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10 DOWNING STREET

15 July 1982

The Railways

Ministers and officials have been understandably pre-occupied in the last few days with the decisions being taken by the Board on closure, dismissal and lay-off. But after dismissal and closure take effect (if they do), the rail strike may move into a less frenetic phase, in which less happens day to day, and the two sides start to sit it out. We have therefore been giving a little thought to how the strike may eventually end, and whether there is anything that can be done now to increase the chances of it coming to an end in a satisfactory way.

The enclosed note is intended as a contribution to any thoughts others in Whitehall may be having about this. It is not of course intended to be definitive, merely a starting point which could be developed by those in Whitehall with much greater experience of both the railways and of industrial disputes. In the hope that it may be helpful, I am therefore sending copies of it to members of MISC 81 - Douglas Smith (Department of Employment), Ivor Manley (Department of Energy), John Palmer (Department of Transport), Tom Burgner (H.M. Treasury), Jack Leeming (Department of Industry) and Graham Mackenzie (CPRS).

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HOW WILL THE RAIL STRIKE END?

Whatever the mechanism for bringing the strike to an end, a necessary precondition is that either or both of the parties change their present position on the newly posted rosters. Since few strikes end with one side capitulating totally, we must expect that whichever side "wins" there will be a public face-saver for the other. But the three main scenarios for an end to the strike are:

1. BR give in.
2. Mutual compromise.
3. ASLEF give in.

1. BR Give In

There is no difficulty about the mechanism: BR merely withdraw the new rosters. A face-saver might be to leave the new rosters but to agree to pay (indefinitely) for an 8 hour day even where a driver was rostered for less. Either would have immediate effect. Neither meets our or BR's objective of a more efficient railway. They are courses to be adopted only as last resorts - if the Government was at the limit of its endurance, because of (for instance) a long concurrent tube strike or, even later, a threat to coal stocks, and only if attempts to reach a genuine compromise had failed. And it is by no means certain that the BR Board would be prepared to give in when the Government was.

2. Mutual Compromise

Areas for compromises do exist, but both sides have for the moment ruled them out because they are each playing to win. The most fruitful areas for compromise involve ASLEF conceding the principle of variations on the 8 hour day, while BR concede that in practice such variations will be limited either in time, or in extent, or geographically. Thus there could be an experiment for a defined period; introduction of flexible rostering by very small

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variations on the 8 hour day; or a regional experiment. The other main areas for compromise lie in the field of a quid pro quo by the Government in return for more flexible working practices by the unions - a guaranteed level of future investment, guarantees of a particular scheme such as East Coast electrification, or guarantees against redundancies or closures. These presume a settlement involving NUR pay and conditions as well as ASLEF's.

These are courses to be explored if and when the Government or BR judges that ASLEF are not likely to give in for an unacceptably long time. The first group of compromises would probably be regarded by the public as a climb down by BR, but, depending on the details and the clarity with which the principle was established, could be acceptable to the Board - even though the Government might be unenthusiastic; the second group might well be publicly acceptable.

Mechanisms for achieving such compromises do exist: direct discussion between the Board and ASLEF, or through a third party such as ACAS. No compromise along these lines is likely to be acceptable to the two parties until a few more weeks have passed, although an outside possibility must exist that ACAS will succeed in moving ASLEF far enough to satisfy BR before the dismissal notice takes effect on 21 July.

3. ASLEF Give In

The majority in both the ASLEF Executive and the Delegate Conference are probably less willing to give in than the membership as a whole. Therefore, for BR to "win" the strike requires a mechanism for the desire of ASLEF drivers to return to work on the basis of the new rosters to be manifest. There are at least three such mechanisms:

1. Drivers vote with their feet, and sign on in increasing numbers. This option is not available if the railways are closed, because even if staff

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willing to work the new contracts are invited to clock in, it would not be possible to tell if they were in practice willing to work variable rosters - many, under financial pressure, may clock in simply to earn their basic pay. It is also, on present evidence, the option that would take longest: drivers are less likely to manifest their willingness to work by crossing picket lines than by, for instance, voting or speaking in a Branch meeting. If a gradual and spontaneous drift back to work has not taken place by 20 July, the Board will have to look for other mechanisms.

2. Decision of a recalled delegate Conference.

The strike could be called off by the Executive, but that seems very unlikely without the authority of a further delegate Conference. The Executive could call one; but perhaps a more likely scenario is that Branch pressure results in a decision by the Executive to recall the delegate Conference, which could decide a return to work with the new rosters. That is still likely to take several weeks, and would be unlikely unless most ASLEF members had concluded they could not win (see below); and it would carry a risk - if there were enough support to call a Conference but not to change the earlier decision, the Conference decision might go the wrong way.

3. A management ballot. We know (because officials have asked them) that the Board have this possibility in mind. It is not in itself a mechanism for winning, because the ballot might be boycotted or the result might be disregarded by the union leadership (on the grounds for instance that the question was misleading, or put under duress). But, if it took place and there were a significant majority for a return to work, it would provide the basis for BR to announce that the railways would be re-opened, and to invite drivers to return. Again, the precondition for a management ballot would be that most ASLEF members recognised they could

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not win; and the timing would be crucial. The best time might be before the holiday season but after several weeks of lost pay - i.e. at the end of July (Sir Peter Parker said on television last night that it would take a few weeks to organise - that needs to be probed).

Conclusion

A successful outcome to the strike is most likely to be brought about by a recalled delegate Conference or a management ballot. Either requires a substantial collapse of ASLEF morale. The support given to ASLEF by Mr. Foot and by LT tube drivers will make that harder to achieve. It can be hastened by giving ASLEF members a clear impression that both the Government and the Board have no intention of giving up.

There are a number of possible elements in creating that impression. The most important is to let it be known that, despite all the flurry of activity of the last few days, we were always prepared for this to be a long drawn out dispute, because we knew it would take time for ASLEF members to persuade their leaders to be reasonable. The media is now starting to reflect that line, following our background briefing.

Second, ASLEF members should not be encouraged to think their action is particularly effective. The CCU's arrangements in the event of sympathetic action on LT need therefore to be as useful as possible without creating an appearance of crisis.

Third, ASLEF strikers should be encouraged to take their dismissal seriously, and they will not do so if they assume that sooner or later BR will have to take them back. Arrangements for training new drivers should therefore be publicly convincing (even if we ourselves are doubtful) and visible - preferably announced on 21 July.

Fourth, the financial consequences of the strike should be treated in such a way as to sustain public support, and to bring

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home to those who work on BR that it is they who are suffering. That implies greater clarity than the Government has achieved so far about the cost of the strike being met by borrowing which BR will have to repay.

Fifth, the Government should be clear about how far it is prepared to go to give an indication of its willingness to sanction new investment in the railways in response to delivery of more efficient working practices by the workforce as a whole.

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