

CONFIDENTIAL



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AT 19/3

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

16 March 1984

The Rt Hon Sir Keith Joseph Bt MP
Secretary of State for Education
and Science

Alan Keith

SCHOOL TEACHERS' PAY (ENGLAND AND WALES) 1984

You wrote to me on 12 March about tactics at this week's Burnham negotiations.

I understand my office told yours that if there were a good chance of a settlement being reached at 4.1 per cent, the Treasury agreed you should accept it to avoid the danger of a joint appeal to arbitration by the employers and teachers. But they also confirmed that your representatives should enter the negotiations with the instructions we agreed in our earlier correspondence so that they would continue to press for a settlement below 4 per cent.

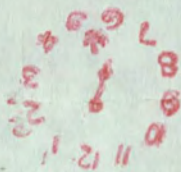
I hear that Wednesday's meeting reached no decision. I am sure we should continue to take this line when the negotiations resume.

Copies of this letter go to those who received yours.

NIGEL LAWSON

*Yours
Nigel*

Education PT 3
Teachers Pay



19 MAR 1984



10 DOWNING STREET

Andrew

The DES phoned.
They would like to know
if you have any comments
on the recent correspondence
between DES + HMTreasury
on Teacher's Pay. They
need to know by close of
Play today.

Sue

13.384

We will intervene only if
there is a dispute.

AF

NDPM
AT 12/13~~CCNO~~

DEPARTMENT OF EDUCATION AND SCIENCE

ELIZABETH HOUSE, YORK ROAD, LONDON SE1 7PH

TELEPHONE 01-928 9222

FROM THE SECRETARY OF STATE

12 March 1984

Dear Nigel.

SCHOOL TEACHERS' PAY (ENGLAND AND WALES) 1984

I wrote to you on 5 March on this subject, saying then that I saw no reason to reconsider my representatives' instructions ahead of the 14 March meeting of the Burnham (Primary and Secondary) Committee - ie to veto above 4%. That remains my position. Nevertheless, in the light of developments in the local authority manuals' negotiations, I begin to think that it is just possible that a school teachers' settlement might be reached on 14 March at a shade above 4%. My view is that we should accept such a settlement, if it is available. I therefore invite your agreement to my allowing a settlement up to 4.1% if it should be clear that a formal offer within the Burnham Committee will secure that. If my representatives in Burnham were satisfied that a negotiated settlement would result, they would be free to seek my authority on the day for this minor adjustment to their instructions. They would start the day with their present instructions unchanged.

A negotiated settlement at or below 4.1% would be a considerable achievement, maintaining the downwards pressure on teachers' pay settlements - 4.975% last year, 6% (by arbitration) in 1982 and 7.5% in 1981. I believe it would be helpful in conditioning other bargaining, within the public sector and elsewhere.

I am afraid I have to ask for your reactions by close of play tomorrow, Tuesday 13 March.

Copies of this letter go to the Prime Minister, members of E(PSP), the Secretaries of State for Scotland, Wales and Northern Ireland and to Sir Robert Armstrong.

*Yours ever,
Nigel*

The Rt Hon Nigel Lawson MP
Chancellor of the Exchequer
Treasury
Parliament Street
London SW1P 3AG

CONFIDENTIAL

EDUCATION: Teachers Pay: A3

12 MAR 1964

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