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Prime Minister (2)

MCS 16/6

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POSSIBLE INDUSTRIAL DISRUPTION ON LONDON TRANSPORT AND BR

There is a possibility of industrial disruption on London Transport either on cuts in tube and bus services, or on pay, or both. I mentioned this in my minute to you of 25 May. I have been keeping in close touch since then with Sir Peter Masefield, the Chairman of London Transport. He told me yesterday that LT's underground staff will probably have a one-day strike on 21 June to protest against the service cuts on the underground which will take place that day. The cuts are relatively small and the unions know that there will be no redundancies. On the buses there will be service cuts at the end of July. This could also cause problems. But London Transport do not expect sustained industrial action by the busmen and in particular do not expect them to strike in support of an early rail strike.

On the pay front the busmen have just rejected, against the advice of their union, an offer of 7% with productivity ties. The rail unions are now looking at the same kind of offer.

We can cope satisfactorily with sporadic industrial action on the underground next week. The Metropolitan Police will be putting in hand their usual emergency traffic management and parking measures.

It is clear that the unions have not so far made up their minds as to what they are trying to achieve or decided on any concerted strategy. The danger we must watch out for is a prolonged underground strike at the same time as a prolonged BR strike. At the moment Sir Peter Masefield sees this as no more than a possibility. But he felt he ought to mention it to me.

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I shall report to you early next week as soon as the position is clearer.

At the time I write there is no reason to think that the strike the NUR have called will not take place or will be deferred. The probability is that ASLEF will join it. Even if there is some change in the NUR position, the confrontation with ASLEF will in case start on 4 July on imposition of flexible rosters. The industry's top consultative body, the Rail Council, meets tomorrow morning, but there is not at present any reason to think that will lead to a change in the position. The Board certainly have no proposals for making any fresh offers. I will report more fully on the BR situation tomorrow.

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

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DAVID HOWELL

16 June 1982

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