



Secretary of State for Industry

DEPARTMENT OF INDUSTRY
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25 June 1982

Jc JV

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

Prime Minister (2)

MUS 25/6

Dear Michael,

[Handwritten signature]

POSSIBLE EFFECT ON INDUSTRY OF A PROLONGED RAIL SHUTDOWN

My Secretary of State has considered further, in the light of the Prime Minister's meeting on Monday, the possible effect of a prolonged rail shutdown on the industries for which he is responsible, and whether any further contingency planning would be justified at this stage.

2 In the case of most products the proportion which travels by rail is low. Generally the overall impact of a prolonged rail strike is unlikely to be too serious unless workers in other industries refuse to co-operate eg in switching goods to road transport. But oil supplies may be a problem, particularly in the Thames Valley, Cumbria, the Midlands and South Yorkshire; and this of course could adversely affect industry.

3 As regards particular potential problem areas, my letter of 18 June described the position with respect to BSC, British Leyland, the Post Office and British Shipbuilders. As regards the private sector, officials have been asked to make enquiries of those industries which seem most likely to be vulnerable, though this needs to be done in a fairly discreet fashion to avoid any possible suggestion that the Government is nervous of the consequences of a prolonged dispute. At present possible problem areas seem most likely to be industrial gases and some other parts of the chemical industry - though even in these cases no serious difficulties are seen in the first few weeks. Officials at DHSS have told us that while a lengthy rail strike might embarrass a few companies in the pharmaceutical industry (which I understand was of particular concern to the Prime Minister), mainly in relation to the transport of raw materials, the industry as a whole is unlikely to be seriously affected.



We will aim to let you have any further or more precise information we receive in the course of next week.

4 As regards further contingency planning, standing contingency plans exist under which the Business Statistics Office (BSO) can conduct a telephone survey of firms on a weekly basis to monitor the effect of a strike (once it has started) or other emergency. This procedure involves a considerable diversion of effort from the BSO's normal activities, and there is a period of about 10 days between a decision to institute it and the availability of the first set of results. My Secretary of State does not think that we should take such a decision now, but will keep the possibility of doing so under review.

5 I am sending copies of this letter to the Private Secretaries to the Home Secretary, the Chancellor of the Exchequer, the Secretaries of State for Scotland, Defence, Transport, Energy, Employment, Health and Social Security, Mr John Sparrow and Sir Robert Armstrong.

Yours sincerely,

Jonathan Spencer

J P SPENCER
Private Secretary



25 JUN 1952



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