

NOTE FOR THE FILE

MEGAW: NEW PAY ARRANGEMENTS FOR THE NON-INDUSTRIAL CIVIL SERVICE

Because of the Prime Minister's ailment the Ministerial meeting to discuss the Chancellor's minute of 28 July was cancelled.

Since all the Departments concerned were agreed that it was not possible to postpone a statement to the Council of Civil Service Unions until the autumn, I put the following options to the Prime Minister:

a) to allow the Chancellor of the Exchequer to speak to Mr. Tebbit and to seek to persuade him to agree the draft statement attached to the Chancellor's minute of 28 July;

b) to rule in favour of the Employment Secretary and to agree that the draft statement attached to the Chancellor's minute should be issued to the CCSU subject to the deletion of the last two sentences of paragraph 5. The statement would therefore make no reference to the possibility of inviting the OME to collect data on pay movements in the 1983/84 pay round as part of the 1984 negotiations.

I told the Prime Minister that the Department of Employment were advising Mr. Tebbit to resist the Chancellor's approach; that the Cabinet Office advised strongly against the inclusion of the last two sentences of paragraph 5 of the draft statement; and that she herself had earlier objected to any reference to data collection in the context of the 1984 pay negotiations.

The Prime Minister ruled that the statement attached to the Chancellor's minute should be issued to the Council of Civil Service Unions subject to the deletion of the last two sentences of paragraph 5. She commented that the possibility of inviting the OME to collect data on pay movements could always be introduced at a later stage in the negotiations.



I subsequently informed the Chancellor's office and Peter Gregson of the Prime Minister's decision.

WR

1 August 1983