosun After 6 yrs.	16100	F.E.C. After 6 yrs.	13400
Carpenter Begin At	14600	Chief Cook Begin At	12600
Carpenter After 2 yrs.	14900	Chief Cook After 2 yrs.	12900
Carpenter After 4 yrs.	15100	Chief Cook After 4 yrs.	13100
Carpenter After 6 yrs.	15500	Chief Cook After 6 yrs.	13500
Snr. Carpenter Begin At	15300	Snr. Chief Cook Begin At	13200
Snr. Carpenter After 2 yrs.	15500	Snr. Chief Cook After 2 yrs.	13500
Snr. Carpenter After 4 yrs.	15700	Snr. Chief Cook After 4 yrs.	13700
Snr. Carpenter After 6 yrs.	16200	Snr. Chief Cook After 6 yrs.	14200
Petty Officer (Deck Dept).	13900	Second Cook	12000
Seaman Grade 1A	13300	Assistant Cook	11400
Seaman Grade 1B	13100	Cafeteria Supervisor	12100
Seaman Grade II Age 20	12000	Head Waiter	12400
Seaman Grade II Age 19	10100	Storekeeper	12000
Seaman Grade II Age 18	9800	Snr. Steward/Stewardess	11700
Seaman Grade II Age 17	9400	Gen. Steward/Stewardess	11500
Junior Seaman (Deck Boy)	7400	Steward/Stewardess	11300
CPO Donkeyman Begin At	13600	JCR. 18 mths +	7000
CPO Donkeyman After 2 yrs.	13900	JCR. 9-18 mths.	6600
CPO Donkeyman After 4 yrs.	14000	JCR. less than 9 mths.	6400
CPO Donkeyman After 6 yrs.	14500		
Snr. Donkeyman Begin at	14200	DOT Ships Cook Cert. £178.60 pa	
Snr. Donkeyman After 2 yrs.	14500	(Applies to Asst. Cooks & 2nd	
Snr. Donkeyman After 4 yrs.	14700	Cooks only).	
Snr. Donkeyman After 6 yrs.	15200	MNTB Cookery Cert (Part 1) £107.675 pa	
Petty Officer (Engine Room)	13300	(Applies to Asst. Cooks only).	
Motorman Grade 1	12200	Higher Grade Cookery Cert £178.60 pa	
		(Applies to any cook).	

APPENDIX A
Section (ii) TEMPORARY RATINGS
SALARIES: To Be Advised.

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SECTION (i) PERMANENT RATINGS SALARIES (1988)

CALAIS SHIPS (BASED ON QUINS)

DECK/ENGINE DEPARTMENT

	£
CPO Bosun Begin At	15500
CPO Bosun After 2 yrs.	15700
CPO Bosun After 4 yrs.	15900
CPO Bosun After 6 yrs.	16400
Snr. Bosun Begin At	16200
Snr. Bosun After 2 yrs.	16500
Snr. Bosun After 4 yrs.	16700
Snr. Bosun After 6 yrs.	17200
Carpenter Begin At	15800
Carpenter After 2 yrs.	16100
Carpenter After 4 yrs.	16300
Carpenter After 6 yrs.	16700
Snr. Carpenter Begin At	16500
Snr. Carpenter After 2 yrs.	16700
Snr. Carpenter After 4 yrs.	16900
Snr. Carpenter After 6 yrs.	17400
Petty Officer (Deck Dept).	15200
Seaman Grade 1A	14300
Seaman Grade 1B	14100
Seaman Grade II Age 20	13000
Seaman Grade II Age 19	10700
Seaman Grade II Age 18	10400
Seaman Grade II Age 17	10000
Junior Seaman (Deck Boy)	7800
CPO Donkeyman Begin At	14800
CPO Donkeyman After 2 yrs.	15000
CPO Donkeyman After 4 yrs.	15200
CPO Donkeyman After 6 yrs.	15700
Snr. Donkeyman Begin at	15400
Snr. Donkeyman After 2 yrs.	15600
Snr. Donkeyman After 4 yrs.	15900
Snr. Donkeyman After 6 yrs.	16400
Petty Officer (Engine Room)	14400
Motorman Grade 1	13200

HOTEL SERVICES DEPARTMENT

	£
Asst. Purser Begin At	14500
Asst. Purser After 2 yrs.	14700
Asst. Purser After 4 yrs.	14900
Asst. Purser After 6 yrs.	15300
F.E.C. Begin At	14250
F.E.C. After 2 yrs.	14300
F.E.C. After 4 yrs.	14400
F.E.C. After 6 yrs.	14500
Chief Cook Begin At	13800
Chief Cook After 2 yrs.	14000
Chief Cook After 4 yrs.	14200
Chief Cook After 6 yrs.	14700
Snr. Chief Cook Begin At	14400
Snr. Chief Cook After 2 yrs.	14600
Snr. Chief Cook After 4 yrs.	14900
Snr. Chief Cook After 6 yrs.	15400
Second Cook	13000
Assistant Cook	12300
Cafeteria Supervisor	13200
Head Waiter	13500
Storekeeper	13100
Snr. Steward/Stewardess	12800
Gen. Steward/Stewardess	12600
Steward/Stewardess	12200
JCR. 18 mths +	7400
JCR. 9-18 mths.	7000
JCR. less than 9 mths.	6800
<u>DOT Ships Cook Cert. £178.60 pa</u> (Applies to Asst. Cooks & 2nd Cooks only).	
<u>MNTB Cookery Cert (Part 1) £107.675 pa</u> (Applies to Asst. Cooks only).	
<u>Higher Grade Cookery Cert £178.60 pa</u> (Applies to any cook).	

APPENDIX A
Section (ii) TEMPORARY RATINGS
SALARIES: To Be Advised.

DEBIT AND CREDIT SYSTEM

RATINGS

CREDIT
DAYS

DESCRIPTION OF DUTY PERIOD AND DAYS

2.0

Full duty period of one nominal day on:

- a) Dover/Zeebrugge Scheduled Vessel
- b) Dover/Boulogne Scheduled Vessel

1.45

Full duty period of a nominal half day on:

Dover/Calais Quin Scheduled Vessel

1.45

Full duty period of a nominal half day on:

Dover/Calais Quad Scheduled Vessel.

EXCEPTIONAL DUTIES

Broken duty period on all services :

credit will be on a pro rata basis

0.50

A duty of 8 hours or more on:

- (a) Refit
- (b) A Company course or training programme.
- (c) Residential course.
- (d) Union duties (in accordance with Appendix H).

ABSENCE

Debit and Credit will apply as though worked but salary will be deducted in accordance with Clause 13.

DEBIT

All "time off" will be debited including Saturday and Sunday and Bank Holidays regardless of location.

When rostered for a nominal half day duty the balance of the day will be debited as a nominal half day time off.

SICKNESS

Debit and Credit will apply as though rostered duties were worked but pay during sickness will be adjusted in accordance with Clause 14.

APPENDIX C

MANNING SCALES (RATINGS)

These Manning Scales indicate the number and rank of Ratings who will be rostered for duty on each vessel according to its class/type and schedule/sailing on service or during periods of refit and lay up.

<u>VESSEL SERVICE</u>	<u>BOSUN</u>	<u>CARP</u>	<u>SEAMAN</u> (Inc QM etc.)	<u>JUN.</u> <u>SEAMAN</u>	<u>TOTAL</u>
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EUROPEAN CLASS VESSELS

Dover/Zeebrugge)	1	1	9	0	11
Dover/Boulogne)	1	1	9	0	11
Dover/Calais Quad)	1	1	9	0	11
Dover/Zeebrugge-Calais	1	1	9	0	11

Refit/lay up - Manning level to be decided by the Company at the time.

PRIDE OF DOVER)
PRIDE OF CALAIS)

Dover/Calais Quads	1	1 (+1*)	12	2	16 + (1*)
Dover/Calais Quins	1	1 (+1*)	12	2	16 + (1*)
Dover/Zeebrugge - Manning level to be decided by the Company at the time.					

Refit/lay up - Manning level to be decided by the Company at the time.

PRIDE OF BRUGES)
PRIDE OF KENT)

Dover/Zeebrugge	1	1	10	1	13
Dover/Calais Quads	1	1	10	1	13
Dover/Calais Quins	1	1	10	1	13

Refit/lay up - Manning level to be decided by the Company at the time.

PRIDE OF WALMER)
PRIDE OF SANDWICH)

Dover/Zeebrugge	1	1	10	2	14
Dover/Calais Quads	1	1	10	2	14
Dover/Calais Quins	1	1	10	2	14

Refit/lay up - Manning level to be decided by the Company at the time.

PRIDE OF CANTERBURY)
PRIDE OF HYPHE)

Dover/Zeebrugge	1	1	9	1	12
Dover/Calais Quads	1	1	9	1	12
Dover/Calais Quins	1	1	9	1	12
Dover/Boulogne	1	1	9	1	12

Refit/lay up - Manning level to be decided by the Company at the time.

MANNING SCALES (RATINGS)

<u>VESSEL SERVICE</u>	<u>CPO</u>	<u>PETTY OFFICER</u>	<u>MOTORMEN</u>	<u>TOTAL</u>
<u>EUROPEAN CLASS VESSELS</u>				
Dover/Zeebrugge)	1	-	2	3
Dover/Boulogne)	1	-	2	3
Dover/Calais Quads)	1	-	2	3
Dover/Zeebrugge-Calais	1	-	2	3

PRIDE OF DOVER)
PRIDE OF CALAIS)

Dover/Calais Quads	1	1	2	4
Dover/Calais Quins	1	1	2	4
Dover/Zeebrugge	1	1	2	4

Refit/lay up - Manning level to be decided by the Company at the time.

PRIDE OF BRUGES)
PRIDE OF KENT)

Dover/Zeebrugge	1	-	2	3
Dover/Calais Quads	1	-	2	3
Dover/Calais Quins	1	-	2	3

Refit/lay up - Manning level to be decided by the Company at the time.

PRIDE OF WALMER)
PRIDE OF SANDWICH)

Dover/Zeebrugge	1	-	2	3
Dover/Calais Quads	1	-	2	3
Dover/Calais Quins	1	-	2	3

Refit/lay up - Manning level to be decided by the Company at the time.

PRIDE OF CANTERBURY)
PRIDE OF HYTHE)

Dover/Zeebrugge	1	-	2	3
Dover/Calais Quads	1	-	2	3
Dover/Calais Quins	1	-	2	3
Dover/Boulogne	1	-	2	3

Refit/lay up - Manning level to be decided by the Company at the time.

FUTURE/MANAGED/CHARTERED VESSELS

The manning levels for future vessels and for vessels managed or chartered by the Company will be decided by the Management.

*Indicates that these Ratings are extra to the working complement and will be rostered for duty as and when required.

RATINGS MANNING SCALES - HOTEL SERVICES DEPARTMENTPRIDE OF DOVER/CALAIS

<u>RANK</u>	<u>CALAIS QUAD</u>	<u>CALAIS QUIN</u>	<u>ZEEBRUGGE</u>
Assistant Purser	3	3	2
P.E.C.	2	2	1
Cooks	8	8	6
Stewards	38	40	30
Stewardesses	5	5	4
J.C.R.	2	2	2
	<u>58</u>	<u>60</u>	<u>45</u>

PRIDE OF BRUGES/KENT

Assistant Purser	3	3	2
P.E.C.	1	2	1
Cooks	7	7	5
Stewards	27	28	24
Stewardesses	5	5	4
J.C.R.	2	2	2
	<u>45</u>	<u>47</u>	<u>38</u>

PRIDE OF SANDWICH/WALMER

	<u>ZEEBRUGGE</u>	<u>CALAIS QUAD</u>	<u>CALAIS QUIN</u>
Assistant Purser	2	2	3
P.E.C.	1	1	2
Cooks	4	4	4
Stewards	21	19	20
Stewardesses	4	2	2
J.C.R.	2	2	2
	<u>34</u>	<u>31</u>	<u>34</u>

PRIDE OF HYTHE/CANTERBURY

	<u>ZEEBRUGGE</u>	<u>CALAIS QUAD</u>	<u>CALAIS QUIN</u>	<u>BOULOGNE</u>
Assistant Purser	2	2	3	2
P.E.C.	1	1	2	1
Cooks	4	4	4	4
Stewards	19	19	20	20
Stewardesses	4	3	3	3
J.C.R.	2	2	2	2
	<u>32</u>	<u>31</u>	<u>34</u>	<u>32</u>

EUROPEAN CLASS

	<u>ZEEBRUGGE</u>	<u>CALAIS/ZB</u>	<u>CALAIS QUAD</u> <u>12 HR. WORKING</u>	<u>BOULOGNE</u> <u>12 HR. WORKING</u>
Assistant Purser	1	1	1	1
Cooks	2	2	2	2
Stewards	4	4	4	4
Stewardesses	3	3	1	1
	<u>10</u>	<u>10</u>	<u>8</u>	<u>8</u>

LIVING ALLOWANCES AND TRAVEL - REFIT

Living Allowances

(i) On Board

Ratings are entitled to reasonable domestic facilities on board or immediately adjacent to their ships when vessels are in dry dock.

- (a) Adequate heating and ventilation.
- (b) Electric lighting consistent with safety, health and hygiene.
- (c) Provision of sanitary water and hygienic lavatory facilities for adequate periods during each 24 hours.
- (d) Provision of fresh drinking water and an adequate supply of hot and cold water for washing and showers for adequate periods during each 24 hours.
- (e) Provision of an unbroken eight-hour rest period, where reasonably practicable, undisturbed by excessive noise caused by pneumatic scaling, shot-blasting or other reasons.

If it is not possible to provide these minimum standards, suitable alternative arrangements should be made.

(ii) Ashore

Ratings whilst living ashore on refit/survey will be accommodated in hotels for bed and breakfast. The Management will book all accommodation prior to the vessel's arrival. Each Rating will be paid an adequate subsistence allowance to provide for all other meals and incidental expenses.

2. Travel

Each Rating will be allowed one free second class return rail warrant during the period of refit/survey except when the period away from Dover is less than two weeks, and/or in special circumstances.

Use of motor vehicle at refit will be at the Company's discretion and at the risk of owner.

The cash equivalent of the appropriate second class rail fare will be paid to the owner of a motor car at refit/survey for the purpose of travelling expenses to and from Dover.

3. On the Continent

All Ratings travelling on the Continent should ensure that they are in possession of their British Seaman's Identity Card and Discharge Book or valid Passport.

RATINGS SICK PAY ENTITLEMENT

(i) Non Contract Ratings

After one month's service non-Company Service Contract Ratings will be entitled to one weeks paid sick leave.

(ii) Company Service Contract Ratings and Contract Ratings

Company Service Contract Ratings and Contract Ratings will be entitled to twelve weeks paid sick leave in any 12 month period. (Sick pay, inclusive of any entitlement under the Statutory Sick Pay scheme, will be at full salary level).

When Company Sick pay is exhausted SSP will be paid if appropriate.

Duties lost due to sickness will be considered as "lost". They will not be made up during the service year except at the absolute discretion of Management.

FREQUENT SICKNESS ABSENCE

If a Rating is frequently absent from work because of sickness the following procedure will be applied:-

1. The Head of Department will meet with the Rating to discuss his attendance record.

The Head of Department will seek to determine if there is an underlying health problem that is responsible for the absences. If he considers it appropriate he may refer the Rating for medical examination. If it appears that there may be a problem the rating will be encouraged to seek medical help.

The Rating will be told that poor attendance, even if caused by sickness, is detrimental to the efficient operation of the service and cannot be accepted.

A reasonable review period will be established during which time the Rating's attendance will be closely monitored.

The Rating will be warned that, unless there is an immediate and sustained improvement in attendance he may be dismissed. During this review period Management may decide not to pay sick pay for any sickness absence.

2. Should the Rating's attendance record not improve during the review period and the improvement be maintained thereafter the Rating will be seen by the Head of Department and Master together. The rating will be reminded of the warning previously issued.

If the absence has been caused by further sickness the Master will, unless there are compelling reasons not to do so, issue the Rating with a warning memorandum explaining that any further sickness absence will lead to dismissal for incapacity reasons.

If the absence was not caused by sickness then the Rating will be subject to disciplinary rules and procedures.

3. Should the Rating be absent again during the review period because of sickness he will, on return to duty, be seen by the Master and Head of Department. Unless there is a compelling reason not to do so the Master will dismiss the Rating from the vessel in accordance with clause (ix) of the Crew Agreement. The dismissal will not be for reasons of misconduct and so the Code of Conduct for the Merchant Navy will not apply.

4. Upon dismissal from the ship the Rating will remain on full pay and attend an enquiry ashore conducted by a Personnel Officer.

The Personnel Officer will decide if dismissal from the Company is warranted.

5. If the Rating is dismissed from the Company due to incapacity he will be given due notice (i.e. as per contract for Contract Ratings and 7 working days for non-Contract Ratings).

Ratings dismissed in accordance with this procedure will be expected to work during their notice period.

6. A Rating dismissed from the Company has the right to appeal. Any such appeal will lie to the Deputy Personnel Manager.

Should the dismissed Rating wish to exercise the right of appeal he must notify the Deputy Personnel Manager no later than 14 days after receipt of the written notification of dismissal. The written notification of dismissal is deemed to be received by the Rating no more than three days after the date of despatch.

7. At every stage of the procedure the Rating may be accompanied by a colleague or trade union representative.

APPENDIX G

MEDICAL SEVERANCE PAYMENTS

Ratings Under 31 Years of Age

<u>Service</u>	<u>Pay on Medical Severance</u>
2+ years of service	13 weeks pay
5+ years of service	26 weeks pay
10+ years of service	39 weeks pay

Ratings Aged 31 Years and Over

2+ years of service	39 weeks pay
10+ years of service	52 weeks pay
14+ years of service	60 weeks pay
17+ years of service	68 weeks pay
19+ years of service	73 weeks pay
20+ years of service	78 weeks pay

A week's pay equals = $\frac{\text{Annual Salary}}{52}$

NOTE FOR MEMBERS OF M.N.R.P.F.

With effect from the 1st February, 1988 medical severance payments (applicable to ratings retiring for ill-health reasons after ten or more years' industry service) will be reduced ("off-set") in accordance with M.N.R.P.F. rules.

APPENDIX H

TIME OFF FOR TRADES UNION DUTIES WITH A RECOGNISED TRADE UNION

Representatives (one per ship) are to be accredited by the Union who shall advise the Company of the names of accredited representatives and if a representative ceases to be accredited.

The Company agrees to meet a total of five lay Representatives every two months.

An accredited Representative attending such a meeting during a normal duty period will accrue credit in accordance with the debit and credit system. (See Appendix B).

Time spent on Union Duties not agreed by the Company, or in the Representative's time off will be at the Representative's own expense.

Management may, at their own discretion, grant time off for other Representatives.

Management will not pay telephone, travelling or other expenses incurred by Representatives on trade union duties (other than the provision of reasonable facilities whilst attending trade union duties with Company permission).

Representatives will be rostered on their respective vessels for one year after election or until ceasing to be accredited whichever is the earlier. Thereafter they may be transferred as required by Management.

APPENDIX I

GRIEVANCE PROCEDURES

It is in the interests of the Company, its Ratings and their representatives that differences are resolved speedily and fairly and without disruption or the threat of disruption to services. It is therefore agreed that the procedures outlined below are adopted for the resolution of individual and collective grievances and/or claims.

THESE PROCEDURES DO NOT APPLY TO DISCIPLINARY CASES WHICH WILL BE DEALT WITH UNDER THE APPROPRIATE DISCIPLINARY PROCEDURES.

PROCEDURE 'A'

Procedure 'A' is to be used for the resolution of individual grievances.

Notes

1. Any individual wishing to pursue a grievance has the right to be accompanied by a colleague or trade union representative at all stages of the procedure.
2. In the first instance attempts should be made to settle the grievance informally with the appropriate Head of Department. Only if the matter is not resolved in this manner should the grievance procedure be invoked.
3. Any person wishing to pursue a grievance must complete the Company's Grievance Procedure Form and submit it to the appropriate Head of Department within 3 calendar days of the date on which he first became aware of the complaint unless more time is mutually agreed. Failure to do so will result in the grievance being ruled "out of time".
4. Should a person remain dissatisfied with the outcome of the procedure at Stage One or Two, he must refer it to the next stage within 3 calendar days, unless more time is mutually agreed. Failure to do so will render the grievance "out of time". The last decision given will then be implemented and there will be no further means of pursuing the matter.
5. When Procedure A is invoked "status quo" will apply unless varied by the Master (ie no change to any condition of employment will be made until the procedure is exhausted, except where "status quo" is overruled by the Master). The Master can intervene and impose his decision at any stage in the procedure if he considers that the grievance is frivolous, or vexatious or contrary to the safe and or efficient operation of the vessel.
6. No industrial action will be taken before, during or after the matter's progress through Procedure A.

Any individual causing or taking part in any such action will be subject to disciplinary action.

STAGE ONE (HEAD OF DEPARTMENT)

The Grievance Procedure Form should be handed to the appropriate Head of Department. Unless more time off is mutually agreed the Head of Department will give his reply in writing within three calendar days.

STAGE TWO (MASTER)

If the complainant is not satisfied with the decision given by the Head of Department the Grievance Procedure Form, together with a copy of the Head of Department's written reply, should be handed to the Master by the Head of Department. The Master will interview the complainant and give his reply in writing within seven calendar days of receipt of the Grievance Procedure Form unless more time is mutually agreed.

The Master's decision will be implemented even if the complainant wishes to proceed to Stage Three.

STAGE THREE (SHORE MANAGEMENT)

If the complainant is not satisfied with the Masters decision the Grievance Procedure Form, together with the Head of Department's and the Master's written replies, should be forwarded by the Master to the appropriate shore based Manager:-

Deck Department to Nautical Manager
Engine Department to Technical Manager
Hotel Service Department to Hotel Services Manager

The appropriate Manager or appointed deputy together with the Personnel Manager or appointed deputy will, if appropriate, interview the complainant. Any interview will be convened within seven calendar days of receipt of the Grievance Procedure Form. Unless more time is mutually agreed, the Manager will give a reply in writing within seven calendar days of the interview. The decision given at Stage Three will be binding and final.

PROCEDURE 'B'

Procedure B is to be used for the resolution of collective issues which are outside the jurisdiction of Shipboard Management.

It cannot be invoked to resurrect a grievance that has previously been dealt with under Procedure A.

Wherever possible all collective issues will be dealt with via the consultation and negotiation machinery (e.g. regular Trade Union/Management Meetings).

Procedure B may only be used if the matter is not resolved in a reasonable time through the consultation and negotiation machinery.

STAGE ONE

Should a recognised Trade Union consider that there are reasonable grounds to invoke Procedure B they must notify the Personnel Manager or his appointed deputy in writing no later than 21 days from the date on which they become aware of the complaint. Failure to do so will render the issue "out of time" and there will be no further means of pursuing it.

The Personnel Manager or appointed deputy will meet with the local senior Trade Union representative to discuss the matter.

Management's formal written reply will be tabled at the next scheduled meeting between Management and Trade Union representatives providing such meeting is no less than 7 days hence. In appropriate circumstances Management may, at its discretion, convene a special meeting to deal with the issue.

STAGE TWO (CONCILIATION/MEDIATION/ARBITRATION)

Should there be a failure to agree at Stage One the issue will be referred to ACAS. Both parties agree to abide by the findings of ACAS.

Before any matter is referred to independent arbitration full use must be made of ACAS conciliation/mediation services.

If both parties agree that ACAS is not the appropriate body to resolve the problem, then the matter can be referred to a third party acceptable to both parties. In the event of a failure to agree on an acceptable third party, the matter must be resolved through ACAS arbitration. The procedure to be adopted shall be at the discretion of the arbitrator.

Once the matter is referred to arbitration the award of the arbitrator shall be binding on all parties.

STATUS QUO

When Grievance Procedure B is invoked the "status quo" will apply, i.e. the position pertaining at the time of initiation of Stage One will be maintained.

No industrial action will be taken and none will be threatened before, during or after the matter progresses through the procedure.

Any individual causing or taking part in any action will be subject to disciplinary action.

APPENDIX J

DISCIPLINARY PROCEDURE

1. *Incidents involving a breach of discipline on board or in appropriate circumstances ashore while signed on Crew Agreement will initially be dealt with by the Master or Head of Department in accordance with the procedure contained in the Code of Conduct for the Merchant Navy.*
2. *Where practicable all proceedings will be conducted on board the vessel and a conclusion reached.*

However, where this is impracticable the Master may at his discretion refer his proceedings ashore.
3. *Should the Master decide to dismiss the Rating from the vessel then this will be done in compliance with the Code of Conduct for the Merchant Navy.*
4. *In the event of the Rating being dismissed from the vessel the decision will not operate to terminate his engagement on collective Crew Agreement, nor his Company Service Contract (if any). A shoreside enquiry will be held to determine the individual's future with the Company.*
5. *The Rating and his Trade Union will be notified in writing of the date, time and place of the enquiry.*
6. *The Rating will be suspended on pay pending the outcome of the enquiry unless the offence is absenteeism, in which event the Rating may, at the discretion of the Manager, be suspended off pay.*
7. *The enquiry will be conducted by the appropriate Manager as decided by the Company.*

The Manager may be assisted by a representative of the Personnel Department.
8. *The appropriate Manager may obtain any such evidence or statements and adopt such procedure as he deems necessary and appropriate. The Rating shall have the right to submit his own evidence, to call any material witness who can be conveniently available, and to submit statements. He has the right to be accompanied and/or represented by a colleague or his trade union representative.*
9. *On conclusion of the enquiry and after due deliberation the Manager will inform the Rating in writing of the decision.*

10. The disciplinary measures which may be imposed upon a Rating by the Manager are as follows (in ascending order of severity). In appropriate circumstances the Manager may impose more than one measure in respect of the offence. The live period that the disciplinary measure remains on file for totting up purposes is shown below:

- (a) Caution - 1 year.
- (b) Reprimand - 18 months.
- (c) Severe reprimand - 2 years.
- (d) Final warning - 2 years.
- (e) Reduction in rank/seniority or both - 2 years.
- (f) Suspension without earnings (the period of suspension to be at the discretion of the Manager) - 2 years.
- (g) Dismissal.

For the purpose of clause 9(xvii) of the Code of Conduct, all the measures at (a) to (f) above are equivalent to a warning.

In the event that a Rating is subject to a further disciplinary decision short of dismissal (for whatever reason) during the currency of any prior live warning, the life of such prior warning shall be extended for the above live period from the date of the further disciplinary decision. This provision will operate to extend the life of a warning on more than one occasion.

11. The Rating shall have the right to appeal against the disciplinary decision at 10 above. The appeal must be lodged in writing within 7 days and set out the grounds of the appeal. The appeal will be heard by a senior Manager not previously involved and the procedure shall be as at paragraphs 7 to 10 above. An appeal shall not operate to suspend or defer a dismissal decision which shall remain fully effective unless overturned on appeal. On appeal the decision may be to confirm the previous decision, or to impose a lesser penalty or no penalty.
12. If the breach of discipline is not one to which the Code of Conduct applies, but nevertheless merits disciplinary action whether under clause 69 of the Established Service Scheme (in the case of Company Service Contract holders) or under Section A (in the case of non-Contract Officers) or otherwise, the procedure may be initiated at paragraph 5 above, and the written notification of the enquiry will then set out brief details of the offence.
13. The above procedure embraces all the rights under paragraph 13 of the Code of Conduct and under Clause 70 (a) of the Established Service Scheme (if applicable).

APPENDIX K

TIME OFF FOR COMPASSIONATE REASONS

It is recognised that there will occasionally be domestic circumstances which necessitate absence from work. In some, but not all, such circumstances it may be appropriate that time off is granted for compassionate reasons. This time off is at the Company's discretion, but it will not normally be withheld provided the Senior Personnel Officer is satisfied that such leave is appropriate. The following is a list of circumstances in which the granting of time off will normally be considered appropriate. It is stressed that this list is for guidance only and that each case will be determined on its merits.

Death of a close relative, e.g. Wife/Husband
Mother/Father
Son/Daughter

Serious illness or accident involving close relatives as above necessitating the employee's presence.

Sudden major domestic problem, e.g. an event involving major structural damage to the employee's accommodation.

DURATION OF TIME OFF FOR COMPASSIONATE REASONS

A normal maximum of seven calendar days (including weekends) will be granted on any one occasion. Should a longer period of absence be necessary, annual time off may be used.

It should not be assumed that the maximum period of time off will be granted on every occasion. The individual circumstances of the case will be taken into consideration in determining the length of time off.

APPLICATIONS FOR TIME OFF

Ratings should arrange absence and relief with their Head of Department in the normal way wherever possible.

Since the need to take time off for compassionate reasons is likely to arise suddenly, the Rating should telephone the Personnel Department as soon as possible on the appropriate Answerphone number. Application to have time off regarded as "time off for compassionate reasons" should then be made subsequently, in writing, to the Senior Personnel Officer on the appropriate Application Form which is available from the Head of Department. If application is made retrospectively any time taken which is subsequently disallowed will be debited.

SEVERANCE

Consultation

The consultation period will be at least 6 weeks, but no more than 90 days before the first severance notices take effect.

The consultation period is for the purpose of discussion with a recognised union to overcome any difficulties there may be arising from the reduction of manpower. Once agreement is reached the consultation period ends and severance notices can be issued subject to operational circumstances.

Selection Criteria

- (a) Volunteers for redundancy will be requested and accepted, up to the necessary level, on the basis of first in, first out on service with the Company, subject to operational requirements.
- (b) If further compulsory selection is necessary to reduce a remaining surplus the principle of 'last in/first out' shall strictly apply based solely on service in the employment of the Company. Previous service with any associated Company will not count for selection purposes.

Payments

A Rating will receive on the date of termination of employment:

1. Three months pay in lieu of notice for Contract Ratings, one week's pay for non-Contract Ratings.
2. One month's re-settlement pay.
3. Any outstanding debit or credit days will be adjusted in cash.

In addition a Rating with more than twenty-four months' continuous qualifying service time as at the date of notification of severance selection will receive a lump sum payment calculated as follows:

- (a) Up to and including 5 years service - four weeks per year or £900 whichever is the greater.
More than 5 years - five weeks per year.
- (b) Pro-rata payment will be made for each complete month of service.

A month's pay for all calculations for severance, notice and re-settlement is the full monthly salary.

For Ratings integrated from P. & O. Normandy Ferries Limited into the Company's employment (the Company was then named Townsend Car Ferries Limited) all continuous service with P. & O. Normandy Ferries Limited will count for payment calculation.

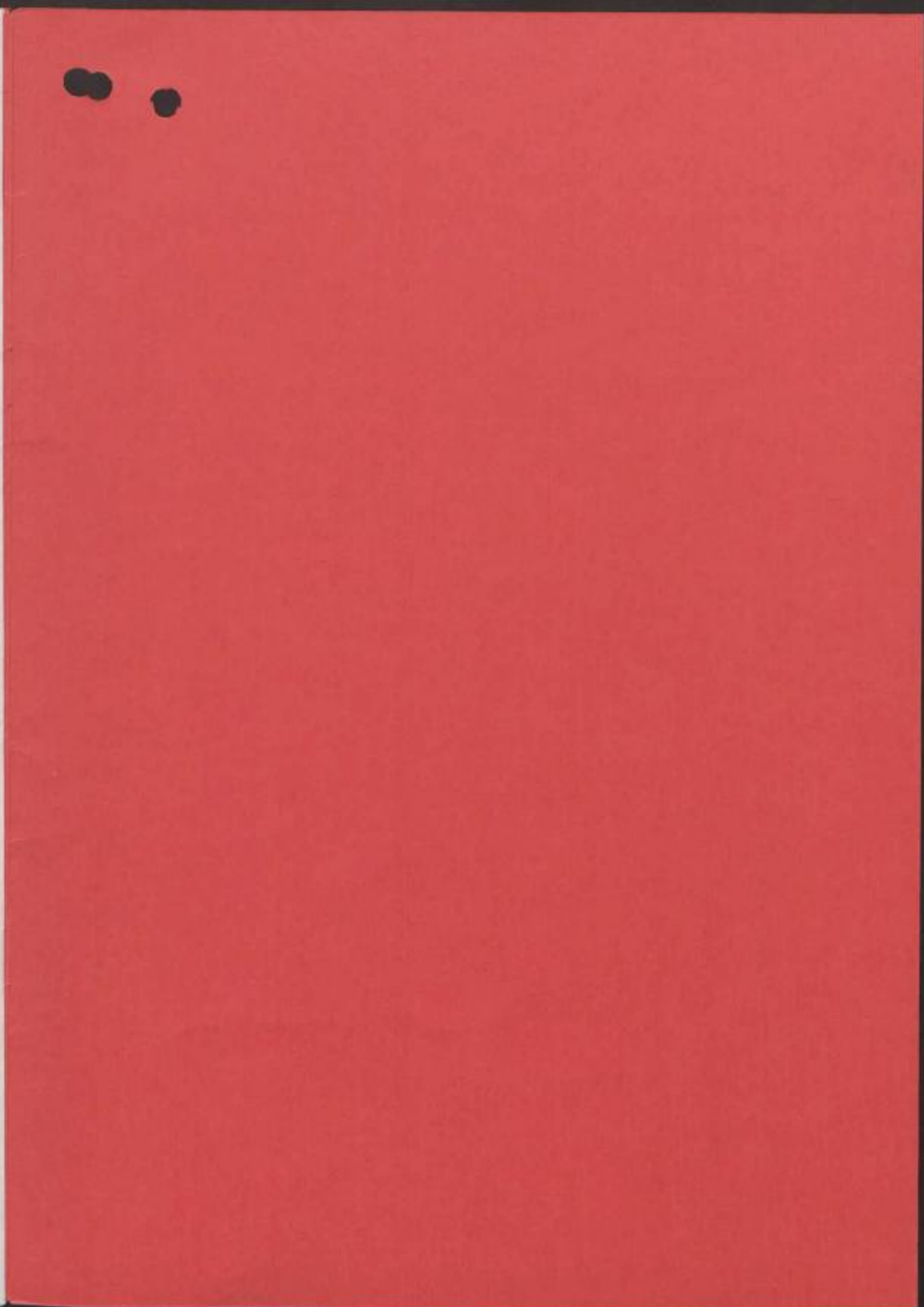
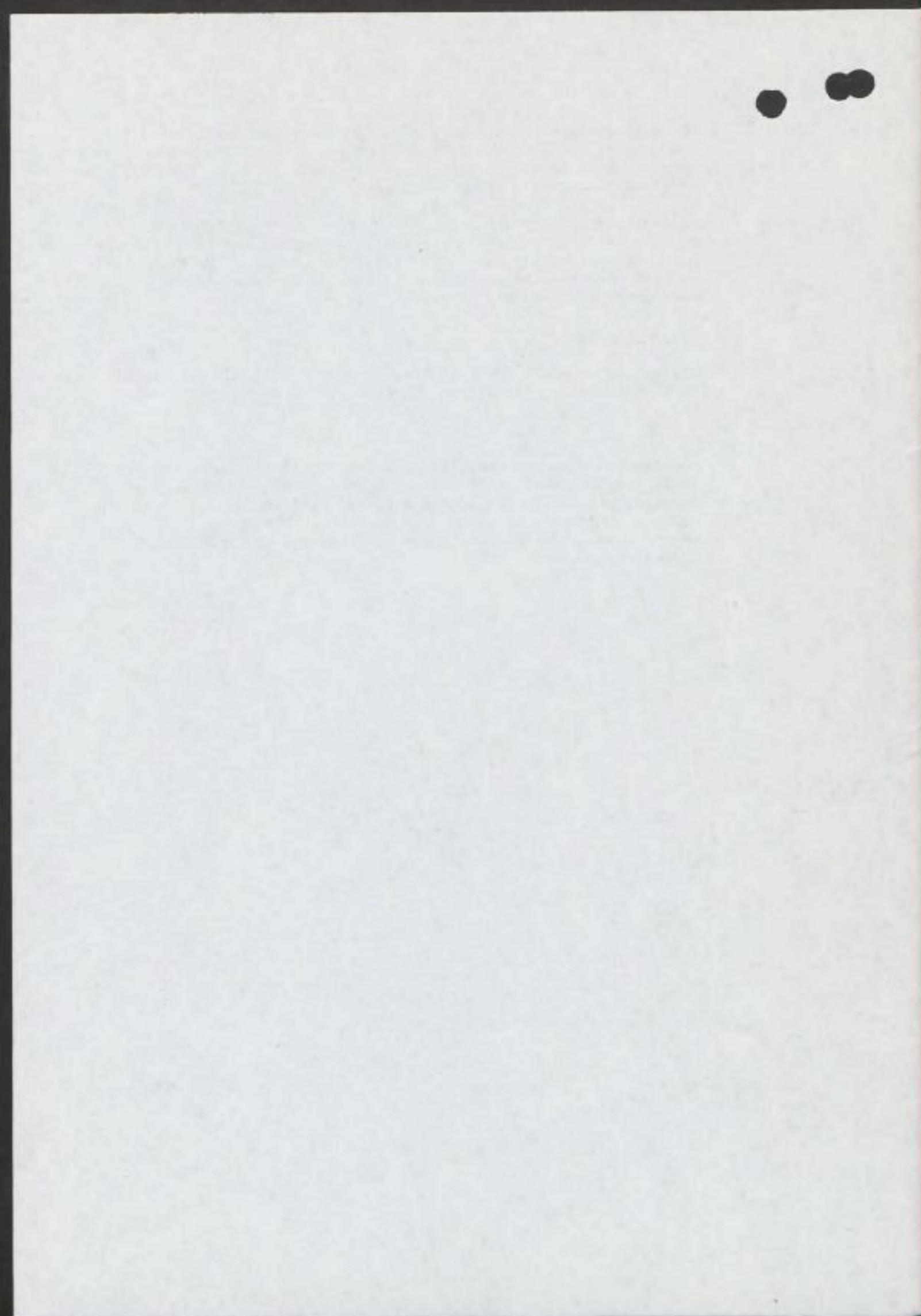
The maximum payment for all Ratings, regardless of length of service, will be 140 weeks (inclusive of notice and re-settlement payments) before adjustment for debits or credits. No Rating will be paid more than he would have earned had he remained in employment until normal retirement age.

Future Employment

Any Rating selected for voluntary severance will not be eligible for future employment within 2 years.

NOTE:

Any severance payment made in accordance with the above clauses shall, in the event of the Rating becoming redundant from the industry under clause 3 of the National Maritime Board Redundancy Payment Agreement, be taken into account by the M.N.E. Administration for "off-set" when determining any industry redundancy payment.







PRIME MINISTER

RA

Prime Minister ²REGG
2/13

INDUSTRIAL DISPUTES

There have been further noteworthy developments over the weekend.

FERRIES

The National Union of Seamen have called off their strike ballot after Sealink were successful today in obtaining a High Court injunction against them. This follows the similar ruling granted to P&O by the High Court last Friday. I have not yet seen the actual terms of the judgment but reports suggest the judge has said the union must not in future try to induce its members to take any unlawful action in breach of their contracts of employment.

This should further reinforce the pressure on the NUS to seek a negotiated settlement at Dover though the timing of that remains uncertain.

JAGUAR

The company are meeting the unions today and are still confident that they can resolve the dispute satisfactorily over the next few days at no extra cost.

LAND ROVER

The workforce has voted by 4,332 to 1,158 to end the 5 week strike at the Solihull plant and accept the company's two-year pay deal at no extra cost. The plant is back at work today.

**BENEFIT OFFICES AND JOBCENTRES**

A strike in some London benefit offices and DHSS offices is also about to end. This dispute has been running since the beginning of this year over the issue of staffing levels in London local offices and the right of management to move staff from one office to another. Management have remained firm throughout and benefit payments have been maintained by adopting contingency measures.

The CPSA, recognising that we were not going to shift our position, balloted for an all out-strike without pay - at present the 400 or so strikers have received from the CPSA 50 per cent of gross earnings. The ballot formula is that normally adopted by the CPSA when they realise it is pointless to continue a dispute. The ballot result showed 920 in favour of a return to work - though significantly 630 voted to strike without pay. The CPSA are now negotiating with Management a return to work.

I am copying this to Nigel Lawson, David Young, Paul Channon and to Sir Robin Butler.

N F

28 March 1988

Original filed on
IND POLICY: Rover: pt 15

CONFIDENTIAL



Prime Minister

PRCC
25/3

mt

PRIME MINISTER

INDUSTRIAL DISPUTES

We discussed three industrial disputes in Cabinet yesterday. There have been significant developments in two of them.

FERRIES

The High Court have issued two rulings. One restrains the NUS from implementing its ballot on national industrial action; the other holds the NUS to be in contempt of Court for failing to abide by an order granted during the earlier dispute over the Isle of Man Ferries. This second ruling which includes sequestration of the union's assets is enforceable only if the NUS seek to call a national strike within 28 days.

These are both welcome judgements demonstrating the significance of our trade union legislation. They will almost certainly encourage the NUS to seek a negotiated settlement of the dispute at Dover. The talks at ACAS had been adjourned earlier until ACAS judge it worth resuming them. When that will be depends on the attitude of both the NUS and P&O (who have not moved from their demand for savings totalling £6 million a year by January 1989.)

JAGUAR

About 4,000 manual workers at Jaguar's Browns Lane factory in Coventry have voted by 2,410 to 1,312 for strike action from 6 April.

The dispute is over Jaguar's attempt to accelerate progress towards higher productivity to match its main competitors. The unions claim that the additional money available from the existing bonus scheme is insufficient compensation for these improvements. They want more money and more recruitment.



We understand ACAS are in touch with the dispute. A further meeting between the Company and the unions is expected next week.

Jaguar are optimistic that the differences between the two sides can be resolved fairly quickly. Their two other plants, at Castle Bromwich and Radford, have already achieved their targets.

LAND ROVER

As David Young has already reported the result of a secret ballot on what is virtually an identical offer made before the start of the strike is expected over the weekend.

I am copying this to the Chancellor of the Exchequer, the Secretaries of State for Trade and Industry and for Transport, and to Sir Robin Butler.

for 
NF

(Approved by the Secretary of State
and signed in his absence)

25 March 1988

PRIME MINISTER

P & O'S NEGOTIATIONS WITH THE NATIONAL UNION OF SEAMEN

Jeffrey Sterling brought me up to date today with P & O's negotiations with the NUS at Dover.

Jeffrey said that the current terms and conditions of NUS Seamen operating out of Dover were extremely generous (and indeed they are as is clear from some documents that he has left with me). P & O had made clear to the Unions that prospective competition from the Channel Tunnel made it imperative for the Company to cut costs and this would mean a reduction in their seamens' present advantageous terms.

The Company were, however, adamant that they would do nothing which would prejudice safety in any way. Their proposals did not involve any reductions in crew manning. They simply wanted the crews to work more intensively (work more days of the year with less days off.)

Jeffrey Sterling said that the Company were determined to see the dispute through. If they did not do so, P & O employees in other shipping sectors (e.g. deep sea cargo and liner work) would try to take advantage of the company. They would dismiss their workforce as they had threatened if there was no statement by 15 March.

The Company did not want public support from the Government - that could be counter-productive. But he had briefed Mr. Channon today so that the Department of Transport were ready to correct any factual misrepresentations which Opposition spokesmen might put around. Apparently Mr. Meacher, and to a lesser extent, Mr. Prescott had already been making inflammatory statements.

N.L.W.

(N. L. WICKS)

7 March 1988

PRIME MINISTER

FERRIES DISPUTE

Sir Jeffrey Sterling, just back from Seattle, telephoned me today to say that he hoped that Ministers would not make any political comment on the ferry companies' dispute with the seamen. P & O were absolutely determined to see the matter through, and were not going to back away. This was a tailor made case for the use of the employment legislation which the ferry companies intended to use. Any supportive comments by Ministers would be misconstrued and could have a counter-productive effect.

I have passed the gist of my conversation with Jeffrey Sterling to the Department of Transport.

N.L.W

(N.L. WICKS)

3 February 1988



1
Pme Minutes
to note
N.C.W.

Prime Minister

NUS STRIKE

1. The strike by the National Union of Seamen is affecting Irish Sea, North Sea and Channel UK flag ferry services. The situation has deteriorated today: few Sealink or P&O services are operating. Foreign ferries have not so far been affected. I attach a note giving details of the position, and of the way the dispute has developed.

2. Passengers have generally been coping (there are few bookings at this time of year), but a backlog of freight is likely to build up.

3. Sealink and P&O are pursuing action in the courts against the NUS for contempt, following the union's failure to obey the injunctions on Monday against its action. P&O have obtained a hearing for 10.30 am tomorrow; Sealink's is likely to be on Friday. Both sides in the dispute will be going to ACAS at the weekend.

4. I am keeping a close watch on the situation, and shall keep my colleagues informed. I am sure it would be wrong for the Government to Intervene in any way, and both Sir Jeffrey Sterling and James Sherwood have made clear that this is their view too.

5. I am copying this minute to Cabinet colleagues and Sir Robin Butler.

P.C.

PAUL CHANNON

3 February 1988

Background

1. As a cost-cutting measure the Isle of Man Steam Packet Company (IOMSP) last year withdrew from certain agreements with the seafaring unions, giving three months' notice. When the notice expired in December, the company offered new terms of employment, and the NUS seafarers concerned (on the Douglas/Heysham ferry route) went on strike.

2. The IOMSP is 42% owned by Sealink. The unions claim that the IOMSP dispute has been triggered by Sealink as a test of union strength. Sealink denies this.

3. A Manx industrial tribunal was set up to try to solve the dispute, but the NUS refused to attend following legal advice that the IOM tribunal did not have jurisdiction to hear the case.

4. Sealink and P&O European Ferries have also been seeking cost-cutting measures on their routes. In particular P&O have been seeking large crew reductions at Dover. The NUS have threatened strike action over this, and NUMAST have raised the question of safety and crew fatigue. NUMAST and NUS have been assessing what joint action they could take to halt P&O moves.

Escalation of Strike

5. Last weekend the NUS called for industrial action from Tuesday 2 February by crews in other ferry companies in support of the strikers sacked by IOMSP.

6. P&O and Sealink have obtained High Court injunctions against the NUS requiring the union to withdraw the call, on the grounds that a strike would be unlawful secondary action, taken without a ballot and in contravention of industrial relations legislation.

7. The NUS argue that the national strike call is to press all ferry operators to honour current agreements and so is primary action. NUS members are apparently to be balloted on whether to launch an all-out strike. Mr McCluskie of the NUS is understood to have consulted solicitors on 2 February about this.

8. It is possible - though we have no confirmation of this - that the union may initially be relying on section 42(2) of the Merchant Shipping Act 1970. This enables seafarers to give 48 hours' notice of terminating their employment under a crew agreement, and automatically holds a ship if it is in a safe UK port. No ballot is required for notice to be given under section 42(2).

9. Section 42(2) can be abused, eg by different sections of a crew giving and withdrawing notice one after the other, which effectively results in industrial action without the breaking of contracts of employment. The Government accepted in the Lords an amendment to the Merchant Shipping Bill (now in the Commons) to repeal section 42(2).

DTP

February 1988



CC100

NORM AT 7110

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

6 October 1983

Dear Norman

UNEMPLOYMENT BENEFIT FOR SEAFARERS

Thank you for your letter of 12 August proposing to make regulations altering the entitlement to unemployment benefit of seamen who are unemployed when a seamen's strike takes place.

I have delayed replying until now because of Norman Tebbit's proposal that action should be deferred pending the outcome of this year's pay negotiations with the NUS, on which Tom King commented on 27 September. I am now content to give H Committee's agreement to the proposal, subject to the rider that no action is taken until the pay negotiations have been completed.

I am sending copies of this letter to the Prime Minister, to members of H Committee and to Sir Robert Armstrong.

Norman
Fowler

The Rt Hon Norman Fowler MP

~~EP~~ IND POL: Ind actie: Jan 81;

7 OCT 1983





CCNO

DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

01-212 3434

My Ref: K/PSO/26778/83

The Rt Hon Viscount Whitelaw
CH MC
Lord President of the Council
68 Whitehall
LONDON SW1

27 September 1983

NBPM
AT 25/9

UNEMPLOYMENT BENEFIT FOR SEAFARERS

In his letter of 9 September, Norman Tebbit has raised the question of the timing of publication of the proposed new regulations on unemployment benefit for seafarers.

The National Union of Seamen (NUS) and Merchant Navy and Airline Officers' Association (MNAOA) put in their annual pay claims last week; as is now customary, the NUS have left the General Council of British Shipping (GCBS) to make the first offer - the MNAOA have claimed 6.5% with fringe benefits. The initial reaction of the GCBS is that the claims are relatively low key and may not lead to undue problems.

With the first signs on pay being reasonable, I see little to be gained from publishing our proposals at this stage in the negotiations. indeed it might be counterproductive; in any case it will be several months before the regulations are in force. I therefore think, as do the GCBS, that we should postpone publication until the current round of negotiations are completed. If the negotiations hit serious snags, and the balance of advantage of publication alters considerably, we can look at the matter again.

TOM KING

INDUSTRIAL POL: Ind. Actin by James: Jan 8,

27 SEP 1983
11 12 1
2 3 4
5 6 7
8 9 10



Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213.....

Switchboard 01-213 3000

The Rt Hon Viscount Whitelaw CHMC
Lord President of the Council
68 Whitehall
LONDON SW1

9 September 1983

D. Willie,

UNEMPLOYMENT BENEFIT FOR SEAFARERS

Norman Fowler wrote to you on 12 August asking for agreement by H Committee colleagues to his proposal to make regulations aimed at preventing the abuse of unemployment benefit by unemployed seamen during a strike.

My Department has been involved in the discussions which led to these proposals and I am content that we should move ahead in the way Norman suggests. I agree that we should be able to reconcile the notion of compulsory registration for claimants generally since it is only through MNEOs that they can get work.

Although the new regulations will take us a long way forward it may nevertheless still prove possible for some loophole to be found and in that event we may need to reconsider the more radical and more contentious option of main legislation. However I believe it is right to try this more limited approach to the problem before any strong measures are contemplated.

The timing of this in relation to this year's pay negotiation will need careful consideration. The settlement date in the industry is 1 January but I understand that the first meeting is to take place on 16 September when the NUS are expected to make their claim. It is a matter of judgement how knowledge of our plan to introduce the new regulations would be likely to affect the negotiations. On one view, it may be prudent to postpone publication until after they are completed but this, of course, would defeat the object if industrial action were to take place. Tom King is in a better position to judge this than I am and perhaps it would be advisable to consult the GCBS informally before going ahead.

I am sending copies of this letter to the Prime Minister, to members of H Committee and to Sir Robert Armstrong.

*Yours
Norman*

CONFIDENTIAL



SECRETARY OF STATE
FOR
NORTHERN IRELAND

NORTHERN IRELAND OFFICE
GREAT GEORGE STREET,
LONDON SW1P 3AJ

The Right Hon Norman Fowler MP
Secretary of State for Social Services
Department of Health and Social Security
Alexander Fleming House
Elephant and Castle
London SE1 6BY

Dr
1/9.
1 September 1983

Norman Fowler

UNEMPLOYMENT BENEFIT FOR SEAFARERS

Thank you for letting me see a copy of your letter of 12 August 1983 to Viscount Whitelaw concerning entitlement to unemployment and supplementary benefit of seamen who are unemployed during a seamen's strike.

I am content with your proposal to make Regulations as outlined in the third paragraph of your letter and I would intend to have corresponding regulations made in Northern Ireland.

Copies of this reply are being sent to the Prime Minister, Viscount Whitelaw and the other members of H Committee.

Yes
—
Dr

CAM

CONFIDENTIAL

IND 102 - Industrial Action by Seamen
Jan 81

21 SEP 1981





DEPARTMENT OF HEALTH & SOCIAL SECURITY
 Alexander Fleming House, Elephant & Castle, London SE1 6BY
 Telephone 01-407 5522

From the Secretary of State for Social Services

The Rt Hon Viscount Whitelaw CHMC
 Lord President of the Council
 68 Whitehall
 LONDON SW1

Dear Willie

12 AUG 1983

UNEMPLOYMENT BENEFIT FOR SEAFARERS

I am writing to seek your agreement and that of our other colleagues on H Committee to my proposal to make regulations which would affect the entitlement to unemployment benefit (UB) of seamen who are unemployed when a seamen's strike takes place.

This arises out of experience in the last national seamen's strike, when the General Council of British Shipping (GCBS) were concerned that UB was too readily available, and John Biffon, then as Secretary of State for Trade responsible for shipping matters, took up their representations with me. There have since been exhaustive discussions at official level between the Departments involved, and with the Merchant Navy Establishment Administration (MNEA); and the proposal that has emerged has the support of Tom King, whose Department is now responsible for shipping.

What I propose is to make regulations requiring seafarers who are enrolled in the Merchant Navy Establishment Scheme (MNES) to report their availability for work to the MNEA (so that they can then be submitted to vacancies), with a further provision requiring them to attend that office for interview in connection with employment when requested by the MNEA. Regulations requiring affirmative resolutions of both Houses will be needed. Parallel supplementary benefit regulations will also be necessary.

Unemployed seafarers who have already reported for work at a Merchant Navy Establishment Office (MNEO) before a strike started will satisfy the reporting condition; seafarers becoming unemployed thereafter will have to report for work before they can get UB. For either category, the MNEO will be able to offer them jobs, in the normal way, when they arise. MNEA representatives have agreed that, in the event of a selective strike, MNEOs will be prepared to offer jobs to seafarers, not only to non-"blackened" ships but also on "blackened" ships - where the previous crew have been discharged in the normal way (and so have not been disqualified for UB as strikers, under the normal trade dispute provisions) - and to notify unemployment benefit offices of any refusals. These cases will then go to the insurance officer, the first level adjudicating authority, to consider disqualification for UB on the grounds of "refusal of

suitable employment". (It seems likely that the adjudicating authorities would regard a vacancy on a blacked ship where the previous crew had been discharged in the normal way as suitable employment for this purpose, but this cannot be regarded as a foregone conclusion as there is as yet no case-law in this area.) Such disqualification would be for a period of up to six weeks - repeatable if the offence were repeated - and would involve a reduction in the personal scale rate if supplementary benefit was in payment. Alternatively, a seafarer's failure (without good cause) to attend for interview when requested would result in his disqualification, for both UB and supplementary benefit, for an indeterminate period, until he did attend an MNEO.

We have all along been concerned, as colleagues will appreciate, to avoid laying ourselves open to the criticism that the social security scheme's provisions were being rigged to favour one side in a trade dispute against the other. We have therefore rejected the option of legislation, which would be highly controversial, to amend the main trade dispute provisions of the Social Security Act so that they were harder on seafarers than on workers in other industries. On the basis that such provision is ruled out, what I now propose seems to me to be the best and most practicable way of proceeding; and those who have been involved in the discussions agree that this should achieve the end we all have in mind - namely that UB should not go to people who are not genuinely available for work because they are acting in support of a strike. The efficacy of the proposed change does of course hinge on the MNEA playing its part, as it has said it will; and that is a point which I propose to stress when I write to the President of the GCBS (as I shall do once the proposals have colleagues' agreement).

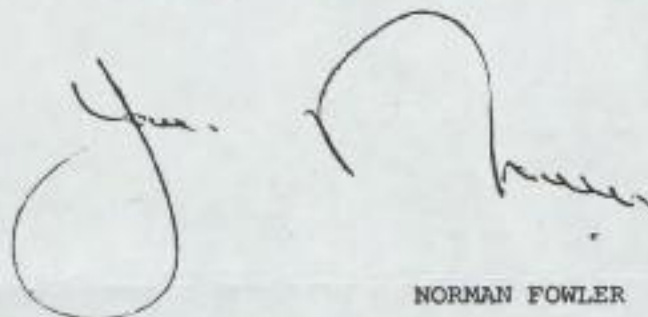
I should say that the proposed regulations will not be altogether uncontroversial. We have concluded that we can justify the requirement to report to an MNEO as available for work, even though this is akin to the requirement to register at a Jobcentre which we did away with last October for adult unemployed people. The reasons are that, for registered seafarers, the only practical way of getting a seagoing job is through an MNEO (whereas it is by no means the case with the general run of land-based jobs that the only way to get them is through Jobcentres). Because of the peculiar circumstances of seafarers, there is no other effective way of testing their availability for work.

The regulations will not, in form, have any particular relevance to a strike situation but will be expressed in general terms. All the same, however stoutly we justify them on general policy grounds, it will hardly escape the notice of potential critics that there is little need for such a provision in normal circumstances, when an unemployed seafarer will be anxious to attend the MNEO both to get his establishment benefit (a benefit paid by the MNEA for up to 21 weeks' continuous unemployment, or for a maximum of 26 weeks in a year) and to get his next berth. I think it likely that, when the regulations are referred to the Social Security Advisory Committee, as they will have to be, and the Committee invite representations from those interested, there will be comments on the general lines that the proposals are designed to weight the scales against seamen when there is a dispute in the shipping industry. We shall just have to answer such comments as they arise.

E. R.

I shall be glad to have the agreement of the Committee to my proceeding with the regulations as I propose above. May I suggest that, if any of my colleagues considers that the Committee should meet to discuss the proposals, he should let you, and me, know by 9 September; otherwise I will take it that the Committee have approved my proposals.

I am sending a copy of this letter to the Prime Minister, since previous correspondence with John Biffen was copied to her; and to members of 'H' Committee.

A handwritten signature in black ink, appearing to read 'Norman Fowler', written in a cursive style. The signature is positioned above the printed name 'NORMAN FOWLER'.

NORMAN FOWLER

File
End Pol

19 April 1983

MANNING DISPUTE OVER MV KEREN

The Prime Minister has now seen your Secretary of State's minute of 12 April and has noted its contents.

A J COLES

Richard Mottram, Esq.,
Ministry of Defence.

Prime Minister

To note.

A.T.C. 1/4.

PRIME MINISTERMANNING DISPUTE OVER MV KEREN (EX ST EDMUND)

I wrote to you on the 25th March about this and, as you will have seen from the Press, the affair is virtually over. The Keren went back into the Tyne last Friday and was handed over by the Royal Navy to Blue Star, who had officers on board throughout the operation and who are now recruiting the crew. The handover went without incident. The ship is expected to sail early next Thursday morning under Blue Star management with a crew drawn from members of the NUS. I think it is appropriate to record what has been achieved.

2. First and foremost we have made it clear that we will not tolerate Falklands roulement being upset by Union demands, but at the same time we have avoided a pitched battle. When Blue Star were appointed managers and approached the NUS about crew levels and conditions of service the union's line was that she was a ferry, that the purchase by the MOD from Sealink was simply a transfer from one type of Government ownership to another and that their agreements with Sealink would still apply. Before we took action they had told Blue Star that they would negotiate only on these terms, and effectively broke off negotiations. Had their demands been met it would have cost about £3M a year to run the Keren and we would have had continuous trouble with the crews of the other ships in the South Atlantic, who are all on deep sea rates.

3. Credit is due to the Royal Navy who accomplished the operation of taking Keren out of the Tyne with skilled professionalism. As soon as the NUS heard of this move their attitude changed completely. They asked for a meeting at ACAS and accepted at the beginning of negotiations that deep sea terms would apply.



4. The agreement reached after some hard negotiations is summarised in the annex. The NUS concession on their original leave demands will substantially reduce the number of crew required to keep the Keren in operation and her running costs will now be about £1.6M a year compared to £3M.

5. Some of the points made by the NUS during the negotiations were quite valid. It is not normal practice to have deep sea crews accommodated below the waterline, where there is no natural light or ventilation, and both recreational and living conditions on the Keren will be worse than on the Uganda, the other troopship, where pay and leave are better than those originally proposed for the Keren. The extra day's leave for a month worked and the £4 a day allowance which resulted from the negotiations are not unreasonable and we would probably have accepted them at the beginning had the NUS shown a willingness to negotiate.

6. I am copying this minute to Francis Pym, Willie Whitelaw, Patrick Jenkin, Norman Tebbit and Arthur Cockfield and to Sir Robert Armstrong.

MAH

Ministry of Defence
12th April 1983

ANNEX TO MO 5/21

DATED 12TH APRIL 1983

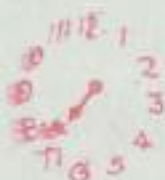
	<u>Blue Star</u> <u>Proposal</u>	<u>NUS</u> <u>Proposal</u>	<u>Settlement</u>
Manning (crew nos)	52	64	58
Leave (days/year worked)	108	547	120
Pay for an able-bodied seaman	£7,400	£10,500	£8,500*

* Includes allowance of £4/day on board for accommodation below the waterline

IND 102
Industrial Action
by Seamen
Jan 1981



2 25 1000



COMMUNICATIONS

101



file

SW
Incl P/1

10 DOWNING STREET

From the Private Secretary

28 March, 1983

Manning Dispute over MV St. Edmund

The Prime Minister has noted the contents of your Secretary of State's minute of 25 March about the possibility of difficulties arising in view of the fact that the National Union of Seamen have refused to crew MV St. Edmund on any basis other than ferrymen's pay and conditions of service.

I am copying this letter to John Holmes (Foreign and Commonwealth Office), Tony Rawsthorne (Home Office), Jonathan Spencer (Department of Industry), Barnaby Shaw (Department of Employment) and John Rhodes (Department of Trade).

A. J. COLES

Richard Mottram, Esq.,
Ministry of Defence

CONFIDENTIAL - MANAGEMENT IN CONFIDENCE

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010
5/21

serj
Prime Minister of Press

To note.

PRIME MINISTER

MANNING DISPUTE OVER MV ST EDMUND

A.F.C. 25/3

You will wish to be aware that since we reached agreement with Sealink to buy the ferry St Edmund and agreed with the Blue Star line that they would operate her for us under contract as a troopship for the Falklands roulement task, the National Union of Seamen have refused to crew the vessel on any basis other than ferrymens pay and conditions of service. These are considerably more favourable than the deep sea conditions applicable to the crews of other passenger vessels in the South Atlantic. Whilst this vessel was a ferry she will now be operating under a new owner with a new crew and in a role for which ferry rates are wholly inappropriate.

2. The cost of agreeing to the NUS demands would be only about £0.8M on an annual bill of about £1.5M, but this would be a major concession on a point of principle and must be seen in the context of our heavy dependence on merchant shipping to support the Falkland Islands Garrison. I believe that the NUS must be discouraged from any thought that this dependence will enable them to obtain concessions from the Government on unreasonable demands until the strategic airfield is built.

3. In the short term there are various options to meet the next troop movement task without St Edmund which is due to sail from the Tyne late next week as soon as shipyard work on her is complete. These would involve some delay or operational penalty but more important they would still leave a Government asset rendered unusable by Union action.

4. I therefore believe that we must try to use the vessel we have purchased without conceding to NUS demands. Blue Star have started to apply more pressure on the Union to settle by indicating that



we have other options available (without specifying what these are) and by notifying the seamens pool of the job opportunities available, but there are strong indications that the Union will not back down from their original demand. Work on the vessel should be complete by late next week and if the dispute has not been resolved Blue Star intend shortly before then to put down an ultimatum. If that is not agreed Blue Star's interest will be terminated and a joint Royal Navy/Royal Corps of Transport crew will be put on board the vessel to sail her as soon as possible (probably on or about 3rd April).

5. There is a clear risk that this may precipitate industrial action with the NUS who are believed to be in a militant mood. Their executive is dominated by ferrymen for whom the deep sea crews in the South Atlantic have little sympathy, but although we may not encounter difficulties there we must face the prospect of some action in this country later next week. This could include a sit-in on St Edmund, blacking of the vessel and refusal to provide tugs and pilotage. In that event it may become necessary to use police and service resources to free the ship.

6. I believe that we can deploy a strong public case with reference to the high rates of ferrymen's pay demanded and the plight of troops who the Union threaten to leave stranded on the Falklands. However I have agreed that we should try to avoid provoking major disruptive action by delaying any public statement until the vessel is ready to sail with a service crew. But, because the Royal Navy are now selecting and warning a crew to man the vessel if necessary and are sending a small plain clothes reconnaissance party to look over her, there is a chance that our plans to use a service crew may become public knowledge; we shall be prepared for this.

7. Once the ship is away from the UK we may be able to engage another shipping company to operate the vessel with British Officers and a St Helenan crew. Service involvement may thus be limited to only about two months.



8. I am copying this to the Foreign and Commonwealth Secretary, the Home Secretary and the Secretaries of State for Industry, Employment and Trade, but I would be grateful if it does not receive an extensive distribution.

Mitigans

[Draft approved by Mr Herdrie and signed on his behalf]

Ministry of Defence
25th March 1983

Ind Pd
mt 2

PRIME MINISTER

You will have seen the reports that the NUS, and the Harwich Branch in particular, have called off the Sea Link strike. The proposals on which the union agreed to call off the strike were as follows:-

- (a) The Sea Link management agreed to withdraw proposed cuts in staff and pay, and to allow a return to work on the existing terms and conditions of service;
- (b) the NUS to accept in principle a commitment to cut costs by changes in Sea Link's working practices;
- (c) the NUS to set up a Sub-Committee to look at detailed proposals for cutting costs, but with no requirement to agree particular proposals by a specified date;
- (d) ACAS to play an independent role by verifying facts, and in particular establishing the facts of the hours worked and wages paid at present, as well as details of other costs incurred by the Company.

The NUS agreed to put these proposals to its Harwich Branch this morning, and they were agreed almost unanimously.

The Sea Link management have told the Department of Transport in confidence that if the NUS do not reach agreement on cost cutting proposals by the end of September, they will re-impose their own measures. In this way, the Sea Link management have deferred confrontation on this issue until the end of the holiday period. They feel they will be on firmer ground at the end of September.

CM

3 August 1982

Overwritten by
who was my
news
not
Prime Minister

CONFIDENTIAL

Ind Pol
Prime Minister 1

The General Secretary of
the NUS is having talks

with the Chairman of

Sealink at ACAS this evening.

Sealink hope the strike will

✓ be over in 48 hours. Content
with Mr Howell's recommendation

Yes that HMG should stand well back?

SEALINK DISPUTE

It might be helpful to you and our colleagues if I
set out the latest position on the National Union of Seamen's
dispute with the Railways Board's subsidiary Sealink UK.

WN
2/8

The background is as follows. Sealink decided that
they must stem the losses (about £3m a year on a turnover of
£12m) on its Harwich to Hook of Holland passenger route and on
the Harwich to Zeebrugge freight train ferries. It therefore
announced in January that it must seek substantial savings in
crewing costs, on the ships concerned. On the same day Sealink
proposed major changes on its Newhaven-Dieppe service and, after
a short strike in late January/early February, these were
successfully implemented. At Harwich, however, Sealink was
faced with a militant branch of the NUS and, despite flexibility
by management on how the necessary savings could be achieved,
and encouraging indications from the union headquarters, the NUS
failed to deliver an agreement. At the end of June, Sealink
decided to impose the changes on the Seamen unilaterally. The
Officers' Union had reluctantly accepted an agreement. The
Seamen called a strike which is now in its fifth week. The
attached note sets out the issues in more detail.

Flag A

At the end of last week the NUS national executive
committee threatened a national strike and took over the
negotiations from the Harwich branch. On Saturday they proposed
a return to work at Harwich on the old terms and conditions of
employment, with a commitment by the union to reach agreement on
new manning arrangements in a week. On Sunday, Sealink's
management said they were prepared to accept this offer and
merely restated their aims for the subsequent negotiations. The

CONFIDENTIAL

Seamen walked out. It seems that overnight, the union had discovered that their Harwich branch would not be willing to return to work on the terms proposed.

So far the strike appears to be solid on Sealink's own services. The private sector firms and Sealink's continental partners continue to operate normally. Sealink UK only carry 14% of cross channel traffic. Their assessment is that unless the action spreads to the other operators or berths are deliberately blocked then other lines will be able to cope until the weekend rush without undue problems. At the weekend, with only Sealink UK out, our best assessment is that there could be delays of up to 12 hours. The Channel Island routes, where Sealink is the only ferry operator, is the one exception. The Home Office and the Civil Contingencies Unit are keeping the position in the Islands under review. Essential supplies are in any case carried by other means, and not by Sealink.

See flag B
for a note on their market share notes

wh
2/8

There are now reports that the NV3 will allow some services from Portsmouth to the Islands.

LM

(especially if it is to be privatised)

The union obviously hope that by striking at the peak holiday period they can exert greater leverage on Sealink. The costs for Sealink at their peak time for traffic are substantial. There will be consequential costs on the railways through e.g. loss of traffic and rail staff made idle. And the inconvenience to the public should the strike continue to the weekend, or spread, cannot be underestimated. That said, it is extremely important that Sealink win this battle. Sealink must be made competitive and must stop being a drain on the finances of the railway.

My Department will be keeping a close watch on developments. We are in touch with the police and harbour authorities on potential traffic problems. If the strike shows signs of spreading to other

CONFIDENTIAL

operators, the Department of Trade will need to become involved. For the moment I think the right line for Government is to stand back, and leave the handling to the management, who even now are with the NUS leadership at ACAS.

I am copying this to Cabinet colleagues, Sir Robert Armstrong and Mr Sparrow.

DH.

DAVID HOWELL
2 August 1982

SEALINK: INDUSTRIAL DISPUTE AT HARWICH

1. Sealink's management have been seeking major changes in manning arrangements on two of their biggest loss making routes: Newhaven to Dieppe and Parkeston Quay to Hook of Holland. At Newhaven, the trade unions have agreed to the changes after a strike earlier this year. At Parkeston Quay, Harwich the unions have failed to agree to the changes and these have now been imposed unilaterally by management. This has led to further industrial action.

Sealink's Proposals

2. By one means or another Sealink are seeking total savings in manpower costs of £1½m. per year. This represents 24% of total costs at Harwich. In their negotiations with the NUS they have been fairly flexible about how precisely savings are to be achieved. Their preferred option is divided into three separate components:

(a) Two operating crews per ship

Sealink want to reduce the present three operating crews per ship to two operating crews per ship. The present pattern is that each of three crews per ship works 24 hours on duty and 48 hours off duty. Sealink wish to change this so that each ship has two operating crews only (plus extra men to cope with annual leave and absences). This would involve increasing the number of 24 hour turns worked by each man per year from 129 to 140.

(b) Pay Cuts

Sealink are at the same time seeking changes in the amount of overtime paid which at the present time they regard as excessive compared to other routes. Naturally enough in any 24 hour turn some of the time is spent off duty. Basic rates are unaffected. For an Ordinary Seaman with an average weekly wage of just over £200, Sealink's proposals mean an average pay cut of between £20 and £30 per week.

(c) Redundancies

Nearly 100 jobs have already been cut at Harwich by voluntary means and a further 70 or so will be required. Sealink hope that these can also largely be achieved on a voluntary basis.


Savings

3. The Harwich Hook of Holland lost £2.1m in 1981 on a gross turnover of £11.6m. In 1982, Sealink expect to lose £2.9m on a gross turnover of £12.1m. Sealink believe the manpower cuts when combined with the extra efficiency which will be achieved by replacing 2 small ships by a single large one, will enable them to turn the route into profitability. Similar arrangements if introduced nationally could save in total between £8m and £10m annually. The initial cost of implementing the changes in terms of redundancy payments would be in the order of £10m. This ignores the effects of industrial action. This figure should be seen against Sealink's losses which are producing a negative cash flow from the Railways Board, between £10m and £20m annually.

Further application of Harwich proposals to other routes

4. Sealink's management will probably wish to make similar changes at Weymouth (on the Channel Islands and Cherbourg services) and it seems likely that they will eventually adopt the same approach on all their long distance ferry routes.

5. It is not though practicable to introduce these arrangements on the short sea routes. There the pattern of working is 12 hours on, 24 hours off. Given the shorter crossing time it is not possible to stand crew members down for long rest periods when the ships are at sea, while with the busier nature of the crossing, it is not thought reasonable to expect crews to stay on duty for longer than 12 hours at a time.



Competitors' manning practices

6. Townsend Thoresen operate a two crew system on the Felixstowe Zeebrugge run - as does the new independent firm operating on the Belfast to Liverpool run. Townsend Thoresen have attempted to introduce the system on their Cairnryan to Larne route, but after a prolonged strike recently, they settled for a pay freeze 2 weeks ago. Elsewhere a variety of manning arrangements exists which makes comparisons difficult. On the short sea routes from Dover it seems that Sealink's manning levels are certainly no worse than those of its private sector competitors and better than the European operators. On the whole Sealink is probably not particularly more overmanned on its ships than its competitors.

SEALINK'S SHARE OF THE MARKET (1980)

ACCOMPANIED TOURIST VEHICLES

Anglo Continental

Sealink UK	14%
Sealink Partners	18%
European Ferries	39%
Other operators	29%

Northern Ireland

Sealink UK	54%
European Ferries	29%
Other operators	17%

Republic of Ireland

Sealink UK	60%
B and I	40%

Isle of Man

Sealink UK	40%
Others	60%

Channel Islands

Sealink UK	100%
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Source: Monopolies and Mergers Commission Report,
8 December 1981



Prime Minister ^{Fred R} (2)

DEPARTMENT OF HEALTH AND SOCIAL SECURITY
ALEXANDER FLEMING HOUSE
ELEPHANT AND CASTLE LONDON SE1 6BY
TELEPHONE 01-407 5522 EXT

MS 24/17
✓ AD
JV

The Rt Hon John Biffen MP
Secretary of State
Department of Trade
1 Victoria Street
London
SW1

20 February 1982

Dear John.

Thank you for your letter of 11 February about seamen who are unemployed when a strike begins.

I entirely share your view that it would be wrong for unemployment benefit to be given to those who were acting in support of a strike and were not therefore genuinely available for work. The difficulty however is that we have no firm evidence that the seamen concerned were restricting their availability in this way during the last strike. They were registering for work at the Jobcentre and making regular declarations of availability at unemployment benefit offices, like other unemployed claimants, and neither the MSC nor the General Council of British Shipping were willing to make offers of work which would have enabled the seamen's availability to be tested.

To deem people to be on strike, without any real evidence to support this, could weaken support for the tough action we are taking against strikes. Even requiring registration for work from seamen as a condition of benefit entitlement at a time when it is being made optional for every other adult might well seem more partisan than logical.

It was for these reasons that I felt it desirable to obtain firm evidence that seamen were abusing the system before making changes in the rules. However, I shall be happy for officials to meet to consider the matter further, as you suggest. I will put the necessary arrangements for this in hand straight away.

I am sending copies of this letter to the Prime Minister and to Norman Tebbit.

Yours etc.

NORMAN FOWLER



Prime Minister

MS 12/2

From the Secretary of State

The Rt Hon Norman Fowler MP
Secretary of State for Social Services
Department of Health and Social Security
Alexander Fleming House
Elephant and Castle
London, SE1 5BY

11 February 1982

Dear Norman,

Thank you for your letter of 10 January on the options open to us to avoid the payment of unemployment benefit to seamen not available for work by reason of their support for an industrial dispute. The absence of any current wage dispute between the General Council of British Shipping and the National Union of Seamen makes it particularly expedient to take our decision, and any necessary action, before the next round of wage negotiations in the autumn.

It is important that consideration of the practicalities does not blind us to the underlying point of principle, that it is wrong for unemployment benefit to be given to those supporting a strike and therefore not genuinely available for work. Since we are in agreement on this, I need not expand on it. But we could expect a strong and, I believe, justified reaction from the GCBS and our supporters in Parliament if we appeared resigned to this possibility continuing. So the importance of the point of principle is a key factor in our assessment of the practical considerations governing action.

I share your view that we must not weight the scales against either party in an industrial dispute. In this instance we are surely looking to redress the balance by plugging a loophole in Government regulation which permits seamen to support a strike while receiving unemployment benefit.



From the Secretary of State

I take no view as to the best method of plugging this loophole, but I should like the various options to be tested more thoroughly in discussion between our officials before we conclude that the amending regulations you mention are the only certain course. What I feel sure we cannot defend, after considering the representations of the GCBS for a year, is to leave the matter at large, without knowing which way it might be resolved in the event of its arising again in another strike.

Can I therefore suggest that we both agree now that unemployment benefit should not be used again to finance strikes in the shipping industry; and instruct our officials to meet and give us, as soon as possible, agreed recommendations on the simplest method of securing this objective?

I am sending a copy of this letter to the Prime Minister and to Norman Tebbit.

Travis
John Biffen

JOHN BIFFEN



DEPARTMENT OF HEALTH AND SOCIAL SECURITY
 ALEXANDER FLEMING HOUSE
 ELEPHANT AND CASTLE
 LONDON S.E.1

TELEPHONE: 01-407 5522

The Rt Hon John Biffen MP
 Secretary of State
 Department of Trade
 1 Victoria Street
 London SW1

Prime Minister

MA 22/1

July 10 1982.

MB

Dear John.

You wrote to Patrick Jenkin on 24 August about the letter which Mr Edmund Vestey of the General Council of British Shipping had sent to him regarding the payment of unemployment benefit to seamen who are unemployed when a strike begins; and you subsequently had a copy of Patrick's reply to Mr Vestey of 7 September telling him that the matter was being considered urgently. Mr Vestey then wrote to me, on 16 September, asking me to let him know what was decided about amending the legislation. This is a tricky issue, and it has had to be handled along with a wide range of other unemployment benefit issues. Since, however, the prospect of a further strike at this time is, I understand, now fairly remote, there is less pressure on us to come up with a hasty solution.

*will be with
 of required*

Your officials have recently seen a paper prepared by officials here which considered possible ways of dealing with this situation. Briefly, a change in main legislation at this stage to enable unemployed seamen to be regarded as strikers rather than as unemployed people seems to be out of the question. The only Bill in which such an alteration could at the moment be included is the Social Security and Housing Benefits Bill. I am as you know under instruction to exclude from this Bill additional material of a contentious nature; and since the Bill has now had its Second Reading, any amendment would have to be made, inconveniently, at Committee Stage.

This apart, the wording of section 19 of the 1975 Social Security Act, which deals with strikers, has always been couched in general terms and an alteration designed to "catch" a particular group of people would inevitably be seen as using the benefit system to apply pressure in one particular industry in a way which would be more oppressive than in industry generally. Our treatment of strikers' families, under the last year's legislation, has made the effects of being treated as a striker a great deal more serious; and re-defining strikers in the way envisaged here might well be regarded as unfair even by those with no great sympathy for active strikers.

The existing provisions of the Act and Regulations might enable the independent adjudicating authorities to disqualify an unemployed seaman who refused to report to the Merchant Navy Establishment Office (MNEO) on the grounds that by so doing he was restricting his availability for work to such an extent that he had no real prospect of getting sea-going employment. This is very much a matter for the statutory authorities, and the outcome cannot be predicted - no test case arose last time; and the union might advise its members to register at the Jobcentre for other work as well.

E. R.

The paper concluded that, from practical considerations of availability for work, there was a case for making regulations requiring seamen who were between voyages to attend the MNEO weekly or fortnightly as a condition of receiving unemployment benefit. This would meet the wishes of the GCBS.

The regulations - which would be affirmative - would however attract considerable criticism. At a time when we are legislating, in the Social Security Housing Benefit Bill, to make registration for employment voluntary for unemployed people generally, we would be making it compulsory for seamen. Although we could attempt to defend this on the grounds that vacancies for registered seamen are available only at MNEOs, this argument based on administrative practice is not totally convincing; and it would be clear that what we were doing was designed to put employers in a stronger position to withstand union pressure in the event of a further strike.

I would myself be reluctant to provoke this controversy by changing the rules in this sensitive area before we know that the existing rules offer no scope for a different outcome, particularly when it is by no means certain that the regulations would have very much practical effect in the event of a strike. During the last strike there were, I believe, only 150 vacancies for about 5,000 unemployed seamen. If all these vacancies were filled, the great majority of unemployed seamen would still be able to receive unemployment benefit; and even if, as the GCBS suspect, the professed willingness of the seamen to take employment on non-blackened ships was not sincere, it would be a long time before all the men concerned could be disqualified with only a few vacancies on offer.

My inclination therefore, is to arrange for the availability of these seamen to be considered by the adjudicating authorities in the event of another strike. If such a case goes against us, there could be a good, publicly defensible, case for changing the rules. If it is in our favour, there is no problem - though it might be worth looking at the arrangements for notifying vacancies. Before I write to Edmund Vestey however I shall be glad to have your views and those of Norman Tebbit to whom I am copying this letter. A copy of the letter also goes to the Prime Minister.



NORMAN FOWLER

CC - MR EDF Whitelam

MR McGinnis

Mrs Kingwood

Mrs Packer

MR Oglesby

MR Watkins, F-1

MR White SBA

MR Stadden BIA

MR Stoker SolAc

MR Jones SolAc

MR Ponder CIO

RESTRICTED

gc JU
A.D.

21



DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

Prime Minister

Mike Pattison Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON SW1

MAD 11/1

8 January 1982

M

Dear Mike

You may like our latest assessment on the Sealink strike.

The consequences so far of the dispute for international traffic are not at the moment giving cause for concern. Most of Sealink's docking facilities are still in use enabling Sealink's continental partners to continue to operate services from Dover and Parkeston Quay, Harwich. The private sector operators - European Ferries, P & O and B & I - are also unaffected. Since the level of traffic is very low at this time of year, the other operators should be able to cope.

One possible problem might be with the Channel Islands where Sealink provide the only multi-purpose ferry service. The Home Office have been in touch with the Island Authorities who say the main inconvenience will be to passengers who have to use the more expensive air services. They do not foresee any difficulty with cargo, which is mainly handled by a separate operator. There may be some dislocation of roll-on/roll-off freight.

The strike is not affecting the Isle of Wight services because different unions are involved there. This could be a pressure point if the dispute were to spread to the Island, but Sealink's management think this is unlikely.

At the moment my Secretary of State sees no reason to intervene in the negotiations between management and unions which are currently taking place. Sealink has been losing money over the last two years and it is right that the management should examine unprofitable routes critically and take what action they consider to return the company to profitability. My Secretary of State is nevertheless keeping a close eye on developments and

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encouraging Sealink's management to put their case over to the public. The dispute is of course quite separate from BR's problems with ASLEF.

I am sending copies of this letter to the Private Secretaries of the Foreign Secretary, the Secretary of State for Trade and Sir Robert Armstrong.

Yours,

Anthony Mayer

R A J MAYER
Private Secretary

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DEPARTMENT OF HEALTH AND SOCIAL SECURITY
ALEXANDER FLEMING HOUSE
ELEPHANT AND CASTLE
LONDON S.E.1

TELEPHONE: 01-407 5522

Mike Pattison Esq
Private Secretary
10 Downing Street
London SW1

Dear Mike.

Thank you for your letter of 26 August to Don Brereton.

You asked for a report on the question of payment of unemployment benefit to unemployed seamen during a seamen's strike, which was raised by the General Council of British Shipping recently.

I enclose a background note together with a copy of the reply which my Secretary of State has sent to Mr Vestey of the GCBS.

It is an over-simplification to speak in terms of the payment of benefit to striking seamen. The situation complained of by the GCBS arises in relation to seamen who were not in jobs when the dispute arose and so have not, in the terms of the legislation which precludes benefit in trade dispute cases, "lost employment .. by reason of a stoppage of work which was due to a trade dispute at their place of employment". The trade dispute disqualification would not apply to unemployed people in any other industry in this situation. What we have to do is to devise a way of testing their availability for work so as to ensure that seamen do not, by reason of the special nature of the arrangements in the shipping industry, get away with behaviour which would lead to disqualification for other claimants; and we must try and avoid introducing provisions which would lay us open to the charge of using the benefit system to apply particular pressure in an industrial dispute in one particular industry in a way which would be more oppressive than in industry generally.

There may well be scope for achieving our aims by specifying a requirement for seamen to attend at Merchant Navy Establishment Offices - although this would to some extent run counter to our decision to accept the Rayner recommendation to make registration for work voluntary for unemployed people generally. But we still need to examine whether, in the light of the experience gained in this year's dispute, the equivalent effect could not be achieved through application of the existing provisions, for example, if the GCBS would - as they declined to do on the last occasion - notify suitable vacancies direct to the seamen in question; or if seamen who refused to attend the MNEO could simply be regarded as 'not available' for work.

There is no problem about applying the trade dispute disqualification to those seamen who actually walk out of jobs to go on strike.

E. R.

I am afraid that this matter has not been followed up as quickly as it ought to have been; but my Secretary of State hopes to put proposals to colleagues in a few weeks time.

I am sending a copy of this letter and the enclosures to John Rhodes and Richard Dykes.

Yours ever

Mike

MIKE TULLY
Private Secretary

BACKGROUND NOTE

UNEMPLOYMENT BENEFIT AND SEAMEN

Summary

1. The President of the General Council of British Shipping (GCBS) has expressed concern that, during the course of the seamen's dispute earlier this year, seamen who were not working on board ship when the dispute began were able to draw unemployment benefit (UB) during the dispute without being required to show that they continued to be available for work. The GCBS have suggested that DHSS legislation should be amended so that in the event of a future dispute UB can be more easily withdrawn from seamen who are unemployed when a dispute begins.

Background

2. Under the terms of an agreement (originally dating from 1947) UB is payable to seamen who are between voyages even if those seamen are also entitled under the Merchant Navy Established Service Scheme to payment of establishment benefit (EB). EB is paid by the Merchant Navy Establishment Administration (MNEA) for the GCBS to seamen who have agreed to report to the MNEA's port offices (Merchant Navy Establishment Offices - MNEOs) for work either on discharge from a previous job or at the end of paid leave or sickness. The seamen agree to serve as instructed by the MNEA. UB is also paid through MNEOs.

The Seamen's Dispute

3. During the dispute the GCBS withdrew the payment of EB from all seamen - including those who had been unemployed and receiving the benefit when the dispute began; as a result, on the instruction of their Union, seamen refused to attend the MNEOs to claim UB and to seek work, but instead attended unemployment benefit offices (UBOs) and sought work through Jobcentres - which hold no vacancies for seamen.

Application of the disentitling provisions

4. The difficulty in the dispute was to establish the position of the seamen who were unemployed when it began. In order to suffer disqualification from benefit for taking part in a trade dispute a person must lose employment because of a stoppage of work which is due to a trade dispute at his place of employment. Where seamen became unemployed after the dispute started, DE suspended benefit and made enquiries of the employer. Where these revealed that the seaman gave notice that he was in dispute, or refused to sail, or refused further employment, the case was referred to the independent adjudicating authorities for consideration of disqualification. But in the case of seamen unemployed when the dispute began, or who became unemployed afterwards but not as a result of the dispute, no grounds existed to suspend benefit under the legislation. Nor was there power to compel seamen to attend the MNEO as a condition of getting UB.

5. The Manpower Services Commission were asked if they would offer vacancies (of which they would be notified by MNEOs) to seamen; but they were not willing to do so, as it would have contravened their policy of not handling vacancies arising from trade disputes. It was suggested to the GCBS that they could offer job vacancies to seamen by approaching them direct; if the seamen refused the jobs offered in this way there would be grounds for disqualification from benefit. The GCBS started to do this but ceased, after complaints from the union, on the grounds that it might aggravate the situation.

Possible solutions

6. It must be emphasised that the seamen who continued to receive UB during the last dispute were those who were unemployed when it began. Officials are satisfied that the current legislation is adequate to deal with seamen in work who go on strike. Those already unemployed when a strike starts may be wholly in sympathy with it, will generally be interested in its outcome and may not wish to accept jobs so as to prejudice the effectiveness of the strike;

but they have not lost work because of a trade dispute at their place of work. Primary legislation would be required to make the trade dispute disqualification apply to them. If such legislation applied only to seamen it would be seen to be discriminatory - and plainly inappropriate in a case where a dispute arose involving one or some (but not all) employers; if it applied generally it would be even more contentious. This could be considered only as a last resort. The need is, rather, to ensure that the availability for work of those in this position can be properly tested.

7. The GCBS have asked that legislation be introduced to compel seamen to attend MNEOs in the event of a further dispute. (This could be achieved either by an amendment to current regulations or by the introduction of a new additional condition for receiving benefit for seamen; either might require affirmative resolution procedure.) Compelling seamen to attend MNEOs would enable jobs to be offered to them there during a future dispute: if a seaman refused to accept a suitable job (the Act provides that jobs are not suitable if the vacancy arises as a result of the dispute itself) he could be disqualified for up to six weeks; and there could be further such disqualifications for repeated refusals. Failure to attend the MNEO would lead to disqualification for an indefinite period. The introduction of such a condition might however be seen as inconsistent with the Government's decision to accept the Rayner recommendation that registration for work as a condition of receiving benefit should in future be voluntary rather than compulsory.

8. Other alternatives, which would not involve amending the existing provisions, are for the GCBS to notify vacancies direct to seamen who, if they did not take up the offers, might be disqualified on the grounds that they had refused or neglected to avail themselves of suitable employment; or, possibly, that a seaman who refused to attend the MNEO - the only place where vacancies might be found - might be disqualified on the grounds that he was 'not available' for work.



DEPARTMENT OF HEALTH AND SOCIAL SECURITY
ALEXANDER FLEMING HOUSE
ELEPHANT AND CASTLE
LONDON S.E.1

TELEPHONE: 01-407 5522

E H Vestey Esq
President
General Council of British Shipping
30-32 St Mary Axe
London
EC3A 8ET

7 September 1981

Dear Mr Vestey,

Thank you for your further letter of 14 August about the payment of unemployment benefit to seamen who failed to report to Merchant Navy Establishment offices during the selective strike waged by the National Union of Seamen earlier this year.

As you rightly say, this issue is a complicated one. We are concerned with the position of seamen who are unemployed and receiving unemployment benefit and establishment benefit when a strike begins. These unemployed seamen cannot be regarded as taking part in a strike, notwithstanding the special arrangements that exist for the payment of benefit to them, because they have not lost employment by reason of a stoppage of work at their place of employment; and this will be the case even if their subsequent actions suggest that they are in sympathy with the strike, are interested in its outcome and are not prepared to do anything that might prejudice the actions of their colleagues on strike. Nevertheless, I agree that it is not right that these seamen should continue to receive unemployment benefit during the period of the industrial action if they do not satisfy the unemployment benefit conditions and, in particular, if they are not genuinely available for work whilst the strike continues. The problem is to ensure that their entitlement to benefit is tested whatever course of action they adopt be it refusing to go to the MNEO; refusing to take a job offered by the MNEO or even registering for other work at jobcentres on the grounds that they no longer wish to be considered as seamen.

My officials, in consultation with the lawyers, have been considering what amendment to social security legislation may be necessary to ensure that the seamen concerned satisfy all the rules before benefit is paid during a strike. They have looked at various options which they will be discussing immediately with officials in the Department of Employment, who will have to administer the provisions. My officials will also be seeking the advice of the independent adjudicating authorities, who will have to decide claims for benefit under any new legislation, to see what points of interpretation might arise. Within the next few weeks my officials expect to be able to put their conclusions to yours and to officials in the Department of Industry prior to submitting the papers for Ministerial decision.

I am copying this to the Prime Minister; to Jim Prior and to John Biffen.

*Yours ever
Robert Jenkins*

cc STP
TRADE

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26 August 1961

The Prime Minister has seen a copy of Mr. Edmund Vestey's letter of 14 August to your Secretary of State on behalf of the General Council of British Shipping and the Secretary of State for Trade's letter of 21 August on the same points.

BT | She would be grateful for an early report from your Secretary of State on the issue in question.

I am sending copies of this letter to John Rhodes (Department of Trade) and Richard Dykes (Department of Employment).

M A PATTISON

Don Brereton, Esq.,
Department of Health and Social Security.

ov



10 DOWNING STREET

PRIME MINISTER

To be aware of the attached correspondence between the General Council of British Shipping and Patrick Jenkin and John Biffen and Mr. Jenkin. It is of interest not only on the substantive issue of the legislation, but also because of Mr. Vestey's warning of the prospect of industrial trouble in the merchant fleet in this year's wage round.

MJP

Ray

*I have a
reply for
DHS on 20th
as possible*

24 August 1981

cc Mr Voreker
Mr Duguid



From the Secretary of State

The Rt Hon Patrick Jenkin MP
Secretary of State for Social Services
Department of Health and Social Security
Alexander Fleming House
Elephant and Castle
London, SE1 6BY

21 August 1981

Dear Patrick,

The President of the General Council of British Shipping, Edmund Vestey, wrote to you on 14 August to express concern at the failure to make progress in amending your legislation to prevent striking seafarers claiming unemployment benefit.

I share Mr Vestey's disappointment. I expressed my ^{with respect if required} concern at the present state of affairs on 26 February and 23 March, and you assured Mr Vestey on 5 March that the problem was one which needed to be looked into without delay. The impression has been created that action has not proceeded with the urgency agreed by Ministers and promised to the GCBS.

For the reasons set out in earlier correspondence, it is obviously unacceptable to permit this loop-hole in the law whereby unemployment benefit is available to relieve striking seafarers from the consequences of their industrial action. I do not believe this is defensible, either to the industry or to our supporters in Parliament with whom the GCBS have links. It follows that it is equally indefensible not to expedite a solution, for example through an appropriate attendance requirement at a Merchant Navy Establishment Administration Office.



From the Secretary of State

I therefore hope that progress can be made, and, as I asked on 23 March, we here would like to be kept in touch with the development of your proposals.

I am sending copies of this letter to the Prime Minister and Jim Prior, to whom Mr Vestey copied his letter.

John Biffen

JOHN BIFFEN

24 AUG 1981



L. M. Vestey
Mr. Ogilvie

Inot 1951
✓ MR.

PRESIDENT EDMUND VESTEY
Telephone 01-263 2922

GENERAL COUNCIL OF BRITISH SHIPPING
30-32 ST. MARY AXE
LONDON, EC3A 8ET

14th August, 1981

The Rt. Hon. Patrick Jenkin, MP.,
Secretary of State for Social Services,
Department of Health and Social Security,
Alexander Fleming House,
Elephant & Castle,
London, SE1 6BY.

Dear Secretary of State,

You will recall our correspondence last February, which was copied to the Prime Minister and the Secretaries of State for Employment and Trade, about unemployment benefit paid to seamen who, during the course of the selective strike waged by the National Union of Seamen, failed to report to Merchant Navy Establishment offices for employment in unaffected ships.

I regret that in the intervening six months matters do not seem to have progressed very far. Our respective officials have been in touch but I gather no progress has been made in amending the law. I appreciate this is a complicated matter and there is the danger of exacerbating industrial relations. But the fact is that we will shortly be on the treadmill again of our annual negotiating round and all the indications are, after last year, that the National Union of Seamen (and no doubt the Officers' Associations as well) will put in substantial claims. The economic circumstances of the industry are no better than they were last year - indeed a lot worse in general - and, much as I dislike to say it, I fear we may have another confrontation coming. In these circumstances it seems to me and my colleagues essential that new rules are in operation. Is there any hope of this, please?

I am sending copies of this letter to the recipients of our previous correspondence.

Yours sincerely,

(sgd.) Edmund Vestey



DEPARTMENT OF HEALTH & SOCIAL SECURITY
 Alexander Fleming House, Elephant & Castle, London SE1 6BY
 Telephone 01-407 5522

From the Secretary of State for Social Services

E H Vestey Esq
 Vice-President
 General Council of
 British Shipping
 30-32 St Mary Axe
 London
 EC3A 8ET

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 5 March 1981

Dear Mr Vestey,

Thank you for your letter of 20 February about the payment of unemployment benefit to seamen during the period of the recent dispute.

You may like to know that officials of my Department and of the Department of Employment have been in touch, since the strike ended as well as during it, with a view to identifying any deficiencies in existing powers and procedures so that action can be taken as appropriate. We need to analyse carefully the experience of the recent difficulties, and to see what the result was in those cases where questions were put to the independent adjudicating authorities for decision. I certainly could not hold out any realistic hope of amendment of the statutory provisions in time to affect your current negotiations. Proposals for changes in the regulations would have to be submitted to the Social Security Advisory Committee for their consideration and report; and they would doubtless wish to seek the views of the interested parties. But I agree that the problem is one which needs to be looked into without delay, and that we shall do. I am glad to note that your officials would be ready to discuss the technicalities.

You have argued that DHSS legislation needs amendment; and, as you will see, I am keeping an open mind on the need to amend the law. However, I think it is also fair to say that the recent difficulties might have been eased to some extent if shipowners had been willing to notify seamen direct of vacancies that were available; and I gather that, except to a very limited extent, this was not done because it might have exacerbated industrial relations. Legislation could hardly be amended without similarly affecting relations, both on the occasion of the amendment itself and when amended provisions were operated.

I am sending copies of this letter to the Prime Minister, Jim Prior, and John Biffen.

Your ever

Patel Jenkins



hd RFA

From the Secretary of State

The Rt Hon Patrick Jenkin MP
 Secretary of State for Social Services
 Department of Health and Social Security
 Alexander Fleming House
 Elephant and Castle
 London
 SE1 6BY

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26 February 1981

Dear Patrick,

Following earlier correspondence with Jim Prior, the General Council of British Shipping wrote to you on 20 February on the loophole in existing regulations through which seamen on strike can receive unemployment benefit.

with request
 if required

I have already expressed my concern to Jim Prior on this, and I do not doubt that we all agree the present position to be indefensible. I appreciate the difficulty in identifying strikers in the unique circumstances of this industry. While I have no preconceived views on solutions, it does seem necessary for Government to provide for striking seamen to be identified by refusal of a seagoing job opportunity before unemployment benefit is paid. I would therefore support any attendance requirement, most obviously at a Merchant Navy Establishment Administration office, which would bring this about. I hope that you and Jim Prior will be able to plug this loophole as a matter of urgency, since until this is done the scales are unjustifiably weighted against the employers.

I am sending copies of this letter to the Prime Minister and to Jim Prior, to whom the GCSB copied their letter to you.

all in CF
 or GR

John Biffen

JOHN BIFFEN

30/32 St. Mary Axe
London EC3A 8ET

Telephone 01-283 2922
01-626 8131

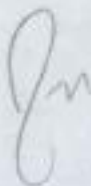
Telegrams Logboard London EC3
Telex 884008

GENERAL COUNCIL OF
BRITISH
SHIPPING

The Rt. Hon. Margaret Thatcher, MP.

With Compliments

From the Vice-President: E.H. Vestey



Vice-
FROM THE PRESIDENT: E.H. Vestey
Telephone: 01-283 2922

GENERAL COUNCIL OF BRITISH SHIPPING

30-32 ST. MARY AXE

LONDON, EC3A 8ET

20th February, 1981

The Rt. Hon. Patrick Jenkin, MP.,
Secretary of State for Social Services,
Department of Health and Social Security,
Alexander Fleming House,
Elephant and Castle,
London, SE1 6BY.

Dear Secretary of State,

The Secretary of State for Employment wrote to the President of GCBS, Adrian Swire, on 6th February (with a copy to you) about unemployment benefit paid to seamen during their recent strike.

I am writing now on behalf of Adrian Swire, who is abroad, to say how dismayed we were to discover that the Department of Employment had no authority to require seamen to report to Merchant Navy Establishment Administration offices. Our concern was shared by the Department of Employment officials whom we consulted, particularly when it became clear that the JobCentres to which the seamen did report on National Union of Seamen instructions, had no authority to offer seafaring employment to them.

The NUS were thus able to wage their strike without loss of unemployment benefit to the majority of their members involved in the action. We have no doubt that this was a material factor in their victory over the employers who were suffering very heavy financial loss.

It is clear from our investigations that it is DHSS legislation which requires amendment, and I must stress how urgent it is that the issue be examined by your Department without delay since now that the NUS has discovered the loophole you may be assured that they will not hesitate to exploit it again.

We are currently engaged in most difficult pay negotiations with the officers' unions and there is no certainty that we shall find a way through. I can only hope we shall not be faced with strike action on this front too. As far as the NUS is concerned we shall no doubt be facing another claim from them next autumn.

We would greatly appreciate it if steps could be taken to amend the relevant legislation as soon as possible. Officials of this organisation would be ready at any time to enter into discussions with your officials on the technicalities of the matter.

I am sending a copy of this letter to the Prime Minister, the Secretary of State for Employment and the Secretary of State for Trade.

Yours sincerely,

(sgd.) E.H. Vestey

cc Mr Verelst
Mr Ingham

Prime Minister

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PRIME MINISTER

SEAMEN'S DISPUTE

The seamen's dispute has now gone to arbitration under the auspices of ACAS, and the industrial action has been called off.

During the past week commercial pressures have brought the shipowners to the limit of their resistance. Though there was only one further defector - the American-controlled Fyffes - there was a serious risk of crumbling of the shipowner front. The National Union of Seamen, doubtless recognising the position, refused to modify their position on overtime payments and the General Council of British Shipping moved to accept arbitration. The NUS showed signs of resisting this, in the correct belief that they were winning, but were inhibited by their previous public stance in favour of arbitration. They have imposed tough terms for a return to work, including back pay for some strikers - those not actually dismissed - who refused to sail. The GCBS will however be able to put to the arbitrator their case on competitiveness, which incorporates comparison of manning levels as well as wage levels.

It is too early to assess the full damage to the shipping industry. But there is no doubt that shipowners have suffered major losses through lost revenue, alternative fulfilment of contractual obligations, and lost trading opportunities. The damage to industrial competitiveness will depend on the final level of settlement and on the outcome of negotiations with the officers. But the dispute is likely to have caused a loss of ships to the United Kingdom register, and hence of job opportunities for seamen. One beneficial effect may be a reappraisal of the present industry-wide system of bargaining, which does not take account of differing circumstances in its disparate sectors.



The adverse consequences of the dispute have principally fallen on the shipping industry itself, and I have not been advised of any serious effects elsewhere.

I am sending copies of this minute to Cabinet colleagues and Sir Robert Armstrong.

Nicholas M'Innes

Department of Trade
1 Victoria Street
London, SW1H 0ET
13 February 1981

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(Approved by the Secretary of State and signed in his absence.)



✓ *Mr. [unclear]*
Mr. [unclear]

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PRIME MINISTER

SEAMEN'S DISPUTE

Since I reported to you on 30 January on the seamen's dispute, the general level of industrial activity has increased slightly with nearly 200 ships now immobilised at home and abroad. The trial of strength and propaganda war have continued. Some shipping companies are suffering severely, and though there have been no further defections some foreign-controlled companies are under heavy pressure. There is some evidence that crews, especially abroad, would prefer to sail but there is a strong loyalty to the union.

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One development is a settlement by European Ferries, with the agreement of the GCBS, in respect of the crews of two Townsend Thoresen ferries at Southampton. Both sides claim this is a victory - the GCBS because the practical details are such that the settlement will not exceed the 12% on offer, and the NUS because the settlement incorporates time and a half for overtime. But since the overtime worked here is less than that in the industry generally this settlement cannot form a basis for a national agreement without exceeding 12%.

The GCBS and the NUS met under ACAS auspices on 4 February. The NUS are maintaining their claim for time and a half for all overtime and the GCBS think the gap is still too broad to be bridged by negotiations. It is now probable that the GCBS will move to some degree of arbitration if they can secure terms of reference which take account of the competitive position of all sectors of the industry. The GCBS and the NUS are meeting again on Saturday, 7 February.



The principal consequences of this dispute continue to fall on the shipping industry itself. The industry could not sustain the level of wage increases of recent years and remain competitive. But the longer the dispute continues, the more ships are liable to leave British flag ownership and management. Once the dust has settled I shall have to consider the implications of this.

I have not been advised of any serious effects of this dispute in other areas of activity. I understand there is congestion on the Tyne which has greatly reduced coal shipments, but that this has not caused serious problems. Sympathetic action by dock workers has prevented the sailing of some British-owned ships with foreign crews; depending on the contractual arrangements this will not be unlawful under the 1980 Employment Act. There is as yet no sign of sympathetic action against foreign ships. Abroad, the governments of St Lucia and St Vincent were seriously concerned at the loss of shipping for their banana crop, but they persuaded the NUS to allow sailings by means of direct negotiations, without asking us to intervene.

Waiting in the wings are the officers, who are represented by their own union. Last year they settled first and the seamen got some 4% more; this year they will await the seamen's settlement and seek to recover their position.

I am sending copies of this minute to Cabinet colleagues and Sir Robert Armstrong.

Nicholas McLimes

Department of Trade
1 Victoria Street
London, SW1H 0ET

6 February 1981

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(Approved by the Secretary of State and signed in his absence.)



✓ Mr. Lytton
Mr. Vickers

Ann [unclear]

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PRIME MINISTER

SEAMEN'S DISPUTE

Since David Trefgarne minuted you on 23 January on the seamen's dispute there has been considerable propaganda activity by both sides, but no progress towards a settlement.

The general level of industrial action remains as previously reported to you, except that guerilla action is tending to increase in scale and duration at little or no notice. Latest information from the General Council of British Shipping is that over 170 ships are immobilised at home and abroad. Each side has been attempting to get behind the other's negotiating team. The GCBS have been pointing out to individual seamen that the NUS has never balloted members on the 12% pay offer, that other industries have settled for less, and that the dispute will cause the loss of jobs. They believe there is appreciable feeling among seamen in support of this line.

The NUS on their part have been approaching individual companies to try to split their ranks. They scored a notable success when Canadian Pacific settled separately. The level of settlement will depend on the amount of overtime worked; Canadian Pacific say it is 13% for them but the GCBS think this is only so if there are associated manning concessions. Estimates of the cost of such a settlement to other companies range from 14-19%. One other foreign owned company, with only three UK ships, is known to be wavering but the GCBS claim there are no others at present.



The present mood of the shipowners is to stand firm, since if they give in now they will be on the run in future years. But they cannot sustain the dispute indefinitely, and it remains to be seen whether they will reconsider arbitration, but the terms of reference would have to be based on competitiveness and they fear the traditional "splitting of the difference". On the NUS side, internal politics have undermined the position and authority of the General Secretary, Jim Slater.

The consequences of this dispute for the shipping industry grow increasingly serious. The GCBS claim that already some 38 ships will no longer sail under the British flag, with a loss of around 1,000 jobs. Whether or not all this comes to pass the danger is clear. However, I have not been advised of any serious consequences for any other sector of the economy or for any geographical area, for example services to islands. There is as yet no serious congestion in ports, and no indication of secondary industrial action against foreign ships. All these matters are of course being kept under review.

I am sending copies of this minute to Cabinet colleagues and Sir Robert Armstrong.

J. B.

Approved by the Secretary of State
and signed in his absence

Department of Trade
1 Victoria Street
London SW1H 0ET

30. January 1981



✓ Mr. Horton
Mr. Walters
Mr. Lyden

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PRIME MINISTER

SEAMEN'S DISPUTE

In John Biffen's absence abroad, I am minuting to keep you and colleagues informed on developments in the seamen's dispute since his minutes of 12 and 16 January.

The NUS rejection of an offer of 12% had been publicly linked to the possibility of concessions on overtime being nullified by a decrease in the hours of overtime worked. The General Council of British Shipping therefore offered to discuss a restructuring of the offer to give say 12% on basic rate. The NUS were not interested in pursuing this and seemed to be holding out for a figure commensurate with the cost of living increase, by which they probably mean around 16%. But the NUS objective has never been precisely defined.

The NUS are still preventing sailings from UK ports on deep sea routes and, for selected companies, all sailings throughout the world. They have intensified their guerrilla action on ferries and other short sea services and are no longer giving notice. On their part, the shipowners are moving to cut pay in respect of guerrilla action and to discharge seamen when ships are immobilised the extent to which this is implemented will depend on individual companies. The shipowners have ceased to operate the scheme under which they pay benefit to seamen unemployed between voyages.

I see no immediate prospect of a settlement, and I understand that this is also the view of ACAS. The NUS are obviously hoping that commercial pressures will work on the shipowners, but so far the latter are standing firm. The GCBS say that Press



reports of shipowners breaking ranks are untrue. It is noticeable that the NUS have not balloted their members on a 12% offer or on a total stoppage. We may now have a period of testing of nerves.

The adverse effect on the economy has so far been mainly on the shipping industry itself. Around 130 ships have been affected at home or abroad. An inter-Departmental review of the consequences of the dispute has revealed no serious effects in any geographical area or industrial sector. There is as yet neither any damaging port congestion-though I understand the Civil Contingencies Unit is keeping this under close review - nor any sympathetic action against foreign owned ships. The North Sea supply boat sector, which has a separate pay negotiation, is quiet. The seamen's dispute has had no serious effect on essential services to the Scottish Islands, the Channel Islands or the Isle of Man, though the separate dockers dispute at Aberdeen is cutting sailings to the Shetlands. Officials are however checking the extent to which replacement services by sea or air could be provided for the islands in case of need.

I am sending copies of this minute to Cabinet members and Sir Robert Armstrong.

Thompson

DEPARTMENT OF TRADE
1 Victoria Street
London
SW1H 0ET

LT

January 23 1981



cc Mr. Taylor
Mr. Butler
Mr. Harbison

Prime Minister 2

The NUS have now announced but there will be a short-out strike for 2 days next week.

PRIME MINISTER

SEAMEN'S DISPUTE

MS

The 14/1 attached

This note is to advise you, before my departure for India, of developments in the seamen's dispute since my minute of 12 January.

The Executive of the National Union of Seamen has rejected unanimously the increased offer of 12% from the General Council of British Shipping. The NUS say that since the increase from 10.5% is due to concessions on overtime, the employers can recoup it by cutting down on overtime worked. But the main difficulty is that the NUS are still seeking "the rate of inflation", by which they mean around 16%.

The NUS are now intensifying their guerrilla action and there is a real risk of a prolonged and increasingly acrimonious dispute. The present inclination of the GCBS is to stand firm; some of their members are naturally worried but others think that 12% conceded too much. It is too early to say whether there will be a move towards a separate settlement for ferries.

It is not yet clear how serious an effect the present level of dispute will have on the economy. A danger signal would be escalation through sympathetic action by other unions against foreign shipping, but this has not yet come to pass. On specific aspects which have been the subject of public and parliamentary interest:-

a essential services to the Scottish Islands have in principle been given a dispensation by the NUS, and so far they have not been substantially affected;



b passenger movements on ferry services to the continent are at their lowest at this season of the year. Where alternative services are available from foreign operators, I understand there has usually been sufficient spare capacity; and

c apart from a one day stoppage last week there has been no interference with North Sea supply boats. Offshore installations have sufficient reserves to cope with such limited action. Were there more serious disruption, Norwegian and other continental operators could be used.

This dispute is likely to have serious consequences for the shipping industry, irrespective of whether it drags on or whether the employers settle at a higher figure with consequences for international competitiveness. How serious it will be for the economy in general we cannot yet tell, and colleagues will wish to join me in keeping this under review.

I am copying this minute to Cabinet colleagues and to Sir Robert Armstrong.

Department of Trade
1 Victoria Street
London, SW1H 0ET

16 January 1981

W. J. B.

J B



PRIME MINISTER

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Ann Chisholm

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SEAMEN'S DISPUTE

I think it right to let you and colleagues have a note on the seamen's industrial dispute and its possible consequences. These are potentially serious for the shipping industry and the effects will extend into the economy as a whole.

On the facts of the dispute the employers, the General Council of British Shipping, have now increased their offer to 12%. The National Union of Seamen will decide formally ~~tomorrow~~ ^{on Wednesday} whether to accept, but the GCBS are not hopeful. The NUS implemented today their threatened industrial action under which:-

- a ships do not sail from United Kingdom ports on deep sea routes;
- b short sea services, including ferries, are disrupted on a guerrilla basis; and
- c ships of 14 leading companies - we do not yet have a definitive list - are to be immobilised in ports throughout the world.

The key factor in this dispute is international competitiveness. The GCBS say that their former competitive advantage over other Western European operators has been almost completely eroded by recent increases. They now say that any further increase over 9% - and they have been forced up to 12% - will mean an additional loss of ships to the United Kingdom register, and of jobs for seamen. I believe they are correct in arguing that a significant wage settlement this year could have a substantial effect on competitiveness. One aspect of this would be to increase the pressure on United Kingdom shipowners to operate under other flags.



An important point on the initial effect on the economy is that only around one third of our trade by weight (around two fifths by value) is carried in United Kingdom registered ships. There is also obvious scope for traders to switch to foreign ships. But it would be wrong to under-estimate potential developments. If growing numbers of British ships are immobilised in our ports, there could be consequences through loss of port capacity. There is also the possibility of support from other trade-unions by interfering with the operations of foreign ships. This would be ~~illegal~~^{unlawful} under the 1980 Employment Act; we cannot at this stage guess whether those affected would seek redress in the courts.

ACAS is already involved in the negotiations, and there is no direct role for Government. However, I think it right to make it clear that in this as in other industries we are concerned with our world-wide competitiveness. I have asked my officials to keep the situation under review in liaison with other interested Departments.

I am sending copies of this minute to Cabinet colleagues and Sir Robert Armstrong.

WJB

Department of Trade
1 Victoria Street
London, SW1H 0ET
12 January 1981

JB

Seamen's Strike: PNQ

Stanley Clinton Davis' PNQ on the seamen's strike passed off quietly this afternoon in a very empty House. Reginald Eyre answered for the Government (copy of the answer itself attached).

Stanley Clinton Davis said that the answer was grossly unsatisfactory and uninformative and that Mr. Eyre was very complacent. He called twice for the Government to persuade both sides to accept arbitration and said that British seafarers had the second lowest salaries in Europe and went on to rehearse their case in detail.

Mr. Eyre, in reply, said that the seamen had had wage increases of 54 per cent in the last three years and that they were becoming increasingly uncompetitive in Northern European terms. He said that ACAS was always willing to help in any way it could, but declined to get drawn into the argument about arbitration.

There was no drama about all of this, but we shall hear more of Mr. Clinton Davis' line that it is wrong of the Government to rely entirely on the employers' case and not to accept the force of the seamen's claim.

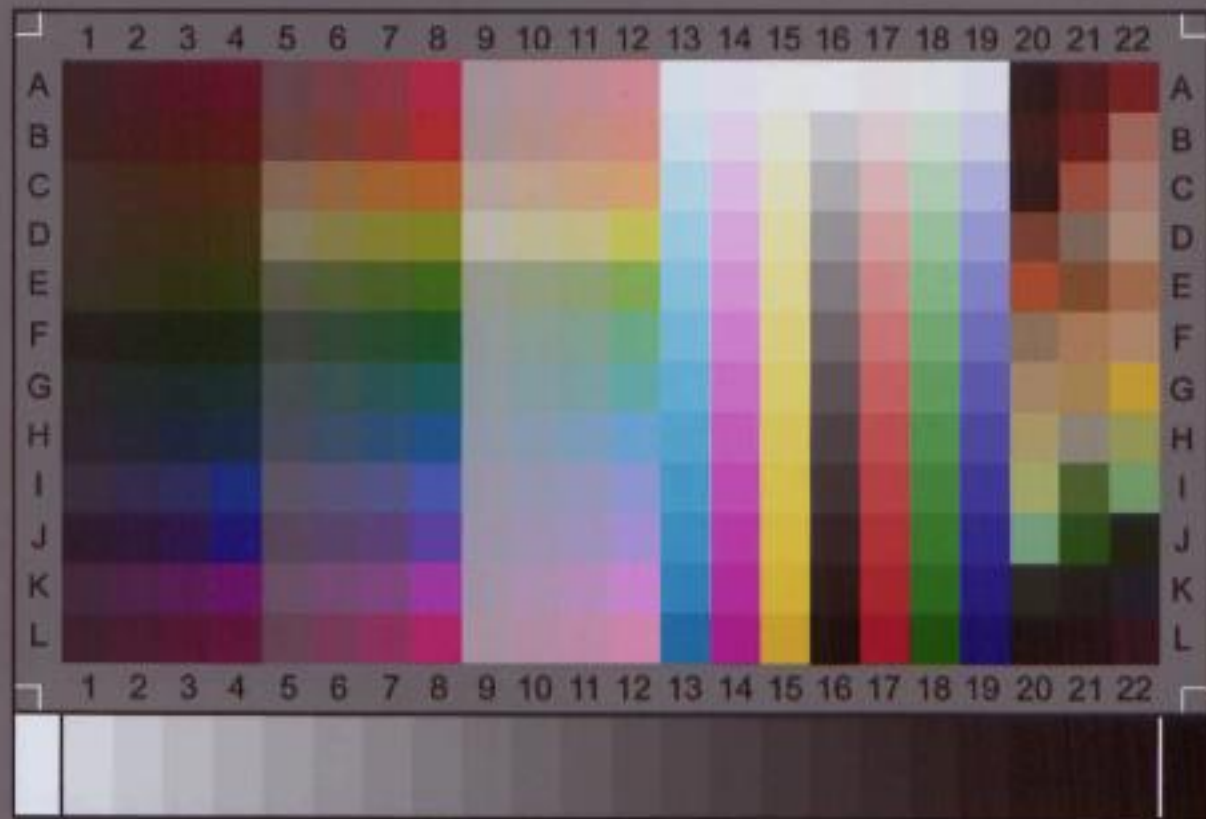
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To ask the Secretary of State for Trade if he will make a statement on the strike called by the National Union of Seamen.

Wage negotiations in the shipping industry are for the employers and the maritime unions. The shipping industry has to operate in a strongly competitive world-wide market. The future size of the United Kingdom merchant fleet and its job opportunities therefore depend primarily on its operating costs, including its labour costs, being internationally competitive. An illustration of this is the loss of 8,000 jobs in the past three years. I hope that it will be possible to reach a settlement which recognises this.



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