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The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer
HM Treasury
Treasury Chambers
Parliament Street
LONDON SW1P 3AG

3 April 1984

Dear Nigel

PORT OF LONDON AUTHORITY: PAY FOR REGISTERED DOCK WORKERS

I wrote to you on 16 March about the position PLA had reached in their negotiations with the Unions. Since then, as I feared might happen, matters have got worse.

At a meeting on 22 March, the Unions accepted the proposals for 1984 (an increase of about 8½%, bringing Grade 2 Dockers into line with the basic pay of a Grade 5 Tally Clerk) but rejected the proposal for a further increase of £3.75 per week - plus "cost of living" - which would have provided parity between Grade 3 Docker and Grade 5 Clerk by 1 July 1985. They put forward a claim for parity between Grade 5 Docker and Grade 5 Clerk by 1 January 1986 in addition to "cost of living" increases each year.

If accepted, this would mean that between 1983 and 1986 the dockers would have had increases in their basic pay of 27% in addition to the "cost of living" increases they would secure.

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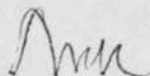
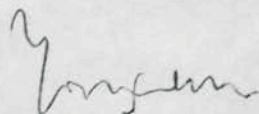
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The PLA Chief Executive proposed to stand firm on his original offer, but was overruled by the Board. They apparently apprehend that if the men are not given a date for the full parity they seek, there will be a strike which would further worsen the financial position of the PLA. The Board decided to offer parity as requested by the Unions, but one year later - ie on 1 January 1987. They say they will make it clear that this has to be 'self-financing' by further severances. This is obviously impossible to enforce.

The Unions, who have a representative on the Board, know that the Chief Executive was overruled, so his negotiating position must be weak. I do not see how I can stiffen PLA, now that the Board have made the concession, which must be known to the Unions; but I shall try. I cannot, however, in the context of the conclusions of E(A) on 20 March 1984, push them to the point at which they expect a strike.

There is no doubt in my mind that the intransigent attitude of the Unions derives directly from the dockers knowledge that their jobs are safe. What an evil the Dock Labour Scheme is!

A copy of this letter goes to the members of E(A), and to Sir Robert Armstrong.



NICHOLAS RIDLEY

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Industrial Policy

Industrial Action in Ports

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