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Prime Minister ✓

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Mr Howell will also be ~~pre~~ enquiring 8

MR. SCHOLAR

from Sir P Parker about Mr. Hoskyns
Mr. Duguid

the impact of the Board's

ASLEF DISPUTE

position on ASLEF earnings and days/hours worked. M/S 12/2

Sir Peter Baldwin held a meeting of officials this afternoon to discuss the ASLEF dispute, I believe at Sir Robert Armstrong's suggestion. I attended along with Bill Ryrie, Robin Ibbs and Douglas Smith. There are not quite enough new developments to justify Mr. Howell reporting to the Prime Minister over the weekend, but I undertook to pass on the gist of them. We concentrated almost entirely on the handling of the aftermath of the McCarthy Report.

It is known that McCarthy will be composing his report today and tomorrow, and will transmit it to his two colleagues on the Inquiry on Sunday. All three will meet on Monday, and if they agree, the Report will be printed on Monday night and delivered on Tuesday morning. It is a reasonable assumption, therefore, that Ministers need not meet before Tuesday to consider their reaction to the Report.

meeting arranged for Tues, at 1715 M/S

The Report goes to ACAS, who are expected to use it as the basis for extensive consultations with the parties concerned. The ASLEF Executive are likely to go into a long period of internal consultation before deciding whether to participate in further ACAS talks. The Report will be available to the Government as soon as it reaches ACAS. The British Railways Board meet on Tuesday afternoon, and are likely to decline to comment on the Report until they have met.

We have no firm information as to what the Report will say. Officials expect that it will say that British Rail is formally wrong to withdraw the 3%, and that it may say that ASLEF have not honoured their August commitment. It is very likely to urge an end to industrial action. Beyond that, its recommendations will be a mixture, which we cannot at present predict, covering the payment of the 3%, introduction of the 39 hour week, flexible rostering, and the use of the negotiating machinery.

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BR are taking steps to establish the climate of opinion among ASLEF staff, and some information on that should be available on Monday morning. The same official group is standing by to meet again on Monday afternoon if that seems likely to be useful.

The only decision taken so far is that Mr. Howell will speak to Sir Peter Parker, with whom he is of course in regular contact, on Monday morning. He will ask what the Board's assessment of ASLEF opinion is; he will say that he hopes that however BR play the immediate negotiations following the receipt of the McCarthy report, they will avoid committing themselves precipitately until Ministers have had a chance to consider the Government's position; and he will reassure Sir Peter Parker that there has been no change of attitude by the Government towards the dispute.

J.M.M. VEREKER

12 February 1982

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