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

15 February 1985

The Rt. Hon. George Younger MP  
Secretary of State for Scotland

*John Gungor*

**SCOTTISH TEACHERS**

Thank you for your letters of 12 and 13 February. This is a very tricky issue and I have much sympathy for your position. But I am bound to say that I see very strong arguments against your proposal.

First, I believe there is a great risk - as you hint at the end of your letter - that the proposal would weaken such moderate pressures as there are within the Scottish teachers' unions. Militants would be encouraged to spread three-day strikes to more schools than are affected at present; moderates would be encouraged to believe that strike action would hurt the Government without hurting the pupils. They would also be encouraged to believe that if we could apparently find the funds for this purpose without difficulty, despite our public statements about the need to control public expenditure, we could also find the money to increase their pay. In fact, if the strike were to spread, the amounts involved could quickly substantially exceed the £1.5 million you mention, implying that we could equally countenance a significant increase in teachers' salaries. Given the current volatility of the financial markets, I am all the more anxious that we should not appear to be flexible about pay.

I am also frankly alarmed about the wider repercussions of the action you propose. Other public service unions would be quick to draw the lesson that the Government was vulnerable to well-designed strike tactics. I very much appreciate the great political difficulties which you face at present. But I believe they only strengthen my argument that it would be disastrous to signal to other unions that targetting strikes on Ministers' constituencies is an effective and, in union terms, cost-effective tactic. Similarly, I would not want to lead public sector unions to believe that Government funds would be used to blunt or eliminate the impact of strikes on the public. That would put public expenditure at risk, and, by weakening the position of moderates in the unions, would only increase the likelihood of strikes. The E&W teachers are already in a militant mood and we would come under strong pressure to replicate your scheme in England and Wales, should teachers' action there threaten pupils' preparation for examinations. The public expenditure implications would, of course, be much more significant than in Scotland and other unions would draw similar conclusions.

Finally, I have grave doubts about the political wisdom of your proposal which I am sure you must share in part. I need not spell them out in detail but you will recognise that our opponents would be quick to argue that this was not a proper use of taxpayers' money in the public interest. I believe our position would be

*will request if required.*





greatly weakened by the fact that, as you point out, the scheme would be little substitute for the examination preparation which the teachers are withholding. And we should inevitably be seen to be shouldering the responsibility when the blame needs to be placed firmly on the unions.

Given these reservations, I fear I cannot accept the proposal. I should add that, even if we could overcome these objections, the scheme would have posed considerable difficulties for me, not least because of the obvious scope for abuse.

I am sorry to offer an unhelpful response to your very real difficulty. But I am certain that you should continue to stick to your present public position. It may be that the public service unions will look for a fight on pay this year, possibly in concert. We will clearly want to stand firm.

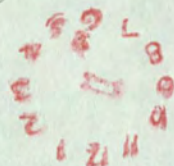
I have copied this letter to the Prime Minister, Willie Whitelaw, Keith Joseph, Nick Edwards, Patrick Jenkin, Tom King and to Sir Robert Armstrong.

NIGEL LAWSON

A handwritten signature in dark ink, appearing to read 'Nigel Lawson', written over a large, stylized initial 'N'.



Teachers Pay: EDUCATION #4.



15 FEB 1985





NDPM  
AT 21/2  
CC

SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

**CONFIDENTIAL**

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

20 February 1985

Dear Nigel,

**SCOTTISH TEACHERS DISPUTE**

Thank you for your letter of 15 February in response to mine of 12 and 13 February. I was grateful for your acknowledgement of the seriousness of the situation we face, and it is becoming more so as every week goes on.

The meeting of the Scottish Joint Negotiating Committee for Teaching Staff in School Education (SJNC(SE)) on 15 February was inconclusive. I may need to come back to you as the situation develops but meantime I note your arguments against my proposal for alleviating the effects of the strike on the pupils who have been hardest hit.

I have sent a copy of this letter to the Prime Minister, Willie Whitelaw, Keith Joseph, Nick Edwards, Patrick Jenkin, Tom King and to Sir Robert Armstrong.

Yours wvs,

George



EDUCATION: Teachers Pay: Pt 4.

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21 FEB 1985





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SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

CONFIDENTIAL: CMO

The Rt Hon Nigel Lawson MP  
Chancellor of the Exchequer  
HM Treasury  
Treasury Chambers  
Parliament Street  
LONDON

13 February 1985

Dear Nigel,

SCOTTISH TEACHERS DISPUTE

As I think you know the industrial action being taken by school teachers in Scotland has escalated since my decision at the end of last year to reject their request to set up an independent tribunal to look into their pay. Until then the unions had pursued a rolling programme of strikes with a minority of schools in different areas being affected on a rota basis. However the latest strategy of the unions is to supplement the rolling programme by concentrating additional strike action in the constituencies of Government Ministers in Scotland. In each of the last 4 weeks all schools in my own constituency have been seriously disrupted for 3 days by this selective action. Many pupils sitting examinations in May have already lost at least ten days' teaching. I believe that the unions have both the will and the means to continue this action for a long time.

As you can imagine parents are becoming increasingly alarmed by the effect of this action on their children's education, particularly where children are preparing to take certificate examinations in a few weeks' time. Against the distinct likelihood that the dispute will not be settled quickly and the fact that the teachers' unions have instructed withdrawal of co-operation on examinations the Scottish Examination Board has already announced that, exceptionally, this year's awards for Ordinary and Higher grade examinations will be based entirely on written work, if oral assessments are not submitted by teachers. This is intended to safeguard the examinations themselves but does not mitigate the cumulative effect on pupils' preparations of days lost through closures resulting from strike action.

I am considering whether there is anything I can do either to compel education authorities to make alternative arrangements or to go over their heads and man the schools in the absence of the teachers, but quite apart from the difficulty of recruiting qualified volunteers for such a task, I should first have to declare the education authorities in default of their statutory duty, and I am advised that this would be vulnerable to challenge in the courts. Further, if I do decide to follow this course, the default action is likely to take too long to be of any assistance to pupils before the examinations.

I therefore see no alternative but to set up immediately a scheme of grants to enable parents to provide education at their own hand to replace that withdrawn by striking teachers. The aim would not be to provide a satisfactory alternative system of teaching, but to demonstrate to parents in the areas affected that the



Government are ready, as we have been in other recent disputes, to take steps at some cost to offset the effect of strikes on innocent victims. The grants would be for the hire of private tutors or the purchase of educational learning packages such as correspondence or audio/visual courses. Qualifications for assistance would be drawn so as to direct assistance to the worst hit areas and to limit it to pupils in S4, 5 and 6 who are to sit certificate exams in the current school session. I would hope the scheme could be set up as soon as possible, to run until exams finish around the end of May.

I have considered the possibility of achieving this by using existing powers but none of the existing regulations could be turned to this purpose without raising serious legal difficulties. In any case all the present regulations which might conceivably be invoked are limited to grants to bodies rather than individuals; and whilst I should prefer, for administrative reasons, to channel assistance through organised bodies, that would require time for parents to set up an organisation, and it would be desirable at least to have power to pay grant to individuals also. I would propose therefore to lay new regulations before Parliament very quickly, by-passing the 21 day rule in order to bring them into operation at the earliest possible date.

I estimate the scheme would cost around £1.5m over about 3 months. I would expect to be able to accommodate this. This is assuming the teachers' associations continue their present policy of confining the longer periods of strike action to Ministers' constituencies: short strikes of 2 or 3 days in other schools would not qualify parents for grants. If however the EIS escalated their action so that a substantially larger number of schools were hit by longer strikes, the cost would rise and I could not guarantee that I could find the necessary funds within my own programmes.

Unless a claim on the Consolidated Fund through an advance from the Contingencies Fund is allowed, amendments will be required to the structure of the Estimates. Our officials are already discussing this.

I should be glad to know as quickly as possible whether you agree to the proposals in principle, particularly the financial aspects. If colleagues agree I shall bring forward a more detailed proposal very shortly. Confidentiality is essential, as a leak of this initiative would extinguish the last lingering hope I have of agreement in the Joint Negotiating Committee later this week.

I am sending a copy of this to the Prime Minister, Willie Whitelaw, Keith Joseph, Tom King, Peter Rees, Patrick Jenkin, Nicholas Edwards and Sir Robert Armstrong.

Yours sincerely,

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Prime Minister (2)  
To note 15/2

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SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

CONFIDENTIAL

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

12 February 1985

Dear Nigel,

SCOTTISH TEACHERS' PAY

When I wrote to you about teachers' pay on 24 January I said that I would report again after my meeting with the Scottish Joint Negotiating Committee for Teaching Staff in School Education (SJNC(SE)) on 28 January. I have delayed writing so that I can let you know also the outcome of a subsequent meeting of the SJNC(SE) on 7 February.

At the meeting on 28 January I emphasised that I had no intention of setting up an independent pay review, but that I had made a positive response in suggesting that the SJNC(SE) might itself undertake a review of pay and conditions of service together. I repeated that, to be convincing, such a review would have to deal with a number of specific conditions of service matters where existing arrangements appeared not to be in keeping with present day requirements; and I said that, if an acceptable package on pay and conditions were to be produced, I would be prepared to reconsider my own financial priorities within the Government's public expenditure plans as a whole. I added that I would similarly expect local authorities to play their part by examining their priorities also.

In response, the Management Side agreed that my proposal had been constructive; and they indicated that, while they continued to support in principle the concept of an independent review, they would be prepared to participate in a review of the SJNC(SE). The Teachers' Side, however, took the line that they would not participate in any review which was not backed from the start by an absolute guarantee of additional resources. I made it clear that I was not prepared to give such a commitment, and that any additional funding must depend entirely on whether the pay and conditions package presented to me was attractive enough to persuade me to make the very difficult decisions on expenditure for other services which would be required in order to finance it. I invited the Teachers' Side to reconsider their decision and in the meantime to call off their damaging and pointless industrial action.



Subsequently the Teachers' Side requested a meeting of the full SJNC(SE) to afford both Sides the opportunity to clarify their respective positions. At this meeting, on 7 February, the Management Side held to their earlier position and proposed that the Teachers' Side should join with them in a review of pay and conditions of service within the SJNC(SE) framework, as being the best way forward. The Teachers' Side asked for time to consider their position. It was agreed that their response would be given at a further meeting of the SJNC(SE) on 15 February. Informal meetings between the leaders of the two Sides had, however, earlier established that some of the Teachers' Side were keen to make progress and to prevent dialogue being broken off, and I understand that the leaders of the teacher unions hope to use the time before the next meeting to attempt to win over the more militant of their members to the idea of participating with the Management Side in a joint review within the SJNC(SE) of the sort which I have suggested.

It remains to be seen what the outcome of the teachers' further deliberations will be. I take some encouragement, however, from the fact that on this occasion they have not rejected outright the suggestion of trying to make progress by the SJNC(SE) route.

Meantime the industrial action by the teachers' unions is having an increasingly serious effect. As I indicated in my letter of 24 January, the Educational Institute of Scotland (EIS) is targeting this action principally on schools in the constituencies of Government Ministers, which are now being subjected to strikes on 3 days in each week. My own constituency and Allan Stewart's were the first to be affected, but Michael Ancram's, Alex Fletcher's and Peter Fraser's are now being hit also. In addition, there is sporadic strike action by the EIS - lasting normally a day at a time - in other parts of Scotland; and similar action by the smaller unions is spreading. The consequences are very damaging. My officials calculate that in January the total number of teacher-days lost amounted to well over 11,000 and, at a very conservative estimate, some 130,000 pupils have had their education disrupted to some extent. For many of the pupils concerned, this is a crucial point in their preparation for the Scottish Certificate of Education examinations and the situation is deteriorating all the time. Moreover, the EIS have begun specific action also to disrupt this year's examinations procedures. Their action has already seriously undermined the important wider educational and examination reforms on which we have embarked in Scotland. Allan Stewart will be meeting the education authorities shortly to assess the damage in detail but it is already clear it is considerable.

Inevitably, parents are becoming increasingly alarmed. Allan Stewart and I are putting considerable effort into getting over to them the points that the teachers have been offered a perfectly reasonable and sensible way out of the present impasse and that we deplore the unprofessional attitude of those teachers who are acting in a quite unjustifiable manner against the interests of their own pupils. My judgement, however, is that there is not a great deal of support for us on this issue among the more articulate parents, many of whom would normally be sympathetic to our views. In addition



parents who do not necessarily support the teachers case are increasingly taking the view that it is for Government to break the apparent deadlock. We shall simply have to persevere in what is an uphill battle.

I shall of course write to you again when there are any further significant developments to report.

I am copying this letter, as previously, to the Prime Minister, Members of E(PSP), the Secretaries of State for Wales and Northern Ireland and Sir Robert Armstrong.

Yours ever,

George.



Tender's Pay: EDUCATION P4



13 FEB 1985