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From the Private Secretary

30 November, 1981.

Tanker Drivers' Pay

The Prime Minister was grateful for your Secretary of State's minute of 25 November, whose contents she has carefully noted.

I am sending copies of this letter to John Halliday (Home Office), David Omand (Ministry of Defence), Richard Dykes (Department of Employment), Anthony Mayer (Department of Transport), and David Wright (Cabinet Office).

M. C. SCHOLAR

Julian West, Esq.,
Department of Energy.

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Prime Minister

I minuted you on 17 November about the tanker driver's pay negotiations. Shell, Esso and Texaco have now put their final offers to the TGWU representatives. The main element in these offers is an 8.1% increase in the drivers' basic rate. The union has been seeking 11%.

A number of the smaller companies have made offers of 8.1%, but no settlements at this level have been reached. In one company, Chevron (2.5% of the market), drivers have for several days been taking unofficial strike action which is beginning to cause local difficulties in 3 areas. As yet there is no sign of this action spreading to other companies, but it does not help the general situation.

The next move in the major companies lies with the shop stewards, who are meeting tomorrow (Shell and Texaco) and on Friday (Esso). At these meetings management expect that the shop stewards will formulate a proposal to be put to the drivers. This may read on the following lines "Do you accept 8.1% or do you vote for industrial action and if the latter do you want to strike or take other forms of action?".

The companies believe that the TGWU now wants to line up the 3 majors so that the drivers' votes are produced at the same time. It is also thought that pains will be taken to conduct the vote, under union arrangements, on constitutional lines. Esso does not expect the voting to be completed before Tuesday, 1 December, with the possibility of a recall shop stewards meeting on 3 December. Other companies are likely to fall into line with this timetable. If this assessment is correct the risk of widespread official action now moves back towards the end of next week or even to Monday, 7 December. Such action could well be short of an all out strike, although the latter cannot be ruled out if there is a substantial majority vote rejecting the managements' offer.



Against this background I do not think I need trouble Cabinet colleagues for any decisions this week. Even if there is no settlement I would expect there to be adequate time to consult Cabinet next week on any measures that may be needed. The only proviso I would make is that if, against expectation, there is widespread unofficial action while the drivers are voting, and if this were to degenerate into a major break-down of oil deliveries early next week I may need to come back to you before Cabinet seeking the authority of colleagues for measures to deal with the situation.

There remains a good chance of a settlement without a serious strike. But as a contingency measure we still need to keep the Services on notice. I have agreed that this should now be geared to a possible move of the main body on 3 December, which would cover the worst case I have outlined above.

I will keep you informed of developments.

I am copying this to the Home Secretary, the Secretaries of State for Defence, Employment and Transport and to Sir Robert Armstrong.

NR.

Secretary of State for Energy

25 November 1981

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The attached copy of the report of the Special Agent in Charge, New York, dated 11/15/54, and the report of the Special Agent in Charge, New York, dated 11/15/54, are being furnished to you for your information. The report of the Special Agent in Charge, New York, dated 11/15/54, is being furnished to you for your information. The report of the Special Agent in Charge, New York, dated 11/15/54, is being furnished to you for your information.

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