

CONFIDENTIAL



see the books  
by Douglas

Prime Minister  
We are fixing up  
a meeting to consider  
what evidence should  
be put to the Inquiry.

Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

We think it would be  
sensible to consider  
the issues raised in  
the MISC 54 report at  
that meeting as a  
necessary preliminary to  
deciding what  
evidence to put  
in.

PRIME MINISTER

MB

CIVIL SERVICE PAY INQUIRY: GOVERNMENT EVIDENCE

Your Private Secretary sent mine a copy of his letter of  
2 July on this subject.

Agree?

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977

2. I am sure that we must consider together the nature and  
general thrust of the evidence that we shall put to the Inquiry.  
But I think that we shall be able to do this much more effectively  
when we have considered the issues raised by the report of  
MISC 54. I recognise, of course, that that report was directed,  
to a considerable extent, to considering what type of pay  
determination system the Government should try to negotiate  
with the unions; and that is not the situation which faces us  
now. Nevertheless, the issues raised by the report - such as  
whether we want a "committed" type of system or not, and the  
part to be played by general economic and financial considerations -  
are fundamental. Until we are clear on them, we shall find it  
difficult or impossible to decide how to formulate our evidence  
most effectively.

3. I would therefore suggest that we should first discuss,  
on the basis of the MISC 54 report, what our general aims should  
be, that is, what sort of system for pay determination we should  
like to see recommended by the Inquiry. We can then consider  
how our evidence can best fulfil those aims. We have postponed  
this discussion because of the strike, but I think there would  
now be advantage in holding it before the recess, whatever  
happens about the strike.

/I am sending copies



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4. I am sending copies of this minute to the Home Secretary, the Lord President, the Secretary of State for Employment, the Secretary of State for Defence, Secretary of State for Social Services, Chancellor of the Duchy of Lancaster, the Attorney General and the Secretary of the Cabinet.

R. T. Tolmie,

for,

(G.H.)

7 July 1981

(Approved by the  
Chancellor and signed  
in his absence)