

Civil Service



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### 10 DOWNING STREET

Prime Minister. Civil Service Dispute.

July 2.

The question of withdrawing the offer, or refusing to back-date it if not accepted, must be linked with the possibility of a Ballot of the various Unions.

This is a complicated subject, and I suggest it should be discussed at an early date. Would you like a paper setting out the options, and likely results, if Management do take a Ballot on the present offer?

On a different point, there are those who are saying that an extra half a percent might secure, or have secured, a settlement. It should be pointed out that the latest Union Demand is still of the order of 15%. You could go on to say that if the Unions were asking for 7½%, the government would have to consider their response. It is one thing to agree a demand of an extra ½%, another to offer it without the other side being near your figure in the first place.

Jim Prior doesn't like the idea of a ballot, but it hasn't been properly considered as a part of an escalation strategy. If we are going to escalate, we should consider again all the weapons available, not fire "no backdating" or "withdrawal of offer" on its own if a Ballot adds strength without increasing the risk by too much.

Daint W.