

PRIME MINISTER

CABINET

There will be considerable media interest in tomorrow's Cabinet for two reasons:

- the NHS dispute; speculation that there will be a new offer; and reports that the Government is anxious to defuse the TUC Day of Action on September 22; and
- the longer-term economic discussion (which was leaked at the beginning of the Recess).

I have tried today to kill expectations of a new offer to NHS workers or nurses and the significance of tomorrow's Cabinet for the dispute and to play September 22 very coolly indeed.

So far as the economic discussion is concerned I have portrayed it as a relaxed look at the longer-term not directly connected with the annual public expenditure exercise and one that will not produce any definitive decisions.

The Lobby have asked to see me morning and afternoon and I shall need a line on both issues - the line on the NHS dispute at lunchtime.

It will be very important that you should put out the line you want to get over on both issues; otherwise others will get in first with their own gloss or we shall leave a vacuum for the usually unhelpful speculation.

Subject to how things go, it would be helpful if I could say unattributably something on these lines:

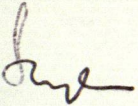
NHS Dispute

for this year
Cabinet received a report, as you would expect, on the NHS dispute. The Government takes the view that its offers of 6% and 7.5% on average to NHS workers and nurses is fair and reasonable. No more money is or will be forthcoming. It has, to repeat, made its final offer and takes the view that NHS staff in the interests of the country, the NHS and not least patients, should accept it and end the disruption.

I would then take journalists through the Speaking Note for Ministers which has been circulated by the Lord President's Office.

Economic

The Cabinet spent some time today taking a look at the longer term implications of current policies and reviewing its main policy objectives for the 1980s - ie, beyond this Parliament. It is the sort of strategy discussion that Governments have at this time in their life. It was not a meeting at which substantive decisions were taken, but obviously the discussion will inform the future approach to policy.



B. INGHAM

8 September 1982