

If we announce TSRB with the rest on

Thursday we'll have to square off Edwin Plowden first. If you agree with this approach should you

PRIME MINISTER

Yes not

PUBLIC SERVICE PAY

not raise this question of timing at Tuesday's Cabinet? MCS 30/4

I have seen Robert Armstrong's note to you recommending getting the TSRB announcement out of the way without delay; and Michael Scholar has told me of the other developments yesterday and today, notably the decision to make the main announcements, other than the TSRB, on Wednesday (rather than Tuesday, as earlier thought), and the Treasury's proposals to settle MPs' pay and the TSRB in Cabinet on Thursday, with the expectation of an announcement covering both during the following week.

I think you saw my note of yesterday explaining the drawbacks to having two announcements. The introduction of MPs' pay into the picture makes two announcements even less desirable, because

(i) it would be very difficult to defend, especially with backbenchers, a second announcement containing only a TSRB award in the upper teens and MPs' pay in low single figures; and

(ii) it may well lead some of your colleagues to use that difficulty as an argument for still further abatement of the TSRB.

And, of course, the point I made in my earlier note about arousing the suspicion that we are afraid to cut back on the TSRB if we do not wrap it all up in one announcement still stands. Those who argued so strongly for cutting back on the TSRB did so largely on the grounds that we could not otherwise defend cutting back on the DDRB and holding the line with the NHS.

I understand that Mr. Whitelaw has said that he thinks we can delay the TSRB announcement by no more than two weeks, and any decision may well leak any way - the AFPRB decision already has. So it seems clear that the best course of action - and one which your colleagues might be prepared to accept - would be

(i) to stick with the original decision to leave MPs' pay until the summer, when any increase is due anyway; and

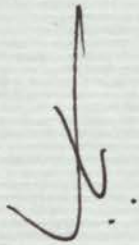
No point in cutting back on TSRB at all if it does not help with DDRB - the logic points to announcing together
MCS

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(ii) to defer the announcement planned for Wednesday until Thursday afternoon, in the expectation that the TSRB decision to be taken in Cabinet on Thursday morning can be included.

As to the amount by which the TSRB should be abated, I can only say that I do not think it will make any difference to other pay bargainers whether we knock off one-third, 5% or 3%.



J.M.M. VEREKER

30 April 1982

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