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A Dugdale 2 PPS  
A Waller  
J Jorke  
Press Office

Tides to Cornwall

Teletyped to Cornwall on 12/8

Transport

Spoken to PM -

TL

12/8

She agreed that this should be a mtg on 20/8, n.m.

Prime Minister

BRITISH RAIL

TL.

I thought it right to fly back today to review the strike threat on BR with the Chairman of BR, and the contingency arrangements being made. Sir Peter Parker considers industrial action as rather more likely than not to take place. His Board have unanimously confirmed their position that there must be a firm and specific commitment from the unions to changes in working practices before there is any question of paying the extra 3% as recommended by Lord McCarthy's Railway Staffs National Tribunal.

The Board have already written to all their workforce to bring home to them directly what is at stake, and will be continuing this effort over the next ten days. The central point they are making is that the prospects for securing investment for the railway could be severely damaged by a major strike. They hope in this way to bring about a movement of opinion in the grass-roots membership of NUR and ASLEF. The aim is to tilt the balance in the Executives of these unions against those whose real motive is to change the dispute from an industrial matter into an attack on the Government. Sir Peter Parker recognises however that there are strong traditions of loyalty in the rail unions, and any major shift in rank and file opinion will be difficult to achieve. His strong advice is that the best help we can give him is not to get involved at this stage.

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The BR Board estimate that the costs that would continue during a strike would be about £20m per week. Half of this would be the salaries of the staff represented by the Transport Salaried Staffs Association, who in keeping with their generally moderate stance have decided not to strike. The Board estimate that the long term loss of traffic may be as much as £100m per year. Already, there are signs of rail customers looking elsewhere. We shall be examining these estimates with them.

In presenting the issues to the public I think that the Board have been pretty successful so far. There has been little suggestion that the dispute is one with the Government. I am sure we are right to maintain the line that the unions claim is a matter for negotiation between the Board and the Unions, who must both face up to the financial problems of the industry.

The main victims of the strike would be the 400,000 or so people who commute into central London by British Rail. If there is a strike, it will be important for us to show that all possible steps are being taken to ease the resulting pressures. I have therefore also taken the opportunity of reviewing with the Metropolitan Police their assessment of the traffic situation in the event of a strike. I have gone over with them what they will need to do to handle all the traffic and to solve the parking problems. We shall need to get across clearly to the public the new freedom for car-sharing secured by the 1980 Transport Act and the special car parking arrangements being made. I have set in hand the preparation of publicity material. I am reviewing what could be done to make it easier for people to put on new bus services into London. I am sending a separate minute to the Home Secretary and other colleagues concerned suggesting that all the necessary preparations for extra parking spaces in the London parks should be set in hand at once so that they can be announced in good time.

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I propose to meet Sir Peter Parker again towards the end of next week. I will report to you then on the prospects for a settlement, and the extent to which in my judgement the Government should then take a more public position.

I am sending copies of this to the other members of Cabinet, the Chief Whip and Sir Robert Armstrong.

NORMAN FOWLER

11 August 1981

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12 AUG 1981

