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Prime Minister

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of the Hon

Tim Lankester Esq
Private Secretary
10 Downing Street

11 September 1980

Dear Tim

PORT OF LIVERPOOL

You will no doubt have seen press speculation in the last day or two that a national dock strike may take place as early as next week.

You may find it helpful to have the attached summary of the background to the current difficulties facing the Liverpool port employers in dealing with their surplus labour problems. Our assessment at this stage is that official industrial action must be regarded as probable unless the 10 registered dock workers currently employed by Bulk Cargo Handling Services are reallocated to other registered employers next week. The issue is being discussed by the National Dock Labour Board this morning, but a final decision may well be left to the local dock labour board meeting next Wednesday.

The issue of a possible TUR is not one in which the Department has any locus, and Mr Mayhew made this clear to the TGWU Docks and Waterways Committee when he met them on Tuesday. The Department has statutory power to make loan finance available to the NDLB for financing the industry's voluntary severance arrangements and the issue of longer-term support for these arrangements is to be discussed in E(EA) later this month. Mr Prior is however anxious that so far as possible the question of severance finance should not become an issue between the Government and the industry at this stage. There seems no reason why the present difficulties in Liverpool should not be resolved within the limits of financial resources already available to the NDLB and we have told the employers that it is for the industry's own judgement whether an early increase in severance scales is required.

We shall continue to keep you in touch with developments.

I am copying this letter to Tony Mayer. (Department of Transport).

Temporary unattached register

you or
Richard Dykes

R T B DYKES
Private Secretary

PORT OF LIVERPOOL

1 Dockers at a number of ports, including Liverpool, Southampton, Glasgow and Hull, have indicated that they will support a national dock strike if a Temporarily Unattached Register (TUR) is introduced in the Port of Liverpool. The local dock labour board in Liverpool has discussed possible recourse to a TUR to accommodate 170 registered dock workers who will be displaced by the closure of T & J Harrisons on 30 September. A smaller registered employer in the port, Bulk Cargo Handling Services, which employs 10 rdws will also close on 16 September. The Mersey Docks and Harbour Company which is the registered employer is currently in some financial difficulty due to the recession and the port employers in Liverpool have said they are unable to accept reallocation by the local Dock Labour Board of rdws who are made surplus by these closures.

2 The Dock Labour Scheme provides for the use of a TUR. The Aldington/Jones report in 1972 recommended that the TUR should be eliminated and subsequently agreed that it would be used only "for the strict purpose of the dock labour scheme" (mainly discipline). At a meeting with Mr Mayhew on 9.9.80, the TGWU Docks and Waterways Committee indicated that a breach of this agreement by the employers in Liverpool would result in industrial action which would rapidly spread to other major ports. A national docks delegate conference is to be held on Monday, 15 September to discuss this issue and it will subsequently be considered by the TGWU National Executive.

3 Since employer and union members of the local dock labour board have been unable to reach agreement, they have referred the question of a TUR in Liverpool to the National Dock Labour Board, which is meeting on Thursday 11.9.80. The only effective alternatives if reallocation is ruled out are either a TUR or severance under the industry's National Voluntary Severance Scheme (NVSS). (Compulsory severance can be effected under the terms of the dock labour scheme

3 but it has for some years been accepted by employers and unions in the industry that all severance will be on a voluntary basis). The Government has no standing in the matter, which is entirely for the NDLB and local dock labour board.

4 The NDLB recently approached the Department of Employment with a request for substantial further loan facilities for severance purposes. After consulting the Treasury, the Department has indicated that it is willing to provide a further loan to the NDLB of up to £1.8 million, which is the maximum currently available under the ceiling laid down in s3 of the Dock Work Regulation Act 1976. The Department is currently discussing with the employers the conditions to be attached to such a loan. The port employers are also anxious to offer an early increase in the maximum rate of severance payment from £8,500 to £10,000 and the Department has indicated that it will not object to such an increase.

5 The TGWU leadership have so far given no indication whether any industrial action will receive their official backing. They are evidently seeking to retain some control over the dispute, rather than allow the initiative to pass into the hands of the unofficial National Ports Shop Stewards Committees. A good deal must depend at this stage on decisions to be taken by the local dock labour board and port employers in Liverpool. It is likely that some kind of industrial action will take place next week unless the 10 rdws employed by Bulk Cargo Handling are reallocated. The degree of support such action would receive among rdws generally remains to be assessed.

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