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cc Mr. Whitmore
~~Mr. Scholar~~
Mr. Walters
Mr. Ingham

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MR. MOUNT

The Railways

MISC 80 met at dawn this morning. There were three points worth recording:

i) Ministers are divided over how seriously to take the threat of sympathetic action by LT. Mr. Howell said that although the LT management were inclined to discount the possibility, he himself thought that ASLEF LT drivers (about half of the total) were ready to consider sympathetic action, and might even do so before 20 July; and that NUR LT drivers might well decide not to cross ASLEF picket lines. But Mr. Tebbit pointed out, I think with a good deal of perception, that Mr. Weighell might be amenable to a deal under which NUR members in BR would not be laid off, provided NUR members in LT continued to work normally; and Mr. Fowler said that concurrent industrial action on the railways and the tubes ought not to be particularly serious in London in the holiday season. The CCU meets this afternoon to set up the usual arrangements for dealing with the extra traffic, in case of need.

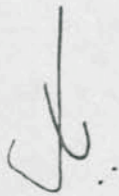
ii) The Chancellor again took exception to the paper by his own officials on the possibility of setting a limit to the financial commitment, and this subject was effectively killed. Ministers all agreed that the course proposed in the paper was indeed open to us, but brought virtually no benefits: it would scarcely limit the Government's financial liabilities at all, and insofar as it did, it would do so by penalising the wrong people - those wishing to travel on Sealink, for instance, or private contractors who would normally be undertaking maintenance work. And Ministers were as concerned as you were about the implication of paragraph 5, that the Government would be open to the charge of causing the Board to fail to comply with its statutory obligation.

/ iii) There was

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iii) There was a very brief discussion of Mr. Howell's paper about substitute train drivers, in which it was agreed that whatever was to be done should focus on building up commuter services (delivery of coal by both rail and road is proceeding nearly normally, although we must of course take great care not to make a public point of that), and that Mr. Howell should begin discreet discussions with Sir Peter Parker about the possibility of starting a serious training programme. There was some recognition, but not agreement, that this programme - or at least the intention to set it up - ought to be announced soon after the strikers are dismissed.

I have as I suggested now revised the paper I circulated yesterday, largely in order to turn the conclusions into a series of proposals on which further official discussion can bite, and after discussion with the Cabinet Office I have circulated it to the members of the official group for comment; I attach the latest version and the covering letter.



J.M.M. VEREKER

15 July 1982