

NOTE FOR THE RECORD

The Prime Minister spoke on the telephone with the Home Secretary at 1620 hours about the Inner London Magistrates Court strike. They discussed the proposals set out in Mr. Chilcot's letter of 31 August.

Mr. Whitelaw said that the union and management sides had reached agreement on Friday. This involved paying out less money, at least initially, than for the clerks outside London. The only difficulty, as far as he was concerned, was that they had agreed the setting up of a working party to make recommendations on the timing and amount of a final stage for the settlement. However, he felt that the Government's position would be fully protected if he were to reserve totally his position on the working party's recommendation. This meant that there was still the risk of a strike in January when the working party reported; but he and the Lord Chancellor were convinced that it was best not to veto the settlement which the two sides had agreed and take this risk of further industrial action later. The Lord Chancellor in particular was worried that the courts would soon come to a standstill. If he were to veto the settlement now, the Government would certainly be blamed.

Mr. Whitelaw went on to say that the C.S.D. were naturally worried about the possible repercussions for the industrial civil servants. However, the court staff were not industrials, and therefore he could not see that there was much substance in their worry. He therefore proposed:

- (i) to accept the amounts of money in the settlement;
- (ii) to state that the Government had an absolute right to refuse to accept the recommendations of the working party.

/ The Prime Minister

The Prime Minister said that she could not accept this. Even though the Home Secretary might reserve his position on the working party's findings, nobody would take this seriously. But in fact, she was less concerned about the working party than about the staging in the proposed settlement. The second stage payment in October was more favourable than the second stage for the industrial civil servants; and this was bound to have the repercussions which the C.S.D. feared.

Mr. Whitelaw said that he could only veto the offer, which was in fact more or less in line with the settlement for the clerks outside London. The Prime Minister responded that there was no case for necessarily copying another bad settlement. If the Inner London offer was approved, this would put C.S.D. Ministers in an impossible position with the Civil Service industrials - who would then ask for similar treatment. The Prime Minister asked that the issue be put to E(EA) Committee, which was meeting on Thursday.

Mr. Whitelaw then said that if there was any delay in confirming the settlement, the matter would immediately be blown up in the Press. It would be much better to reach a decision at once. He therefore hoped that the Prime Minister would agree to a much earlier meeting.

The Prime Minister said that she would be willing to hold a meeting later that evening, but she did not hold out any hope that she would change her view.

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3 September 1979