

Ref. A09019

PRIME MINISTER*original filed on: -  
Transport: BR notes: p 5*Industrial Affairs

There are two items for discussion, viz:-

- a. British Railways; and
- b. the National Health Service dispute.

British Railways

2. As expected, the intervention of the Advisory, Conciliation and Arbitration Service got nowhere. ASLEF insisted that it would call off the strike only if the existing flexible rosters were withdrawn and proposed that subsequent negotiations should centre on other more efficient (but unspecified) ways of rostering footplate staff. The BRB for their part insisted that if ASLEF returned to work, those flexible rosters which had already been introduced should be worked ie. that ASLEF should accept the principle of flexible rostering. Not surprisingly, ACAS found it impossible to devise a compromise.

3. The British Railways Board therefore announced this afternoon that the railway network will be closed from Wednesday, 21 July, and that those drivers who remain on strike on Tuesday, 20 July, will be dismissed. The Board has, however, agreed, in response to the discussions which the Secretary of State for Transport had had with them, as reported in the Chancellor of the Exchequer's minute to you of 13 July, that where a useful train service can continue to be operated the network will be kept open. The staff who are laid off as a result of the closure of the rail network will initially receive basic pay, as provided for in the 1919 Guaranteed Week Agreement. But the Board intends to review that during the course of next week, and they clearly do not rule out the option of lay off without pay, despite the legal risks involved.

4. The main question at this stage is the impact of dismissal on the resolve of the strikers to continue with the dispute. The Board will be primarily concerned to ensure that the public and the trade union movement continue to regard the dispute as primarily industrial, and that attempts to present it as

*President*

an attack on ASLEF, and therefore on the trade union movement, do not succeed.

5. The Chancellor of the Exchequer's Group on Current Industrial Disputes (MISC 80) has the situation under constant review. MISC 80 is also considering, against the possibility that dismissal might not have the desired effect, what the next steps might need to be. Consideration is being given to the possibility of bringing together a substitute force of train drivers - or at least giving the impression to the strikers that this is a practical possibility - as one way of further undermining their resolve; and also to what limitation might be placed on the extent of the Government's financial guarantees to the Railways Board. In due course the Group will also need to consider, and the Secretary of State for Transport will need to discuss with the Railways Board, how this dispute is to be brought to an acceptable conclusion.

6. There have been press reports that some ASLEF drivers on London Transport might strike in sympathy if the British Rail ASLEF drivers are dismissed. The Civil Contingencies Unit is monitoring closely the traffic situation in London and what might be done to provide extra parking spaces; and already has well in hand an urgent study of the measures that might be taken if there were to be simultaneous all-out strikes on LT and BR in the future, drawing on the experience gained earlier this month.

#### The National Health Service

7. The Nurses and Midwives Whitley Council met yesterday, but pay was not discussed in any detail. As argued in the minute to you of 12 July from the Secretary of State for Social Services, the Government's only option now seems to be to stand firm in the face of continuing industrial action, and make every effort to emphasise that the current pay offers to the NHS are far from unreasonable. An early settlement of the dispute seems unlikely.

8. Again, MISC 80 and the Civil Contingencies Unit are keeping the situation under close review.

HANDLING

9. You will want to invite the Secretary of State for Transport to report on the latest situation on the railways and how things are likely to develop over the next few days. The Chancellor of the Exchequer might be asked to report on the work which is in hand in MISC 80 and the Home Secretary on the CCU aspects.

10. On the National Health Service, you will want the Secretary of State for Social Services to report on the latest position.

CONCLUSIONS

11. The Cabinet need only take note of the position in relation to either dispute.

A handwritten signature in black ink, consisting of the letters 'RA' in a stylized, cursive font.

ROBERT ARMSTRONG

14 July 1982