Van did reply to the Low Chief Justice. So did Lord Hailsham ( copy letters attached). The Lord Chief Justice Royal Courts of Justice, mirate secretary tells me they received these London, WC2A 2LL letters but had overlooked the fact; he apologises.

PERSONAL Suggest you reply as in the 2nd April 1982

attached (cleared with the Lord Chameller)

My dear Prime Minister.

Pt 3 att

You may remember that in October last I sent you a letter enclosing a copy of a memorandum sent by myself and all Heads of Divisions to the Top Salaries Review Body expressing the view that, if the future quality of the judiciary was not to be prejudiced, the salaries of High Court Judges needed to be increased to a figure of £50,000 plus at least the appropriate figure to take account of inflation since our previous memorandum.

I received an acknowledgement from your office dated the 13th October stating that it would be laid before you at the earliest possible moment. Since then I have heard nothing, no doubt because the matter was not sufficiently urgent for it to receive your attention. It has, however, now become urgent, because judicial salaries for the coming year must soon come up for consideration and the report of the Top Salaries Review Body is expected shortly.

There is little I can add to what is set out in the memorandum, a further copy of which I enclose lest the original has been mislaid, save that my concern for the future has considerably increased since last October. I venture to urge you that immediate and really effective action should be taken. The preservation of the future quality of the Judiciary is certainly as important as anything in the task of maintaining law and order. In my view it is more so. If prison building or the strength of the police force is allowed to run down, crash measures can be taken to restore the position. If the quality of the judiciary is allowed to decline, they cannot. Restoration will take a long time during which the structure of our society will have been seriously damaged.

If it would help I am of course willing to discuss the whole matter with you at your convenience.

Yours sincerely.

Geofferhaue

The Rt. Hon. Margaret Thatcher, MP, Prime Minister, 10 Downing Street, LONDON, SW1.

CONFIDENTIAL - - Gron PA. do ce: Lord Charceller



## 10 DOWNING STREET

THE PRIME MINISTER

7 April 1982

Uly dear Lord thing Tuntion

Thank you for your letter of 2 April.

I do indeed remember your letter last October, and the memorandum you and the other Heads of Divisions sent to the Top Salaries Review Body; and you will recall the replies which Quintin Hailsham and I sent you on 9 November.

I quite understand your concern about the level of judicial salaries. As Quintin Hailsham said in his letter to you, none of my colleagues would doubt that it is of the first importance to maintain the quality and status of the Judiciary. You may be assured that this consideration will very much be in our minds when we come to consider the recommendations of the Top Salaries Review Body.

I am sending a copy of this letter to Quintin Hailsham, to whom, I understand, your letter was also copied.

Jayan Jehter

The Rt. Hon. The Lord Chief Justice of England

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10 DOWNING STREET

From the Private Secretary

Reen Pul

6 April 1982

I attach a copy of a letter the
Prime Minister has received from the Lord
Chief Justice, together with a copy of a
possible draft reply from the Prime
Minister.

I would be grateful for your comments in the course of today if possible.

MS

Michael Collon, Esq., Lord Chancellor's Office.

CONFIDENTIAL

DRAFT REPLY TO LORD CHIEF JUSTICE

Thank you for your letter of 2 April.

I do indeed remember your letter last October, and the memorandum you and the other Heads of Divisions sent to the Top Salaries Review Body; and you will recall the replies which Quintin Hailsham and I sent you on Warm 10 November.

I quite understand your concern about the level of judicial salaries. As Quintin Hailsham said in his letter to you, none of my colleagues would doubt that it is of the first importance to maintain the quality and status of the Judiciary. You may be assured that this consideration will very much be in our minds when we come to consider the recommendations of the Top Salaries Review Body.

I am sending a copy of mis letter to Quintin Hailsham, & to whom, I understand, your letter yours was also copied. 40

MEMORANDUM T. S. R. B. HEADS OF DIVISIONS From: Last year we submitted a memorandum stating that it was our view that a salary of £50,000 p.a. was necessary as at 1st April if the quality of the High Court Judiciary was not to be jeopardised. We adhere to this view and are confirmed in it by the fact that, since then, we understand, two appointments have been refused on financial grounds. This coming April the salary required will be the above figure increased at least by an amount to take full account of inflation. We do not regard the fact that this would greatly exceed the Government's overall target of a 4% increase as affecting the matter. The target is an overall one and, therefore, implies that some will get less and others more than the mean. This was done to some extent last year. Quite apart from this, however, the preservation of the quality of the judiciary is one of the essential foundations of the future of society. It surely ought not to be put in jeopardy on the ground that to preserve it would involve granting financial rewards going beyond current short term policy. If preservation required salaries very much higher than we are advocating, such salaries would in our view have to be granted. It seems to us irresponsible to provide society in future with a second-class judiciary in order to save a comparatively small amount of money now. That large increases are sometimes necessary has, of course, been 0 recognized in the recent 25% increase in the salary of the Chairman

of British Rail.

We do not know to what extent further evidence from the Judiciary will be sought this year, but we understand that the Review Body is to meet towards the end of October, and we feel it desirable that our views should be before them at the outset of their deliberations.

Lane C.J. Dennig M.R.

In Au P. O.R. Rymy v.c.

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## 10 DOWNING STREET

THE PRIME MINISTER

9 November, 1981

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My dear land thing Institute.

Thank you for your letter of 9 October enclosing a copy of the memorandum submitted by yourself and the other Heads of Divisions to the Top Salaries Review Body. I understand your concern, and I am grateful to you for bringing it to my attention.

I understand that you also sent a copy to Quintin Hailsham. He will be replying to you in the near future.

Cours princely

agast shouter

The Rt. Hon. the Lord Chief Justice of England

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Confidential

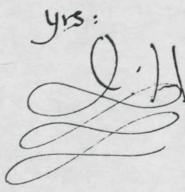
House of Lords, SW1A 0PW

November 1981

Dear Geoffry:

Thank you for your letter of 9th October, attaching a copy of the memorandum submitted by the Heads of Divisions to T.S.R.B. The Prime Minister has asked me to thank you also for the copy which you sent to her.

I quite understand your concern about the present level of judicial salaries. None of my colleagues would doubt that it is of the first importance to maintain the quality and status of the Judiciary and, while I am not convinced that it is necessary to pay the very highest salaries to do this, there has never been any question of trying to get judges on the cheap. The Review Body has said that it intends to submit a full report by the beginning of April 1982, which will contain full recommendations on the salary levels appropriate at that date, and I have no doubt that, in framing their report, they will take very full account of your memorandum. They have asked me to give evidence next month, and I expect your points will be put to me by them. Meanwhile, you will understand that no decision on judicial salaries can be taken until Ministers have seen T.S.R.B's report.



The Right Honourable
The Lord Chief Justice of England.

> Cyly + David Wight 2. Rol FROM: THE RT. HON. LORD HAILSHAM OF ST. MARYLEBONE, C.H., F.R.S., D.C.L. with my comp House of Lords, SW1A OPW CONFIDENTIAL 7th April, 1982 The Right Honourable Prime Minister The Prime Minister, 10 Downing Street. My dear Margaret Judicial Salaries The Lord Chief Justice has sent me a copy of his letter to you of 2nd April and in a personal letter to me has stressed his concern about the level of judicial salaries and the effect of Government decisions in the past. As matters stand it is an unfortunate fact that acceptance of judicial office means for practitioners of adequate quality a very considerable drop in disposable income and this does mean that I cannot always make the appointments to the Bench which I think best, though so far I believe I have managed to maintain a high standard for the High Court Bench. But it also means that I find continual difficulty in attracting suitable candidates for the Circuit Bench and in practice I have not been able to make as many appointments as I think the courts (particularly the Crown Court) require. As I shall make plain to Lord Lane, I am very conscious of the difficulties which face colleagues when, as a matter of fundamental economic policy, we are trying to keep salary increases down and to set an example in the public service. It remains, however, a very relevant point that with the judiciary (unlike the Armed Forces or the Civil Service) we must look for people who have achieved success in a highly competitive field in which they can command earnings of the highest order. It will be as plain to you as to me that irreparable harm could be done to the fabric of society if we were no longer able to attract people at the top of the professional tree to take judicial appointments. I do, therefore, think that we shall have to give very serious consideration when reaching a decision on T.S.R.B.'s latest Report to the desirability of recognising the "market rate" factor in the case of the judiciary. Since drafting this, I have seen yr: reply to the LCT CONFIDENTIAL.

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