



A Turnbull Esq Private Secretary to the Prime Minister 10 Downing Street LONDON SW1 DEPARTMENT OF TRANSPORT 2 MARSHAM STREET LONDON SW1P 3EB

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29 March 1984

Dear andrew;

ABOLITION OF CONTROL OVER PORT DEVELOPMENT

You asked over the telephone about the possibility of Liverpool dockers threatening strike action if the Falmouth scheme went ahead. This was mentioned in the note by officials attached to my Secretary of State's minute to the Prime Minister of 29 February.

The somewhat veiled hint of action was made over a year ago after the then Secretary of State's qualified refusal of the 1982 Falmouth application, when there was considerable opposition from Merseyside. No similar threats have been repeated in connection with the current application. Since 1982 Liverpool's performance as a port has improved, and its recent selection for freeport status has also boosted morale locally.

Although the unions' reaction to abolition of the section 9 control cannot of course be predicted, they will undoubtedly criticise it. The TGWU have a policy to resist shipping lines' moving their business from one port to another, and the union have been showing more concern about such transfers recently. But the freedom of users on choice of port and facilities is an essential element of a commercial policy. Also, the Falmouth case largely rests on the attraction of new traffic, as distinct from simply taking existing traffic from other UK ports.

Removal of the control will not itself give the green light to developments like Falmouth. The project's promoters will still have the major hurdle of raising the large sums involved without the spurious appearance of government backing, and there will be no certainty of their succeeding. It would also seem that much more difficult for the unions to take action against particular projects when these are no longer dependent on a Government decision.

DITSP nos propose aholdens reply tomorrow

As David Mudd has now tabled a Question on this for answer on Friday 30 March, it would be helpful to have a reply today, or by first thing tomorrow.

I am copying this to the Private Secretaries to the members of E(A), and to Sir Robert Armstrong.

Yours, Durch

MISS D A NICHOLS Private Secretary TIND POR: Port Bevelopment March 84