

Relts

PRIME MINISTER

② This can be turned to advantage. AT 20/6

20 June 1985

LIVERPOOL

We are hearing rumours of an interesting new possibility in Liverpool.

It appears that the local militant leaders of NALGO, NUPE, GMBATU and other public service unions may be planning a strike in the near future.

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Such a strike would serve three purposes:

- i. It would cause considerable inconvenience. One union leader is reported to have talked about "bringing the city to a halt".
- ii. It would relieve the council of the need to pay its workforce. Even a few weeks of strike would enable the Treasurer to balance his books for some time to come: the unions and the DHSS would, in effect, be subsidising the council.
- iii. It would enable Mr Hatton to say that the breakdown of services was caused not by the council's financial irresponsibility, but rather by "democratic" trade union opposition to the Government's policies.

This is, in short, just the sort of wheeze that might get the council off the hook - though there are plenty of pitfalls: the unions may not be able to bring their members out; the union laws could be used; the explicitly political nature of the action may make it unpopular with local residents; and councillors may find it difficult to control events once the strike starts. Everything depends on how the different parties handle publicity.

We shall keep you in touch with further news as it arrives.

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