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FILE

cc CSD.

10 DOWNING STREET

From the Private Secretary

SIR JOHN HUNT

This is further to my letter of 12 September to Ian Fair recording the discussion about industrial relations at last night's meeting.

At the end of the meeting, Lord Soames suggested that consideration be given to the setting-up of a Ministerial Committee, supported by an Official Committee, which would consider how the Government should respond in individual cases to Civil Service disruption.

I should be grateful for your advice on this proposal.

I am sending a copy of this minute to Jim Buckley (C.S.D.), who will no doubt ensure that it is circulated on a strictly "need to know" basis.

T. P. LANKESTER

13 September 1979

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Subject

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CC HMT
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JFH
Mr Wolfson
Mr Hoskyns
Mr James

cc Ind P/T - Relations
legislation - May 79

10 DOWNING STREET

From the Private Secretary

12 September 1979

Dear Mr.

The Prime Minister held a meeting this evening to discuss the industrial relations situation. In addition to your Secretary of State, the Chancellor of the Exchequer, the Lord President and the Secretaries of State for Industry and Trade were present. The following are the main points which came up in discussion.

Ministerial Statements

The Prime Minister said she wanted to be sure that Ministers were adopting the right posture in relation to the current rash of industrial disputes. A balance had to be struck. On the one hand, Ministers needed to avoid getting involved in disputes by making unnecessary or inflammatory statements. On the other hand, it was important to bring home to the public and to those who were striking the effects of strike action. Ministers needed to drive home the basic message that strikes and excessive pay settlements cause unemployment. The more specific examples that could be produced the better. It was all the more essential to spell out this message since it seemed likely that the trade unions would be mounting an increasing attack on the Government on the unemployment issue.

In discussion, it was pointed out that the TUC Conference had produced hardly anything positive; but there was still a real risk that the trade unions would unite against the Government. The Government's aim should be to keep them disunited, and this meant that Ministers needed to take care with their language. Moreover, it would be a mistake to give the trade unions a pretext for breaking off their contacts with the Government - since these on the whole were beneficial. The best publicity was criticism by trade unionists themselves, but unfortunately there were few trade union leaders who were sympathetic to the Government's line. On the other hand, Ministers needed to press home the basic economic argument, and while avoiding provocation, language had to be used which would catch the public's imagination.

It was agreed that the approach outlined by the Prime Minister was the right one, and that Ministers were at present striking about the right balance in commenting on the various disputes (or as in some cases, such as British Leyland, avoiding comment).

/Media Coverage

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Media Coverage

In further discussion, it was argued that TV coverage of the current disputes was very inadequate. This was largely because the commentators and interviewers failed to ask the right questions and to point up the economic issues properly. It would be worth studying the performance of industrial correspondents over a short period, and then expose their inadequacies. It was also argued that Information Departments were not doing enough to educate and influence correspondents so as to ensure that they did ask the right questions.

X | It was agreed that further consideration should be given to how Information Departments could do more to help in this area. The Chancellor of the Exchequer and the Secretary of State for Industry should consult with the No. 10 Press Secretary and report back to the Prime Minister.

Civil Service Disputes

Lord Soames said that the Civil Service unions were becoming increasingly ready to strike, and there was little doubt that further trouble could be expected over the proposed Civil Service cuts. They were using all the techniques at their disposal - and, in particular, they were taking out on strike small numbers of key people so as to bring major services to a halt. The latest example was the dispute at the Child Benefit Centre in Newcastle.

Lord Soames went on to say that a major difficulty for Civil Service managers was that they could not lay off non-industrial civil servants without pay, and therefore it was much more difficult than in the private sector (or indeed in respect of industrial civil servants) to bring pressure on a few strikers to return to work.

In a short discussion, it was questioned whether the law really did prevent non-industrial civil servants from being laid off without pay. If that were the legal position, then consideration had to be given to changing the law; alternatively, the conditions of service of civil servants might have to be changed to allow lay off without pay.

It was agreed that these questions should be considered further by a group consisting of the Lord President (in the Chair), the Attorney-General, the Secretaries of State for Employment, Social Services and Defence and the Chancellor of the Exchequer. The group should report back to the Prime Minister as soon as possible.

I am sending copies of this to Tony Battishill (HM Treasury), Jim Buckley (Lord President's Office), Andrew Duguid (Department of Industry), Tom Harris (Department of Trade), Don Brereton (DHSS), Roger Facer (Ministry of Defence), Bill Beckett (Attorney-General's Office) and Martin Vile (Cabinet Office).

Am. m.

Tin Baker

Ian Fair, Esq.,
Department of Employment

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