

Prime Minister

(1)

cc Mr. Hoskyns
Mr. Walters

MR. SCHOLAR

Agree submission of this paper
to Megaw?

MCS 16/3

Evidence for the Megaw Inquiry on Recruitment and Retention

The extent to which recruitment and retention data, and the latter in particular, can be used as indices of relative wage rates is an issue first raised by us in MISC 51 (the official group which preceded the establishment of the Megaw Inquiry, which reported to Ministers last Easter); it is fair to say that the initial Whitehall response to the paper prepared by Alan Walters and myself on quit rates was distinctly cautious, but it is remarkable how far the Whitehall consensus has now moved, as indicated in the draft evidence for Megaw enclosed with the letter of 15 March from Lady Young's Private Secretary.

I was consulted over the drafting of this paper, and the amendments (which are clearly visible) to paragraphs 4, 10 and 13 were made at my suggestion. Alan and I are now broadly content with the paper, and it should provide a reasonable conceptual basis for the Megaw Inquiry to introduce market factors to the new pay determination system, if they are so persuaded.

The Prime Minister may care to glance at the first 13 paragraphs, but subject to her own reactions I see no need for further amendment. The MPO should of course be ashamed of themselves for circulating a paper containing so many manuscript amendments, many of them illegible, for Ministerial approval.

J.S.

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Havent they got
word processors in
MPO?

16 March 1982