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*cc D. Sosla*

DEPARTMENT OF HEALTH AND SOCIAL SECURITY

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*From the Minister of State for Social Security*

The Rt Hon. Nigel Lawson MP  
Chancellor of the Exchequer  
HM Treasury  
Parliament Street  
London SW1P 3AG

22 August 1984

*WBPM  
pending  
Rogers visit with  
in hand 31/8-*

*In Nigel,*

THE DHSS NEWCASTLE SHIFTWORKING DISPUTE

In Norman Fowler's absence I thought I should let you know about our thinking on the handling of this dispute, now in its 15th week. Norman wrote to the Prime Minister on 13 July and this led to two days' talks at ACAS, in itself an unprecedented step. Since then officials here have twice conducted extensive and prolonged negotiations direct with the Unions but attempts to obtain a settlement of the dispute broke down at a meeting on 21 August. It is a sad commentary that the CPSA national leaders, who had themselves suggested using ACAS, now seem to have dropped out of the picture, other than to act as paymasters to the 400 or so strikers who are being represented by some of the best-known militants in CPSA politics.

Our next step is to make what we have regarded as a very reasonable offer, tabled on 1 August, direct to the strikers. It is difficult to judge the response, but it may persuade sufficient of the strikers to return to work to enable us to carry out the bulk of the benefit uprating programme on time, using contingency procedures. This is of course, a most important factor in our thinking. However, we need to consider the position if the direct offer fails to persuade sufficient of the strikers to return. The next step in our minds is to seek to recruit the minimum number of new staff to be trained quickly to do the basic uprating work. I know that Norman intended to write to colleagues before taking this step because although it is the next logical step, it holds out the possibility of escalating the dispute. I say "possibility" because our assessment is that staff on other work at Newcastle are unlikely to take industrial action in support of the shift-workers and that staff in Local Offices are also unlikely to act. (Both groups have in fact done well in coping with the effects of the strike in keeping services going for the public.) However, it is possible that efforts will be made to call for support at the two computer centres, at Reading and Livingston, which make payments to the unemployed. The risks of industrial action at Reading where the unions have already made

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soundings cannot be ruled out particularly if the CPSA make strike pay available.

I think our officials have been remarkably patient in the negotiations and I think it is time for us to take the initiative by the steps I have indicated. I am copying this letter to Number 10, Tom King, members of E(PSP) and Sir Robert Armstrong. A reply by Tuesday 28 August would be necessary if we are to meet the uprating timetable.

*All good wishes*

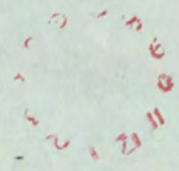
*Yours ever*

*Rle*

Dr Rhodes Boyson

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Civil Service, Long-Term For #16



29 AUG 1984