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 DEPARTMENT OF TRANSPORT
 2 MARSHAM STREET LONDON SW1P 3EB

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Prime Minister (2)

MUS 16/7

John Kerr Esq
 Private Secretary to
 The Rt Hon Sir Geoffrey Howe, QC, MP
 Chancellor of the Exchequer
 HM Treasury
 Parliament Street
 LONDON SW1

16 July 1982

Dear John,

MISC 80

In the light of yesterday's MISC 80 meeting, my Secretary of State met Sir Peter Parker, Mr Reid, Mr Rose and Mr Urquhart this morning. The following key points emerged:-

- (a) They would reconsider their decision to sack only those on strike on Tuesday, 20 July and thereby lose the protection of Section 62. They made no promises however.
- (b) Provided they could run recognisable, saleable, regular and timetabled passenger services next Wednesday, then they would do so. BR's regional managers would be assessing the position over the weekend and detailed guidelines for the criteria to be used in deciding whether or not to run services would issue early next week. Merry-go-round trains would be operated if at all possible. Much depended on the co-operation of other unions.
- (c) They were thinking about the possibility of substitute train drivers but given the sensitivities they wanted first to assess what sort of railway could be provided next week. Only after the railway was actually closed would they develop such an initiative in detail, but we will be bringing ourselves up-to-date on where they have got to.
- (d) They recognised all too well the possibility that proposals for resolving the dispute might be put forward without warning from a number of quarters. There would be heavy pressure from other unions to solve the dispute by splitting the difference between their present position and ASLEF's present position. This was not acceptable. Lord McCarthy's

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report (RSNT 77) already represented the outcome of protracted negotiations and intensive bargaining between the Board and ASLEF. The Board would not be prepared to move away from it.

My Secretary of State will report further in the event of any major developments.

I am copying this to the Private Secretaries to the Prime Minister, other members of MISC 80, Sir Robert Armstrong and Mr Sparrow.

Yours,

Anthony Mayer

R A J MAYER
Private Secretary

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DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

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Prime Minister

(2)

You asked about

his letter - which

is not now required.

20 July 1982

M/S 20/7

Dear John,

STANDING BEHIND BRITISH RAIL'S LIABILITIES

Further to my letter of 16 July to you I now confirm that in the light of the ASLEF strike being called off there is now no need to send any letter to British Rail confirming that the Government continues to stand behind the Board's liabilities.

I am copying this letter to Michael Scholar and David Wright.

Yours,

Anthony Mayer

R A J MAYER
Private Secretary

Transport

PRIME MINISTER

MB

BR DISPUTE

The latest situation is as follows. The TUC have been talking with ASLEF for the last 24 hours. The package that the TUC have come out with is strongly in favour of the ACAS proposals which are in line with BR proposals. The proposals are in four stages.

1. That BR withdraw dismissal notices and that ASLEF call off the strike.
2. That flexible rosters in the 70 depots should remain up and be worked, but that no more rosters should be posted in other depots for the time being.
3. ASLEF accept the McCarthy report.
4. That the ASLEF Delegate Committee should recommend to the Conference that the McCarthy report should be accepted by 2 August 1982.

ASLEF are now in discussion with ACAS concerning the TUC package.

The Department of Transport will submit any advice or further developments as and when they happen. But the consensus in the Department is that ASLEF will be unable to accept the proposals.

Vanessa.

17 July 1982