PSO No 1201 Copy No 1 of 1 Transport DEPARTMENT OF TRANSPORT 2 MARSHAM STREET LONDON SW1P 3EB 01-212 3434 Prime Mim3ter SECRET AND PERSONAL The BRB will need to maintain My robustness of July Michael Scholar Esq Private Secretary to the Prime Minister in the face of this. pers 10/9 10 Downing Street LONDON SW1 10 September 1982 Dear Michael. THE RAILWAYS

We now understand that Lord McCarthy's Railway Staff National Tribunal report on railmen's pay for 1982/83 will be published on Monday, 13 September.

There must, of course, be some degree of uncertainty until we have seen a copy of the actual report. But it seems virtually certain that the Tribunal will recommend a 6% pay increase effective from the beginning of this September. This is equivalent to a year on year increase of about 3½%. (The BR pay year is from April to April). We also believe that the Tribunal will say, firmly, that the NUR should agree to the Railways Board's proposals for single-manning on the electrified Bedford-St Pancras service. The problem, however, is that the report could well prove to be much weaker than had been hoped on the unions' delivery of the four other productivity items outstanding from last year's pay settlement. If so, that would present a most difficult issue for the Railways Board, and my Secretary of State has arranged to see Sir Peter Parker on Monday afternoon to learn what view they take.

It is unlikely that there will be any immediate, formal union response, especially from the NUR (on whom the outstanding productivity items bear most heavily). They are committed to putting the McCarthy Report to a reconvened Annual Delegate Conference which is unlikely to meet before 13/14 October.

I shall arrange for you to have a copy of Lord McCarthy's report as soon as possible.

Your,

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R A J MAYER Private Secretary