

PA.  
Not in time  
MR SCHOLAR to show

**CONFIDENTIAL**

9 June 1982 *Transport*

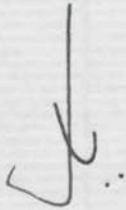
cc Mr Mount

BRITISH RAIL

PM before her  
departure to Bonn.  
MCS 20/6

MISC 72 is preparing the ground for a further meeting of Ministers, concentrating on the one issue that is clearly within Ministerial discretion, namely what financial assistance if any to give British Rail during a dispute, and the financial and legal constraints. Our work should be concluded in time for a meeting of Ministers later this week.

The area where we have made least progress is extracting from the BR Board any idea of their tactics for handling and concluding the strike. The Department of Transport believe this is partly because of the unsatisfactory relationship between the industrial relations side of British Rail, to whom they have been talking, and Peter Parker; and John Palmer has suggested that it would be helpful if he, Graham McKenzie (CPRS) and I have an informal discussion with Peter Parker about his own view of the tactics. I think nothing but good can come of that, and I would of course make it clear that I was not in any sense empowered to speak on behalf of the Prime Minister, but you may feel that you ought to let her know what is afoot (you will recall that we went through a rather similar stage with Mr Dearing and the Post Office).



JOHN VEREKER

**CONFIDENTIAL**



SECRET

Transport

21

MR MOUNT

cc Mr Walters  
Mr Scholar

The Railways

I attach the latest report from the Department of Transport about developments on the railways.

You will see that it records that officials have been discussing some of the tactics with the BR Board; I discussed this today with the CPRS, who have been involved.

The CPRS have pressed Rose in three areas: internal communications, i.e. the extent to which BR is really trying to persuade their staff of the need for productivity changes, on which a paper is promised; the legal position on lay-offs, on which more below, and on tactics for bringing the strike to an end, on which the Board have so far produced absolutely no ideas at all.

It is becoming apparent from these discussions that the Board is determined to take on ASLEF, and do everything possible to keep the other unions sweet. That is why the Board have taken the otherwise astonishing decisions to put their pay offer on the table at this stage, and to offer the NUR the 50p per shift payment for operating flexible rosters (which is worth another 2½%). We saw at an earlier stage how the productivity conditions bit much harder on ASLEF than on NUR, and the Board is quite determined to send home on 4 July any ASLEF drivers refusing to work the new rosters, so the railways may well grind to a halt soon after.

That is where BRs' power to lay-off without pay its non-ASLEF members becomes important. BR will no doubt want to go on paying them, having probably by then sewn up some kind

SECRET

/of

SECRET

-2-

of agreement, and wanting to keep them sweet. Officials will be examining the implications of the Government refusing to continue to pay the PSO grant, and thus putting BR in the position where they could not afford to meet the pay bill. The legal position is also unclear, in view of the NUR's guaranteed week, which can be suspended only with the agreement of all parties. There is a meeting of the Official Group on Wednesday morning, which I shall attend; I have been arguing for any ministerial discussion of these issues to be properly prepared by officials this time.

C. M. M. VEREKER

7 June 1982

SECRET