COLLIGIT OF CIVIL SERVICE UNDER 19. ROCHESTER ROW · LONDON SWIP ILB · Tel. 01-828 2727 9 Secretary General: Secretary: B G SUTHERLAND HE TIES TO P. D. JONES W. L. KENDALL The Rt. Hon. Lord Soames, Muyour Lord President of the Council, ? Civil Service Department, Whitehall, London SW1A 2AZ We promised an early response to the points put to the Trade Union Side at the meeting today. I have to say that the sincerity of the Government's longer-term intentions would be more credible if there were a willingness to negotiate or arbitrate now. 1981 We note your statement that you "are not in a position to offer more than 7 per cent" for the 1 April 1981 pay settlement. The evidence shows that 7 per cent is inadequate and that Government has determined this figure without reference to the facts. There is no way out- of the present dispute whilst the Government adheres to 7 per cent. If you are not prepared to negotiate and move towards a settlement of our claim, we must insist upon access to independent arbitration. We will honour any arbitration award. 1982 We note your statement that the Government will not allow the pay agreement to apply in 1982 but will be prepared to agree that the salary cash limit for that year will not be set in advance of the pay negotiations. This falls far short of a positive assurance that realistic and genuine negotiations will take place. Although you acknowledge that the Government did 

not want the Civil Service to fall behind and wish to ensure fair treatment, you referred in vague terms to other factors which would have to be taken into consideration. However, you did not define these factors, neither did you assure us that there would be independent fact-finding through Pay Research or independent arbitration.

## Beyond 1982

As an alternative to a joint review of the Pay Agreement, you suggested the possibility of an "authoritative independent inquiry" to advise on establishing an orderly pay system for the Civil Service. This would be followed by joint negotiations to produce a new agreement. We see no need for such an inquiry because the basic principles of the Priestley Royal Commission fairness to the taxpayer's interest and fairness to the civil servant as employee - remain valid and defensible against all public criticism. Moreover, the procedures you suggest would involve further long delay, going well beyond 1982. We are at a loss to understand why you have put this proposal forward in preference to making concrete proposals for reviewing the Pay Agreement.

I have to repeat that our approach to 1982 and beyond is conditional upon a reasonable response to our request for realistic negotiations in 1981 or the acceptance of independent arbitration.

Yours sincerely,

W L KENDALL

Secretary General