

SECRET

pa
DMS
G/12

Prime Minister (2)

To note.

4 December 1984

MR BARCLAY

DMS
4/12

NEWCASTLE SHIFT DISPUTE

Viscount Whitelaw held a meeting this morning to discuss next steps in this long-running dispute. The problem is that nobody has yet come up with a way of breaking the stalemate which is both legally secure and keeps on our side the civil servants who are working.

If we did decide to act, the best option would be unilateral variation of contract. But the risk with this is that the strikers might take us to court and win. "Government defeated in court case by Militant Tendency activists" is hardly an appetising headline. So the mood was cautious.

Fortunately, there was a good reason not to decide anything yet. The CPSA National Executive meet tomorrow to discuss whether to extend the strike. They are likely to decide against. Mrs Purvis, the activist behind the Newcastle dispute, is quoted in today's Telegraph as saying that if so, she will have to allow the 330 strikers to "reconsider". The hope is that their resolve will crumble.

Ministers agreed to meet again next week to see if the striker was weakening, and then to report to Cabinet on Thursday, 13 December.

David Willetts

DAVID WILLETTS

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