

It would be good if we could announce them all on Thursday, not.

PRIME MINISTER

PA Prime Minister (1)
If you agreed with this (and I'm bound to say there was a very clear

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cc Mr Ingham
majority in Cabinet in favour of deferring TSRB)
Geoffrey Howe, John Nott and Norman Fowler
Pay Announcements would have to be persuaded to defer

No doubt you will be receiving a report of the Tuesday's announcement decision taken in Cabinet this morning under Mr. Whitelaw's chairmanship on the various public service pay issues. I certainly do not want to suggest reopening them, and indeed the decisions do represent a good package, which combines acceptance of independent judgments of pay levels in as many cases as possible with holding down the overall level of pay in the NHS (although I still think that eventually some more may be needed to get the NHS groups to settle).

I suspect that Mr Fowler will be back with proposals for a higher offer
MCS

But I have the most serious misgivings, which Bernard Ingham shares, about the proposal to announce decisions on the CSAT and two of the review bodies on Tuesday, and to hold back the decision on the TSRB until much later. There is never a good time for an announcement of substantial increases in top salaries. But it is hard to believe there will ever be a better time than when the media are dominated by the Falklands crisis, and when we are simultaneously announcing a wide range of other pay decisions. Furthermore Bernard thinks, and I agree, that announcement of the decision to cut back on the DDRB without a simultaneous decision on the TSRB will be widely read as an indication that the Government has decided not to cut back on the TSRB but is afraid to announce it. So we might get the worst of all worlds.

If we do as your colleagues are suggesting (and it is a considerable change in their views from your meeting earlier this week) and wait several weeks before announcing the TSRB decision, I am sure that we shall simply be drawing attention to it. The amount by which it is proposed to cut back the award is not sufficient to deflect criticism of its size, and the nature of the pay round is such that there are bound to be some groups from whom we will have reason to fear a knock-on effect - the nationalised

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industry board members, for instance. And if we wait until August, as was suggested this morning, we shall start to infect the next pay round.

I am not in a position to judge the extent to which it is possible to change the decision and agree to make all the announcements at once, although the fact that you were absent from this discussion may help. I am in no doubt that it is worth delaying the other announcements for a day or two, if necessary, in order to provide time to tidy up the details of the TSRB decision, and then make all the announcements at once.

J.

29 April 1982

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