

THIS DOCUMENT IS THE PROPERTY OF HER BRITANNIC MAJESTY'S GOVERNMENT

E(81) 49

COPY NO 21

16 April 1981

CABINET

MINISTERIAL COMMITTEE ON ECONOMIC STRATEGY

NATIONALISED INDUSTRIES PAY

Note by the Secretary of State for the Home Department

On 26 March the Chancellor of the Exchequer minuted the Prime Minister about the outcome of a meeting which he held on 19 March with Ministers directly concerned with nationalised industries pay negotiations.

2. One decision of this meeting was that the Civil Contingencies Unit should consider assessments of the consequences of industrial action by rail, postal and telecommunication workers and report, so that Ministers can make plans to mitigate the impact of any industrial action and decide how far the Government should go in bolstering management in the face of possible action.

3. This work has now been done and I attach interdepartmentally agreed reports by CCU officials on each of the industries concerned. My conclusions and recommendations are -

i. Rail

Steps which the Government could take in a rail strike (see paragraph 25 of Appendix 1 to Annex A) will have only marginal mitigatory effect on the two key areas relating to national endurance of a long strike, viz. London commuters and movements of coal to power stations. In the light of current stocks and the time of year, coal movements are the less important of the two but it would reduce power stations' endurance for next winter. The effect on commuters would be more immediately serious. We could expect their patience to become exhausted before long, and the Government therefore to come under mounting pressure from public opinion to intervene and achieve a settlement.

ii. Postal

In 1971 the nation endured an all-out postal strike of six weeks duration without great difficulty, largely due to the fact that the telephone service operated at virtually normal levels. In the light of Mr Dearing's assessment that industrial action on this occasion (if it occurs) is initially likely to be unofficial and limited to key locations, there seems no reason why management should not be encouraged to meet the threat resolutely. Were industrial action to spread to the telephone system, commerce could be badly affected and a basic, restricted postal service might become essential. I am arranging for CCU to commission further work by the Department of Industry on possible contingency arrangements for that eventuality, drawing on the experience of the Irish in 1979, who tolerated a postal strike of six months duration.

iii. Telecommunications

A strong line is being taken by Sir George Jefferson and British Telecoms' contingency plans seem realistic. Negotiations are not due to begin for a month, so there is no immediate reason to regard industrial action as imminent. If all-out action were taken a progressive deterioration of all telecommunication services would occur over a period of 2-3 weeks. The most economically important services are likely to be data links used by industry and commerce, rather than voice. CCU will commission work by the Department of Industry on this aspect to identify the extent of its impact on trade, North Sea operations, exports, etc. and measures to mitigate its effects.

4. I invite my colleagues to take note of the reports by officials and my conclusions above. I recommend

i. Rail. We should be ready to do everything possible to bolster commuters' determination to stick it out. This will call for a major public relations exercise. There are a number of measures which could alleviate effects of industrial action and we should authorise these in the light of developments.

ii. Postal. Further work is needed by the Department of Industry on contingency arrangements to mitigate joint action by postal workers and telephonists. We should be prepared to see out a lengthy suspension of postal services.

iii. Telecommunications. Further work is needed by the Department of Industry on the effects of strike action on data transmission links (especially in trade, North Sea and export fields) and means to mitigate that action.

Home Office

W.W.

16 April 1981

POSSIBLE INDUSTRIAL ACTION BY BRITISH RAIL WORKERS

Note by Officials

THE RISKS OF INDUSTRIAL ACTION

1. The settlement date for British Rail (BR) workers is 20 April. Negotiations began on 13 April. This year the three rail unions (Associated Society of Locomotive Engineers and Firemen (ASLEF), National Union of Railwaymen (NUR) and Transport and Salaried Staff Association (TSSA)) have decided to make a joint approach to the British Railways Board (BRB) for a pay settlement of about 15 per cent. The Board has made an offer of 7 per cent. A breakdown in these negotiations could lead to widespread disruption of rail services and threats of a national rail strike.

2. London Transport Executive pay settlements for Underground workers are linked informally with BR settlements, and have the same anniversary date. The negotiations proceed in parallel. Thus, there is a chance that Underground workers, who are also NUR members, would take action at the same time.

3. The Transport and General Workers Union (TGWU) have indicated that they will this year be looking for the same settlement for London bus workers as the rail workers. Failure to reach agreement could lead to concurrent strike action by London bus drivers.

4. On 31 March the Unions met as members of the Trade Union Congress (TUC) Transport Industries Committee and decided to formulate a joint strategy with a view to convincing the Government of the serious threat which they, acting in concert, could present, possibly using the effect of strike action in London as the main pressure point in their negotiating tactics.

THE CONSEQUENCES OF INDUSTRIAL ACTION

5. ASLEF has 90 per cent of train drivers and 40 per cent of London Underground drivers, while NUR has 10 per cent of train drivers, 60 per cent of Underground drivers and virtually all signalmen. Action by either can

stop all railway services. London commuting is heavily dependent on rail and the severity of the consequences of a stoppage would depend on whether or not London Transport Underground and bus services remained in operation which, as described above, are also at risk. Commuting problems to commutations other than London during a rail strike can be more easily overcome. The effect of fairly short rail-only strikes is well known from recent experience and, by adopting a variety of emergency measures, (discussed in Appendix 1) a fairly short strike could be coped with at the cost of some inconvenience. If such a strike continued for several weeks, further measures eg systematic staggering of hours and days of work, might be needed if public and commercial administration were not to be seriously damaged by the accumulative strain.

6. If the London Underground, and even more so if London buses also were withdrawn, the road system in Central London could not cope with the additional traffic, even with all available measures. Some means of limiting the number of commuters, probably by voluntary action by employers, would be essential. Compulsory restrictions laid down by Government would be unenforceable and it would be better to rely on exhortation and self-interest.

7. Freight movements by rail are less of a pressure point. Only about 10 per cent of freight moves by rail, although this includes the great majority of bulk movements of coal for power stations, and of steel. Power station coal stocks are at present reasonably high; sufficient for about $7\frac{1}{2}$ weeks of normal operation. A prolonged stoppage would however seriously affect the summer re-stocking programme and could materially reduce power station endurance next winter. The loss of oil movements could probably be accommodated by the industry, with some inconvenience.

POSSIBILITY OF SELECTIVE ACTION

8. Selective action is more probable than an all-out strike. The Unions might withdraw some men, and leave BR with the choice of escalating the strike or paying others who were without work, while all revenue had been stopped. A ban on overtime, rest days, and Sunday working, together with a policy of

non-co-operation with management, could cause great difficulty to London commuters, even if some freight movement was able to continue. Selected regional or local strikes could be used to cause a breakdown in organised services.

9. If the Unions were looking for action which would not immediately affect the travelling public, but which would inflict damage of concern to the Government, they might -

- a. refuse to move coal from pitheads, thus causing storage difficulties and the rundown of power station stocks;
- b. refuse to transport specific imports from the docks, eg cars, coal and steel;
- c. refuse to transport selected exports to the docks, eg weaponry manufactured in the United Kingdom for sale to foreign Governments, goods destined for South Africa, etc;
- d. refuse to transport ammunition and other explosives for the Armed Services, and thereby create problems at the Royal Ordnance Factories.

CONCLUSION

10. Almost any form of industrial action on the railways will quickly affect commuters, particularly in London, and bulk movements of coal to power stations. The scope for selective action by Unions, to cause considerable damage without great costs to their members or heavy drawing on strike funds, is also large. The effect of an all-out strike on London would almost certainly require some form of short-time, or staggered working for businesses in London, after say one week, if London Transport services continue in operation, or sooner, if there is a joint London Transport/BR strike. The loss of freight services at this stage of the year would be less important than the effect on passengers, but if prolonged it would lessen power station endurance for next winter, and could cause specific problems if targetted on particular types of freight.

11. It is difficult to make an informed judgement about the period for which a strike would be tolerable to compare with likely Union endurance. The effectiveness of selective action in causing great inconvenience to passengers unfortunately makes the railwaymen's hand a very strong one. The public showed considerable tolerance to the inconvenience of past short strikes, but the mood might quickly alter if problems were prolonged, and particularly so if London Transport was also disrupted.

12. Notes on the means of alleviating the effects of industrial action by rail workers, the state of departmental contingency arrangements and Ministerial decisions to be made in a rail strike are at Appendix 1 attached.

14 April 1981

Appendix 1 to Annex A
to E(81)

MEANS OF ALLEVIATING EFFECTS OF INDUSTRIAL ACTION BY RAIL WORKERS
AND STATE OF DEPARTMENTAL PLANS

Potential of Managerial/Supervisory Staff

1. In a rail strike, managers and supervisors might be able to run a few trains, but their contribution would be negligible. However, in action short of a strike, management would have a vital role to play in minimising the effects, by according priority to key traffic and by optimising the use of limited resources. Takeover by management of jobs of men withdrawn on a selective basis would probably encourage a total strike, but if the withdrawal had already caused a total stoppage of trains, the effect would be in the field of labour relations.

Alternative Transport - Passengers

2. A rail strike would seriously inconvenience the travelling public throughout the country but the effects on essential services are focused more upon the London commuters than elsewhere and it is on that aspect which this paragraph is concerned.

3. A work-to-rule might, depending on its severity, necessitate special traffic measures by the Metropolitan Police, but the situation would probably be manageable. However, an all out strike would be much more serious; existing bus services would be fully utilised by people diverting from rail; the London Transport Executive (LTE) has few reserve buses. To substitute replacement bus services for existing schedules or to permit more standing passengers might induce industrial action by the busmen. There are few coaches for hire since most are contracted to firms to carry their staff in the event of public transport disruption, and thus already play an important part in handling the emergency. Emergency powers would enable these coaches to be requisitioned, but this would only divert them from contract hire which achieves broadly the same purpose as a shuttle service. It is unlikely that provincial union busmen would be prepared to do this work; and even if private operators would, this would probably precipitate trouble with LTE busmen.

4. There are some limited possibilities for certain London commuters to travel to work by water, using the Thames.

5. Road would be the main alternative transport for commuters in the event of a rail strike. There are enough cars owned by London commuters; the problem is the capacity of the system. Each car could well carry double the normal average of 1.5 persons and the 'peak hour' would lengthen. Insurance against liability to passengers has been compulsory since December 1972, so no insurance question should arise. The Metropolitan Police would need to introduce some or all of their contingency plans. See paragraph 7 below.

6. With the Underground still running, these special arrangements should allow commuting by road in place of rail. North of the Thames, the Underground services provide an obvious part alternative. South London, with its heavy reliance on British Rail's Southern Region, would have some points of local traffic difficulties. But with a struggle, and a considerable effort by the police and traffic wardens, work in London could go on at something like its usual level. If the London Underground staff joined in an all out strike the road system of inner and central London would be unable to cope with the total potential number of motorists who might try to get to work. There simply would not be room in central London, or in the main access routes through the suburbs for enough cars to get everyone in; congestion would not merely be acute and prolonged but would spread for some miles out from the centre. To reduce the demand for road and parking space it would therefore be necessary to require a proportion of the order of one in three of those working in central London who are dependent on private cars to stay away from work. Ideally the proportion not to travel by car would be those working for organisations not essential to the short-term life of the city or nation. This would leave room for full attendance by workers at essential organisations, but it would be difficult to define 'essential'. An alternative would be to ask each employee in central London voluntarily to arrange that a proportion of his workers should not come to work each day.

7. The degree of inconvenience caused to commuters by a work-to-rule strike on the London Underground or British Rail's London Commuter network is proportional to the severity and the extent of the industrial action being taken. It is not therefore possible to say what traffic measures will be implemented by the Metropolitan Police until these two factors are known, but they could require some or all of their contingency plans to -

- i. direct Police and wardens from other work to traffic duties;
- ii. open emergency car parks;
- iii. introduce emergency clearways on all radial routes with very strict enforcement of all waiting restrictions;
- iv. arrange with all business frontages on all radial routes not to receive deliveries between 7-10 am and 4-7 pm;
- v. suspend enforcement of bus lanes;
- vi. stop all possible road works except emergency repairs;
- vii. ban movement of abnormal loads;
- viii. arrange boarding and alighting points for coaches to bring in key staff;
- ix. allow free meter parking.

8. Metropolitan Police would be responsible for publicising all traffic and parking measures and Department of Transport (DTp) would arrange extra publicity to encourage people to -

- i. avoid unnecessary journeys into and through London;
- ii. arrange deliveries of goods to avoid peak traffic;

- iii. urge drivers obliged to bring their cars into London to give lifts
- iv. provide accommodation in London for essential staff;
- v. stagger working hours wherever possible.

Alternative Transport: Freight

9. The only large scale alternative to rail is road transport and the DTP is ready to activate an emergency transport organisation to use it to best effect. For freight generally there would be enough lorries (but see paragraph 10 below on coal). The capacity of road transport to act as the alternative would depend on the attitude of other Unions, particularly the NUM, the EETPU and the TWM. There would be problems in finding substitutes for certain specialised railway wagons, eg those employed in the delivery of raw materials to the glass industry.

10. Coal British Rail carry some 70 per cent of coal produced from British sources and about 75 per cent of coal needed by the Central Electricity Generating Board (CEGB) and just under 50 per cent needed for Scottish power stations. Stocks held at power stations are sufficient for about 7½ weeks endurance (8 weeks in Scotland) (assuming normal demand of 1.5m tonnes a week). In large manufacturing and other industries stocks usually average 6-8 weeks while the trade's stocks for small industries and consumers amount to 4-5 weeks, but may be at their lowest point at the end of winter. There is little scope for increasing the delivery of coal in anticipation of a rail strike. Once a strike has started road transport would be insufficient to meet the demand. Stocks would therefore have to be drawn down. For power stations this would not only affect summer restrictions (about 200,000 tonnes a week) adversely, but if prolonged could also affect the level of endurance next winter. This effect on power stations could be offset by increasing the use of oil in oil burning power stations and by overburning some coal stations. But it is uncertain whether the oil would be available and even if it were and could be delivered (some stations use rail deliveries) it would be at some considerable extra cost to the Board. The amount of coal which could be saved each week would probably be less than ½m tonnes (ie less than one third normal consumption). Increased coal imports would not be available in the likely timescale and would raise political problems.

[Restrictions on the use of electricity can be imposed by order under Section 2 of the Energy Act 1976 when an Order in Council under Section 3 of the Act is in force. Rota cuts can be authorised under S 4(1) of the Energy Act.]

11. Nuclear-produced electricity. The movement of spent fuel rods from CEGB nuclear power stations to nuclear processing plants is carried out by British Rail. Storage capacity varies considerably from power station to power station. In some circumstances road transport might be an alternative to transport by rail. Current estimates are that there would not be storage difficulties within 4 weeks of a rail strike.

12. Gas. The Bacton gas terminal, which currently produces just over half of our gas supplies, relies on rail for the removal of condensate. The condensate is removed from the natural gas by the producing companies before it is passed to British Gas. There is storage for about 18 days' production at full rate of production. Once the tanks were full the producing companies would have to burn the condensate (which would be very wasteful) in order to maintain gas supplies. Deliveries of most equipment and spares would not be seriously affected, but if a strike were prolonged there could be a serious effect on bulk deliveries of pipeline for the construction of the Fourth Feeder from St Fergus.

13. Oil. In the event of a serious disruption of rail services the oil industry would expect to be able to maintain normal or near-normal supplies to most users. However, picketing could prevent consumers who are wholly dependent on rail fed supplies from being re-supplied. About 10 per cent of supply is dependent on rail, and consumers affected by picketing could include certain major industries, eg steel making and aluminium smelting. Supplies to Gatwick Airport (which is supplied only partly by pipeline) would be seriously reduced and the airport would probably have to be closed down, but the effects of this might be diminished by the use of alternative airports, or by fuelling at airports overseas.

Use of Servicemen and Volunteers

14. The Armed Forces have 50 trained railwaymen, most of whom are operationally employed overseas. This capability is inadequate to make a useful contribution and the employment of servicemen during industrial action on British Rail has been discounted. The use of unskilled volunteers would not be practicable. If retired

train drivers and signalmen were prepared to submerge Union loyalty they could be invited to volunteer, but at a risk to public safety which British Rail management would probably not accept. Even full time experienced drivers are not freely interchangeable between routes, and signal systems are too complex to be operated by the uninitiated.

Stockpiling

15. With timely warning of industrial action, there is scope for some vulnerable sectors to stockpile goods usually carried by rail (but not, for example, coal stocks for electricity generation). But there are physical limits on stockpile space, as well as attendant costs. Last minute stockpiling can depend on co-operation from railway workers - and this may not be forthcoming and even where special dumps or stockpiles are established, they are particularly likely to attract picketing action.

Other Departmental Plans

16. The Ministry of Defence (MOD) has prepared a contingency plan (PUPPER) to extend parking facilities in London parks at the request of DTp and on Ministerial authority.

17. The Ministry of Agriculture, Fisheries and Food (MAFF) plans to monitor the food supply situation.

18. The Department of Industry (DoI) would be ready to monitor effects of the emergency on manufacturing industries.

19. The Department of Health and Social Security (DHSS) has plans to pay the unemployed and those laid off through the emergency.

20. The Central Office of Information has plans for appropriate publicity and, in conjunction with the Prime Minister's Press Secretary, would advise on whether CCU should seek activation of the Central Press Unit.

21. The Post Office plans to use hired transport for trunk carriage of mail.

Emergency Powers relevant to Rail Strike

22. If a strike were declared and a state of emergency had been proclaimed and Emergency Regulations made, Regulation 16 would enable the Secretary of State to relieve BRB, LTE, Tyne and Wear PTE and the Greater Glasgow PTE of their commitments as public carriers, and Regulations 25 and 26 would enable him to make directions as to carriage respectively for goods and passengers.

23. Further relevant powers include -

Regulations 6 to 15 - These cover relaxations of restrictions as to use of road vehicles and permit more extensive use by existing drivers, troops and volunteers.

Regulation 29 - To requisition chattels - eg road haulage vehicles.

Regulations 35 to 37 - Provide the necessary supplementary powers for dealing with offences.

24. The draft Emergency Regulations include provisions enabling the supply or consumption of electricity and gas to be controlled, but in an emergency the Secretary of State for Energy could instead rely on the powers exercisable when an Order in Council under Section 5 of the Energy Act 1976 is in force to control the production, supply, acquisition or use of crude liquid petroleum, natural gas or petroleum products and any other substance used as fuel, or electricity.

Ministerial Decisions to be taken in a Rail Strike

25. In the event of industrial action on the railways, the most important Ministerial decisions to be taken would probably be -

i. what steps to take by exhortation and traffic control to alleviate problems in London;

ii. if and when to set up the DTp emergency transport organisation;

- iii. if and when to activate the Central Press Unit;
- iv. whether to obtain an Order in Council under Section 3 of the Energy Act 1976 to control the use of fuel;
- v. if and when to proclaim a State of Emergency and to make Emergency Regulations;
- vi. which particular Emergency Regulations should be used and when.

POSSIBLE INDUSTRIAL ACTION BY POSTAL WORKERS

Note by Officials

THE RISKS OF INDUSTRIAL ACTION

1. Pay negotiations between the Union of Communication Workers (UCW) and the Post Office (PO) are in an early stage, the Union having rejected a 6% offer made in response to their claim for 20%. A further meeting is being held during the week ending 10 April. Meanwhile the Chairman of the Post Office (Mr R Dearing) believes an all out official strike is unlikely; it is more likely that initially the workforce would take unofficial action at a number of key centres which would have a disruptive effect on the mail system as a whole, but would not close it down completely.

THE CONSEQUENCES OF INDUSTRIAL ACTION

2. If support for a national strike were strong, no movement of mail would occur at all. The PO would suspend the various postal services in stages in the days before the strike, and letter box openings would be sealed to prevent posting.

3. Telegram services would be suspended but if, as happened in 1971, the Union provided volunteers, a "life and death" service would be maintained.

4. At the 1585 Crown Offices, counter services would be suspended save, probably, for the payment of pensions on certain days by UCW volunteers. (On the 1971 pattern pensions would virtually be assured, although payment of child benefits etc would be patchy, according to individual UCW members' attitudes.) However the PO hopes that the inconvenience of this would be substantially offset by the indefinite continuation of Giro and agency work, including the payment of pensions at sub-offices, funded for the purpose by local head postmasters. Not only do the 20,500 sub-postmasters not belong to the UCW, but they are most unlikely to support a UCW strike. Suitable arrangements for vehicle licensing would need to be made with Department of Transport, according to the pattern and duration of the strike.

13 April 1981

MEANS OF ALLEVIATING EFFECTS OF INDUSTRIAL ACTION BY POSTAL WORKERS AND
STATE OF DEPARTMENTAL PLANS

Potential of managerial/supervisory staff

1. The support of senior managerial staff has been and will continue to be vital in maintaining counter stock and cash and combating selective industrial action. The support of junior management and supervisory grades would be in doubt since they would be under pressure as members of the Council of Post Office Unions which includes UCW.

Stockpiling

2. Limited action is possible in making arrangements for extra holdings of counter stock and supply of cash at, or for distribution to, sub post offices.

Servicemen

3. The use of troops to provide a national postal service has not been planned since numbers are insufficient (150,000 postal workers currently employed) and their aid would be ineffective. There would almost certainly be sympathetic action by telephonists and a refusal by railway workers to handle mail processed by soldiers. It was shown during the 1971 UPW strike that the country can get by without a postal service, but this was probably due to the fact that the Telecomms Business was able to keep the telephone service going at almost normal levels. However, if the UCW ever withdrew both its postal and telephonist members at the same time (with or without the support of the Post Office engineers) the country would face a totally different situation and a basic restricted postal service might become essential, in which the military may need to play a role. It is considered that any plan would best be developed on an 'ad hoc' basis in the light of circumstances prevailing at the time. Equally the Post Office's standard plan for the conveyance of mails in the event of a rail strike could be adapted for military use in the event of civilian contractors being unavailable.

Volunteers

4. In addition to any civilian volunteers for whom Ministers decided to appeal, 'private' postal services (see 6 below) might be started up. By

fortunate circumstances, Post Office counter services are provided by two entirely different bodies of staff (in Crown Offices and sub-offices respectively) who, although both are represented by constituent bodies of the Council of Post Office Unions, might be unlikely to act in concert on a pay issue and who therefore tend to provide alternatives each for the other.

Priorities

5. So long as movement was possible, a system of priorities would operate, eg First Class mail and premium services such as Datapost would have priority over other kinds of mail.

Alternative services

6. Currently (until the passing of the 1981 legislation) the Post Office monopoly can, on a request of the Post Office, be relaxed by the Secretary of State to allow private carriers to operate letter services; experience during the 1971 strike of such services was disappointing. We understand that the Post Office do intend to seek such a waiver in the case of major disruption, and prospects now may be more promising than they were a decade ago. Sub post offices and Government Departments could provide augmented agency facilities, eg Department of Health and Social Security, and licenced

State of Departmental plans

7. In the event of a full strike of rank and file postal and counter staff the PO has plans for -

- i) running down postal services prior to onset, and subsequently clearing mails in the transport system to minimise the initial impact of the strike through minimum postal traffic arrears;
- ii) providing minimal services for staff reporting for work;
- iii) safeguarding mails, stock and cash, securing buildings, sealing posting boxes, etc;
- iv) clearing documents to and from counters - eg at sub post offices - which remain open and providing emergency supplies of cash and stock for them;

v) restricting services (or relaxing certain requirements, eg in the rules regarding National Savings transactions) as the situation demands;

vi) paying pensions and allowances at other than the designated offices;

vii) continuing payment of pensions and allowances in the absence of renewal order-books.

8. Arrangements for diversion of work and/or restriction of services would apply progressively according to the way in which the situation developed.

9. A postal civil emergency communications network exists and Headquarters, Regional and local Controls would continue to be manned for daily reporting and control purposes.

10. The options for giving practical assistance to the PO to keep mail services running are very limited. There is little scope for the use of untrained manpower in this situation. From a national point of view the best thing would be to take the remedy out of a PO context altogether and allow the public to make whatever informal and individual arrangements they can for sending messages and transmitting payments, (in the 6 month long Irish postal strike in 1979 a variety of imaginative devices were adopted, some of them irregular, some not.)

POSSIBLE INDUSTRIAL ACTION BY TELECOMMUNICATIONS WORKERS

Note by Officials

THE RISK OF INDUSTRIAL ACTION

1. The present pay agreements for British Telecommunication (BT) workers expire at the end of June 1981, although BT's chairman hopes to have concluded new agreements with all the telecommunications unions before that date. In their 1981/2 External Financing Limit (EFL) BT have assumed a pay settlement of 11 per cent (7 per cent basic plus elements for increased productivity and London Weighting). Ministers have urged the chairman to keep the increases within single figures, including any provision for increased productivity.
2. No offer has yet been made to the unions; nor are the unions' intentions known. The BT chairman has told the Secretary of State for Industry that he will take a strong line on pay as long as this does not run into a 'damaging situation' for the business. BT expect that the negotiations could well be difficult in view of increases elsewhere in the public sector but much depends on the average level of public sector increases at the time of the negotiations.
3. Hostility to the proposals for liberalising the telecommunications monopoly could strengthen the position of militants within the Post Office Engineering Union (POEU). At the same time, the chairman has indicated that he intends to counter threats of industrial action by emphasising that this only strengthens the case for further reduction of the monopoly. The POEU Annual Conference will be held 1-5 June.
4. The present position therefore is that industrial action in telecommunications cannot be ruled out but it is difficult to say at this stage just how great the risk is and what the degree of disruption could be expected, although any action would almost certainly be selective.

THE CONSEQUENCES OF ALL-OUT INDUSTRIAL ACTION

5. The main union is the POEU, representing the engineering, technical and allied grades. Telephonists and telegraphists belong to the Union of Communication Workers (UCW). Other unions are the Civil and Public Servants Association (CPSA) (clerical), Society of Civil and Public Servants (SCPS) (administrative supervisory and management), Society of Post Office Executives (SPOE) and Post Office Management Staffs Association (POMSA) (management).
6. An all-out strike by the POEU would not lead to an immediate cessation of telecommunications services but lack of maintenance would cause severe progressive degradation amounting at different times and places to interruption. BT would attempt to minimise the damage by using supervising and managerial grades to keep exchanges in operation (although SPOE may try to ensure that its members do their normal work only) and, where possible, by isolating faulty equipment and by alternative routing. In the absence of precedent, BT cannot give any precise estimate of the rate of degradation but consider that after 3 weeks the general position would quickly become intolerable.
7. Independent Television (ITV) outside broadcasting would be hit and there could be a problem in switching between London Weekend and Thames broadcasting services.
8. An all-out strike by UCW workers would result in the cessation of all telephone operator services, including calls to countries to which automatic dialling has not yet been extended (representing about 5 per cent of present international traffic). As UCW staff empty telephone kiosk coin boxes, the kiosks could be put out of action by overfilled boxes except possibly for emergency calls.
9. Action by the CPSA and/or the SCPS, whose members handle inter alia computerised billing, stores distribution etc, would result in severe internal administrative and cash flow problems and affect the provision of services to new customers, issue of equipment for repairs etc. The interruption of the central computer services would also affect agency services, especially the London Airport Cargo Handling System (LACHS), Giro and broadcast receiver licensing.

10. The POEU has so far always given notice of intended action and reached agreement with management on the services to be maintained. Both the POEU and the UCW would probably co-operate in maintaining "essential" services, including the 999 operator service and "life and death" telegrams. However vital defence circuits might not be maintained.
11. There is no precedent for assessing the full national implications of a prolonged all-out strike of telecommunications workers. However, BT estimate that over 50 per cent of telephone calls are for "business" purposes: clearly a rapid decline in the telecommunications services (voice, telex, data transmission) would create very serious administrative problems and create severe difficulties for industry and commerce including export business.

POSSIBILITY OF SELECTIVE ACTION

12. Because they have no strike fund, POEU tactics would probably be to cause maximum disruption at minimum cost in staff called out. This could well mean constantly changing targets. Particularly vulnerable operations could be large telephone exchanges where one building contains a number of units, circuit switching control and large repeater stations servicing numbers of major routes. ITV broadcast switching is another possible target but BT believe that the POEU would be reluctant to take this action for fear of alienating the general public. Selective stoppages would probably be accompanied by a general ban on overtime and a withdrawal of co-operation in productivity improvement and field trials etc.
13. International services are particularly vulnerable to selective action as the international exchanges are concentrated in a small number of buildings and satellite services are routed through two earth stations. The cost of interruption to these services, in terms of loss of revenue and of damage to export business, would be high. Crippling difficulties could be caused by the withdrawal of only a small number of staff at a few locations.
14. Links with North Sea installations would appear to be another vulnerable area. The Department of Energy emphasise that BT play an important role in providing telecommunications and telemetry facilities

between on-shore bases/terminals and off-shore installations. The loss of these BT services could well result in production cutbacks, would greatly hamper the movement of personnel and materials and lead to reduced levels of operational safety.

15. Otherwise BT consider that a selective withdrawal of POEU labour would not cause widespread national disruption of the network: the effect would be delays in clearing individual faults and a gradual deterioration of automatic service in the areas affected. The provision of new facilities and services would be delayed. Selective action by UCW staff could result in increased delays on operator controlled calls and on telegrams in the affected areas. Given the effectiveness of withdrawing the comparatively small number of staff involved in centralised computer operations, the results of CPISA/SCPS selective action could have similar consequences to those described at paragraph 9.

16. BT's contingency planning against industrial action is summarised at Appendix 1 attached.

CONCLUSION

17. It is too early to assess the risk of serious disruptive action by the telecommunications unions. Any such action is likely to be selective. BT have extensive plans against industrial action based on previous experience but their success depends on co-operation from management and supervisors, which may not be forthcoming. Selective action by the POEU is unlikely to lead to a breakdown of the national network but there could be serious disruption in affected areas, with the highly profitable and vital international services particularly at risk. There would be lengthening delays in installing new equipment and services and carrying out repairs. BT should be better prepared to cope with the administrative problems arising from a recurrence of CPISA/SCPS action, although cash flow and customer services could still be quite seriously affected.

13 April 1981

MEANS OF ALLEVIATING INDUSTRIAL ACTION BY TELECOMMUNICATIONS WORKERS

1. BT have extensive contingency plans against the risk of industrial action. The chairman has commented that he is satisfied that the risks have been comprehensively reviewed and that counter-measures have been intelligently planned and, where appropriate, set in train. The plans are based on an analysis of previous POEU action and the Irish post office engineering action of 1978-79 and of the specific alternatives open to BT in each case to counter such action. A Civil Emergency Group, reporting to a Deputy Managing Director, has updated written plans issued to field management.

2. In the event of action, an Operational Control Group would meet daily under the Deputy Managing Director. A full Emergency Message Control Centre (EMCC) operated by managerial/supervisory staff at BT HQ is linked with Regional EMCCs by private circuits providing speech and facsimile facilities.

3. BT's contingency plans against severe disruption define objectives in the following priority order -

- a. to establish and maintain effective BT and Governmental control communications, including the necessary manning of Government switchboards;
- b. maintain "life or death" services;
- c. to maintain service to category 1 subscribers in the Telephone Preference Scheme. Category 1 lines are those considered vital to the prosecution of war and to national survival and include transport control, broadcasting, energy supply, food and agriculture, health, essential national government, military establishments and police;
- d. to maintain trunk and junction network at full efficiency;
- e. to maintain telex and essential private services eg data links, circuits for broadcasting authorities;

f. to maintain service to category 2 preferred subscribers ie those additional lines considered necessary to maintain the life of the community during a civil emergency. These include local government, employers' associations, the judiciary, newspaper industry, other lines for food and agriculture, transport, health, safety, Government etc;

g. to keep call offices available for emergency calls;

h. to maintain non-essential services.

4. If there were a lengthy all-out POEU or UCW strike, it is conceivable that objectives a. and b. might be met by supervisory staff.

5. BT's ability to mitigate the effect of industrial action by the POEU or UCW would depend to a considerable extent on the attitude of junior and middle management, who have a key part in the contingency plans. If these grades refused to co-operate in maintaining operations, and SPOE at least would probably discourage members from undertaking work normally done by POEU engineers, the situation would be made more difficult. The BT tactic would be to maximise the impact on the POEU membership by sending as many home as possible, even at the cost of temporarily worsening services to the public.

6. There is no way in which the centralised computer installations could be kept in operation in the face of determined CPISA/SCPS action. However, useful experience was gained in 1979 and it should be possible to introduce manual billing of large business customers, who perhaps account for 50-75 per cent of BT's revenue, much more quickly. BT also have contingency plans against the disruption of the computerised distribution of stores from the central depots, including arrangements for equipment to be supplied direct from contractors.

7. It would not be practicable to use volunteers to carry out work normally done by POEU members. It is possible that volunteers and some servicemen could be used to man the 999 service should the UCW depart from their past practice of co-operating in its maintenance. However, the enrolment of volunteers should be carried out only if their need was confirmed.

8. Where appropriate, BT have pre-emergency work in hand. For example -

- where possible potential trouble makers are moved to less sensitive installations
- local supervisors and managers are being involved more directly in day-to-day work of operating major installations
- additional POEU staff are being given experience of key jobs thus increasing the cost to POEU of calling out key men
- provisional arrangements are being made with European Post Offices to earmark extra circuits against the possibility of POEU action at key radio stations
- regions have been warned to collect their own stores in the event of action at supply depots
- plans have been made in some peripheral cases (eg cable ship operations, computer power plant maintenance) to put work out to contract
- ways are being studied of reducing the vulnerability of new systems to industrial action.