



✓ JV  
WR  
MCS

Prime Minister (2)  
Some good material here  
MCS 25/6

DEPARTMENT OF TRANSPORT  
2 MARSHAM STREET LONDON SW1P 3EB

01-212 3434

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

25 June 1982

Dear Michael,

BR AND LT DISPUTES

ACAS are in touch with all the parties involved in the BR dispute and have been approached by London Transport on their dispute. There are no indications as to whether these efforts will bear fruit. The assumption must be that both strikes will continue.

I attach:

- (a) a briefing note on BR
- (b) a briefing note on LT
- (c) a copy of the Secretary of State's Statement to the House of Commons this morning

I am copying this to the Private Secretaries of all members of the Cabinet and to the Chief Whip, John Sparrow and Sir Robert Armstrong.

Yours,

Anthony Mayer

R A J MAYER  
Private Secretary



BR DISPUTE

Government's Position

- We stand right behind the Board in their efforts to improve productivity on the railways.
- There is no future for a modern railway unless working practices agreed in 1919 are up-dated.
- The rail unions were paid a 3% settlement in the 1981 pay settlement on the basis that they would deliver on six specific productivity agreements.
- They have only delivered on 1½.
- It is no use the NUR claiming that they have delivered everything asked of them. Even if they had - which they have not - the Board's concern is with the railway system and the workforce as a whole. ASLEF's intransigence is the root cause of the problem.
- No-one owes railworkers a living. All sectors of British industry have re-organised themselves, and slimmed down to cope with the irresistible demands for greater efficiency. BR must do the same.
- BR's finances are in a parlous state. Even after Government grants running at record levels, they stand to lose £165m this year. They will be hard pressed even to afford their present 5% offer frozen to September.
- A national rail strike will reduce BR's finances to a shambles. The railways can never be the same again. As well as inconveniencing millions of holiday-makers and workers, a strike will directly prejudice the long term interests of 200,000 railwaymen. The future is there. It is about to be ruined.
- It is deplorable that the leadership of the rail unions cannot see this stark reality.



## ALLEGATIONS AND FACTS

1. NUR have delivered six out of seven of the productivity points

### Facts

1. The NUR has only so far agreed to:
  - a. flexible rostering for guards, in return for a 39 hour week, an extra rest day, and an extra 50p per shift (£2.50 a week). NUR members have thus benefitted from this;
  - b. experiments with open stations. Again, they will expect extra payments for guards checking tickets on trains, and in some cases extra staff will be needed.
2. On the other issues:
  - a. it is prepared to discuss single manning of traction units - effects very few of its members;
  - b. favours the 'trainman concept', which will benefit its members by giving guards access to promotion as drivers.
3. On the main issues where NUR is asked to accept real changes, it has kept talking but made no move towards agreement. These are:-
  - a. dispensing with guards on the Bedford/St Pancras line, specially built at a cost of £150m for driver only operation;
  - b. removing over 2,000 guards from freight trains fitted with automatic brakes.

### Summary

So NUR has only moved where there is direct benefit to their members, or where their members are not significantly involved.

2. Government not prepared to provide a sound financial basis from which BR can operate

### Facts

- a. PSO grant was increased in 1981 by £110m, and now/stands only marginally lower than that exceptionally high figure, at over £2m each day. at £804m



b. BR's investment ceiling of £428m this year has not been changed in real terms from the level set by the last Government. BR must generate funds to allow investment up to that ceiling - that means reducing costs.

c. The Board's External Financing Limit (EFL) stands at nearly £900m. The levels set since this Government took office have been substantially higher in real terms than in any of the previous four years.

### 3. Rail unions record in cutting jobs is good

#### Facts

In the period since 1979 BR has shed just over 15,000 jobs - about 7½% of railway and workshop staff. Obviously different industries adjust in different ways, but when one considers that British Airways, for example, have shed 27% in the same period, and industries like Leyland and British Steel much larger numbers, this figure is not overwhelming.

### 4. Government irresponsible not to intervene in dispute

#### Facts

The Government has no locus in the negotiations between the Board and its workforce on questions of pay and productivity, and has no intention of intervening. The issues are clear. On pay, the Board cannot offer what it cannot afford. And it can afford nothing without delivery of the productivity improvements for which it has already paid. These productivity measures have been thoroughly discussed and analysed both by ACAS and Lord McCarthy, who support their introduction.

### 5. Specific investment projects being unfairly held up by Government

#### Facts

This is simply a perversion of the facts. 10 major projects have been recently completed, are under construction or have been approved and another eight are in the pipeline. But unless the unions deliver on productivity the Government is not prepared to hand over taxpayers' money. The two go hand in hand.

#### Investment in BR

##### A. Projects recently completed/nearing completion



<u>Project</u>	<u>Cost</u>	<u>Comment</u>
1. 95 High Speed Diesel Trains	£200m	First entered service 1976, last 2 sets to be delivered in July 1982.
2. St Pancras/Bedford electrification track and signalling works	£150m (1981 prices)	Work started in 1976 and is almost complete. Only disagreement over manning holding up new electric service between Moorgate and Bedford.
3. 4 multi-purpose ferries for Sealink	£60 (1980 prices)	
4. 5 year rolling programmes for freight locos and wagons	About £50m per year at current prices.	Authorised up to 25 locos and 1,550 wagons per year over period 1978-82
<u>B. Other projects under construction or approved</u>		
5. West of England resignalling		Resignalling and track rationalisation between Westbury (Wilts) and Totnes (Devon). Cost £28m (1979 prices). Approved 1981 and due for completion in 1987.
6. Brighton line resignalling		Resignalling 282 track miles on the London-Brighton line and branches; cost £45m (1978 prices). Approved March 1979. Bulk of project in operation 1984.
7. EMU rolling programme		5 year programme approved March 1979. Currently building about 200 vehicles per year. Cost £40m per annum.
8. 210 sleeping cars		Approved April 1979. First deliveries January 1982. Cost £25.5m (1982 prices). Services progressively converted to new sleepers as delivery proceeds.

*B.R. investment*



9. Isle of Wight car-ferry investment

Submission for £15½m approved December 1979. Two new ferries enter service next year.

10. Anglia electrification

Colchester to Harwich, Ipswich and Norwich. Approved December 1981 at a cost of nearly £30m. Work on the electrification cannot start until 1984 because essential track rationalisation and re-signalling work must be done first. This is under way.

C. 10 Year Programme of Electrification

11. Electrification of some 3,800 single track miles of main line

Awaiting Board's proposed programme.

6. Rail unions have been penalised in recent pay settlements

Facts

This is blatantly untrue. The last two pay settlements have been 20% (1980) and 11% (1981) - a cumulative total of 33.2%. Over the same period pay throughout the public trading sector rose by only 29.2%. The rail unions are trying to stand truth on its head.



PRIME MINISTER

BR Statement

Mr. Howell delivered his statement (attached) to a fairly empty House. There were only seven Members on the Opposition benches. He was fairly forceful in his delivery and seemed in command of the situation. The Opposition seemed slightly nervous about supporting the unions in a strike which is clearly unpopular.

Albert Booth, leading for the Opposition, said that Mr. Howell's statement was complacent and disappointing. He had expected a statement on the causes of the dispute and what the Government was going to do about it, and not a description of the measures being taken to ease the effects of the strike. He said that the discussions at ACAS had shown that the gap between the unions and management was not wide, and that the only obstacle to a settlement was the hard line being dictated to the BRB by Ministers. He urged the Government to intervene. Only Alf Dubbs and Laurie Pavitt joined Albert Booth in criticising Mr. Howell for being complacent and for deliberately confronting the railwaymen. Neville Sandelson said that the SDP deplored the strikes, were worried at the role of the GLC, and hoped that commonsense would prevail. In this he was joined by Bill Pitt.

From the Government back benches, Ivor Stanbrook and Tim Smith both said that many commuters would suffer, but that they would be happy to do so if it was the only way to ensure a better future for BR and LT. Roger Moate pointed out that it was 50 years since British Rail and London Transport had been on strike at the same time.

David Howell dealt quite successfully with Albert Booth. He said that the causes of the dispute were clear. They were the Management's correct decision to seek productivity improvements

/ for which,



for which pay increases had already been given, and the opportunism of the unions in London Transport. He hoped ACAS would bring home to the workers the dangers they faced. He paid tribute to the workforce of British Rail, and laid the blame firmly on the Executive of the NUR. He said that the Government had no intention of intervening in the dispute.

WM

25 June 1982



DRAFT STATEMENT ON RAIL DISPUTES

1. With permission, Mr Speaker, I should like to make a statement about industrial action on the railways and the London underground.

2. As the House knows, the National Union of Railwaymen called a full strike by its members on the London underground as from midnight last night and have called a full strike by its members on British Rail from midnight on Sunday, 27 June.

3. Mr Speaker, neither of these strikes are necessary, nor will they do anything but damage ~~deeply~~ both those who pursue them and the travelling public. In the case of British Rail, irreparable damage will be inflicted on the railways. Yet all that is being asked is that productivity undertakings for which pay increases have already been <sup>given</sup> paid for last year, should be delivered.

4. In the case of London Transport, it is patently clear that the strike decision, taken by NUR, is a cynical and opportunistic move. There is no redundancy threat, the service cuts are minimal and are anyway necessary for the long term. London Transport management have clearly bent over backwards to negotiate reasonably. However the union leaders <sup>give</sup> ~~now propose~~ switching the strike issue to pay. The Union Executive has done this without giving the normal notice and has brushed aside the normal negotiating procedures in its haste to find any excuse for joining in the damage and disruption.

5. It is therefore nothing short of shameful that the political leaders of the Greater London Council should be giving explicit support to this pointless attack on London Transport users.



6. In view of the serious and immediate impact of both these strikes on London commuters, a series of measures <sup>is</sup> ~~are~~ being taken by the Metropolitan Police from first thing on Monday morning, and I think it will be helpful to set these out immediately so that all the travelling public can make their preparations in good time.

7. The Metropolitan Police will take exceptional measures to keep traffic flowing on all main routes, they will provide emergency car parking on a large scale, and they intend to suspend the enforcement of parking restrictions, and parking meters, in all side streets. The Metropolitan Police will be giving more detailed guidance to the travelling public over the next couple of days.

8. We shall be asking all radio stations to perform their invaluable service in providing up to date information to help all those who need to travel.

9. If traffic is to be kept moving, and hardship kept to a minimum, then the public must avoid needless journeys. They should make early arrangements for sharing their cars, and should do all they can to stagger their journeys.

10. Employers can help by encouraging their staff to organise staggered hours and car sharing schemes, and by arranging for deliveries to be made outside rush hours.



11. The travelling public Mr Speaker, are now under assault for no good reason whatsoever and the railways now face a disastrous future. Tens of thousands of workers are being led down dark and dangerous paths. They would be wise now to do all within their power to see that these \_\_\_\_\_ strikes are called off.



1. MR SCHOLAR  
2. PRIME MINISTER

(2)

cc Lord President

RAIL DISPUTE

I held a meeting today of the Departments immediately concerned - Transport, Environment, Employment, Home Office, plus Mr Vereker - to co-ordinate publicity over the weekend, on the lines required by CCU and Cabinet.

I have also instituted daily meetings from Monday to ensure that the Government information machine is properly co-ordinated.

The outcome was that we:

1. felt there was a need to raise the Government profile a little beyond that planned, in view of Government policy for "a massive publicity campaign";
2. urged the Secretary of State for Transport and his Ministerial team to take every opportunity this weekend to get over the Government's point of view and the action taken, or the many measures encouraged, by the Government to help the travelling public;
3. asked the Home Office to ensure that the Metropolitan Police makes a major effort to get over its traffic arrangements;
4. agreed on the need to demonstrate the Government's firmness of purpose and its determination that management should run its own affairs.

In more detail we felt it important to bring out the apparent political nature of the Tube strike; the importance of improving railway efficiency; and to rebut the Opposition charge that with more investment all would be sweetness and light.

All these operations will, of course, be conducted against the background of the industry's prime responsibility for running an efficient railway and managing its industrial relations.

B. INGHAM  
25 June 1982

Prime Minister

I have arranged with the Chancellor that Bernard should regularly attend his group to ensure maximum co-ordination.

plus 25/6



## Airey Houses

*Motion made, and Question proposed, That this House do now adjourn.—[Mr. Goodlad.]*

10.56 am

**Mr. John Heddle** (Lichfield and Tamworth): I am grateful to the House and to you, Mr. Speaker, for giving me this opportunity to raise the subject of the sale of Airey houses under the right-to-buy provisions of the Housing Act, and the case of my constituents, Mr. and Mrs. Abdella, of Lichfield.

When I wrote to your office on 16 June, Mr. Speaker, I asked whether I might have your permission to raise this matter. I said that I should like to raise the subject of the sale of Airey Houses under the right-to-buy provisions and the case of my constituents, Mr. and Mrs. Abdella. The important word "and" is omitted from the Order Paper. I mention that because I wish to raise, for the consideration of the Minister, the case of my constituents, Mr. and Mrs. Abdella, and the whole principle of the sale of Airey houses under the right-to-buy provisions.

I am grateful to my hon. Friend the Minister for his presence on the Front Bench. He is deputising for his hon. Friend the Member for Ealing, Acton (Sir G. Young). I am particularly grateful to him because he has returned from a Council of Ministers meeting in Luxembourg to be present today.

His presence is a particular pleasure to me because the matter that I wish to raise is of concern not only to 250 tenants and former tenants of properties owned by the Lichfield district and Tamworth borough councils, but, by the nature of the problem, to all right hon. and hon. Members. Earlier this morning, my hon. Friend the Member for Sowerby (Mr. Thompson) told me that the problem of the sale of Airey houses under the right-to-buy provisions was causing concern in his constituency. I note that my hon. Friend the Member for Watford (Mr. Garel-Jones) who, because of Government duties is mute in such matters, is indicating his opinion in a north-south direction.

I regret the absence of my hon. Friend the Member for Folkestone and Hythe (Sir A. Costain) because he has a deep and comprehensive knowledge of the construction industry in general. I believe that a firm with which his name was associated was given the responsibility, shortly after the war, by the then Minister of Housing to erect Airey houses in most constituencies in England and Wales, but not in Scotland.

My hon. Friend the Member for Folkestone and Hythe has given me a document that describes the Airey system of construction. The houses were designed by—

*It being Eleven o'clock, MR. SPEAKER interrupted the proceedings, pursuant to Standing Order No. 5 (Friday Sittings).*

## Rail Disputes

11 am

**The Secretary of State for Transport (Mr. David Howell):** With permission, Mr. Speaker, I should like to make a statement about strikes on the railways. As the House knows, the National Union of Railwaymen called a full strike by its members on the London underground

as from midnight last night and has called a full strike by its members on British Rail from midnight on Sunday, 27 June.

Neither of those strikes is necessary, nor will they do anything but damage those who pursue them, hurt the travelling public grievously and endanger many people's livelihoods. In the case of British Rail, irreparable damage will be inflicted on the railways. Yet all that is being asked is that productivity undertakings for which pay increases have already been given for last year, should be delivered.

In the case of London Transport, it is patently clear that the strike decision taken by NUR is a cynical and opportunistic move. There is no redundancy threat, the service cuts are minimal and are anyway necessary for the long term. London Transport management has clearly bent over backwards to negotiate reasonably. However, the union leaders are now switching the strike issue to pay. The union executive is doing this without giving the normal notice and has brushed aside the normal negotiating procedures in its haste to find any excuse for joining in the damage and disruption. It is, therefore, nothing short of shameful that the political leaders of the Greater London Council have given explicit support to this pointless attack on London Transport users.

In view of the serious and immediate impact of both these strikes on London commuters, a series of measures are being taken by the Metropolitan Police from first thing on Monday morning, and it would perhaps be helpful to set these out immediately so that all the travelling public can make their preparations in good time.

The Metropolitan Police will take exceptional measures to keep traffic flowing on all main routes; emergency car parking will be provided on a large scale, and the police will be suspending the enforcement of parking restrictions and parking meters, in all side streets. The police will be giving more detailed guidance to the travelling public over the next couple of days, as will the AA and RAC. The police in other cities will also take all necessary steps to cope with the effects on traffic of the British Rail strike.

We shall be asking all radio stations to perform their invaluable service in providing up-to-date information to help all those who need to travel.

If traffic is to be kept moving, and hardship kept to a minimum, the public must avoid needless journeys. They should make early arrangements for sharing their cars, and should do all that they can to stagger their journeys.

Employers can help by encouraging their staff to organise staggered hours and car-sharing schemes, and by arranging for deliveries to be made outside rush hours.

The travelling public are now under assault for no good reason and the railways now face a disastrous future. Tens of thousands of workers are being led down dark and dangerous paths. They would be wise now to do all within their power to see that the strikes are called off.

**Mr. Albert Booth** (Barrow-in-Furness): Does the Secretary of State realise that the House was expecting from him a statement about causes and the Government's reactions to those, rather than a statement about the consequences of the dispute? His statement will be seen as both complacent and disappointing. A majority of hon. Members realise that the travelling public are anxious that the Government should take steps to avert the strike, instead of merely trying to bring some amelioration from the tremendous damage that the strike will inevitably do to the travelling public.



[Mr. Albert Booth]

Will the Secretary of State confirm that discussions at ACAS between BR management and unions have revealed that the gap between the two sides is not so wide as to prevent a major breakthrough on the outstanding productivity issues, if only the Government are prepared to demonstrate to the board a willingness to support it in bringing forward the 5 per cent. payment towards its due date?

Will the right hon. Gentleman tell us whether the board's inflexible hard line is being dictated by Ministers, who appear to relish the idea of a long and bitter dispute with British Rail? Will he acknowledge that the overwhelming majority of railway workers have demonstrated a willingness to co-operate in the development of a good railway service and that they will back their executive committee to the hilt in the dispute because they believe that that is the only way of conducting a claim in the interests of maintaining a proper public service?

Will the Secretary of State reconsider his decision not to intervene in the dispute? Will he take up the proper role of the Government as the representatives of the travelling public and the railways' bankers and construct some genuine tripartite negotiations to avoid a strike, the consequences of which will not only be immediately damaging to the travelling public, but may be permanently damaging to the future of our railway service?

**Mr. Howell:** I take it from the right hon. Gentleman's silence on the merits of the strike that he is not prepared to condemn the appalling damage that is to be inflicted on the travelling public, the railway industry and its future.

The right hon. Gentleman asks about causes, but he and the country know what they are. In the case of British Rail, it is the management's rightful determination, which should be supported by all who want to see an efficient railway, to seek the productivity agreements and undertakings for which pay increases have already been accorded and which are now due. In the case of London Transport, the cause appears to be opportunism to maximise the chances of trying to strangle London. The right hon. Gentleman knows those causes.

The right hon. Gentleman asked about intervention by ACAS. That is an independent body and, like everyone else, I hope that it will be able to bring home to the parties, especially the unions, the appalling dangers of the path on which they are set.

The right hon. Gentleman referred to inflexibility by British Rail, but in the past few days BR has offered new arrangements by which some of the productivity difficulties could be overcome. Those arrangements were turned down by the union.

The Government and, I think, the board and most workers in the railway industry want a good and efficient service. We are committed to that good and efficient service. Ten major investment projects are being carried through or approved and another eight are in the pipeline. That makes nonsense of the claim that there is no commitment to a good railway system. The question is whether the unions will allow us to achieve it.

The Government are not prepared to intervene. If it is a question of intervention, it should be intervention by those, particularly in the industry, who are in a position to stop the union executive from leading its members over

a cliff edge. That is the sort of intervention that the right hon. Gentleman ought to have been calling for, and I am sorry that he did not feel it opportune to do so today.

**Mr. Terence Higgins** (Worthing): Are not the strikes against the interest of not only railwaymen, but railway users? As the NUR is apparently throwing agreed procedures overboard, does my right hon. Friend recall a phrase once coined by the right hon. Member for Huyton (Sir H. Wilson) who referred to a "tightly knit group of politically motivated men"—[*Official Report*, 20 June, 1966; Vol. 730, c. 42.]

and should not the members of the NUR and ASLEF wake up to the dangers that they are facing in relation to jobs as a result of the actions of their leaders?

Would it not be rather a good idea if Mr. Buckton and Mr. Weighell went along this afternoon to Victoria and Waterloo stations and explained their position to my constituents and gave my constituents an opportunity to say what they think about the strike?

**Mr. Howell:** My right hon. Friend makes a good point. The events have happened only recently and it is not yet possible to disentangle the reasons for the decisions, but it cannot be denied that there appear to be no good industrial relations reasons for the decision of NUR's London Transport divisions to strike. That point needs to be made clear, especially to those who are being asked to support the action.

Commuters will be placed in great difficulty. They should be left in no doubt that they are now being challenged by decisions taken by a union executive, or by people in that union executive, which appear to be based on political opportunities and have very little to do with serious industrial relations matters.

**Mr. Michael English** (Nottingham, West): Is the Minister's policy the same as his predecessor's? Does he still adhere to the Government's policy of requiring inter-city services to break even and of subsidising London commuters? Could he not give British Rail a bit more money by dropping the subsidy to the prosperous London middle classes?

**Mr. Howell:** The policy has been pursued by successive Governments and is broadly correct. It is that the inter-city and freight services should aim at profitability—although I am afraid that it is not there at the moment—and that commuter services, rural services and socially desirable services should be supported by the taxpayer.

Although one would never believe it from some of the remarks made by Opposition Members and by critics of the Government, the Government have supported, and are supporting, the rail system, through social grant, at a higher level in real terms than ever before in its history. Last year I approved, and this year I continued to approve, a level of social grant up to £100 million higher, in real terms, than in 1980. That is what the Government wish to do. Whether the unions, through their foolish actions, challenge that purpose and make it impossible to proceed on that course is a question that will have to be resolved over the next few weeks.

**Mr. John G. Blackburn** (Dudley, West): Will my right hon. Friend accept the congratulations of the House on the Government's policy in giving more money in subsidy to British Rail than has been given by any other





DEPARTMENT OF TRANSPORT  
2 MARSHAM STREET LONDON SW1P 3EB

01-212 3434

Prime Minister  
✓  
Comment with Mr Howells'  
Statement?

Willie Rickett Esq  
Private Secretary to  
the Prime Minister  
10 Downing Street  
LONDON  
SW1

24 June 1982

Wm  
24/6

Dear Willie,

It was agreed at Cabinet this morning that my Secretary of State should make an oral statement in the House tomorrow on the current industrial action affecting London Transport and the threatened action on British Rail. I attach a copy of the proposed statement.

The latest situation is as follows. On LT, the NUR decided late this afternoon that they were not prepared to accept LT's offer of a four week cooling off period for the dispute on service cuts on the London Underground. They have called an all out strike as from midnight. They have also announced that they will be on strike over London Transport's pay offer of 5% plus 2% for productivity as from Monday morning. The precise motives for suddenly bringing in the pay issue now are not yet clear. They are obviously connected with the fact that the NUR Conference begins on Monday morning. The Conference lasts for a fortnight during which time the 77 delegates, rather than the Executive Committee, take the decisions for the union.

The pay offer was made last week. Discussions about it between LT and the unions were at an early stage and were scheduled to be continued. No final offer had been made or discussed.

The position on BR's industrial action remains unchanged, save for ACAS offering to meet all the parties this afternoon. Unless there are new developments, NUR will come out on an all out strike as from midnight, Sunday, 27 June. ASLEF have yet to declare their hand.

I am copying this to the Private Secretaries to the members of the Cabinet, and the Private Secretaries to the Chief Whip, Sir Robert Armstrong and Mr Sparrow.

Yours,

Anthony Mayer

R A J MAYER  
Private Secretary