



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

PRIME MINISTER

Prin

CIVIL SERVICE PAY

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WJW

I have seen a copy of the Lord President's minute to you of ~~20~~ October, and the subsequent correspondence.

2. I entirely endorse the course of action he has followed with your agreement, although I wonder whether it might not have been better if we had acted a little earlier.

3. On a rather separate point, it may be helpful if I place on record my reservations about one of the arguments Christopher Soames put for suspending the Agreement: that it will not be practicable to vary the distribution of the 1981 Civil Service pay settlement between different groups. The responsibility for managing the Civil Service will remain even if the Agreement is in abeyance; and it is certainly not our intention to create a uniform level of settlement across the public services even if we adopt, as we did last year, a standard figure for the pay assumption to use in cash limits.

4. I am sending copies of this minute to the Lord President and to the Secretary of State for Employment.

(G.H.)

31 October 1980