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From J B UNWIN
15 April 1986

*Prime Minister 2
For information*

MR NORGROVE

TEACHERS PAY

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As I mentioned to you, I have already arranged a discussion later this week with the Education Departments and the Treasury to review developments and prospects on the teachers dispute. I am particularly concerned to assess when there is likely to be a need for further collective Ministerial consideration. I will let you know the outcome of this, but in the meantime, in view of today's press reports on the NUT, you may like to have the following brief account of where matters stand.

England and Wales

2. As expected, the ACAS talks are proving difficult. The main participants are, however, keen to keep the show on the road. The NUT attitude is ambivalent. They are still bent on causing disruption; but at the same time they want to remain a party to the talks. They may, therefore, in practice move more cautiously than the press reports suggest. They have a particular reason for staying their hand. Mrs Harrison, the employers' leader, is due to leave at the end of this month. The question of her replacement will be the subject of an internal Labour Party battle. But a front runner is Mr John Pearman from Wakefield who has been in the lead on the Burnham further education negotiations and is thought likely to be more pliable, and accommodating to the NUT, on the ACAS talks.

3. This bodes ill for the future of the talks, and confirms DES in their view that they will not lead to any outcome that can be acceptable to the Government. But a little time is needed to see how the other parties react to the NUT development, and I will let you have a more considered assessment after my meeting referred to above.



Scotland

4. The Official Inquiry is now under way, although no serious work has yet been done. The Scottish Office tell me that the atmosphere is good and that both the Chairman and the Committee are approaching their task in a brisk and business-like way. They have set themselves the following timetable:-

Collect all written evidence by middle May;

visits during second half May;

take oral evidence during June;

prepare report between July and September.

5. They have not, however, so far got down to any of the serious issues, so that it is far too soon to forecast how the Inquiry might go. It must follow, however, that the longer it goes on, the more difficult it will be to graft an inquiry on England and Wales on to it, should Ministers wish to do so.

J B UNWIN

Cabinet Office

