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PRIME MINISTER

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REGIONAL PAY

Kenneth Clarke's speech last night urging greater regional pay variations was widely reported. It follows similar comments by both the Chancellor and Nicholas Ridley over the last few months.

It is clearly desirable to go down this route. But it is not clear that it is good tactics - or good politics - to make this front page news in the current environment. The message that "low pay is good for the North" is rather too subtle, and easily misinterpreted.

Surely, we should try and achieve our objectives with less fanfare - showing the way through negotiations in the public sector. As well as the Civil Service, we might start by abolishing the national mechanism for determining local authority wage levels.

We believe it would be worth raising this issue of presentation with colleagues to adopt a common approach.

N.B.

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NORMAN BLACKWELL