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Post Telecom
Jan 1982
The Study by Man 69
of Withstanding a Telecom Strike



Prime Minister

Agree to a MISC 57
study of
telecoms?

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

PRIME MINISTER

(I understand that the
other colleagues are
Content)

WITHSTANDING STRIKES

Yes, no

MCS 14/1

I have seen your Private Secretary's letter of 22 December to Sir Robert Armstrong, which follows discussion at your meeting on 17 December of the suggestion I made that we might commission further studies of capacity to withstand strikes in key areas.

2. I am sure that we were right to approach this on the basis of getting on quickly with another study, rather than losing time in abstract consideration of the case for such studies. But in reflecting on our discussion, I am less sure whether rail is the best subject if we are confining ourselves to a single study of some importance and urgency, before considering whether a further range of studies should be put in hand.

3. A rail study would overlap with the MISC 57 study to an important extent (because that study already covers the question of the delivery of coal for power stations) and would therefore be less likely to reach novel conclusions. Moreover the possibility of industrial action on the railways over the next month or so could focus public attention on capacity to withstand such action; and this could conceivably be prejudicial to the study.

4. I am, in any case, increasingly convinced that there is a higher priority. I would like to see early work done on the



implications of withstanding a telecommunications strike. British Telecom has lived for too long off its ability to push up prices. Last year for example its salary and wage costs rose 31 per cent, double the rate of inflation and far in excess of the growth of the business. I believe the Chairman is prepared to take tough action to reduce current costs by 25 per cent over the next three years but he will need our support. We need to know where we might best give this and what is likely to be involved. The key settlement date is 1 July, and it would therefore be desirable to complete such a study by Easter so that we knew where we stood during the run-up to this year's pay negotiations. If we are limited to a single study therefore, I would like to propose that we look first at telecommunications rather than rail.

5. In due course, as your Private Secretary's letter indicates, we will need to consider other possible candidates. I would hope to put forward some considered suggestions at that stage. But a quick review of the various possibilities does not suggest to me that there is any candidate of more immediate priority than the Telecoms proposal.

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

(G.H.)

11 January 1982



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Mr Venner
Mr Duguid



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10 DOWNING STREET

From the Private Secretary

15 January 1982

Withstanding Strikes

The Prime Minister was grateful for the Chancellor's minute of 11 January, which proposed early work being done on the implications of withstanding a telecommunications strike. The Prime Minister also saw minutes from the Secretary of State for Industry (12 January) and from Robin Ibbs (13 January).

The Prime Minister agrees that the first look should be at telecommunications rather than rail. She will be ready to consider other possible candidates at a later stage.

I am sending copies of this letter to John Halliday (Home Office), David Omand (Ministry of Defence), Jonathan Spencer (Department of Industry), Anthony Mayer (Department of Transport), Barnaby Shaw (Department of Employment), Gerry Spence (CPRS) and to David Wright (Cabinet Office).

~~SECRET~~

M.E. SCHOLAR

John Kerr Esq
HM Treasury

SECRET

BK



SECRET

pc J.V. 3

Qa 05774

To: PRIME MINISTER

13 January 1982

From: J R IBBS

Withstanding Strikes

1. I have seen the minutes from the Chancellor of the Exchequer and the Secretary of State for Industry on a possible study of the implications of withstanding a telecommunications strike. I support the view that such a study deserves priority.
2. I am sending a copy of this minute to the recipients of the Chancellor's minute.

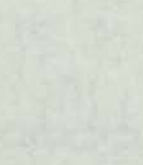
CONQUEROR

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19 JAN 1982

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PRIME MINISTER

I have seen the Chancellor of the Exchequer's minute of ^{Am} 11 January suggesting that we should have a look at the possibility of withstanding a strike in telecommunications.

2 I would not object to this although we have already done a certain amount of work on this together with British Telecom. The position is that the telecommunication system is largely automatic and will continue to operate and only gradually break down in the absence of maintenance. Ultimately, after about three months, the deterioration would be so significant that it would be damaging to the network. However, the network is so advanced technologically that it is unlikely that troops or other outside labour which could be brought to bear could cope with the technical difficulty of maintaining the network without substantial training in advance.

3 Nevertheless, as I said at the beginning, if colleagues feel that it would be appropriate to start with telecommunications now I would raise no objection. I am copying this to the recipients of the Chancellor's minute of 11 January 1982.

PJ

12 January 1982

Department of Industry



12 JAN 1982



COACHING

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12 JAN 1982



BK
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J.S.

10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG

B/f

Withstanding Strikes

At the Prime Minister's meeting on 17 December, Ministers agreed that a further study along the lines of that undertaken by MISC 57 should be put in hand on how to withstand a rail strike. I should be grateful if you would make the necessary arrangements. There has been speculation in the press about the possibility of a rail strike early in January; but I think that should be a matter for normal CCU work, rather than for the special study now contemplated, which could clearly not be completed before then.

There was also some discussion of the need for similar studies in other key areas. Ministers agreed to consider this further once the study into a rail strike had been completed. I should therefore be grateful if the Cabinet Office, in consultation as necessary with the Treasury, the Home Office, the CPRS and other departments concerned, could arrange for a report on this to be prepared for the Prime Minister in due course.

I am sending a copy of this minute to the Private Secretaries to the Home Secretary, the Chancellor of the Exchequer, the Secretaries of State for Defence, Industry, Transport and Employment and to Mr. Ibbs.

M. C. SCHOLAR

22 December 1981

SECRET AND PERSONAL

JR

GR.
PI type
MCS

SECRET
AND PERSONAL

Mr. Scholar.
As promised.

Phobker.
21/12.

DRAFT MINUTE FOR MR SCHOLAR (NO 10) TO SEND TO SIR ROBERT ARMSTRONG

Withstanding Strikes

At the Prime Minister's meeting on 17 December, ~~to discuss withstanding a coal strike~~, Ministers agreed that a further study along the lines of that undertaken by MISC 57 should be put in hand on how to withstand a rail strike. I should be grateful if you would make the necessary arrangements.

There has been speculation in the press about the possibility of a rail strike early in January; but I ~~do not think that Ministers had it in mind~~ ^{shd be a matter for normal CCU work,} ~~that this study could or should be completed before then.~~ ^{rather than for the special now contemplated, which cd clearly not} However, I think ~~the Prime Minister would welcome a report in good time before the 1982 railway pay negotiations get underway.~~

There was also some discussion of the need for similar studies in other key areas. Ministers agreed to consider this further once the study into a rail strike had been completed. I should therefore be grateful if you ~~could arrange for the Cabinet Office, in consultation as necessary with the Treasury, the Home Office, the CPRS and other Departments concerned,~~ ^{cd} arrange for a report on this to be prepared for the Prime Minister in due course.

I am sending a copy of this minute to the private secretaries to the Home Secretary, the Chancellor of the Exchequer, the Secretaries of State for Defence, Industry, Transport and Employment and to ^{Rh.} ~~Robin~~ Ibbs.

SECRET
AND PERSONAL