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24 August 1979

Dear tike

Please find attached notes on the Hunterston situation and on the ITV dispute, which you requested from Ian Fair.

Yours suicesely John Anderson

J ANDERSON

You asked to be updated an both these dispates.

Please Kyp really wordalle.

Private Secretary

CONFIDENTIAL

HUNTERSTON ORE TERMINAL

BSC's £100 million iron ore terminal on the Clyde - it has the biggest deep water jetty in Europe - was formally opened on 5 June. It should have been operational a month earlier but has remained closed because of a manning dispute between the TGWU and the Iron and Steel Trades Confederation (ISTC). BSC have now begun diverting bulk ore-carriers to the Continent where the ore is transferred to smaller vessels for shipment to their old terminal at Terminus Quay, Glasgow where ore for BSC Raivenscraig is discharged It is said that these special arrangements will cost BSC an extra £800,000 per shipment.

This is essentially an inter-union dispute. BSC has an agreement with the ISTC that the manning of the Hunterston terminal should follow the same pattern as at Terminus Quay, Glasgow where only the stevedoring work is done by registered dockworkers (employed by the Clyde Port Authority) whilst ISTC members (employed by BSC) carry out the jetty and stockyard operations. The TGWU, however, maintains that at Hunterston the other operations as well as stevedoring (about 60 jobs in all) should all be performed by registered dockworkers. They see the new ore terminal as the first stage of a major all-purpose port, and no doubt want to make a stand over what they see as new dock work. They are concerned about the gloomy outlook for dockers' job prospects at the traditional Clyde ports.

The Department of Employment and the ACAS are in close touch with the situation and have been exerting pressure on the TUC to find a solution to the differences between the two unions. A number of meetings have been held at both local and national levels. Eventually, at a meeting on 2 August a compromise manning arrangement (acceptable to BSC) was agreed between Mr Kitson (TGWU) and Mr Sirs (ISTC); but this was subsequently rejected by the Scottish dockers. Revised proposals suggested by the Clyde Port Authority were discussed at a further meeting in Glasgow on Tuesday of this week (21 August), but three is at present considerable confusion about the details and about whether they are likely to result in agreement between the TGWU and the ISTC.

During recent negotiations both the TGWU and the Clyde Port Authority wrote to the Secretary of State suggesting that Hunterston should be scheduled as a port to which the Dock Labour Scheme applies. Even if this could be done, which is doubtful, it is not an attractive proposition and in any event would not solve the immediate manning dispute. The TUC recognise this.

The Secretary of State discussed the situation with Len Murray yesterday (Thursday 23rd). Mr Murray intends to have further talks with Mr Sirs and Mr Kitson next week.

DEPARTMENT OF EMPLOYMENT

24 August 1979