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10 DOWNING STREET

c.c.	HO	Ch.Sec.
	FCO	WO
	HMT	SO
	DI	CPRS
	Ld.Pres	Cab.Off.
	DM	Wolfson
	MAFF	Ryder
	DTrade	Ridley
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From the Private Secretary

10 May 1979

B.F. 11/5/79

Mr Philip,

Teachers' Pay

The Prime Minister has now had an opportunity to consider your Secretary of State's minute of 9 May and the enclosed paper on teachers' pay.

As I have already forewarned you, the Prime Minister would like your Secretary of State's proposals to be considered by the Ministerial Committee on Economic Strategy (E Committee) on Monday. However, in advance of that meeting, you will wish to know that she regards a reference to the Standing Commission based on the terms of reference which the Burnham Committee agreed as totally unacceptable. She considers that there is no point in referring the teachers to the Standing Commission except with the most stringent terms of reference on pay and conditions of service; and that rather than accept the terms of reference put forward by the Burnham Committee, it would be far better to go to arbitration.

The Prime Minister has also commented that it may be necessary for the Government to start cutting back on the supply of new teachers. She thinks it important to avoid a situation in which we are turning out more teachers than there are jobs for. I would be grateful if you could let me have a short note setting out the proposed entry to teacher training colleges and to post-graduate departments of education this year, and with comments on the question which the Prime Minister has raised. Could I have this please by close of play tomorrow, Friday 11 May.

I note that your Secretary of State's minute was not copied to all members of E Committee. Perhaps you could arrange that this is done.

I am sending copies of this letter to the Private Secretaries to the members of E Committee, to George Craig (Welsh Office), Kenneth MacKenzie (Scottish Office), Gerry Spence (CPRS) and to Martin Vile (Cabinet Office).

*Yours ever,
Tim Lankford*

Philip Hunter, Esq.,
Department of Education and Science.

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