

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15

COME-00 EB-07 LAB-04 SIL-01 AID-05 CIEP-02 TRSE-00

STR-04 OMB-01 CEA-01 /094 W
----- 051023

R 171622Z SEP 76

FM AMEMBASSY LONDON
TO SECSTATE WASHDC 5610

UNCLAS LONDON 14747

E.O. 11652: N/A

TAGS: ELAB, PINT, UK

SUBJECT: SOCIAL CONTRACT OVERWHELMINGLY REAFFIRMED BUT
SEAMEN ACTION THREATENS ENTIRE EDIFICE

REF: STATE 230189

1. FOLLOWING IS TEXT OF LONDON 14183 REQUESTED IN REFTEL.

SUMMARY. THE TUC CONGRESS YESTERDAY (SEPTEMBER 8) OVERWHELMINGLY REAFFIRMED THE SOCIAL CONTRACT, 1976-1977, ONE OF WHOSE MOST IMPORTANT ELEMENTS IS THE TUC-GOVERNMENT WAGE-TAX AGREEMENT. THE CONGRESS ALSO MADE THE CLAIM THAT IT WILL INSIST ON A MORE FLEXIBLE WAGE POLICY NEXT YEAR. IN ADDITION, IT SERVED NOTICE ON THE GOVERNMENT THAT IT MUST TAKE STEPS TO REDUCE THE PRESENT "TOTALLY UNACCEPTABLE" LEVEL OF UNEMPLOYMENT AND IT ATTACKED PUBLIC EXPENDITURE CUTS (BUT THE WHOLE EDIFICE OF THE SOCIAL CONTRACT -- SEE SEPTTEL -- HAS BEEN JEOPARDIZED BY THE SURPRISING DECISION BY THE SEAMEN TO HAVE AN ALL OUT STRIKE.) END SUMMARY

(1.) THE REAFFIRMATION OF THE SOCIAL CONTRACT AND ITS VITAL WAGE/PRICE ACCORD ELEMENT CAME IN THE FORM OF THE UNCLASSIFIED

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CONGRESS' APPROVAL OF THE GENERAL COUNCIL'S REPORT (BEING

POUCHED) ON THE SUBJECT. IN SEEKING SUCH REAFFIRMATION AND APPROVAL OF A SERIES OF OTHER RESOLUTIONS ON TUC ECONOMIC POLICY, THE GENERAL SECRETARY, LEN MURRAY, REMINDED THE DELEGATES THAT THEY "HAVE GAINED MORE FROM THE GOVERNMENT IN THE PAST 2 1/2 YEARS THAN FROM ANY OTHER GOVERNMENT IN HISTORY

(2.) AFTER EASILY DEFEATING A RESOLUTION WHICH SOUGHT TUC REJECTION OF "ALL FORMS OF WAGE RESTRAINT", THE DELEGATES APPROVED ANOTHER WHICH FORESHADOWS TUC DEMAND FOR A MUCH MORE FLEXIBLE WAGE POLICY NEXT YEAR, DESIGNED TO RESOLVE THE MANY INEQUITIES WHICH HAVE BEEN FROZEN INTO THE PRESENT AND PREVIOUS WAGE RESTRAINT AGREEMENTS. HOWEVER, LEN MURRAY MADE CLEAR THAT IN MOVING TOWARD THE "RESTORATION OF THE PROCESS OF COLLECTIVE BARGAINING THE TUC "DOES NOT WANT TO PLUNGE BACK INTO THE WHIRLPOOL OF WAGE-PRICE INFLATION..." MURRAY ADDED THAT "THE MOVE TOWARD A MORE FLEXIBLE SYSTEM MUST NOT BE A LURCH INTO INSTABILITY, BUT AN ORDERLY PROCESS."

(3.) THE DELEGATES THEN APPROVED A NUMBER OF RESOLUTIONS WHICH REFLECTED THE DEEP ANXIETY WHICH ALL OF THEM FEEL ABOUT THE HIGH LEVEL OF UNEMPLOYMENT WHICH THEY CONSIDER "TOTALLY UNACCEPTABLE". THEY THEN SET DOWN A NUMBER OF MEASURES THEY WANT THE GOVERNMENT TO TAKE TO BRING THE JOBLESS TOTAL DOWN, INCLUDING THE IMPOSITION OF FURTHER SELECTIVE IMPORT CONTROLS. THE CONGRESS ALSO VOTED ITS OPPOSITION TO THE GOVERNMENT'S RECENT PUBLIC EXPENDITURE CUTS AND URGED THE GOVERNMENT TO REJECT ANY PROPOSALS FOR FURTHER CUTS. DELEGATES, FURTHERMORE, APPROVED A 35-HOUR WORK WEEK CAMPAIGN BY THE EUROPEAN TRADE UNION CONFEDERATION, TO WHICH THE TUC IS AFFILIATED.

(4.) COMMENT. YESTERDAY'S DEBATE ON THESE RESOLUTIONS, HOWEVER, WAS VERY TAME IN CONTRAST TO THOSE WHICH TOOK PLACE AT LAST YEAR'S TUC CONGRESS IN BLACKPOOL. THIS MAY BE LARGELY DUE TO THE FACT THAT THE REAL FIGHT ON WAGE POLICY HAD ALREADY TAKEN PLACE IN LONDON ON JUNE 16, WHEN THE WAGE-TAX ACCORD WAS OVERWHELMINGLY APPROVED AT THE SPECIAL TUC CONGRESS.

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(5.) AFTER THEIR EASY VICTORY, TUC LEADERS WERE UNDERSTANDABLY STUNNED WHEN THE NATIONAL UNION OF SEAMEN DECIDED TO GO FOR AN ALL OUT NATIONAL STRIKE INSTEAD OF LIMITED, SPORADIC ACTION AS ALMOST EVERYONE EXPECTED (SEE SEPTEL). THE TUC GENERAL COUNCIL IS MEETING URGENTLY WITH THE NUS LEADERS IN BRIGHTON TODAY IN ORDER TO HEAD OFF SUCH A STRIKE. THEY ARE FULLY AWARE THAT

THE THREATENED ACTION COULD TEAR DOWN MUCH OF WHAT THEY
HAD BEEN CONSTRUCTING SO CAREFULLY IN THEIR RELATIONS
WITH THE GOVERNMENT.

ARMSTRONG

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DISPUTE SETTLEMENT, WAGES, MERCHANT SEAMEN, LABOR DISPUTES
Control Number: n/a
Copy: SINGLE
Draft Date: 17 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LONDON14747
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760353-0276
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760949/aaaabqai.tel
Line Count: 120
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 STATE 230189
Review Action: RELEASED, APPROVED
Review Authority: vandyklc
Review Comment: n/a
Review Content Flags:
Review Date: 20 FEB 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 FEB 2004 by MaustMC>; APPROVED <26 AUG 2004 by vandyklc>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SOCIAL CONTRACT OVERWHELMINGLY REAFFIRMED BUT SEAMEN ACTION THREATENS ENTIRE EDIFICE
TAGS: ELAB, PINT, UK
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006