

CCBS



*I think it best
now to do this at
this time.*

*Prime Minister!
Content that
responsibility should be
transferred, subject to
RTA's views? and etc*

PRIME MINISTER

*We have tried with
the present management for*

DOCK LABOUR SCHEME - TRANSFER OF DEPARTMENTAL RESPONSIBILITY

shd 26/10.

*Several times - we can do so a little longer
Hap PT4*

You will remember that in June I minuted you on the Dock Labour Scheme. Prior to the election Ken Clarke and John Moore agreed in principle that responsibility for the Scheme should be moved to the Transport Secretary. I think we should now go ahead with this move.

The existing split in responsibility is unsatisfactory with the Department of Employment having the Scheme while Department of Transport has ports policy and sponsors the ports industry. It was perhaps justifiable when the problems of dock labour, which the Scheme was designed to deal with, bulked so large as to require separate and specialist attention within Government as an employment issue. But in recent years the rationale underlying the division has progressively weakened. The Scheme is essentially a matter of ports policy.

Ports outside the Scheme have grown steadily in size and importance and now handle around 30% of our non-oil sea-borne trade. This growth has highlighted the impact of the Scheme on the competitiveness of our ports, both domestically and in relation to continental rivals. Dock Labour is now relatively much less significant in employment and industrial terms. From the peak of over 80,000 in the mid-50s the number of registered dockworkers has fallen to just over 10,000 now. By

CONFIDENTIAL



far the largest surpluses were in London and Liverpool and the Department of Transport, in trying to solve the problems of these two ports, has necessarily had to deal with their dock labour problems.

Transfer of responsibility to the Department of Transport will simplify the future development and implementation of policy towards the ports. It will ease relationships with the port authorities who unsurprisingly have been asking that they should be able to deal with only one department, not two. And it will bring the ports into line with other industries, where the entire range of activities is covered by the sponsoring Department, calling on specialist advice from mine only as and when required.

The expenditure transferred for severances would amount to the £0.8 million likely to remain in 1987-88 by the transfer date; a PES baseline of £0.6 million from 1988-89; and a very small amount for the salaries and pensions of the NDLB Chairman and Vice-Chairman. One staff unit would go across.

On the basis of my Department's legal advice I have concluded that the transfer can be effected by simple administrative action without need of a Transfer of Functions Order. My existing commitments in respect of loans to employers for past severances and one very minor statutory function create no practical difficulties.



The timing of the transfer will need to coincide with the transfer of funds by the passing of the Winter Supplementary Estimates which go to the printers this week and become public in the second week of November and I would propose an early low-key announcement through a Commons Written Answer as in the attached draft.

Some external commentators could possibly see this as clearing the decks for the early abolition of the Scheme. But I do not judge that the TGWU will seek to mount industrial action on that score alone and I propose that the announcement would be supplemented by a press release with background briefing for our press offices, making clear that the transfer has no implications for our existing policy for the Scheme.

I have consulted Paul Channon who is in full agreement with what I propose. I would also continue to maintain a very close interest in policy in this area.

I am copying this minute to Willie Whitelaw, Nigel Lawson, John Wakeham and Paul Channon, and to Sir Robert Armstrong.

26th NF
October 1987



QUESTION

Will the Prime Minister rationalise the present division of responsibilities under which the Secretary of State for Transport is responsible for the ports industry, but the Secretary of State for Employment has the responsibility for the Dock Labour Scheme?

ANSWER

Given the run down in the registered dock labour force and the growth of trade through non-scheme ports, the administration of the Dock Labour Scheme is best seen as part of ports policy more generally. Responsibility for it is, therefore, being transferred, together with the modest resources now used, to the Secretary of State for Transport. The transfer will come into effect with the transfer of associated Vote provision between the two departments in the Winter Supplementary Estimates.



INDONESIA

Faint, illegible text, possibly a header or introductory paragraph.

INDONESIA

Main body of faint, illegible text, likely the primary content of the document.