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Treasury Chambers, Parliament Street, SWIP 3AG 01-233 3000

CONFIDENTIAL

PRIME MINISTER

CIVIL SERVICE PAY

I have seen Sir Michael Haver's minute to you of 16 March about the Cabinet conclusions on civil service pay (item 4). I did not intend to suggest that lay-offs without pay of staff whose work had dried up because of strike action by others could be achieved without a change in the law. I was aware of the Law Officers' advice on this question; the point I wished to make was that we may soon face a situation where it becomes desirable to take and exercise the powers in the draft contingency legislation that has been prepared.

2. I am copying this to all members of Cabinet, Michael Jopling, the Lord Advocate and Sir Robert Armstrong.

4.1.

GEOFFREY HOWE 16 March 1981