



file on

10 DOWNING STREET

THE PRIME MINISTER

10 September 1982

Thank you for your letter of 9 September. I share your concern about any industrial action in the National Health Service, not least because it inevitably affects the interests and welfare of the patients. Such action is totally contrary to the traditions of care and service which are a hallmark of the Health Service in this country. In fact, it is clear that the majority of the staff in the Health Service are upholding that tradition and that some of the reports of the extent of the current action have been greatly exaggerated. The majority of hospitals are continuing to treat non-urgent as well as urgent and emergency cases. The situation is not such as to require or justify the recall of Parliament, particularly since the latest offers were the subject of a statement by the Secretary of State for Social Services and were debated on two occasions before the House rose for the Summer Recess.

Nor do I accept your contention that the pay offers made to the National Health Service workers are "inadequate". They compare favourably with the increases accepted by others in both the public and private sector. It is not true as a general proposition that Health Service workers are among the lowest paid in the country, and they have in addition considerable job security and other advantages.

100

/In

In the case of the nurses, the offer which has been made is 7½ per cent on average. This higher increase than has been given to other large groups of public service workers shows that the Government recognises the special case made on behalf of the nurses. I think that the record demonstrates how fairly the nurses have been treated by this Government. Between March, 1979 and this year's pay settlement date, nurses' pay had increased on average by 61 per cent before the latest offer, 12 per cent more than the increases in prices over the same period. Numbers of nursing and midwifery staff have increased by 41,000 between 1979 and 1981. The combined effect of this increase in numbers and the increase in pay, including a reduction of the standard working week from 40 hours to 37½ hours, has been to increase the nurses' pay bill from under £1½ billion to over £2½ billion, an increase of 82 per cent.

I set these facts out because we have to remember, in discussing what is fair to the nurses and other national health service workers, that there is also another interest to be considered - that of the taxpayer. In 1979-80, the cost of the National Health Service was £9.2 billion: this year it will be £14½ billion. That money does not come from the Government: every penny comes from the taxpayer. In 1979-80 the National Health Service was costing on average £165 for every man, woman and child in the country: in 1981-82 the equivalent figure is £260, an increase of nearly 60 per cent. That is an average cost of over £1,000 per year for a family of four, on top of what they are paying for education, roads and the other public services.

It is for this reason that the Government have concluded that we cannot add further to the £420 million which we have allocated for this year's pay increases in the National Health

/ Service.

Doc

Service. The offers which have been made are fair. The way forward is for the Unions to resume negotiations in the Whitley Councils on the basis of the money which the Government has provided.

Yours sincerely

Margaret Thatcher

The Rt. Hon. Michael Foot, M.P.

LPO



HOUSE OF COMMONS
LONDON SW1A 0AA

Prime Minister

I should think that this
correspondence can now cease.

F.R.B.

10.9.

Yes

The Office of the
Leader of The Opposition

10 September 1982

MT

Dear Prime Minister

Thank you for your letter of September 10th.

I deeply regret your decision not to recall Parliament to discuss the mounting crisis in the Health Service. Your refusal is just another example of how the Government underrates the deep sense of grievance amongst Health Service workers and the growing support for them throughout the country.

It is true that we did have some debates in the House of Commons a few weeks ago, forced by the demands of the Opposition. But what Gwyneth Dunwoody on behalf of the Labour Party said then about the nature of this dispute, has been fully borne out by events since and nothing short of a fresh offer from the Government can help to solve this dispute. The House of Commons should surely have an early opportunity to discuss the country's views on the subject.

MICHAEL FOOT

The Rt Hon Margaret Thatcher, MP.
Prime Minister

PRIME MINISTER

NHS Dispute

Mr. Foot's letter below.

The line taken by Bernard Ingham with the Lobby was that he expected no intervention; no increase in the offers; and no disposition to recall Parliament. He then spoke on the lines of the briefing note prepared by Ken Stowe, which I attach.

The attached suggested reply to Mr. Foot has been agreed with Sir Ken Stowe. There is also a letter from the General Secretary of the Royal College of Nursing, to which I am submitting a separate reply.

I understand that Mr. Foot's letter to you has been published: presumably you wish us to publish the reply?

Yes.

F.R.B.

9 September, 1982

The briefing note is excellent. Please thank Ken.
ms

cc 81
G. Shepherd



HOUSE OF COMMONS
LONDON SW1A 0AA

From:
Michael Foot MP

9 September 1982

Dear Prime Minister,

The Health Service is facing a most serious crisis created by the Government's treatment of its employees. The dispute with the nurses and other Health Service workers is now four months old and because of the intransigence of the Secretary of State, there is still no sign of a satisfactory solution.

You can be in no doubt that those who work in the Health Service are among the lowest paid in the country and that simple justice demands a better offer than the Government has so far made. The support which they are getting from the public and other trade unionists is evidence of the widespread view that they are being treated unjustly. The Government's determination to impose a totally inadequate settlement is the cause of great resentment far beyond the confines of the Health Service itself, and is creating frustration and bitterness among Health Service employees which, unless something is done immediately, will last for a very long time.

This morning's debate at the TUC at Brighton should have made you even more conscious of this frustration and of the need to bring the dispute speedily to an end.

I urge you now to intervene personally and to get all the parties into negotiation again on the basis that the Government is prepared to improve its offer.

If you are unwilling to do this immediately, I must ask you formally to arrange for the recall of Parliament so that we may have a one-day debate on this mounting crisis which threatens lasting damage to our Health Service.

Michael Foot

The Rt Hon Margaret Thatcher, MP.
Prime Minister

100,000
WHITEHALL, LONDON SW1A 2AE

16 September 1982

Dear Edmund,

Thank you for your letter of 13 September in which you asked me to reconsider the request for a recall of Parliament to debate the situation in the National Health Service. As you will know, the Government's position was fully explained in the Prime Minister's letter of 10 September to the Leader of the Opposition and I do not think that there is anything that I can now usefully add.

Yours
John

JOHN BIFFEN

Dr Edmund Marshall MP
House of Commons
London SW1A 0AA



PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

17 September 1982

Recall of Parliament

Thank you for your letter of 22 September enclosing a draft for Mr Biffen to send to Dr Edmund Marshall MP. The Lord President had in fact already written to Dr Marshall in the terms of the draft attached to my letter of 15 September, after I had cleared this on the telephone with your office. I am afraid however that we neglected to send you a copy at the time, for which I apologise.

Copies go to Michael Scholar (No 10) and Murdo Maclean (Chief Whip's Office).

D C R HEYHOE
Private Secretary

D J Clark Esq
Private Secretary to the Secretary
of State for Social Services
Department of Health and Social Security
Alexander Fleming House
Elephant & Castle
London SE1 6BY