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PRIME MINISTER

THE RAILWAYS

We are meeting on Monday morning to discuss the latest state of play on the railways. David Howell's minute to you of 17 June suggests that, whether led by the NUR from 27 June or ASLEF a week later, confrontation is now inevitable.

2. The Railways Board have not so far been able to provide us with a game plan, in the sense of outlining the alternative possibilities which they see for bringing a dispute with both the NUR and ASLEF to a satisfactory conclusion. I entirely endorse David's view that we need something much clearer than the woolly note by the Board he attaches. I understand that although the Board see the prospect of compromise with the NUR sooner or later, at the moment they seem to see no way out so far as ASLEF is concerned, apart from sacking all ASLEF members and offering to re-engage any who will accept the Board's terms. The insight this offers is that yet again the key to resolving the railways' problems lies in developing a successful strategy for dealing with ASLEF - which the Board has not found so far.

3. This, together with the possibility that the NUR may not be in the lead, seems to me to raise a number of questions which we should consider on Monday, in addition to those which David raises.

4. If there is a prospect of a deal with the NUR sooner or later, will this be improved in a situation in which both the NUR and ASLEF are on strike simultaneously? Could the



two unions be separated, even at this late stage and at what price in terms of a separate pay/productivity deal with NUR? Would these terms be better or worse than those which might be achieved after a strike has started when positions may have hardened? If the judgement is that they would be worse, would it be worth seeking a settlement with the NUR now?

5. One negative factor to be considered in splitting the NUR from ASLEF is the question of cost. The Board would require considerably more financial support in a situation in which only ASLEF were on strike (since services - and revenue from them - would be effectively stopped whilst the NUR and other unions had to be paid). Even more important would be to know what attitude the NUR would then take to a continuing ASLEF dispute and the sort of steps which the Board might want to take to bring it to an end. It may not be worth doing a deal with the NUR either before or after there has been a strike unless that deal includes NUR agreement to accept and co-operate with any steps the Board may take to secure continued operation of the railways.

6. As far as ASLEF is concerned, is there any alternative to the sack and re-engage strategy? What chance of success will that strategy have? One thing which seems clear is that if it is to be embarked upon some careful preparation and planning is needed, and this must now be very urgent. In the US traffic controllers' dispute, the President was able to support similar measures by putting in hand convincing alternatives. Is it possible to develop such alternatives for the railways? If urgent and immediate steps were taken, would it be possible to train a limited number of drivers (perhaps based on an NUR core) to run at least partial services, thus increasing the pressure on ASLEF to give in for the sake of their jobs? If so, which services should be given priority - key freight loads, commuters - and how many drivers would be needed to make it worth while? Priority deployment of limited resources in the way could also help



minimise some of the wider industrial problems discussed in the note attached to my minute to you of 10 June.

7. If a strategy like this is the only way of dealing successfully with ASLEF, how soon should it be put into operation? If ASLEF strike alone or remain on strike after a settlement with the NUR, would there be any reason to delay? It will be important to have public opinion in support of drastic action against ASLEF and that might be stronger after at least some days of a strike; but a long delay would risk extending the dispute into the autumn.

8. It seems to me that we can not necessarily rely on the Board to take the lead in doing any realistic thinking and planning on these points. We should put in hand some urgent work within the government, although of course in close consultation with the Board. A strike of some kind which halts the railways now seems inevitable but we cannot go into it without some view of alternative courses after the strike begins. Such a view is critical not just in relation to the railways but also in relation to planning for other industries.

(G.H)

18 June 1982

P.S. I am copying this minute to the Secretaries of State for Transport, Industry, Employment, Energy, Defence and to Sir Robert Armstrong and John Sparrow.