

BI

Coxon memo (2)  
Prime Minister

Mus 4/12



Caxton House Tothill Street London SW1H 9NXP

Telephone Direct Line 01-213 6400 GTN 213

Switchboard 01-213 3000

Rt Hon Peter Walker MBE MP  
Minister of Agriculture  
Department of Agriculture,  
Fisheries and Food  
Whitehall  
LONDON SW1

2 December 1981

D. Peter.

PROPOSED MERGER OF FAMILY EXPENDITURE SURVEY AND NATIONAL  
FOOD SURVEY

I have considered the points made in the replies from you and others to Jim Prior's letter of 7 September about the proposal to merge the National Food Survey with the Family Expenditure Survey.

My main concern, which I believe is in all our interests, is that confidence in the retail prices index must not be jeopardised. Amongst all the considerations that have been put forward, this must be paramount. The index is a central indicator of Government policy to reduce inflation. Any action which might be construed as reducing the reliability of the index could lead to great political difficulty and damage. I am quite sure that the effects of the merger are sufficient to pose a serious risk of loss of confidence in the index, even though there is debate about the precise scale of the effects. Accordingly I do not propose to authorise the merger.

Putting the issue to the Advisory Committee would not lessen the difficulty of maintaining confidence in the index. I would need to put forward a positive proposal for the merger. Yet I believe that there is a very strong likelihood that the Committee would give priority to safeguarding the index and advise against it. We would then be faced with either disregarding the Committee's advice, which would be certain to undermine confidence not only in the index but in the invaluable and long-established supportive



role of the Advisory Committee, or, alternatively, accepting belatedly that our proposal had been misconceived.

I am sure it is right that savings should be sought. Merging the two surveys, however, is only one possible means, and it does have some nasty snags. The alternative is to look at the two surveys separately. The savings expected from a merger were not much more than 10 per cent of the combined cost of the two surveys. Savings of this modest order could well be capable of achievement from looking at the two surveys separately and I suggest that studies to this end be set in hand.

I am copying this letter to the Prime Minister, the Chancellor of the Exchequer, the Secretary of State for the Environment, the Secretary of State for Social Services, Sir Robert Armstrong, Sir John Boreham (CSO) and the Registrar General.

*Yours  
Norman*



-2 DEC 1981

Gov. Muel, Oct 29  
Reverie de Stals



*Govt. Mach*

CABINET OFFICE

*Central Statistical Office*

Great George Street, London SW1P 3AQ Telephone 01-233 6117

*From the Director: Sir John Borcham, K.C.B.*

22 January 1982

Our Ref G3/9

*De Minimis*

RAYNER SAVINGS FROM THE NATIONAL FOOD SURVEY AND THE FAMILY EXPENDITURE SURVEY

You agreed in your reply of 15 December 1981 to Mr Norman Tebbit that the National Food Survey and the Family Expenditure Survey should not be merged, and that the savings originally envisaged should be found from alternative reductions in the two surveys separately.

May I request that you ask your officials to submit specific proposals concerning the National Food Survey? For the Office of Population Censuses and Surveys to be able to implement the changes from January 1983, the proposals would have to be agreed by July 1982, which means I should have them by the first week of April to allow sufficient time for discussion with other departments. Your officials will need to consult closely with OPCS in order to quantify the savings their proposals are expected to yield.

The target savings set by Sir Derek Rayner is £220,000 at 1979 prices or £320,000 at 1982 prices. Severe cuts might be required in the two surveys to produce savings of that order of magnitude. To minimise the damage, the first step might be to explore the prospects of substantially increasing charges to non-Government users of NFS data. The larger the contribution of such charges to the total savings the smaller will be the cuts required to the surveys. Indeed, paragraph 72 of the Rayner Review of your department states:

"If the NFS were to continue as an independent survey, it would be recommended ..... that the present charging policy be extended significantly, so that in effect an attempt would be made to make the whole NFS operation as near self-financing as possible".

As we do not know how much of the required savings can be met from increased charges, proposals should also be made of the cuts your department could make to the NFS, ranking them if possible in some order of preference.

I am copying this letter to Mr Norman Tebbit, to whom I am also writing separately concerning the Family Expenditure Survey. Copies also go to the Prime Minister, The Chancellor of the Exchequer, the Secretary of State for the Environment, the Secretary of State for Social Services, the Chancellor of the Duchy of Lancaster, Sir Robert Armstrong and the Registrar General.

*Yours sincerely  
John Borcham*

A03363



Wh  
25/1

CABINET OFFICE

Central Statistical Office

Great George Street, London SW1P 3AQ Telephone 01-233 6117

From the Director: Sir John Boreham, K.C.B.

22 January 1982

Our ref G3/9

Dear Secretary of State

RAYNER SAVINGS FROM THE NATIONAL FOOD SURVEY AND THE FAMILY EXPENDITURE SURVEY

In your letter of 2 December to Mr Peter Walker informing him of your decision not to authorise the merger of the National Food Survey and the Family Expenditure Survey, you suggested that comparable savings could be found from looking at the two surveys separately.

May I request that you ask your officials to submit specific proposals concerning the Family Expenditure Survey? For the Office of Population Censuses and Surveys to be able to implement the changes from January 1983, the proposals would have to be agreed by July 1982, which means I should have them by the first week of April to allow sufficient time for discussion with other departments. Your officials will need to consult closely with OPCS in order to quantify the savings their proposals are expected to yield.

I have asked MAFF to explore the prospects of meeting as much as possible of the required total savings of £320,000 (at 1982 prices) from higher charges to users of NFS data. Until we know the contribution such increases can make to the total savings, we shall not know how deeply we need to cut the two surveys. But that uncertainty should not prevent your officials considering the specific cuts they could make to the PES and ranking them in some order of preference.

I am copying this letter to the Prime Minister, the Chancellor of the Exchequer, the Secretary of State for Agriculture, Fisheries and Food, the Secretary of State for the Environment, the Secretary of State for Social Services, the Chancellor of the Duchy of Lancaster, Sir Robert Armstrong and the Registrar General.

Yours sincerely  
John Boreham

JOHN BOREHAM

The Rt. Hon. Norman Tebbit  
Secretary of State for Employment  
Caxton House  
Tothill Street  
SW1



*Govt Mach*  
✓  
*MAD*

Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400 GTN 213

Switchboard 01-213 3000

Rt Hon Peter Walker MBE MP  
Minister for Agriculture  
Ministry of Agriculture, Fisheries  
and Food  
Whitehall  
LONDON SW1

30.12.81

*Dear Minister*

PROPOSED MERGER OF FAMILY EXPENDITURE SURVEY AND NATIONAL FOOD SURVEY

Thank you for your letter of 15 December, in which you agree that the merger will not now go ahead.

I note what you say about recent developments in shopping patterns being reflected in the Retail Prices Index and my officials will be getting in touch about this issue with your officials and those of other departments with an interest.

I am copying this letter to the Prime Minister, the Chancellor of the Exchequer, the Secretary of State for the Environment, the Secretary of State for Social Services, Sir Robert Armstrong, Sir John Boreham (CSO) and the Registrar General.

*Yours sincerely*  
*Mamie Fahay*

(Approved by the Secretary of State and signed in his absence)

5 1 DEC 1981

11 12 4  
10 33  
9 42  
8 5  
7 6.5

CONFIDENTIAL

*Gort Machs*

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD  
WHITEHALL PLACE, LONDON SW1A 2HH

4



Prime Minister

*MCS 15/12*

From the Minister

The Rt Hon Norman Tebbit MP  
Department of Employment  
Caxton House  
Tothill Street  
London  
SW1N 9NA

*mt*

15 December 1981

*Norman Tebbit*

PROPOSED MERGER OF FAMILY EXPENDITURE SURVEY AND NATIONAL FOOD SURVEY

I was disappointed to learn from your letter of 2 December that you felt unable to authorise the merger of these two surveys. It did appear to me, and I think to most of the others concerned, that a merger was feasible and would offer a significant gain in the efficiency of collecting the data needed for the conduct of Government business. However, you have clearly been giving careful thought to the matter and I can understand the importance you must attach to the standing of the Retail Prices Index. But I remain convinced that with the will to make the merger work, which I understand exists in OPCS and certainly does in my Department, no harm would have come to the RPI. For the future, the search for the right formula will I am sure continue, and then perhaps a more streamlined system can be adopted.

Since the merger will not now go ahead, you suggest that efforts should be concentrated on the two surveys separately with a view to making the originally envisaged savings. The problem will be to achieve these without impairing the quality of data by more than might have occurred from the merger. I can see no possibility of the NFS contributing a more than proportionate saving, given that the survey methods are already much cheaper than those used for the FES.

Finally, whilst I entirely accept that public confidence in the RPI must be maintained, it is equally important that we are confident that the Index is reflecting accurately changes in the prices people actually pay for goods and services. I hope therefore that you will be taking up the suggestion I made in my previous letter that the Advisory Committee should consider whether recent developments in shopping patterns are being properly reflected in the Index.

/I am copying ...



I am copying this letter to the Prime Minister, the Chancellor of the Exchequer, the Secretary of State for the Environment, the Secretary of State for Social Services, Sir Robert Armstrong, Sir John Boreham (CSO) and the Registrar General.

*[Handwritten signature]*

PETER WALKER

75 DEC 1981

12-2-81  
1890



*Govt Mch*

DEPARTMENT OF HEALTH AND SOCIAL SECURITY  
ALEXANDER FLEMING HOUSE  
ELEPHANT AND CASTLE  
LONDON S.E.1

TELEPHONE: 01-407 5522

Norman Tebbit Esq MP  
Secretary of State for Employment  
Caxton House  
Tothill Street  
London SW1

*✓ MCB*

5 October 1981

*Dear Norman,*

PROPOSED MERGER OF FAMILY EXPENDITURE SURVEY

I have followed the correspondence about this with interest and I agree that the views of the RPI Advisory Committee should be sought on the merger.

I agree with you about the importance of maintaining confidence in the RPI. Benefit levels for millions of pensioners and others, including the poorest, are determined by reference to the RPI. A clear pronouncement in favour of the merger by the Advisory Committee should serve to allay concern, but we shall have to be very careful about how we explain the change to the public.

The trials of the merged survey showed substantial under-recording of expenditure, especially expenditure by low income households. This would reduce the quality of analyses of the distributional effects of policy proposals, and other similar analyses, that depend on expenditure information in the FES - recent examples include work on fuel costs, unified housing benefit and the current review of the rating system. I hope that the changes agreed since the trials will moderate this loss of quality but I think that the point should be brought to the attention of the Advisory Committee.

I am sending copies of this letter to the Prime Minister, the Chancellor of the Exchequer, the Secretary of State for the Environment, Sir Robert Armstrong, Sir John Boreham and the Registrar General and Director of OPCS.

*Norman Fowler*

NORMAN FOWLER

Govt Machinery



2 MARSHAM STREET  
LONDON SW1P 3EB

My ref: H/PSO/17475/81

Your ref:

28 SEP 81

*De la...*

*12 309*

*419*

I am writing in response to Jim Prior's letter to Peter Walker on the proposed merger of the Family Expenditure Survey and National Food Survey as recommended in the Rayner review of the Government Statistical Service.

Currently the Family Expenditure Survey is used to estimate the percentage take up of rent/rate rebates and rent allowance and as a base for calculations on the Unified Housing Benefits estimates. For this reason I am concerned that in future the survey has adequate representation of the lower income households and if the merger were to proceed, I should want to be assured that it would not reduce the reliability of the results that we use. Furthermore it should be ensured that we are getting good value in statistical terms for the cost of the survey.

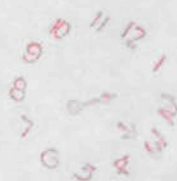
I am copying this to the Prime Minister, the Chancellor of the Exchequer, the Minister of Agriculture Fisheries and Food, and the Secretary of State for Social Services. Copies also go to Sir Robert Armstrong, Sir John Boreham and the Registrar General.

*you w*

*Michael Heseltine*

MICHAEL HESELTINE

12 9 SEP 1981



7



*Gov. MacL.*

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

16 September 1981

The Rt. Hon. Norman Tebbit MP  
Secretary of State for Employment

*Dear Norman*

*R*  
*17/9*

2 I have seen Jim Prior's letter to Peter Walker of  
7 8 September about the proposed merger of the family expenditure  
survey and the national food survey. I have also noted  
Sir John Boreham's comments. Mine are as follows.

We must continue our search for savings in expenditure. In this case, I understand that the costs of the merger, in terms of loss of information and the possible effects on the accuracy of measurement of the RPI, are likely to be fairly small; and that OPCS have made proposals to lighten greatly the response burden and so counteract the effects on the extent and quality of response in a full survey.

So far as the measurement of the RPI is concerned, an error of 0.1 per cent a year as a result of taking the expenditure weights from the trial merger is small. As for the impact on government expenditure, while the effects could be adverse in a particular year, there is no reason to expect any net addition over a period of years.

I attached more weight to Jim Prior's concern that confidence in the RPI could be put at risk. But on reflection it seems to me that if the actual consequences of the merger are minor, then so should be this danger. My conclusion is that we should put the proposition to the RPI Advisory Committee, and I hope that you will agree.

Copies of this letter go to the other recipients of Jim Prior's.

GEOFFREY HOWE

*G*  
*Howe*



MINISTRY OF AGRICULTURE, FISHERIES AND FOOD  
WHITEHALL PLACE, LONDON SW1A 2HH

From the Minister  
CONFIDENTIAL

Norman Tebbit Esq MP  
Secretary of State for Employment  
Caxton House  
Tothill Street  
London SW1H 9NA

16 September 1981

*Dear Mr Tebbit,*

PROPOSED MERGER OF THE FAMILY EXPENDITURE SURVEY AND THE NATIONAL  
FOOD SURVEY

I am replying to Jim Prior's letter of 7 September and am sorry that our first exchange should be on an issue such as this and one which is in dispute. I do not however, regard this as a conflict between our Departments, especially as the cost of the National Food Survey is borne on the OPCS vote, and the object of Derek Rayner's recommendation was to save money there. He fully accepted the justification for both surveys, but thought that a merged survey could adequately meet the needs now met by the two - a view which I accepted. My Department has therefore done everything it could to help to implement this finding.

I feel bound to question Jim Prior's assertion that the year-on-year change in the Retail Prices Index is likely to be altered as a result of the merger, by at least 0.1 per cent (the change might, of course, go either way). For one thing, the figuring was done without excluding the high and low income families from the RPI weight calculations, although they are excluded from the basis of the RPI. Further, since the feasibility study was carried out it has been agreed that the size of the merged questionnaires should be simplified considerably, and Jim Prior admits that this would be likely to lessen the adverse effect.

I accept that you need to invite the views of the RPI Advisory Committee, and in fact I should welcome its reactivation. In recent years there has been a shift from small to large pack sizes, and from the corner shop to the supermarket, often selling lower priced own-name brands; the hypermarket has emerged, as well as discount outlets, farm shops

/and so .....

CONFIDENTIAL

and so on. I think it would be worth your while to ask the Advisory Committee to look at the extent to which these changes have kept down the increase in average food prices paid by consumers, in ways which the RPI does not fully or promptly recognise. These effects may well be vastly more important than the marginal shift now in question.

Sir John Boreham has sent me a copy of his letter of 11 September. I agree with all the points he makes and with his conclusions, in particular the one that the merger should go ahead so that the savings foreseen by Derek Rayner are achieved.

I am sending a copy of this letter to the Prime Minister, the Chancellor of the Exchequer, the Secretaries of State for the Environment and Social Services, Sir Robert Armstrong, Sir John Boreham (CSO) and the Director and Registrar General of OPCS.

15 SEP 1981

1 2 3 4 5 6 7 8 9 10 11 12

*Handwritten notes and initials*

PETER WALKER

(Approved by the Minister  
and signed in his absence)



63/9

Govt Mail

## CABINET OFFICE

Central Statistical Office

Great George Street, London SW1P 3AQ Telephone 01-233 6117

From the Director: Sir John Boreham K.C.B.\*

11 September 1981

4/5  
The Secretary of State

## PROPOSED MERGER OF FAMILY EXPENDITURE SURVEY AND NATIONAL FOOD SURVEY

Thank you for sending me a copy of your letter to Peter Walker. I would like to make a few points,

The tests done last year can be interpreted in different ways but I think a few points are fairly clear:-

The overall response rate in the trial merged survey was nearly 5% lower than in the FES. But it was about 15% higher than in the NFS. The fall was pretty well even for all levels of income and family size. (So was the rise.)

The level of expenditure recorded was about 7% lower than in the FES and the drop was a bit bigger for poorer households than for others.

The 7% fall was not even for all goods and services so that using the merged survey to provide expenditure weights for the RPI altered the estimated price change over 12 months by about 0.1%.

The change was upwards in 1980 but it could be up or down in other years and on those occasions we would not know which had happened.

Most of the linking of public expenditure to price inflation is done by means of forecasts which would not be affected by (unknown) differences of 0.1% in the index itself. Interest on index-linked gilts is different, of course.

The Rt Hon James Prior MP  
Secretary of State for Employment  
Department of Employment  
Caxton House  
Tothill Street  
LONDON SW1



To counteract the effects on the extent and quality of response in a full merger, proposals have been put forward by OPCS, and agreed by MAFF, that would greatly lighten the response burden.

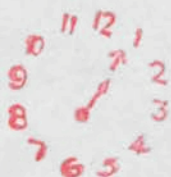
My personal view, in the light of these points, is that careful presentation of the change would reduce damage to public trust in the RPI to a perfectly acceptable level. If we did merge the two surveys, which in my view is the right decision, I think it is very important that we make the decision known quickly and that we explain what we are doing very completely; the longer any uncertainty persists the more speculation there is likely to be and the greater would be the damage to public trust in the index. No doubt you would want to inform the Retail Price Index Advisory Committee in time for them to be able to comment to you before the change actually took place.

I am sending copies of this letter to the Prime Minister, the Chancellor of the Exchequer, the Minister for Agriculture, Fisheries and Food, the Secretary of State for the Environment, the Secretary of State for Social Services, Sir Robert Armstrong and the Registrar General.

*Yours sincerely*  
*John Boreham*

JOHN BOREHAM

SEP 1981





Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400 GTN 213

Switchboard 01-213 3000

Rt Hon Peter Walker MBE MP  
 Minister of Agriculture  
 Fisheries and Food  
 Ministry of Agriculture  
 Fisheries and Food  
 Whitehall  
 LONDON SW1

R

499

7 September 1981

## PROPOSED MERGER OF FAMILY EXPENDITURE SURVEY AND NATIONAL FOOD SURVEY

The Rayner review of the Government Statistical Service recommended that, subject to results of trials, the National Food Survey (NFS) should be merged with the Family Expenditure Survey (FES).

The aim was to make savings, then estimated at £220,000 a year (and now at £165,000), and also to provide your Department with better information than is available from the NFS at present. Some loss in the quality of the FES data seemed likely, but it was hoped that this would be both small and tolerable. To check on this there were to be trials of the merged survey.

The results of the trials show the effects of merging the two surveys to be considerably greater than had been hoped. Under the impact of the extra NFS questions, response was appreciably reduced, expenditure was under-recorded by widely varying amounts averaging 7 per cent overall, and low income households, an important and ~~sensible~~ <sup>sensitive</sup> group, were particularly affected. I am advised by my statisticians that the results of the trials should not be interpreted too precisely but calculations they have made give an indication of orders of magnitude of the effects of the merger on the RPI. If the RPI is recalculated using weights from the merger as in the trials, the year on year change is quite likely to be altered by at least 0.1 per cent which, though apparently modest, amounts to no less than £30 million in terms of Government expenditure linked to the RPI. Indeed, I understand it is possible to estimate that the effects could be more than twice as great.

In view of the results of the trials I understand that your Department has withdrawn its bid to include menus in the merged survey and the



Office of Population, Censuses and Surveys (OPCS) have proposed procedural improvements. These would be likely to lessen the adverse effects of the merger but by how much remains wholly uncertain.

My concern is that the potential gains, though important are not commensurate with the adverse effects of the merger on the RPI. The likely effect on Government expenditure linked to the index far outweighs the potential savings. Equally important, I believe that confidence in the RPI and its credibility could be put seriously at risk with widespread consequences. The effects on response and the quality of data, and especially for low income households, which we would have to publish, mean that the FES would become a less reliable, more uncertain and more vulnerable base for the index.

This would be fastened upon by outside observers and would be much exploited by the TUC, the Low Pay Unit and other groups with special interests. Expectations for wage bargaining could be affected and vast sums are now invested in national retirement certificates and the SAYE schemes which are linked to the RPI. Uniquely, I have an Advisory Committee on the RPI which is a recognition of the sensitivity of this index and which would have to be consulted. It includes representatives of the CBI and the TUC as well as outside experts and I believe that it would be found opposed to the merger.

In the light of all these concerns, I hope we can agree that the adverse consequences of proceeding with the proposed merger far outweigh the gains it could provide. The well established acceptability of the RPI would be otherwise opened to question.

I am copying this letter to the Prime Minister, and to the Chancellor of the Exchequer, the Secretary of State for the Environment and the Secretary of State for Social Services, who also have particular interests. I am also sending copies to Sir Robert Armstrong, Sir John Boreham at the CSO and the Registrar General and Director of OPCS.

18 SEP 1981

11 12 1 2  
9 9 7 6

Govt. Mad 2  
Prime Minister  
X is interesting

Plus 28/4

NOT FOR PUBLICATION, BROADCAST OR USE ON CLUB TAPES BEFORE 21.00 HOURS ON WEDNESDAY, APRIL 28, 1982. THIS DOCUMENT IS ISSUED IN ADVANCE ON THE STRICT UNDERSTANDING THAT NO APPROACH IS MADE TO ANY ORGANISATION OR PERSON ABOUT ITS CONTENTS BEFORE THE TIME OF PUBLICATION

April 28, 1982

AVERAGE HOUSEHOLD EXPENDITURE ROSE  
16 PER CENT IN EARLY '81

Family Expenditure Survey

Average household expenditure in the first half of last year rose by about 16 per cent compared with the same period in 1980, according to new figures in an article published today in Employment Gazette\*

The article, which contains early information from the 1981 Family Expenditure Survey, also says that real expenditure, that is after allowing for the increase of about 13 per cent in retail prices over the period, rose by about 2½ per cent. The average household size was 2.755, compared with 2.710 a year earlier, and the rise in average expenditure per person was therefore a little less, about 14 per cent in current prices, or one per cent in real terms.

Some three thousand eight hundred private households throughout the UK cooperated in the voluntary survey in the first half of 1981 to provide detailed information on the way they spent their money. The improved survey response in 1981 may have resulted in a slight difference in the composition of households taking part: the effect of this will be better assessed when full results of the 1981 survey become available.

Weekly spending in the first and second quarters of 1981 averaged £119.4 and £125.0 per household, or £43.4 and £45.4 per person. Between the first halves of 1980 and 1981 the largest (percentage) increases in spending were on fuel, light, and power, which increased by 29 per cent; services, where 26 per cent more was spent; and durable household goods and housing, which each went up by 21 per cent. In real terms, however, expenditure on fuel, light and power went up by three per cent, as the major part of the increase in current terms reflected substantial average price rises of over 25 per cent. There was more of an increase in real terms in spending on services, nearly nine per cent, due in part to more spent on holidays abroad. Less was spent, in real terms, on alcoholic drink and on tobacco.

\* Employment Gazette, April 1982 HMSO £2.25

## Stake in the Firm - an International Perspective

This month's issue of Employment Gazette contains the latest in a series of articles dealing with aspects of employee participation. "Sharing the incentive" looks at levels of financial participation in a number of industrialised countries including the UK, through share option schemes, profit-sharing and similar employee incentives.

Compared with other industrialised countries such as West Germany and the United States, employee financial involvement in Britain is on a fairly limited scale as yet, the article says. However, firms are being encouraged to set up schemes voluntarily by the existence of recent tax concessions in the UK in a way similar to the United States and one or two other EC countries. France alone among the European Community members has compulsory profit sharing for firms employing above a certain number in the private sector.

In the United States, where employee financial participation schemes have been in existence for a long time, it is estimated that about a third of a million firms covering some 15 million employees or about 20 per cent of the non-agricultural private sector, are covered by profit-sharing plans - either immediate cash plans or deferred programmes. Employee trusts in the United States currently hold over 50 billion dollars in invested trusts.

In West Germany the two main forms of employee financial participation are company profit-sharing schemes and savings plans. It is currently estimated that 800,000 employees are taking part in share-based profit-sharing schemes in about 770 companies, including the country's ten largest employers. Small companies have achieved higher participation than large ones: it is estimated that over 60 per cent of small companies with participation schemes have more than 90 per cent of their employees taking part in these profit-sharing schemes, compared with only 3.8 per cent of large companies achieving this level of involvement.

### A Shorter Working Week

This month's issue of Employment Gazette also highlights recent changes in hours of work and holiday entitlements, under national collective agreements or wages orders.

By the end of the year, says Employment Gazette, manual workers' hours will average just under 39½ hours per week and 90 per cent of manual workers will be entitled to basic paid holiday of at least four weeks.

In 1981 about 3¼ million manual workers out of a total of just under 11 million covered by collective agreements, had reductions in their average hours of about 1 hour. In fact, more workers had reductions in hours than in any single year since 1966.

The rise in paid holiday entitlements generally, which has been a trend since 1979, continued and by the end of last year 87 per cent of manual workers under national agreements were entitled to a minimum of four weeks paid holiday. Over five million workers received increases in holiday entitlements last year.

Press Office  
Department of Employment  
Caxton House  
Tothill Street  
LONDON SW1H 9NF  
Tel: 01-213 7439