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CC(82) 42nd
Conclusions

COPY NO

79

CABINET

CONCLUSIONS of a Meeting of the Cabinet
held at 10 Downing Street on

THURSDAY 30 SEPTEMBER 1982

at 10.00 am

PRESENT

The Rt Hon Margaret Thatcher MP
Prime Minister

The Rt Hon William Whitelaw MP
Secretary of State for the Home Department

The Rt Hon Lord Hailsham
Lord Chancellor (Items 1 - 5)

The Rt Hon Sir Geoffrey Howe QC MP
Chancellor of the Exchequer

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

The Rt Hon James Prior MP
Secretary of State for Northern Ireland

The Rt Hon John Nott MP
Secretary of State for Defence

The Rt Hon Peter Walker MP
Minister of Agriculture, Fisheries and Food

The Rt Hon Michael Heseltine MP
Secretary of State for the Environment

The Rt Hon George Younger MP
Secretary of State for Scotland

The Rt Hon Patrick Jenkin MP
Secretary of State for Industry

The Rt Hon John Biffen MP
Lord President of the Council

The Rt Hon David Howell MP
Secretary of State for Transport

The Rt Hon Norman Fowler MP
Secretary of State for Social Services

The Rt Hon Leon Brittan QC MP
Chief Secretary, Treasury

The Rt Hon Baroness Young
Lord Privy Seal

The Rt Hon Nigel Lawson MP
Secretary of State for Energy

The Rt Hon Norman Tebbit MP
Secretary of State for Employment

The Rt Hon Cecil Parkinson MP
Chancellor of the Duchy of Lancaster
and Paymaster General

The Rt Hon Lord Cockfield
Secretary of State for Trade

THE FOLLOWING WERE ALSO PRESENT

The Rt Hon Sir Michael Havers QC MP
Attorney General (Item 5)

The Rt Hon Michael Jopling MP
Parliamentary Secretary, Treasury

The Rt Hon Douglas Hurd MP
Minister of State, Foreign and Commonwealth Office

SECRETARIAT

Sir Robert Armstrong
Mr P L Gregson (Items 4 and 6)
Mr D J S Hancock (Items 2 and 3)
Mr A D S Goodall (Items 2 and 3)
Mr D H J Hilary (Items 1 and 5)
Mr M S Buckley (Items 4 and 6)
Mr L J Harris (Items 1 and 5)

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PARLIAMENTARY
AFFAIRS

1. The business previously notified to the Cabinet to be taken in the House of Commons during the week beginning 18 October was confirmed.

FOREIGN
AFFAIRS---
JapanPrevious
Reference:
CC(82) 5th
Conclusions,
Minute 2

2. THE PRIME MINISTER said that in her recent visit to Japan she had concentrated on trading issues. She had seen at first hand the formidable efficiency of Japanese industry and the extent to which it was making use of new technology. Japanese industry was applying technological discoveries - many of them made in Britain - which British industry was failing to follow up. In her contacts both with the Japanese Government and representatives of Japanese industry she had repeatedly emphasised that Japanese penetration of British markets - especially in particular sectors such as numerically-controlled machine tools - had reached wholly unacceptable levels: unless the Japanese placed more orders for capital goods overseas, accepted voluntary restraint agreements and were prepared to channel more investment overseas, they would inevitably find themselves confronting increased recourse by their trading partners to protectionist measures. She believed that this message was beginning to get through to the Japanese. They had agreed to receive a team from the British machine tools industry for discussions on voluntary restraint arrangements in October: this should be followed up urgently. Meanwhile, however, Britain's reputation for strikes and industrial unrest continued to be a serious deterrent to Japanese investment in this country.

The Cabinet -

1. Invited the Secretary of State for Industry to ensure that prompt action was taken in response to the Japanese agreement to receive a team from the British machine tools industry.

China

Previous
Reference:
CC(82) 6th
Conclusions,
Minute 2

THE PRIME MINISTER reported on her talks with the Chinese leadership about the future of Hong Kong. It was clear from her talks with them on that and other subjects that Deng Xiaoping, together with Premier Zhao Ziyang and the Chairman of the Central Committee of the Communist Party, Hu Yaobang, constituted a triumvirate whose decisions were accepted by the rest of the Central Committee. But the possibility of trouble from Maoist elements in the Party could still not be completely ruled out. The Chinese had been at great pains to emphasise that their relationship with the Soviet Union was not changing. Suspicion and distrust between the two countries ran too deep for any real improvement in relations to appear likely in the foreseeable future. Chinese conditions for an improvement in relations with Moscow included the withdrawal of Soviet troops from Afghanistan; a halving of the number of Soviet troops on the

Soviet/Chinese border and Vietnam's withdrawal from Kampuchea. The Chinese seemed genuinely anxious to buy more goods from the United Kingdom in preference to the United States or Japan. She had had some discussion with the Chinese provincial authorities about the proposed Guangdong power station. Chinese plans for this had not yet crystallised, and decisions were not likely to be taken soon; but their thinking seemed now to be reverting to the idea of a consortium involving British and French firms rather than British and American ones, perhaps because of American reservations about supplying nuclear technology to China on grounds of non-proliferation.

India

THE PRIME MINISTER said that she had had a useful meeting with the Prime Minister of India, Mrs Gandhi, on her way back from the Far East. Mrs Gandhi was not a friend of Communism but, for internal political reasons, had to steer a very careful course between Moscow and Washington. Her difficulties in governing India were formidable, with the Communist Party combining with the extreme right to try to oust her. In Moscow Mrs Gandhi had found an uncertain leadership: Mr Brezhnev seemed no longer to be capable of conducting a conversation except on the basis of prepared statements. On commercial questions the Indians had indicated that they were looking for the British Steel Corporation to take the lead in the construction of the Orissa steel plant, and that this would be on the basis of a negotiated rather than a competitive tender. Sea King helicopters had been mentioned, but the Indian Government was not yet in a position to take a decision on the placing of an order.

The Cabinet -

2. Took note.

Russian Pipeline
Contracts

Previous
Reference:
CC(82) 41st
Conclusions,
Minute 1

THE MINISTER OF STATE, FOREIGN AND COMMONWEALTH OFFICE, reported that the French continued to block the efforts which the Foreign and Commonwealth Secretary had been making to arrange a meeting of the four European Foreign Ministers concerned with the United States Secretary of State, Mr Shultz, in the margins of the United Nations General Assembly in New York. The French Foreign Minister, Monsieur Cheysson, had however had a bilateral meeting with Mr Shultz at which the French had shown some signs of readiness to move towards meeting American concerns. For the moment efforts to resolve the dispute would be continued through meetings of senior officials.

THE SECRETARY OF STATE FOR TRADE said that John Brown Engineering were alarmed that the scope of the American denial order against them had proved to be wider than expected. It applied to all gas and oil related equipment and was affecting their overseas business in other areas. The United States Customs were also being obstructive. Unless a solution to the dispute could be reached soon through diplomatic channels and the United States embargo lifted, consideration would have to be given to the introduction of further British retaliatory measures against the United States.

THE PRIME MINISTER, summing up a short discussion, said that the Europeans and the Americans shared a common concern for the unity of the Alliance; and there would be advantage in an agreed policy on economic relations with the Soviet Union. But in any discussion of arrangements with the Americans for regulating trade with the Soviet Union in return for a lifting of the United States embargo it would be important to protect the trading interests of other British firms.

The Cabinet -

3. Took note.

Lebanon
Previous
Reference:
CC(82) 40th
Conclusions,
Minute 2

THE MINISTER OF STATE, FOREIGN AND COMMONWEALTH OFFICE, said that the Israeli Government had now agreed to a judicial inquiry into the recent massacres. The multinational force was deploying in Beirut, and Beirut airport was reopening that day. The United Nations Interim Force in Lebanon mandate would expire on 19 October and international discussions were in progress about its future. For the moment there were no indications that the United Kingdom would be pressed to join an international peacekeeping force in the Lebanon. The United Kingdom would, however, be expected to contribute to the reconstruction of the country, to which there had already been a British contribution of £3 million.

Leak of Foreign
and Commonwealth
Office Documents

THE MINISTER OF STATE, FOREIGN AND COMMONWEALTH OFFICE, said that a publication called "City Limits" which had appeared the previous day carried extracts from a number of classified documents belonging to the Foreign and Commonwealth Office including telegrams and Ministerial briefs. An urgent investigation would be mounted into how these documents had come into unauthorised hands and legal advice was being taken on possible ways of preventing the extracts from being given further publicity. The extracts so far published were embarrassing

rather than damaging, but it seemed likely that more material of the same kind might be in unauthorised hands.

The Cabinet -

4. Took note.

3. THE MINISTER OF STATE, FOREIGN AND COMMONWEALTH OFFICE, said that the Council had had a bad discussion about the implementation of the 25 May Agreement on refunds for the United Kingdom in respect of 1982. All present, except France, were clear that the 850 million ecus refund was net of United Kingdom contributions to the budget and that whatever arrangements the others made among themselves for financing this sum should not affect the size of the United Kingdom refund. But, even though isolated, France resisted to the end, and a solution was not reached despite skilful chairmanship by the new Danish Foreign Minister. The Foreign and Commonwealth Secretary had subsequently raised the matter with Monsieur Cheysson, the French Foreign Minister. The Commission were helping us in our attempts to persuade the French Government to change their line, but there was no guarantee that they would give way. The source of difficulty appeared to be that Monsieur Cheysson had given President Mitterrand a more favourable account of the 25 May Agreement than the facts justified. There was still time for the necessary budgetary action to be taken to enable the United Kingdom to receive the amounts due in the first quarter of 1983, if an agreement could be reached at the October meeting.

Meanwhile, the Foreign and Commonwealth Secretary and other Ministers in bilateral discussions were pressing our case for a lasting solution to the problem. The Commission had undertaken to make proposals so that a decision could be reached before the end of November. But the Danish Government was new and the German Government, who would succeed to the Presidency on 1 January 1983, was in transition. The negotiations would be difficult and rough.

THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD said that the new Danish Government showed no signs of moving from the tough position of their predecessors on the Common Fisheries Policy. The Fisheries Minister, Mr Henning Grove, had given an interview to the Financial Times, published on 30 September, which contained claims totally unacceptable to the United Kingdom. It was therefore highly unlikely that any solution would be reached at the Fisheries Council on 4-5 October. Meanwhile, the United Kingdom industry was becoming restive. The Government's public

COMMUNITY AFFAIRS

Council of Ministers (Foreign Affairs) 20-21 September

Common Fisheries Policy

Previous Reference: CC(82) 41st Conclusions, Minute 2

expenditure plans included money to give them aid and the Minister had been hoping to offer this at the time of the settlement so as to sweeten its terms. If no progress towards a settlement could be achieved as had been hoped, it might be necessary to give aid to the industry in advance of a settlement.

Steel
Previous
Reference:
CC(82) 41st
Conclusions,
Minute 2

THE SECRETARY OF STATE FOR INDUSTRY said that there was an urgent need to persuade the Commission and the other member states to take a much tougher stand on imports of steel from third countries into the Community.

THE SECRETARY OF STATE FOR TRADE said that the latest reports suggested that the United States Administration were determined to get the United States steel industry to go along with the agreement reached with the Community in August.

The Cabinet -

Took note.

INDUSTRIAL
AFFAIRS

National Health
Service Dispute

Previous
Reference:
CC(82) 41st
Conclusions,
Minute 3

4. THE SECRETARY OF STATE FOR SOCIAL SERVICES said that on 16 September he had sent to the Trades Union Congress (TUC) Health Services Committee, the Royal College of Nursing (RCN) and other professional bodies, revised proposals for a pay settlement covering the two years up to 31 March 1984. The proposals had emerged from informal discussions with Mr Spanswick and Mr Jacques, Chairman and Secretary respectively of the TUC Health Services Committee, who had indicated that they were likely to be acceptable. They had however been rejected later the same day by the Committee, largely because of opposition by unions other than the main health service unions who were concerned about the wider implications of a two year pay agreement and were keen to go ahead with the planned Day of Action on 22 September. Talks were still in progress with the RCN and the other professional bodies, but these organisations had only a narrow majority on the Nurses' and Midwives' Whitley Council and it was doubtful whether they would be prepared to reach a settlement separately from the trade unions. An early settlement of the dispute did not therefore seem likely. Further Days of Action would be taking place during October on a regional basis. So far, although waiting lists had been lengthened and many non-urgent operations had been cancelled, the effects of the industrial action had been contained and in some parts of the country hospitals were working normally. It was essential that all Ministers should make vigorous efforts to ensure that the Press and public understood how much the present Government had done to increase nurses' pay, recruit more nurses and devote more resources to the National Health Service generally. Any doubts which had been raised, following leaks about the papers before the Cabinet at that meeting on 9 September, about the Government's commitment to a National Health Service would need to be firmly dispelled. It should be made clear that the trade unions were seeking to exploit public sympathy for nurses and patients for wider purposes.

The Cabinet -

1. Took note.

The Cabinet's discussion is recorded separately.

Sympathetic
Industrial Action
by Civil Servants

Previous
Reference:
CC(82) 37th
Conclusions,
Minute 4

National Coal
Board Pay
Negotiations

THE SECRETARY OF STATE FOR ENERGY said that the National Union of Mineworkers would be balloting their members on 28 and 29 October on the pay offer made by the National Coal Board (NCB) and seeking authority to take strike action. Meanwhile an overtime ban would be put into effect in the week beginning 4 October. It was for the NCB to take the lead in trying to persuade their workforce to accept the offer and reject strike action, and the Government should continue to avoid comment.

The Cabinet -

2. Took note.

THE QUEEN'S
SPEECHES ON
THE
PROROGATION
AND OPENING
OF
PARLIAMENT

5. The Cabinet considered a memorandum by the Secretary of State for the Home Department (C(82) 34), to which were attached drafts of The Queen's Speeches on the Prorogation of the 1981-82 Session of Parliament, and the Opening of the 1982-83 Session. They also had before them a minute dated 23 September from the Home Secretary to the Prime Minister reporting the outcome of a discussion about technical redundancy in the Home and Social Affairs Committee (H) on 20 September.

THE HOME SECRETARY said that the draft Speeches attached to C(82) 34 had been prepared by The Queen's Speeches and Future Legislation Committee on the basis of suggestions put forward by Departments. The draft Opening Speech reflected the legislative programme for the 1982-83 Session approved by the Cabinet on 13 May, and both drafts took account of written comments made by the Prime Minister and other members of the Cabinet on earlier versions. There was no disagreement about the substance of either Speech, though the Cabinet would wish to consider whether the presentation, particularly of the passages on economic policy and the Falklands dispute, was satisfactory.

His minute of 23 September to the Prime Minister explained the need, identified by H Committee, for legislation to prevent civil servants transferred with their jobs to the private sector or to a hived-off body from claiming redundancy compensation. The Committee had agreed that the present entitlement to compensation, which was not available to private sector employees transferred in analogous circumstances, was indefensible. Unless the existing arrangements were changed in the near future the privatisation programme would inevitably be slowed down or made unduly expensive. Co-operation from the Civil Service unions was unlikely and so the change could only be effected by means of primary legislation. H Committee had considered and rejected the possibility of including the appropriate measures in the National Heritage or Miscellaneous Financial Provisions Bills, both of which had a place in next Sessions' programme. The Committee

had no authority to add a separate Bill to the programme for this purpose, or to delete one of the agreed Bills to make room for it. The decision was therefore a matter for the Cabinet. A new Technical Redundancy Bill would not itself need to be mentioned in the Opening Speech, but the Speech might have to be amended to take account of any consequential changes in the programme.

Draft
Prorogation
Speech

In discussion of the draft Prorogation Speech, the following main points were made:-

a. The references in lines 50 - 52 to the agreement reached in the European Community on budget refunds for the United Kingdom for 1982 and to the leading role played by the United Kingdom in negotiations on the Common Agricultural Policy were inappropriate, in view of the unsatisfactory nature of those discussions. The sentence should be omitted.

b. The Speech should contain some indication of the Government's revulsion at the recent massacres which had occurred in the Sabra and Chatila camps in the Lebanon. A specific reference might, however, create an awkward precedent in relation to similar events in the future, and it would therefore be better if the reference to the Lebanon in lines 57 and 58 were to refer to the present conflict "with all its tragedies".

Draft
Opening
Speech

In discussion of the draft Opening Speech, the following main points were made:-

c. The reference to encouraging the economic development of the Falkland Islands might cause concern at the prospect of the Islanders' present way of life being radically changed. On the other hand, there had been complaints over the years that successive governments had done little to improve economic conditions in the Islands, and there was a general expectation that some action would now be taken. Some change in the economic and social conditions of the Islands would in any case be an inevitable consequence of the stationing of a garrison of British troops there. The present text should not be changed.

d. The Government's future policy towards the countries of Latin America could be dealt with during the Debate on the Address, but it would give a misleading impression for it to receive a specific mention in the Opening Speech. The sentence in lines 12 to 15 should be deleted.

e. The expression of the Government's concern about unemployment in lines 40 and 41 should be more closely integrated with the account of economic policy which followed.

f. The reference to legislation to improve the marketing of British food and agricultural produce in lines 75 and 76 should follow the industrial measures mentioned in lines 52 to 57.

g. The passage on Northern Ireland in lines 77 to 81 might need some amendment in the light of developments before the Speech was delivered.

THE PRIME MINISTER, summing up this part of the discussion, said that the Chancellor of the Exchequer should prepare a revised passage on economic policy for the draft Opening Speech, taking account of the points made in discussion. Subject to that, to the other points made in discussion, and to any changes which might be made necessary by subsequent events, the Cabinet approved the two draft Speeches attached to C(82) 34. The Secretary of the Cabinet should now prepare revised versions for her to submit to The Queen for approval.

The Cabinet -

1. Invited the Chancellor of the Exchequer to prepare a revised passage on economic policy for inclusion in the draft Opening Speech, as indicated in the Prime Minister's summing up of their discussion.
2. Subject to 1, and to the other changes agreed in discussion, approved the draft Speeches attached to C(82) 34.
3. Instructed the Secretary of the Cabinet to prepare final revisions of the draft Speeches, taking account of these points, for the Prime Minister to submit to The Queen.

Technical
Redundancy

THE ATTORNEY GENERAL said that the Employment Protection (Consolidation) Act 1978 protected the terms and conditions of employment of all employees. Similar safeguards had been included in the Acquired Rights Directive subsequently adopted by the European Community. Regulations under the 1978 Act had included provisions to prevent private sector employees from claiming compensation for technical redundancy of the kind described by the Home Secretary. The Regulations did not, however, apply to civil servants, whose redundancy arrangements were covered by the rules of the Principal Civil Service Pension Scheme. These could be changed only by agreement or by primary legislation. Some proposals for hiving-off or privatisation due to be implemented over the next two years would require specific legislation which could deal with the technical redundancy problem for the groups concerned; in other cases, the planned changes could only be implemented, in the absence of general legislation, if compensation were paid. It was clearly unacceptable that there should be this disparity between the treatment of different groups, and he was therefore in favour of early legislation to deal with the general difficulty. A short Bill had already been drafted to deal with the immediate problem. In the context of other privatisation proposals which were due to be implemented later, it would be necessary at some stage to deal with the problem caused by the right of the civil servants concerned to index-linked pensions.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet agreed that early legislation was needed to correct the anomaly of technical redundancy compensation for civil servants. Measures could not be enacted in the 1983 Finance Bill, even if that were technically possible, in time to prevent delays to the privatisation programme, and none of the other Bills agreed for the 1982-83 legislative programme would be a suitable vehicle for these provisions. The Cabinet therefore agreed that a separate Bill should be introduced at the beginning of the next Session for this purpose. They recognised that this could cause some difficulties for the management of the legislative programme in view of the controversial nature of some of the other Bills which it contained, the likely attitude of the Opposition, and the desirability of avoiding a spillover period at the end of the Session. They agreed that no Bill should be deleted from the approved programme at this stage, but accepted that the situation might need to be reviewed as the Session progressed.

The Cabinet -

4. Agreed that a Bill to prevent the payment of compensation for technical redundancy to civil servants should be introduced at the beginning of the 1982-83 Session of Parliament, and invited the Chief Secretary, Treasury, to bring a draft Bill for this purpose before Legislation Committee accordingly.

PUBLIC
EXPENDITURE---
Pay Factor for
1983-84

6. The Cabinet considered a memorandum by the Chief Secretary, Treasury (C(82) 35) about the public service pay factor to be used in drawing up public expenditure plans for 1983-84.

THE CHIEF SECRETARY, TREASURY said that the plans for 1983-84 published in the White Paper on the Government's Expenditure Plans 1982-83 to 1984-85 were based on an inflation assumption, not differentiated between pay and prices, of 6 per cent. This would be taken to apply to pay unless a contrary decision were taken. 6 per cent was too high: it was clearly inconsistent with the Government's aim of achieving lower pay settlements in the current pay round than in the previous one. The choice of pay factor, in his view, lay between 3 per cent and 4 per cent. Because of the decline in the rate of inflation, 4 per cent would be more generous in real terms than the same figure last year. 3 per cent would point more strongly to a reduction in the level of settlements, and would give a clearer signal to public expectations. It would be welcome on that account to the Confederation of British Industry (CBI) and others, but it might be too low to carry conviction, and could provoke unhelpful confrontation with the unions concerned. If it proved not to be tenable, its value as a constraining influence and as a signal would be weakened; the outcome might be higher settlements and expenditure than if a factor of 4 per cent were used. On balance, he favoured 4 per cent; but it would be necessary to stress that this was intended to lead to lower pay settlements than in the previous pay round. The factor should be used in the Government's expenditure plans for pay increases in 1983-84 for the Civil Service, Armed Forces and other public service groups; but the National Health Service should be left on one side until the current dispute was settled. He would take account of the factor as appropriate, programme by programme, in making his proposals to the Cabinet about public expenditure. There was no need to make any assumption about local authority pay. The Government had already made announcements regarding local authority current expenditure and the Rate Support Grant for 1983-84. The Government could say, if necessary, that the assumption was consistent with the announced provision for local authorities. No formal announcement of the pay factor should be made at this stage: it would be better to present the pay factor in late November or early December as one among several assumptions underlying the Government's expenditure decisions. If the figure leaked before then, as was likely, it would be no bad thing. It would enable the Government to give a lead without appearing to throw down a gauntlet to the trade unions.

In discussion, the following main points were made:-

- a. A pay factor of 4 per cent might, in practice, lead to settlements of 6 to 7 per cent: the pay factor would be regarded as an opening bid in a negotiation, the outcome of which was bound to be higher. Such an outcome would fail to improve on the outcome for the previous pay round. It was necessary to give a clearer signal of the Government's

intentions by selecting a lower factor. This would influence public opinion, and could also be expected to influence the attitude of arbitrators in public service pay disputes.

b. A factor of 3 per cent would be widely disregarded as unrealistic. It seemed possible that the aim of many trade unions in forthcoming pay negotiations would be to achieve settlements which they could represent as a serious defeat for the Government. They would find this more difficult to achieve if the factor was 4 per cent.

c. One possibility would be to adopt a factor of 4 per cent, but to make it clear in public presentation that the Government intended the outcome of pay negotiations to be much closer to it than had been the case in the previous pay round. The fall in the rate of inflation gave ample reason for this. It was however open to doubt whether such a presentation would be effective.

d. An alternative approach would be to adopt a factor of $3\frac{1}{2}$ per cent. This would signal the Government's determination to achieve a lower level of pay settlements; it would be welcome on that score to the CBI. It might be criticised as unrealistically precise; but pay negotiators often dealt in fractions of 1 per cent; and it was reasonable for the Government to do likewise in drawing up its own expenditure plans.

e. If it was decided to adopt a pay factor of less than 4 per cent, it would be essential to announce it quickly. A main reason for the decision would be to give a signal to expectations at a formative stage of the pay round. The figure should be presented, as in the past, as an assumption for purposes of public expenditure planning and not as a pay 'norm'.

THE PRIME MINISTER, summing up the discussion, said that the Cabinet agreed that a pay factor of $3\frac{1}{2}$ per cent should be adopted for the Government's expenditure plans for 1983-84; it would be used to determine the provision in the plans for pay increases from due settlement dates in 1983-84 for the Civil Service, Armed Forces and other public service groups, apart from the National Health Service, about whom a decision should be deferred. The Chief Secretary, Treasury should take account of this decision as appropriate in making his forthcoming proposals to the Cabinet about public expenditure. The decision should be made public by means of a Treasury

Press statement, to be issued during Friday, 1 October. Meanwhile, inquiries from the media should be answered by saying that the Treasury would shortly be making an announcement. The Chief Secretary, Treasury should circulate a draft of the Press statement to the Cabinet as soon as possible

The Cabinet -

1. Took note, with approval, of the Prime Minister's summing up of their discussion.
2. Invited the Chief Secretary, Treasury to circulate to the Cabinet as soon as possible the draft of a Treasury Press statement announcing the Government's decision, to be issued during Friday, 1 October.

Cabinet Office

1 October 1982

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COPY NO 9

CABINET

LIMITED CIRCULATION ANNEX

CC(82) 42nd Conclusions, Minute 4

Thursday, 30 September 1982 at 10.00 am

THE CHANCELLOR OF THE EXCHEQUER said that a number of Civil Servants had taken part in the Trades Union Congress Day of Action on 22 September in support of the National Health Service unions. Over a hundred of these had also been absent without authority in connection with the National Health Service dispute on a previous occasion and had been warned that future action would attract disciplinary proceedings. These proceedings would now be set in hand. Although disciplinary action by Departments would have to take account of individual circumstances, it was desirable that cases should be handled on a reasonably consistent basis and consideration was being given to how this might best be achieved. A general notice would also be circulated to all civil servants drawing their attention to the fact that staff who committed disciplinary offences, including that of unauthorised absence, which were not connected with a dispute about Civil Service conditions of employment, would be liable to disciplinary proceedings.

The Cabinet -

Took note.

Cabinet Office

1 October 1982

INDUSTRIAL
AFFAIRS

Sympathetic
Industrial
Action by
Civil
Servants

Previous
Reference:
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Conclusions,
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