

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

COPY NO 74

CABINET

CONCLUSIONS of a Meeting of the Cabinet
held at 10 Downing Street on

THURSDAY 19 JULY 1984

at 9.45 am

P R E S E N T

The Rt Hon Margaret Thatcher MP
Prime Minister

The Rt Hon Lord Hailsham
Lord Chancellor

The Rt Hon Leon Brittan QC MP
Secretary of State for the Home Department

The Rt Hon Sir Keith Joseph MP
Secretary of State for Education and Science

The Rt Hon Peter Walker MP
Secretary of State for Energy

The Rt Hon George Younger MP
Secretary of State for Scotland

The Rt Hon Patrick Jenkin MP
Secretary of State for the Environment

The Rt Hon Norman Fowler MP
Secretary of State for Social Services
(Items 1-4)

The Rt Hon Lord Cockfield
Chancellor of the Duchy of Lancaster

The Rt Hon Michael Jopling MP
Minister of Agriculture, Fisheries and Food

The Rt Hon Nicholas Ridley MP
Secretary of State for Transport

(84) 27th
Conclusions

The Rt Hon Viscount Whitelaw
President of the Council

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign and
Commonwealth Affairs

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer

The Rt Hon James Prior MP
Secretary of State for Northern Ireland

The Rt Hon Michael Heseltine MP
Secretary of State for Defence

The Rt Hon Nicholas Edwards MP
Secretary of State for Wales

The Rt Hon John Biffen MP
Lord Privy Seal

The Rt Hon Norman Tebbit MP
Secretary of State for Trade and Industry

The Rt Hon Tom King MP
Secretary of State for Employment

The Rt Hon Peter Rees QC MP
Chief Secretary, Treasury

THE FOLLOWING WERE ALSO PRESENT

Rt Hon John Wakeham MP
Parliamentary Secretary, Treasury

Mr John Gummer MP
Minister of State, Department of Employment

SECRETARIAT

Sir Robert Armstrong	
Mr P L Gregson	(Items 4 and 5)
Mr D F Williamson	(Items 2 and 3)
Mr B G Cartledge	(Items 2 and 3)
Mr M S Buckley	(Items 4 and 5)
Mr C J S Brearley	(Item 1)
Mr R Watson	(Item 1)

CONTENTS

Subject	Page
PARLIAMENTARY AFFAIRS	1
English Rate Support Grant Settlement 1985-86	1
Civil Aviation Authority Report on Airline Competition Policy	1
Release of Documents to Select Committees	3
FOREIGN AFFAIRS	
Government Communications Headquarters	4
United Kingdom/Nigerian Relations	4
Iran/Iraq	5
Argentina	5
Prime Minister of France	5
COMMUNITY AFFAIRS	
Presidency of the European Commission	5
Community Budget and United Kingdom Refunds	6
High Level Groups on Institutions and People's Europe	6
Agriculture	6
Enlargement of the Community	7
INDUSTRIAL AFFAIRS	
Coal Industry Dispute	8
Dock Strike	8
WARSHIPBUILDING PRIVATISATION	8

1. The Cabinet were informed of the business to be taken in the House of Commons in the period up to the Summer Adjournment which was planned to take place on Wednesday 1 August.

THE LORD PRESIDENT OF THE COUNCIL said that after much discussion the Ministerial Sub-Committee on Local Authority Expenditure (E(LA)) had reached conclusions on the principal features of the English Rate Support Grant Settlement for 1985-86. He would be reporting by minute the details of what had been agreed, and the Secretary of State for the Environment would be making a statement in the House of Commons the following week. While the settlement entailed an increase in public expenditure provisions, it would be attacked by the local authorities as too severe, and would almost inevitably also give rise to difficulties with the Government's own supporters in outer London and over the "Pym commitment".

THE SECRETARY OF STATE FOR TRANSPORT said that the Ministerial Sub-Committee on Economic Affairs (E(A)) had met on 18 July to discuss the Report on Airline Competition Policy which had been published by the Civil Aviation Authority (CAA) on 16 July. Briefly, the Report's recommendations were -

- i. the transfer to other British airlines of all British Airways' (BA) international scheduled services out of Gatwick, Birmingham, Manchester and Glasgow and those out of Heathrow to Harare and Saudi Arabia;
- ii. measures to increase competition with the provision of new services by British airlines (especially British Caledonian (B Cal)); more competition out of Heathrow; no debarring of BA from the charter market, but improved safeguards against predatory pricing; and a strengthening of the CAA's powers;
- iii. relief of capacity constraints at Heathrow and Gatwick.

The Sub-Committee had agreed that the second group of recommendations should be accepted, subject to further exploration with the CAA of the suggestion that they should be given new statutory powers, and that the third recommendation should not be accepted. They were not able to reach an agreement on the first recommendation. Accepting the CAA proposals would mean substantial delays to the privatisation of BA. Rejecting the proposals would cause severe disappointment to many of the Government's supporters who wished to see an increase in the B Cal route structure, as well as to B Call and the other British independent airlines. As a result of factors outside their control

B Cal had lost their route to Argentina and had problems on their routes to Libya and Nigeria. There was also some doubt whether B Cal could survive with its present weak structure. The changes which the CAA Report recommended would require B Cal to find substantial new capital and it was far from clear that they would be able to do this. He had explored with the Chairman of BA, Lord King, the possibility of a compromise which would give B Cal some additional routes without going as far as the full CAA recommendations. Lord King was adamant that the recent success of BA and its forthcoming privatisation should not be prejudiced by route changes. Staff numbers at BA had already been reduced by 40 per cent and he had given undertakings that there would be no further redundancies. There appeared therefore to be no opportunity for compromise. The Sub-Committee had in consequence agreed to reject this group of the CAA's recommendations. A majority of the Sub-Committee had also favoured making an early announcement. Parliament would undoubtedly wish to debate the issue and there would be a suitable opportunity in the House of Commons during the passage of the Consolidation Fund Bill on Wednesday 25 July. He therefore proposed that he should make a statement setting out the Government's position on 23 or 24 July.

In discussion the following points were made -

- a. The transfer of routes from BA to B Cal would not in itself increase competition: it would simply transfer the United Kingdom flag from one carrier to another. Competition was provided by foreign airlines operating on the routes in question. B Cal had not always taken opportunity to compete with BA when they were offered.
- b. It seemed unlikely that B Cal would be able to raise any more than £50 million from the market.
- c. Any transfer of routes which was not agreed to by BA would require controversial primary legislation. This would immediately rule out the planned privatisation of BA early in 1985, and might well prevent the privatisation of BA during this Parliament. This would be a major political set-back for the Government.
- d. On timing, although the need for an early announcement was recognised, the Report had been in the Government's hands for only a very short time and it would be reasonable to expect it to take some time over such important decisions. An announcement before the Summer Adjournment should not therefore be considered to be absolutely necessary. The Government was just as likely to be criticised for rushing matters as for delaying. The possibility of making an announcement during the Summer Adjournment should not be ruled out.

e. The arguments pointed towards a compromise of a limited and agreed transfer of routes from BA to B Cal. Initial approaches on these lines to Lord King had not been successful, but it was possible that, if the Government's difficulties were explained to him and a firm proposal put before him, he might be more accommodating. One such compromise would be to transfer to B Cal the routes which BA currently operated from Gatwick to the Iberian Peninsula.

THE PRIME MINISTER, summing up the discussion, said that Cabinet endorsed the Sub-Committee's conclusions on the second and third groups of the recommendations of the CAA Report, but on the transfer of routes from BA to other British operators considered that the best solution would be a compromise which would provide for an agreed transfer of routes from BA to B Cal. The Government would have to decide how many routes it would be reasonable should be transferred in this way, and then press BA and B Cal to acquiesce. If agreement could be reached within the next few days, the Secretary of State for Transport could still make a statement to the House of Commons before the Summer Adjournment. If not, consideration might have to be given to making an announcement while Parliament was adjourned.

The Cabinet -

1. Took note, with approval of the Prime Minister's summing up of the discussion.
2. Invited the Secretary of State for Transport and the Chancellor of the Exchequer to discuss with the Chairmen of British Airways and British Caledonian a compromise transfer of routes which would not require primary legislation.
3. Invited the Secretary of State for Transport to prepare an announcement of the Government's response to the Civil Aviation Authority Report which would emphasise the importance of those recommendations which added to competition. The timing of the announcement would depend on the outcome of the discussions with the two airlines.

THE SECRETARY OF STATE FOR TRADE AND INDUSTRY said that the House of Commons Select Committee on Trade and Industry had asked British Shipbuilders (BS) to provide them with copies of the BS Corporate Plan and other material which he had commissioned. In his view production of the documents would have serious consequences, and after consultation with the Lord Privy Seal and the Chief Whip he had instructed the Chairman of BS that he should not make the information available. He had also had discussions with the Chairman of the Select Committee who

had subsequently informed him that, if necessary the Select Committee would seek the authority of the House to require production of the documents in question. Following further discussion with colleagues, he had decided that a major disagreement with the Select Committee on this issue should be avoided. He had consequently agreed with the Chairman of BS that the documents should now be provided to the Committee.

THE PRIME MINISTER, summing up a brief discussion, said that the Cabinet agreed with the course that had been followed. They were, however, concerned about the consequences of Select Committees having documents of the kind in question for the efficient management of the nationalised industries. The implications should be further examined and the rules and conventions governing the powers of Select Committees to call for papers should be reviewed in the light of them.

The Cabinet -

4. Invited the Lord Privy Seal to review the rules and conventions governing the production of documents of Government Departments and their associated public bodies to Departmental Select Committees.

2. THE FOREIGN AND COMMONWEALTH SECRETARY, reported on the situation at Government Communications Headquarters (GCHQ), following Mr Justice Glidewell's judgment that the Government's ban on trade union membership and activity at GCHQ without prior consultation with the trade unions had been contrary to natural justice. While the outcome of the Government's appeal against this ruling was awaited, the trade unions were attempting to reopen recruitment at Cheltenham. Their efforts had so far met with only a very limited response. The GCHQ management appeared to be holding the position.

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Federal Military Government (FMG) in Lagos had asked for two members of the Diplomatic Staff of the United Kingdom High Commission to be withdrawn and had subsequently requested the withdrawal of the British High Commissioner. Although this request was without justification he had reluctantly agreed to it. There were some indications that the FMG might now be adopting a calmer approach towards Nigeria's relations with the United Kingdom. He would be considering what could be done to make the bilateral relationship more secure. Nigerian anger against the United Kingdom stemmed principally from the continuing presence in

FOREIGN AFFAIRS
Government Communications Headquarters
Previous reference: CC(84) 8th Conclusions, minute 2

United Kingdom/Nigerian relations
Previous reference: CC(84) 26th Conclusions, minute 2

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

London of the exiled former Nigerian Minister for Transport, Mr Umaru Dikko, and he proposed to discuss this aspect of the situation with the Home Secretary.

Iran/Iraq
Previous
Reference:
CC(84) 26th
Conclusions,
Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY said that, following the attack on the British Petroleum tanker "British Renown", a protest had been lodged with the Iranian Government. The Iranians had claimed that they had no hostile intentions against the United Kingdom. They had been asked to give an assurance that there would be no repetition of the attack. There were no other significant developments to report in the Iran/Iraq war, and the situation remained basically unchanged.

Argentina
Previous
Reference:
CC(84) 20th
Conclusions,
Minute 2

THE FOREIGN AND COMMONWEALTH SECRETARY said that, as had been announced, talks between British and Argentine officials were now under way in Berne. He would report to the Cabinet at its next meeting on 26 July on the outcome of the talks.

Prime
Minister of
France

THE FOREIGN AND COMMONWEALTH SECRETARY reported that the French Government had tendered its resignation and that the President, Monsieur Mitterrand, had appointed Monsieur Fabius as the new Prime Minister. The other Ministerial appointments would be announced shortly.

The Cabinet -

Took note.

COMMUNITY
AFFAIRS

Presidency
of the
European
Commission

3. THE FOREIGN AND COMMONWEALTH SECRETARY said that all member states were now prepared to support Monsieur Delors, Minister of Finance in the outgoing French Government, as the next President of the Commission. The United Kingdom had been willing to support Monsieur Davignon, the Belgian Commissioner but recognised Monsieur Delors's excellent personal qualities. The Germans, who on grounds of a fair rotation of the Presidency of the Commission had a better claim than the French, had delayed their choice and only at the last moment had made clear that they would not propose a German candidate. In discussion it was said that the willingness of the Germans, despite their own claim, to agree that the next President of the Commission should be French demonstrated once again the

strength of the Franco/German axis in Community affairs; that the French would now have a strong hand of major international posts in the International Monetary Fund, the Organisation for Economic Co-operation and Development and the Commission; but that Monsieur Delors was likely to be a very good President of the Commission.

THE FOREIGN AND COMMONWEALTH SECRETARY said that the Council of Ministers (Budget) was discussing the Commission's proposals for a supplementary Community budget for 1984 and for the preliminary draft Community budget for 1985. The United Kingdom was seeking the maximum feasible savings and the respect of the ceiling on Value Added Tax. Discussions on budget discipline were continuing in the official group and would be reported to the Council of Ministers (Finance) in September.

THE FOREIGN AND COMMONWEALTH SECRETARY reported that, as agreed in the European Council at Fontainebleau on 25-26 June, two groups were now being established in the Community. The first group, on which the United Kingdom would be represented by the Minister of State, Foreign and Commonwealth Office (Mr Rifkind), would examine ways in which the Community's Institutions might work better and whether there was scope for other common actions. The second group, at official level, would look at ways in which the Community might be, and be seen to be, more directly relevant to its citizens. In this respect the Franco/German initiative on reducing frontier controls was likely to be extended more widely on the continent, and it was important that the United Kingdom should be ready to participate constructively in discussions on easier personal travel within the Community.

THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD said that the Council of Ministers (Agriculture) on 16-17 July had agreed on a regulation for better control in the olive oil sector and, with the United Kingdom dissenting on budgetary grounds, on a regulation on disposal of skimmed milk powder. At United Kingdom request the Commission would be presenting to the Council of Ministers in September a comprehensive report on the application of the milk super-levy/quota scheme in all member states. He had hoped to be able, in the discussion on the proposed regulation on agricultural structure, to take an initiative to make possible some encouragement for conservation. As he did not have the agreement of all his colleagues, he had not been able to put

Community
Budget and
United
Kingdom
Refunds
Previous
reference:
C(84) 26th
conclusions
minute 3

High Level
groups on
Institutions
and People's
Europe

Agriculture
Previous
reference:
C(84) 23rd
conclusions,
minute 3

CONFIDENTIAL

CONFIDENTIAL

CONFIDENTIAL

the proposal forward in Brussels. He would be discussing it again with his colleagues on 20 July, as it remained important to have a position before a debate in the House of Lords on 23 July.

The Cabinet -

1. Took note.

THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD said that he was much concerned that, in view of the target date of 30 September 1984 for the completion of the accession negotiations with Spain and Portugal, there would be strong pressure to agree that existing market organisations for olive oil and wine should be applied without change to an enlarged Community. This could be very costly. The French shared this concern about wine. In discussion it was pointed out that Spanish accession could also pose substantial industrial problems, for example in relation to steel and cars, if the terms of the negotiation were not right. It was most unlikely that the negotiations, at least with Spain would be completed by 30 September 1984.

THE PRIME MINISTER, summing up a short discussion, said that the problems of enlargement to which some members of the Cabinet had drawn attention would need to be examined by a smaller group of Ministers.

The Cabinet -

2. Took note, with approval, of the Prime Minister's summing up of their discussion.
3. Invited the Foreign and Commonwealth Secretary to arrange for further discussion of these issues with those of his colleagues principally concerned.

INDUSTRIAL
AFFAIRS
Coal Industry
Dispute
Previous
Reference:
CC(84) 26th
Conclusions,
Minute 4

4. THE SECRETARY OF STATE FOR ENERGY reported to the Cabinet on the latest position in the coal industry dispute. The Cabinet's discussion is recorded separately.

Dock Strike
Previous
Reference:
CC(84) 26th
Conclusions,
Minute 4

THE SECRETARY OF STATE FOR TRANSPORT reported to the Cabinet on the latest position in the dock strike. The Cabinet's discussion is recorded separately.

WARSHIP-
BUILDING
PRIVATISATION

5. The Cabinet considered a memorandum by the Secretary of State for Trade and Industry (C(84) 18) about the warshipbuilding industry.

THE SECRETARY OF STATE FOR TRADE AND INDUSTRY said that the Government's 1983 Election Manifesto said that it would aim at transferring a 'substantial part' of British Shipbuilders (BS) to the private sector. In practice, this meant concentrating on warshipbuilding. Potential buyers had made it clear that they would be severely deterred by any prospect of having to compete with nationalised warshipyards, especially any based in politically sensitive areas. Privatisation of BS on an appreciable scale meant privatisation of all the warshipbuilders which were not closed. He proposed that the method of privatisation should be by sale of yards either singly or in small groups to individual buyers. He did not advocate a flotation, because this would leave the Ministry of Defence facing a monopoly supplier. There was, however, a risk that sales to individual buyers might not achieve full privatisation, or might fail to produce acceptable proceeds: in order to strengthen the Government's negotiating hand, therefore, there should be simultaneous steps to prepare for a possibly public flotation. The detailed task of negotiating sales should be handed over to the Chairman of BS, Mr Day. Mr Day should be given unequivocal and detailed instructions about the principles to be adopted. Subject to Mr Day's views, he should be required to make substantial progress towards sales, on satisfactory terms, by March 1985, or by the end of 1985 if a flotation proved necessary.

Irrespective of the ownership of warshipbuilding yards there was a serious problem of over-capacity in the industry. At least one of the

five present large yards must close. Though there was a strong case for closing Cammell Laird (CL) on Merseyside, both he and BS would prefer to follow an alternative strategy, which would allow CL the chance of remaining open, subject to certain conditions, if the yard was successful in tendering for at least one of the orders for two Type 22 frigates which the Secretary of State for Defence intended to place. He was strongly opposed to the course recommended by the Secretary of State for Defence in previous discussions in the Ministerial Committee on Economic Strategy, Sub-Committee on Economic Affairs (E(A)), that an order for a Type 22 frigate should be directed to CL. It was true that CL appeared to have won two previous rounds of tendering for the order, but this was because they assumed that overheads would be spread over other work. That assumption was now clearly wrong: CL's latest management accounts showed that the yard expected a loss of some £7.4 million on the contract. Industrial relations problems at CL had recently worsened: work had now been stopped on the two jobs in the yard. Mr Day considered that to place an order unconditionally with CL would be interpreted as yielding to blackmail. It would undermine the authority of BS management and the credibility of its industrial relations strategy. If CL were given the order for a Type 22 frigate, this would be at the expense of another yard. That yard would have to declare further redundancies, possibly in the North East of England, which was already hard hit by unemployment. The arguments all pointed strongly towards allowing all three yards previously involved (CL, Swan Hunter and Vosper Thornycroft) to retender, with a realistic view of overheads. If CL lost, the yard should be allowed to close. If CL won, buyers should be sought for it as for the other warshipyards. But the Government would have to recognise that over-capacity would remain, with a risk to successful privatisation of the whole warship operation.

THE SECRETARY OF STATE FOR DEFENCE said that in previous discussions in E(A) he had argued that the order for at least one Type 22 frigate should be directed to CL, taking the yard's previous tender as a basis for negotiation. CL had won the two earlier rounds of tendering in open competition; and he had felt strongly that it would be indefensible to deprive them of the fruits of success. He was also concerned at the profound social consequences for Merseyside if CL were to close. He would wish to revert to those arguments when the time came for placing the orders for the Type 22 frigates. He now believed, however, that the industrial action at CL, to which the Secretary of State for Trade and Industry had referred, made it essential to undertake a further round of tendering. To direct an order to CL would be regarded as a surrender to militancy: it could not be contemplated.

THE PRIME MINISTER, summing up a brief discussion, said that the Cabinet agreed with the proposals in C(84) 19 regarding the privatisation of warshipbuilding, and that there should be a further round of tendering for the two Type 22 frigates, on the basis of a realistic assessment of the overheads of the yards involved. CL would be allowed to submit a tender. Whether they eventually secured the order would depend, as with the other yards, not only on the details of their tender but on

whether they and their trade unions were able to give satisfactory assurances regarding productivity and working practices. In presenting the Government's decisions it should be stated that several recent events had affected the issue: the failure of CL to achieve the orders which they had previously assumed, and the effects of this failure on overhead rates; the losses that would have resulted from CL's previous tender; and the current industrial action. These events suggested strongly that a further round of tendering was the only fair course. This presentation would bring out that the industrial action had damaged CL's prospects without suggesting that the Government's decisions sprang from a desire to penalise CL.

The Cabinet -

1. Took note, with approval, of the Prime Minister's summing up of their discussion.
2. Approved the proposals in C(84) 19.

Cabinet Office

19 July 1984

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

COPY NO 13

CABINET

LIMITED CIRCULATION ANNEX

CC(84) 27th Conclusions, Minute 4

Thursday 19 July 1984 at 9.45 am

THE SECRETARY OF STATE FOR ENERGY said that pits fully working numbered 42 with a further four on holiday. There were also five pits with some production with a further three on holiday; and pits with some workers in attendance numbered one with a further three on holiday. The gradual increase in the number of miners working had been maintained; where pits had been on holiday, for example in Leicestershire, attendances were higher than before the holiday. A total of 140,000 tonnes of coal had been moved the previous day, of which 100,000 tonnes had been delivered to power stations. The latest round of talks between the National Coal Board (NCB) and the National Union of Mineworkers (NUM) had been broken off the previous night. The NCB had made public the proposals which it had tabled. These contained three elements. The first was that the timing of closures would be re-examined in the light of the changed circumstances of the industry; in practice this meant that the amount of capacity originally intended to be closed during the financial year ending on 31 March 1985 would now be closed over the next 12 months. The second element was that five collieries referred to specifically by the NUM would continue in operation but would be dealt with in accordance with the new guidelines for closures. The third element was the guidelines for closures. These provided that collieries which were exhausted should be closed by joint agreement and that a colliery might be deemed to be exhausted when it had no further mineable reserves which were workable and could be "beneficially developed". There was no arrangement for further talks, although the NCB had made it clear that it remained willing to discuss ways in which work could be sensibly resumed. The proposals put by the NCB should have considerable appeal to striking miners. He would himself be publicising them extensively on the media and it was desirable that as many Ministers as possible should reinforce this message over the next few days; a fact sheet would be provided for this purpose. Meanwhile the morale of working miners would have been strengthened by the decision of the Vice Chancellor, Sir Robert Megarry, in favour of an application by Nottinghamshire miners to declare null and void the new disciplinary rules adopted at the NUM Delegate Conference the previous week.

INDUSTRIAL
AFFAIRS
Coal Industry
Dispute
Previous
reference:
CC(84) 26th
Conclusions,
Minute 4

CONFIDENTIAL

CONFIDENTIAL

THE HOME SECRETARY said that picketing over the past week had been relatively light, with the exception of Shirebrook where, because of the proximity of heavily populated areas, it was difficult to prevent large numbers of pickets from assembling. The police were now increasing their efforts to secure intelligence about intimidation. An Early Day Motion had been put down expressing concern about the slow progress in dealing with criminal cases arising from the coal dispute. He had discussed with the Lord Chancellor and the Attorney General how the delays could be reduced. It was hoped to stimulate more requests for the appointment of stipendiary magistrates, and it would be made clear that the Lord Chancellor would be very ready to meet such requests. It was also being explained, in a Written Parliamentary Answer, that the hearing of cases could not properly be postponed on the grounds that it would be preferable to deal with them after the coal dispute had ended.

In discussion it was argued that some of the inhibitions which had been felt earlier in the dispute about taking civil action against the NUM for illegal picketing might now have less force. Much might depend on the progress of the docks dispute, which, if it continued into the following week, could well give rise to civil action against the Transport and General Workers Union.

THE PRIME MINISTER, summing up the discussion, said that the breaking off of the talks between the NCB and NUM marked a new phase in the dispute. Every effort was needed, by publicising the NCB's proposals and in other ways, to reinforce the pressures on striking miners to return to work. All Ministers, together with selected backbench Members of Parliament, should be briefed to take part in a sustained publicity campaign on the basis of the fact sheet which the Secretary of State for Energy would be preparing.

The Cabinet -

Took note.

Cabinet Office

19 July 1984

S. R. Armstrong
(Bound Volume)

CONFIDENTIAL

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

COPY NO **14**

CABINET

LIMITED CIRCULATION ANNEX

CC(84) 27th Conclusions, Minute 4

Thursday 19 July 1984 at 9.45 am

INDUSTRIAL
AFFAIRS

Dock Strike
Previous
Reference:
CC(84) 26th
Conclusions
Minute 4

THE SECRETARY OF STATE FOR TRANSPORT said that the strike so far remained solid in the National Dock Labour Scheme ports and the larger non-Scheme ports. There were however signs that at Dover, where traffic had been restricted to passenger movements, freight movements might shortly be resumed; there were pressures for resumption of work at Felixstowe, and some evidence of dissatisfaction with the strike at Liverpool. Support for the strike appeared to be strongest in London, Hull and Southampton. The Transport and General Workers Union (TGWU) would be holding a meeting of its Docks Delegate Conference that morning. The interruption of imports and exports would increasingly be felt by industry and would potentially have a serious effect on employment, but major shortages were unlikely to emerge for 3 to 4 weeks.

THE SECRETARY OF STATE FOR EMPLOYMENT said that the representatives of the port employers and the TGWU had been brought together for talks the previous evening under the aegis of the Advisory, Conciliation and Arbitration Service (ACAS). These had been at the request of the TGWU which had initially given a reluctant response to approaches from ACAS. The talks would be resumed that afternoon, after the Docks Delegate Conference. These developments might reflect anxieties in the TGWU about the rank and file support for the strike and about the attitude of its members in the road haulage industry. It was too soon to judge whether an early settlement of the dispute would prove possible.

THE PRIME MINISTER, summing up the discussion, said that it was essential to bring maximum public pressure to bear on the TGWU to call off the strike and on individual dockers to return to work. Ministers should take every opportunity in the media to emphasise two points: that no-one knew what the strike was about and that it would put jobs seriously at risk throughout the economy.

The Cabinet -

Took note.

Cabinet Office

19 July 1984

CONFIDENTIAL