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The Rail Board feels that the current low key approach by its unions in no way indicates any softening in attitudes. It suspects that they are content to await the outcome of other public sector pay negotiations, and for the Government to show its hand on investment decisions, before making any further moves. And, doubtless, union leaders view the forthcoming conferences as an ideal opportunity to test their members' strength of feeling for industrial action.

Thus, I think we must recognise that while the pace may have slowed, the signs still point to both the BRB and the Government facing some difficult decisions. I am continuing to keep in very close touch with the Board to ensure that we have as much warning as possible of any developments. Copies of this minute go to the Chancellor of the Exchequer, the Home Secretary, the Secretary of State for Employment and to Sir Robert Armstrong.

NORMAN FOWLER

8 May 1981

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