

SECRET

NO 1 OF 11



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

26 May 1982

Dear Michael,

THE RAILWAYS

Further to my Secretary of State's minute to the Prime Minister yesterday evening you might also like to know the position on improving the redundancy payments on the closure of the BREL workshops.

Ministers raised the possibility that opposition to the closures might be reduced and the position of the NUR Executive weakened if the redundancy payments were enhanced. It is certainly the case that redundancy payments in BR are low compared with what has been done in the docks and steel industry. A craftsman in BREL aged 55 after 40 years' service would receive a lump sum payment of £7,440. But the BRB are not seeking from the Government any support in improving redundancy payments. And their paper says that an offer to improve the payments would inflame, rather than allay, the attitude of the NUR, whose objective is to resist any reduction of the railway. Whilst it might be helpful to commission a further examination of possible improvements in the redundancy scheme, in case that would be useful later, my Secretary of State feels that there would be difficulties in thrusting on an unwilling employer changes that would certainly be very costly.

I am copying this letter to the Private Secretaries of those who received my Secretary of State's minute of yesterday.

Yours,

Anthony

R A J MAYER
Private Secretary

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