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10 DOWNING STREET

From the Principal Private Secretary

6 November 1979

Dear Jim,

Hunterston

When your Secretary of State saw the Prime Minister at 2145 yesterday evening in her room in the House, he told her that E(EA) had reluctantly decided earlier in the day that there was no alternative but to go ahead and designate Hunterston as a scheme port under the Dock Workers (Regulation of Employment) Act 1946. The sub-committee had been unhappy at extending the Dock Labour scheme but had concluded that there was no other course. The fact was that the unions, the Port Authority and the owners of the port, the British Steel Corporation, were all agreed that Hunterston should be designated as a scheme port, and it would be very difficult for the Government to withhold its agreement to this course. E(EA) had satisfied itself that the designation of Hunterston would not create a precedent for other ports. It was most unlikely that Hunterston would ever become a general storage port: its trade would almost certainly be confined to ore and coal. Moreover, when he had seen the TUC earlier that evening, they had told him that they regarded the proposed solution as exclusive to Hunterston. They had said that they would make this clear in public, and there was no doubt that it would be useful if they did so. The TUC were anxious to bring the issue of Hunterston to a conclusion. The unions had had a thoroughly bad press on the matter, and the TUC had gone to great lengths to find a satisfactory answer. Mr. Len Murray had thought that he had arrived at a solution on three separate occasions, only to find that things had subsequently gone wrong. It had taken him and his TUC colleagues all the previous Saturday to arrive at an agreement acceptable to the unions.

Your Secretary of State explained that even now he could not guarantee absolutely that Hunterston would open on Wednesday. He had asked the representatives of the TGWU at that evening's meeting whether their members would turn up to operate the port or whether they would find a pretext for a new dispute. They had said that this was something

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he should leave to them, and Mr. Murray had said that it would be the TUC's responsibility to solve any further problems that arose. Mr. Sirs was confident that his members would accept the new agreement: the ISTC, who on the whole had done less well out of the agreement than the TGWU, were worried about jobs at Ravenscraig. If the Prime Minister endorsed the conclusion of E(EA), the next step was for him to make a draft order designating Hunterston as a scheme port. There would then be a period of 40 days in which objections could be lodged. Thereafter the order would be laid before the House and would be subject to the negative procedure.

The Prime Minister said that she agreed that it would be difficult for the Government to refuse to go along with an arrangement which had the support not only of the unions but also of the British Steel Corporation and the Clyde Port Authority. On the understanding that the Hunterston solution would not be taken as a precedent for other ports like Felixstowe which were outside the Dock Labour scheme, she was ready to approve the proposal to designate Hunterston as a scheme port. She was content to leave it to your Secretary of State to decide when to announce the Government's decision, though he should let her know how he proposed to handle the announcement before her Question Time the following day.

I am sending copies of this letter to the Private Secretaries of other members of E(EA), to Genie Flanagan (Transport) and Martin Vile (Cabinet Office).

Yours sincerely,

John Whitman.

Ian Fair, Esq.,
Department of Employment.

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