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

30 November 1984

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

Dear Secretary of State

**SCHOOL TEACHERS' PAY AND CONDITIONS OF SERVICE
(ENGLAND AND WALES)**

Thank you for your letter of 19 November. I am grateful to you for keeping me so closely in touch with developments.

Since you wrote, I understand that the NUT have rejected the proposals circulated by the local authority employers on 15 November, and that your officials have had an opportunity to make estimates of the cost of the proposals. I do not see how we could realistically expect the local authorities to agree to absorb costs of the size shown in those estimates.

Nor is there any chance that we could increase provision to accommodate the costs either in 1985-86 or in the later years. Indeed, even to give the impression that we would seriously consider doing so would be wrong. Unions in teaching and elsewhere would conclude that we were now willing to countenance increases in public expenditure to finance substantial increases in pay. That would undermine the position we have taken collectively on public service pay in recent years, not least the firm stance you took on the teachers' 1984 pay claim. I was therefore particularly pleased that you underlined the importance of affordability in your speech during the education debate on 14 November.

Under the circumstances, I can see no advantages and considerable risks in allowing the proposals to be debated at any length in Burnham, or even to be left on the table. I hope that you will feel able to make it clear to the employers that the present proposals are completely unacceptable on cost grounds. I suggest that we should aim that they should be abandoned at the working party meeting on 5 December.

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

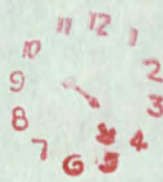
*Yours sincerely,
Margaret Thatcher*

NIGEL LAWSON

*(Approved by the Chancellor and
Signed in his absence)*

EDUCATION
Teachers' Plan

5 DEC 1984



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