



Prime Minister

~~CEB~~

MR NORGROVE

cc Mr Stark
Mr Unwin

TEACHERS' PAY

I suggested that
R. Wiggles should write
this week. There is just
a possibility of an attempt
at a bounce at Cabinet
tomorrow. *DFW*
13/11

I understand that the Education and Scottish Secretaries are becoming increasingly concerned about the situation on teachers' pay, and have begun to take soundings of the Chancellor of the Exchequer and other colleagues on possible moves to break the deadlock. It does not appear that they are yet ready with any clear and specific propositions, and if there were to be any suggestion at Cabinet on 14 November of a major initiative by the Government, it would surely be essential that no decision should be taken until the Ministers concerned had had an opportunity to study a fully considered paper.

this is essential.

There are obvious objections to all the options so far identified;

- i. allow the present situation, which is increasingly disruptive to the education process and which the teachers have shown can be sustained indefinitely, to drag on through the rest of the present academic year and beyond;
- ii. increase the resources available to the Local Education Authorities for a settlement of the current dispute;
- iii. withdraw the conditions attached to the Government's offer of additional funds over four years, so abandoning moves to tightenteacher discipline and to improve the management of the teaching force;
- iv. nationalise primary and secondary education, so giving the government a fully effective means of intervening in the problem;
- v. remove all central controls, and leaving the situation to individual OEAs to sort out;



vi. institute some sort of enquiry into teachers' pay and conditions.
 (This would mean effectively conceding the demand which the main scottish union has been pressing for more than a year.)

It appears that Mr Younger considers his political position increasingly untenable, as the prospect increases that none of this year's school leavers will be able to take any public examinations. Despite the reservations of many individual teachers about the situation, and despite the sympathy of a good many of them for the government's objectives in terms of discipline, management and career structure, the general sourness in the profession has enabled the NUT and the NAS in England and Wales, and the EIS in Scotland, to maintain the momentum of the disruptive action despite pay offers which most other workers in the public services sector would be glad to receive.

If the subject is raised at Cabinet on 14 November, the Prime Minister may wish to hear some brief account of her colleagues' assessment of the political implications of the continuing dispute. But there would be no point in any extended discussion in advance of the presentation of a full paper describing the options open to the Government to increase the costs of the dispute to the teachers, to attract public support against the stand the NUT, NAS and EIS have taken, or otherwise to break the present stale-mate.

There is no call for a paper of this kind at this stage - unless a discussion tomorrow were to show a strong consensus in favour.

JW
 A J WIGGINS

Cabinet Office

13 November 1985

NBPN.

PRIME MINISTER

13 November 1985

TEACHERS' PAY

Keith Joseph and George Younger are seeing the Chancellor late tonight. They may be cooking up a scheme to resolve the teachers' pay dispute, and may launch it at Cabinet tomorrow. We have no idea what form any new proposals might take but some general lessons can be drawn from the history of the dispute so far.

1. Government should not wave its cheque book before the other side have made a bid. If the teachers and employers had worked up their own restructuring proposals first, £1,250m would have seemed generous and might have been accepted. Offering the money in advance merely inflated expectations, without bringing a settlement any nearer.
2. An offer made at the wrong time is better not made at all. Pressure rises as milestones approach, eg start of new term or year, end of term, Christmas. An offer in the middle of November would be almost as bad as the offer in the middle of the summer holidays.
3. The Government should not put itself in retreat just at a time when a settlement is possible. At their meeting on Monday the teachers' unions were split 14/14 on negotiating on the existing one year offer. NATFHE, who lose their single vote in three weeks time, sided with the NUT. Come December the NUT should be outgunned.
4. Mid-day supervision should be given time to bite. Cost-free disruption will be much harder.

Conclusion

Any new initiative - whether an enquiry or just more money - should be avoided at this stage. - Energies should be devoted to promoting our case, and to ensuring that local authorities speedily provide mid-day supervision.

Peter Warry

PETER WARRY

Oliver Letwin

OLIVER LETWIN