



JF1379

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Prime Minister 21

PRIME MINISTER

PORTS POLICY

You have already seen the minutes of this E(EA) discussion, which concluded that there should not be an inquiry into the Dock Labour Scheme. I understand that the reference in those minutes to the risk of a national dock strike

The Ministerial Sub-Committee on Economic Affairs yesterday discussed (E(EA)82)12 Meeting, item 2) the Interdepartmental Review of Ports Policy circulated by the Secretary of State for Transport under cover of his letter of 30 June and the report by the Official Group (MISC 78) on Industrial Action in the Docks (E(EA)(82)22).

2 The Sub-Committee unanimously endorsed both reports subject to certain points raised in discussion. In particular the scope for further privatisation following the BTDB sale will be explored as part of the general exercise under E(DL) auspices commissioned in your personal minute (M6/82) to the Chancellor of the Exchequer of 28 July. We have also authorised officials to put in hand as quickly as possible confidential studies in consultation with the steel and chemical industries and certain port authorities to provide more precise information about the effect of a national dock strike on those two industries, and also to explore how far certain port facilities might be kept in operation by management and supervisory personnel and by a small number of volunteers for selected tasks.



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3 Our discussion was however centred mainly on the Government's strategy in relation to the National Dock Labour Scheme on which you will have seen letters from the Secretaries of State for Employment (9 July) and Trade (12 July). We are all agreed that the dock labour regime is undesirable and that we should like to see an end to it. We are also agreed that an outright attack on the National Dock Labour Scheme is one of the issues most likely to provoke a national dock strike and that the Government ought not to precipitate such a strike without very good reason. There are already some issues which will require careful handling over the next six months or so - the proposals which the TGWU will probably be making later this year for extension of the 1967 Scheme, and the question, which we shall need to consider around the turn of the year, of whether to legislate in the 1982/83 Session to repeal the moribund 1976 Act.

4 Against this background we concluded that the right approach was to continue the present holding strategy in relation to the National Dock Labour Scheme - to avoid making a direct attack on the existing 1967 Scheme, while avoiding any significant extensions to that Scheme or the introduction of a new and extended scheme under the 1976 Act. We therefore ruled out an independent inquiry into the dock labour regime as proposed by the General Council of British Shipping and the CBI. Quite apart from the increased risk of a national dock strike, we felt that such an inquiry would not be the best way of achieving our



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objective of changing the dock labour regime. An inquiry is not needed to demonstrate that the labour regime is unsatisfactory; what we need is action to change the situation and that is a task primarily for port employers, under market pressures, to pursue with the unions. Remarkable manpower reductions have been achieved in recent years under the severance schemes and more are in prospect over the next couple of years. This should provide the port employers with the prospect of negotiating a more normal labour regime in the docks. We concluded that it was best to keep up the pressure in that direction rather than set up an inquiry which might at best tell us what we already know and might at worst lead to proposals for more Government involvement, both statutorily and financially, in the labour problems of the ports.

5 I am sending copies of this minute to the Home Secretary, the Secretaries of State for Defence, the Environment, Scotland, Wales, Transport, Energy, Employment and Trade, the Minister of Agriculture, The Chief Secretary, Treasury, Mr Sparrow and Sir Robert Armstrong.

PJ

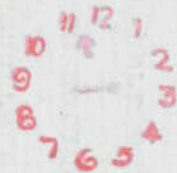
P J

5 August 1982

Department of Industry
Ashdown House
123 Victoria Street



E9 AUG 1982



Faint, illegible text covering the majority of the page, likely bleed-through from the reverse side.



10 DOWNING STREET

From the Private Secretary

13 August, 1982

Ports Policy

The Prime Minister has noted without comment your Secretary of State's minute of 5 August, in which he reported the conclusions of E(EA) on the Interdepartmental Review of Ports Policy.

I am copying this to Richard Hatfield (Cabinet Office).

W. F. S. RICKETT

Jonathan Spencer, Esq.,
Department of Industry

CONFIDENTIAL

Letter to JS.

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PRIME MINISTER

The last meeting of E(EA) agreed that Patrick Jenkin should report to you on their discussion on ports policy, which concluded that there should not be an inquiry into the Dock Labour Scheme. Mr. Jenkin's minute is attached. You will be familiar with most of it, since you have already seen the minutes of the meeting.

I understand that the reference in those minutes to the risk of a national dock strike was meant only to reflect the fact that Ministers will face decisions at the turn of the year on the repeal of the 1976 Act, and possibly on proposals from the TGWU for the extension of the Scheme, and that both of these issues could conceivably lead to action at national level.

LM ant.

9 August 1982

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5 August 1982

Mr. WJ
Ind. Pol. WJ
14

Prime minister 2

MR RICKETT

Mr Jenkin will be minuting you on E(EA) conclusions, but you may wish to see him over the weekend.

cc Mr Mount

WJ G/S

PORTS POLICY

Thank you for showing me the LCA of the E(EA) discussion on Tuesday. I have talked to the secretariat: their understanding is that Lord Cockfield does not dissent from the conclusion that there should not be an inquiry into the Docks Labour Scheme. In the light of that, which I am sure is the right decision, I do not think there is anything in the decisions of E(EA) from which the Prime Minister should dissent. In particular, I note that the strategy proposed by the official group which has been looking at the prospects for industrial action in the docks is endorsed, which means that in due course Mr Tebbit will make proposals about whether to proceed with the repeal of the 1976 Act. There can be little doubt that we should not so proceed, but the Department of Employment is anxious that the decision should be put off for as long as possible.

The Prime Minister may, however, express concern about the assessment in paragraph (b) on page 3 of the record, to the effect that there is a clear risk of a national dock strike during the coming year. I do not share that conclusion, nor do I think it is justified by the work of the official group. We concluded that only an attack on the Dock Labour Scheme itself, such as would be implied by a repeal of the 1976 Act, was likely to lead to a national strike - pay, closures or redundancies could well lead to industrial action, but were much less likely to have an impact on a national scale.

J.R.

yes - - 1 agree
mt.

January repeal
Extension of scheme
extension to January
number of strikes
if they think in circumstances

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