

CALENDAR OF ECONOMIC EVENTS

APRIL—JUNE 1979

Classification for calendar items:

(A) **INDUSTRY**—including bids, mergers, commercial policy; (B) **LABOUR AND PRICES**—including strikes, claims, settlements, prices; (C) **INTERNATIONAL**—including policy developments overseas (Bank rate changes), IMF, monetary (exchange rates) and trade, EEC; (D) **UNITED KINGDOM GENERAL**—including domestic policy, *Commd* papers, Bank rate and other interest rate changes.

April

- (B) 1 Civil servants stage one-day strike, affecting civil aviation, courts and government services.
- (A) 1 Government announces funds of £100–£150 million for BL investment programme.
- (A) 2 Lufthansa places order worth DM 1.5 billion (£385 million) for 25 A-130s with Airbus Industrie and taken options on another 25 A-310s.
- (B) 2 British Steel agrees on 8 per cent wage settlement with its largest union, the Iron and Steel Trades Confederation.
- (B)(C) 2 Special surcharges introduced on almost half of the OPEC's crude oil production—increases will push up prices by 24–31 per cent in second quarter over the final quarter of last year.
- (A) 3 Rolls-Royce to receive more government aid worth £232 million for development of RB-211 engine.
- (A) 3 BL to join Honda in manufacturing Honda-designed cars to be assembled under licence by BL.
- (B) 3 ICI offers 50,000 manual workers 15.1 per cent pay package in attempt to reshape wage structure.
- (B) 3 Production workers at Perkins diesel engine plant at Peterborough to stage indefinite strike unless company promises pay parity with Massey-Ferguson.
- (D) 3 Finance Bill—increases in personal income tax allowances in line with inflation as required by the Rooker-Wise amendment to take effect in August.
- (D) 5 Bank of England cuts MLR by 1 per cent to 12 per cent to stem currency inflow.
- (B) 5 Price Commission allows Shell average 1.5p a gallon increase.
- (B) 9 3,000 skilled workers at BL car factories begin unofficial strike over demands for improved pay differentials.
- (B) 13 Perkins diesel engine workers at Peterborough win pay parity with new offer of average increase of £14 per week (see 3 April).
- (A) 13 Iron and steel making ends at BSC plant at Bilston, Staffordshire.
- (C) 16 Bank of Japan announces increase in official discount rate to 4.25 per cent.
- (B) 17 Armed Forces to receive pay awards of 24.2 per cent, back-dated to 1 April.
- (B) 18 Dunlop closes Speke tyre plant on Merseyside.
- (B) 19 BL Cars craftsmen vote to return to work (see 9 April).
- (A) 19 British Airways to buy first all-freight Boeing 747 Jumbo jet in £44 million contract to improve airline's share of world air cargo market.
- (A) 22 Dunlop rejects union 'alternative plans' for maintaining production at Speke, Merseyside (see 18 April). Unions disrupt operations in attempt to force reopening of Speke.
- (B) 24 British Rail drivers, signalmen and signal technicians awarded 12–13 per cent rise.
- (A) 26 British Petroleum cuts contract oil supplies to Japanese third party importers by 55 per cent from this month and plans similar cuts to other countries.
- (B) 29 Merseyside dockers accept increase of £8 per week
- (A) 30 Hyster Company, the leading US mechanical handling equipment manufacturer, to build £30 million factory in Northern Ireland which will employ 600 people.

May

- (B) 1 About 2,000 redundant steelworkers at BSC plant at Bilston, Staffordshire will receive severance terms of £7,000 awarded by the Corporation after an £11 million deal with steel union leaders (See 13 April).
- (A) 1 Reduced crude oil supplies and shortage of oil products in the European market force Texaco to ration petrol supplies to customers.
- (C) 2 Japanese yen falls 6.65 points to 225.80 to the dollar, a 2.9 per cent decline.
- (B) 2 Civil service unions representing mainly clerical and executive grades accept pay offer of 25 per cent.
- (D) 3 Conservatives win General Election with overall Commons majority of 43 with 339 seats. Mrs Margaret Thatcher becomes Britain's first woman Prime Minister.
- (C) 3 Belgian National Bank raises discount rate from 6 to 7 per cent.
- (A) 8 URENCO, the UK-German-Dutch consortium, signs new contract with CEGB and three West German electricity utilities worth £400 million for enriching uranium by the gas centrifuge process.
- (A) 9 Lonrho wins control of Scottish and Universal Investments for £4.4 million.
- (A) 9 US-based Monsanto chemicals group to close down its European nylon business at a loss of 2,300 jobs—1,500 in UK.
- (C) 10 Iran raises price of crude oil by 60 cents a barrel.
- (A) 11 KCA International, the oil servicing and contracting group, buys a 12 per cent stake in Furness Withy, the British shipping company.
- (B) 11 Union of Post Office Workers accepts 10 per cent interim deal.
- (C) 11 NV Amev, the Dutch insurance group, pays £15 million for Gresham Life Assurance Society.
- (A) 17 ICI to cut 1,200 jobs from its petrochemicals division on Teeside over the next three years.
- (A) 18 BAT Industries buys Argos discount stores chain for £35 million.
- (B) 23 Post Office increases first class letter rate to 10p and second class to 8p from 20 August.
- (A) 23 Government refuses aid of £2 million for Kirkby Manufacturing Corporation.
- (B) 24 BP raises wholesale price of all products by 4½p a gallon in first of a series of moves by the major UK oil suppliers.
- (C) 31 Bank of Belgium raises discount rate by 1 to 8 per cent.
- (C) 31 Bank of Netherlands raises discount rate from 6½ to 7 per cent.

June

- (A) 1 Texaco sacks most of its 800 strikers at its Fife yard—new workforce to be recruited.

- (A) 1 ICI to spend £20 million on two new plants in Cheshire to produce sodium hypochlorite and ammonium chloride.
- (C) 1 Central banks to support the Belgian franc and Danish krone, both of which threaten to fall below their lowest intervention points in European Monetary System.
- (C) 1 German Bundesbank raises Lombard rate to 5½ per cent.
- (B) 4 TGWU delegates reject pay offer made by building trade employers to 700,000 workers.
- (B) 5 Doctors and dentists receive 25 per cent pay increase.
- (C) 5 French banks raise basic lending rate from 8 per cent to 9.15 per cent from 6 June.
- (D) 6 National Westminster to raise \$100m through floating rate bond on international capital market to finance international operations.
- (A) 7 BTR, UK industrial holding company, announces bid of £26.3 million for Bestobell, a fluid engineering and insulation group.
- (B) 7 Shop stewards representing 12,000 production workers at Lucas Industries recommend strike action unless company makes a substantial increase in latest offer of 8 per cent.
- (C) 11 Iraq adds further surcharge on its contract crude oil sales.
- (D) 12 Chancellor of the Exchequer, Sir Geoffrey Howe, announces his Budget. Main points as follows:
 Income tax: Basic rate down from 33p to 30p in the pound, with equivalent cut in Advanced Corporation Tax. All personal allowances raised: married (and single parent) up £280 to £1,815, single (and earning wives) up £180 to £1,165. Age allowance for people over 65: married up £380 to £2,455, single up £240 to £1,540. Qualifying income ceiling up £1,000 to £5,000. New thresholds will take 1.3m out of tax.
 Higher rates: Threshold for 40 per cent rate up from £8,000 to £10,000 (taxable income). Top rate down from 83 to 60 per cent, payable at taxable income of £25,000. Between £10,000 and £25,000 new scale of rates less steeply progressive than before.
 New rates will be effective from 5 October and allowances from 12 July. All changes backdated to 6 April. Cost in 1979–80 £3.5 billion; full year £4.5 billion.
 Investment income surcharge: None payable below single new threshold—£5,000 of investment income.
 Tax relief on loans: Transitional relief on loans taken out before 26 March, 1974 (on second homes) to be extended up to 5 April, 1982 (instead of 1980). Government to consider rules on interest tax relief, particularly for investment in small companies.
 VAT raised to unified level of 15 per cent from 18 June from present rates of 8 and 12½ per cent. This will push up retail price index by 3½ per cent for an extra £2 billion revenue in 1979–80 and £4.2 billion in a full year.
 Petrol and derv duty raised by 7p a gallon and heavy oil other than derv by ½p for yield of £400 million in 1979–80 and £525 million in full year.
 Vehicle excise duty on lorries to be restructured. MLR raised from 12 to 14 per cent.
 Bank lending: Official corset controls continued for further three months to mid-December.
 Money supply: Target range for growth in sterling M3 reduced from annual rate of 8–12 per cent to 7–11 per cent in 10 months to April 1980. Target to be rolled forward by six months next October.
 Public sector borrowing: To be cut to £8½ billion or 4½ per cent of GDP in current financial year, compared with £9½ billion and 5½ per cent last year.
 Dividend control to end when existing legislation expires on July 31.
 Development land tax cut to single rate of 60 per cent from previous rates of 66½ and 80 per cent. Threshold raised from £10,000 to £50,000.
- Capital transfer tax on discretionary trusts deferred from April 1980 to April 1982.
 Petrol revenue tax rate raised from 45 to 60 per cent. Cash limits on departments and fringe bodies set to ensure economies of 3 per cent on manpower costs this year will reduce planned expenditure by about £1 billion. In addition, specific reductions being made by Government departments and nationalised industries.
 Public expenditure cuts amount to almost £1.5 billion this year. Includes cut of £210 million in industrial support. Support from employment programmes to be concentrated on areas of highest unemployment, saving £170 million. Savings of over £320 million in finance for BNOG and electricity, gas and coal industries. Environment department saves £440 million, mainly by scrapping Community Land Act, deferring water authority investment and reducing allocations to housing authorities.
 Rate support grant cut by £300 million for England and Wales and £35 million for Scotland out of total grant of £9 billion.
 Education spending cut by £55 million in areas where Government has direct control. Overseas aid reduced by £50 million and savings on transport, trade and arts programmes.
 Defence: Extra £100 million spending this year. Contingency reserve for 1979–80 cut by £250 million from level in Labour Government's White Paper.
 State-owned assets: Sales this year to amount to £1 billion. Biggest slice comes from disposal of further part of Government shareholding in BP.
 Retirement pensions: Standard rate to go up in November by £6.10 to £37.30 for married couple and by £3.80 to £23.30 for single persons. Statutory uprating of pensions to be based on price movements, instead of prices or earnings, whichever greater. Pensioners to get £10 Christmas bonus. Single parents' child benefit premium up from £2 to £2.50 in November. Mobility allowance for disabled up from £10 to £12 in autumn. Overall cost of these measures about £1.1 billion in 1979–80 and £2.7 billion in a full year.
 Prescription charges increased by 25p to 45p.
- (B) 13 Highland Fabricators issues 90-day notices of redundancy to 1,200 workers at Nigg oil platform yard because of lack of orders.
- (D) 14 Banks put base lending rate up by two points to 14 per cent.
- (C) 14 Denmark's official discount rate raised 1 to 9 per cent.
- (D) 14 NALGO gives official backing to local strikes against job cuts resulting from Government's drive to reduce public expenditure.
- (C) 14 Belgian discount rate raised from 8 to 9 per cent.
- (B) 15 London Underground strike called off when executives of National Union of Railwaymen agrees to refer pay dispute to arbitration.
- (C) 18 Continental Illinois Properties Board accepts \$30 per share offer from Bouverie Properties, the National Coal Board's pension fund subsidiary, and Bouverie to go ahead with \$144 million (£72 million) bid for US company.
- (D) 19 Government wants National Enterprise Board to sell assets worth £100 million as part of the £1 billion public sector sales announced for the current financial year in the Budget.
- (C) 21 New Zealand devalues the NZ dollar by 5 per cent as part of a budget designed to boost exports.
- (B) 21 Tax cuts announced in the Budget to result in loss of more than 1,000 Inland Revenue jobs.
- (B) 22 Air services from Heathrow and Glasgow disrupted by one-day strike over scientists' and engineers' pay by professional civil servants.
- (A) 22 GKN sells stake in sheet steel making in Australia for A\$90 million (£46.8 million).
- (B) 25 Ireland's 4½ month post and telephone strike by 13,000 members of the Post Office Workers' Union ends with 14–18 per cent pay offer.

- (B) 25 British Rail engineering and maintenance workers agree average 15 per cent pay deal.
- (B) 25 Air traffic controllers stop industrial action in current civil servants' pay dispute. (see 21 June).
- (A) 26 Government gives financial approval for new 1300 megawatt advanced gas cooled reactor (AGR) nuclear power station at Heysham, Lancashire, to cost about £650 million.
- (B) 26 Confederation of Shipbuilding and Engineering Unions votes for national overtime ban and one-day strikes by 2 million manual workers unless increases on minimum wage rates and other benefits are agreed by employers.
- (A) 26 Perkins, the diesel engine subsidiary of Massey-Ferguson, to transfer half its US production to its UK plant at Peterborough following decision to suspend manufacturing at Canton, Ohio.
- (A) 28 Midland Bank bids for Heller International of US for £240 million.
- (B)(C) 28 OPEC increases oil prices by 15 per cent over present levels—the price of petrol in the UK will rise by 10p a gallon.
- (C) 28 Belgium raises Lombard rate to 11 from 9 per cent.
- (B) 28 NUR rejects £65 basic wage—an increase of 30 per cent—in order to give union negotiators flexibility to obtain higher rises for some grades.
- (B) 29 2,000 Chrysler UK workers on indefinite strike over pay at Ryton assembly plant in Coventry; 3,000 workers at Stoke to join strike.