

A09926

PRIME MINISTERE: Government's General Evidence to the Clegg Commission

## BACKGROUND

1. The Chancellor has circulated in his letter of 26 June a draft text of the Government evidence for the Clegg Commission. He sought clearance of the text from colleagues in accordance with the Cabinet decision on 17 May, when it was also agreed that the evidence would be published. You indicated your general approval of the draft, subject to minor amendments; and Sir Keith Joseph has also proposed some further detailed amendments.
  
2. The Secretary of State for Employment has since raised, however, some more substantial objections in his letter of 2 July. His two main points are -
  - a. It would be wrong to submit the evidence now. This would be too late to influence the first reports on the public service manual groups, which are due in about 3 weeks. If these reports appeared to ignore any of the proposals in the Government evidence it could look like a slap in the face for the Government. Submission of the evidence now would also antagonise the unions, since they would not have time to comment on the evidence before the Commission's reports were complete.
  
  - b. The second part of the draft evidence (para 10 onwards), dealing with the "wider context", while suitable for general presentation is not suitable as Government evidence, since it does not give the Commission a clear lead on how they are to conduct their inquiries.

## HANDLING

3. You may wish to ask for introductory comments from the Chancellor of the Exchequer and the Secretary of State for Employment. You might say you do not wish the Committee to discuss detailed amendments, but only timing and presentation. In particular, now that we are so close to the completion of the reports, is there a case for delaying submitting the evidence until the Government has had time to consider the reports, as Mr Prior suggests? For example, if the evidence were submitted before the reports, then if the

Commission published reports not entirely compatible with the proposals in the evidence, would the Government be forced to reject the reports even if for other reasons it did not wish to do so? On the other hand might not the publication of evidence shortly after the completion of the reports cause similar problems? There is a difficult dilemma here, which partly arises because of the time lag between the Cabinet's discussion on 17 May and the circulation of the Chancellor's draft text.

4. Whatever view is taken on publication, you will want to seek a view from the Committee on whether in principle it is right to retain the final section of the draft evidence (on "the wider context"). If Mr Prior remains strongly against this, then a compromise might be for the thoughts in this section to be used as material for Ministers' speeches, inspired press articles, etc but not including in the evidence as such. Otherwise Mr Prior could be asked to submit any detailed drafting changes as quickly as possible.

## CONCLUSIONS

5. The main choice is between -
- a. Early submission of the evidence - in which case the Chancellor could be asked to circulate as soon as possible a revised version of the text, taking into account detailed drafting amendments from colleagues.
  - b. Deferment of a decision on submission of the evidence until the Government has been able to consider the Standing Commission's first reports at the end of July.
6. In any event you will want a decision on the treatment to be given to the section on "the wider context".

RAH  
JOHN HUNT

6 July 1979