

CONFIDENTIAL

PA Mr Butler

~~Mr. Scholar~~  
Mary Hanker  
FERB

I'm afraid we misinformed you  
about this (or rather D/Emp  
c. Mr. Mount

30.9.

3.30 pm, actually

did). Here is  
the true picture.

MR. SCHOLAR

I think you were advised yesterday lunchtime that about 6,000 civil servants were taking action of some kind in support of the NHS. I was suspicious of the figure at the time, because most of the supportive industrial action throughout the country took the form of taking the afternoon off. The Treasury's Group on Industrial Action met this afternoon, and we were given a proper Departmental breakdown of the unauthorised absences, which may be presumed reasonably accurate though not exact.

M624/9

The total number of unauthorised absences was 30,459. Of those, 16,419 were industrial civil servants, the vast majority in the MOD. Of the non-industrials, the bulk came from Inland Revenue, DHSS, Employment and the Department for National Savings. Of the 700 or so civil servants who received warning letters following the industrial action in the summer, about 200 took action again on 22 September, and are therefore liable for disciplinary action. Although there is almost certainly nothing whatsoever that can be done about it, the most serious incident from the point of view of breach of the Industrial Relations Law was a 50 strong picket of miners, led by Mr. Scargill, outside a DHSS office in Newcastle - possibly the first recorded example of tertiary picketing, since neither the miners nor the civil servants are parties to the dispute.

At a very rough estimate, about half those civil servants who took unauthorised absences did so for only an hour or so (in addition to their lunch-hour) and the other half took the afternoon off, with a very few taking the whole day. A number of those in the DHSS have subsequently claimed that their absence was in support of a separate DHSS dispute; and one or two in the Department of the Environment have produced self-certificated sick notes.

The Official Group will be advising Ministers, and Treasury Ministers will be consulting their colleagues, about the action that must now be taken, firstly in respect of recidivists, and secondly in respect of novices. Ministers have already agreed that those who

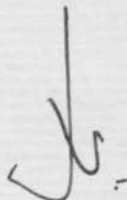
/ took action

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- 2 -

took action before, and have already been specifically warned that they are not exempt from disciplinary penalties where they are not party to the dispute, will be disciplined. Officials will recommend that it should be up to the Departments to decide the disciplinary penalty in each case, because individual circumstances will vary. Individuals will be given the opportunity to defend themselves, and Establishment Officers will consult informally to establish the range of penalties, but I should not be surprised if it proved necessary to lay down particular categories of punishment, certainly for the most serious offenders. Discussion this afternoon, for instance, indicated a wide variation of current departmental intentions from a six-month ban on promotion to loss of three annual increments.



J.M.M. VEREKER

23 September 1982

CONFIDENTIAL



Treasury Chambers, Parliament Street, SW1P 3AG

Jim Buckley Esq  
Private Secretary to  
The Lord Privy Seal  
Management and Personnel Office  
Old Admiralty Building  
LONDON SW1A 2AZ

23 September 1982

*Dear Jim,*

NHS PAY DISPUTE - TUC DAY OF ACTION (22 September 1982)

You will wish to let the Lord Privy Seal know that provisional reports from departments indicate that some 30,500 civil servants were absent without authority at some time yesterday (22 September) in connection with the NHS pay dispute. In some cases, the absence was for no more than 15 minutes; in others for half a day. Although some civil servants were out for the whole day the equivalent number of man days lost will be considerably less than 30,000. We shall be able to make a fairly precise estimate when final returns come in from departments.

Annex 'A' gives the departmental breakdown, together with comparable figures for previous days of sympathetic industrial action. Perhaps the most important feature is that 16,500 industrial grades were absent; until now none have taken NHS sympathetic industrial action.

We will not know, until early next week, how many civil servants took sympathetic industrial action for the second time. But preliminary information from Departments is that it was in the region of 200.

The support by civil servants was larger than departments had expected, but there have been no reports of significant disruption of Government business. The numbers who took action represent 2 per cent of the non-industrial civil service, and 8 per cent of the industrial civil service. Support was patchy, with more out in certain parts of the country than others. Three DHSS offices were closed for the whole day, and 37 for part of the day.

MANAGEMENT IN CONFIDENCE..

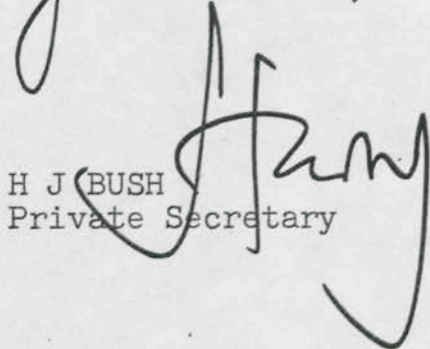
There have been no reports that civil servants engaged in overt political or abusive action which would justify disciplinary action on those counts.

When departments have received the final returns from their various offices throughout the country, they will set in hand any necessary disciplinary action in the case of second-time offenders, and will send warning letters to those who were absent without authority for the first time. Departments will be reporting the final figures to the Treasury and will indicate how many of those absent were second offenders. A note will be circulated giving this information when it is available.

I am copying this to Michael Scholar (No 10), to Private Secretaries to the Ministerial heads of departments and to the Attorney General and the Lord Advocate, and to Richard Hatfield (Sir Robert Armstrong's office).

*Yours ever,*

H J BUSH  
Private Secretary

A large, stylized handwritten signature in dark ink, appearing to read 'H J Bush', is written over the typed name and title.

## UNAUTHORISED ABSENCES IN SUPPORT OF THE NHS DISPUTE

| DEPARTMENTS                                 | 23<br>JUNE | 19-21<br>JULY | 9-13<br>AUGUST | 22 SEPTEMBER       |            |
|---|------------|---------------|----------------|--------------------|------------|
|   |            |               |                | NON-<br>INDUSTRIAL | INDUSTRIAL |
| Ministry of Agriculture, Fisheries and Food |            |               |                | 27                 | 29         |
| HM Customs & Excise                         | 14         | 13            |                | 545                |            |
| Ministry of Defence                         |            |               | 4              | 480                | 13,660     |
| Department of Employment                    | 232        |               |                | 2670               |            |
| Departments of the Environment & Transport  | 13         |               |                | 678                |            |
| Department of Health & Social Security.     | 292        | 96            |                | 3045               |            |
| Home Office                                 |            |               |                | 150                | 5          |
| Departments of Industry and Trade           | 3          |               | 2              | 192                | 237        |
| Inland Revenue                              |            | 35            |                | 3480               |            |
| Land Registry                               | 1          |               |                | 133                |            |
| Lord Chancellor's Department                |            | 1             |                | 60                 |            |
| Department for National Savings             |            |               |                | 1008               |            |
| Property Services Agency                    |            |               |                | 141                | 247        |
| Scottish Office.                            | 14         |               |                | 125                |            |
| Scottish Courts Administration              |            |               |                | 30                 |            |
| HM Treasury                                 |            |               |                | 35                 | 49         |
| Welsh Office                                |            |               |                | 65                 |            |
| Management and Personnel Office             |            |               |                | 2                  |            |
| Other Government Departments (Annex A)      | 38         | -             | -              | 1139               | 2301       |

|     |     |   |        |        |
|-----|-----|---|--------|--------|
| 607 | 145 | 6 | 14,005 | 16,419 |
|-----|-----|---|--------|--------|

30,424

| OTHER GOVERNMENT DEPARTMENTS  | 23<br>JUNE | 19-21<br>JULY | 9-13<br>AUGUST | 22 SEPTEMBER   |            |
|---|------------|---------------|----------------|----------------|------------|
|   |            |               |                | NON-INDUSTRIAL | INDUSTRIAL |
| Intervention Board for Agricultural Produce                         |            |               |                | 1              |            |
| Cabinet Office  |            |               |                | NIL            |            |
| Victoria and Albert Museum  |            |               |                | 25             |            |
| Science Museum  |            |               |                | 20             |            |
| National Investment and Loans Office                                |            |               |                | NIL            |            |
| Registry of Friendly Societies                                      |            |               |                | 5              |            |
| Royal Mint  |            |               |                | 20             | 690        |
| Treasury Solicitor  |            |               |                | NIL            |            |
| Department of Education and Science                                 |            |               |                | 80             |            |
| Department of Energy  |            |               |                | NIL            |            |
| Ordnance Survey   |            |               |                | 200            |            |
| Foreign & Commonwealth Office<br>(including GCHQ) (Passport Office) | 4          |               |                | 120            |            |
| Overseas Development Administration                                 |            |               |                | 270            |            |
| Public Trustee Office   |            |               |                |                |            |
| Public Record Office  | 1          |               |                |                |            |
| Central Office of Information                                       |            |               |                | 4              | 1          |
| Government Actuary  |            |               |                |                |            |
| Her Majesty's Stationery Office                                     |            |               |                | 47             | 1610       |
| Northern Ireland Office   |            |               |                | NIL            |            |
| Paymaster General's Office  |            |               |                | NIL            |            |
| General Register Office Scotland                                    |            |               |                |                |            |
| Registers of Scotland   | 33         |               |                | 93             |            |
| Scottish Record Office  |            |               |                |                |            |
| Office of Population Censuses and Surveys                           |            |               |                | 18             |            |

INCLUDED IN LCD

| OTHER GOVERNMENT DEPARTMENTS (CONT'D)                  | 23 JUNE | 19-21<br>JULY | 9-13<br>AUGUST | 22 SEPTEMBER       |            |
|--|---------|---------------|----------------|--------------------|------------|
|  |         |               |                | NON-<br>INDUSTRIAL | INDUSTRIAL |
| Export Credits Guarantee Department                    |         |               |                | 192                |            |
| Office of Fair Trading                                 |         |               |                | NIL                |            |
| Charity Commission                                     |         |               |                | 22                 |            |
| Crown Estate Office                                    |         |               |                | NIL                |            |
| Crown Office Scotland and Procurator<br>Fiscal Service |         |               |                | 22                 |            |
| Director of Public Prosecutions                        |         |               |                | NIL                |            |
| Law Officers Department                                |         |               |                | NIL                |            |
| Lord Advocate's Department                             |         |               |                | NIL                |            |
| Privy Council Office                                   |         |               |                | NIL                |            |
| TOTAL  | 38      | -             | -              | 1139               | 2301       |

DEPARTMENT OF EMPLOYMENT REPORT ON THE DAY OF ACTION 3.00

In the National Health Service, the initial impression from reports coming in is that today's industrial action is on a wider and more severe scale than hitherto. Industrial action on Merseyside has been described as "savage" whilst in London it has been necessary for the ambulance service to call on the active assistance of the military.

The most serious areas of disruption in support of the health workers are, as expected, the newspaper industry (where no national newspapers were published); coal mining (where 75% of pits are not working) and docks (where some 60% are not working). Buses, schools and other local authority services have been disrupted in many areas but total stoppages have been limited to a very small amount of areas. In the gas supply industry less than 5% of employees have been involved in industrial action, whilst in the UKAEA the comparable figure is under 2%.

Trains, airports and London Underground services have been virtually unaffected, whilst in BSC there has been little or no disruption at the major plants, and only four smaller plants have been affected to any degree.

In the private sector, many car plants are in any event on holiday, but Ford and Vauxhall in Wales and on Merseyside are closed for the day. In general, the private manufacturing sector has been only minimally affected.

Overall picture

The overall picture will probably change during the course of the day as other groups hold meetings, join rallies, or leave work early. In the Civil Service some 6½ industrial and non-industrial grades have been involved in industrial action this morning.

/ At present,



At present, reports seem to be concentrated in the public sector, in traditionally militant parts of the country, and in industries where the closed shop operates. For 85-95% of the workforce it is business as usual.

MICHAEL SCHOLAR

22 September 1982



*Nat. Health*

Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

Tim Flesher Esq  
Private Secretary  
10 Downing Street  
LONDON SW1

22 September 1982

*Dear Tim*

...I am enclosing a copy of a briefing note on today's events which has been approved by my Secretary of State.

As I explained on the telephone yesterday, we cannot give more than a tentative report at this stage.

*Yours*

*Mamie Fahey*

MISS M C FAHEY  
Private Secretary

TUC 'DAY OF ACTION'

Situation report from Department of Employment  
early afternoon 22 September

In the National Health Service, the initial impression from reports coming in is that today's industrial action is on a wider and more severe scale than hitherto. Industrial action on Merseyside has been described as 'savage' whilst in London it has been necessary for the ambulance service to call on the active assistance of the military.

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At present, support seems to be concentrated in the public sector, in traditionally militant parts of the country, and in industries where the closed shop operates. For 85 to 95 per cent of the workforce it is business as usual.

22 September 1982



✓ JV  
Brian Mower

**DEPARTMENT OF HEALTH & SOCIAL SECURITY**  
Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

*From the Secretary of State for Social Services*

Michael Scholar Esq  
10 Downing Street

21 September 1982

Dear Michael

**INDUSTRIAL ACTION IN THE NHS**

✓ You may like to see the enclosed copy of a statement made by my Secretary of State today. The figures in the second paragraph of the statement are new and may be useful to other Ministers.

Copies go to the Private Secretaries to other Cabinet Ministers.

Yours ever,

David

D J Clark  
Private Secretary

# PRESS RELEASE

Alexander Fleming House  
Elephant and Castle  
London SE1 6BY

Telephone 01-407 5522

82/289

21 September 1982

## DAY OF ACTION WILL DAMAGE HEALTH SERVICE

Norman Fowler, Secretary of State for Social Services, said today (Tuesday):

"There is one question above all that union leaders should answer about tomorrow's planned industrial action. Just how will this help the health service and the patients?"

"We should be clear about the effect that action inside the health service has had already. It has hit patients. Our latest figures show that there has been an increase in hospital waiting lists of about 115,000 in England since the beginning of the dispute in April. Over 100,000 operations have been cancelled. That is the toll of industrial action inside the health service. The fact that the position is not worse is because of the devoted work of thousands of men and women in the health service over the last months who have continued to care for patients.

"We should also be clear about what was on offer last week to the health unions. The unions were given the opportunity of negotiating a two year pay arrangement. The proposals were put forward only after the very closest consultation with the Chairman and Secretary of the TUC Health Services Committee. That fact is irrefutable. Taking the two years together - and as agreed - there was almost £1,100 million on the table to negotiate about. The union leaders, however, refused even to talk. It is that inflexibility which other workers are now being asked to support.

"Yet why should they? Damaging British industry will not make it better for the health service. It will make it worse. The resources for the health service do not come out of thin air. They

have to be earned - earned in export orders won; in delivery targets met; in productivity improved; and in industrial output maintained. Stopping the production of resources by British industry clearly hinders that process.

"The message then is clear. A "day of action" will damage the health service - not help it. That is why common sense must prevail."

CE WJ Mower



Mr Scholar

We spoke briefly about the attached Press Release. It has been cleared with DHSS.

I would be grateful if you could let me know that you are content by 3pm this afternoon to allow time for copying via Central Office.

Apologies for the short notice.

M. E. Donnelly

P.S.

tel: 3608

Fed. 2621



DATE: 21 September 1982

PS/CHANCELLOR

cc PS/Economic Secretary  
Mr Kemp  
Mr Goldman  
Mr Hall  
Mr Allen  
Mr Williams  
Mr Harris

DRAFT PRESS RELEASE: THE ECONOMY AND THE HEALTH SERVICE DISPUTE

... I attach a draft of a press release which the Financial Secretary intends to make on Friday 24 September.

I would be grateful if you would let me know if the Chancellor is content, by lunchtime on Thursday if possible.

In view of the references to the NHS dispute I am copying the draft to Kenneth Clarke's Office in the DHSS. You may wish to consider whether it is also worth clearing the draft with No.10.

MED  
M E DONNELLY  
21 September 1982



EXTRACT FROM A SPEECH BY THE HON NICHOLAS RIDLEY MP, FINANCIAL SECRETARY TO THE TREASURY, TO DARLINGTON CONSERVATIVE ASSOCIATION AT HALLOW HALL, WINSTON, DARLINGTON ON FRIDAY 24 SEPTEMBER AT 8.00PM

One of the things I have been very much aware of at the Treasury is the curious disconnection in peoples' minds between public spending and taxes. They are quite content to press us to spend more at the same time as they suggest tax cuts. Nor do many people have much idea of magnitudes - and I certainly do not blame them. They have very little idea of the yield of, say, a penny on petrol [£45m] or a penny on income tax [£950m], or a penny on a pint of beer [£85m]. Nor have they more than the vaguest idea of the cost of some of our public spending: for instance Health [£14 bn]; Social Security [£32bn]; Defence [£14bn]; the Civil Service [£6bn].

All this is perfectly fair, and I understand why. There is a lot to remember! Billions of pounds are difficult to contemplate, although it is worth remembering that a billion pounds is about £20 per head of the population.

But it does lead to some misunderstandings.

Someone at a public meeting I held in 1981 suggested that rather than the extra 20 pence the Chancellor put on petrol that year, the money should be recouped by <sup>a</sup> £5 dog licence. The former brings in £900m, the latter would bring in about £14m!

It is often suggested that pensioners (and widows) should not pay income tax. The yield of income tax from widows is £350million and from pensioners is £3500million. To recoup these sums of money from the rest of the taxpayers one would have to increase income tax by over 4 pence in the pound.

Another misconception is that the way to cut government spending is to cut out Civil Servants. The total of Government spending in 1981-82 was £105bn; the total cost of paying Civil Servants was £5bn, and that of their indexed linked pensions was just under £1bn - a total of some £6bn. This Government has reduced Civil Service numbers by 10% already - from 730,000 to 657,000 - 73,000 less. The saving from those 73,000 is broadly £650 million which as a percentage of total public spending is only 0.6%.

But perhaps the biggest fallacies lie in the field of wages and where wage increases come from. People judge the merits of wage claims, and strikes in support of them, on whether they like or sympathise with the group making the claim. Nurses naturally receive more sympathy than hospital porters. Teachers can touch a chord in the public mind, which, say, bureaucrats cannot.

But really the way to look at wages is how can the employer afford to pay the demands made? All of the group I have just mentioned are public service employees, and all their wages are paid by the tax (and rate) payers. If the Government stands firm on the NHS pay claim, it is doing so to save your taxes and maintain conditions for sustained economic recovery. As I said the NHS already costs £14 bn - that is about £250 for every individual in the country -

nearly £1300 for a family of 5. We have a responsibility to limit it to what you can afford. For if you, or your husband, work in private industry, competing perhaps with the Japanese, the Germans and the Americans for export orders, then your salary can only be what world competition allows it to be. So ultimately the state of the nation's ability to compete, and what it can earn, determines nurses pay: not the Government.

So what on earth was the point of the so called "Day of Action"? It was a misdirected attempt to strike against the nation's inability to earn more in competition.

Everything we pay as a nation, just like everything we pay as individuals, depends on whether we can afford it.

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DEPARTMENT OF HEALTH & SOCIAL SECURITY  
 Alexander Fleming House, Elephant & Castle, London SE1 6BY  
 Telephone 01-407 5522

*From the Secretary of State for Social Services*

The Rt Hon William Whitelaw, CH MC MP  
 Secretary of State for the Home  
 Department  
 Home Office  
 50 Queen Anne's Gate  
 LONDON  
 SW1

20 September 1982

*From Willie.*

INDUSTRIAL ACTION IN THE NHS: USE OF SERVICE AMBULANCES - PLAN UPLIFTER

You will recall that on <sup>15</sup> July the Civil Contingencies Unit agreed that it would be satisfactory for servicemen's notice to implement UPLIFTER to be decided between DHSS and MOD provided that you and other Departmental Ministers were kept informed.

DHSS officials have been in close touch with the London Ambulance Service who are faced with a complete withdrawal of all services on Wednesday 22 September. It is clear that local contingency plans using police and volunteers cannot provide a minimum emergency service. In the circumstances there may be no alternative to the use of servicemen. I have given authority for the implementation of UPLIFTER to proceed - ie to reduce the notice to one hour in London. I will decide personally at the time whether or not to use the troops.

I am copying this letter to CCU colleagues.

*From Willie.*

*Norman Fowler*

NORMAN FOWLER



# National Health

DEPARTMENT OF HEALTH & SOCIAL SECURITY

# Industrial Action

PT 2

THE SECRETARY OF STATE FOR HEALTH & SOCIAL SECURITY  
 10, WHITE HALL, LONDON, E.C. 4

Dear Sir,

I am sorry to hear that you are taking part in industrial action. I understand that you are a member of the [unclear] and I am sure that you will be fully aware of the importance of your work to the National Health Service.

I am sure that you will be able to continue your work in some way, even if it is on a part-time basis. I would be pleased to discuss this with you if you wish.

Yours faithfully,  
 [Signature]

THE SECRETARY OF STATE FOR HEALTH & SOCIAL SECURITY  
 10, WHITE HALL, LONDON, E.C. 4

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 [Signature]

[Large handwritten signature]