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# SPOTLIGHT ON

## Cabinet Office: Margaret Thatcher

Key Stages 3-4 | Postwar 1945 - present  
Video resource

Lady Thatcher portrait in the study of No. 10 Downing Street.  
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# Cabinet Office: Margaret Thatcher's Government

We hope you enjoyed watching our Education Service video with Records Specialist Mark Dunton looking at records from the Cabinet Office. This video focusses on one document relating to a cabinet meeting in 1981 during the premiership of Margaret Thatcher.

## Suitable for:

KS 3-4

## Time period:

Postwar

1945 - present

## Contents

Tasks	Page 3
Source 1	Page 4
Source 2	Page 6
Connections to Curriculum	Page 8
Related resources	Page 9

# Tasks

## Watch the video then try and answer the following questions:

- Which individuals form the Cabinet?
- What is the role of the Cabinet?
- How often does the Cabinet meet?
- What type of material can be found in the Cabinet Papers?
- When were the first Cabinet minutes created?
- What is the date of the Cabinet meeting examined here?
- What is the historical background for this document?
- Why is this document marked 'Secret'?
- What were the government's economic plans according to the document?
- What does the document show about divisions in the Cabinet over this economic policy?
- According to the video, were there further Cabinet meetings to discuss these differences?
- Who wrote the Cabinet Minutes?
- Why were they written?
- Why are Cabinet Minutes useful to historians?
- What other sources beyond Cabinet Papers records, would be important to explore when studying this topic?

# Source 1: Extract from Cabinet Minutes, July 23rd, 1981

Catalogue Ref: CAB 128/72

SECRET

One Copy Only

MOST CONFIDENTIAL RECORD  
TO  
CC(81) 29th CONCLUSIONS

Thursday 23 July 1981

1981 PUBLIC  
EXPENDITURE  
SURVEY

Previous  
References:  
C(81) 23rd  
Conclusions and  
CC(81) 22nd  
Conclusions,  
Minute 5

The Cabinet considered a memorandum by the Chancellor of the Exchequer (C(81) 37) on tax and public expenditure; memoranda by the Chief Secretary, Treasury (C(81) 38) and the Secretary of State for the Environment (C(81) 40) on local authorities' current expenditure in 1982-83; and a note by the Secretary of the Cabinet (C(81) 39) covering a note by the Central Policy Review Staff (CPRS) on public expenditure.

THE CHANCELLOR OF THE EXCHEQUER said that, contrary to the Government's expectations and promises, the burdens of tax and of public expenditure had both increased since 1979. The present burden of tax was one of the main factors hindering the growth of new employment opportunities. To widen the gap between the incomes of those in and out of work, to improve incentives for the lower-paid and to ease the poverty trap, a priority should be to raise substantially the starting point for income tax; in particular, it would be essential in the next Budget to avoid again withholding "Rooker-Wise" increases in personal tax thresholds, but he was not proposing at this stage any further reductions in income tax. It was also necessary to reduce the tax burden on business, probably by a reduction in the National Insurance Surcharge. Tax reductions of this kind were a better way of stimulating real employment, and with better long-term consequences, than additional public expenditure. To bring inflation down well into single figures and to permit a fall in interest rates over the medium term, it was necessary to keep to the medium-term financial strategy, and progressively to reduce the Public Sector Borrowing Requirement (PSBR) as a proportion of Gross Domestic Product (GDP). If,

# Source 1: Transcript

SECRET

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MOST CONFIDENTIAL RECORD

TO

CC (81) 29th CONCLUSIONS

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THE CHANCELLOR OF THE EXCHEQUER said that contrary to the Government's expectations and promises, the burdens of tax and of public expenditure had both increased since 1979. The present burden of tax was one of the main factors hindering the growth of new employment opportunities. To widen the gap between the incomes of those in and out of work, to improve incentives for the lower-paid and to ease the poverty trap, a priority should be to raise substantially the starting point for income tax; in particular it would be essential in the next Budget to avoid again withholding "Rooker-Wise" increases in personal tax thresholds, but he was not proposing at this stage any further reductions in income tax. It was also necessary to reduce the burden on business, probably by a reduction in the National Insurance Surcharge. Tax reductions of this kind were a better way of stimulating real employment, and with better long-term consequences, than additional public expenditure. To bring inflation down well into single figures and to permit a fall interest rates over the medium term, it was necessary to keep the medium-term financial strategy, and progressively to reduce the Public Sector Borrowing Requirement (PSBR) as a proportion of Gross Domestic Product (GDP).

[...]

## Source 2: Extract from Cabinet Minutes, July 23rd, 1981

Catalogue Ref: CAB 128/72

b. The approach recommended by the Chancellor of the Exchequer did not offer a sufficiently imaginative and practicable response to the acute social and political problems now confronting the Government. A strategy centred on reductions of taxation and public expenditure would be irrelevant to the problems of Northern Ireland, or to those of Merseyside and other areas of urban dereliction and deprivation. Merseyside in particular was a community which was visibly falling apart, its hopelessness and despair compounded by the lack of commitment to the area of any of the wealth-creating institutions in the country. With unemployment totals rising to 3 million later in the year, and following the recent rioting in a number of cities, the tolerance of society was now stretched near to its limit. To give people renewed hope and confidence for the future, it was essential to take new and constructive action urgently.

## Source 2: Transcript

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# Connections to Curriculum

## Key stage 5

### **Edexcel A level History**

Britain in the Later 20th Century: 1945- 90: Consensus and Conflict .

The Conservative election victory of 1979: reasons for it and key features of the domestic policy of Thatcher governments; domestic achievements; reasons why the Thatcher era was controversial; reasons for her fall in 1990.

### **OCR A level History**

Britain under Margaret Thatcher 1979–90 Focus: why there was a change in direction in post-war British politics under Thatcher, the extent of the ‘revolution’ in social, economic and foreign policy and why Thatcher fell from power.

### **AQA A level History**

The Making of Modern Britain, 1951–2007: the impact of Thatcherism, 1979–1987



## Related resources

Here are some blogs from The National Archives which relate to Margaret Thatcher's in office in the 1980s:

- Chancellor Geoffrey Howe's 1981 budget - <https://blog.nationalarchives.gov.uk/explore-sir-geoffrey-howes-private-office-papers/>
- Margaret Thatcher meeting with Mikhail Gorbachev in 1985 - <https://blog.nationalarchives.gov.uk/man-one-business/>
- The AIDS health campaign of the 1980s - <https://blog.nationalarchives.gov.uk/aids-health-campaign/>
- The National Archives research guide: Political history in the twentieth century - <https://www.nationalarchives.gov.uk/help-with-your-research/research-guides/political-history-20th-century/>
- Cabinet Papers Website: <https://www.nationalarchives.gov.uk/cabinetpapers/>



## Why do our hyperlinks come with footnotes?

Our resources are designed to be printed and used in classrooms, which means hyperlinks aren't always accessible digitally. We include the full link at the bottom of the page so that you can type in the address without distracting from the main text of the lesson materials.

## Did you know?

The National Archives Education Service also offers free workshops onsite in Kew and online in your classroom.

Our [Onsite Workshops](#) are available for free here at The National Archives and allow students to experience genuine original documents reflecting over 1000 years of history. From Elizabeth I's signature to the telegrams of the sinking Titanic, students love the wow-factor of being able to see real history on the desk in front of them.

Our [Online Workshops](#) allow our Education Officers to teach through your projector, leading discussions and guiding students through activities based around original documents. All you need is a computer with a projector, webcam and microphone. We'll arrange a test call before your session to check the tech is working.

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## Find out more:

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