

SECRET

DTP 1212 Copy No 16 of 16



DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

01-212 3434

Rt Hon Norman Tebbit MP
Secretary of State for Employment
Department of Employment
Caxton House
Tothill Street
LONDON SW1

19 ✓ CC NO
Prime Minister (2)
MS 17/6
17 June 1983

Don Norman,

ms

PORT OF LONDON AUTHORITY

I think you should be aware there is further industrial action in the Port of London which is likely to bring cargo handling at Tilbury to a halt by the beginning of next week.

As you know a strike by PLA dockers over a claim for parity with tally clerks was settled after 8 weeks early in May when the PLA conceded a 10% increase in earnings, including a productivity deal. The tally clerks (who are also registered dock workers) objected to the erosion of their differential, and then put in a claim for an additional £70 a week (some 49%). From the beginning of this week they have been banning overtime and working to rule, and have threatened a strike if the claim is not settled within 28 days.

Following discussions at ACAS, the clerks have reduced their claim to an additional £20 a week; but the PLA have stuck to their offer of 3.5%, plus £8 per week for productivity savings, amounting to £13 a week (some 10%), which would be in line with the settlement with the dockers (though the productivity would be unlikely to be achieved given the nature of the scheme, unless significant severances are achieved.) When the PLA Chief Executive met the shop stewards on Wednesday he failed to persuade them to call off the industrial action, or to recommend acceptance of the PLA's offer. As a result the PLA will be bringing matters to a head on Monday by telling the clerks that if they do not resume normal working immediately they will be suspended without pay. This will almost certainly lead to all 400 clerks going on indefinite strike.

The Clerks' action is unlikely to have any effect on the economy. Its implications for the PLA would depend very much on the attitude taken by the dockers. If they are prepared to cross picket lines the PLA and their tenants at Tilbury will probably be able to offer shippers a limited service;

SECRET

but if, as seems more likely, the dockers are not prepared to cross picket lines cargo handling at Tilbury will cease, and the PLA will risk losing further business permanently. Whatever happens the dispute will further weaken the PLA's already precarious financial position.

The PLA considers that the time is fast approaching when they can no longer be expected to keep within the terms of the Jones-Aldington agreement, under which they are required to continue paying the wages of surplus registered dock workers, and that they may soon have to breach that agreement by returning surplus rdws to the Local Dock Labour Board. As you know, this would almost certainly provoke a national dock strike. I shall be seeing the PLA Chairman, Mr Paige, next Tuesday to discuss his board's position in the light of the tally clerks' action. In view of the possible grave implications, I think that you and I, and the Chief Secretary, should have an early discussion of the situation, soon after my meeting with Mr Paige. My office will be in touch about the arrangements.

Dock Work Regulation Bill

You wrote on 14 June to Willie Whitelaw seeking agreement to your Dock Work Regulation Bill being given a place in the programme for the coming Session. I entirely accept that this legislation is needed. There are, however, two factors which suggest that it might be advisable to delay a decision on the timing of introduction until later in the year:-

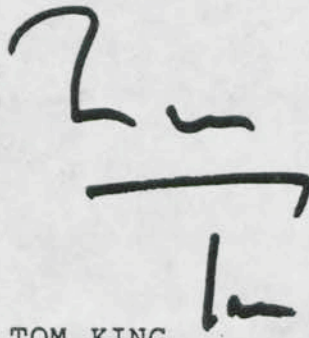
(i) I understand that the National Association of Port Employers is currently working on proposals for a non-statutory alternative to the existing Dock Labour Scheme, and that NAPE envisage that if their ideas are not accepted by the unions they would ask the Government to indicate that it intended repealing the statutory scheme. This is unlikely to come to a head until the autumn;

(ii) as a result of the renewed industrial trouble in London it is conceivable that we may decide that fairly drastic action relating to the scheme, going well beyond repeal of the 1976 Act, is justified. If so, the legislation will be considerably more complicated than the two clauses which you currently envisage, and this would obviously affect the timing of its introduction.

Although I entirely agree that there will need to be legislation, I hope you will agree in the light of these points that we should delay deciding on the timing of its introduction until we know what its scope will need to be in the light of developments in London and involving NAPE. I think we must be clear that the legislation may not necessarily be confined to the two clauses mentioned in your letter.

SECRET

I am copying this letter to the Prime Minister and members of E(EA), QL, and Sir Robert Armstrong.

A handwritten signature in black ink, consisting of a large, stylized 'T' followed by a horizontal line and a vertical stroke, resembling the name 'Tom King'.

TOM KING

SECRET

3F

Ind Poi Points ,

17 JUN 1988

12 23 4
1 1 1
9 8 7 6 5 4 3 2 1

CONFIDENTIAL



NBPM

Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

MS 2/16

The Rt Hon Tom King MP
 Secretary of State
 Department of Transport
 2 Marsham Street
 LONDON SW1

21 June 1983

D. Tom.

PLA AND DOCKS LEGISLATION

Thank you for your letter of 17 June. I understand we are to meet on Thursday afternoon to discuss it and your meeting with Victor Paige.

On PLA, at this stage I would only say that we should avoid giving them the impression that the Government is encouraging them to break an industrial agreement. On the legislation question it has never been my intention to introduce a docks bill in the coming few months.

I am copying this letter to those who received yours.

CONFIDENTIAL

Ind Pol : Ind Action in the Ports

Pt 2

21 JUN 1983

