PREM 19/1651

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MT

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The Strike Threat on the London Underground. Tube.

London Transport 1980 Pay settlement. Possible bus and tube strike.

TRANSPORT

May 79

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
~~4.6.79~~		~~9.7.87~~					
~~6.6.79~~		~~4.3.82~~					
~~7.6.79~~		~~4.3.82~~					
~~11.6.79~~		~~28.6.82~~					
~~14.6.79~~		~~29.6.82~~					
~~15.6.79~~		~~19.11.82~~					
~~22.6.79~~		~~19.11.82~~					
~~28.6.79~~		~~1.2.83~~					
~~13.9.79~~		~~27.7.84~~					
~~16.11.80~~		20.5.85					
~~19.4.80~~							
~~22.4.80~~							
~~5.6.81~~							
~~13.7.81~~							

PREM 19/1651

TO BE RETAINED AS TOP ENCLOSURE

Cabinet / Cabinet Committee Documents

Reference	Date
CC(80) 16th Conclusions, Minute 4 (extract)	17.04.80
CCU(81) 38	09.07.81
CCU(81) 15th Conclusions, Minute 1	13.07.81
CC(82) 10th Conclusions, Minute 5	11.03.82
CC(82) 35th Conclusions, Minute 5	24.06.82
CCU(82) 8th Meeting, Minutes	28.06.82
MISC 80(82) 2nd Meeting, Minutes	28.06.82
CCU(82) 9th Meeting, Minutes	29.06.82
CCU(82) 49	17.11.82
CCU(83) 9	01.02.83

The documents listed above, which were enclosed on this file, have been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate **CAB** (CABINET OFFICE) CLASSES

Signed C Wayland Date 22 May 2014

PREM Records Team

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DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

Prime Minister
To note
AT 20/5

Andrew Turnbull Esq
Private Secretary
10 Downing Street
LONDON SW1

20 May 1985

Dear Andrew,

LONDON UNDERGROUND STRIKE

I wrote to you on 17 May drawing your attention to the possibility of industrial action on London Underground services.

As foreshadowed in that letter, the NUR Executive decided to ignore LRT's injunction restraining them from calling the strike without a ballot and, as a result, some 21,500 NUR men were called out on official strike from midnight last night. But over 60% of NUR members reported for duty as normal today. LRT were able to run about two thirds of their morning services and expect to run up to three quarters of services this afternoon and evening. Road traffic this morning was, predictably, heavier than normal but serious congestion arose only in the western approaches (primarily the M4) and, to the north, on the M1.

As you will know, the NUR this afternoon decided to call off their strike if management agreed not to proceed with their High Court action (which they did). There are no details yet as to the terms of the NUR's retreat - whether they have withdrawn unconditionally or whether they have merely suspended their action. That should all become clear within a day or so.

I shall, of course, keep you in touch with significant developments, and we will be providing suitable briefing for Prime Minister's questions tomorrow.

Copies of this letter go to the Private Secretaries, to all the members of the Cabinet, to the Attorney General and the Paymaster General, and to Sir Robert Armstrong.

Yours,

Richard.

R A ALLAN
Private Secretary

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 Prime Minister (2) AT 17/5 cc Press Office

DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

Andrew Turnbull Esq
Private Secretary
10 Downing Street
LONDON SW1

17 May 1985

Dear Andrew,

LONDON UNDERGROUND - STRIKE THREAT

As you will know, there is a significant threat of disruption on London's Underground services from Monday morning onwards.

In 1983, London Transport reached agreement with NUR and ASLEF to phase conversion of all their Underground services to one person operation (OPO) in exchange for a 7.5% pay supplement for all Underground drivers. OPO has always existed on theVictoria line, where the trains have automatic operation. It was introduced, under the 1983 agreement, on the Circle and Hammersmith and City lines. However, the NUR have now said that OPO is too stressful, and have demanded that drivers should have a 45 minute break after each 2 hours' driving. This is a totally new demand and (despite the report in today's Financial Times) not standard practice elsewhere.

LRT are now ready to implement OPO on the East London line, from New Cross to Shoreditch. The drivers have been trained and LRT were in fact ready to start OPO last Monday, 13 May. They agreed to an NUR request to postpone it until Monday 20 May, but not beyond that.

Faced with the strike threat by the NUR, LRT have today obtained and served a High Court Injunction restraining the NUR from calling the strike without a ballot. At the time of writing, the signs are that the NUR will ignore the injunction and press on with an official strike. However, even if the official strike is called off, there could be unofficial action, and if this includes action by NUR members in signalling centres there could be widespread disruption.

NUR are pressing on.

The Underground dispute is for LRT to handle, and not one in which the Government should intervene. My Secretary of State does not propose to issue any statement of his own

over the weekend though he will consider doing so in the light of events on Monday. If questioned by the media over the weekend he will avoid detailed comment but point out that both the law and industrial agreements are made to be kept.

This Department is of course in touch with the Metropolitan Police, who will operate their usual contingency arrangements to keep traffic moving as smoothly as possible.

I will write again in the light of further developments. Copies of this letter go to the Private Secretaries to all members of the Cabinet, to the Attorney General and the Paymaster General, and to Sir Robert Armstrong.

Yours,

Richard.

R A ALLAN
Private Secretary

10 DOWNING STREET

From the Private Secretary

26 March, 1984

London Transport Strike

The Prime Minister has seen your Secretary of State's minute of 23 March. She has noted and endorsed his proposed response to the London Transport strike. She has also noted the way in which British Rail is handling its pay negotiations. This is consistent with the line which Ministers had earlier agreed should be followed.

I am copying this to the Private Secretaries to the other members of Cabinet and to Richard Hatfield (Cabinet Office).

ANDREW TURNBULL

Miss D. A. Nichols,
Department of Transport

CONFIDENTIAL

CC NO

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Prime Minister (2)

(i) To note and endorse Mr Ridley's proposed response to LT strike

(ii) To note position on BR pay negotiations.

AT 23/3

PRIME MINISTER

LONDON TRANSPORT STRIKE

It now seems very likely that the unions will succeed in stopping all services on the London Underground, and almost all services on London Transport buses, on Wednesday 28 March, as part of the campaign of protest against our plans to abolish the GLC.

My Department is in close touch with the Metropolitan Police about appropriate arrangements to keep traffic moving, particularly in the late afternoon when people start coming into town for the evening at the same time as others start their journey home. There is bound to be a good deal of congestion on the day.

I do not see any need for a Parliamentary statement on this matter, but on the day I shall be ready to comment that the GLC-financed lobby for their own preservation has now induced the unions to inflict great inconvenience on millions of Londoners. Apart from such a comment on the day, I believe that a generally cool response from us will leave the public to draw the lesson for themselves.

I have reviewed whether this action on London Transport is likely to coalesce with other disputes or form part of a wider build-up. I doubt whether there are serious dangers. Neither I nor the Railways Board

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expect that there will be any disruption of the BR commuter services on the day. Bob Reid has formulated his pay offer and tactics in a way to put pressure on the NUR leadership, and divide them from ASLEF and TSSA, and is playing the hand long. He is doing his utmost to avoid disruption of the railway while the miners' dispute continues, and on local incidents he has instructed his managers to maintain proper discipline without provoking needless trouble.

There is also a pay dispute at the National Bus Company, where the TGWU have demanded a further negotiating meeting on Monday 26 March and called a delegate conference on Wednesday 28 March. Lord Shepherd will refuse to increase his existing offer of 4.5% (plus some small offer of increased leave entitlement). He has warned me that the delegate conference may then reject it, leading to some form of industrial action. However, a very similar offer by the municipal undertakings has already been accepted, and it may well be that the union in fact expect the delegates to accept the NBC offer. The offer is on the high side already and I will certainly not press Lord Shepherd to improve his offer.

I am copying this to the other members of the Cabinet and to Sir Robert Armstrong.

Yours

Private Secretary

pp NICHOLAS RIDLEY
23 March 1984
(approved by the Secretary of State & signed in his absence).

2F

OWS

VC JV
BI

Transport

Prime Minister

To note.

MCS 4/3

(2)

CONFIDENTIAL

Prime Minister

LONDON TRANSPORT STRIKE ON 10 MARCH

I met London Transport Trade Unions this afternoon and impressed on them the futility of the strike action they propose for 10 March. Immediately afterwards I issued a Press Notice aimed among other things at encouraging the rank and file to think hard about going on strike, whatever the union orders might be. I propose to reiterate this message both after my meeting with Ken Livingstone on Monday morning, and in any press notices thereafter.

It is not possible to give a reliable assessment on what will happen to traffic in London on the day. We have no experience since the General Strike to guide us on closure of both the underground and the buses simultaneously.

Overall the general expectation seems to be that a great many London travellers will treat it as a day off. The clearing banks for example are only proposing to run a small fraction of the number of coaches they ran during the ASLEF action.

It appears there is unlikely to be sympathetic action from the railways or London Country Bus. Both want to keep their powder dry for their own pay claims and disputes.

Against this background we have discussed with the Police what arrangements would be appropriate. The emergency car parking facilities will be made available in the Royal Parks. Extra police will be on duty on major roads to help traffic flow

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freely. And although it would require GLC agreement to suspend the bus lanes, the Metropolitan Police on the ground will not be enforcing them. The Police have approached the GLC about the use of their parks for car parking but we do not yet know the answer.

Press Notices will be issued explaining the arrangements and drawing attention to the availability of parking facilities. I am not proposing at this stage to make a special statement to the House on Tuesday. But during my First Order Questions, my appearance before the Select Committee on Transport (both on 10 March) and in speeches and press statements I shall be taking every possible opportunity to emphasise the pointless and damaging nature of the strike.

I am sending a copy of this minute to all members of the Cabinet, the Chief Whip and Sir Robert Armstrong.

DH.

DAVID HOWELL
4 March 1982

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Transport

PRIME MINISTER

BRITISH RAIL AND LONDON UNDERGROUND

You may find it helpful if I set out the latest position on the London Underground strike threat and the British Rail pay scene, and the features which may make it particularly difficult to handle a situation which could develop rapidly.

Mr Livingstone and his GLC colleagues came to see me on 18 June. On pay, he said that he hoped to negotiate a tube settlement not significantly out of line with the recent 8% bus pay deal. When the unions were told, the NUR issued an Order to its 15,000 members in the Underground on 25 June to stop work indefinitely from Monday 20 July.

The Railways Staffs' National Tribunal (RSNT) under Lord McCarthy will publish on Thursday 16 July its report on the Railway Unions' claim against British Rail for a substantial pay increase. The Board's External Financing Limit incorporated a pay increase assumption of 8% and the Board have been standing firm on their 7% offer. Since the reference to the Tribunal by the Unions was unilateral, the recommendation will not be binding on the Board.

Mr Livingstone has meanwhile announced that London Transport would more than match for its Underground workers any increases for BR workers which might result from the recommendations of the Tribunal. Predictably, this led the TGWU to issue a public warning that the 8% bus settlement would have to be re-opened if Underground workers are offered more. The TGWU has threatened to strike if necessary to support any claim for a supplementary award. As to the NUR, their announcement of the underground

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strike to the media with no notification to the LTE until 24 hours later suggests that their quarrel is directly with Mr Livingstone. Mr Weighell the NUR General Secretary, has publicly accused the new GLC leader of reneging on understandings made during the run-up to the recent GLC elections. At the NUR Conference he made no bones about the fact that in return for financial and other help to Labour GLC candidates the NUR had been promised a pay rise in line with the cost of living. My own assessment is that Mr Livingstone will want to avoid a strike on the basis of pay and will try to reach a settlement once Lord McCarthy has reported, regardless of cost.

Nonetheless, we must make contingency plans in case there is a tube strike next Monday. I attach details of these arrangements. Apart from making these contingency arrangements I believe we should keep out of this dispute. Speeches in support of a low pay settlement would have a contrary effect on Mr Livingstone.

The NUR's position on BR is much less predictable. While Mr Weighell has so far taken a much more responsible line towards BR, he suffered a major defeat at the Conference when left-wing militants succeeded in carrying, by a substantial majority, a motion of total opposition to any further rail closures, or compulsory redundancies. Mr Weighell is now obviously under very great pressure from NUR left-wing elements and the pressures for some form of industrial action are growing. The Board has a full 2-day meeting on 14 and 15 July with their Unions to get down to negotiations about new working practices. They will be pushing very hard, as we would wish. It remains to be seen how far the Unions will be prepared to go.

Meanwhile, BR's financial position has worsened. Since their EFL was fixed, the recession has made further deep inroads. Earlier this year, the risk appeared that they might overshoot the EFL by £80m to £100m. Further measures identified by the Board had by last week cut this back to some £40m. But unfortunately the most recent trading results indicate a further loss in custom, which may carry through to an additional loss of £30m in the year. These figures, of course, are on the 8% pay assumption in the EFL.

In a tight situation, the Board have already acted to secure major economies. They have cut back for this year their rate of spend on maintenance and renewal of their equipment by some £70m. They made cuts in the London commuter services in June, and they have embarked on reductions on Inter-City services. They are reducing capacity in their workshops, with the closure of the Ashford Works. They are now going for an additional £10m sales of property. I have no doubt that we shall need further economies, in BREL, in service levels, and in realisations next year. But none of these can produce results in time to offer much further relief to present problems. The only quick acting measure (an increase in the fares) is ruled out by the market situation.

This darkening situation, of which I gave fore-warning at our discussion at E last month, will certainly make it necessary for us to increase the grant this year to the passenger business, where the losses of revenue are mainly arising. There is no point in forcing them to borrow for losses on this scale in the passenger business since there could be no prospect of the borrowing's being repaid. It is not yet wholly certain that a change will be needed in the EFL, because cuts in borrowing should offset at least in part the necessary increases in grant. But it will not be possible to hold the Board to their limit if we move away from the pay assumption. We are inevitably involved, for these financing reasons, in the decisions the Board will have to face when Lord McCarthy has reported. Every 1% on pay for BRB as a whole costs £16m.

Copies of this minute go to the Home Secretary, the Chancellor of the Exchequer, the Chancellor of the Duchy, the Secretaries of State for Industry, Employment, Environment and Trade and to Mr Ibbs and Sir Robert Armstrong.

NORMAN FOWLER

13 July 1981

ACTION TO BE TAKEN IN THE EVENT OF AN UNDERGROUND STRIKE

1. This will broadly follow the arrangements agreed by Ministers in readiness for previous threats of an LT strike.

Immediate Measures

2. The Metropolitan Police will bring into effect the following measures:

a. Issue of press and house to house notices about traffic arrangements

b. Deployment of additional police and traffic wardens on traffic duties

c. Operation of clearways on key routes between 7.00-10.00 and 4.00-7.00 pm

d. Provision of additional signs to direct traffic

e. Provision of 8,000 extra parking spaces in London's parks

f. Lifting of waiting restrictions on appropriate roads near suburban BR stations.

At this stage parking restrictions will on strong advice from the Metropolitan Police, not be lifted but de facto will be less strictly policed.

3. Government Departments will issue the usual instructions to staff about staggered hours, taking work home, lift-giving.

4. The AA, RHA and other transport bodies have already been alerted and will give appropriate advice to their members.

5. The Airports Authorities will take measures to cope with extra road traffic and advise incoming passengers.

6. In the event of the strike taking place, the Secretary of State for Transport will make a statement in the House on Monday deploring it and outlining these arrangements.

Reporting Arrangements

7. The Department of Transport emergency room will liaise with the Metropolitan Police, LT, the GLC and BR and other relevant organisations to prepare regular reports for Ministers. They will also liaise with outside bodies.

Reserve Action

8. In the event of the strike continuing and serious traffic problems developing, we might have to move rather quickly to:-

a. More general lifting of parking restrictions should the police advise this is desirable

b. In conjunction with the Ministry of Defence, provision of a further 6,000 car parking spaces in London parks.

010

CONFIDENTIAL

Department of Transport
PTGL
Room C8/12
2 Marsham Street London SW1P 3EB

Telex 22801 Direct line 01-212 5295
Switchboard 01-212 3434

Colonel G B Fawcus
Cabinet Office
Whitehall
London SW1

Our Ref: GLT 2/15/019

7th July 1981

Dear Colonel Fawcus,

LONDON UNDERGROUND STRIKE THREAT : 20th JULY

R. pm.

Mr Jamieson tells me you have raised with him whether the Civil Contingencies Unit should meet to discuss the threat of an LT underground strike on 20th July. I thought it would therefore be helpful if I summarised how things stand at present.

R.

2. London Transport has offered tube workers an 8% settlement in line with that agreed with LT busmen in May plus a further increase in return for improved productivity. The rail unions, however, led by the NUR, are seeking a double figure settlement in line with the Retail Price Index. On 25th June, the General Secretary of the NUR ordered its 15,000 members on the Underground to stop work indefinitely from Monday 20th July. Since almost 90% of LT's underground staff are NUR members, such action would bring the entire underground network to a halt. The long notice of strike action is no doubt intended to put sustained pressure on the new Labour GLC - you will have seen Press reports of the rail unions' expectations on that front. (At present the GLC is standing firm. If, however, they do concede a larger increase, it is likely that LT busmen who have already settled for 8%, will seek to re-open their settlement.) It also allows the outcome of the BR Railway Staff National Tribunal decision to be known and the Annual Conference discussion of it. The RSNT is likely to announce its findings around 10th July. It will not therefore be until about the middle of the following week that we can judge how likely a major stoppage actually is.

3. There is at present no indication that NUR members on BR will take any action in support of the underground strike.

4. Naturally I shall be happy to come along to a CCU meeting if you decide to arrange one, but my own feeling is that there is really not anything firm to discuss at this stage. We are setting up here, on the usual basis, our contingency plans for a strike. I enclose a brief aide memoire of these. Although this strike could have a substantial impact on many London travellers, alternative forms of public transport are available and there should be no question of any threat to essential supplies and services.

1971 vätan

5. I am copying this letter and enclosure to No 10 (Mr Roberts), MOD (Captain Jackson), Home Office (Mr J A Howard), Employment (Mr Wake), Environment (Mr Elders), Energy (Mr Pryke), Industry (Mr Leeming), CSD (Mr James), Paymaster General's Office (Mr Prescott) and A.D.C.Barker at Scotland Yard.

Yours sincerely,
June Bridgeman

Mrs J Bridgeman

L T UNDERGROUND STRIKE

1. ACTION PLAN

Arrangements

1. The usual contingency arrangements have been made. The Metropolitan Police is ready to bring into effect a series of measures aimed at relieving traffic congestion and providing extra car parking facilities. These are:

a. declaring emergency clearways on radial routes;

b. relaxation of parking restrictions near certain BR stations;

c. extra police on traffic duties;

d. the provision of extra car-parking spaces in the Royal and other parks.

2. The British Airports Authority and British Rail will take measures to compensate for the loss of the LT Piccadilly Line service to Heathrow.

3. The Department of Transport will set up an operations room to liaise with the Metropolitan Police, London Transport, the Greater London Council, BR, BAA and other organisations to provide daily situation reports to Ministers and the Prime Minister. It will also handle liaison between the Government generally and outside bodies on the effects of the strike.

Programme of Action

4. It is envisaged that events will probably progress on the following lines:

10 July:	BR Railway Staff National Tribunal (RSNT) reports on BR pay.
16 July:	NUR reaction to the RSNT report. Possible statement to Parliament by Secretary of State for Transport describing contingency arrangements, deploring possible inconvenience to public etc.
17 July:	Issue of guidance by Metropolitan Police on emergency clearways, car parks, deliveries etc.
Weekend 18-19 July	AA and FHA advice to avoid unnecessary journeys to London. Police erection of signs etc.
20 July:	Operation of emergency room.

L T UNDERGROUND STRIKE

2. BACKGROUND & EFFECTS

Background

1. LT Underground services handle a major part of London's commuter traffic. The latest available annual figures for passenger arrivals in Central London are as follows:

Mode	Number of Passengers arriving in Central London between 07.00 and 10.00 hours	
LT Buses	103,000	
Underground	435,000	including 111,000 using both LT & BR during their journey
British Rail	411,000	
Total (excluding double counting)	838,000	
Private Transport	211,000	

Likely Effects of Strike

2. There has not been a total strike on the Underground for many years. Past experience is absent for assessing the likely effects. It is estimated that there would be few problems in South London which is well served by BR and where the Underground has a modest role. North of the River, the Underground brings just under half the commuters in from within London. There is reasonable coverage geographically by BR with the Finchley area being the only major gap. The restraint, however, is the capacity of BR services which are scheduled on the assumption of low carryings within London. There is spare capacity before and after the peak and a very broad estimate is that they could carry only around half the underground traffic. This would be reduced if BR suffer disruption from staff being unable to get to work and if BR services using LT stations, e.g. Aylesbury to Marylebone, cannot run. North of the River, therefore, there would be severe overcrowding on other public transport services and road congestion. Movement in Central London, particularly between major traffic generators such as BR termini, would be severely affected, particularly in view of the likely effect of increased road congestion on central area bus services.

3. Previous experience of other types of London strike is that for a week or two people will happily make alternative travel arrangements, stay at home etc. A number of regular commuters may also have begun their holidays by 20th July. Both will reduce overall peak hour travel levels, in spite of high tourist levels.

CONFIDENTIAL Transport 2

DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

f/c press
Mr Vereker.

Tim Lankester Esq
Private Secretary
10 Downing Street
LONDON SW1

T/c to see
na

5 June 1981

MAP 7/6
Prime Minister

Dear Tim,

MT

MAP 5/6

LONDON TRANSPORT: PAY

Thank you for your letter of 5 June.

I attach a copy of the statement Mr Fowler will be making for issue tomorrow morning.

I am sending this to the recipients of your letter.

Yours

Anthony Mayer

R A J MAYER
Private Secretary

CONFIDENTIAL

PRIORITIES IN TRANSPORT SPENDING

Local councils face some crucial decisions right now. They need to get their financial plans in order. That means getting their priorities right - in transport as in other services. Let me make three points clear.

First, nothing can alter the amount of local authority spending the country can afford this year. That total will not be increased. The transport supplementary grant settlement for this year has been made and cannot be reopened. There will be no additional resources or grant for any authority.

Second, whatever their priorities councils have a responsibility to their electorates - the rate payers - to get value for money. This means responsible pay settlements which are vital for keeping costs down. Pay is nearly three-quarters of the costs of public transport. In London, for example, each 1% on the pay bill for buses and the underground means £3m a year to be found either by the passenger or the ratepayer.

Third, there are many important services which it is right for the community to support. But public transport in this country is already getting over a billion pounds of subsidy this year. I must make it absolutely clear now that the Government

will not be prepared to finance irresponsible policies on pay or fares. I shall be looking in the autumn at counties' transport spending plans for 1982-83 with this in mind.

Some councils claim they have a mandate from their electors to reduce fares, even if it means putting up rates. Central government has a mandate to run the national economy and that includes a responsibility for the level of taxes people have to pay, both centrally and locally, and on the amount of public expenditure that the economy can sustain. That is why we have had to ask local authorities to reduce the overall level of their expenditure and why we cannot afford extravagant and wasteful new policies.

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BK

FILE

10 DOWNING STREET

From the Private Secretary

5 June 1981

London Transport: Pay

The Chancellor of the Exchequer minuted the Prime Minister on 29 May commenting on your Secretary of State's minute of 21 May: he suggested that Mr. Fowler should make a statement setting out the Government's views on London Transport pay.

The Prime Minister very much agreed with this suggestion, and she is glad to note from Mr. Fowler's subsequent minute of 2 June that he is proposing to make a statement. I understand that it was not after all possible for him to make the statement at the meeting of the Consultative Council for Local Government Finance on Tuesday or in Parliament on Wednesday; but that he is still intending to make it before Monday - when the British Rail arbitration begins.

I am sending a copy of this letter to the Private Secretaries to the Home Secretary, the Chancellor of the Exchequer, the Chancellor of the Duchy, the Secretaries of State for Industry, Employment, Environment, Energy and Trade, Mr. Ibbs and Sir Robert Armstrong.

T. P. LANKESTER

Anthony Mayer, Esq.,
Department of Transport

CONFIDENTIAL

E.R.

CONFIDENTIAL

PRIME MINISTER

London Transport: Pay

Norman Fowler has minuted to you indicating his intention to make plain the Government's views about the GLC's apparent willingness to meet a 13% pay claim from London Transport, either at the Local Government Consultative Council or in Parliament.

In the event, Mr. Fowler has not had an opportunity to make this statement, but I am assured that he does intend to find a suitable opportunity to do so before Monday - the day on which the British Rail arbitration begins.

4 June 1981

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2

Prime Minister

Mr Fowler is going to make plain the Government's views.

✓ Mr Ingham
Mr Vereker
Mr Duguid

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Prime Minister

LONDON TRANSPORT: PAY

I have seen the minute to you from the Chancellor of the Exchequer commenting on my minute to you of ~~29~~ 9 May.

I very much agree with the Chancellor that there are occasions when a well timed and well publicised statement of the Government's views can be extremely effective. I believe that the letter which I sent to the Chairman of the Federation of Public Passenger Transport Employers last Autumn, and to which we gave maximum publicity, did have some real effect on the situation - with the exception of South Yorkshire.

I would not expect any statement by me to have much effect upon the GLC, immediately after an election in which they made it clear that they intended to cut fares by 25%, and to "negotiate a new deal for staff". I think that it is important that we leave the general public in no doubt about the cost of these policies, and of the Government's determination not to waste taxpayers' money on them.

There might be an opportunity for me to do this today at the meeting of the Consultative Council for Local Government Finance, though time may be too short. But, in any case, I have a suitable PQ for oral answer on Wednesday, and propose to use that to make the Government's position clear, and to make the kind of points suggested by the Chancellor.

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I am copying this minute to the Home Secretary, the Chancellor of the Exchequer, the Chancellor of the Duchy, the Secretaries of State for Industry, Employment, Environment, Energy and Trade and to Mr Ibbs and Sir Robert Armstrong.

NORMAN FOWLER

2 June 1981

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cc J Vereker

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Prime Minister

Mr Fowler is now considering this proposal. I think we should push him a little.

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

PRIME MINISTER

Yes - but this minute is far from clear on Agree? How to proceed? I doubt it

LONDON TRANSPORT PAY

Flag A

I have seen Norman Fowler's minute to you of 21 May following the Chief Secretary's minute of the same date, both of which draw attention to the immediate problem on London Transport pay which has arisen from the change in political control of the Greater London Council.

2. The prospect is apparently of an early settlemnt for tube workers which is well into double figures, with unwelcome repercussions for British Rail, for the London Transport busmen, and perhaps more widely. And we may well be faced with further problems as a result of irresponsible behaviour on pay by the new Labour leaderships of other authorities, which could have a damaging cumulative effect in the run up to the next pay round, with obvious implications for public sector costs.

3. We therefore need to make a resolute response. I certainly appreciate the limitations on our ability to influence the outcome. But I am not sure that we have yet reached the point, as Norman suggests, where there is no action which we can usefully take.

4. What I have in mind is that Norman should spell out again for the GLC what he said last August in a statement on bus pay. This was to the effect that he would not be prepared to see taxpayers money being used to finance high pay settlements, and would certainly have this point very much in mind in reaching decisions about the level of central government support for local authority transport expenditure. It would be useful to emphasise at the same time that a settlement at the level

/demanded

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demanded by the NUR would be out of line with the average level of settlements in both public and private sectors, now into single figures, and out of touch with economic and financial reality. The message would be that such settlements could not be regarded as sensible precedents and that the Government had no intention of underwriting local authority decisions to support settlements at that level.

?

5. I recognise that this is difficult ground. Norman Fowler and Michael Heseltine will be best placed to decide how the point should be put across. But I think that the Government's position needs to be put firmly on the record with the GLC, and with any other major authorities who seem intent on similar action.

6. I am copying this minute to the Home Secretary, the Chancellor of the Duchy, the Secretaries of State for Industry, Employment, Environment, Energy, Trade, and Transport, and to Mr. Ibbs and Sir Robert Armstrong.

(G.H.)

29 May 1981

CONFIDENTIAL

Tim:
Can we have a word?
MT

MR LANKESTER

cc Mr. Wolfson
Mr. Ingham
Mr. Duguid

London Transport Pay

Mr. Fowler minuted the Prime Minister on 21 May, in the context of the monitoring report attached to the Chief Secretary's minute of the same date, about the pay of the London Transport tube workers. He suggests that as he has no statutory powers of control over LT, there is no action we can usefully take.

The immediate consequences of a 13 per cent settlement for LT, if the GLC were prepared to give them that much, would be felt by the ratepayer; but there is likely to be a close link between LT tubemen and LT busmen, and almost as close a link with British Rail. Those concerned with BR feel it highly unlikely that a reasonable settlement could be achieved with them if LT had received 13 per cent.

So we should not let this go by default if there is anything that can be done. The Prime Minister should know that the Chancellor is being advised that Mr. Fowler does in fact have some control over LT through the Transport Supplementary Grant; as in the case of the busmen last year, he can make it clear that he will not adjust the grant so as to allow for unreasonable settlements. Both the Chancellor and Mr. Heseltine may be minuting the Prime Minister about this shortly, and I hope she will not endorse the line proposed by Mr. Fowler until she has seen their advice.

27 May 1981

CONFIDENTIAL

Prime Minister

A M Verbe

Original filed on:-

Econ Pol: Public Sector Pay Policy: Pt 4

PRIME MINISTER

MONITORING REPORT: PUBLIC TRADING SECTOR

... In the Chancellor's absence I am circulating the latest report with this minute.

2. The power engineers have now settled for just under 11½ per cent, reinforcing the point in the Chancellor's minute of 7 May about the high level of settlements in the monopoly public utilities.

3. Underlying the updated information on the London Transport Executive rail employees is the risk that the new Labour leadership on the GLC will concede a double figure settlement which is little below the 12½ per cent claim. That would probably reopen the settlement for busmen, and would have serious implications for the British Rail negotiations, where the unions have invoked unilateral arbitration. The position was reported orally by Norman Fowler at E Committee earlier this week. It would be very helpful if he were now able to let us have a written report of his assessment of the situation, and of any action which he proposes to take.

4. This may, of course, be only the first of a succession of issues which we will face as a result of the changed political balance in the local authorities. I would ask colleagues to be alert to any such developments and to let us have early reports on them.

5. I am sending copies of this minute to the Home Secretary, the Chancellor of the Duchy, the Secretaries of State for Industry, Employment, Environment, Energy, Trade and Transport, to Mr Ibbs and to Sir Robert Armstrong.

L.B.

LEON BRITTAN

21/5/87

PUBLIC TRADING SECTOR

CONFIDENTIAL

GAS SUPPLY

(i) Gas Staffs and Senior Officers (58,500)

Settlement date: 1 June

Unions: NALGO, GMWU, MATSA

The industry's recent settlement for manual workers gave increases of 9.7% to 10.7% on basic rates, other pay improvements, extra holidays and a 1¼ hour reduction in the working week, and was estimated to cost 12.6% in a full year.

The staff unions are seeking general increases, grade restructuring, increased leave and a reduced working week of 35 hours. The claim is unquantified but the unions are stressing their assessment of the RPI movement since their last settlement - 14.8%, the manuals' increase which they put at 12.7% and the industry's high profitability.

On 30 April BGC offered increases ranging from 7% to 9% and on 12 May raised the offer to 7½% for juniors under age 18 and 9¼% for adults. The unions declared themselves "extremely unimpressed" by the offer, which makes no proposals on the non-money items of the claim. The negotiations were adjourned and no date has been given for their resumption.

(ii) Higher Management (3,500)

Settlement date: 1 July

Union: NALGO

The group lodged a claim unexpectedly early, in April, indicating that they are seeking increases in line with inflation. No specific figure is claimed but the union gave its estimate (made prior to the Budget) that the rise in the RPI since their last settlement would be 15.4%. At the JNC meeting held on 14 May BGC's offer of 9¼% was rejected. The next meeting is on 28 May.

CONFIDENTIAL

ELECTRICITY SUPPLY

(i) Power Engineers and Technicians (28,000)

Settlement date: 1 February

Union: EPEA

When the parties met on 22 April the Council made a slightly improved offer of 10.8% for lower grades of the Engineers' scale, tapering to 6.8% at the top. Other adjustments to pay and a reduction in working hours are also under discussion. The EPEA rejected the offer on the grounds that it failed to preserve their established relationship with the industrial grades.

The NJB met again on 19 May and a settlement was reached. Average increases of around 10¼% were agreed together with a reduction of the working week by one hour and some improvements in holiday arrangements for certain senior staff. The total cost of the settlement over a full year is expected to be just under 11½%.

(ii) Clericals (50,000)

Settlement date: 1 May

Union: NALGO

The NJC meets on 26 May. The Electricity Council intends to negotiate a settlement which does not exceed that of the manuals. There may be difficulties since NALGO is claiming the manuals gained a 2% advantage as a result of their 1980 settlement and later restructuring agreement, and the clericals wish their former relativities to be restored.

BRITISH NUCLEAR FUELS LTD

Non-Industrial Staff (6,275)

Settlement date: 1 April

Unions: IPCS, CPSA, SCPS, AGSRO

BNFL staff were historically associated with civil service rates and the main unions are civil service unions currently in dispute with the Government over civil service pay. No specific amount has been claimed, only "substantial" increases.

An initial offer of 5% was raised to 6% on 24 April. This was rejected.

There was a 1-day strike on 29 April, for which the unions claimed 80-90% support. This was followed by a work to rule and a ban on overtime. The unions are reported to have promised full safety cover. The effects of industrial action will be to disrupt production of nuclear fuels and to restrict or stop output from Calder Hall and Chapel Cross power stations (not expected to affect supplies to consumers).

No date has been arranged for the resumption of negotiations. Settlement of BNFL pay would normally await the conclusion of the Civil Service settlement.

UNITED KINGDOM ATOMIC ENERGY AUTHORITY

Staff (8,700)

Settlement date: 1 April

Unions: IPCS, CPSA, SCPS, AGSRO

UKAEA salaries are directly linked to those of civil servants and the settlement of UKAEA scales therefore awaits the conclusion of the civil service settlement. The main unions are civil service unions currently in dispute with the Government over civil service pay. There has been some participation by UKAEA staff in the civil service action. About 40% supported the 1-day strike, and a smaller number the half-day. A section of workers at Winfrith is currently involved in industrial action, but so far this has not spread to other sites.

WATER SERVICES

Staff (31,500)

Settlement date: 1 July

Unions: NALGO, GMWU, NUPE, GLCSA, TWSA

On 30 April the unions submitted a claim for 17%, shorter hours and longer holidays. No offer was made at that meeting.

The NJC meets next on 22 May.

BRITISH STEEL CORPORATION (140,000)

Settlement date: 1 January

Unions: BSC-ISTC, BSC-NCCC, NUB, GMWU, TGWU, MATSA, ACTS, ASTMS, APEX, SIMA

The Corporation has obtained the agreement of all unions except ISTC to its "survival plan", and to pay increases of 7% from 1 July, 1981, with no increase from 1 January.

ISTC has rejected the pay offer and refused national agreement on the survival plan, although they are willing to engage in local negotiations on redundancies in particular plants. No arrangements have been made for a resumption of negotiations with ISTC and if the union's position does not change it is BSC's intention to implement the 7% increases from 1 July notwithstanding the absence of a fully agreed settlement.

BRITISH AIRWAYS (50,000)

Settlement date: 1 January (1 April for pilots and flight engineers)

Unions: TGWU, AUEW, ACTSS, AUEW (S & T), APEX, ASTMS, GMWU, FTATU, UCATT, BALPA

Settlements have now been agreed for well over half of the work force. Negotiations have been taking place in the separate National Sectional Panels on the basis of the Board's offer of 8% from 1 April, with no increase from 1 January. Both sides have accepted variations in the elements of the package applying to groups covered by particular Panels, while keeping within the planned overall cost.

Of the groups which have not yet come into line, the cabin crews and engineering and maintenance workers have accepted the overall cash limits and are engaged in detailed negotiations on the make-up of their settlements. Consequent on BA's introduction of new classes of cabin and changed arrangemen for meals and services to passengers, the cabin crews are engaged in negotiatio on manning and are considering strike action. This dispute is entirely separat

from and has no connection with the negotiations on the annual pay claim . Ram workers have not yet accepted the overall cash limits but management expects th to do so eventually. Negotiations with the pilots are at a less advanced stage. It may be another 3 or 4 weeks before they come near to a settlement.

CIVIL AVIATION AUTHORITY (All grades - 8,000)

Settlement date: 1 April

Unions: CPSA, CSU, IPCS, SCPS, UCATT, EETPU, AUEW, GMWU, TGWU, NUSMW

CAA staff were originally civil servants and remained civil servants until 1975 when they became direct employees of the CAA. Since then their link with civil service pay has been maintained by agreement and increases have been in line with those agreed for civil servants with only minor variations. Four of the unions are civil service unions currently in dispute with the Government on the civil service pay claim.

A number of air traffic control staff have been supporting the civil service action with a campaign of selective strikes which has caused considerable disruption to services on the selected occasions.

Passenger Transport Executive Non-Manual Staff (5,500)

Settlement date: 1 April 1981

Unions: NALGO, ACTSS

Negotiations opened on 5 March with a 6% offer which was rejected. A subsequent offer of 6.5% was also rejected and on 1 May the unions undertook to put an improved offer of 7.5% to their members, but without a recommendation. A union delegate meeting took place on 19 May at which the offer was rejected. Industrial action has been threatened but employers will stand firm.

In September 1980 this group negotiated a staged settlement which changed their ASD from 1 September to 1 April and gave increases in average earnings calculated at 13.29% in the 12 months period 1 September 80 to 31 August 81.

South Yorkshire PTE (Platform Staff - 3,000)

Settlement date: 1 April 1981 (formerly 9 October 1980)

Union: TGWU

Earlier this round a 6 months pay settlement was agreed between the PTE and its platform staff for an 8% increase in rates to run from 9 October 80 (the ASD at that time), with a review on 1 April 1981 (the new ASD). From 1 April 81 the PTE offered an increase on rates of 7.5 which the union rejected.

After further negotiations platform staff have voted to accept an offer which increases basic rates by 11%. Management estimate the paybill cost at less than 9%. No forecast can be made of the likely effect on average earnings.

ritish Rail (Clerical and Conciliation grades - 150,000)

Settlement date: 20 April 1981

Unions: TSSA, ASLEF, NUR

The 3 rail unions submitted a claim for "substantial pay increase" on 19 March. Negotiations opened on 13 April with an offer of 7% increase on pay rates which, after consideration, union negotiators rejected. Further meetings were held on 16 and 28 April at which BR were unable to improve their offer.

The unions have since decided to refer their claims to the Railway Staff National Tribunal. An award on a unilateral reference to the Tribunal would not be binding; but would be difficult to ignore.

The RSNT hearing will take place on 8 June, and the result is likely to be known in early July. BR will be making strong representations that it is in no position to fund an increase above 7%.

London Transport Executive (Rail Supervisors, Booking Office and Conciliation Grades - 15550)

Settlement date: 20 April 1981

Unions: ASLEF, NUR, TSSA

The 3 rail unions submitted a claim for a 12.5% increase on 31 March. On 7 April the unions rejected a 6% offer. At a meeting on 7 May LT argued that their offer to rail staff could not exceed the 8% increase already under consideration by the LT bus staffs. The NUR (leading the TU side) found the offer unacceptable, but nevertheless agreed to put it before the Unions' Executives. Their formal rejection was given to LTE on 15 May.

While the union strategy seems to have been to await the outcome of the BR arbitration, the change in the political complexion of the GLC could lead to negotiations being resumed shortly. Should this happen, and the tube men achieve an increase above 8% there would be great pressure from the TGWU to reopen the bus settlement, and the repercussions for BR are obvious.

London Transport Executive (Rail Workshops Wages Grades - 3000)

Settlement date: 22 April 1981

Unions: ASBSBSW (Boilermakers, Shipwrights, Blacksmiths and Structural Workers) AUEW, EETPU, FTATU (Furniture, Timber and Allied Trades), NSMM (Metal Mechanics), NUSMWCHDE (Sheet Metal Workers, Coppersmiths, Heating and Domestic Engineers), NUR, TGWU, UCATT (Construction and Allied Trades Technicians).

The unions presented a claim for 12.5% pay increases on 5 May. BR has made no response. As in the case of the LT Underground claim (reported above) negotiations seem likely to wait for the RSNT award for BR clerical and conciliation grades (but see previous paragraph on conciliation grades).

London Transport Executive (Bus Drivers and Conductors - 19800)

Settlement date: 28 March 1981

Union: TGWU

On 3 April TGWU claimed pay increases in line with RPI movements, a 35-hour week (from 39 to be introduced in Nov 81) and extra annual holidays. They rejected an offer of 7.5% increase in basic rates. On 22 April LT improved the offer to 8% on basic pay, an increase in receipts bonuses (worth about 0.5%), one extra day of annual holiday, and the question of the reduction of weekly hours to 38 to be referred for Committee consideration.

TGWU delegates recommended that the offer should be balloted by members at all garages, and it has been accepted.

London Transport Executive (Road Workshops Wages Grades - 3540)

Settlement date: 22 April 1981
Unions: ASBSBSW, AUEW, EETPU, FTATU, NSMM, NUSMWCHDE, TGWU, UCATT

LT have offered their Road Workshops grades the same package as Bus Drivers and Conductors (8% on basic pay, a minor bonus improvement, one extra day of annual holiday and a promise to consider the possibility of a 38-hour week).

The unions are to consult their membership. The results are expected shortly but the early signs point to acceptance.

Post Office (Postal workers - 156,000)

Settlement date: 1 April 1981
Union: Union of Communications Workers (UCW)

In response to a claim for 20% increases accross the board, PO offers of 6% 6% plus a further 2% from 1 October, and 8% plus a further 1% from 1 October, were all rejected. After a negotiating meeting on 15 April the Post Office improved their offer to 8% on basic rates and allowances from 1 April, and a further 1.5% from 1 November 1981 (costed at 8.5% in the 1981/82 financial year).

UCW negotiators recommended the offer and postal workers have voted to accept it. Average earnings are expected to increase by about 8.5%.

BRITISH TELECOM

Settlement date: 1 July 1981

Unions: (representing BT Engineering Workers)

POEU: (Engineers, Technicians, MT, DO and Photoprint, Supplies, Factory Grades etc - 130,000)

SPOE: (Executive Engineers and Assistants, Inspectors, Technical Sales and Traffic Supervisors etc - 16,500)

In advance of formal union claims British Telecom have reached a provisional agreement with POEU and SPOE negotiators which their Executives will recommend strongly to their annual conferences (1 to 5 June).

The proposed deal comprises a 9% increase in basic pay; the consolidation of a 1% productivity payment agreed in the last pay round (not new money); and a guaranteed 2% productivity payment replacing producivity payments agreed in the 1980 pay round.

British Telecom state that the deal will add 9% to their pay bill. The Department of Industry consider this to be realistic on the basis that some savings will result from the productivity deal.

No estimate is available of the affect of the proposals on average earnings.

Original filed on:-

Econ Pol: Public Sector Pay Policy: Pt 4

Also - we have no choice but to accept when we change the law.

cc Mr Wolfson
Mr Vereker
Mr Duguid

Prime Minister

Mr Fowler feels unable to intervene in the renewed negotiations with LT, despite the likely impact elsewhere. Content to accept this?

MAP 24/5

PRIME MINISTER

MONITORING REPORT: PUBLIC TRADING SECTOR

The Chief Secretary's minute to you of today's date with the latest monitoring report draws particular attention to the problems which could arise following the change of political control at the GLC.

I reported on the situation orally at E Committee earlier this week. The London Transport (LT) busmen have settled at 8 per cent, and I know that the TGWU are not anxious to upset this. But they will be forced to ask for the settlement to be reopened if the tube workers get substantially more.

Up till now the rail unions have been content to postpone further talks about tube pay until they had settled with British Rail (BR); the BR claim will be taken to arbitration on 8 June. But LT have been instructed by the new Leader of the GLC to settle the tube workers' pay claim quickly, even if this means increases in double figures. The rail unions have been told of this and, today, the NUR have told Sir Peter Masefield, the Chairman of LT, that they want an immediate resumption of talks, that their minimum demand is 13 per cent, and they know this is acceptable to the GLC.

Sir Peter Masefield's own position at LT is not strong. He had in any case only accepted the Chairmanship for a single year virtually on a caretaker basis. He could easily be replaced quickly by the new GLC. I do not know how long he will feel able

to resist these demands which could, of course, create great difficulties for BR as well as leading to a much higher revised settlement for the bus workers.

As you know, I have no statutory powers of control over LT. As matters develop we may well need to consider changing the law. But I do not see that, in advance of that, there is any action which I can usefully take, since there is no sign at all that the new GLC have any intention of acting reasonably.

Copies of this minute go to the Home Secretary, the Chancellor of the Duchy, the Secretaries of State for Industry, Employment, Environment, Energy and Trade, the Chief Secretary, Mr Ibbs and Sir Robert Armstrong.

NORMAN FOWLER

21 May 1981

CONFIDENTIAL

Transport 2

cc Mr Wolfson
Mr Hoskyns
Mr Ingham

Prime Minister

To note

MT.

23/4

PRIME MINISTER

LONDON TRANSPORT WAGES

My Private Secretary wrote to yours on 16 April to let you know that there was a serious risk of a strike on London's buses and underground over this year's pay settlement. She said that I would be talking to Sir Horace Cutler and would keep you in touch with developments.

Sir Horace made up his mind on tactics today, and spoke to me late this afternoon. He is naturally anxious to keep any pay settlement to a minimum because of the immediate effect on either subsidy or fares. But he recognises that it is not realistic to think in terms of settling at 12%.

So far as the underground is concerned - and London Transport are talking to the Rail Unions this evening - Sir Horace has concluded that he is bound to follow the general level set by the BR settlement of last week. He has therefore authorised London Transport to settle at an increase on basic pay of 15%, plus 5% for productivity, or 16% plus 4%. London Transport have been told that they must ensure that there is a firm agreement on productivity changes before this element is paid. He does not want any more vague promises.

Sir Horace has told London Transport to be much tougher on busmen's pay when they meet the Transport and General Workers Union tomorrow. Normally, the negotiations on tubemen and busmen are separated by a few weeks. This year, the Unions have secured that the negotiations should come together. London Transport have been told to try to delay a bus settlement for a

CONFIDENTIAL

week or two, and to keep the level below that for tubemen. Sir Horace is less concerned about a bus strike - for which there are more effective contingency plans. He thinks there will be general public support for a tough line in dealing with wages for a bus service which is generally regarded as very inadequate, and a strike would in practice tend to help rather than damage London Transport's finances. Provided there is a firm agreement on underground pay, there should be no risk that the Rail Unions will take sympathetic strike action.

I believe Sir Horace's judgements are sound, but I have, of course, avoided saying anything which he might regard as an instruction from us.

Sir Horace promised to keep me in touch with any developments, and I will of course see that you and Cabinet colleagues are kept in the picture.

I am sending copies of this to Willie Whitelaw, Geoffrey Howe, Jim Prior and to Sir Robert Armstrong.

NORMAN FOWLER

22 April 1980

CONFIDENTIAL

Transport
CLIVE to see
+PA
MJS

DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

cc Mr Wolfson
Mr Ingham
Mr Hoskyns

2

PRIME MINISTER

Not good news. We will keep in touch

MJS

Tim Lankester Esq
Private Secretary to
the Prime Minister
10 Downing Street
LONDON
SW1

16 April 1980

Dear Tim

You ought to know that there is a serious risk of a strike on London buses and underground next week over this year's pay settlement.

Negotiations with the tubemen are due to take place late on Tuesday, 22 April and with the busmen on 23 April. London Transport do not believe that either will accept less than the railway settlement which is likely to be not less than 18%. But they cannot afford, on their present budget as approved by the GLC, more than 12%. They are already in difficulty because of the increase in fuel prices and lower traffic receipts because of the drop in the number of tourists. If they had to settle at 18%, the extra 6% would increase their costs this year by some £25m or more. This would probably involve a fare increase in September, provided they were content to recover the money over a whole year's operation - and thereby incur a deficit this calendar year - of at least 8%.

There is we understand an unusual degree of militancy amongst the bus and tubemen at present and London Transport's present feeling is that if they offer only 12% or 13%, a strike could start on Thursday, probably affecting both the underground and buses.

Mr Fowler will be in touch with Sir Horace Cutler over the next few days and will keep the Prime Minister in touch with developments. In the meantime we have alerted the Civil Contingencies Unit.

CONFIDENTIAL

CONFIDENTIAL

I am copying this letter to John Chilcot, Richard Dykes and David Wright.

Yours

Genie

MRS E C FLANAGAN
Private Secretary

CONFIDENTIAL

PRIME MINISTER
More good news MAP 13/VII

2

DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

! More?

n Some.

MT. !

M Pattison Esq.
Private Secretary
10 Downing Street

13 July 1979

Dear Mr Pattison

As requested I attach a note on the latest state of the London Transport tube negotiations.

Yours sincerely

Barbara Riddell

B E RIDDELL
APS/Minister

It is good news.

MT

Transport

CONFIDENTIAL

BRIEFING FOR No.10

LONDON TRANSPORT UNDERGROUND NEGOTIATIONS: POSITION AT 15.30 13 JULY

After a further series of meetings LTE and the rail unions have now reached agreement on a formula which has removed the threat of a strike next Monday.

In return for an agreement by LTE to pay the arbitration award as soon as possible, the unions have agreed to enter into immediate discussions on one man operation. It has been further jointly agreed that if these discussions have not resolved all the difficulties by 31 July (when the next routine Railways Negotiating Committee meeting is due) any outstanding issues will be referred to arbitration.

The unions have also agreed to start talks on improving productivity to fund the pay award.

TIP
13 July 1979

CONFIDENTIAL

Transport

2

DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

cc Mr Roberts

Prime Minister

To note.

TL 28/6

Tim Lankester Esq
Private Secretary to
the Prime Minister
10 Downing Street
LONDON
SW1

28 June 1979

Dear Tim

My Minister thought the Prime Minister would find it useful to have a report on the latest state of the London Underground pay negotiations.

The London Transport Executive negotiators are meeting the three rail unions early next week. The LTE will stand by the arbitration award, but they will take a tough line on productivity, insisting on one man operation on appropriate lines and union cooperation in other productivity moves, within existing agreements. They will also give the unions details of the service cuts which will be necessary if the award is implemented. This tough line may produce a little more noise from the unions, but the risk of a strike this summer now seems remote.

London Transport estimate that the award will add 14% to their £70m rail pay bill. They will aim to increase fares in September by 12-13% (the amount needed to cover the original offer), but they will still need to draw on their general reserve and even then will go into deficit by the end of the year. Further fare increases will be needed early next year but how much depends on what happens at next week's meetings with the unions. There have been no union moves yet to reopen bus pay.

I am copying this letter to John Chilcot, Ian Fair and Martin Vile.

Yours

Genie

MRS E C FLANAGAN
Private Secretary

2

PRIME MINISTER

c.c. Mr. James
Mr. Wolfson

Underground Dispute

The Arbitration Panel have recommended increases of about 16½% on average, compared with the 18% which the NUR claimed, and the 9.8% which London Transport had offered. So, as we feared, they have virtually conceded the whole amount.

The NUR have said that they will accept the award. London Transport have said that they are considering it. They have told the Department of Transport informally that they will almost certainly accept it, and put up fares accordingly - though they may also cut back services to some extent. However, they are not going to accept immediately: they prefer to play it long for a week or so in order to reduce the impression that they are immediately caving in. But in effect this is what they will be doing. Mr. Fowler does not propose to intervene.

A l K McLaren
(Duty Clerk)
pp. Mr Lankester.

MT.

22 June, 1979.

6½

12

12.
income fares.

O.D

1

DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

1. Mr Sanders
2. P.S.

Tim Lankester Esq
Private Secretary to
the Prime Minister
10 Downing Street
LONDON
SW1

18 June 1979

cc Mr Times

Prime Minister
You asked what will be the effect on fares of a excessive settlement on the underground. Every 1% to the settlement adds about 2% to fares - for the reasons set out below.

Thanks v. much.

Dear Tim

I understand that the Prime Minister wanted to know why London Transport needed fares increases of more than the amount of the possible increase in wages, even though wages represent only about three quarters of their total operating costs.

TL 18/6

We have not got London Transport's detailed pricing assumptions. But there are basically three reasons why fare increases have to be higher. First, the GLC's revenue support (£49m this year) will not be increased to cover any extra wage costs and therefore the whole of the increases have to be recovered from fares. Second, when fares are increased quite a lot of people decide to travel less, not to travel at all, walk, or switch to other modes. So a 1% increase in wage costs needs more than a 1% increase in fares to finance it. Third, London Transport have to start paying the higher wages before they can increase the fares and get more revenue in.

If there is anything more you need, please let me know.

I am copying this letter to Ian Fair, John Chilcot and Martin Vile.

Yours
Genie

MRS E C FLANAGAN
Private Secretary

E.R.

cc Henry James

Transport

PRIME MINISTER

Threatened Underground Strike

The NUR and the London Transport Executive have agreed to put their dispute to arbitration, so the strike is off. As I mentioned this morning, there will be a Mediation Board consisting of a Chairman appointed by ACAS, a union representative and an employer representative. They will hold a preliminary hearing on Sunday, a full hearing on Tuesday, and make their recommendations on Thursday. The arbitration is not binding, and therefore negotiations will presumably restart in a week's time. It is possible of course that the Mediation Board's recommendations will be unacceptable to one or other party, in which case there could still be a strike the week after next.

AW.

R.

15 June 1979

Transport.

DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

Tim Lankester Esq
Private Secretary to
the Prime Minister
10 Downing Street
LONDON
SW1

15 June 1979

MBM.

Dear Tim

Yesterday's meeting at ACAS went better than expected.

The NUR and ASLEF Executive Committees are meeting this morning to consider a proposal worked out yesterday evening for informal mediation under the aegis of ACAS. All three unions (including TSSA, who have supported arbitration all along) will be going back to ACAS at 2.00 this afternoon.

If the unions accept this proposal, the preliminary meeting of the "Mediation Board" would be on Sunday afternoon; the main hearing would be on Tuesday; and the final recommendations on Thursday. The recommendations would not be binding.

The main reason for this very tight schedule is procedural. The NUR Executive Committee is dissolved during the annual Conference which lasts for two weeks, starting on 25 June. The present Executive is anxious to take a decision on this dispute before the Conference.

The possibilities now are:

1. at best - the strike could be called off altogether. This is unlikely to happen today;

2. at worst - the unions could reject the ACAS proposal lock, stock and barrel, and the strike will go ahead;

3. Something in between - the unions could accept the ACAS proposal for arbitration, and postpone their strike until the outcome is known. If this happens it would mean a postponement for at least three weeks until after the NUR Conference.

At present there seems a slightly better than even chance that the third possibility will be the outcome of today's talks. We should know by 4.00 pm at the latest.

Copies of this letter go to the Private Secretaries of the Chancellor of the Duchy of Lancaster, The Secretary of State for Defence, Employment, Environment and Energy, the Home Secretary, the Paymaster General, the Minister of State, Civil Service Department and to the Chief Whip. I am also sending copies to Martin Vile and the Private Secretary to Sir Clive Rose.

Yours

Ernie

MRS E C FLANAGAN
Private Secretary

TRANSPORT

LONDON UNDERGROUND (INDUSTRIAL DISPUTE)

The Minister of Transport (Mr. Norman Fowler): With permission, Mr. Speaker, I wish to make a statement on contingency plans for the London Underground strike which has been threatened from next Monday.

There is as yet no sign of any settlement of the dispute, although I understand that further talks are planned for this evening.

The offer which has been made matches that recently agreed with the London busmen. I am advised by the leader of the GLC that if the unions' much larger claim were agreed, this would entail a very significant increase in fares in addition to those already planned, or cuts in services.

I very much hope that the strike will not take place and that those who live and work in London will not be subjected to the widespread inconvenience that such a strike would cause. But I am sure the House would wish to have an early indication of the action the Government propose to take to ensure that people can continue to go about their daily business if the strike does go ahead.

London Transport estimates that half a million people use the Underground daily on their way to work in central London. Clearly the strike will impose great pressure on bus services, and if too many people try to bring their cars into the centre there will be serious congestion and delay.

We therefore propose to take the following steps. For central London, 8,000 extra car parking spaces will be made available in the Royal and other London parks. On the advice of the Metropolitan Commissioner of Police we shall not at this stage be lifting waiting restrictions or suspending meter charges. This is to reduce the risk of congestion bringing traffic to a standstill.

For outer London, where there is additional demand for extra parking spaces near suburban British Rail stations, the Commissioner has told me that enforcement of waiting restrictions will be relaxed in certain roads where this will not impede traffic movement.

In addition, the police are taking steps to operate clearways on key routes between 7 a.m. and 10 a.m. and between 4 p.m. and 7 p.m. They will be issuing detailed advice on this over the weekend.

The motoring and freight industry organisations are urging all their members to keep out of central London if they possibly can. Congestion will be minimised if employers adopt the maximum flexibility in hours of work to enable people to travel outside the rush hours and if people who have to use their cars take other people with them.

I am advised that fuel supplies for public transport in London are unlikely to present a special problem, but the Government will watch this aspect closely.

I shall be keeping in close contact with the police on the effectiveness of these arrangements and will consider, as the situation develops, whether any changes are needed.

Mr. Rodgers: The whole House will share the right hon. Gentleman's hope that the strike will not take place and that those who live and work in London will not be subject to widespread inconvenience, but the settlement of the dispute has hardly been made easier by the prospect of inflation running at 17½ per cent. later this year. It is not a climate in which it is easy to get a tolerable solution to industrial disputes.

Will the Minister confirm that he has not seen the trade union leaders about the dispute or discussed matters with London Transport, because that would be in keeping with the Government's non-interventionist approach? May I assume that if this is not the case, or that if at a later stage the right hon. Gentleman discusses these matters with the trade unions and London Transport, he will report fully to the House on the matter?

For the most part I think that the right hon. Gentleman's proposals are well tried, and I am sure that it is his intention to keep the House informed of developments. Will he confirm that although he is not a member of the Cabinet he is co-ordinating the Government's approach to the whole matter?

Will the right hon. Gentleman comment on one aspect of his statement? He says that he is advised that fuel supplies for public transport in London are unlikely

I agree with the hon. Member about the drinking water analysis document, which has become less controversial owing to various amendments and agreements which have been made. However, the Scrutiny Committee recommended that there should be a debate on the subject, and I am sure that he hon. Member would have thought up a very good objection if I had gone against that recommendation.

Mr. Cormack: May we expect the legislation on the National Land Fund before the Summer Recess, or after?

Mr. St. John-Stevas: I think that it is much more likely to be the latter than the former.

Mr. Canavan: Why are the Government in such a desperate rush to repeal the Scotland Act, given the wishes of the majority who voted in the referendum? If they argue that the support of 33 per cent. of the Scottish electorate is not enough for a Scottish Assembly, is it not sheer duplicity for the Tories to take the majority of Scottish seats on the Common Market gravy train on the basis of last week's elections, when they received the support of only 11 per cent. of the Scottish electorate?

Mr. St. John-Stevas: I do not entirely follow the hon. Member's mathematics, but I do not see any duplicity in fulfilling our legal obligations as laid down by statute.

Mr. Kilroy-Silk: Will the right hon. Gentleman arrange an early debate on Merseyside and the North-West so that a Minister can attempt to explain and justify the disgraceful decision to put more of my constituents on the dole and ask them to pay higher prices, simply to finance tax handouts of the order of £400 a week to the likes of the chairman of ICI?

Mr. St. John-Stevas: Subject to what you rule Mr. Speaker, there will no doubt be an opportunity to debate these matters on the Opposition Supply day.

Mr. Christopher Price: Is the Leader of the House aware that it is a tradition in this House that when the Committee of Privileges makes an important recommendation for legislation time is given for the House to debate and decide upon that recommendation? As the right hon. Gentleman added his wisdom to the last report of the Committee of Privileges will he, without committing himself to a date, give an assurance that we shall be able to take a decision on the Committee's recommendation that the proceedings of the House shall be subject to privilege not only in *Hansard* but in wider reports?

Mr. St. John-Stevas: I know of the hon. Gentleman's concern and interest in this matter, and I shall certainly look into the point to see whether we can have a debate in the not-too-far-distant future.

Mr. Bidwell: May I press the Leader of the House on the answer that he gave to my hon. Friend the Member for Bolsover (Mr. Skinner) about the role of the special patrol group of the Metropolitan Police? Will he look at the substance of the support that exists for early-day notion 6 calling for a public judicial inquiry into the events in question?

[*That this House is of the opinion there should be a public judicial inquiry into the events in Southall on Monday 23 April.*]

Is the right hon. Gentleman aware that, under present procedures the police inquiry will take a good deal of time? Will he keep very firmly in mind that far more is required to allay public anxiety about the events of that day than simply a police inquiry?

Mr. St. John-Stevas: I am aware of the hon. Gentleman's concern over the events on that day, but I suggest that we proceed one step at a time. It is reasonable to await the first report before considering further action.

to present a special problem. We all welcome that, but, quite plainly, on Monday large numbers of people will seek to travel into the centre of London by car, while, if previous experience is repeated, others will hire coaches for the day. Is the Secretary of State for Energy securing priority supplies for those who will be using their cars and using coaches on Monday?

The right hon. Gentleman referred to London Transport fares. We must all regret any increase in them. In those circumstances, and given the rises that are already in the pipeline, will the right hon. Gentleman give the House an undertaking that there will be no question of cutting the transport supplementary grant to the Greater London Council, which would then not be justified in taking any steps to reduce its present support for public transport in London?

Mr. Fowler: On the right hon. Gentleman's first point, I put it to him that the only effect that this dispute will have is to put fares up even further. As he will be aware, an increase in fares was announced only yesterday. The Opposition must make their position clear on this issue. The right hon. Gentleman did not do in his introductory remarks.

With regard to the Government's status in the matter, let me repeat that this is not the Government's dispute. It is a matter between the London Transport Executive and the rail unions with whom it negotiates. I am sure that none of the parties directly concerned would want the Government to interfere with the well-established machinery for settling pay. Nor do I have any intention of doing so.

On the right hon. Gentleman's third point, I give the assurance that I shall report to the House.

As to consideration of the matter by the Cabinet, I imagine that the right hon. Gentleman understands that I attend all Cabinet meetings and that I am co-ordinating this exercise with my right hon. Friend the Home Secretary.

Our information on fuel supplies—and I have made thorough checks on this—is that there is no problem for either public transport or private cars, so there does not seem to be any point in going any further into the matter.

On the question of support for London Transport, the right hon. Gentleman, more than most, will be aware that he approved plans which will cut back the fares support over the TPP period. We have no plans to change that.

Mr. McCrindle: Accepting that one of the best ways to cut back on the inevitable congestion which will flow from people bringing their cars into central London is to encourage the staggering of working hours, can the Minister say whether there has been, or is to be, any direct approach to bodies such as the CBI, and whether the Government are likely to give a lead in this matter by encouraging Civil Service hours to be staggered?

Mr. Fowler: Discussions have taken place with the business organisations and with those organisations representing industry. My hon. Friend the Minister of State, Civil Service Department, has circulated Government Departments on this matter and they are encouraging staff to travel outside rush hours and to use alternative forms of public transport rather than their own cars as far as possible. Those staff who find it essential to use their cars are being asked to give lifts to their colleagues. Pooling arrangements have been made to facilitate that.

Mr. Les Huckfield: I acknowledge that the right hon. Gentleman is right to make preparations for Monday, but is he aware that ACAS is calling together the parties involved at 5 p.m. this evening? Is he also aware that a number of proposals are still under active consideration, including the possible setting up of an ad hoc inquiry? Will he give his encouragement to, and express his hopes that, some of these proposals will come to fruition?

Mr. Fowler: I am aware of the meeting which will take place with ACAS later today. Clearly, we hope that the strike will not take place. I do not believe that a strike will be in the interests either of the public or of those who work on London Transport.

Mr. Cyril D. Townsend: Can the Minister give advice on insurance aspects to my constituents who would like to take up the suggestion of giving lifts, before they do so?

Mr. Fowler: Those who want to give lifts should know that there are now no

[Mr. Fowler.]
insurance obstacles to doing that. As my hon. Friend knows the position was regulated by the Transport Act 1978. There is no insurance problem and lifts can be given. However, if people have doubts they should get in touch either with their own insurance companies or with my Department, which is prepared to give advice. The situation is that there are no problems and that no one need fear any consequences in this context.

Mr. Snape: Is the Minister aware that Mr. Maurice Cutler, with his customary inaccuracy, has got it wrong? The offer made to the National Union of Railwaymen is not the same as that made to London's busmen. Is the right hon. Gentleman aware that the claim by the NUR, currently in dispute, is for 11 per cent. on a railman's basic wage of £47·25 a week? Will he accept from me that most railwaymen would accept similarly generous terms as those afforded by his Government to air vice-marshals, consultants and heads of nationalised industries?

Mr. Fowler: On the last point, I advise the hon. Gentleman to study the terms of that award. I repeat to the hon. Gentleman—I know of his interest in these matters—that the only consequence of the kind of claim now being considered would be a further increase in fares in London over and above the increase announced yesterday. I think that the people responsible should weigh that consideration.

Mr. Moate: I hope that the strike will not materialise, but will my right hon. Friend take an early opportunity of stressing to the trade union leaders in the transport industry the utter futility of strikes of this kind—particularly one-day strikes designed to cause the maximum of discomfort and suffering to commuters—which cause long-term damage to the industry and which cannot possibly contribute to sensible negotiations?

Mr. Fowler: I think that it is common ground—or certainly was between the two Front Benches—that there is no question but that industrial disputes such as this do harm in the long term to the true interests of public transport.

Mr. Skinner: Is the Minister aware that he cuts a very different figure from the one to which we so often listened when we were going through what was known as the "winter of discontent". As that time we had minor disputes, such as those with the oil tanker drivers and the lorry drivers. A picket—and no one else—was killed. We had a few train drivers disputes, when the right hon. Gentleman indicated to the Government of the day that it was easy to resolve those matters. Does he recall urging his colleagues to put down questions under Standing Order No. 9 every day? Why does he not resolve this matter? Why does he not lean on Horace Cutler and his friends on the GLC to get this matter resolved and reach a decent settlement along the lines that have been proposed by my hon. Friend the Member for West Bromwich, East (Mr. Snape)?

Mr. Fowler: In the first part of his question what the hon. Gentleman is saying is absolute rubbish. I think that the right hon. Gentleman would confirm that. As for the second part of the question, I repeat that this is not the Government's dispute. It is a matter between the London Transport Executive and the rail unions. That, I believe, is the sensible way of proceeding.

Several Hon. Members *rose*——

Mr. Speaker: Order. I propose to call the four hon. Members who have been rising.

Mr. Alexander: Will the Minister give an indication whether he expects the strike to go on beyond one day? On the relaxation of parking restrictions, can he give an assurance to those motorists who are going to use parking facilities that it will be clear to them at the time that the restrictions have been relaxed?

Mr. Fowler: Our hope is that the strike will not take place at all, but the risk is that it will go on for longer than a day if it does take place. Parking restrictions are a matter for the police, who are aware of the situation. I am sure that they will be making the proper preparations so that they are carefully indicated.

Mr. Durant: I congratulate my right hon. Friend on giving early warning of his plans which, I think is helpful to everybody, but can he say whether these restrictions on parking will be lifted over the weekend as well as during the week, bearing in mind that the heavy holiday season has started in London?

E.R.

PA

PRIME MINISTER

cc: Mr James

London Underground Strike

We have had some further information this morning:

(i) Sid Weighell has stated that the NUR will not call a strike of British Rail in sympathy. The suggestion that there would be a strike of BR came from ~~one of his assistants~~ the President of the NUR, and was simply wrong. However, if there is an underground strike, the BR line from Amersham to Marylebone will be closed because the signals on this line are operated by LT signalmen. Part of the North London line running from Old Street to Hampstead will also be closed for the same reason.

(ii) ACAS have persuaded the employers and the unions to meet with them tonight to discuss the possibility of arbitration. The Department of Transport think there is now a 50/50 chance of the dispute going to arbitration. This will depend on the position of the unions: LT have made it clear that they will definitely agree to arbitration if the unions will. (Mr. Fowler will be mentioning the ACAS initiative in his statement this afternoon.) However, even if the unions do agree to go to arbitration, there is a real possibility that the strike will go ahead for 2-3 days: for the sake of their machismo, they would find it hard to call it off at this late stage.

TL.

14 June 1979

I wonder if my private office (Mrs Flanagan) could be given the following message :-

Transport

Done

RC 14/6 11.15am

We should consider adding in the first sentence of my statement to make it read —

" I very much hope that londoners and those who work in london will not be subjected to the widespread inconvenience .. etc.

Thus adding the words underlined. The point of course is to include commuters.

Norman Fowler

10 DOWNING STREET

From the Private Secretary

14 June 1979

This is to confirm that the Prime Minister is content with the draft of the statement which your Minister intends to make this afternoon on the underground strike, as enclosed with his letter of 13 June to the Home Secretary.

I am sending a copy of this letter to John Chilcot (Home Office), John Stevens (Office of the Chancellor of the Duchy of Lancaster), Roger Facer (Ministry of Defence), Ian Fair (Department of Employment), David Edmonds (Department of the Environment), Bill Burroughs (Department of Energy), Richard Prescott (Office of the Paymaster General), Geoffrey Green (Civil Service Department), Murdo Maclean (Chief Whip's Office), and to Martin Vile and Sir Clive Rose (Cabinet Office).

T. P. LANKESTER

Mrs. E.C. Flanagan,
Department of Transport.

CONFIDENTIAL

Prime Minister PA

To note. A further meeting of CCU will take place on Friday to review the situation. At Flag C is Horace Cutler's latest report.

R 13/6

cc Mr Davies

PRIME MINISTER

LONDON UNDERGROUND STRIKE

I undertook to report to you following the meeting of Ministers in the Civil Contingencies Unit under my chairmanship. We have reviewed the likely developments, and considered what contingency and public relations action should be taken.

Our first conclusion was that there is little prospect of averting the strike. ACAS are still engaged in discussion with the parties, but there is no sign of a breakthrough. It seems probable that the main union concerned (the NUR) is determined to test the Government's firmness. In this case it must be assumed that the strike will begin at midnight on 17 June and will involve a complete shutdown of the Underground service. Our assessment is that it will not affect the London bus service.

The handling of the dispute is primarily the responsibility of the GLC in conjunction with the employers, the London Transport Executive. But it is clear that whatever the formal position, it is the Government who will be under fire for the consequences and held to blame if things go badly wrong. It will therefore be important for us to keep in close touch with the GLC so as to ensure that we know what they plan to do with a view to finding a basis for settlement. I do not for one moment suggest that we should seek to intervene directly or that we should press the GLC to make concessions which would be unacceptably costly in both political and financial terms. But our objective must be to keep vital activities in London going. If we fail in this our case will be lost. At the meeting we were all conscious of the need to avoid as far as possible a confrontation situation developing in which neither side had a means of escape. This means, for example, that we should not at this stage rule out, and ensure that the GLC does not rule out, the possibility of arbitration for which I understand there is provision in the Joint Agreement.

a note on arbitration proceedings is at Flag A

CONFIDENTIAL

It is equally for the GLC to give publicity for the merits of their case and generally to handle the public relations side of the dispute. But this again will need watching and the Minister of Transport, in conjunction with the Paymaster General, will keep closely in touch with what the GLC are doing. The Minister of Transport has detailed information about the financial implications of the NUR claim and since this is not strictly a matter for the Civil Contingencies Unit I have asked him to send this to you direct in response to the request in your Private Secretary's letter of 11 June.

See Flag B

As regards contingency action, we concluded that:

(i) it would not be appropriate to activate the Oil Industry Emergency Committee at this stage. The Secretary of State for Energy is opposed to this on the ground that any official or public attempt to divert supplies would be widely resented and could provoke reactions from tanker drivers. He therefore prefers to rely on his contacts with the Oil Industry Advisory Committee and foresees no problem at present over ensuring that adequate fuel is available for buses and British Rail commuter trains;

(ii) parking facilities should be made available from midnight on 17 June in the Royal Parks. This will provide space for some 8,000 cars. We agreed on balance to accept the advice of the Metropolitan Police Commissioner that meter fees and other parking restrictions should not be waived, at least at the outset. But we shall keep this under review. We also agreed that the possibility of finding emergency parking space near suburban British Rail stations should be pursued urgently. I have asked for a report on progress made over this by Thursday;

(iii) The Minister of State, Civil Service Department, will issue instructions to all Government Departments to take all possible steps to stagger the working hours of

staff who live outside London. The Secretary of State for the Environment will do what he can to persuade the London Boroughs Association to take similar action. As regards industry and the City, we decided that rather than approach the CBI and other organisations, it would be better to cover this point in a Government statement;

(iv) the Minister of Transport intends to make a statement in the House on Thursday, 14 June on the Government's attitude towards the dispute, contingency arrangements and guidance for commuters. He will avoid getting involved in details of the dispute or its handling so as not to cross wires with the GLC, or prejudice the activities of ACAS. As well as the various contingency points mentioned above, the statement will urge people not to come to or through central London unless absolutely necessary and will encourage those who do come by car to give lifts to others. The statement will be discussed with the GLC so as to ensure that it is not inconsistent with the line they are taking or likely to be challenged by them. I have asked to be informed immediately if there is any indication that the GLC disagree with what the Minister of Transport intends to say. He will circulate the text to the Ministers directly concerned.

I have arranged for a further meeting of the Civil Contingencies Unit on the morning of Friday, 15 June to take stock of the situation and of the contingency action. I have also provisionally arranged for a meeting on the morning of 19 June to review the position in the light of the experience of the first day of the strike.

I am sending copies of this minute to the Secretaries of State for Defence, Employment, Environment and Energy, and to the Paymaster General, the Minister of Transport and the Minister of State, Civil Service Department. I am also sending copies to Sir John Hunt and Sir Clive Rose.

13 June 1979

A

DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

N Sanders Esq
Private Secretary to
the Prime Minister
10 Downing Street
LONDON
SW1

13 June 1979

Dear Nick

I undertook to let you have a note on the arbitration procedures available to the LTE management and unions.

As part of the pay negotiation structure the LTE has a Wages Board. Reference can be either jointly when, providing both sides first agree, any decision would be binding; or unilaterally in which case it would not. The Board is chaired by Sir Roy Wilson QC, former President of the Industrial Arbitration Board. The unions would nominate ~~one~~ representative and the management the other. Management's current nominee, Mr H E Barber (former director of the Old British Aircraft Corporation) is drawn from the ACAS list of arbitrators. The unions customarily choose a Trades Union Official and in recent times this has been Mr Alan Sapper, General Secretary of the Association of Cinematograph Television and Allied Technicians.

In order for the Board to operate it would be necessary for both sides to

a. agree terms of reference;

b. prepare their cases;

c. agree a date for the hearing;

d. exchange their cases 7 days before the hearing.

The earliest possible time for a hearing would be 10 days after a decision to go to arbitration. But this timescale would be exceptional and recent experience has been that several months elapse between the decision and the hearing.

As an alternative, ACAS offered at yesterday's meeting between both sides to quickly set up ad hoc Arbitration machinery, which need not necessarily be binding, if both parties agreed to this. LTE would not be averse to this since they consider that Sir Roy Wilson, although much experienced, is at 76, a little unfamiliar with current Arbitration practice.

I have just heard that ACAS have secured provisional agreement from both sides to meet under their auspices on Friday morning for further talks. There will not be any public announcement until tomorrow and then only if the unions do not back out. This is a ray of hope. But we cannot really build on it because it is very much last minute.

I am copying this letter to Private Secretaries of members of CCU, to Martin Vile and to Sir Clive Rose.

Yours

Genie

MRS E C FLANAGAN
Private Secretary

~~Civil~~ Service Department
Whitehall London SW1A 2AZ
Telephone 01-273 3000

Minister of State

The Rt Hon Sir Keith Joseph MP
Secretary of State
Department of Industry
Ashdown House
123 Victoria Street
LONDON SW1E 6RB

R 14/6

13 June 1979

Dear Keith,

LONDON UNDERGROUND STRIKE

At the first meeting of the Civil Contingencies Unit I was asked to write to my colleagues to seek their help in ensuring that the Civil Service does everything possible to minimise the strain on London travel facilities during the underground strike which is due to start at midnight on Sunday, 17 June.

There are standing instructions in the Civil Service Pay and Conditions of Service Code and the Establishment Officers Guide which come into operation during transport emergencies, and I have no doubt that on this occasion civil servants, whether designated essential or not, will again make every effort to get to their offices. But the Contingencies Unit has asked that there should be maximum flexibility in hours of attendance and in staggering of work to relieve the strain on the remaining transport facilities. The Unit was also anxious to ensure that those civil servants who bring their cars into London should be asked to offer lifts to as many of their colleagues as possible during this emergency. I should be grateful if you could ask your Establishment Officer to take action accordingly.

I am copying this letter to the Prime Minister, to other Ministers in charge of Departments and to Sir John Hunt.

Yours,

PAUL CHANNON

Paul

JH

CONFIDENTIAL

C

DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

cc Mr Times

The Rt Hon William Whitelaw MP
Home Secretary
House of Commons
LONDON
SW1

13 June 1979

Dear Willie

PERSONAL

LONDON UNDERGROUND STRIKE

Angus Maude and I saw Horace Cutler this morning to get his latest assessment of the strike prospects and to ensure that the GLC were clear about and agreed the limits of their own responsibility and that of the Government. We also discussed the line I would take in the statement which CCU agreed I should make to the House tomorrow afternoon.

Mr Cutler confirmed the view we took yesterday at CCU that there was little prospect of averting the strike. He is determined that any settlement with the underground men should produce real improvements in productivity and he believes there is no case for going beyond the offer already made on this basis. He is prepared to stand firm, even if, as seems likely to him, the strike drags on for some time. His present estimate is ten weeks. This will be very costly in lost revenue and may well permanently lose London Transport some passengers.

CONFIDENTIAL

He accepts that responsibility for the handling of the dispute and presentation of the employer's case is for the GLC and the London Transport Executive. But he has promised to keep me in close touch with developments on this front. Subject to your and colleagues' views, I have undertaken to be the immediate point of contact on this and will aim to report day to day developments direct to the Prime Minister. Mr Cutler has also given me the enclosed text of the press Statement he is issuing today on the implications of the wages settlement for fares. This, as you will see, covers only the implications of the settlement offered and not the NUR claim. But Mr Cutler will be building up his case on this. He has undertaken to see that the employers' case is presented forcefully through the media and will be appearing on the BBC Nationwide programme this evening. The London Transport Executive are proposing to place advertisements in the press setting out the rates of pay which have been offered.

Mr Cutler felt very strongly that the Government should be seen to take primary responsibility for contingency planning for the effects of the strike. But he will obviously want to keep in very close touch and I have arranged that he and I can be in 24 hourly contact from now on and arranged for similar arrangements at official level. I have outlined to him the main points of our plan, and he was in agreement with them. He promised us his full support. He has undertaken to see that the GLC takes action to stagger working hours to ease the effects of the strike and to ask the London boroughs to do the same. He will also co-operate in the search for suitable additional parking sites near British Rail Suburban stations.

Finally, Angus Maude and I discussed with Mr Cutler the statement which I am planning to make in the House tomorrow. He was very much in favour of the general line I proposed and suggested only that more might be made of the advice that might be given to motorists on car sharing. He suggested paid advertisements in the main and suburban London papers. He also undertook to display stocks of the proposed leaflet on car-sharing in the GLC bookshop.

Copies of this letter go to the Prime Minister, The Chancellor of the Duchy of Lancaster, the Secretary of State for Defence, Employment, Environment and Energy, the Paymaster General, the Minister of State, Civil Service Department, and to the Chief Whip. I am also sending copies to Sir John Hunt and Sir Clive Rose.

Yours ever,

Norman

NORMAN FOWLER

GLC

Greater London Council
The County Hall
London SE1 7PB

public information branch
news service

01-633 7700 (Housing)
7866 (Planning & Communications)
2032 (Policy & Resources)
7977 (Recreation, Community Services)

June 12, 1979

No. 155

LONDON TRANSPORT FARES TO RISE

Following the recent London Transport bus wages settlement and in view of the current rail pay offer, London Transport tube and bus fares will need to be increased between 12 and 13 per cent in September, said Mr Horace Cutler, Leader of the Greater London Council, today.

The bus wages settlement comprised a basic increase of 9.8 per cent, plus a real productivity element ranging between two and four and a half per cent related to the GLC's capital investment in London Transport which this year amounts to £81.4 million.

END

Press contact: (01) 633 7866

NOTES FOR SUPPLEMENTARIES

1. Energy supplies

DERV

My latest information is that fuel supplies do not at present pose special problems for London Transport or for British Rail. We are keeping in close touch with them, and should difficulties arise, I shall immediately take this up with the Secretary of State for Energy. His department have for some weeks been running special co-operative arrangements to help public transport operators in a tight supply position, and my rt hon Friend's recent actions to help BR and ambulance operators are examples of our readiness to take action where this is justified.

PETROL

For the reasons explained by my rt hon Friend last Monday, the Government do not believe that the right way to tackle present shortages is to set up a massive bureaucratic machine. I quite recognise that travel-to-work in London in the event of a disruption in public transport will create special difficulties for those who have no alternative but to get out their cars. We shall watch this along with the general position.

2. The Government's Role

This is not the Government's dispute. It is a matter between the London Transport Executive and the Rail Unions with whom they negotiate, and the GLC which has the overall financial responsibilit for London Transport. I am sure none of those who are directly concerned would expect the Government to interfere in their well established machinery for settling pay. Nor do I have any intention of doing so. There are proper procedures for settling disagreements, including arbitration, and they should be followed as part of the process of responsible collective bargaining. The Government has already made clear that it has no intention of going beyond its financial limits to finance pay settlements in the public sector. The only available ways of financing higher pay are higher productivity or higher prices.

3. Action by Government Departments

Government Departments are encouraging staff to travel outside rush hours as far as possible and to use alternative forms of public transport rather than their own cars. Those staff who find it essential to use their cars are being asked to give lifts to their colleagues and pooling arrangements have been made to facilitate this.

Private car drivers can legally offer lifts in their cars and to share expenses with their passengers subject to 4 simple rules:

1 - the car must have no more than 7 passenger seats

2 - the driver must not make a profit - but contributions can cover the full cost of the journey

3 - the journeys must not be previously advertised to the general public - but adverts at the driver's place of work or in church or club magazines or notice boards are allowed

4 - the driver cannot go out looking for passengers and carry them for hire as a taxi does.

All motor insurance policies cover liability for injury to passengers, so car drivers need not hesitate to offer lifts on this account. And insurance policies allow drivers to accept contributions from passengers provided the driver does not make a profit.

DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

TL
14/6

David Edmonds Esq
Private Secretary to the
Secretary of State for the Environment
2 Marsham Street
LONDON
SW1

13 June 1979

Dear David

My Minister saw Horace Cutler this morning to discuss the contingency arrangements for next week's threatened London Tube strike. The Paymaster General was also present.

One point which came up in discussion was whether Government Ministers should not attempt to share their cars during the strike. My Minister will, with CCU's backing, be advising the public, if they have to come into London by car, to give lifts whenever they can and we shall be issuing a short leaflet setting out the legal and insurance position. Against that background, it would obviously be inconsistent - and could cause adverse public and press comment - if chauffeur driven Government cars continued to arrive at Government offices with only a single occupant. Both Mr Cutler and Mr Maude emphasised the importance of getting the public on the GLC's side in this dispute, and this sort of point - though minor - could just work the other way.

Mr Fowler therefore wondered whether Mr Heseltine might consider, as the Minister responsible for the Government Car Service, whether some general advice might be issued on the use of Government cars during the strike. I understand

that there may be insurance complications, which could prevent Ministers actually offering lifts to members of the public - perhaps this could be checked. And there are security considerations too. But Mr Fowler does believe this is a sensitive point of which other Ministers ought at least to be warned and on which some action ought be possible, even if it is only in the event some restriction on the use of Government cars during the strike.

I am copying this letter to the Private Secretaries of other members of CCU and to Sir Clive Rose.

Yours

Ellie

MRS E C FLANAGAN
Private Secretary

1

DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

The Rt Hon William Whitelaw
Home Secretary
House of Commons
LONDON SW1

13 June 1979

Prime Minister,
Are you content with the attached draft statement?
(Other papers on the tube strike are in your Questions briefing).
TL 13/6

Yes MT

Dear Willie,

We agreed at yesterday's CCU meeting that I would make a statement to the House tomorrow afternoon about the Government's contingency arrangements for the underground strike, and would follow this up with a press conference. Arrangements for this are now in hand.

I enclose a draft of my proposed statement together with supplementary notes on 3 points where I thought we needed to be all agreed on the wording - fuel supplies, our status in the negotiations and the advice Government employees have been given. It would be most helpful if I could know by 10.30 tomorrow if at all possible whether you have any comments on these drafts.

Meanwhile you may also like to know the position on publicity for car sharing. We have discussed this with the AA and RAC who will be putting out advice to the public together with appropriate car stickers and so forth on Friday. I propose in my Press Conference to make clear the basic facts about car sharing and to include this in my press statement so that people are not inhibited by fears about their insurance arrangements. Horace Cutler, who came to see me

CONFIDENTIAL

1.

and Angus Maude this morning, attached considerable importance to this being explained clearly to the public. The attached note indicates the points I shall be getting across on this.

Copies of this letter go to the Prime Minister, The Chancellor of the Duchy of Lancaster, the Secretary of State for Defence, Employment, Environment and Energy, the Paymaster General, the Minister of State, Civil Service Department, and to the Chief Whip. I am also sending copies to Sir John Hunt and Sir Clive Rose.

Yours ever

Norman Fowler

NORMAN FOWLER

CONTINGENCY PLANS FOR LONDON UNDERGROUND STRIKE

(Opening sentence on latest state of negotiations - to be drafted Thursday morning.)

I very much hope that Londoners will not be subjected to the widespread inconvenience that such a strike would undoubtedly cause. But by way of contingency planning the Government have been reviewing with the GLC, the Metropolitan Police and the groups of interest likely to be affected how best to ensure that Londoners can continue to go about their daily business.

We estimate that half a million people use the underground daily on their way to work in central London. Clearly the strike will impose great pressure on bus services and if too many people try to bring their cars into the centre there will be serious congestion and delay.

The Government therefore propose to take the following steps.

As far as central London is concerned, 8,000 extra car parking spaces will be made available in the Royal and other London parks. On the advice of the Metropolitan Commissioner of Police we shall not at this stage be lifting waiting restrictions or suspending meter charges. This is to reduce the risk of congestion bringing traffic to a standstill.

As far as outer London is concerned, where there is additional demand for extra parking spaces near suburban British Rail stations, the Commissioner has told me that

enforcement of waiting restrictions will be relaxed in certain roads where this will not impede traffic movement. In addition the police are taking steps to operate clearways on key routes between 7 and 10 am and between 4 and 7 pm.

The police will be issuing detailed advice on this over the weekend.

The motoring and freight industry organisations are urging all their members to keep out of central London if they possibly can. Congestion will be minimised if employers adopt the maximum flexibility in hours of work to enable people to travel outside the rush hours and if people who have to use their cars take other people with them.

I am advised that fuel supplies for public transport in London are unlikely to present a special problem, but the Government will watch this aspect closely.

I shall be keeping in close contact with the police on the effectiveness of these arrangements and will consider, as the situation develops, whether any changes are needed.

CONFIDENTIAL

JH

DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

The Rt Hon William Whitelaw MP
Home Secretary
House of Commons
LONDON
SW1

13 June 1979

Dear Willie,

LONDON UNDERGROUND STRIKE

Angus Maude and I saw Horace Cutler this morning to get his latest assessment of the strike prospects and to ensure that the GLC were clear about and agreed the limits of their own responsibility and that of the Government. We also discussed the line I would take in the statement which CCU agreed I should make to the House tomorrow afternoon.

Mr Cutler confirmed the view we took yesterday at CCU that there was little prospect of averting the strike. He is determined that any settlement with the underground men should produce real improvements in productivity and he believes there is no case for going beyond the offer already made on this basis. He is prepared to stand firm, even if, as seems likely to him, the strike drags on for some time. His present estimate is ten weeks. This will be very costly in lost revenue and may well permanently lose London Transport some passengers.

He accepts that responsibility for the handling of the dispute and presentation of the employer's case is for the GLC and the London Transport Executive. But he has promised to keep me in close touch with developments on this front. Subject to your and colleagues' views, I have undertaken to be the immediate point of contact on this and will aim to report day to day developments direct to the Prime Minister. Mr Cutler has also given me the enclosed text of the press Statement he is issuing today on the implications of the wages settlement for fares. This, as you will see, covers only the implications of the settlement offered and not the NUR claim. But Mr Cutler will be building up his case on this. He has undertaken to see that the employers' case is presented forcefully through the media and will be appearing on the BBC Nationwide programme this evening. The London Transport Executive are proposing to place advertisements in the press setting out the rates of pay which have been offered.

Mr Cutler felt very strongly that the Government should be seen to take primary responsibility for contingency planning for the effects of the strike. But he will obviously want to keep in very close touch and I have arranged that he and I can be in 24 hourly contact from now on and arranged for similar arrangements at official level. I have outlined to him the main points of our plan, and he was in agreement with them. He promised us his full support. He has undertaken to see that the GLC takes action to stagger working hours to ease the effects of the strike and to ask the London boroughs to do the same. He will also co-operate in the search for suitable additional parking sites near British Rail Suburban stations.

Finally, Angus Maude and I discussed with Mr Cutler the statement which I am planning to make in the House tomorrow. He was very much in favour of the general line I proposed and suggested only that more might be made of the advice that might be given to motorists on car sharing. He suggested paid advertisements in the main and suburban London papers. He also undertook to display stocks of the proposed leaflet on car-sharing in the GLC bookshop.

Copies of this letter go to the Prime Minister, The Chancellor of the Duchy of Lancaster, the Secretary of State for Defence, Employment, Environment and Energy, the Paymaster General, the Minister of State, Civil Service Department, and to the Chief Whip. I am also sending copies to Sir John Hunt and Sir Clive Rose.

Yours ever

Norman

NORMAN FOWLER

cc Mr Whitelaw

Prime Minister

To note. This is the kind of information we need to present the case against an excessive settlement.

TL
12/6

CONFIDENTIAL

PRIME MINISTER

At Willie Whitelaw's CCU meeting this afternoon about the London Underground strike I set out the prospects for fares. Since this is not a matter on which there is any action for CCU to take he asked me to send a report direct to you on this tonight.

The enclosed table sets out the position. The important points are:-

(1) London Transport fares go up 7½% on 17 June to pay for the original GLC estimate of a settlement at 5% for bus and underground men. This is the first increase for 12 months.

(2) To pay for the bus settlement actually made (9.8%) and for the parallel underground settlement as offered by LTE, there is no alternative to a further fares increase of 10-15% in September/October, bringing the total fares increase since July 1978 up to around 20%. So Londoners face a big fares increase whatever happens on the strike.

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(3) The GLC have not yet made this fact public. I understand that Horace Cutler is intending to make a statement on this tomorrow. Angus Maude and I are seeing him tomorrow morning.

(4) This would provide a basis for making clear that in the event of LT underground getting the 17-18% offer they want (and the busmen getting parity) the autumn fares increase would have to be as much as 20-25% bringing the total fares increase for the year up to around 30%.

Copies of this letter go to members of the CCU and Sir John Hunt.

NORMAN FOWLER
12 June 1979

LT RAIL STRIKE: PAY CLAIMS AND ESTIMATED FARE INCREASES

	Pay Offer/Claim	Consequential fares increase (rail and bus)	Cumulative increase from June 1978	Date of fares increase
A	FARES INCREASE ALREADY IN THE PIPELINE			
(i)	GLC original provision for a settlement at - 5%	$7\frac{1}{2}$%	$7\frac{1}{2}$%	17 June 1979
(ii)	balance of cost of bus settlement at 9.8% actually achieved plus offer to rail unions	10-15%	$17\frac{1}{2}$-$22\frac{1}{2}$%	Sept/October
B	FURTHER POTENTIAL FARES INCREASE			
	rail unions claim of 17-18%, matched by comparable additional offer for busmen	an added 10% to A (ii) above	$27\frac{1}{2}$%-$32\frac{1}{2}$%	Sept/October

additionally the direct costs of the strike, whatever the outcome, are likely to be about £$2\frac{1}{2}$-3M per week. This would add about 1% to the autumn fares increase for each week that the strike lasts. /If the strike lasted 10 weeks there would have to be a fares increase of 20-25% in the autumn to recover losy revenues even if the rail unions capitulated and accepted the pay offer now on the table./

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Transport

VHB

10 DOWNING STREET

From the Private Secretary

11 June 1979

London Undergound Strike

The Prime Minister has considered your letter of 8 June and the enclosed note by the Deputy Chairman of the Civil Contingencies Unit about the threatened London Underground strike.

The Prime Minister is content for Ministers to meet tomorrow afternoon to consider the conclusions in paragraph 14 of the note. A further report will, I understand, be sent to us in the light of that meeting; in view of the Prime Minister's summing-up of the pay discussion in E(79)(2nd) meeting, it would be highly desirable for this report to set out the effect on fares, local rates, etc. of L.T.E.'s conceding the N.U.R. claim - as well as covering the other points in Sir Clive Rose's note.

The Prime Minister has also read the Paymaster General's minute of 8 June, and is content with the approach to presentation of this issue by the G.L.C., London Transport and the Government contained therein.

I am sending copies of this letter to the Private Secretaries to the Secretaries of State for Employment, Energy and the Environment, the Minister of Transport and the Paymaster General. Copies are also being sent to the Private Secretaries to the Secretary of State for Defence and Sir John Hunt, and to Sir Clive Rose.

TL

A. J. Butler, Esq.,
Home Office.

CONFIDENTIAL

From: THE PRIVATE SECRETARY

CONFIDENTIAL

1.

HOME OFFICE
QUEEN ANNE'S GATE LONDON SW1H 9AT

8 June 1979

Prime Minister.
cc. Mr. Wolfson
Mr. James.

Ministers are now getting a grip on this: two papers attached. (Note three).
1. Are you content for Ministers to meet on Tuesday to consider the conclusions in para. 14 of the C.U. paper?
2. Are you content with the GLC/LT/Govt approach to presentation in the P.M.'s minute?

Yes and

Yes

KRS
8/vi

Dear Tim

LONDON UNDERGROUND STRIKE

Ken Stowe wrote to John Chilcot the day before yesterday in connection with the London Underground strike which is threatened from Monday 18 June.

It has not been possible in the time available for the Ministers concerned to meet to discuss this matter, but on the Home Secretary's instructions officials from the relevant Departments have met. A preliminary report covering the inter-action of the strike and the current fuel shortage, possible developments arising from them, measures to alleviate the situation and publicity arrangements, is attached. All the Ministers concerned have considered the report and concur in the assessments and conclusions it contains. The situation will, of course, be kept under close review. A meeting of the Ministers concerned will take place next Tuesday afternoon and a further report will be sent to you thereafter.

I am sending copies of this letter to the Private Secretaries to the Secretaries of State for Employment and Energy and the Environment, the Minister of Transport and the Paymaster General. Copies are also being sent to the Private Secretaries to the Secretary of State for Defence and Sir John Hunt, and to Sir Clive Rose.

Yours sincerely

Tony Butler

(A J BUTLER)

Thank you. Just nothing this in hand now.

T P Lankester Esq

CONFIDENTIAL

Interaction of London Underground Strike and Fuel Shortages

Note by the Deputy Chairman of the Civil Contingencies Unit Sir Clive Rose.

This is a preliminary report on the interaction of these two problems and possible developments arising from them, with measures proposed to alleviate the situation. The situation will be kept under review and a further assessment will be prepared early next week in the light of developments in the meantime.

Industrial situation

2. Three unions are involved in manning the London Underground services. The N.U.R., with 15,000 members, contains 60 per cent of the motormen and all the signalmen. A.S.L.E.F. has 2,200 members consisting mainly of the balance of the motormen. T.S.S.A. has 3,000 members engaged on clerical, ticket collecting and similar duties. So far only the N.U.R. have announced a decision for an all out strike from 18th June. The other two unions are considering their positions over the next few days. But a strike by the N.U.R. alone would effectively halt the Underground.

3. A.C.A.S. had an exploratory meeting on 7th June with representatives of the N.U.R. and A.S.L.E.F. who are now informing T.S.S.A. (who were unable to attend) and consulting their Executive Committees about a possible joint meeting with London Transport management under A.C.A.S. auspices next week. It is not possible to forecast what the outcome will be. N.U.R. and A.S.L.E.F. were cool about a possible reference to the Wages Board, but did not entirely rule this out. At this stage there is no indication of the likely reaction of either side to such a proposal. Contingency planning must therefore take place on the basis that there is likely to be a complete shut-down of London Underground with effect from 18th June. There is nothing to indicate whether the shut-down would be of short duration i.e. a few days as a warning (on the lines of the British Rail strikes earlier in the year) or of indefinite duration until a settlement is reached.

4. There is no sign at present that sympathetic action by London busmen will be taken. The latter are members of the T.G.W.U. and there is no evidence as yet of any attempt on the part of the N.U.R. to get them to join in. Similarly, there is no indication that N.U.R. (or A.S.L.E.F.) are likely to consider spreading the strike to British Rail. One day strikes by A.S.L.E.F. on British Rail earlier in the year ended in a settlement and it is thought that the members of the unions in British Rail would be reluctant to take

sympathetic action in support of their colleagues in the London Underground. In the event of a prolonged Underground strike this situation might, of course change, and it will be necessary to keep the matter under review.

Passenger Problems

5. About one million people come into central London each day and of these about 40 per cent (400,000) end their journeys by Underground. The Underground is also the principal public service used for movement within central London during the day. Without the Underground there will be pressure on other forms of transport. There is little spare capacity in the London bus service, which is already fully stretched. In many cases commuters could make more use of British Rail from suburban stations where there are parallel services to those provided by the Underground, although their point of arrival in central London might not be so convenient in relation to their final destination. There is a limited number of private hire buses available in central London (around 400); as far as is known, nearly all these are already contracted on a contingency basis for use by private firms in an emergency of this kind. To the extent that they are used for this purpose they should relieve other forms of transport, and there would in any case be legal problems in the way of using them to supplement the London bus service for carrying fare paying passengers. The use of private cars is likely to increase and this would raise both traffic and fuel problems (see below). Within central London people are increasingly likely to turn to bicycles or walk.

Fuel supplies

6. There is an overall shortfall of supply of petrol and diesal over demand of about 5 per cent. This has resulted in delivery times being stretched and a reduction in the amount delivered to filling stations. On average deliveries are running at about 95 per cent of normal throughout the country, although the pattern varies according to the supplier (e.g. BP is still delivering 100 per cent but ESSO only 93 per cent) and the area. This overall shortfall is expected to persist at about the current level and is broadly consistent with what is needed to fulfil obligations agreed in the I.E.A. and E.E.C. in relation to demand restraint.

7. Whatever warnings are issued, a London Underground strike is bound to result in an increase in the number of private cars coming to London daily. To some extent this may be constrained by the availability of petrol, but this form of indiscriminate constraint could have a very disrupting effect on activities in London of all kinds. Unless therefore the consequences of this disruption are to be accepted, it will be desirable to arrange for some diversion of fuel supplies to the London area so as to ensure that there is a reasonable amount of petrol available to cope with the expected increased flow of cars.

8. The oil companies are not able to discrimate between one customer and another since to do so would risk putting them in breach of their legal obligations. It is possible however that the Oil Industry Emergency Committee (O.I.E.C.), consisting of the Chairmen of the major oil companies (with a Department of Energy representative in attendance) might take voluntary action to divert supplies on the basis that this was in the companies' own (as well as the national) interest. If the O.I.E.C. were prepared to do this they would not wish knowledge of their action to become publicly known for fear of the legal problems it might create, and because oil tanker drivers might attempt to block the action if they felt it was a form of strike breaking.

9. If the O.I.E.C.were not prepared to act in this way, an alternative possibility would be for the Secretary of State for Energy to declare a fuel emergency under the 1976 Energy Act so as to give statutory backing to formal instructions to the oil companies. Such an emergency would require an Order in Council and the action taken under it would therefore be liable to become public and the subject of debate in Parliament. It is nevertheless a possibility which, in extreme circumstances, it may be necessary to consider.

Parking arrangements

10. To cope with increased traffic in central London there are two possible measures which could be taken. The first is to open the Royal Parks for car parking. This would provide space for up to 8,000 cars, and would in the view of the Metropolitan Police be a sensible precaution if it is judged that the strike will last more than one or two days. The second is to waive parking regulations, i.e. suspend meter charges. The provisional view of the Metropolitan Police is that it would not be desirable to do this initially since the result would be severely to restrict the movement of traffic within London during the day; however, there are clearly public relations difficulties here, which all need careful consideration. A further measure would be to try to make emergency parking arrangements in the neighbourhood of British Rail suburban stations: the possibilities of this are under examination by the Metropolitan Police.

Publicity

11. An immediate requirement is likely to arise on the reassembly of Parliament for information about what steps are being taken to resolve the dispute and prevent the strike from taking place. This will be for the Minister ~~to~~ of Transport to handle in answer to questions which may be expected early next week.

E.R.

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12. Assuming that no progress is made towards a settlement it will be necessary for the Government to issue guidance sufficiently in advance of a strike to enable the guidance to be acted on - i.e. not later than the afternoon of Thursday, 14th June. Points to be covered in a Government statement should be:

(a) Other forms of public transport should be used as far as possible, e.g. British Rail and buses;

(b) Offices and firms should consider the extent to which non-essential staff living outside London can be advised ~~to stay at home for the duration of the strike, or, possibly~~, to stagger days or hours of travel into London.

Defeatist!

(c) Those who find it unavoidable to use a private car to travel in to London should ensure that they have enough petrol to reach their destination and/or make the return journey. So far as possible, journeys should be made outside normal rush hours;

(d) Drivers should be encouraged to carry passengers to the capacity of their cars. If desired, passengers can be asked to make an equitable contribution to the cost of the journey;

(e) Cars may be parked in the Royal Parks while the strike continues.

Emergency powers

13. It is doubtful whether the introduction of emergency regulations would be justified under the terms of the 1920 Emergency Powrs Act. Legal advice would be needed on this point in the light of the development of the dispute. In any case no powrs which would be authorised under the emergency regulations are needed. This question would only arise if the situation seriously deteriorated and the dispute spread to other services. At this stage there is no reason to consider any contingency action by the armed services, nor indeed any role they could usefully play.

Conclusions

14. The following conclusions relate to action required as indicated in the above paragraphs. They do not concern the tactics for handling of the industrial dispute nor the likely course it might take.

(i) The Minister of Transport should deal with any questions raised Parliament early next week about the industrial dispute and measures being taken to deal with it.

(ii) The Department of Energy should consult the major oil companies informally and confidentially about their reaction to the idea of diverting petrol supplies to the London area in the event of an Underground strike.

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(iii) The Department of Energy should consider next week whether to recommend that the O.I.E.C. should meet on Wednesday, 13th June, to consider taking decisions on (ii) above, and make such other arrangements as are needed to deal with the interaction of the petrol shortage and an Underground strike.

(iv) If the oil company representatives on the O.I.E.C. are unwilling to take action as at (ii) above, Ministers will need to consider the possibility of taking powers under the 1976 Energy Act so as to enable directions to be issued to the oil companies.

(v) If there is no sign of the strike being called off by the afternoon of Thursday, 14th June, a Government statement should be issued incorporating the points in paragraph 12 above.

(vi) It would probably be appropriate for this statement to be issued by the Minister of Transport, but this would need further consideration nearer the time in the light of information about the G.L.C's attitude.

(vii) The Department of the Environment, in consultation with the Department of Transport, should maintain contact with the G.L.C. and ensure that the Contingencies Unit is kept fully informed of their attitude and the action they are taking.

8th June 1979

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

8 June 1979

From THE PAYMASTER GENERAL

PRIME MINISTER

LONDON UNDERGROUND STRIKE

I had an exhaustive discussion with Horace Cutler today. The following points emerged:

1 London Transport (LT) believe the National Union of Railwaymen (NUR) is determined on a trial of strength, for internal and inter-union reasons. This points to an all-out Underground strike from midnight June 17/18.

2 LT firmly believe it would be fatal to their short-term financial prospects, and their long-term hopes of making the enterprise economically viable, to concede anything beyond the present offer without a solid self-financing productivity deal which would involve de-manning. The union has always resisted this.

important to know if this means actual redundancies.

3 LT therefore wishes to stand firm and face a strike, but must know soon whether any political factors are involved.

4 Horace Cutler states categorically that the Greater London Council (GLC) will back this stance. I said I thought it unlikely the Government would advise concessions.

5 Horace Cutler believes - and I concur - that a showdown is inevitable sooner or later and that this is both a good time of year and a favourable period for the Government to get it over.

6 It is thought most unlikely that the LT busmen will come out in sympathy (there is very little sympathy between the two unions). But if the NUR claim were conceded, the busmen would have to get the same increase at three times the cost.

7 A long strike would be costly to LT but not as costly in the long run as to concede without a lasting productivity deal.

8 Horace Cutler and I strongly advise that this situation can be weathered if - and only if -

(a) The public are kept fully informed of all the facts and the Government and other authorities are seen to do everything possible to help them (eg contingency planning, petrol allocations, etc;

what do they envisage? See paras 6-9 of the C.U. paper.

(b) The public are not put to prolonged inconvenience only to find that the Government, GLC and LT give way in the end and concede the bulk of the strikers' demands - either by direct concessions or by an inflationary arbitration award. This is crucial. Horace Cutler feels that arbitration should be avoided.

Do the unions have any rights to arbitration? We need to know.

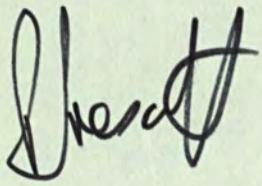
9 I understand the Minister of Transport will make a statement to the House on June 14. Horace Cutler proposes (and I agree) to issue a statement the day before about the September fare increases arising from the last LT pay award. This will tend to harden public reaction against further large pay awards.

10 I have emphasised the need for a really firm and forthcoming employers' presentation of their case through the media. Horace Cutler will handle this himself, and I am very happy with his plans.

11 Finally, may I repeat my conviction that, if GLC and LT are to be backed at all, the Government must be prepared to go all the way and stand firm throughout. Otherwise we shall all get the worst of all worlds.

i.e. deal with the concurrent petrol situation effectively, as well.

ANGUS MAUDE



(Approved by the Paymaster General and signed in his absence.)

DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

The Rt Hon William Whitelaw MP
Home Secretary
Home Office
50 Queen Anne's Gate
LONDON SW1

8 June 1979

Dear Willie,

I have seen the preliminary report that officials have prepared for you to send to the Prime Minister on the London Underground strike. I thought it would be helpful if I were to set out before our meeting on Tuesday my ideas about the general handling of the transport and fuel situation in the event of the strike taking place.

In fact he says v. little on fuel.

It will be important for us to avoid any appearance of intervening in the tactical position that exists between the LTE and the transport unions. We shall have to watch this point particularly carefully in our contingency planning.

If pressed to state what action I intend to take to resolve the dispute, I propose to make clear that it will be no part of the Government's policy to advise a local authority to go beyond its means in order to reach a pay settlement.

But the obvious aspect on which the public will expect us to have taken action is to ensure there are adequate fuel supplies in London during the period of the strike both for public transport operators, and for those for whom there is no alternative to travelling by car. I have written separately to David Howell about this, in the context of the general line I shall be taking about the need for energy conservation by motorists. Many of the steps I shall be recommending - car-sharing and sensible driving practices - will be highly relevant to easing any transport crisis in London.

The remarks I shall be making on this over the weekend should provide a useful context for any further practical advice I may be giving people about how to cope should the strike take place. I envisage this might cover a rather wider range of matters than officials in their report, on the lines

1. do not come into Central London unless absolutely necessary

2. through traffic should give it a wide berth

3. the freight industry should plan to avoid local London deliveries in this period, at least in normal working hours

4. if people are obliged to come in, they should use public transport - rail where it is available

5. if people have to drive in, then share cars and give lifts. I am anyway planning a publicity campaign on car-sharing in the general energy context, and will look at the timing of this in relation to 18 June

6. If at all possible, park outside the ring of main London termini.

Meanwhile there are some practical points of planning I am putting in hand

1. it is important that the Civil Service - a large employer in Central London, does everything possible not simply to minimise work disruption and inconvenience to staff; but also to ease the strain on London travel facilities. I am looking into this from the point of view of my own staff, but Paul Channon may want to consider a general initiative for all departments and perhaps Michael Heseltine would think it worth raising the corresponding point with the London local authorities.

2. as I have said in my letter to David Howell it is crucial to ensure London Transport buses and BR London services have adequate fuel supplies. There is also the wider question of fuel for motorists.

This is indeed!

3. there may be a special problem with the Heathrow ground links with London. I have asked for this to be looked at urgently.

I shall be seeking the help of the FTA, the RHA, BR, LT and the motoring organisations in discussions over the next few days.

This last point leads me to what I see as the most tricky point on which we take a view and that is the treatment of private vehicles within Central London. I see this strike as possibly creating rather different conditions in the centre from those we have experienced either with BR rail strikes or bus strikes. The two issues are how can we keep the buses moving - they will be crucial to the whole operation - and how to ensure that central traffic coes not seize up completely.

Almost unworkable I wd. have thought.

There are quite different approaches we could adopt. We could do all we can to discourage the motorist from coming into central London by reducing parking facilities. This would help the free flow of traffic there, including buses and taxis once they are inside the area. But it could be highly unpopular with motorists and pose enforcement problems for overstretched police. At the opposite extreme we could expand the parking facilities, open the Royal Parks and so forth. The question is whether this might cause the seizing-up of Inner London movement I have touched on above and add to the traffic movement problems in the areas beyond.

Clearly we shall have to rely heavily on the advice we get from the Metropolitan police as the situation develops. But my inclination is to take the line that we start 'neutral', not significantly increasing the parking facilities as we have done during the BR strikes and certainly not in the Whitehall area but have alternative contingency plans either to do so or to make parking more difficult in the light of the traffic conditions that emerge.

This is a point we might discuss at your meeting to establish the balance of the arguments.

I am copying this to the Prime Minister, Cabinet colleagues, Sir John Hunt and to Sir Clive Rose.

Yours ever

Norman

NORMAN FOWLER

K.S. I have copied it to Angus Maude Derek

Transport

From: **Gordon Taylor**
Member of the Greater London Council
for Croydon Central
Deputy Leader of the
Planning and Communications Policy Committee,
Chairman of the London Transport Committee

MEMBERS' LOBBY
THE COUNTY HALL
LONDON SE1 7PB

7.6.79

Mr Derek Howe
C/o 10 Downing St.

r. Nicholas
a. Mr.

Dear Derek,

Enclosed are the briefing notes I have prepared on the threatened London Transport Underground strike.

I have made these fairly full which is partly due to the several parties with a very direct interest in this dispute.

I shall be happy to provide any further information that you might require.

Kind regards
Yours sincerely
Gordon

BACKGROUND-BRIEFING NOTE ON THREATENED LT UNDERGROUND STRIKE FOR JUNE 18 1979.

PREPARED BY G.W. TAYLOR 6 JUNE 1979.

Responsibility of the GLC and LT Executive

The LT Executive has a statutory responsibility to operate an adequate transport system for London. The GLC is responsible for establishing the policy of LT and providing finance. The GLC is not responsible for the day to day management of LT which includes industrial relations.

Background

LT is divided essentially into two businesses, buses and underground railway.

In the annual wage rise, the bus side settles first, followed by the railwaymen, who await the annual BR settlement deals before they themselves settle with LT.

Each year LT submit revenue and capital budgets for GLC approval and the 1979 revenue budget allowed for a 5% pay increase in line with the previous Government's pay policy.

Bus Settlement

Busmen belong to the TGWU and following the January's road haulage strike, where the haulage drivers received a 17% approximate increase, it was recognised that the 5% figure allowed in the budget would have to be exceeded. Any increase above 5% would affect the LT budget. (A 1% pay increase adds approximately £3m per annum to LT wage costs). Because the budget figure was going to be exceeded, LT discussed with the GLC the basis of an offer to be made to the busmen and it was agreed that a basic pay rise of under 10% plus an extra few percentage to be covered by self-financing productivity deals could be met. In the event, the busmen agreed to a basic rise of 9.8% plus productivity which will cost LT approximately 12%.

Railwaymen

Railwaymen with LT belong to one of three unions. The largest is the NUR with about 9,000 members, ASLEF 1,700 and TASSA 3,000. Approximately 50% of the drivers are NUR, the rest being ASLEF. The NUR is the union causing the difficulty in reaching agreement with LT. On the NUR Executive are 18 representatives from BR and 2 from LT - thus decisions reached by the NUR Executive on LT matters are made by a majority of non-LT members.

Recently BR settled with the NUR which we understand gives the men an effective increase of 11-13%. LT have offered their railwaymen the same basic increase as the busmen plus a package of productivity deals which would give the men an increase of about 13-14%.

As is customary, leading grades at LT have been offered as good as or slightly better rates than the comparative grades in BR. The original LT offer was rejected by the union negotiators on 31 May who counter-claimed for a straight 17% increase without any commitment to improve productivity. LT then repackaged their propals without

significantly increasing their total cost and put the revised proposals to the unions who again rejected them. The Executive of the NUR turned down this revised offer. A further meeting between LT and the unions for Tuesday 5 June was rejected by the unions. On 1 June the Executive of the NUR through their assistant secretary, Charles Turncock, issued a call for an indefinite strike by their members to start on June 18. It is not certain whether ASLEF and TASSA would join this threatened strike. As far as the operation of the underground is concerned it is not material as it would not be possible to run trains in the absence of NUR signalmen.

Present Attitude of LT

LT are very concerned at this militant turn of events by the railmen who have not been on strike since 1926 and have in previous years been more reasonable to settle with. LT are not inclined at present to move from their position because of the very wide gap which exists between their offer and what the men are claiming. One other fact in this situation is that the busmen have made it quite clear that if the railmen receive more than the present offer then they themselves will be back for more money. LT feel that without some new initiative or give in the present situation a strike may well take place.

Attitude of the GLC

The GLC are supporting a very firm line but recognise the adverse effect on London's economy, life, and LT finances should a strike take place.

Attitude of Government

Soundings obtained by the LT Executive Chairman, Ralph Bennett, via Peter Baldwin, Permanent Secretary of the MOT, indicated Government approval of the GLC/LT firm line being taken. This was further reinforced when the GLC Director-General spoke to the ~~Permanent~~ Under-Secretary at the DOT, Mr. Lazarus.

Effects of an Underground Strike

This would depend on its length. It is difficult to estimate how long a strike would last but it could be for 5 to 6 weeks. This is not generally a chosen time of the year for strikes as, with the few weeks that have elapsed since the start of the new tax year, the men have not much in the way of tax rebate to come and the holiday season is impending with consequent pressures from their families.

Approximately 2 million Londoners per day use the underground so that the necessary journeys with the trains out of action would have to be made by buses, BR, and private transport. The majority of dislocation would occur North of the Thames. Whilst it is difficult to assess the actual effect on London's economy there is little doubt that some damage would result together with a great deal of passenger inconvenience.

Effect of Strike on LT

1) Finance - The underground is highly capital intensive and profitable. Closing it down would result in an anticipated direct loss of revenue of about £½m. per day. A lengthy strike of say 6 weeks would show a loss to LT of say £20m. which loss would exacerbate the already difficult financial situation.

2) Post-strike - During a strike there will be a loss of staff who are in any event difficult to recruit. Hence post-strike services would suffer. Also a strike is likely to sap the morale servicewide, particularly of middle management and this in turn would affect the efficiency of the re-start service. Neither point need be disastrous but certainly a strike would not be condusive to the more co-operative attitude of the staff which is required as de-manning proceeds in the years ahead.

BR are planning to cut back in services on Southern Region to meet fuel restrictions. BR management are due shortly to meet with other men to discuss the cutbacks. The feedback is that the men will try to resist these cuts which could affect their overtime and rest day working. If BR men feel strongly about this a situation might arise where BR men, particularly ASLEF, within the London area, take sympathetic action with their LT colleagues. This might affect BR commuter services to London, thus making travelling even more difficult for Londoners.

ACAS

Yesterday, June 5, John Cope, Chief Industrial Relations Manager, LT, was invited to the MOT to have an informal discussion with a representative of ACAS, with a view to ACAS having informal talks with the NUR to see if a basis could be established for continiuing negotiations.

Financial Situation of LT

The present GLC policy for LT has three criteria: to hold present LT service levels, permit fares to rise with inflation, and to maintain fares subsidy constant.

Labour costs amount to 76% of total LT costs so that wage increases in real terms above inflation create a situation where the GLC policy could not be held. To meet this changed situation the options are:- to increase fares, increase subsidy or reduce services or a combination of these.

In view of the energy problem, it is likely to be considered undesirable to cut services. In any event, cutting underground services is unlikely to be the chosen option due to the high capital investment in use, the possible continued profitable running of the underground and the small savings likely to occur from cuts in underground services.

Political Implications

There is a feeling within the railway unions that over recent years the NUR has taken too moderate a line in wage negotiations particularly in comparison with ASLEF. Because of this, the NUR may have decided to flex its muscles somewhat by taking on LT which they might consider as a softer option than BR. Within this context there is the understanding that after ASLEF's centenary year, which comes up shortly, ASLEF may join the TGWU. This would have the effect in the BR wage settlement of ASLEF then being the big brother to the NUR which completely reverses the present situation. The NUR may feel that before this happens they need to establish a more militant pose with a view to retaining their membership. At the present time three other wage settlements are on the boil with some post office workers, the engineers and power station workers. This may or may not have some connection with the NUR attitude as far as LT is concerned. There may be a desire to take on the Government in one or all of these negotiations.

Conclusion

LT are just having a fares increase of 8.5% (June 17). This however will not cover any increased costs above 5% arising from any 1979 pay increase. If LT settle with the railmen on the same basis as the busmen a further fares increase as soon as possible (September 1979) in the range of 10 to 13% is inevitable, even after using all LT cash reserves. The claim submitted by the LT railmen is substantially larger than the recent BR settlement. If LT were to concede the railmen's demands it would add a further £20m. per annum to their wage bill (£5m. to railmen £15m. to busmen). This would be equivalent to a 40% increase in tax and ratepayers support to LT services or an impossibly high further fares increase. This would throw an unacceptable extra burden on the farepayer and/or ratepayer.

GW Taylor.

Addendum

THE FINANCIAL EFFECT OF PAY NEGOTIATIONS

Cost of Pay

1) Current LT payroll costs ..... £320m. a year

2) Increase if settlement costs 12% in line with LT's offer ..... £38m. a year

3) Increase if settlement to bus and rail is in line with rail claim (say 18%) ..... £58m. a year

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Effect on Fares

4) Increase in fares to meet 2) 15%

5) Increase in fares to meet 3) 25%

Alternatively, Effect on Precept

6) Current level of tax and rate borne support to running trains and buses ..... £52m.

7) Current GLC precept (increased by 2p in April 1979) 19p

8) Increase in precept to meet pay costs in 2) 2p

9) Increase in precept to meet pay costs in 3) 3p

Pay Levels

10) Current pre-increase LT bus average weekly earnings (with overtime) £99.25

11) Current pre-increase rail average weekly earnings (including relatively more lower grades and less overtime than buses) £93.69

CONFIDENTIAL

Transport
Defence

BF 8/6/79

10 DOWNING STREET

From the Principal Private Secretary

6 June 1979

Dear John.

Civil Contingencies Unit

The Prime Minister has decided to reactivate the Civil Contingencies Unit in the Cabinet Office and she would be very grateful if the Home Secretary would take on the role of Ministerial Chairman of the Unit.

The Prime Minister would like the Home Secretary in this capacity to bring together the Ministers concerned with the impending London Underground strike. She is particularly concerned about the inter-action of such a strike with a sympathetic or parallel strike on London buses and a concurrent shortage of petrol and diesel oil which would stand in the way of private transport filling the gap. She is also aware that the direct responsibility for London Transport rests with the GLC, and that if the Underground employees' claims were met without compensating savings on manning, there would have to be rises in either fares or rates or both. It would be appropriate, therefore, for Mr. Whitelaw to convene a Contingency Unit meeting with the Minister of Transport, the Secretaries of State for Energy, Environment and Employment present, to assess the situation and its possible development and consider how the Government should deal with it both operationally and in terms of presentation of the case to the general public. In this connection, she would like the Paymaster General also to be involved.

The Prime Minister would be glad to have a report from the Home Secretary by the evening of Friday 8 June.

I am copying this minute to the Private Secretaries to the Minister of Transport, the Secretaries of State for Energy, Environment and Employment, the Paymaster General and to Sir John Hunt.

You will already have received a copy of Tim Lankester's letter to Mrs. Flanagan (Ministry of Transport) of 4 June asking for a report by the end of this week. The arrangements set out in this letter supersede those in the earlier letter.

Yours ever,

Ken Stowe

KRB

John Chilcot, Esq.,
Home Office.

CONFIDENTIAL

file sjn
bcc: David Wolfson

TRANSPORT

Superseded

10 DOWNING STREET

B/F8674

From the Private Secretary

4 June 1979

The Prime Minister has read your letter of 1 June about the threatened London underground strike.

In view of the decision by the NUR to take strike action starting on 18 June, I would be grateful for a note which I could show to the Prime Minister assessing the implications of such a strike, and setting out what contingency plans already exist or are in preparation. This will no doubt need to be prepared in consultation with the Home Office. It would be helpful if this could be with me before the weekend.

I am sending a copy of this letter to John Chilcot (Home Office), Ian Fair (Department of Employment), David Edmonds (Department of the Environment) and Martin Vile (Cabinet Office).

T. P. LANKESTER

Mrs. E. C. Flanagan,
Ministry of Transport.

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c/ Press Office

2

DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

Mike Pattison Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON SW1

Prime Minister

Since this was written the NUR have decided to strike on 18 June. (They represent the signalmen).

c/ Mr Wolfson

MT.

1 June 1979

Dear Mike

R 1/6

I told you yesterday evening about the strike threat on the London Underground following the breakdown of pay talks between LTE and the Rail Unions (NUR, ASLEF and TSSA). This threat is likely to be formally endorsed by the NUR National Executive this morning. There are reports in some papers this morning (eg The Guardian). The news could hit the headlines in the London evening papers this afternoon.

What form the strike might take is difficult to predict at this stage. Initially a one-day stoppage seems most likely, perhaps followed by others before an all-out stoppage. There is unlikely to be any action before about the middle of next week.

The NUR is making the running in this. They are seeking to turn to their advantage the recent BR pay settlement by taking one particularly favourable element from it (drivers' rates) and using it as a ratchet to raise proportionately the level of Underground pay as a whole. The overall wage bill cost of this would be around 17%. But it would not stop with the Underground; the London busmen would inevitably want to re-open their recent settlement and press for parity.

y assessment of implications of strike

y contingency plans

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LTE could not possibly meet this unreasonable and costly claim within their present budget without swinging fare increases above those already planned and in the pipeline (ie 7.5% from 17 June). The GLC have made it clear that there is no possibility of an increase in their subsidy to London Transport.

My Minister has no formal locus in this dispute. London Transport is a GLC responsibility; and the GLC (as the Traffic Authority) and the Metropolitan and City Police have the responsibility for dealing with the traffic problems that would be caused by a strike (which could be serious). My Minister sees no reason for the Government to intervene in what is properly a matter for the LTE and the GLC. Indeed, to do so could be counter-productive. Neither GLC nor LTE is in any doubt about where the Government stands on cash limits and on financing pay settlements in the public sector. There is no reason to believe that they will act irresponsibly in dealing with what is bound to be a troublesome business.

I am copying this letter to John Chilcot, Ian Fair, David Edmonds and Martin Vile.

Yours

Genie

MRS E C FLANAGAN
Private Secretary

PRIME MINISTER

cc Mr. Lankester
Mr. James

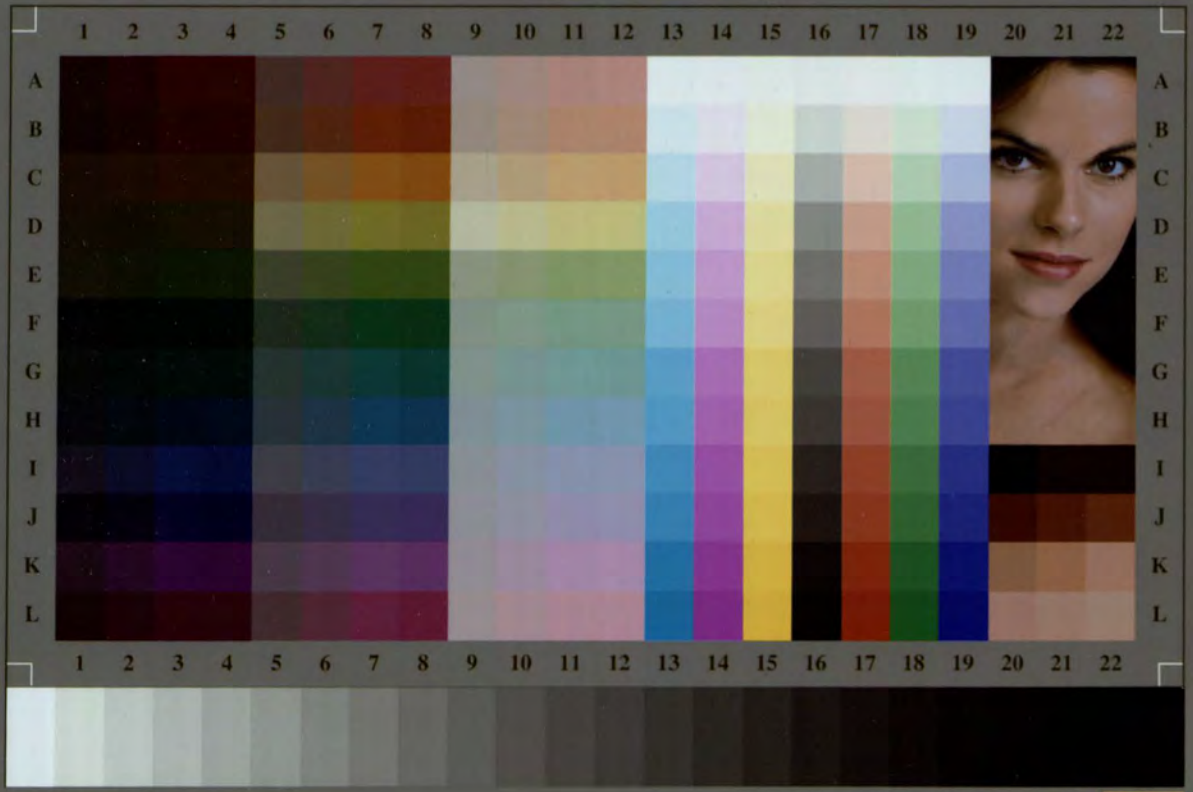
Department of Transport warn us that news may break tomorrow of a threatened London tube strike.

There is a negotiating meeting tomorrow morning. London Transport and the NUR are a long way apart on the size of a pay increase. The union seem likely to threaten strike action, which might initially be a one day strike. We will be getting a full report following the meeting tomorrow.

MAP

31 May 1979

AJ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