

Damn  
2cc please, v  
After  
Hys

~~Nick~~ Thanks  
MJS



B

E  
A.17 (Clegg) *working minutes*  
*sent MBOM*

CHIEF SECRETARY

Chancellor  
cc Financial Secretary  
Minister of State (L) 13  
Minister of State (C)  
Mr Cardona  
Mr Cropper  
Mr Ryrie  
Mr P M Rayner

CLEGG AND OPPOSITION COMMITMENTS

I gather from Mr Cropper that you might find it helpful to be armed with some of the background about the commitments made in opposition, not least with a view to what you say in the House in debate. The following brief notes summarise some of the key features of what was a tortuous and very complex sequence of events.

1. In the weeks leading up to election day the Shadow Cabinet debated how to handle Clegg and related matters on several occasions. The last was so near the election that the minutes were never written.<sup>7</sup>

2. The broad principles agreed were that the rates of pay recommended by Clegg would have to be accepted by an incoming Conservative Government. They had been agreed to be binding by the Labour Government, the employers and unions. It would be not only imprudent but, in effect, unconstitutional to do otherwise. However the financing of these awards would be subject to cash limits being maintained by seeking offsetting cuts either within the programmes effected, or, if need be, in other unrelated programmes. The latter condition was firmly in line with an important written PQ answer by Joel Barnett 123 Feb 1979 Cols 334, 335<sup>7</sup>, and Mr Healey's speech to the House on 25 Jan 100 Cols 754-756<sup>7</sup>.

3. Recognising that the issue was a minefield, it was agreed that Party policy would be expressed in a short, somewhat cryptic



para of guidance /Flag A7. It was hoped that the form of words chosen would satisfy awkward questioners for the duration of the election. The Manifesto (p.12) made no statement about Clegg one way or the other, but he was clearly not disavowed.

4. That position swiftly proved to be untenable. First, the major public sector unions continued to bargain hard, apparently unconcerned by the fact that an election was being held! This meant that new groups popped up and entered the limelight - as is well illustrated by the internal CRD minute at Flag B, laconically recording our discovery of the reference of the Nurses to the Commission. Second, Mr Callaghan used the first few days of the election campaign to attack the Conservative Party on the grounds that it would reject the recommendations of the Clegg Commission. This "smear" was denied in a Press Release by Jim Prior on 12 April. /Flag C7, picking up a remark of Mrs Thatcher's at the daily election press conference that morning. Her exact words, drawn from a series of questions and answers about the Commission and the four original references were:

Question: Does that mean you would honour those awards and then economise?

Answer (Mrs Thatcher): You would have to do the two at the same time, otherwise you would go above the cash limits.

I can supply the full transcript of this passage if needed, which brings out clearly the premise that Clegg rates of pay would be met.7

5. Subsequently the issue quietened down politically, although Shadow Ministers involved were kept under some pressure. Statements, letters to union officials and speeches stuck broadly to this line. Of these Mr Carlisle and Mr Taylor's letters to the various Teachers' unions were, probably, the most important and widely publicised. As it happens, these were somewhat more guarded in tone than Mrs



Thatcher's remarks or Mr Prior's statement. This was, in part, because of the complex relationship between the Burnham apparatus and the rather curious samizdat-like process of self-reference to Clegg on which the teachers and the employers had embarked. The really important point is that candidates and others on the stump might not have formed a very clear picture of the Party's policy from the publicity given to statements about individual cases such as the teachers' in the closing days of the campaign, or from Mr Callaghan's "smears".

6. This brings me to the issue of whether our candidates were fully briefed on the Party's position at the time. The short answer is that they were. Mr Prior's statement was reproduced in full on p.60 of "Daily Notes" No 4 of Wednesday 18 April under the heading of "Pay Comparability: Mr Callaghan's Smear". Since Daily Notes goes to all candidates, and is the major channel for guidance on such issues, any MP who denies knowledge of this important statement can only blame himself. I should add that I was unaware throughout the campaign of a single attack on the Party's position from candidates or party workers. As far as I can judge, the same went for Shadow Ministers. Since the Research Department handled almost all correspondence and representations of importance on this issue for them we would almost certainly have learnt of any strongly argued dissent.

7. The first protest I am aware of came some months after the election in the form of a letter from John Peyton to the Chancellor. As Mr Peyton was criticising the position he had supported in the Shadow Cabinet, it was not very telling!

8. I can, of course, supply further chapter and verse should you seek it. I am submitting a draft reply to Mr Bruce-Gardyne separately, making some of these points.

*AR*

ADAM RIDLEY

7 May 1980

A

All Members of the Shadow Cabinet

5 April 1979

I attach the text on public sector pay which was agreed at Shadow yesterday in Mrs Thatcher's summing up and the subsequent discussion.

No doubt Mr Prior and Sir Geoffrey Howe will wish to see any detailed drafts on this subject which colleagues send to particular individuals or organisations in which they amplify the agreed text. I would also be grateful if copies could be sent to myself and Rob Shepherd at Research Department.

It is now for urgent consideration how we handle the more detailed questions about particular claims. I would propose that a few standard notes on our position should be issued as Questions of Policy as soon as possible, and if this seems advisable, Research Department will get in touch with the appropriate members of the Shadow Cabinet.

ADAM RIDLEY

DRAFT REPLY ON PUBLIC SECTOR PAY

Cash settlements already agreed will be honoured.

Where cases have been referred to the Comparability Commission they will be honoured so long as they fall within the money available, but if, as Mr Healey has already pointed out, they exceed this, then economies may have to be found.

CONSERVATIVE RESEARCH DEPARTMENT

24 Old Queen Street, S.W.I.

(8) B

MEMORANDUM

From Michael Dobbs

To Adam Ridley  
cc Rob Shepherd  
Chris Mockler  
2nd April 1979

NURSES PAY COMPARABILITY

CM has discovered the following:

1. The comparability study covers nurses and midwives.
2. The study has been referred to the Clegg Commission.
3. The Government has committed themselves to implementation of these recommendations.
4. Implementation will be in two stages, 1 August 1979 and 1 April 1980.
5. The terms of reference are unknown. However, it would not be unreasonable to suppose that the nurses' terms of reference are comparable to the other "Clegg-ies".

MJD/JQ

*MJD*

Conservative Central Office

## NEWS SERVICE

Release time: IMMEDIATE/FRIDAY, 13th APRIL, 1979.

GE 532/79

Statement by The Rt Hon James PRIOR, Conservative Parliamentary Candidate for Lowestoft and Conservative Spokesman on Employment, on Friday, 13th APRIL, 1979.

### CALLAGHAN GETS IT WRONG AGAIN

In the few days since this election began the Labour Party has produced even more smears than they normally do throughout a full election campaign. Most of these smears should be recognised for what they are by the public and Press without any guidance from us. But there are notable exceptions. Yesterday the Prime Minister made a most irresponsible speech which raised serious and unjustifiable doubts about the Conservative Party's attitude to certain pay disputes referred to the Comparability Commission. He suggested that the next Conservative Government will reject the Commission's recommendations on the pay of the Local Authority manual workers, National Health Service Auxiliaries, Ambulance men and University manual workers.

The Prime Minister stated in Parliament some time ago that the Government, employers and unions are committed to a settlement based on the Commission's recommendations, and indicated the important factors which it would take account of in its work. In the light of these undertakings, Mrs Thatcher made it clear on Thursday, before Mr Callaghan's speech, that we would respect the Commission's recommendations. However, she also added that, as Mr Healey explained recently in the House of Commons, offsetting economics might have to be made to finance them.

END