

SECRET

29 June 1982

Policy Unit

PRIME MINISTER

After the NUR climb-down, the decision by ASLEF to call an all-out strike on the question of flexible rostering emphasises how hopelessly unresolved the situation remains, and how the pressure on the Government to do something radical about British Rail is likely to increase as the summer wears on.

I attach an outline of how we might tackle the problem of making BR economically viable by first neutralising the political obstacles to change.

FM

FERDINAND MOUNT

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