MONDAY

date: 4 JUNE 1979

DOCTORS AND DENTISTS AND TOP SALARIES REVIEW REPORTS

Brian Mower of the Treasury says that the best guidance he could give on the Government's attitude to pay comes from the Conservative Manifesto. The Government do not believe they should get in detailed negotiations in the private sector or in public trading corporations. They believe that they should run a disciplined and responsible financial and fiscal policy as a basis for containing inflation and that people should operate within these parameters. The Government will make sure that everyone is aware of this policy and would expect industry to bargain responsibly within such a monetary framework. If people do not behave responsibly, firms will go bust and jobs will be lost. The Government have to take decisions on the pay of civil servants and will do so on the basis of what is right and proper for the country to afford. For other public servants, such as those working for local authorities, the line should be that cash limits will be set and if local authorities wish to pay their employees more, they will either have to raise additional money from the rates or sack people.

The future of the Comparability Board is uncertain but they will carry out cases already referred to them and the Board's findings will be abided by.

HGR

I will check with DE to see if they wish to add any guidance.