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Original returned to John Verket,

cc: Mr. Ingham
Mr. Wolfson
Mr. Duguid

PRIME MINISTER

Civil Service Industrial Dispute, 20 May

There are no major new developments in the dispute today, but one or two points of which you may wish to be aware:

1. An attempt will be made tomorrow evening to get the nitrogen into the DVLC in Swansea. If this is obstructed by staff, disciplinary proceedings will be taken, followed if necessary by a court injunction.
2. The absence of industrial action in the Civil Aviation Authority today appears to be due to a mistake on the part of the Union, and they are likely to compensate tomorrow by taking action at the London Air Traffic Control, Gatwick, Heathrow and Manchester. The CAA staff voted originally for a five week programme of action, which does not expire - unfortunately - until the end of the Bank Holiday week; thereafter, a new ballot will be needed.
3. Although the position has not significantly changed at the Passport Office, there is considerably increased newspaper interest in the effect of the dispute on holiday makers. I understand that the FCO have certain plans, including the extension by six months of passports which have expired, and the agreement of the United States Government to the use of British Visitors Passports for tourists visiting the United States, which can be publicised shortly in order to show that the Government is coping with this particular aspect of the strike. The vast majority of those who apply in person to the Passport Office are receiving their passports the same day.
4. The Financial Times has a well informed report this morning to the effect that the Government is considering whether to raise its offer by up to $\frac{3}{4}\%$, which could be accommodated within

/ the cash limit

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the cash limit because of a faster-than-expected rundown in manpower; this is distinctly unhelpful, and at my suggestion Mr. Ingham reminded the Lobby this morning that you had said in the House yesterday that the Government believed that the maximum that can be found within the 6% cash limit is some 7%, and he discouraged the idea of more being available.

5. McCall, the General Secretary of the IPCS, is reported today as telling his conference yesterday that there was a substantial shortfall on the strike levy. He apparently said that the campaign was now costing the unions £600,000 a week, and Mr. Hayhoe has asked for as much information as possible to be gathered on the state of the unions' finances.

6. Mr. Hayhoe's group has completed an assessment of the likely support for and effect of a one week strike if that were called for the beginning of June. The broad conclusion is that departments would expect the response to be less than that for the one day strike which took place on 9 March, and perhaps as low as 30%. Departments are making contingency plans, and no insuperable difficulties are foreseen, but there would of course be some interruptions to payments of pensions and of unemployment benefits, and in general the recovery period after the industrial action would be lengthened.

J.

20 May 1981

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