

100. CSE.

Collection Offices

IR.

PRIME MINISTER

Refusing to do normal work.

Normal duties to banks  
receipts at risk  
Rep. Offices piloted.

Civil Service Pay Dispute

The Chancellor wishes to raise this in Cabinet again tomorrow. It was left at last week's Cabinet that he should do so as necessary; but it is unsatisfactory that - once again - he has not circulated any note. Furthermore, Lord Soames is of course still away.

The Chancellor is apparently now more convinced than he was last week that the Inland Revenue should suspend staff who refuse to take on work which would normally be done by the two computers which are out of action. As I understand it, he is concerned about management morale, and that, unless action is taken, the 80% of the normal revenue now coming in will be put at risk.

We seem to have two alternatives. Either, we tell the Chancellor that he can raise this in Cabinet - in which case Mr. Hayhoe would need to attend. Or we have a meeting early next week with the Chancellor, Lord Soames and Mr. Prior.



PM YES

100 people.

40%

TL

TL

delayed.

Real damage would be to expedite inflationary pay settlement.

25 March 1981