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MUS 11/6

Prime Minister

cc JV

SECRET

You may also like to see John Vercher's account of a meeting with Sir P Parker. The Board seem to have little idea of how they will end the dispute (as the manner of its beginning was also a surprise to them yesterday)

Prime Minister

MS

THE RAILWAYS

The decision by the NUR Executive, though it has not yet been formally notified to the Railways Board, appears to be to call a long and indefinite strike starting at midnight on 27 June, on the demand that the Board should improve their pay offer, and should not attach productivity conditions. They have instructed their General Secretary not to seek talks with the Board on this. Clearly they expect to put the Board in a position where they feel obliged to make the first approach.

The Board will not be making any moves towards further meetings that would suggest any change in their position, and will be sternly discouraging the idea, that has appeared in this morning's newspaper reports, that they contemplate making a fresh offer. It is the Board's expectation that ASLEF will join the strike, but that remains to be seen.

Our posture must be to emphasise that this is a straight industrial relations' dispute between the Board and their employees while doing all we can to support the Board's efforts to keep the focus sharply on the issues of productivity, and away from the issues of pay and investment which the unions and the opposition prefer. I shall take an early opportunity to make a speech setting out firmly and positively our policies for the future of the railways.

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SECRET

Officials are pursuing with the Board the need to clarify the objectives in this dispute, and will shortly be putting to us a remit on the various legal and financial points we shall have to deal with. I do not foresee that there are any fresh decisions we shall need to take before your return from New York.

I am sending copies of this to the Home Secretary, the Chancellor of the Exchequer, the Secretaries of State for Industry, Defence, Energy, Employment and Scotland, the Chief Secretary and to Sir Robert Armstrong and Mr Sparrow.

J4.
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DAVID HOWELL
10 June 1982

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