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Home Affairs.

Ref. A0297

MR. LANKESTER

Inner London Magistrates Courts Strike

The Prime Minister is discussing this with Mr. Whitelaw and other Ministers on Wednesday and you asked for a short brief.

2. The main issue is whether to make further concessions in order to end the dispute, or to stand firm. Mr. Whitelaw earlier reported that the present minimum level of operations could in theory be continued without disaster. If this is right, standing firm remains a viable option though Mr. Whitelaw (and the Lord Chancellor) may prefer to bring the dispute to an end by making some concessions.

3. There are three possible concessions:-

(i) Bringing forward the 5 per cent offered for November to October. This was one of the two main sticking points with the unions. The real difficulty is the possible repercussive effect on the industrial Civil Service. It may be that the settlement would still look sufficiently different from the Civil Service offer (e.g. with a different final stage) to avoid repercussions. This is essentially a matter of judgment, on which the Prime Minister will want Lord Soames' views.

(ii) A commitment to the implementation of the results of the ACAS inquiry (the other main sticking point with the staff). Mr. Whitelaw suggested at the meeting last week that he should tell the staff that following the inquiry they would be no worse than the staff outside London. Clearly the Government would be reluctant to go further than this and the Prime Minister had doubts whether it should go so far. What is needed is a judgment about the minimum the staff would accept so that the Government can decide whether the price of peace is too high. Mr. Whitelaw is best placed to offer advice on this.

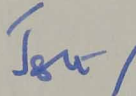
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(iii) To agree that the results of the separate inquiry should be implemented for the next settlement - i. e. in July 1980. For the current round the staff would be expected to follow the settlement outside London - i. e. including the Clegg recommendations. We understand Lord Soames may be ready to agree to this, as it avoids most of the immediate repercussions on the Civil Service. On the other hand it defers rather than solves the underlying issues.

4. So in order of decreasing firmness, the main options are:-

- (a) standing firm;
- (b) option (iii) above, perhaps combined with option (i);
- (c) a combination of options (i) and (ii) above.

5. One final point. If Ministers are minded to make concessions, the question of their timing needs careful consideration. Arguably any signal of "softening" by the Government would be maladroit until after the engineers' dispute has come to an end.


(John Hunt)

25th September, 1979