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Prime Minister (2)

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To note.

Ms 29/7

THE RAILWAYS

As you know Sir Peter Parker and his Board have now prevailed over two national rail strikes in the space of three weeks without making any significant concessions. We must all hope that this will prove to be a major turning point for industrial relations on the railways. The point which we should emphasise in any public comment is, I suggest, that this has from the start been a purely industrial dispute and those who have sought to make it political have only prolonged the strike and the damage to the railways.

I shall in due course be reviewing with Sir Peter Parker the major lessons of the strike and his strategy for handling the continuing issues of the future role of the Railway Staffs National Tribunal under Lord McCarthy, and the existence of the Guaranteed Minimum Week.

But in the short term there are of course still major matters to be resolved. There are the remaining items on productivity still to be dealt with from last year's undertakings, and there is the pay claim which the unions have referred to Lord McCarthy. The Board at the same time will have to seek all means to restore so far as they can the damage to their finances.

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We also will need to consider how best to handle the situation over the next few months, until we have the report of Sir David Serpell's Committee. I propose shortly to put a paper to my colleagues with my suggestions.

I am sending copies of this to the Chancellor of the Exchequer, the other members of MISC 80, Sir Robert Armstrong and Mr Sparrow.

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DAVID HOWELL

19 July 1982

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