

MR. SCHOLAR

Prime Ministercc: Mr. Hoskyns
Mr. Duguid
Mr. Ingham
Press OfficeEarly warning of a
possible strike on 4 Jan. / in approx.

MS 24/12

INDUSTRIAL ACTION ON THE RAILWAYS

We had a word about Mr. Howell's letter of 23 December to the Prime Minister, written before the meeting of the CCU which I attended yesterday. I have a little further information which is worth recording, but I leave it to your discretion whether you trouble the Prime Minister with it today. You and others may find it helpful anyway.

Prospects for Industrial Action

The British Railways Board have succeeded in their tactic of leaving ASLEF isolated, and the good offices of ACAS have not even been tried, let alone exhausted. On the other hand, there has been no sign all along of any willingness on the part of ASLEF to move at all. The FT this morning reports, contrary to Mr. Howell's expectation, that ASLEF have recalled the Executive for an emergency meeting on Tuesday. This looks to me very much like a preliminary to strike action.

Nature of Industrial Action

90% of BR's drivers are ASLEF members, so industrial action would quickly affect almost all BR services. But the Department of Transport's assessment is that it is most unlikely to spread to London Transport. Any industrial action will most probably begin with a one-day strike on 4 January, and thereafter a pattern of disruption designed to cause maximum inconvenience for minimum loss of pay is more likely than an all-out strike. An all-out strike is not expected, therefore, for two or three weeks at least, and the prospect is for disruption and inconvenience rather than complete chaos. The effect on coal stocks is unlikely to be significant for several weeks.

Ways Out

The Treasury and the Department of Transport are agreed that it is absolutely crucial to the future viability of British Rail that this long overdue modernisation of their manning practices

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be implemented, and that B.R. must on no account be encouraged to allow ASLEF to get away with it. So the only winning tactic in prospect at present is the continued isolation of ASLEF, which might - especially if NUR members have to be sent home - result in pressure from the TUC on ASLEF to accept ACAS mediation.

J.

24 December 1981

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From: THE PRIVATE SECRETARY

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My P.
Morning MW the PM MS
(via JV's minutes 24/12)

HOME OFFICE
QUEEN ANNE'S GATE LONDON SW1H 9AT ML

24 December 1981

Dear Michael

The Civil Contingencies Unit met on 23 December at official level to consider the possibility of industrial action by the Associated Society of Locomotive Engineers and Firemen (ASLEF) early in the New Year.

2. The Secretary of State for Transport's minutes to the Prime Minister of 16 and 23 December set out the current situation. Although the course of events is very hard to predict it seems unlikely that any industrial action by ASLEF members will occur before 4 January 1982, even then local or one day strikes are the most likely early form of action. Such strikes would be inconvenient rather than seriously disruptive. The inconvenience to London commuters should be capable of being handled by current Metropolitan Police and Department of Transport emergency arrangements - especially as it is most unlikely that London Transport will join industrial action undertaken by ASLEF alone.

3. The Civil Contingencies Unit is revising the paper on proposed industrial action by British Rail workers enclosed with John Halliday's letter of 7 August, will keep in close touch with developments, and will be in a position to consider and recommend further action if and when necessary.

4. I am sending copies of this letter to the private offices of the Chancellor of the Exchequer, the Secretary of State for Industry, the Lord President of the Council, the Chancellor of the Duchy of Lancaster, the Secretaries of State for Employment and Defence, the Minister of Agriculture, Fisheries and Food, the Secretaries of State for Environment, Scotland and Wales, Northern Ireland, Trade, Energy and Transport, and Sir Robert Armstrong.

Yours sincerely
C J Walters

C J WALTERS

M C Scholar, Esq.

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Prime Minister

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To note
DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

Mus 23/12

~~cc. A. Duguid~~
J. Verker

Michael Scholar Esq
Private Secretary to
the Prime Minister
10 Downing Street
LONDON
SW1

23 December 1981

Dear Michael,

RAILWAY PRODUCTIVITY

My Secretary of State thought it might be useful for his colleagues to have an update on the latest position on the BR industrial relations front. The position is as follows.

The National Union of Railwaymen yesterday accepted the detailed agreement on variable rostering. This is a major step forward.

ASLEF have continued to refuse entirely to honour their commitments on variable rostering, and they have also refused to attend a meeting to brief ACAS on the situation.

To accept this total refusal by ASLEF to make any move towards honouring the commitments they made in August would wholly undermine the ability of the Railways Board to carry forward their plans for the future of the railway. It is very difficult indeed to see how this matter is now to be resolved, but the Board certainly cannot knuckle under to this refusal. They are therefore telling their unions today that the three per cent pay increase will not be paid to footplate staff in January, but it will be paid and backdated as agreed to other staff.

The reaction of ASLEF and the footplate staff is very hard to gauge. ASLEF will no doubt seek to argue procedure points of one kind or another, but procedural points are of course wholly empty ones when the reality is an absolute refusal by the union to make any move towards honouring their commitments. ASLEF should come under a good deal of pressure from other unions.

My Secretary of State doubts whether there will be any further decisive moves before the beginning of January. From the 4th January there could well be sporadic action by footplatemen, or

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intermittent action organised by the union. There is no clear threat at this stage of a national strike, but railway management may be faced with very difficult decisions about how long they can tolerate disruption of rail services stopping short of a strike.

The Department has asked for a meeting of the Civil Contingencies Unit in its official form today, so that Ministers can have an appraisal before them. Mr Howell will be keeping in close touch with events and will be ready to return to London at short notice if need be.

I am sending copies of this minute to the private secretaries of the other members of E Committee and Sir Robert Armstrong.

Yours,

Anthony Mayer

R A J MAYER
Private Secretary

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COMMUNICATIONS

MR. INGHAM

c. ~~Mr. Scholax~~
~~Mr. Hoskyns~~
~~Mr. Duguid~~
Press Office

Transport

POSSIBLE INDUSTRIAL ACTION ON THE RAILWAYS

It may be helpful if I record for the benefit of you and others interested the oral briefing I gave you this morning about the BR pay dispute.

The Issue

The dispute is over whether the last 3% of the August 1981 11% pay offer is payable in return for discussions about or improvements in productivity. The BR Board have taken the position all along that the unions committed themselves in August to reasonable improvements in rostering. ASLEF dispute this. The August formula was ambiguous - "negotiations shall take place to establish some variation in the rostering arrangements." But the ACAS record of the August discussions does apparently say that the BR Board accepted the deal "on the understanding that commitments on productivity would be honoured" which might be read to support the Board's position.

The Negotiations

The NUR are believed to be close to accepting the Board's variable rostering proposals; the NUR Executive meets to decide this afternoon. ASLEF has so far refused to deviate from the 8-hour day which has been in force since 1919. As you know, ASLEF did not turn up for the meeting called by ACAS this morning; but apparently Buckton has said that this is because ASLEF do not consider the process of negotiation with the BR Board to have been exhausted.

The BR Board's strategy is to so arrange things that ASLEF are isolated in their opposition to the new arrangements, so that they come under pressure from the NUR and possibly the TUC, and eventually fall into line. Before doing so, however, there is rather likely to be some industrial action, not necessarily in the form of an all-out strike.

/Contingency Arrangements

Contingency Arrangements

The CCU meets tomorrow morning, and I will attend. But it is likely to confine itself to second order issues such as special car parking arrangements in London and whether to meet during the holiday week, rather than to the more difficult questions of coal movements and endurance.

Clearly the right line to take publicly at the moment is that this is a negotiation between the BR Board and the unions, in which the Government is not involved. I understand that Mr. Howell will be reporting to the Prime Minister when the situation is clearer. ~~I suppose this may be appropriate for Cabinet on Thursday.~~

J. M. M. VEREKER

22 December 1981