

PRIME MINISTER

STATEMENT ON THE NHS

Gwyneth Dunwoody replied somewhat ineffectively to Mr. Fowler's statement. She said he had nothing new to say, and that there was no point in his dressing up the same old offer in new words in the hope that this would lead to a settlement. She claimed that the Government's "cuts" in the NHS would have more effect on services to the patient than the industrial action.

Clement Freud, Mike Thomas and David Ennals, all called for a new offer or for arbitration before the debate on Wednesday. Willie Hamilton said that he joined the general public in supporting the action, and that its effect on patients was the fault of the Government. Laurie Pavitt made the hoary old point that meals and residence charges had risen 12% in the last year. One Labour Member claimed that the TPI had risen 15.6% over the period covered by the offer. But the *only* point that caused Mr. Fowler any problems came from Reg Race, who pointed out that in the 2-year package recently offered by the DHSS, all the cost in the second year would be borne by the regional health authorities, and that this would inevitably mean cuts in services and redundancies.

Mr. Fowler called on the Opposition to condemn the effects of the industrial action on patient services. He pointed out the amount of money on the table for a 2-year settlement was almost £1100 million. He held out the prospect of new long-term pay arrangements for April 1984. He said that the 2-year pay offer had been "worked out" with Mr. Spanswick and Mr. ~~Jakes~~ *Jakes*. He described talk of Government cuts as nonsense: the Government was spending £14.5 billion on the NHS, more than any previous Government. He added that some 9 million people had accepted settlements in the region of 7% already.

18 October 1982

## STATEMENT ON THE NHS PAY DISPUTE

1. With permission Mr Speaker I should like to make a statement on the pay dispute in the National Health Service. The House will debate these matters on Wednesday but I felt it would want to be brought up to date today on the latest position.

2. When I last reported to the House on July 20 I outlined the steps that the Government had taken to resolve the pay dispute and end the industrial action in the health service. I reminded the House then that we had twice increased the resources available for pay in the current financial year. The second increase announced in June would have allowed pay increases of between 6 and 7½ per cent at a total cost of £418 million. These increases compared favourably with settlements for other large groups of workers in the public sector. We also offered talks on new permanent arrangements for determining the pay of all health service staff. We made it clear that this was the Government's final decision on the resources available for pay this year.

3. As the House will know the Royal College of Nursing balloted its members in August on the new offer. The health service unions affiliated to the TUC on the other hand continued to refuse to negotiate. They remained committed to their claim for pay increases of 12 per cent for all non-medical staff and rejected any idea of a differential for the nurses.

4. Following the vote by the membership of the Royal College of Nursing against acceptance of the revised offer, consultations continued on possible ways of breaking this deadlock. After detailed discussions in particular with the TUC I put further proposals to the professional bodies and the TUC Health Services Committee on September 16. I have arranged for a copy of the proposals to be placed in the Library of the House.

5. In brief we offered to complete a two year arrangement with health service staff. This would bring forward agreement on pay for 1983/84 and offered the possibility of giving staff higher percentage increases during the course of this year. Most importantly the proposals would have paved the way for the introduction of new arrangements for determining the pay of non-medical staff. The amount of money on the table for a two year settlement was almost £1,100 million.

6. We had every reason to believe that these proposals would form an acceptable basis for negotiation. We had discussed them in detail with the Royal College of Nursing and representatives of the health service unions. I am pleased to be able to tell the House that the Royal College of Nursing, the Royal College of Midwives, the Health Visitors Association and the Association of Nursing Administrators accepted the invitation to talk about them. These discussions are still continuing. The whole House will hope that they will be successful.

7. In contrast the health unions' reactions was to refuse even to talk to us. This was in spite of the fact that we had discussed in detail the proposals with the Chairman of the Health Services Committee, Mr Spanswick, and the Secretary, Mr Jacques. The final proposals put to the Committee had been altered to take account of the views they expressed. For that reason I consider the unions' refusal to even talk about the offer of £1,100 million quite indefensible.

8. Even more serious, however, was the decision by the TUC Health Services Committee to call for a further campaign of industrial action.

9. There had been five days of industrial action in August and this was followed by a further day on September 22. As before the form and intensity of action varied across the country. But there were several reports of a complete withdrawal of all cover including emergency cover in some hospital departments. In some areas it was only because management and staff volunteers provided the necessary emergency cover that services could continue.

10. September 22 also saw an attempt to widen the industrial action to workers outside the health service. The effect was confined largely to the public sector. In the private sector most people worked normally although some industries were badly affected including the newspaper industry. Since then the unions have called a series of regional strikes but their effect has been less than on September 22

11. Mr Speaker, I would like to make clear that the public owe a great debt to the majority of staff, particularly doctors and nurses, but to many others in all groups within the health service who have continued to care for patients in recent months. Because of their action the position is not worse and I pay tribute to their dedication.

12. However, in spite of their efforts the effect of this dispute on patients is serious and will become more serious the longer it continues. We estimate that since the industrial action began 110,000 operations and 105,000 out-patient appointments have been cancelled and waiting lists have increased by 115,000. It was always quite wrong for the unions to claim that their action would not hurt patients. There is no doubt that it has caused distress and suffering.

13. Mr Speaker, the fact is that although the Government has made continued efforts to settle this dispute the health service unions have not budged from their quite unrealistic claim - a claim which looks even more unrealistic with inflation now running at the lowest level for 10 years. The offer of £1,100 million on the table for a two year settlement leading to an agreement on new long term arrangements was worked out with representatives of the TUC and offers a fair and honourable resolution to this dispute. I urge the health service unions to call off their industrial action and return to the negotiating table.

Nat Health

## National Health Service (Pay Dispute)

**The Secretary of State for Social Services (Mr. Norman Fowler):** With permission, Mr. Speaker, I should like to make a statement on the pay dispute in the National Health Service. The House will debate these matters on Wednesday, but I felt that it would want to be brought up to date today on the latest position.

When I last reported to the House on 20 July I outlined the steps that the Government had taken to resolve the pay dispute and end the industrial action in the Health Service. I reminded the House then that we had twice increased the resources available for pay in the current financial year. The second increase announced in June would have allowed pay increases of between 6 and 7½ per cent. at a total cost of £418 million. These increases compared favourably with settlements for other large groups of workers in the public sector. We also offered talks on new permanent arrangements for determining the pay of all Health Service staff. We made it clear that this was the Government's final decision on the resources available for pay this year.

As the House will know, the Royal College of Nursing balloted its members in August on the new offer. The Health Service unions affiliated to the TUC on the other hand continued to refuse to negotiate. They remained committed to their claim for pay increases of 12 per cent. for all non-medical staff and rejected any idea of a differential for the nurses.

Following the vote by the membership of the Royal College of Nursing against acceptance of the revised offer, consultations continued on possible ways of breaking the deadlock. After detailed discussions, in particular with the TUC, I put further proposals to the professional bodies and the TUC health services committee on 16 September. I have arranged for a copy of the proposals to be placed in the Library of the House.

In brief, we offered to complete a two-year arrangement with Health Service staff. This would bring forward agreement on pay for 1983-84 and offered the possibility of giving staff higher percentage increases during the course of this year. Most important, the proposals would have paved the way for the introduction of new arrangements for determining the pay of non-medical staff. The amount of money on the table for a two-year settlement was almost £1,100 million.

We had every reason to believe that the proposals would form an acceptable basis for negotiation. We had discussed them in detail with the Royal College of Nursing and representatives of the Health Service unions. I am pleased to be able to tell the House that the Royal College of Nursing, the Royal College of Midwives, the Health Visitors Association and the Association of Nursing Administrators accepted the invitation to talk about them. These discussions are still continuing. The whole House will hope that they will be successful.

In contrast, the health unions' reactions was to refuse even to talk to us. This was in spite of the fact that we had discussed in detail the proposals with the chairman of the health services committee, Mr. Spanswick, and the secretary, Mr. Jacques. The final proposals put to the committee had been altered to take account of the views they expressed. For that reason, I consider the unions' refusal even to talk about the offer of "1,100 million quite indefensible.

Even more serious, however, was the decision by the TUC health services committee to call for a further campaign of industrial action.

There had been five days of industrial action in August, and this was followed by a further day on 22 September. As before, the form and intensity of action varied across the country. But there were several reports of a complete withdrawal of all cover, including emergency cover in some hospital departments. In some areas it was only because management and staff volunteers provided the necessary emergency cover that services could continue.

September 22 also saw an attempt to widen the industrial action to workers outside the Health Service. The effect was confined largely to the public sector. In the private sector, most people worked normally although some industries were badly affected, including the newspaper industry. Since then, the unions have called a series of regional strikes, but their effect has been less than on 22 September.

I should like to make it clear that the public owe a great debt to the majority of staff, particularly doctors and nurses, but also to many others in all groups within the Health Service who have continued to care for patients in recent months. Because of their action, the position is not worse, and I pay tribute to their dedication. However, in spite of their efforts, the effect of this dispute on patients is serious and will become more serious the longer it continues. We estimate that, since the industrial action began, 110,000 operations and 105,000 outpatient appointments have been cancelled, and waiting lists have increased by about 115,000. It was always quite wrong for the unions to claim that their action would not harm patients. There is no doubt that it has caused distress and suffering.

The fact is that, although the Government have made continued efforts to settle this dispute, the Health Service unions have not budged from their quite unrealistic claim—a claim which looks even more unrealistic with inflation now running at the lowest level for 10 years. The offer of £1,100 million on the table for two-year settlement leading to an agreement on new long-term arrangements was worked out with representatives of the TUC and offers a fair and honourable resolution to this dispute. I urge the Health Service unions to call off their industrial action and to return to the negotiating table.

**Mrs. Gwyneth Dunwoody (Crewe):** If there had been anything of value in this statement, I could have understood the Minister's desire to keep it from the House until the last possible moment, but what we have had is regurgitated pap with no new offer of any kind. A new initiative would have been extremely welcome, with some new money on the table. Is this not simply a rearrangement of the existing package? Although the Minister talks glibly about the RCN's acceptance of talks, is it not true that on two occasions the members of the Royal College of Nursing have totally rejected the arrangements that were put to them?

I must make it clear that the TUC has never refused to negotiate with the Government on the pay package for 1982-83, but it has refused to accept a dressed-up rearrangement that offers no improvement of any kind. Will not the Minister now be honest and accept that, as 33 per cent. of the existing offer will come out of RHA budgets, the industrial action can have no effect in comparison with the cost of his cuts on long-term patient

## Ministerial Statements

**Mr. Speaker:** Order. Before I call the statement, I have had notice of two different points of order.

**Mr. Michael Cocks** (Bristol, South): On a point of order, Mr. Speaker. On 26 February this year—

**Mr. Dennis Skinner** (Bolsover): This is the big one.

**Mr. Cocks:** On 26 February this year at 11 o'clock in the morning I raised with you on a point of order the highly unsatisfactory state of affairs that had arisen through the failure of the Government to honour the convention whereby copies of statements are made available to Opposition spokesmen at least half an hour before the statement is made. I said at that time that we understood that from time to time circumstances arise that make it inevitable that this does happen. In the case of a natural disaster it is obviously difficult to cobble something together until the last minute. On that occasion there was some shred of an excuse for the Minister, because he had been engaged in discussions until very late the previous night.

I now have to tell you, Mr. Speaker, that, despite the apology of the Minister on that occasion, the same situation has arisen in the context of the statement that is about to be made on the National Health Service. The statement was asked for by my right hon. Friends in the middle of last week. Ample notice was given and yet the text was not delivered into our hands until 3.16 this afternoon. It is true that an ad hoc arrangement was made to telephone the text of the statement to my hon. Friend the Member for Crewe (Mrs. Dunwoody), but even that conversation with the Department did not take place until after 3 o'clock.

On television a few nights ago the Leader of the House was making some philosophical reflections on the state of

British society now and in the future. It would be helpful to the House if he were to make some reflections on the efficiency of Government Departments in these matters and if he could get a bit of the ordinary common courtesy and conventions of the House back into the usual channels.

I should like to think that you, Mr. Speaker, could offer us some protection from these abuses and that perhaps the late delivery of the text was due to a change of heart by the Government over the dispute, but on that we shall have to wait to hear what the Secretary of State says.

**The Secretary of State for Social Services (Mr. Norman Fowler):** Further to that point of order, Mr. Speaker. I can only apologise unreservedly to the House for the delay in the statement's arrival here. I understand that it was certainly corrected and sent from the Department on time. I will ensure that this does not happen again and I hope that the House will accept my apologies.

**Mr. Tom McNally** (Stockport, South): On a new point of order, Mr. Speaker. This covers exactly the same point as the previous point of order. Seven days after the House rose the Secretary of State for Education announced seven closures of teacher training colleges. Most of those decisions must have been taken by the Department while the House was sitting.

Are you, Mr. Speaker, willing to defend the House and make sure that Secretaries of State do not come along apologising, but rather make their statements to the House at the right time so that hon. Members with constituency interests can defend their constituents?

**Mr. Speaker:** I can say at once that I am not willing. I am not going to take responsibility for when Ministers issue statements or for the content of the statements. I should be foolish to do so.

care? Hospital closures will have such a direct effect on patients that the existence of longer waiting lists will pale into insignificance in comparison with what the Minister is doing at present.

Is it not true that, in the tripartite talks, where the chairman was the Minister of State, there was a suggested deal for April 1983? The Minister now talks about April 1984. Are we to take that as a sign that when he talks about setting up new machinery he is no more serious than he was in offering a decent deal to the unions? This is a non-statement, and the sooner the Minister takes responsibility for the enormous damage that he is doing to the National Health Service the better.

**Mr. Fowler:** I do not know about a non-statement, but certainly that was a non-response. It is, I think, about time that the Opposition came out and said what they said in Government, and were prepared to condemn the hardship caused by industrial action inside the Health Service. At no stage has the Opposition Front Bench been prepared to do that. In my opinion, that is a disgraceful commentary on the Labour Party.

In answer to the questions asked by the hon. Member for Crewe (Mrs. Dunwoody), the advantages of the two-year agreement are that it gives the staff a higher percentage earlier, that it puts £1,100 million on the table as a basis for negotiation, and that it leads through to a commitment to talks on newer pay arrangements for the National Health Service, which is what many people in the Health Service and outside want.

**Mr. Robert Hughes** (Aberdeen, North): When?

**Mr. Fowler:** We had put April 1984 as the aim for those talks.

As for progress, talks are continuing, as I said, with the Royal College of Nursing, the Royal College of Midwives and two other professional bodies. In my view, the House would welcome their decision to talk, and I believe that the House will hope for the success of those talks. Certainly, I am sure that the House does not expect a sudden result tomorrow, but I shall certainly tell the House as soon as there is something to report.

On the unions' refusal to talk, which was the hon. Lady's third point, I remind her that the proposals were carefully worked out after closed talks with Mr. Spanswick, the chairman of the Health Services Committee, and Mr. Jacques, the secretary.

**Mrs. Dunwoody:** No.

**Mr. Fowler:** Those were private talks, and I have revealed the content of one of those talks. If the hon. Lady says "No" to that, I am prepared to ask Mr. Spanswick and Mr. Jacques for their permission to give all the dates and venues of the talks that took place.

In answer to the hon. Lady's fourth point, we have shown our commitment by spending £14½ billion on the National Health Service. That is higher in real terms than any other Government have spent in the history of the Health Service.

The talks on permanent arrangements are taking place under the chairmanship of the Minister for Health. Any delay is certainly no responsibility of the Government, although at times I doubt whether one or two of the health unions represented there actually want to make progress.

**Several Hon. Members** *rose*—

**Mr. Speaker:** Order. The House has heard that this matter is to be fully debated on Wednesday. I therefore propose that questions now should not last longer than 20 minutes. I shall allow 20 minutes and then move on.

**Mr. Clement Freud** (Isle of Ely): As there is really nothing new in the Secretary of State's statement, will he explain to the House which particular paragraph took him so long to bring before those of us who were prepared to get a statement? Does not he agree that it cannot be surprising that negotiators are reluctant to meet him when he has announced that there is to be no overall increase in the offer? Why is he so frightened of putting the matter to independent arbitrators?

**Mr. Fowler:** I have already apologised for the fact that the statement was not available sooner. It was an administrative point, rather than a point of substance. I hope that the hon. Gentleman will at any rate have the grace to accept that. On the progress of the talks, I should have hoped, frankly, that the Liberal Party would be pleased that we were continuing talks with the nurses, the midwives and the Health Visitors Association. I should have thought that that fact would have given the Liberal Party some pleasure, and that it would have joined us in hoping that the talks would be successful.

We have already made our position clear on arbitration. Arbitration does not settle where the money comes from. We have already moved our offers in both the Civil Service and the teaching profession after arbitration.

**Sir William Clark** (Croydon, South): Since the British taxpayer is putting more money into the National Health Service in real terms than is being done in any other nation, and since an increase of the present offer would mean only that the British taxpayer must part with more money, will my right hon. Friend assure the House that one reason for low wages in some sections of the Health Service is gross overmanning and inefficiency? What action is being taken to cut the obvious overmanning in that huge service?

**Mr. Fowler:** My hon. Friend raises an important issue. We have already made efforts to ensure that the National Health Service can obtain the best value from the money that it uses. That includes checks on manpower. During the past few months we have begun regional reviews. We are setting manpower targets and are bringing in external advice from the private sector to check manpower and I hope to make a statement soon. One reason for low pay is that the workers are paying high tax because of the burden of public spending.

**Mr. William Hamilton** (Fife, Central): Is the Secretary of State influenced by the undoubted fact that the overwhelming mass of public opinion is solidly behind the Health Service workers' claim and that his attempt to set one section against another will be treated with the contempt that it deserves? When will he recognise that, unless he is prepared to come forward with additional money, no juggling with the existing money will bear fruit with the trade unions and that the industrial action will continue, with the support of the Labour side of the House?

**Mr. Fowler:** The hon. Gentleman's final statement is a great pity, because the Labour Government condemned industrial action that affected patients. This industrial action is affecting patients. There is no question about that



[Mr. Fowler]

and I cannot understand the attitude of Labour Members, who only a few years ago were prepared to condemn such action, in now saying that they will support it. The hon. Gentleman's point about divide and rule, is totally absurd, because the offer on the two-year settlement was put to the trade unions and to the professional bodies at the same time. It is to the credit of the professional bodies that they were prepared to talk about it, and, regrettably, to the discredit of the health unions that they were not.

**Mr. Mike Thomas** (Newcastle upon Tyne, East): Is the Minister aware that he is Secretary of State for Social Services, not Pontious Pilate? He cannot abdicate responsibility for the results of the dispute. He can beat the health workers if he chooses, but the House is entitled to ask whether it is worth the price not just in the extended waiting lists about which he talked, but in a legacy of bitterness and the effect on the current ballot on the no-strike rule in the RCN. Will he admit that he was wrong not to send the matter to arbitration, which is a long-established procedure in the Health Service, and will he now do so?

**Mr. Fowler:** It is not a long-established procedure in the Health Service. The way forward is by negotiation and I should have hoped that the SDP, for what its views are worth on such matters, would support the fact that talks are continuing between the Government and the nurses and other professional bodies. I am not sure of the SDP's present incomes policy—it went out of the window in Great Yarmouth—but its members should support the proposal that the unions should talk to the Government.

**Mr. R. A. McCrindle** (Brentwood and Ongar): In view of the lengthy stalemate in this dispute, and notwithstanding the talks with the RCN and others, have the Government given consideration to a decision in the near future to pay the 6 per cent. now on offer, without prejudice to further negotiations, so that the minds of the trade unionists may be concentrated rather more on a lump sum back payment and their eyes lifted more to the 1983-84 round of negotiations than to the present, rather lengthy, round?

**Mr. Fowler:** We have not considered that. The way forward is by the present negotiations. Talks are in progress and that is the most constructive and only possible way forward.

**Mr. David Ennals** (Norwich, North): Will the Secretary of State accept that this is by far the longest and most damaging dispute in the Health Service? Will he accept not only that, as he said, it is causing great damage to patient care, but that as a result of combining it with cuts in funds available to the Health Service, morale within the service is at an all-time low? Does he agree that he has until Wednesday either to come forward with a new offer or to accept arbitration, about which there is strong feeling on both sides of the House?

**Mr. Fowler:** The House will not readily accept advice from the right hon. Gentleman, who presided over the winter of discontent. The Government have shown their commitment to the Health Service by providing a budget of £14½ billion. That is a 5 per cent. increase in real terms

and a gross national product increase from 4.8 to 5.5 per cent. We shall not take lessons from the Labour Party on that.

**Mrs. Sheila Faith** (Belper): The House must welcome the fact that the nurses and other professional bodies are considering the two-year agreement, but will my right hon. Friend draw the attention of the health workers to the London ambulancemen, who have tumbled to the fact that Arthur Scargill and others are not interested in the future of the Health Service but are using the dispute to defeat the Government's anti-inflation policy?

**Mr. Fowler:** My hon. Friend is right. There are those outside the Health Service who have no interest in its future but who are trying to use the dispute against the Government and against the Government's success with their anti-inflation policy. That is another reason why we should continue with our policy.

**Mr. Laurie Pavitt** (Brent, South): Will the Secretary of State confirm that the two-year settlement, whether under option A or option B, would mean an increase of £45 for a ward sister in two years? Will he do something about the iniquitous position whereby, since 1 April, nurses in residence have suffered an increase of 10 to 12 per cent. in the cost of meals and residence charges but have not received a pay increase? Will he come clean about the increase in inflation since their previous pay increase?

**Mr. Fowler:** The estimated increase in earnings for a ward sister on the 6 to 7½ per cent. option would be a minimum of £9.23 and a maximum of £11.84. That does not coincide with the hon. Gentleman's figure.

**Mr. Cyril D. Townsend** (Bexleyheath): Is my right hon. Friend aware that during the recess I discovered in my constituency great respect, as always, for nurses and others in the Health Service, but nothing but contempt for those who wish to exploit the issue for political purposes at the expense of the elderly and the sick? Will my right hon. Friend remind the House how many public sector groups have already accepted pay increases of about 6 per cent., such as the civil servants and policemen? Did they not accept those increases partly in the belief that the Government would stick to their part of the bargain?

**Mr. Fowler:** About 9 million workers have accepted average pay settlements of about 7 per cent., but the teachers, the civil servants and the Armed Forces have accepted about 6 per cent.

**Mr. J. W. Rooker** (Birmingham, Perry Barr): Will the Secretary of State admit in the House that the nation and the National Health Service owe a debt to those who clean, the lavatories and drains in the National Health Service as they do to every other Health Service worker? It is invidious that the Secretary of State should continually single out the nurses and doctors. Does the Secretary of State know that his Department, in reply to hon. Members who have raised the matter in writing, is sending out a fact sheet that refers to analogies with the mining industry? Can he tell us which jobs in the mining industry are analogous with this dispute?

**Mr. Fowler:** The fact sheet and the analogies which the hon. Gentleman mentions refer to the general level of wages. I have never sought to disguise or play down the contribution which the ancillaries have made to the successful running of the National Health Service. In my

statement I paid tribute to ancillary workers who have continued to work and care for patients, and I condemn those who have not.

**Mr. Tony Marlow** (Northampton, North): Would my right hon. Friend take the opportunity to explain to members of the Labour Party—generous to a fault, as they always are with other people's money—that on the figures given so far the Health Service is costing the average individual in Britain the massive sum of £250—plus per annum? Is my right hon. Friend aware that the generous figure of £1,100 million that he has put on the table will add an extra £80 a year to the bill of the average family of four, which is the equivalent of £1.60 a week for each family, just to pay the increase?

**Mr. Fowler:** That is right, although some of the figures have to be changed. The sum of £1,100 million is on the table for negotiation, as my hon. Friend the Member for Northampton, North (Mr. Marlow) said. As he also said, that money must come from somewhere. It comes from the taxpayer and it is time that the Opposition took that message on board.

**Mr. Reg Race** (Wood Green): If the National Health Service is safe with the Conservative Party, as the Prime Minister has said, why are the Government considering that in addition to making local health authorities pay for one-third of the increase this year, they will make local health authorities responsible for all of any wage increase for Health Service workers next year? If that proposal were implemented, would it not cause scandalous cuts in services? Will the Minister take the opportunity to assure the House and the chairmen of regional and district health authorities, who have raised the matter with me, that the Government have no intention of pursuing that course?

**Mr. Fowler:** I must ask the hon. Gentleman to wait a few weeks for a full answer to his question about the effects of such a proposal being implemented.

**Mr. Barry Henderson** (Fife, East): Meeting the Health Service workers' claim in full has not been suggested. Could that be partly because 1.2 million taxpayers work in the Health Service or because the increase in nurses' pay since the present Government came to office has been 12 per cent. beyond the rate of inflation?

**Mr. Fowler:** The average increase in nurses' pay has been 61 per cent. in the lifetime of the present Government. The suggestion is that no Opposition Member supports the 12 per cent. If that is so, their attitude has changed in the last three or four months.

**Mr. Robert Hughes** (Aberdeen, North): Does the Secretary of State accept that his offer to the Health Service workers must be measured not in terms of today's inflation but in terms of the 15.6 per cent. increase in the tax and price index in the 12 months covered by the 12 per cent. increase? Does he also accept that the postponement from April 1983 to April 1984 of the operation of the new agreement on pay is a gross betrayal? Would he not do better to examine the dispute afresh than to try to prove his virility to his right hon. Friend the Prime Minister?

**Mr. Fowler:** The hon. Gentleman must accept that the Government, by sticking to their policies, have brought inflation down to the lowest level for 10 years. That was the aim of the Opposition. The Conservative Government have achieved it.

**Mr. Michael Colvin** (Bristol, North-West): Is my right hon. Friend aware that on the question of priorities for limited resources, the use of outside contractors to provide ancillary services in the NHS could save about £400 million a year—that is, 20 per cent. of the cost of such services? Is he aware that if that were done he would be able to pay every nurse an extra £1,000 a year?

**Mr. Fowler:** I do not know about the last part of my hon. Friend's question. The Government support using outside contractors where that makes sense and reduces costs.

**Mr. Stanley Newens** (Harlow): Is it not hypocritical to say that patients suffer because of industrial action and to remain silent about the greater suffering of patients because of the Government's financial policy and the closure of facilities? Is the Secretary of State aware of the proposed closures in my constituency of a casualty department, a female surgical ward and an alcoholic treatment centre as a result of his policies? Will he agree that damage to patients results from that?

**Mr. Fowler:** I shall have to examine the details of what the hon. Gentleman says. All closure proposals will come to us. The hon. Gentleman fails to understand, or to concede, that the Government are not cutting the Health Service budget but are increasing spending on health. That is incontrovertible.

**Mr. Dennis Skinner** (Bolsover): In view of the hundreds and thousands who have been added to the waiting lists, how much will it cost the National Health Service, and so the Government and or the taxpayer, to deal with them, especially since the increased waiting lists are the result of the Government's intransigence? Does not the right hon. Gentleman have a cheek to talk about other workers such as miners joining picket lines and demonstrations in support of the Health Service workers because they are supporting their Health Service, unlike Tory ranks, almost all of whom do not believe in the National Health Service and take out private insurance?

**Mr. Fowler:** Not many hon. Members would think that Mr. Arthur Scargill appeared on the picket line because of his concern about the Health Service.

**Mr. D. N. Campbell-Savours** (Workington) *rose*—

**Mr. Dennis Canavan** (West Stirlingshire) *rose*—

**Mr. Speaker:** Order. We have only a minute to go, but since only two hon. Members wish to ask further questions I shall call them both.

**Mr. Campbell-Savours:** The Secretary of State said that the claim was unrealistic. Is he not being unrealistic in demanding that over 100,000 low-paid health workers, already taking home little more than £50 a week, should be subject to a 6 per cent. increase which will give them coppers, when the majority of people, if they knew that to be the truth, would support the health workers and demand that they be paid additional money?

**Mr. Fowler:** The hon. Gentleman raises the whole question of low pay. There has been much talk about low pay which is not peculiar to the Health Service. The only progress that we can make is by negotiation. One of the essential parts of that negotiation is to achieve new permanent arrangements inside the Health Service which might hold out hope for Health Service workers generally.

**Mr. Canavan:** Is the Secretary of State oblivious to the fact that his irresponsibility has led to the dispute dragging on for over six months? Is he aware that Health Service workers have the support of the public, as will be seen again during the Scottish day of action on Wednesday? Is it not time that the Secretary of State stopped trying to divide the nurses from other Health Service workers and instead ensured a full 12 per cent. increase for all—and back dated at that?

**Mr. Fowler:** I should be interested if the Opposition's official case were that we should pay 12 per cent. in full. If that were so, they would be more than usually irresponsible in terms of public spending. There is no question of seeking to divide and rule. The September offer was made to the professional bodies and the TUC. The TUC refused to talk about it and refused to negotiate. That is indefensible.

## Britoil (Sale of Shares)

4.9 pm

**Mr. Merlyn Rees (Leeds, South):** I beg to ask leave to move the Adjournment of the House under Standing Order No. 9, for the purpose of discussing a specific and important matter that should have urgent considerations, namely,

"the use of substantial amounts of taxpayers' funds to facilitate the impending sale of shares in Britoil, that is the oil production side of BNOC, and all the oil interests of the British Gas Corporation, without prior consultation or investigation by this House or its Committees."

This is a specific matter as we are dealing not with the whole question of privatisation but with the particular matter of the sale of shares in Britoil and subsequent similar sales in subsidiaries of the British Gas Corporation. It is an important matter because, as was said repeatedly at the time of the introduction of the Bill which facilitated these sales, the sale will be a major issue on the Stock Exchange and the largest privatisation measure of this Government. It is important because it was felt—subsequent statements emphasised this—that the sum involved would make a major beneficial impact on the finances of the public sector.

Valuations of Britoil at the time were £2 billion and thus the value of the shares to be sold was more than £1 billion. Recent press leaks and comments make it clear that the Government now appear willing to proceed with the sale for a great deal less than was envisaged and may even be paying over to Britoil sums of money to facilitate the sale, sums which are matter for consideration by the House.

The financial propriety of proceeding with the sale is raised by these revelations and Parliament, which has a historic function as the arbiter of the financial propriety of any Government's actions, is not to have an opportunity to scrutinise these vital public financial transactions before the sale. Debate on the order which was laid before the House this summer on the transfer of shares to the Secretary of State does not enable us to discuss the subsequent share issue. As was repeatedly pointed out when the Bill was being debated, there is no mechanism for either the House or its Committees to debate the substance or detail of the issue.

The matter is urgent not least because without immediate discussion the sale will be effected on terms that have not had Parliament's scrutiny. As with Amersham, a subsequent appeal for a debate, which I made at the time, or a subsequent investigation by the Public Accounts Committee will be too late to affect this vital matter.

Revelations on the BBC last evening by the chairman of Britoil, who is not answerable to this House, about some aspects of the sale, only add to the urgency.

**Mr. Speaker:** The right hon. Member for Leeds, South (Mr. Rees) asks leave to move the Adjournment of the House for the purpose of discussing a specific and, important matter that he thinks should have urgent consideration, namely,

"the use of substantial amounts of taxpayers' funds to facilitate the impending sale of shares in Britoil, that is the oil production side of BNOC, and all the oil interests of the British Gas Corporation, without prior consultation or investigation by this House or its Committees."

I listened with care to the right hon. Gentleman, as did the whole House, because he has raised an important matter.

## National Health Service (Pay Dispute)

**Mr. Speaker:** The hon. Member for Newcastle upon Tyne, West (Mr. Brown) has let me know that he seeks to make an application under Standing Order No. 9 for a debate on the health dispute, which the House is to debate on Wednesday. I submit to him that to persist in his application would be an abuse of our rules in view of the fact that the House is going to discuss the matter on Wednesday. The debate has been guaranteed.

4.13 pm

**Mr. Robert C. Brown** (Newcastle upon Tyne, West): With due deference to what you have said, Mr. Speaker, I beg to ask leave to move the Adjournment of the House, under Standing Order No. 9, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the crisis in industrial relations within the National Health Service due to the Government's intransigence in prolonging the present pay dispute with its consequent effect upon both the morale and efficiency of health care within the service."

I did consider withdrawing my application in view of the impending statement but, having heard the statement and subsequent exchanges, I am glad I did not. I am extremely concerned that National Health Service workers, an eminently reasonable group of people, are being driven into militancy by the Government's attitudes and lack of action. We are now starting the next wage round while we have a claim from the previous wage round, when inflation was 12 per cent.-plus. To talk now of existing inflation is to perpetrate the three-card trick on National Health Service workers. By allowing this dispute to carry on and by refusing arbitration, the Secretary of State is behaving like an industrial skinhead, when one reflects that the unions to which he so offensively refers have expressed their wish to accept arbitration.

**Mr. Speaker:** Order. The hon. Gentleman must not make the speech he would make if I were to grant his application. He must confine his remarks to justifying his call for an immediate debate.

**Mr. Brown:** I submit to you, Mr. Speaker, that such is the urgency of the dispute that the Government stand condemned that we should be debating the Mental Health (Amendment) Bill today when we should have been debating the National Health Service dispute. I appeal to you, Mr. Speaker, to agree to my submission, in spite of the fact that the House is to debate the issue on Wednesday, so that we can debate it 48 hours earlier and thus seek to alleviate much of the present suffering throughout the country.

**Mr. Speaker:** The hon. Member for Newcastle upon Tyne, West (Mr. Brown) gave me notice before midday that he would seek leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that he thinks should have urgent consideration, namely,

"the crisis in industrial relations within the National Health Service due to the Government's intransigence in prolonging the present pay dispute with its consequent effect upon both the morale and efficiency of health care within the service."

As the House knows, I am directed to take account of the several factors set out in the Order, but to give no reason for my decision.

[*Mr. Speaker*]

I cannot advise the House that the hon. Gentleman's submission falls within the provisions of the Standing Order.

**MENTAL HEALTH (AMENDMENT) [MONEY]  
(No.2)**

*Queen's Recommendation having been signified—  
Resolved,*

That, for the purposes of any Act of the present Session to amend the Mental Health Act 1959 and for connected purposes, it is expedient to authorise the payment out of moneys provided by Parliament of the expenses of the Secretary of State in paying remuneration, allowances, pensions or gratuities to or in respect of persons exercising functions in relation to any review of—

- (a) the exercise of the powers and the discharge of the duties conferred or imposed by those Acts so far as relating to the detention of patients or to patients liable to be detained under those Acts; or
- (b) the care and treatment in hospitals or mental nursing homes of patients who are not liable to be detained under those Acts.—[*Mr. Kenneth Clarke.*]

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Prime Minister

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Agree this statement

**DEPARTMENT OF HEALTH & SOCIAL SECURITY** (which is  
Alexander Fleming House, Elephant & Castle, London SE1 6BY subject to  
Telephone 01-407 5522

From the Secretary of State for Social Services amendment)?

Michael Scholar Esq  
10 Downing Street

Yes  
MS

MLS 15/16

October 1982

Dear Michael

STATEMENT ON THE NHS PAY DISPUTE

I enclose a first draft of the Statement which my Secretary of State is proposing to make on Monday. He will be working further on the draft over the weekend.

I am sending copies also to David Heyhoe (Lord President's Office), Muir Russell (Scottish Office), Adam Peat (Welsh Office) and John Lyon (Northern Ireland Office).

Yours ever

David

D J CLARK  
Private Secretary

DRAFT STATEMENT ON THE NHS PAY DISPUTE

1. With permission Mr Speaker I should like to make a statement on the pay dispute in the National Health Service.

2. When I last reported to the House on 20 July I outlined the steps the Government had taken to resolve the pay dispute and end the industrial action in the NHS. I reminded the House then that we had twice increased the resources available for pay in the current financial year. The second increase announced in June would have allowed pay increases of between 6 and 7½% at a total cost to the NHS of £418m. These increases compared favourably with settlements for other large groups of workers in the public sector. They offered staff fair pay at a cost the NHS, and the country, could afford. We had also offered talks on new permanent arrangements for determining the pay of all NHS staff. We made it clear in June that this was the Government's final decision on the resources available for pay this year.

3. As the House will know the Royal College of Nurses balloted its members in August on the new offer. The health service unions affiliated to the TUC on the other hand continued to refuse to negotiate and remained committed to their claim for pay increases of 12% for all non-medical staff.

4. Following the vote by the membership of the Royal College of Nursing against acceptance of the revised offer consultations continued on possible ways of breaking this deadlock. After close

consultations with the TUC in particular I put further proposals to the professional bodies and the TUC Health Services Committee on 16 September. I have arranged for a copy of the detailed proposals to be placed in the Library of the House.

5. In brief we offered to complete a two year arrangements with health service staff. This would bring forward agreement on pay for 1983/84 and, while not increasing the resources available for this year above £418 million, offered the possibility of giving staff higher percentage increases during the course of the year. Most importantly the proposals would have paved the way for the introduction of new arrangements for determining the pay of non-medical staff by 1 April 1984. The amount of money on the table for a two year settlement was over £1 billion.

6. We had every reason to believe these proposals would form an acceptable basis for negotiation. We had discussed them in detail with the Royal College of Nursing and the health unions. I am pleased to be able to tell the House that the RCN, RCM, HVA and the NA accepted the invitation to talk about them. Those discussions are continuing.

7. 'The health unions' reaction was to refuse even to talk to us. This was despite the fact that we had discussed the proposals with the Chairman of the Health Services Committee, Mr Spanswick and the Secretary, Mr Jacques. The final proposals put to the Committee had been altered to take account of the views they expressed. But the hard-liners took over. We had no response to the initiative other than the insistence that we should negotiate on the basis of the original 12 per cent claim for all staff with no differential in favour of the nurses. I consider the refusal to even talk about



the offer of over £1,100 million quite indefensible. Even more indefensible was the commitment by the TUC Health Services Committee to a further campaign of industrial action.

8. Before the latest offer the health service had suffered/ from in August five days of action. As previously the form and intensity of action varied across the country. The most common form of action was the withdrawal for certain periods of ancillary staff from key support departments, such as laundries and sterile supplies. As a result major disruption was inflicted on many hospital services. Domestic, catering and portering staff also went on 1-2 hour lightning strikes and there were instances of breakdown of emergency services. Following the five days, most Districts reported that staff were either working normally or had reverted to the disruptive level of action which had prevailed since the dispute began. Strikes in CSSDs, stores and laundries continued in some districts mostly in the Northern, Yorkshire, Trent and North Western Regions.

9. The next day of action took place on 22 September. As before ancillary staff formed the largest groups of strikers although admin and clerical, professional and technical staff and a few nurses also went on strike for the day. There were several reports of a complete withdrawal of all cover in some hospital departments. It was only because management and staff volunteers provided the necessary emergency cover that services could continue in some areas.

10. 22 September also saw the widening of the industrial action to workers outside the NHS. Most workers particularly in the private sector worked normally but some industries were badly affected including the newspaper industry many of whose leading/ had criticised the use of the NHS dispute for other ends. [Position on latest days to be added]

11. I have made it clear that in my view this House and the public owe a great deal to the majority of staff, particularly doctors and nurses, who have continued to care for patients. Because of them the position is not worse. They are the heroes of this dispute and I pay tribute to their dedication. But despite their efforts the effect of this dispute on patients is serious and will become more serious the longer it continues. We estimate that since the industrial action began 110,000 operations have been cancelled; 105,000 out-patient appointments cancelled; and waiting lists have increased by <sup>115</sup>150,000. It was nonsense from the outset for the unions to claim that their action would not hurt patients. It has caused distress, prolonged suffering and in some instances risked their lives.

12. Mr Speaker the Government have moved three times in this dispute. The Health Service Unions have not budged from a quite unrealistic claim. The offer of £1,100 million on the table for a 2-year settlement leading to an agreement on new long-term arrangements offers an honourable resolution to this dispute. I am sure that the House will join me in urging the unions to call off the action and return to negotiations on the proposals I have made.

Prime Minister

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PRIME MINISTER'S BRIEFING - 8 OCTOBER 1982

MAJOR INDUSTRIAL DISPUTES

NHS Nursing and Ancillary Workers - (COHSE, NUPE and other unions)

1. Following up the 'Day of Action' on 22 September 1982, the TUCs Health Service Committee has instituted a 'rolling programme' of action intended to affect successively each of the 16 Health Authorities. Next week's timetable is:-

- 11 October 1982 - Wales
- 12 October 1982 - North West
- 13 October 1982 - East Midlands
- 14 October 1982 - East Anglia
- 15 October 1982 - West Midlands

It is to be expected that other groups of workers in these regions will take some sort of action in support of the NHS workers.

2. Last week's regional 'Days of Action', organised by the TUC Health Services Committee, have received widespread support from NHS staff but the action has been considerably less severe than that taken on 22nd September.

3. There were no significant 'sympathy' strikes by non-NHS staff. In Yorkshire the Regional TUC decided that the action in their area, on 6 October, should be limited to a 24 hour stoppage by Health Service workers alone. The feeling expressed was that other groups had adequately demonstrated their support on 22nd September and that these groups should not be expected to lose more wages through the dispute.

4. At the end of the rolling programme, the NHS unions will on 19 October stage a mass lobby of Parliament. Additionally, the TUC has called for a 1-day transport strike on a day in early November. It is not yet clear that all transport unions will support the call.

NHS Nursing and Ancillary Workers - (COHSE, NUPE and other unions) (continued)

5. The TUC's NHS unions have rejected an offer of a long-term pay deal, but talks are continuing with the Royal College of Nursing.

6. The NHS dispute began after the unions rejected offers ranging from 4% for ancillary workers to 6.4% for nurses (later increased to 5% and 7% and then to 6% and 7½%) and, as part of a co-ordinated campaign in support of a common pay claim of 12.5%, embarked on a series of 1-day strikes (later increased to 3 day and 5 day strikes) with varying kinds of local action. Sporadic local action began on 14 April, with COHSE members introducing a ban on the admission of non-emergency cases. Other local action has included working to rule, overtime bans and non-cooperation with management on plans to re-organise hospitals.

Water Services (35,300 - GMWU, NUPE, TGWU)

7. The unions have called for a national strike in the water industry on 18 October 1982.

8. The dispute, although now associated with the pay deal to be negotiated from 7 December 1982, is essentially about a clause in the 1981 pay deal which provided, without commitment, that the employers would give careful consideration to union representations that water workers' pay should be higher in relation to the pay of workers generally. [This was subsequently quantified informally as being in the upper quartile of published earnings figures.] At a meeting on 21 September 1982, when the unions lodged the annual pay claim, they insisted on an early reply from the employers and rejected the suggestion that they wait until 11 November to discuss the matter further.

9. Press reports in May this year suggested that the GMWU was ready to use industrial action in connection with this claim.

Coal (NUM 200,000)

10. A special delegate conference of the National Union of Mineworkers rejected a pay offer worth 8.2% on <sup>base</sup> rates (7.2% on base rates plus bonus improvements) and agreed an overtime ban from 11th October. The NUM is seeking increases of up to 31% on base rate and other improvements which in total would be equivalent to some 20% of the NCB's revenue.

11. On 28/29 October members will vote on a recommendation that the NUM National Executive Committee be given authority to call industrial action, if necessary, in opposition to pit closures and in the pursuit of a satisfactory wage settlement.

Department of Employment