



Roal
Transport.

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

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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.
- 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;



- (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.
- 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.

ANGUS MAUDE

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