

PO - CH/WL / 716

07.  
1  
PO/CH/NL/716

Begins: 20/9/83.

Ends: 12/4/84.

Chancellor's (Lawson) Papers:

Chancellor's Visit To Manchester,  
March 1984.

cc Dr Rouse.

Please see  
CH/EX/13  
Comments  
below  
21



# Conservative Central Office

32 Smith Square Westminster London SW1P 3HH  
Tel. 01-222 9000 Telex 8814563 Fax. 01-222 1135

20th September 1983

Rt Hon Nigel Lawson MP  
The Treasury  
Parliament Street  
LONDON  
SW1A 0AA

HM TREASURY - MCU	
RECD.	23 SEP 1983
ACTION	Mr Saltshill Mrs Dunn Mr Lord Mr Makeham
SIGNATURE	
REF. No.	

*Dear Mr Lawson*

The North West Area has asked me to invite you to speak at the Greater Manchester Industrialists Committee Meeting. In the hopes that you will be able to accept they offer you any day in 1984 to suit you. This will be held at the National Westminster Bank, Manchester.

The organisers would very much like you to lead a discussion over lunch. There will be 15 top industrialists present and the press will not be invited.

The Area will be delighted to arrange additional meetings if you can undertake this one.

I do hope you will be able to accept this invitation and I look forward to hearing from you.

Yours sincerely,

*Pat Stocken*

Miss P Stocken  
Speakers Department

Chancellor.

You are going to  
Mereside at  
20 Jan & planned  
to turn the day  
into a tour.  
This is some  
distance but could  
poss' be incorporated?  
Yes

*Ask Lynda  
to look into  
logistics  
of this  
idea.*

↓  
Danner  
Pat Stocken "floating"  
30 March  
Michael Spiller  
17/11



## Conservative Central Office

32 Smith Square Westminster London SW1P 3HH  
Tel. 01-222 9000 Telex 8814563 Fax. 01-222 1135

4th October 1983

Rt Hon Nigel Lawson MP  
The Treasury  
Parliament Street  
LONDON  
SW1

*Dear Mr Lawson*

On 20th September, I wrote inviting you to speak to the Greater Manchester Industrial Committee Meeting.

I was wondering whether this could be fitted in with your visit on Friday 20th January 1984.

Please may I have your views on this.

Yours sincerely,

*Paul Stocken*

Miss P Stocken  
Speakers Department

30/3.



FROM: MISS D YOUNG  
21 NOVEMBER 1983

MRS REED

- cc Mr Battishill
- Miss Goodman
- Mr Hall
- Mrs McKinney
- Mr Makeham
- Mr Lord
- Mr Portillo

VISIT TO MANCHESTER ON 30 MARCH

The Chancellor has accepted an invitation to address the Manchester Industrialist Committee on 30 March and would like to turn this trip into a tour of the Manchester area.

2. I understand that the Chancellor is already considering another party engagement for that evening (for the Hon Mark Lennox-Boyd) and that he wishes to include a visit to the Manchester City Art Gallery.

3. Would you kindly provide advice regarding possible industrial visits.

MISS D YOUNG  
Assistant Private Secretary

**Conservative Central Office**  
**North West Area**

Woolton House 31 Byrom Street Manchester M3 4PJ Telephone: 061-832 6044

Central Office Agent: Miss B. M. LOWE Deputy Central Office Agents: Miss R. D. CATTELL J. M. GOODSMAN H. PURCELL  
Publicity Liaison Officer: W. HARESNAPE Industrial Organiser: P. DOWLING

30/3 (Pur) → ~~Mr Purcell~~  
Margaret I think my  
letter to Mr Purcell  
covered the question  
HP

HP/NLW

23rd November 1983

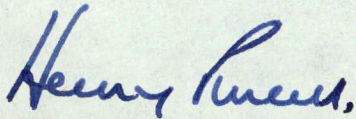
The Rt. Hon. Nigel Lawson, M.P.,  
House of Commons,  
London

Dear Mr. Lawson,

I understand that you have accepted two engagements in the North West on Friday 30th March 1984 - the Manchester Industrialists lunch and a dinner in Morecambe & Lunesdale. I wondered if you would be in a position to do further Party engagements in the afternoon of the 30th March, including possibly Press/T.V./Radio interviews. If you are able to spare the time, I will be very happy to put up a suggested itinerary to you.

With best wishes,

Yours sincerely,



Henry Purcell

c.c. to Miss Pat Stocken (Speakers dept)

From: Mrs Nigel Lawson

Denna - please could you  
send this copy (my only one)  
back when you're  
not at home + contents

11 DOWNING STREET  
WHITEHALL SW1A 2AB

Thanks

24th November 1983

TJL

we spoke

I started to write to you the day after you came here to say how much we had enjoyed meeting you, and also to propose a date for our visit to Manchester. However, the proposed date went wrong - and I never finished the letter! I'm sorry. Anyway, I gather that my husband now has another possible date in mind and that his Private Office are going to contact you to find out if we can come and see you then.

In the meantime, I'm enclosing a booklet about No.11 which you may well have seen, but which both describes & illustrates the Soane dining room: I'd very much like to discuss that further at some stage.

Again, our thanks.

Sat am  
31 March?

T. Clifford Esq.,  
Director,  
City Art Gallery,  
Mosley Street,  
MANCHESTER M2 3JL

061 236 9422

FROM: NOREEN REED  
DATE: 16 December 1983

MISS ~~YOUNG~~

cc Mr Battishill  
Miss Goodman  
Mr Hall  
Mrs McKinney  
Mr Makeham  
Mr Lord  
Mr Portillo

#### CHANCELLOR'S VISIT TO MANCHESTER ON 30 MARCH 1984

You asked me to provide advice on a possible industrial visit for the Chancellor to make when he travels to Manchester to address the Manchester Industrialists Committee on 30 March.

2. I have spoken to my contact at the North West Regional Office of DTI. He has suggested one of the following companies as suitable places for a visit of this kind.

#### ICL - West Gorton

3. This is ICL's central operations' establishment for the North West. They currently employ 940. The establishment has an impressive new main computer hall used for demonstrating computer aided design - computer aided manufacture (CAD/CAM). DTI use the hall to demonstrate the use of computer application to industrialists, as part of the DTI awareness programme. There is also a co-venture with a Japanese firm close by which could be incorporated in the visit. HMG has an equity interest in ICL. DTI would recommend this as a worthwhile visit for their Secretary of State.

#### Ferranti

4. There are several choices of location in the area. Ferranti are a major electronics firm dealing with everything from domestic electrical goods to missiles and guided weapons systems via computers.



Simon Engineering Group - Cheadle

5. The group headquarters are situated at Cheadle which is about 8 miles from the centre of Manchester. They employ about 12,000 and have a turnover of about £350m. The group of companies are involved in factory building and design; process plant manufacture for most industries including food and chemical industries. Simon Engineering is a major North West firm and a major exporter. Harry Harrison is the Chairman and knows a great deal about the economy of the North West. He is on the Court of Governors of Manchester University. He is well worth meeting.

6. If you would like any further information please let me know.

*Noreen Reed*

NOREEN REED

Down

To see a new  
guidance

M.

M.



WKS @

GW N.S.

C

CCO have jumped the gun a little.

So far you have only considered

- (i) Lunch with Manchester Industrialists
- (ii) A visit to the City Art Gallery  
(for which there's no provision here)
- (iii) Mark's dinner

There's a question as to whether  
you want to treat this as  
wholly political (in which  
case CCO rep for the LSR)  
or if you want to do it in  
any official engagements  
(then the Treasury would rep half)

If you wanted to give it  
some official flavour, you  
could fly up & visit Customs  
staff at the airport. Flying up  
would also give you time,  
perhaps, for an industrial  
visit. When we asked officials  
some time ago to explore (p70



# Conservative Central Office North West Area

Woolton House 31 Byrom Street Manchester M3 4PJ Telephone : 061-832 6044

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Central Office Agent : Miss B. M. LOWE Deputy Central Office Agents : Miss R. D. CATTELL J. M. GOODSMAN H. PURCELL

HP/NLW

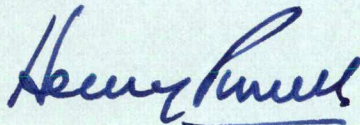
6th February 1984

The Rt. Hon. Nigel Lawson, MP  
House of Commons,  
London SW1A 0AA

Dear Mr. Lawson,

I have pleasure in enclosing a draft itinerary for your visit to the North West on Friday 30th March 1984.

Yours sincerely,



Henry Purcell



*Handwritten signature in red ink*

Manchester Town.

Mr Portillo suggested at speech Cttee that you might like to travel back from Blackpool Airport on Saturday instead of returning to Manchester.

You may like to know that there are only 2 flights back:-

<u>Dept</u>	<u>Arr</u>
<u>Blackpool</u>	<u>LHR</u>
07.35	08.55
16.55	18.15.

The flights from Manchester are more frequent, i.e. one every

hour from 07.20  
until 13.20 after~~er~~  
which there are longer  
gaps.

Are you still happy  
for visit to Manchester  
Art Gallery to be  
on Friday not Saturday  
morning please?

Q

Manchester  
07.20

LHR  
08.10 etc



FROM: MISS D YOUNG

DATE: 13 February 1984

*c*  
You could ditch the  
Lidus trail visit, maybe  
it might be useful to  
be seen on another  
walkabout.

*MAY*

CHANCELLOR

*13/2*

cc Mrs Lawson  
Mr Battishill  
Ms Goodman  
Mr Portillo  
Mr Makeham

MANCHESTER TOUR: 30 MARCH

Below is a suggested programme for your trip to  
Manchester on 30 March.

2. As requested, I spoke to Tim Clifford's secretary at  
the City Art Gallery over a week ago about the possibility  
of visiting the Gallery on the morning of Saturday 31 March.  
Mr Clifford has been looking into this but has not, as yet,  
come up with anything definite. I expect to hear from him  
tomorrow on his return from Stockholm.

*D Young*

Miss D Young

FRIDAY, 30 MARCH 1984

9.30 am Depart London Heathrow

10.20 am Arrive Manchester Airport

~~10.30-11.30~~ ~~11.00-12.00~~ Visit to Customs and Excise post (airport)  
~~noon~~

12 noon

Manchester Art Gallery

1.00 pm

Lunch: Greater Manchester Industrialists  
Committee (Speak)  
National Westminster Bank, 55 King Street,  
Manchester

~~3.30-4.30pm~~  
approx

~~Industrial visit [ICA / Kvaanti / Simon Engineering]~~  
Buro Elec

7.30 pm

Dinner: Morecambe and Lunesdale Constituency,  
Strathmore Hotel (Speak)

Overnight with The Hon M Lennox-Boyd, MP

SATURDAY, 31 MARCH

[visit to Manchester City Art Gallery]



*This starts for my wife and like to go straight for me airport prepare to leave. She will be what would lunch with whole plan (pina 4). and/or TV in the afternoon? I am sorry for the L-B's, we will get back 1st of the next morning. I still like a program ASAP. take in New York as per L-B as per Strickland. \* Plus budget*

FROM : M D X PORTILLO  
DATE : 16 FEBRUARY 1984

CHANCELLOR

cc Mr Ridley  
Miss Young  
Ms Goodman

VISIT TO MANCHESTER : 30 MARCH

I have now spoken to Pat Stocken. The best that can be organised for your afternoon in Manchester is to appear on local radio - both Manchester and Piccadilly - and possibly on tv. If you allow an hour for this beginning at 3pm that will give you enough time for the drive to Morecambe, enabling you to change before dinner. There will not be any European content to the afternoon as such, although as we remarked at the Speech Committee meeting, it may happen that Europe is top of the agenda at the time. Please let me know if you are content with this arrangement for the afternoon.

2. It may be best for you to fit in both the visit to the Customs & Excise post and to the Manchester Art Gallery in the morning. The timings might look something like this:

- 9.30am Depart Heathrow
- 10.20am Arrive Manchester Airport
- 10.30am Commence visit to Customs & Excise post (it is on the airport)
- 11.30am Depart for Manchester
- 11.50am Arrive Gallery
- 12.50pm Depart Gallery
- 1.00pm Arrive Lunch

3. How would your wife like to spend the day? She could, if she wanted to spend longer at the Art Gallery, be driven straight there from the airport (so being able to spend about two hours at the Gallery) or stay at the Gallery and miss the

Manchester industrialists lunch. In the latter case, we could certainly arrange for someone to stay with her and arrange for her lunch.

4. Central Office would naturally like to arrange for Mrs Lawson to spend her lunch hour with Conservative women.

5. In case you are thinking still of visiting the Gallery on Saturday morning, I should remind you that the travelling time between Morecambe and Manchester is  $1\frac{3}{4}$  hours and has to be done by car and not train.

Donna's  
call note  
(will you)  
seems to  
reiterate.



M D X PORTILLO



Manchester Art  
Gallery

visit and morning  
OK.

Mrs L to lunch with  
Mr Clifford

|  
g/ Mr Fort to be  
informed

d/ confirmed  
with Clifford.



FROM: MISS M O'MARA  
DATE: 17 February 1984

PS/Customs & Excise

cc Miss Young  
Mr Portillo

CHANCELLOR'S VISIT TO MANCHESTER: 30 MARCH

We spoke some time ago about the possibility that the Chancellor might call at a Customs post when he visited Manchester on 30 March and agreed that it would be most sensible if he were to meet the staff at Manchester Airport itself.

2. We now have a rather clearer view of the Chancellor's timetable for that day. He will be arriving at the airport at 10.20 am and will need to leave around 11.30 am. I should be grateful if you could arrange a programme to fill that hour and if you could provide us with some background briefing to reach this office by Friday 23 March.

MOM

MISS M O'MARA

<sup>c</sup>  
I'm speaking separately  
to Michael about  
briefing.

mom  
28/2



FROM: MISS M O'MARA  
DATE: 28 February 1984

Mr Portillo

cc Mr Ridley  
Ms Goodman  
Miss Young

A handwritten signature in dark ink, appearing to be 'M. O'Mara'.

VISIT TO MANCHESTER: 30 MARCH

The Chancellor read over the weekend your minute of 16 February and is very happy with the arrangements you have made so far.

2. He has confirmed that Mrs Lawson would like to go straight from the airport to the Manchester City Art Gallery and would then be happy to lunch with Conservative women. He would be grateful to know what plans Central Office have for her while he is occupied with radio and television interviews in the afternoon.

3. He assumes that you are liaising with Mr Lennox-Boyd as well as Pat Stocken on the arrangements for the visit.

4. Could Miss Young now provide the Chancellor with a full programme which includes arrangements for him to travel back by train early on Saturday morning. Could she produce a separate programme for Mrs Lawson, liaising as necessary with you.

Mom

MISS M O'MARA



FROM: MISS D YOUNG

DATE: 28 February 1984

CHANCELLOR

cc Mrs Lawson  
Mr Battishill  
Ms Goodman  
Mr Portillo  
Mr Ridley

30 MARCH: VISIT TO MANCHESTER

9.30 am Depart Heathrow (+Mrs L)  
10.20 am Arrive Manchester Airport  
(Mrs Lawson to depart for Manchester Art Gallery)  
10.30 am Commence visit to Customs & Excise post at Airport  
11.30 am Depart for Manchester  
11.50 am Arrive Manchester City Art Gallery,  
Mosley Street (Tel: 061 236 9422)  
12.50 pm Depart Gallery  
1.00 pm Lunch: Greater Manchester Industrialist Committee  
National Westminster Bank  
55 King Street, Manchester (spk)  
3.00 pm Interviews  
4.00 pm Depart Manchester (+Mrs L)  
5.45 pm Arrive at home of Mark Lennox-Boyd  
7.30 pm Dinner: Morecambe & Lunesdale constituency  
Strathmore Hotel (spk) (+Mrs L)  
10.30 pm Depart Strathmore Hotel with Mark Lennox-Boyd  
for overnight stay at his home

Saturday 31 March

10.20 ~~8.43~~ am Depart Lancaster  
1.30 ~~10.53~~ pm Arrive ~~Rugby~~ Euston

*M*  
MISS D YOUNG



FROM: MISS D YOUNG  
DATE: 28 February 1984

MRS LAWSON

cc Mr Battishill  
Ms Goodman  
Mr Portillo  
Mr Ridley

30 MARCH: VISIT TO MANCHESTER

9.30 am Depart Heathrow  
10.20 am Arrive Manchester Airport and leave for Art Gallery  
10.45 am Arrive Manchester Art Gallery, Mosley Street  
Lunch: Mr Clifford, Director Manchester Art Gallery  
3.00 pm Conservative Ladies  
4.00 pm Depart Manchester  
5.45 pm Arrive at home of Mark Lennox-Boyd  
7.30 pm Dinner: Morecambe and Lunesdale Constituency, Strathmore Hotel  
10.30 pm Depart Strathmore Hotel with Mark Lennox-Boyd for overnight stay at his home.

Saturday 31 March

10.20 ~~8.43 am~~ Depart Lancaster  
1.30 pm ~~10.53 am~~ Arrive ~~Rugby~~ Euston

*DY*  
MISS D YOUNG



9

I understand you want to get off the train at Rugby on Saturday morning. There is only one train a.m. which stops there, & it is a bit early, but I have put it on the timetable for now.

If you want to return to London on Sat' a.m., instead there are some straight through trains:-

<u>Dept</u>	<u>Arr</u>
<u>Lancaster</u>	<u>London</u>
9.30 am	1.15 pm
✓ 10.20 am	1.30 pm

Which would you like to take please?

21



Prop

<sup>c</sup>  
You have only one official  
engagement here - at X. I'm  
quite happy to come along  
for that, but you may feel  
it's a waste of money for me  
to fly up just for that! hein  
on 4?

FROM : M D X PORTILLO  
DATE : 29 FEBRUARY 1984

MOM  
29/2

CHANCELLOR More detailed programme  
by Donna below.

cc Mr Ridley  
Mr Lord  
Ms Goodman  
Miss Young

I think you always ought to  
have a PS on these trips. And Moit  
is with the money & times ones.

} 1 agree.  
M.D.X.

VISIT TO MANCHESTER : 30 MARCH

The day is beginning to take shape along the following lines:

	<u>Chancellor</u>	<u>Mrs Lawson</u>
X   10.20am	Visit to Customs & Excise	Proceeds to Manchester Art Gallery
11.30am	Proceeds to Manchester Art Gallery	
12.45pm	Lunch with industrialists	Lunch with Gallery Director
2.00pm		Free
3.00pm	Radio and tv interviews	Conservative ladies
4.00pm		Rejoins Chancellor to proceed to Morecambe

2. I am afraid that I shall be unable to accompany you on this  
visit. I think it would be helpful if a Special Adviser went with you,  
particularly in view of the possible importance of the speech that you  
X | will give in the evening. I have asked Mr Ridley and Mr Lord to stand ready.

M.D.X.

M D X PORTILLO

Manchester



Donna

→ Margaret

— Donna and

I spoke to Michael Portillo yesterday & all seems to be in hand so far as I'm concerned; but when M.P. # has finally fixed programmes for us both, I must get in touch (myself, I think) with Tim Clifford to confirm times. I'll ask Barbara to be my reminder!

Q

29/2

# who said he wd let me know - via you / Donna or not I'm not sure. All will become clear, I guess...

P.S. Later: it has - programme recd., though! →

have a couple of queries  
which I'll get round to  
next week....

DL



Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

7 March 1984

Andrew Lansley Esq  
Private Secretary to the  
Secretary of State for Trade and Industry

*Dear Andrew,*

**CHANCELLOR'S VISIT TO MANCHESTER: 30 MARCH**

The Chancellor will be visiting the Manchester and Morecambe areas on 30 March and speaking to a group of Manchester industrialists at lunch time. I should be grateful if your Regional Office could provide us with some background briefing. It would be very helpful if this could reach us by close of play on Friday 23 March.

I am copying this letter to Alan Davis at DOE with the same request. If DOE prefer to feed their comments in at the regional level, we should, of course, be more than delighted.

*Yours sincerely,*

*Margaret O'Mara*

MISS M O'MARA  
Private Secretary

Visit of the Chancellor to Morecambe on 30/3/84

8/3/84-

Attached is a note (from my Agent) about the visit together with extracts containing some electoral information. Note the dinner is a black tie function.

My home address is Gresgarth Hall, Caton, Lancashire (Caton 770313). We are ten minutes from exit 34 on the M6 and fifteen minutes from Lancaster station. I will of course meet the Chancellor and his party if he is arriving by train. My Association will also pay for train tickets if they are not paid for by Conservative Central Office. The party is obviously expected to come to Gresgarth before attending the dinner. (Please let me know travel arrangements).

The new constituency of Morecambe & Lunesdale is about 80% Town and 20% Country. The Town is made up of Morecambe (tourism, landladies and retired) and Carnforth (railway town). The Country is a stretch of the Lune Valley and takes the place of the large slice of Cumbria that comprised the earlier constituency.

The dinner is the star attraction in a series of functions to pay the Association's overdraft and other commitments of £10,000. The profit from the meal will be modest but it is hoped that the visit of the Chancellor will stir some of the more prosperous guests to make generous donations. The sum of £10,000 includes a sum of money which we will have to pay to the slice of Cumbria which formed part of the previous constituency, in compensation for the fact that we have retained the valuable constituency office at Churchill House in Morecambe.

Most of the people attending the dinner will be from the Town area. People to watch out for are:-

Sir Oulton Wade

Richard Taylor, President. Well-to-do retired business man in holiday industry - caravan sites and amusement arcades. He may not be able to attend (through sickness).

Lewis Bibby, Chairman. Solicitor with country practice based in Carnforth. Lives in and loves the rural area.

Susan Bray, Treasurer. A down to earth school teacher.

Gordon McKelvie, Agent. Born and bred Liverpudlian.

(I will give further information about other people to watch out for).

Mark cum Bray  
8/3/84

*You'd originally regarded X  
as a major concern for  
developing Budget Henes.  
Y OK? MARY 2.*

*Donna  
9/11/84  
M.L.  
M.*

FROM : M D X PORTILLO  
DATE : 9 MARCH 1984

CHANCELLOR

cc Mr Lord  
Miss Young

*Y OK. M 9/3  
press report  
AS for X, I will change work  
make some  
introduction  
remarks  
myself &  
press report  
M.L.*

VISIT TO MANCHESTER : 30 MARCH

North-West area now believes that your **press and tv interviews** should all be done in the same place viz the **Conservative offices** at 31 Byron Street (Telephone No: 061 832 6044).

- 2. Because of this change, they think it would be best if **Mrs Lawson** were to **rejoin you**, rather than do anything with the Conservative ladies. There would then be a chance for **photographs of the two of you together.**
- 3. It is also now clear that at the lunch with **Manchester industrialists**, your small audience would like to hold a **discussion**, rather than hear a **speech.** They plan a few introductory remarks by Sir William Mather, followed by some remarks by yourself and then a discussion.
- 4. I hope to receive briefing on your Manchester audience and on Mark Lennox-Boyd's constituency very shortly.

M D X PORTILLO



FROM: MISS M O'MARA

DATE: 12 March 1984

cc Mr Lord  
Miss Young

MR PORTILLO

**VISIT TO MANCHESTER: 30 MARCH**

The Chancellor has seen your minute of 9 March. He agrees that because of the change in programme, it would be sensible if Mrs Lawson were to rejoin him for the press and TV interviews. We shall be letting her know.

2. Although the speech to the Manchester industrialists has now been rescheduled as a discussion, the Chancellor has commented that he will clearly want to make some introductory remarks which can be press released. I should be grateful if you or Mr Lord could produce a draft.

*MOM*

MISS M O'MARA



Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

12 March 1984

The Hon. M. Lennox-Boyd MP  
House of Common  
LONDON  
SW1

*Dear Mr Lennox-Boyd,*

I enclose a copy of the Chancellor's itinerary together with a list of Manchester MP's as provided by Conservative Central Office and would be grateful if you would notify them, nearer the time, of the Chancellor's trip on 30 March.

*Yours sincerely*

*Janina Young*

MISS D YOUNG  
Assistant Private Secretary



cc The Hon M. Kenyon -  
Boyd

CITY OF MANCHESTER

MANCHESTER BLACKLEY Contains the wards of Blackley, Charlestown, Crumpsall, Harpurhey, Lightbowne and Moston

June 1983 Election result:-

K. Eastham (Lab)	20,132
P. Ridgway (C)	13,676
L. Cookson (L./All)	<u>8,081</u>

Lab. majority	<u>6,456</u>	K. Eastham (Lab) elected
---------------	--------------	--------------------------

MANCHESTER CENTRAL Contains the wards of Ardwick, Beswick & Clayton, Bradford, Central, Cheetham, Hulme and Newton Heath

June 1983 Election result :-

R. Litherland (Lab)	27,353
D. Eager (C)	8,868
A. Ahmed (SDP/All)	4,956
A. Coles (NF)	<u>729</u>

Lab. majority	<u>18,485</u>	R. Litherland (Lab) elected
---------------	---------------	-----------------------------

MANCHESTER GORTON Contains the wards of Fallowfield, Gorton North, Gorton South, Levenshulme, Longsight and Rusholme

June 1983 Election result:-

G.B. Kaufman (Lab)	22,460
J. Kershaw (C)	12,495
K. Whitmore (L/ALL)	8,348
M. Cowle (Com)	333
L.C. Andrews (BNP)	<u>231</u>

Lab. majority	<u>9,965</u>	G.B. Kaufman (Lab) elected
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MANCHESTER WITHINGTON Contains the wards of Barlow Moor, Burnage, Chorlton, Didsbury, Old Moat and Withington

June 1983 Election result:-

F. Silvester (C)	18,329
Mrs. F.W. Done (Lab)	15,956
B. Lever (SDP/All)	12,231
M.G. Gibson (Freedom)	<u>184</u>

C. majority	<u>2,373</u>	F. Silvester (C) elected
-------------	--------------	--------------------------

MANCHESTER WYTHENSHAW Contains the wards of Baguley, Benchill, Brooklands, Northenden, Sharston and Woodhouse Park

June 1983 Election result:-

A. Morris (Lab)	23,172
Mrs. J. Jacobs (C)	12,488
D. Sandford (L/All)	<u>6,766</u>

Lab. majority	<u>10,684</u>	A. Morris (Lab) elected
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FROM: MISS D YOUNG  
DATE: 12 March 1984

cc Mrs Lawson  
Mr Battishill  
Ms Goodman  
Mr Portillo  
Mr Ridley  
The Hon. M Lennox-Boyd  
Mr Lord  
Mr Purcell

✓  
w

CHANCELLOR

**30 MARCH: VISIT TO MANCHESTER**

9.30 a.m. Depart Heathrow (+Mrs L)  
10.20 a.m. Arrive Manchester Airport  
(Mrs Lawson to depart for Manchester Art Gallery)  
10.30 a.m. Commence visit to Customs & Excise post at Airport  
11.30 a.m. Depart for Manchester (met by Mr Purcell in Red Ital: SBO 593Y)  
11.50 a.m. Arrive Manchester City Art Gallery, Mosley Street (Tel: 061 236 9422)  
12.50 p.m. Depart Gallery  
1.00 p.m. Lunch: Greater Manchester Industrialist Committee National  
Westminster Bank, 55 King Street, Manchester (spk) (Tel: 061 834 8255)  
2.45 p.m. Interviews, Conservative Area Office, 31 Byrom Street, (+Mrs L)  
(Tel: 061 832 6044)  
4.00 p.m. Depart Manchester (+Mrs L)  
5.45 p.m. Arrive at home of Mark Lennox-Boyd, Gresgarth Hall, Caton,  
Nr Lancaster (Tel: 0524 770313)  
7.30 p.m. Dinner: Morecambe & Lunesdale constituency, Strathmore Hotel,  
Marine Road East, Morecambe, (tel: 0524 411314), (spk) (+Mrs L) Black Tie  
10.30 p.m. Depart Strathmore Hotel with Mark Lennox-Boyd for overnight  
stay at his home

**Saturday 31 March**

10.20 a.m. Depart Lancaster  
1.30 p.m. Arrive Euston

  
MISS D YOUNG

EXTRACTS FROM A SPEECH BY THE RT HON NIGEL LAWSON MP,  
CHANCELLOR OF THE EXCHEQUER, TO A DINNER HELD BY THE  
MORECAMBE & LUNESDALE CONSERVATIVE ASSOCIATION IN  
MORECAMBE ON FRIDAY 30 MARCH, 1984

Over the past fortnight we have been discussing with our European partners the future financial arrangements of the Community and Britain's contribution to them. Anyone could be forgiven for thinking, from reading the press, that nine countries are perfectly happy with the Community's present finances and only Britain wants to upset the apple cart. Nothing could be further from the truth. Indeed it is the other nine who, with varying degrees of enthusiasm, want to make a major change in the Community's finances. Britain is determined that no such change should be made unless effective safeguards are built into the system to stop the Community's finances running off the rails, and fair arrangements for sharing the Community's financing burden between member States are introduced.

At present there is a ceiling on the Community's revenues which in 1970 was fixed by Treaty at a 1 per cent VAT rate for all countries. Other member States want to raise this to 1.4 per cent or even more - a 40 per cent increase. We have not ruled out an increase in the size of these "Euro-taxes". There has been no magisterial "non" from the Prime Minister such as General de Gaulle might have employed. But what we are determined is that there shall be no increase unless the Community makes proper arrangements to get a grip on its expenditure, and a fair

limit is set on the UK's budget contribution. We cannot accept ever-growing expenditure through the Community when we have worked so hard to get public expenditure under control at home. And our major partners agree with us. Both Germany and France are anxious to see the EC budget brought under tight control.

Compared with the radical expansion of the Community Budget proposed by the nine, Britain's requirements are modest. And given our place in the league table they are entirely reasonable. We simply want to make sure that our contributions to the European budget are more in line with our ability to pay. We are not asking that they should reflect our economic circumstances exactly. Britain is currently the second largest net contributor after Germany but only seventh out of ten in terms of income per head. The proposals we have put forward would still be likely to leave us the second largest net contributor.

I have to say that the reaction of our partners to these reasonable requests has not always been constructive. Last year's "refund" to Britain which was unanimously agreed has not yet been paid, although on past precedent it is due by tomorrow.

We do not aim to be a net beneficiary of the Community budget which as one of the less wealthy countries we might expect. But we do intend to reduce the very large and growing burden of our net payments to Brussels. The Community is running out of money, and we will not agree to any increase in its funds until we get a satisfactory solution.



Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

15 March 1984

The Chief Constable  
Greater Manchester Police  
X Operations Dept.  
Chester House  
Boyer Street  
Old Trafford  
Manchester  
M16 0RE

*Dear Sir,*

Following my conversation with one of your officers yesterday, I enclose, as discussed, a copy of the Chancellor of the Exchequer's itinerary for his visit to Manchester on 30 March.

I also enclose a copy of Mrs Lawson's programme which varies slightly from that of the Chancellor.

*Yours Faithfully*

*D Young*

MISS D YOUNG  
Assistant Private Secretary



JU26

Secretary of State for Trade and Industry

DEPARTMENT OF TRADE AND INDUSTRY  
1-19 VICTORIA STREET  
LONDON SW1H 0ET

Telephone (Direct dialling) 01-215) 5422  
GTN 215) .....  
(Switchboard) 215 7877

22 March 1984

Miss M O'Mara  
Private Secretary to the  
Chancellor of the Exchequer  
Treasury Chambers  
Parliament Street  
London SW1P 3AG

CH/EXCHEQUER	
REC.	22 MAR 1984
ACTION	Mr A. W. Smith
COPIES TO	Mr Andrew
	Miss J. Lutter
	Mr Halligan.

22/3.

Dear Margaret,

... I enclose, as requested in your letter of 7 March, a background briefing for the Chancellor's visit to Manchester and Morecambe. This includes an input by the DOE regional office, but I understand that further material will be coming direct to you from Marsham Street.

You have discussed transport needs with our regional office. Would you please let them know as soon as possible if you have any firm requirements.

Yours ever,

Andrew Lansley

ANDREW LANSLEY  
Private Secretary

## ECONOMIC SYNOPSIS FOR THE NORTH WEST AS AT 9 MARCH 1984

1. Although the position and outlook for industry has improved recently, it is difficult to identify an even trend to the recovery. However, success stories and reports of good results (see Annex A) do seem more common. The North West is still suffering the effects of recession and is not recovering at the same rate as some other regions. There are still serious demand problems facing the region's capital goods and engineering industries. During the year there has been further run down in several of the basic industries, particularly Engineering, Vehicles and Food processing. In other sectors, particularly Textiles and Chemicals, there appears to be greater stability and improved performance. The variation in fortunes in the North West is evidenced by the increase in short-time working in some industries and overtime working in others in the last Quarter of 1983.

2. Despite the improvements in output levels to date, many companies continue to see any further increases coming from higher productivity and because of a continued under-utilisation of capacity, they do not anticipate an increase in employment.

3. Unemployment fell by 0.1% to 16.2% in February, but on a seasonally adjusted basis the underlying trend remains upwards and the rate is well above the national average. In the period January 1983 to January 1984 the national rate fell by 0.1% and the North West rate increased by 0.1%. There has been little improvement in the problems facing school leavers and the long term unemployed. Merseyside and some of the traditional Textile towns continue to be the most affected by unemployment.

4. There has been some fall in the rate of redundancies and closures reported during the year, but the number of notifications remains high, with the most notable examples on Merseyside. Job losses resulting from plant closures and other redundancies numbered 16,170 and 26,670 in 1983.

5. Although there has been a general improvement in liquidity and profitability many small and medium sized firms are still feeling the effects of difficult cash flows and remain dependent on support from their banks. Some companies have been experiencing problems financing expansion to meet sales growth whilst others are failing because of bad debts. Whilst the rate of business failures has been slowing down during the past year, 1983 was still the worst year on record for company liquidations with the North West figures worse than average for England and Wales. While there is more optimism about prospects, there is likely to be no easing of the pressures to control and contain costs, particularly material prices, <sup>and</sup> concern continues about the costs outside industry's control: Energy pricing and Rates. It is too early to say what effect the abolition of NIS will have, but the downward movement in interest rates has been perceived by most as vital to recovery.

6. A recent small business survey by Thompsons Directories showed the NW as the least optimistic about prospects. The proportion predicting growth was the lowest of all regions, and that predicting further falls in employment, the highest.

7. The local property market is showing some signs of movement, with an increase in demand for prestige office space. Large industrial units, however, can be disposed of only if suitable for subdivision. The growing problem of industrial obsolescence from closure of massive old cotton mills is reflected in DOE's latest derelict land figures: over the period 74-82 the amount of such land in NW rose by 25% compared to 5.6% nationally.

8. The Region's reliance on the Capital goods and processing industries means that it has yet to feel real benefit from the consumer-led recovery. The absence of a substantial Public Capital Expenditure programme from the Budget provisions was noted with disappointment, both in demand and environmental terms (the significant underground dereliction and local industrial access problems of urban areas are viewed with concern).

DTI  
NW REGIONAL OFFICE  
19.3.84



GOOD NEWS STORIES: DECEMBER 1983

## A) NEW DEVELOPMENTS

1 Lanes Shopping Precinct, Carlisle - up to 1,000 new jobs

As many as 1,000 full and part time jobs could be created when Carlisle's £17m Lanes Shopping Precinct is fully occupied. The first stage of the development will be opening in December 1984. The Precinct will include four major stores including a 30,000 sq ft, two storey up-market "County Store" for the Cumbrian Co-operative Society providing 200 jobs; a 28,000 sq ft superstore for Fine Fare with 180 jobs and British Home Stores and C & A Fashions occupying the other two. There will also be 40 smaller shop units.

2 Adamson & Hatchett Ltd, Dukinfield - up to 120 jobs

This heavy engineering company, formerly part of the Acrow Group, has been saved from permanent closure by a takeover by a consortium of firms led by Melton Medes of Nottingham.

The news came as only about 12 of the original 250 workforce were left. The takeover means the creation of about 60 to 80 jobs in the next 6 months, with the total building up to between 100 and 120 by the end of 1984. The company will give priority to ex-employees as it wishes to recruit skills which have recently been lost.

The company fabricates pressure vessels and other equipment for the oil, chemical and gas industries.

3 Contract Chemicals Ltd, Warrington - 54 new jobs at Knowsley

This Warrington based company, an associate of Dinoval Chemicals, has established a wholly owned subsidiary, Panachem Ltd, which is to purchase from TAL Chemicals (a subsidiary of Tate & Lyle PLC) a four year old chemical manufacturing plant which was built to exceptionally high standards, and is situated on a 9 acre site at Knowsley. Panachem is to provide additional new plant and machinery to the site, where it will manufacture, pharmaceutical intermediates, fine chemicals and additive chemicals.

The project is expected to provide 54 jobs.

4 Bedwas Bodyworks Ltd, Chorley - 50 new jobs

This Newport, Gwent based company, a subsidiary of Securicor PLC, has announced that up to 50 jobs are to be created at Chorley, where it is opening a new 15,000 sq ft commercial vehicle body-building works. The new Chorley factory on the Common Bank Industrial Estate is capable of housing trailers up to 40 ft long and has up-to-date machinery for metal fabrication and assembly.

5 Polkinghorne Industries Ltd, Workington - 35 new jobs

This company, which manufactures electronic equipment for measurement and control, has just finished a 3,000 sq ft extension to its premises on the Lillyhall Industrial Estate, Workington, thus increasing the production area by a third to a total of 12,000 sq ft. In the last 12 months the company has enlisted 15 new workers, most of whom were recruited locally and 20 more are expected to be engaged in the next year.

6 Hurley Moate Engineering Co Ltd., Oldham - 30 new jobs

This paper and printing equipment company has developed a revolutionary butt-slicer by marrying advanced electronics and mechanical engineering. A machine has already been delivered to Japan, and similar machines are almost ready for shipment to France and Portugal as a result of the firm's ability to meet tight delivery schedules.

An even more advanced version of the butt-slicer is under development and, as a result of these developments, 15 men have been taken on in October/November, and the same number again is to be recruited early in 1984. The company's 30,000 sq ft factory is to be expanded by a third (10,000 sq ft).

7 Shepley Engineers, Workington - 20 new jobs

This sheet metal and general engineering firm will officially open its new works at Lillyhall Estate, Workington, later this month although it has been operating from its new premises there for the last 3 months. Previously the company operated from a factory in Cleator Moor and as part of a major expansion moved to Workington, taking a small number of workers with it. The larger premises have enabled the firm to take on a further 20 employees.

8 Cosy Comfort Slippers, Bacup - 10 new jobs

This Rossendale slipper manufacturer plans to build a new factory extension at a cost of £60,000, together with machinery and equipment, to cope with the increased demand for its products, which, since March 1983, has meant turning away orders for vulcanised slippers.

Preparation work started in December on building a 2-storey extension to Crown Works, off Rochdale Road, Bacup, which is due for completion in the next 3 months.

Five more people will be recruited at once and another 5 within 6 months. When completed, the new factory will double production of vulcanised slippers to 8,000 pairs a week.

B) MAJOR CONTRACTS/NEW PRODUCT DEVELOPMENTS

1 Henry Simon Ltd, Stockport - £4.5m contract

This company, a subsidiary of Simon Engineering PLC, has announced a £4.5m order obtained against strong European competition, to build and equip a complete flour mill for Tempo Mills Ltd of Onitsha, Anambra State, Nigeria. The mill is designed for a through-put of 400 tonnes of wheat every 24 hours.

2 Sim-Chem Ltd, Cheadle - £3m contract

This company, a subsidiary of Simon Engineering PLC, has announced an order for 200 tonnes a day sulphur-burning sulphuric acid plant, from the Generale des Carrieres et des Mines "Gecamines" of the Republic of Zaire.

The contract covers design, supply, supervision of erection and commissioning. The plant, which will replace an older sulphuric acid unit, is to be built on an existing complex at Shituru near Lisaki in Southern Zaire, and is one of a number of new plants scheduled for this site.

The total value of this turnkey project which is to be financed by the European Economic Community, is almost £3 million.

3 Leyland Vehicles, Leyland - £3 million order

Leyland Vehicles have announced a £3 million order to supply trucks to the Royal Mail. The order is for 60 Roadtrains to be built at Leyland and 70 Chieftains to be made at Bathgate, Scotland. The order was obtained against fierce competition from other British and foreign manufacturers.

4 Mirrlees Blackstone Ltd, Stockport - £2 million plus contract

This company, a subsidiary of The Hawker-Siddeley Group PLC, has announced a £2 million plus contract to supply diesel generating sets to the Mozambique State Electricity Authority. Commissioning at the site is scheduled for early 1985.

5 Gullick Dobson International Ltd, Wigan - £2 million order

This company, a subsidiary of Dobson Park Industries Ltd, has announced that it has signed a technical co-operation agreement with the People's Republic of China, involving the design and supply of an installation of chock shield hydraulic roof supports for the extraction of coal from steep seams.

The agreement is with the China National Coal Import and Export Corporation of Peking and follows several months of discussions both in China and in the UK.

The roof supports, valued in excess of £2m, are due for shipment to China in mid-1984, where they will be installed in a coal mine in Hebei Province, North East Peking.

6 Holroyd Machine Tools and Rotors, Rochdale - £1.5m order

This Rochdale-based member of The Renold Group, has announced a £1.5m order from The Soviet Union for screw manufacturing equipment.

7 Hall & Kay Engineering Ltd, Ashton-u-Lyne - £1.2m contract

This company, a subsidiary of John Hall Ltd, has announced a contract worth £1.2m for pipework, storage vessels and pumping equipment for a textile complex in Egypt. As a result, the company now has contracts valued at over £5.4m at The Misr el Amria Spinning and Weaving Company.

The contract will entail the supply of 14,000 metres of pipework in various diameters up to 400mm, stainless steel and mild steel storage vessels, as well as 30 pumping stations complete with associated control systems, panels and electrical connections.

8 British Aerospace Aircraft Group, Woodford - Over £1m order

British Aerospace has announced an order from the West German Airline DLT (Deutsche Luftverkehrsgesellschaft GmbH) for a fourth British Aerospace 748 Series 2B Twin-Turboprop Airliner.

9 Ferranti Computer Systems Ltd, Wythenshawe, Manchester - £1m contract

The Wythenshawe Division of Ferranti Computer Systems Ltd, a subsidiary of Ferranti PLC, has supplied a third dual Argus computer system to Technip Geoproduction for installation on ADMA-OPCO's Zakum Central oilfield in Abu Dhabi. The contract, valued at over £1m includes computers, telemetry and communications equipment.

10 Beloit Walmsley Ltd, Bury - £1m contract

This company, part of the Beloit Corporation of the USA, has announced a contract worth more than £1m to supply another stock preparation system for a South African mill.

The equipment, worth more than £1m, is for a new Kraft Liner Board Mill at SAAPI (Pty) Ltd, Ngodwana.

11 Pilkington Bros PLC, St Helens - £1m order

This company has announced a £1m order to supply specialist double glazed units to an insurance firm, Daehan Kyoyuk, for use in offices throughout South Korea. The order was won on the basis of appearance, thermal safety and price. The first consignment, made at Pilkingtons City Road factory in St Helens, has been despatched 3 weeks ahead of schedule. The final batch is due to be delivered by next April.

FOOTNOTE:

Apart from the item on Contract Chemicals, which has been augmented by an SFA report, the above stories have been derived from press reports or journals and have not been verified with the company.

DOI  
NWRO  
6 January 1984

A) NEW DEVELOPMENTS

1) LUX LUX (RITZ MANUFACTURING LTD), RUNCORN - 300 JOBS

This company which already employs 200 workers in Astmoor Industrial Estate, Runcorn, is to move into new premises, five times larger, on the same estate where it will offer 150 new jobs this year and recruit a further 150 people in 1985.

The reason for the expansion is a huge increase in demand for its range of women's blouses and shirts. The company is now one of the main suppliers of blouses to Marks ' Spencer.

2) JAN NEALE SECURITY SYSTEMS LTD, ADLINGTON, LANCS - 100 NEW JOBS

This Glasgow-based company which supplies and installs security equipment including burglar alarms, surveillance video and door entry phones, has chosen Adlington as its base for expansion into the North West and expects to recruit about 60 sales staff on a commission only basis, and about 48 installation engineers and juniors, building up as the sales come in.

3) XL CRISPS LTD, GT HARWOOD - 80 NEW JOBS

Newly-opened XL Crisps is now fully staffed and operating 2 shifts and a multi-packing section.

The managing director of Bensons Crisps, which bought the Waverledge Street factory following its closure with 250 redundancies, stated that more than 80 people had been given jobs.

4) FIRE BRIGADE, MERSEYSIDE - 75 NEW JOBS

75 Fire Brigade jobs were advertised on 17 February.

The people recruited will be taken on in 3 intakes over the next 12 months, to bring The Brigade up to full Home Office strength.

5) THE REDIFFUSION GROUP, BURNLEY - 50 NEW JOBS

Rediffusion, a subsidiary of The British Electric Traction Co PLC, is to bring satellite cable television to 5,000 subscribers in the Burnley area in the Spring. The company has already placed orders for equipment valued at more than £6m to operate the new services on existing cable networks in 53 towns and is to spend most of this money in the UK. The orders are for items including satellite receiving dishes, recording and editing suites, aerials, cables and ducting.

The introduction of the new services will mean the provision of more than 1,700 jobs. In Burnley, it is anticipated that more than 50 new jobs will be created, a significant number of them being permanent posts.

6) SWAN CHEMICALS, KENDAL - 50 NEW JOBS

This Kendal chemical company has announced that it should have a new manufacturing plant on Mintsfeet in operation during February. The £250,000 factory, which was started last summer, should mean more than 50 jobs for the region. According to the managing director, they should have room for about 50 sales jobs and some manufacturing workers.

The 5 year old company specialises in selling industrial cleaners. This is its first venture into manufacturing and it will be making about half of all its products.

The company may be developing further and move off Mintsfeet but have stated they will stay in Kendal and provide local jobs.

7) WALKER SHOES, NELSON - 30 NEW JOBS

This shoe firm was formed just over 2 years ago when Mr John Walker left his job with a Rossendale shoe firm and went into partnership with his father-in-law. They took a unit on Nelson's Lomeshaye Industrial Estate, hired a designer and went into business.

Since then the workforce of 3 has expanded and when they find the 30 skilled footwear sewers they need to help them keep pace with orders, they will top the 100 mark. They have also had to take over 2 extra industrial units on the Estate and their order book is full for 12 months.

At the present time the firm are sewing 2,000 pairs a week themselves and a further 10,000 to 14,000 are being sewn outside, but they want to do more themselves. *Now employing over 70 staff. Competing with Italian shoes on design price and response to consumer demand. A good story (verified by DTI).*

8) G M BUILDING SYSTEMS, ST HELENS - 7 NEW JOBS - INCREASED EFFICIENCY

This Merseyside specialist roofing company makes and installs aluminium-structured over-deckling to leaky and badly-insulated flat roofs - which it claims will last as long as the building itself.

The company plans to increase its output by 200 per cent and is looking for top class sheet metal workers and carpenters in the run up to a new marketing drive. It is looking to bolster its craftsmen to 50 from 43 in the near future. This has been made possible by a £150,000 boost from London-based Minster Trust, which was so impressed with the product and performance of G M Building Systems, it awarded funds from its 1983-84 Business Expansion Fund.

The company had built up an order book of £1m for its products but lack of funds inhibited its progress.

B) MAJOR CONTRACTS/NEW PRODUCT DEVELOPMENTS

1) BRITISH LEYLAND, LEYLAND AND WORKINGTON - £9M ORDER

Leyland Bus has announced a £9m order for more than 200 double deckers - the company's biggest order for 12 months.

The contract is to supply Greater Manchester Transport with 220 Olympians over the next 2 years and a further 34 double deckers to Lothian Transport Department in Scotland.

The Manchester order is for the bus chassis only which are to be made in the Leyland Bus Plant in Workington in Cumbria. They will be fitted with bodies by the Wigan-based coach-builders Northern Counties.

2) TELEFUSION PLC, BLACKPOOL - £2M ORDERS

Contracts worth £2m have been announced by the Blackpool-based electrical giant, Telefusion, and it could mean a local jobs boost.

The company has masterminded a new high technology camera system which will help millions of motorists. Telefusion is to provide a vital surveillance system which will help control traffic flow on the newly-opened M25 built to relieve traffic congestion in London. The contract, worth more than £1m, won in the face of strong competition, resulted from years of research in the field of fibre optics.

Telefusion has also won a £940,000 contract to set up a television link between 6 major London hospitals. The first system of its kind in Europe, it will be used to help clinical medicine students, who will be able to observe operations being undertaken at different hospitals.

3) BRITISH STEEL CORPORATION, WORKINGTON - £1.7M ORDER

British Steel has announced a £1m order for 5,000 tonnes of rail for the second construction phase of The Trans Gabon Railways in West Africa. This order was won in the face of stiff competition and this is a new market for British Steel.

The work will be phased over April and May, the rails being shipped to Gabon in two 2,500 tonnes consignments during May and June.

4) COBDEN CHADWICK, OLDHAM - £1M PLUS ORDER

This Oldham-based engineering company has won its first £1m plus order for a Flexographic Printing Press, which will be installed in the USA by the end of this summer.

The Press, which will be one of the largest of its kind in the world, will pre-print linerboard for corrugated cases.

5) WARDLE-STOREY, EARBY, LANCS - INCREASED EFFICIENCY

On 10 February 1984, Mr David Trippier opened Wardle-Storey's new design studio in part of the old Armoride factory in Earby. About £25,000 has been spent setting up the studio over the last 9 months.

Many of the plastic sections of today's cars come from the Wardle-Storey companies, with PVC Leathercloth for seats, sun visors and door panels. They also make plastic trim and sound deadening material.

Just 3 years ago the company was losing £100,000 a week, but during the last year they made over £1m profit. The managing director praised the workforce, who had helped secure the future of the firm by increasing productivity by 50%, and said he hoped to see a further increase in production levels.

## MANCHESTER

1. The Greater Manchester conurbation includes the cities of Manchester and Salford - the former housing the main commercial centre - and eight surrounding Boroughs.
2. The area is showing typical urban population drift: from central to outer areas and thence into adjoining shire counties. Overall the population has decreased by some 14% since 1971.
3. In terms of industrial and employment patterns it covers all or part of 7 Travel to Work Areas, the major one being the massive Manchester TTWA itself, which includes everything from the worst of inner city dereliction to the best of executive commuter housing. It also includes Trafford Park, which when started in the 30s was the largest Industrial Estate in Europe, employing at peak some 70,000 people. Part of it is now an Enterprise Zone.
4. There was a decrease in employment, even before the worst of recession: from 1976-81 a drop of 8%. This was primarily in the traditional manufacturing industries notably Engineering (Electrical and Mechanical) and Textiles/Clothing. Manufacturing overall declined 20%. In contrast the Service Sector declined by only 4% and some parts, such as Professional/Scientific Services, showed an increase.
5. Overall the industrial structure is well diversified, but hides, eg, the concentration of declining textiles in the N & E of the area, which is markedly less prosperous than the SW to SE quadrant.
6. In Manchester TTWA itself, the unemployment rate is 13.7%, some 98,000 people. There have been 70,000 redundancies since 1979. The rate (on a residential basis) for Manchester City, within it, is estimated to approach 24%: and in the most depressed Inner City areas to exceed 30%.
7. However, the TTWA has a diverse employment structure and the incidence of new technology industries is slowly increasing. This is reflected in the conurbation as a whole, although companies such as Ferranti and ICL have been present for many years. DTI has recently commissioned a Consultants Study into the future promotion of the Region for High Technology Industry. A Science Park adjacent to Manchester University will be launched in March. The range of technological, scientific and research expertise available in the Universities represents a major economic growth opportunity which has only recently started to be tapped to a significant degree.
8. The Higher Education establishments are also a major factor in the social, housing and economic pattern of the central area. The combined student population of Manchester University, UMIST, Manchester Business School and Manchester Polytechnic makes it the biggest campus in the Country. Salford University and the Royal Northern College of Music add to this.
9. Motorway communications around Manchester are excellent except in the east, where completion of the M63/66 outer ring is still 6 years or more away (but in the transport main programme). The commercial centre has first class rail links South to Birmingham and London, but an expensive central link (the Windsor link) and electrification investment to Preston would be necessary to put the conurbation on the main W.Coast through route. The commuter network



is also good. Manchester International Airport is established as the third largest airport in UK and is handling more traffic, both passenger and freight, every year. The runway was recently extended to increase long-haul capacity. Much concern is expressed at the possible effects of expansion at Stansted.

10. Partly as a result of ease of access, Manchester City is in Tourisms' "first division". Its 2.7m visitors in 1982 earned it £27m. There are several Hotel projects recently completed or underway. An Aircraft Museum was opened last year in the old City market hall. But the most important project is probably renovation/redevelopment of the old Central Station into a major exhibition/conference/sports centre at a cost of around £17m.

11. Prior to 1982 the whole conurbation was Assisted under Regional Industrial Policy as an Intermediate Area. That coverage has since been reduced, with DTI Regional aid to industry confined to the Northern fringes: Wigan and Rochdale as Development Areas, Leigh and Bolton as Intermediate Areas.

12. Inner Urban Areas Policy also provides aid, concentrated in the Inner City Partnership area of central Manchester-Salford, although the northern towns - Wigan, Bolton, Rochdale, Oldham - are also covered. The Partnership receives some £24.5m pa (1983/84 prices) and is increasingly directing it toward economic regeneration - environment improvement in industrial areas; provision of infrastructure (access roads, new/refurbished factory space); direct aid to industry - rather than the social/community measures emphasised in early years. The programme supports the Central Station project.

13. Following a DOE/DTI initiative, EC has recently agreed that 7 areas aided by Inner City measures but not Regional Industrial Policy should receive European Regional Development Fund Aid. (Previously "Assisted Area" status had been a prerequisite). These areas include the non-Assisted parts of Rochdale. The position of the remaining inner cities will be reconsidered during this year. We are hopeful that Manchester-Salford will be included. This would be a major benefit to the area, which made good use of ERDF prior to its loss of Assisted status in 1982: for example, to develop the Airport.

14. The conurbation is a Metropolitan County, under threat of abolition. GMC itself is fighting an expensive campaign, backed by those labour-controlled Districts, who are following the AMA line of non-co-operation. In contrast, the Manchester Chamber of Commerce (a first rank Chamber) has assumed the inevitability of abolition, ignored the political arguments and addressed itself to future structure, making some interesting points:-

- (i) The need for the currently Local Authority controlled Airport to have a legally constituted Airport Authority.
- (ii) The Privatisation of all waste disposal.
- (iii) Joint Boards (Fire, Police etc) to include non-voting representatives of the business community.

Its main emphasis, though, is on the need to know what reorganisation will cost and what savings are expected to accrue.

## MORECAMBE

Morecambe and Heysham form the coast-line of the Lancaster City Council area and are within the Lancaster Travel to Work Area.

The population level is broadly static. The industrial structure is strongly biased towards Services: nearly 70% of employment. The two main factors here are Professional and Scientific activities allied to the University and Tourism, based on the historic City, the surrounding countryside and the traditional seaside resort of Morecambe. The Manufacturing Sector is small, well diversified and contains a significant small business sector.

The unemployment rate is 14.8%, 7,000 people. In general the area is prosperous: there is little pollution, derelict land or substandard housing. However, because of the seasonality of Tourism employment, Regional Industrial Policy is being used to strengthen the industrial base. It is an Intermediate Area.

Morecambe itself is an old style holiday resort with a large seasonal influx of population, but it is increasingly functioning as a commuter suburb for Lancaster. The holiday trade is, in common with many such areas, suffering from the impact of the foreign "package" holiday. Adjacent Heysham is one of British Rails' major parts, with a car ferry service to the Isle of Man. It has also been chosen by British Gas as the Management and Support Base for Morecambe Bay Gas Field operations, Construction work has started at the Dockside. Local companies are sharing the benefit of the £1bn being spent by BG on the field.

Although rather far from major markets in economic terms, the area has direct access to the M6 motorway and a station on the main W Coast intercity line.

DTI/DOE  
NW Regional Offices  
19 March 1984

C. Also, below,  
R. Lord's notes  
for a Euro-speed  
later the same day.  
(not easy to draft  
at present)



✓✓

C.  
None of this is very  
exciting. We'll look for  
more local colour for the  
speech itself in the briefing  
DTI/DOE have supplied (below),  
though you may have to  
speak briefly.

The press notice will also  
need to be recast in  
the form of a speech, I  
imagine, and made more  
musical. But does it cover  
the sort of ground you  
had in mind?

mom  
23/3

FROM: P MAKEHAM  
DATE: 23 MARCH 1984

CHANCELLOR OF THE EXCHEQUER

cc Sir Peter Middleton  
Mr Monck  
Mr Battishill  
Mr Lovell  
Mr Monger  
Mr Scholar  
Mr Folger  
Mr P G Gray  
Mr Hall  
Mr Lord

**SPEECH TO MANCHESTER INDUSTRIALISTS: 30 MARCH**

I attach the first draft of your speech to the Manchester Industrialists Committee. The speech is fairly short, about 10 to 15 minutes, and covers general Budget themes stressing the effect on industry and the long term context.

2. You asked for a press release on the Green Paper which has been prepared by GEP, and is attached.

*Peter Makeham*

P MAKEHAM

*[Useless. Don't anyone read anything on the Green Paper? Control of spend - short term/long term X 800/88/85]*

SPEECH TO MANCHESTER INDUSTRIALISTS: 30 MARCH

I am delighted to be able to get first hand the reactions of industrialists to our economic policies and to the Budget. Initial reactions were very welcoming particularly from the CBI and ABCC. I particularly appreciated the Chamber of Commerce comment, "Nice One, Nigel" although I'm sure that they had prepared alternatives like "Neutral One, Nigel", or "Nasty One, Nigel".

A Budget is of course not an isolated event - although they all too often get treated in that way. This Budget is part of our long term economic strategy: a strategy for reducing inflation and creating a more dynamic and efficient economy. It is a Budget not just for one year, it looks to the end of this Parliament and beyond.

The Budget has two themes. First, the further reduction of inflation. Second, a series of tax reforms designed to enable the economy to work better.

At the heart of our policy to reduce inflation is the Medium Term Financial Strategy. It now plots the way ahead for five years. It shows how with firm control of public spending and borrowing and lower monetary growth, we can achieve even lower inflation and continuing economic growth. It is a strategy on which people can depend and that means they can safely plan ahead.

It is also a strategy for lower taxation. Not just in 1985-86 when the Budget will cut taxes by well over £1½ billion, but over the remainder of this Parliament - provided a firm grip is kept on public spending, as we intend it should.

But even that is not enough. Looking even further into the future the Green Paper on expenditure and taxation over the next ten years pinpoints the inescapable truth that

only by keeping firm control of public spending can we hope to bring the burden of taxation back down to acceptable levels. And lower taxation is, of course, essential for incentives and high levels of growth in the future.

The Green Paper deliberately does not contain decisions or precise forecasts. That is not its purpose. Its role is to stimulate debate. The need is to set out the broad framework in which we must plan and make detailed spending decisions. The starting point is the prospects for growth after the end of the current MTF5 period. Our alternative projections, of 2 per cent and 1½ per cent annual growth up to 1993-94, provide a sensible and realistic basis for planning. The central message that then flows from the Green Paper analysis is clear and unequivocal. Our aims for reducing the tax burden are dependant on keeping aggregate public spending in check notwithstanding the many demands for more.

The other essential aim of our policies has been to expose more of the economy to the forces of competition and to remove barriers to the operation of free markets. The most visible policies so far have been privatisation and the removal of various damaging and unnecessary controls on businesses. Now we have embarked on a tax strategy to improve our economic performance over the longer term as well as making life simpler for the taxpayer. The proposals for business taxation have been the centrepiece of the tax reforms in this Budget. Inevitably, these will need careful study by firms; I know a number of CBI members are concerned at the implications, especially of the changes in capital allowances. But it is important to look at the long term effect of the reforms.

Their theme is the reduction of unnecessary and damaging distortions. These distortions have been imposed by previous governments in a fairly haphazard way often to meet a particular set of circumstances which has subsequently disappeared. We aim for a simpler clearer system within which rational business decisions can be made, unimpeded by the vagaries of tax advantages and more beneficial to the economy.

The package of changes will produce a simpler tax system with lower tax rates. Overall the measures directly affecting business will reduce its tax burden by about £900 million over the next two years. Inevitably some companies will be disadvantaged by the gradual phasing out of first year capital allowances. For business as a whole, when all the changes have worked through, the impact of this change will be more than fully offset by the substantial cuts in corporation tax rates. In three years time, the rates of capital allowances will be comparable to those in most other countries but the corporation tax level will be lower than in almost all competitor countries.

The tax reforms will bring better investment, more jobs and higher profits.

Much investment in the past has been of poor quality partly because of the way the tax system discriminated in favour of some kinds of asset and against others. We have not been starved of capital. Indeed a recent study estimates that workers in manufacturing have at least as much capital available as in our main competitors. The problem lies in the relatively low rate of return. Half the pre-tax rate of return achieved in the USA and Germany before the recession between 1976 and 1980. The tax system has distorted the appraisal of returns to investment and acted as an incentive to wasteful investment. The tax reform will be good for good investment - the lower rate of tax on profits will stimulate investment in projects yielding a genuinely good return. So investment will be undertaken because it is profitable and not just because it is made so by a tax subsidy.

The tax system has also been biased in favour of machines rather than people. Both the corporation tax changes and the abolition of the National Insurance Surcharge help to remove that bias. Now choices for business between increasing capital or taking on labour will be much less affected by tax considerations.

Most important of all, the changes will reduce the tax bite on profits. Those higher profits can be used to support current expenditure on research, innovation and product support and after sales services. I don't need to persuade you of the importance of profits but we do need to rehabilitate the role of profits in the economy. To establish that the only way a free enterprise economy can succeed is to reward profits.

The willingness and ability to be enterprising is not just a question of tax rates. It has a lot to do too with motivation and commitment. We are seeking to encourage this in a very direct way by improving employees' ability to own shares in the company in which they work. The corporation tax changes reduce the discrimination in favour of borrowing rather than funding by equity. The reduction in stamp duty should bring more private investors onto the Stock Exchange.

The rewards of successful enterprise in small businesses have been hit in the past by capital taxes. The Budget has reduced the highest rate of Capital Transfer Tax and raised the limit for retirement relief from Capital Gains Tax. The abolition of the Investment Income Surcharge will give those who run small businesses greater certainty of income in retirement.

I have inevitably concentrated on the relevance of the Budget to business. The Budget is of course relevant in many other way.

- Relevant to the hopes and aspirations of the unemployed. For more efficient and more profitable businesses mean better prospects for jobs, jobs without the burden of the National Insurance Surcharge.
- Relevant to the preference of most people to pay less income tax even if it means a little more tax on what they spend.



- Relevant to many hundreds of thousands of people on low incomes who will be spared from having to pay tax at all next year.

The Budget is above all a Budget for the long term future of this country. The changes which it is bringing are not quick fix solutions, they alter incentives and give a long term framework within which people can plan. We know that the success of business will determine the success of the economy. The profitability of industry will determine the pace at which new jobs can develop. This Budget encourages success and real profitability.

In a speech to Manchester Industrialists today the Chancellor of the Exchequer commented on the Green Paper on Public Expenditure and Taxation into the 1990s, published on Budget Day.

2. The purpose of the Green Paper was to stimulate public debate on future levels of public spending and taxation. These were issues of fundamental importance for the development of the economy over the next decade and beyond.

3. The Government place great importance on a full public airing of these issues. The need was for more widespread understanding of the basic choices and trade-offs that ~~the community must determine.~~ <sup>have to be made.</sup> The Chancellor welcomed the fact that this debate was now underway and was encouraged that the Government's hopes were being realised. Much of the response so far had been concerned and responsible, and he looked forward to it continuing in this vein.]

4. The Green Paper, <sup>which</sup> had quite deliberately not been designed to set out detailed decisions and forecasts, ~~It~~ was an important initiative and one that had not been attempted by previous governments. In launching this new exercise the need had been to provide a framework within which the debate on expenditure and taxation priorities could be conducted; not to set out misleadingly precise projections for up to ten years ahead.

5. But the Green Paper did set out a number of key considerations and parameters within which the debate had to be conducted if it was to assist and inform the subsequent decision making process.

6. First, the lessons of the past are all too clear. Public expenditure has risen both in real terms and as a proportion of GDP. The causes have been various, but have included demographic changes, rising expectations, and a belief that public spending was the appropriate vehicle for promoting economic growth. But in practice economic growth had often fallen below expectations. As a result the share of national output accounted for by public spending rose substantially, with the public sector steadily encroaching on the private sector. The inevitable outcome has

been higher burdens of taxation which have adversely affected the performance of the British economy over many years.

7. Second, in looking ahead the starting point has to be assumptions about the aggregate performance of the economy. Over a ten year period there must be uncertainties. But the Green Paper points to two alternative growth paths for the period after the end of the MTFs, involving 2 per cent and  $1\frac{1}{2}$  per cent annual growth. The Government's policies are geared to creating conditions that encourage continued growth and higher employment. But over-optimism about growth assumptions must be avoided. The Government believes the alternative growth rates suggested for the period after 1988-89 provide a sensible and realistic basis for planning.

8. Third, the hard learned lessons of the past twenty years must not be forgotten in looking at the prospects for the next decade and beyond. The fundamental issue is the inescapable connection between public spending and taxation. Never again must governments fall into the trap of setting priorities for spending before considering the implications for taxation. This process must be reversed. The starting point has to be a judgement about what aggregate public expenditure can be afforded; and having reached clear decisions on that then the time comes for the determination of priorities and detailed spending plans.

9. Fourth, the Green Paper highlights some of the many pressures there will inevitably be for higher public spending. But the central message is that without firm control over aggregate public expenditure there can be no prospect of bringing back the tax burden to tolerable levels. This basic issue must not be lost sight of.

*purp*

FROM: R A LORD  
DATE: 23 March 1984

CHANCELLOR

MORECAMBE SPEECH, 30 March

... I attach some notes as requested this morning, on the shape a Euro-speech might take. Events between now and the end of next week may, of course, substantially change the content.

*Mom*

*for* R A LORD

NOTES FOR A SPEECH AT THE ANNUAL DINNER OF THE MORECAMBE  
AND LONSDALE CONSTITUENCY, 30 MARCH 1984

Two major objectives in our negotiations with Europe:  
first, EC must achieve effective control over agricultural  
and other spending. Secondly, the burden of financing this  
expenditure must be shared more fairly. Government making  
progress on both issues. Close to agreement on some aspects  
at last week's European Council.

Government believes there should be the same degree of  
financial discipline over EC spending as over domestic spending.  
Other member states, including the French who have traditionally  
gained most out of the CAP, are coming round to our way of  
thinking. "Finance should determine expenditure, not expenditure  
finance" - Delors before Athens. EC coming up to a financing  
crisis, and Britain determined not to agree to means of solving  
it - an increase in "own resources" - without a strict mechanism  
for limiting spending.

Agriculture the biggest problem area. Agriculture Ministers  
last week moving towards settlement of one of the most difficult  
issues - milk production. About a third of CAP spending relates  
to milk. Also moving towards a more realistic price package than  
in some previous years. Most other member states now support  
farm economies. Swinging round to British point of view.

Determined also to share the burden of financing EC more  
fairly. Under present system only net contributors are Britain

and Germany. But Britain is well down the league of prosperity being seventh richest nation out of ten. Want a system of contributing according to ability to pay. A permanent system which will avoid the endless wrangling of ad hoc agreements year by year.

Government has deliberately acted with restraint over the action of some of our partners in blocking outstanding refunds to Britain. Want if possible to avoid breaking Community rules. But not prepared to allow present situation to continue. Particularly difficult to understand at a time when EC is asking us, along with other member states, to advance our payments.

In European election in June must strive to strengthen movement for a permanent solution to EC Budget problem. European Parliament already favours permanent solution. Election result must reinforce that.

Clear that in this country only the Government have a coherent policy towards resolving EC's problems. Labour hopelessly divided on Europe. Lack of commitment to staying in has made, and would continue to make, negotiation almost impossible.

Labour track record disastrous. "Re-negotiation" of 1975 accepted formula which has proved intolerable. Bequeathed in 1979 net contribution of £1.1b. Since then present Government has secured rebates of two-thirds of net contributions totalling £2½b.

Vital to secure reform of EC, and now is moment to achieve it. Benefits of membership are clear. By far our biggest export market. Big new opportunities for Britain as trade in services is liberalised further.

*cc Mr Battisford  
Mr Makeham  
Mr Lord.*

North Region  
Chairman's Office  
P.O. Box N° 305  
55 King Street  
Manchester M60 2DB  
Telephone 061-834 8255

26th March 1984

The Rt Hon Nigel Lawson PC  
Chancellor of the Exchequer  
11 Downing Street  
LONDON

HM TREASURY - MCU	
REC'D.	28 MAR 1984
ACTION	Miss Young Rm 13/2
	18937

*Dear Chancellor*

I am delighted that you are going to be able to join us for lunch here on Friday, 30th March. I have arranged for fifteen, mainly Manchester, businessmen to be present so that, with your Private Secretary and Mr Purcell of the North West Conservative Office, we will number eighteen. I enclose a list of those who will be present, together with a seating plan.

I am assuming that you would like the occasion to be a working lunch and that you will make a short statement yourself, after which we would have reasonably short comments from the other guests. I think you will find that your recent Budget has had a pretty good reception as far as those present are concerned, and although we are all likely to be much in favour of a reduction in Government spending, we will naturally all have our particular begging bowls!

Incidentally, you may remember that we met when you came to lunch at the Institute of Directors.

Looking forward to seeing you.

Yours sincerely,

*Bill Walker*

Sir William Mather.



FROM: MISS D YOUNG  
DATE: 27 March 1984

cc Mr Battishill  
Ms Goodman  
Mr Portillo  
Mr Ridley  
Mr Purcell  
Mr Lord  
Police

MRS LAWSON

**30 MARCH: VISIT TO MANCHESTER**

9.30 a.m. Depart Heathrow

10.20 a.m. Arrive Manchester Airport and leave for Art Gallery (met by Miss Cattell, Red Maestro: RTH 443Y).

10.45 a.m. Arrive Manchester Art Gallery, Mosley Street  
Lunch: Mr Clifford, Director Manchester Art Gallery

2.45 p.m. Rejoin CH/EX at Conservative Area Office, 31 Byrom St

5.45 p.m. Arrive at home of Mark Lennox-Boyd


7.30 p.m. Dinner: Morecambe and Lunesdale Constituency, Strathmore Hotel (Formal)

10.30 p.m. Depart Strathmore Hotel with Mark Lennox-Boyd for overnight stay at his home.

**Saturday 31 March**

10.20 a.m. Depart Lancaster

1.30 p.m. Arrive Euston

  
MISS D YOUNG



Spoke to Mr Hall  
mom  
27/3

FROM: LIZA MCKINNEY  
DATE: 27 March 1984

- 1. MR ~~HALL~~
- 2. CHANCELLOR

A good and  
relatively positive  
form of pre-publicity -  
May 27/3

cc Mr Page  
Mr Monaghan  
Mr Towers  
IDCS

MANCHESTER TOUR : MARCH 30/31

Following your Liverpool tour you commented favourably on the success of the coverage of the pre-tour interview you gave to the Liverpool Post and intimated you might be willing to repeat the exercise. May I ask, therefore, whether you would be willing to give an interview to the Manchester Evening News. I have not, of course, approached the newspaper yet but should you be willing to accept such a request and could give us some idea of what you would like to talk about, it could be arranged at very short notice. My suggestion would be that it would have to be fitted in sometime tomorrow, Wednesday.

OK if it  
can be fitted in.  
Have to be done  
from 10.30 - 11.30

LIZA MCKINNEY



FROM: MISS M O'MARA  
DATE: 27 March 1984

PS/Customs & Excise

cc Mr Griffiths

CHANCELLOR'S VISIT TO MANCHESTER: FRIDAY 30 MARCH

As you know, the Chancellor will be in Manchester on 30 March. We understand that the leader of the Chinese community there has asked to meet him to discuss the imposition of VAT on hot take-away food. I should be grateful if you could see whether any specific points have arisen on take-away Chinese meals of which the Chancellor should be aware before his meeting. Could any material reach us by close of play on Thursday 29 March.

*MOM*

MISS M O'MARA



✓✓

(17)

c  
We have a slight problem  
over the Manchester trip.

I discovered today that  
Central office weren't expecting  
me to come. As you know,  
both Michael & Rodney had  
been handling the arrangements,  
& it seems that each thought  
the other was letting the Party  
know.

This causes no difficulty,  
except for the lunch. It  
appears that northern industrialists  
are exclusively male & that  
they'd be appalled if I were  
to turn up! The North West  
office don't think they can  
shake them in his view, so  
as long as you're content,

(P10)

I'll leave you at that  
point & join you again  
when you give your  
interviews - & meet the  
Chinese!

Rodney will of course be  
with you for lunch.

MOM

27/3

FROM: R A L LORD  
DATE: 27 MARCH 1984  
cc. Mr Makeham

CHANCELLOR

VISIT TO MANCHESTER: POLITICAL BACKGROUND

I attach some notes by Mark Lennox-Boyd and his Agent. I think that they are fairly self-explanatory. Mark would be obliged if you would make some reference to the fund-raising campaign referred to in paragraph 4. The constituency has a large number of self-employed, e.g. landladies, and a smaller landed element. Following boundary changes the result at the Election was:

Mark Lennox-Boyd	:	21,968
T Clare (SDP)	:	9,774
A C Bryning (La)	:	6,882

2. A list of guests at the Lunch with the Greater Manchester Industrialists Committee is being sent to you direct by Sir William Mather. The Committee is described by the Area Office as rather autocratic. No women will be allowed at the lunch. The occasion will be informal and they will probably welcome any 'confidences' which give them the feeling of being on the inside. Manchester City Council is likely to end up in the hands of the militants after the May elections and there are local fears that it will go the way of Liverpool. You might use the occasion, among other things, to encourage industrialists to stand up for the Government's policies on rate capping.

*RL*  
R A L LORD

For [unclear]

FROM: R A L LORD  
DATE: 27 MARCH 1984  
cc. Mr Makeham

CHANCELLOR

VISIT TO MANCHESTER: POLITICAL BACKGROUND

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POLITICAL  
BACK-  
GROUND

R L

R A L LORD



FROM: MISS D YOUNG  
DATE: 27 March 1984

cc Mrs Lawson  
Mr Battishill  
Ms Goodman  
Mr Portillo  
Mr Ridley  
The Hon. M Lennox-Boyd  
Mr Lord  
Mr Purcell  
Police  
Miss Ash

CHANCELLOR

**30 MARCH: VISIT TO MANCHESTER**

9.30 a.m. Depart Heathrow (BA 4422), Hounslow Suite (+Mrs L, Miss O'Mara & Mr Lord)

10.20 a.m. Arrive Manchester Airport (met by Blue Cortina, Reg: NYY 841Y (Driver; Chris MacPartland) & Yellow Cavalier, Reg: NYY 820Y, (Driver: John Coy) (Mrs Lawson to depart for Manchester Art Gallery)

10.30 a.m. Commence visit to Customs & Excise post at Airport

11.30 a.m. Depart for Manchester (met by Mr Purcell in Red Ital: SBO 593Y)

11.50 a.m. Arrive Manchester City Art Gallery, Mosley Street (Tel: 061 236 9422)

12.50 p.m. Depart Gallery

1.00 p.m. Lunch: Greater Manchester Industrialist Committee National Westminster Bank, 55 King Street, Manchester (spk) (Tel: 061 834 8255)

2.30 p.m. Dept; driven by Mr Purcell

2.45 p.m. Interviews, Conservative Area Office, 31 Byrom Street, (+Mrs L) (Tel: 061 832 6044)

4.00 p.m. Depart Manchester (+Mrs L & Mr Lord) for Caton drivers by Mr Purcell

5.45 p.m. Arrive at home of Mark Lennox-Boyd, Gresgarth Hall, Caton, Nr Lancaster (Tel: 0524 770313)

7.00 p.m. Dept Caton

7.30 p.m. Dinner: Morecambe & Lunesdale constituency, Strathmore Hotel, Marine Road East, Morecambe, (tel: 0524 411314), (spk) (+Mrs L) Black Tie

10.30 p.m. Depart Strathmore Hotel with Mark Lennox-Boyd for overnight stay at his home

Saturday 31 March

10.20 a.m. Depart Lancaster

1.30 p.m. Arrive Euston



FROM: MISS D YOUNG  
DATE: 27 March 1984

cc Mr Battishill  
Ms Goodman  
Mr Portillo  
Mr Ridley  
Mr Purcell  
Mr Lord  
Police

MRS LAWSON

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**Saturday 31 March**

10.20 a.m. Depart Lancaster

1.30 p.m. Arrive Euston

  
MISS D YOUNG



FROM: R A L LORD  
DATE: 28 MARCH 1984  
cc. PS/Chancellor  
Mr Fox.

MISS LYONS

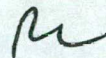
VISIT OF THE CHANCELLOR OF THE EXCHEQUER AND MRS LAWSON TO  
MANCHESTER ON 30th - 31st MARCH 1984

The Chancellor has asked me to accompany him on his visit  
to the North-West on Friday 30th and Saturday 31st March.

2. Although the visit is both Official and political the travel  
arrangements and the arrangements generally are being made by  
the Treasury. I should be grateful therefore if you would  
arrange for a ticket for the same flight as the Chancellor  
on Friday 30th (BA 4422 departing Heathrow to Manchester at  
9.30 a.m.) and a single first class rail ticket departing  
Lancaster on Saturday, 31st at 10.30 a.m.

3. Conservative Central Office will reimburse the Treasury  
for the cost of my fare from Lancaster to London. Mr Fox has  
agreed that this allocation of cost is within the guidelines.

4. I understand that the Chancellor will pay for Mrs Lawson's  
ticket to Manchester and the Morecambe and Lonsdale Constituency  
Association for her Lancaster to London ticket.



R A L LORD



FROM: MISS D YOUNG  
DATE: 28 March 1984

Miss Lyons

cc Mr Chambers

CHANCELLOR'S TRIP TO MANCHESTER ON 30 MARCH

As you know, the Chancellor will be accompanied by Mrs Lawson on 30 March.

2. Mrs Lawson's presence is not official and therefore the cost of her tickets, which you kindly ordered, will be reimbursed as follows:-

Flight to Manchester, £44.00: to be paid by the Chancellor

Train ticket from Lancaster to London, £37.00: to be paid by the Hon M Lennox-Boyd, MP.

*I will make sure that these sums are reimbursed to HMT as soon as possible.*

A handwritten signature in cursive script, appearing to read 'D Young'.

Miss D Young  
Assistant Private Secretary



Board Room  
H M Customs and Excise  
King's Beam House  
Mark Lane London EC3R 7HE

FROM: H A L EWING  
DATE: 29 March 1984

PS/CHANCELLOR OF THE EXCHEQUER

CHANCELLOR'S VISIT TO MANCHESTER:

VAT AND HOT TAKE-AWAY FOOD

1. You asked us to let you know whether there are any specific points about take-away Chinese meals which the Chancellor should be aware of before his meeting with the Chinese community in Manchester.

REPRESENTATIONS

2. We have so far received only one or two queries about the treatment of Chinese take-away food, and these have been of a purely technical nature. The great bulk of correspondence so far sent to Treasury Ministers about hot take-away food has originated from two main sources:

- (a) Proprietors of small fish and chip businesses who say that the tax, taken together with recent steep increases in the price they have to pay for their raw materials, will seriously endanger their businesses;
- (b) Consumers - the elderly, who say that fish and chips are a luxury they will no longer be able to afford, and to a lesser extent, occupants of bed-and-breakfast accommodation who rely on hot take-away food for their main meal.

TECHNICAL POINTS

3. We are not aware of any specific points peculiar to the Chinese take-away food trade having arisen. General guidance is given in Budget Notice 2/84 and the Chancellor might find it helpful to have the attached copy. The general position is explained on Page 2. If any technical points covering, for example, methods of accounting for tax, are /raised

Internal distribution

- CPS
- PJS
- Mr Taylor

raised it is suggested that the best course would be to invite the questioner to take the matter up with his local VAT office.

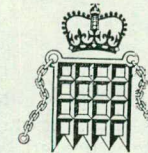
TAX AVOIDANCE SCHEMES

4. The Chancellor will be aware that the Press have had something of a field day in reporting a range of tax avoidance schemes devised by traders. Some of the schemes will not work and others are of doubtful practicability even though they might work in theory. We are not aware of any that has involved the Chinese take-away trade.

*H A L E*

H A L EWING  
PRIVATE SECRETARY

- (c) If you are using the normal method of accounting for tax you should follow the guidance in Notice 700 *The VAT guide* Appendix F.
- (d) If you are using one of the retail schemes you should follow the guidance in Notice 727 *VAT: Retail schemes*, Appendix C. **Remember**, these changes in liability may mean that you have to change to another scheme.



**NOTICE BY THE COMMISSIONERS OF  
CUSTOMS AND EXCISE**

**BUDGET 1984**

**VALUE ADDED TAX: HOT FOOD AND DRINK**

**General**

1. As announced by the Chancellor of the Exchequer in his Budget statement, all supplies of hot food and drink are to be taxed at the standard rate of VAT from 1 May 1984. Certain supplies of food and drink are already liable to tax at the standard rate, including supplies in the course of catering. The broad effect of the change is therefore to standard rate hot take-away foods which are at present zero-rated. This notice explains the scope of the change and how you should adapt your accounting procedures if any of your supplies are affected. You may also need to refer to one or more of the following publications:

Notice 700: *The VAT guide*.

Notice 709: *VAT: Catering, hotels and holiday services*.

Notice 727: *VAT: Retail schemes*.

VAT Leaflet 701/14/84: *Food*.

*Should I be registered for VAT?*

All these publications are available, free of charge, from local VAT offices.

If you need any further information about the change, or if you are in any doubt or difficulty, you should consult your local VAT office. You will find the address in the local telephone directory under 'Customs and Excise'.

If you are not already registered for VAT you should read the VAT leaflet *Should I be registered for VAT?* This tells you all you need to know about VAT registration requirements.

NOTICE  
2/84

### Hot food

2. From 1 May 1984 you must apply the standard rate of VAT to all supplies of hot food and drink. For this purpose 'hot food' is food which has been deliberately heated, so that it can be consumed while still hot.

'Hot' means above room temperature. But certain freshly cooked food which is customarily consumed cold, such as a loaf of bread, may be zero-rated even if you sell it before it has had a chance to cool down.

Where a supply of hot food includes an essential ingredient which is cold, such as the bread roll enclosing a hot dog or hamburger, you should treat the whole supply as liable at the standard rate. The incidental provision of cold items which are not separately charged for, such as a dollop of mustard, tomato sauce or chutney, should be ignored.

Here are some examples of food which you must standard rate if you sell it hot:

- \* fish and chips, chicken and chips, pie and chips, etc.;
- \* chips sold on their own;
- \* Chinese, Indian, Greek, Italian and similar take-away meals and dishes;
- \* hot dogs and hamburgers;
- \* pies and pasties;
- \* toasted sandwiches;
- \* cups of tea, coffee, chocolate, etc.;
- \* cups of soup;
- \* roasted chestnuts.

Here are some examples of items which you may zero rate unless they are sold in the course of catering:

- \* fresh bread;
- \* sandwiches and rolls with a cold filling;
- \* cold pies and pasties;
- \* prawns, jellied eels and similar seafoods;
- \* cold milk and milk shakes, iced tea and iced coffee (but remember that most cold drinks are standard-rated—for further information see the leaflet on food);
- \* cold cooked meats.

### Mixed supplies

3. If you make 'mixed supplies' of standard and zero-rated items, for example a take-away hamburger and milk shake, a cup of tea and a plain biscuit, or a meal consisting of hot and cold dishes, sold

at a special inclusive price, you will need to work out the tax value of each supply in order to calculate how much tax is due. You will find more about this in Notice 700 *The VAT guide*, paragraph 14.

### Existing guidance

4. Notice 709 *VAT: Catering, hotels and holiday services* explains the liability of catering and take-away food supplies generally and the VAT leaflet on food explains the liability of ordinary supplies of food. From 1 May 1984 the guidance in these publications should be read in conjunction with this notice and, where appropriate, the guidance in this notice overrides what is said in the existing publications. These will be revised to take account of the changes and reissued as soon as possible.

### Accounting for tax

5. Notice 709, Section II explains the different methods of accounting for VAT available to traders in the catering business. The same accounting method will apply to supplies of hot food as applies to catering but you should bear the following points in mind:

(a) If you are already using the special method of accounting for tax explained in Notice 709, paragraph 10 (b) and the liability of any of your supplies is affected by the change on 1 May you must reconsider your accounting procedures.

\* If, as a result of the change, you are making only standard-rated supplies, or if you are able to record your supplies at the time of sale, you will no longer be eligible to use the special method. If this is the case you will have to use the normal method of accounting for tax set out in Notice 700, or one of the retail schemes set out in Notice 727.

\* If, after the change, you still cannot keep a record of each sale, you must produce a fresh estimate of the proportion of your gross takings which relates to your standard-rated supplies. You must advise your local VAT office in writing of your estimate, which should be arrived at by recording your transactions for a selected period. The period selected should be representative of the trading of the business.

(b) If you wish to adopt for the first time the special method of accounting for tax explained in Notice 709, paragraph 10 (b) you must be able to satisfy your local VAT office that it would be impracticable for you to keep a record of each sale as it takes place. You must advise your local office in writing of your estimate of the proportion of your gross takings which relates to your standard-rated supplies. Your estimate should be arrived at by recording your transactions for a selected period which should be representative of the trading of the business.



c

You'll see from your other briefing that Redley thinks it might be useful to encourage this group to support the Government's policies on rate capping — they're fearful Manchester may go the way of Liverpool.

MOM  
29/3

FROM: ISABELLE LOW

DATE: 29 March 1984

PS/CHANCELLOR

## CHANCELLOR'S VISIT TO MANCHESTER AIRPORT

You asked for defensive briefing about why the Manchester Airport application for a freeport was not chosen.

Why Manchester not chosen?

Those chosen give reasonable mix and good geographical spread. Only a small number could be chosen: so inevitably many applicants have had to be disappointed.

The application from Manchester had considerable merit. Manchester is one of our most successful airports. But we feared that it would be counterproductive to choose sites that were too close together: the choice of Birmingham and Liverpool meant that we were obliged to omit Manchester.

We had to keep numbers down: and so had to turn down a number of good applications. Regrettable but inevitable.

Can unsuccessful applicants nonetheless set themselves up as freeports?

Should be possible for other arrangements to be made with Customs which could provide some of the same benefits.

If any successful applicants withdraw, will others take their place?

We should have to consider that question if the need arose. No point in such hypotheses now.

When will further freeports be designated?

No plans to designate any more. Those chosen should provide satisfactory basis for experiment.

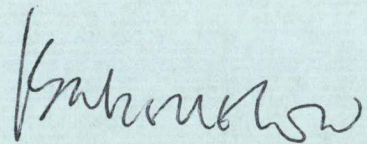
TSY  
(IA)  
BRIEF  
"FREE-  
PORTS"



When does experiment end?

Must see how things develop in practice. All we are committed to is reviewing each freeport location in 5 years from start of operation.

I attach an HM Customs and Excise Memorandum which should serve as background note.

A handwritten signature in dark ink, appearing to read 'Isabelle Low', written in a cursive style.

ISABELLE LOW



H.M. CUSTOMS AND EXCISE  
KENT HOUSE, UPPER GROUND  
LONDON, SE1 9PP  
01-928 0533

FREEPORTS IN THE UNITED KINGDOM

MEMORANDUM BY H M CUSTOMS AND EXCISE

1. In a statement to the House of Commons on 2 February 1984, the Minister of State at the Treasury, Mr Barney Hayhoe MP, announced that freeports would be designated at the following sites:

Belfast International Airport  
Birmingham International Airport  
Port of Cardiff  
Port of Liverpool  
Prestwick International Airport  
Port of Southampton

This memorandum gives further information about the scope of freeport facilities.

The freeport concept

2. A freeport is an enclosed zone within or adjacent to a seaport or airport inside which goods are treated for customs purposes as being outside the customs territory of the country. In general, customs duty and agricultural levies are due only when goods are consumed within the zone, or when they cross the frontier of the freeport area for markets in the United Kingdom, or in other member states of the European Community.

3. Activities which may take place in a freeport include:-

- (a) loading, unloading and transshipment;
- (b) storage, including stockholding pending the availability of quotas;
- (c) sampling, packing, labelling and other forms of minor handling related to the preparation of goods for marketing;
- (d) processing of most third country goods for export outside the European Community, subject to comparable production not being available within the Community;
- (e) processing of Community goods or goods from third countries which have been brought into free circulation; and
- (f) destruction of, for example, resaleable or surplus goods.

C+E  
BACK-  
GROUND  
NOTE:  
FREE-  
PORTS

4. Traders who are registered for VAT purposes may import goods into a freeport without accounting for tax on them. VAT will become chargeable if goods are removed from the zone for use in the United Kingdom. The normal VAT rules will apply to goods and services supplied to or within the zone. Relief from excise duty will be limited to that available under existing legislation.

5. Control of goods within the freeport will be primarily on the basis of commercial records. However the freeport will also be fenced or otherwise enclosed under responsibility of the operator, and the number of access points will be restricted to a minimum. Goods subject to national prohibitions relating, for example, to certain drugs, to obscene articles or to animal and plant health or conservation, will be excluded from freeports. Import or export licensing and other requirements may be applied to other particular goods. Certain categories of traders in goods subject to restrictions may be excluded from operating in a freeport.

6. Traders will be required to provide statistics to Customs and Excise of certain receipts into and deliveries from freeports.

#### Benefits of freeport operation

7. The Government working party which examined the freeport concept was unable to identify any tariff benefits associated with a freeport operating under European Community legislation which were not already available under existing customs regimes. It pointed however to the scope for simplification of customs procedures and to economies of scale arising from central services provided within the zone.

#### Freeport legislation

8. Legislation permitting the designation and operation of freeports will be introduced in the forthcoming Finance Bill. It will take account of the provisions of European Community legislation, in particular Council Directive (EEC) 69/75 of 4 March 1969 on the harmonisation of provisions laid down by law, regulation or administrative action relating to free zones (Official Journal No L 58 (8.3.1969) pp 86-88).

#### Effects on other legislation

9. Freeports are essentially a customs facility. Existing legislation on, for example, planning, health and safety and employment will continue to apply in the zone. There will be no relief from taxation other than as described elsewhere in this memorandum.

#### Monitoring the freeport experiment

10. The Government has indicated that the designation of each freeport will be subject to review 5 years after it commences operations. The purpose of this review will be to identify any freeport which clearly has no prospect of viability. The monitoring exercise will be carried out by independent consultants.

Further information

11. Full details of freeport procedures will be published once the appropriate legislation has been considered by Parliament. Enquiries on specific points should be addressed to:

R W MacLachlan  
H M Customs and Excise  
General Customs Division E  
Room 21/3  
Kent House  
Upper Ground  
London SE1 9PS

Telephone: 01 928 0533 ext 306

12. Information on individual freeports may be obtained from:

Belfast

Mr G Willis  
Chief Executive  
Northern Ireland Airports Ltd  
Belfast Airport  
Belfast BT29 4AB

Tel: 0232-229271 ext 203

Birmingham

Mr M Kemp  
West Midlands Freeport Ltd  
County Hall  
1 Lancaster Circus  
Queensway  
Birmingham B4 7DJ

Tel: 021-300 6771

Cardiff

Mr K Carroll  
Pearce (Wales) Building Contractors  
15/16 Herbert Street  
Cardiff CF1 5QS

Tel: 0222-489181

Liverpool

Mr F Robotham  
The Mersey Docks and Harbour Company  
Pier Head  
Liverpool L3 1BZ

Tel: 051-200 2173

Prestwick

Mr I Smillie  
Kyle and Carrick District Council  
Burns House  
Burns Statue Square  
AYR

Tel: 0292-281511

Southampton

Mr M Pudden  
Associated British Ports  
Melbury House  
Melbury Terrace  
London NW1 6JY

Tel: 01-486 6621

H M Customs and Excise  
Kent House  
Upper Ground  
London SE1 9PS

March 1984

MISS O'MARA

cc Mr Culpin  
Mr A W Smith  
Mr Sargent  
Mr Sowden  
Ms SpencerTSY  
BACK-  
GROUND  
BRIEFLOCAL  
GOV.  
ISSUES

## CHANCELLOR'S VISIT TO MANCHESTER

I promised you a note on local government issues which could arise on the Chancellor's visit.

2. I attach notes on

- 1) Manchester City Art Gallery
- 2) Manchester Airport
- 3) Manchester's sewers.

prepared by HE2, PE3 and LG1 respectively.

Abolition

3. Greater Manchester Metropolitan County Council is to be abolished on 1 April 1986. Abolition is supported by the three Conservative-controlled districts (Bury, Stockport and Trafford) and by Rochdale where <sup>there is</sup> no overall control. It is opposed by the Labour-controlled districts. The main feature of Stockport, Rochdale and Trafford's response to the proposals is to have a combined joint board for police, fire and ambulance services, which would be serviced by the districts. "Streamlining the Cities" proposed separate police and fire boards. They also proposed an enhanced role for the Greater Manchester Association of Metropolitan Councils.

4. Greater Manchester was one of the subscribers to the Coopers and Lybrand study of abolition which concluded that the case for savings from abolition had not been made. The Coopers and Lybrand study was based on numerous hypothetical assumptions about the degree of co-operation between boroughs and districts after abolition.

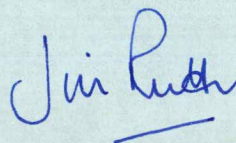
Rates and Spending in 1984/5

5. Greater Manchester has increased its precept by 4% in 1984/5, while budgeting to overspend its target by 4.9%. This is less than a 1% increase over 1983/4 budget. There is evidence to suggest substantial

creative accounting by the Metropolitan County Councils who may be drawing heavily on balances and special funds to keep down precept increases and spending in 1984/5 to embarrass the government over abolition. Greater Manchester is budgetting to spend 9.69% over GRE and is an unlikely candidate for selective rate limitation, despite the fact that it has increased its spending by <sup>105</sup>10% in cash since 1978/79, while the GDP deflator increased by just over 70 per cent.

6. Manchester City Council is putting its rate up by 5% and budgetting to overspend its target by only 0.1%. It has increased its total expenditure by 1.25% over 1983/4 budget. Its low rate and spending increase may also be an attempt to avoid rate limitation - Manchester is spending almost 26 per cent over its GRE, but has reduced its current expenditure in cost terms since 1978/9 and since 1981/2.

7. No decisions have yet been made on the criteria for selecting authorities for rate limitation in 1985/6.



JILL RUTTER

## 1. Manchester City Art Gallery

The Gallery is solely funded by Manchester City Council, to the tune of £1.2 million in 1983-84, so it will not be directly affected by abolition. However, the Chancellor will no doubt be told that unless continued funding can be guaranteed for all the arts bodies currently funded by GMC there is a danger that the Gallery will lose out when the other bodies turn to the City Council for support. GMC funding was £2.9 million in 1983-84. Under the original OAL plans some £0.7 million would have been taken over by central funding; under Lord Gowrie's latest proposals this would rise to £2 million.

The Gallery's whizz-kid director, Mr Tim Clifford, has other worries too. The Gallery has 6 satellite galleries which have been subjected to fairly major cuts in recent years; they are now closed for 6 months each year and open for only 1 day a week in summer. (He has nevertheless managed to acquire some £2-£2.5 million worth of items each year by making use of the Heritage Fund and other external and private sources). He is also exercised by the prospect of the City Council being taken over by left-wingers who see the Gallery as a middle class irrelevance. He has therefore seized upon abolition as an opportunity to seek to bring whole arts provision in the Greater Manchester area under the control of a single trustee body, and he has put proposals on these lines to the Select Committee. We would clearly not want to encourage this, and we gather OAL have already told him that it is a non-starter.

## 2. Manchester Airport

The airport is jointly owned (on a 50:50 basis) by the GMC and Manchester City Council. It is the third largest airport in the UK (after Heathrow and Gatwick) and has current cost account profits of approximately £10 million.

On abolition of the GMC its 50 per cent share will probably be transferred to a transport authority covering Greater Manchester. The authority will receive any profits surplus after capital expenditure. The main alternative of transferring control to the City has been rejected on the grounds of complexity.

MANCHESTER  
CITY  
ART  
GALLERYMANCHESTER  
AIRPORT



In line with other local authority airports Manchester will soon be required to prepare commercial accounts with a view to an eventual conversion to PLC (and a liability to corporation tax) and its possible privatisation. The airport's profitability makes it one of the most likely candidates for privatisation (and a number of its senior management as known, secretly, to be in favour), but Mr Ridley has not yet put proposals to colleagues on how best to proceed in this area.

### 3. Sewers

Sewers in Manchester are the responsibility of the North West Water Authority (NWWA).

The deterioration of water authority's underground assets (sewers and water mains) has attracted much public attention. The incidence of collapses is unusually high in the North West Region (about 20 a year for every 1,000 km of sewer as compared to the national average of about 10). There was a particularly bad sewer collapse at a city centre road junction in Manchester in 1978 which caused considerable disruption to traffic, affected business for shops in the area and necessitated the diversion of gas and water mains. But knowledge of underground systems is incomplete and often the most efficient way to detect faulty sewers is to wait for them to collapse; about 75 per cent of incidents affect sewers of less than 9" in diameter i.e. relatively minor sewers and incidents (a main sewer can be up to 8' in diameter); and modern methods of renovation can reduce costs significantly. Th

The NWWA produced a strategy paper last year for investment in sewerage and sewerage treatment and disposal. The proposed £3.7 billion programme spread over 25 years of which £2.4 billion would be to eliminate structural dereliction (mainly in the Mersey catchment). Further work is required to substantiate the Authority's plans and cost estimates. The Secretary of State for the Environment has welcomed the strategy in principle as part of the Government's Mersey initiative (to clean up the Mersey catchment and develop riverside areas) but has indicated that there is little prospect of government subsidy. Nevertheless the NW is being given high priority in the allocation of available external finance for the water industry.

Line to Take

Government shares concern about the state of sewers in Manchester/NW (but no need for panic), welcomes NWWA's plans for tackling sewer dereliction. We have provided £87 million in external finance for 1984-85 thus allowing a 12 per cent increase in the Authority's investment to £140 million. But any detailed questions should be referred to the NWWA as it is they who allocate money and decide priorities within their area. [If pressed on finance - no government subsidy but high priority in allocating available external finance. We will support bids for EC funding.]

LUNCHEON PARTY - FRIDAY, 30th MARCH 1984

Sir William Mather (Bill)  
Regional Chairman  
National Westminster Bank

Mr Nigel Lawson  
Chancellor of the Exchequer

Mr N Snape (Norman)  
Regional Executive Director  
National Westminster Bank

Mr Rodney Lord - Assistant Private  
Secretary to the Chancellor

Mr Purcell of the Conservative  
Office (North West)

*Miss O'Mara*

Mr E A Boddington (Ewart)  
Chairman  
Boddingtons' Breweries PLC

Mr H C Harrison (Harry) Engineering  
Chairman  
The Simon Group of Companies

Mr P J Kennedy (Joe)  
Chairman  
Kennedy Construction Group Ltd

Mr G R C McDowell (Roy) Electrical  
Chairman  
George H Scholes PLC

Mr S Oxford (Sam) Timber  
Chairman  
Magnet & Southern PLC

Mr N Quick (Norman) Ford Main Dealers  
Chairman  
The Quick Group of Companies

Mr R Scott (Bob)  
Administrator  
The Palace Theatre

Mr J Tavaré (John) Engineering and Textiles  
Chairman  
Whitecroft Holdings PLC

Mr R J F Taylor (Julian)  
Managing Director  
The Manchester Ship Canal Co. Ltd

Mr M Webber (Michael) Electrical goods  
Chairman  
Pifco (Holdings) Ltd

Mr N G Westbrook (Neil)  
Chairman  
Trafford Park Estates Ltd.

Mr R M Willan (Bob) Building  
Chairman  
The Willan Group of Companies

Mr J B Zochonis (John) Commodities Merchants  
Chairman  
Paterson Zochonis Ltd

GUEST  
LIST

NATIONAL WESTMINSTER BANK - NORTH REGION

LUNCHEON PARTY - FRIDAY, 30th MARCH

TABLE PLAN

Window

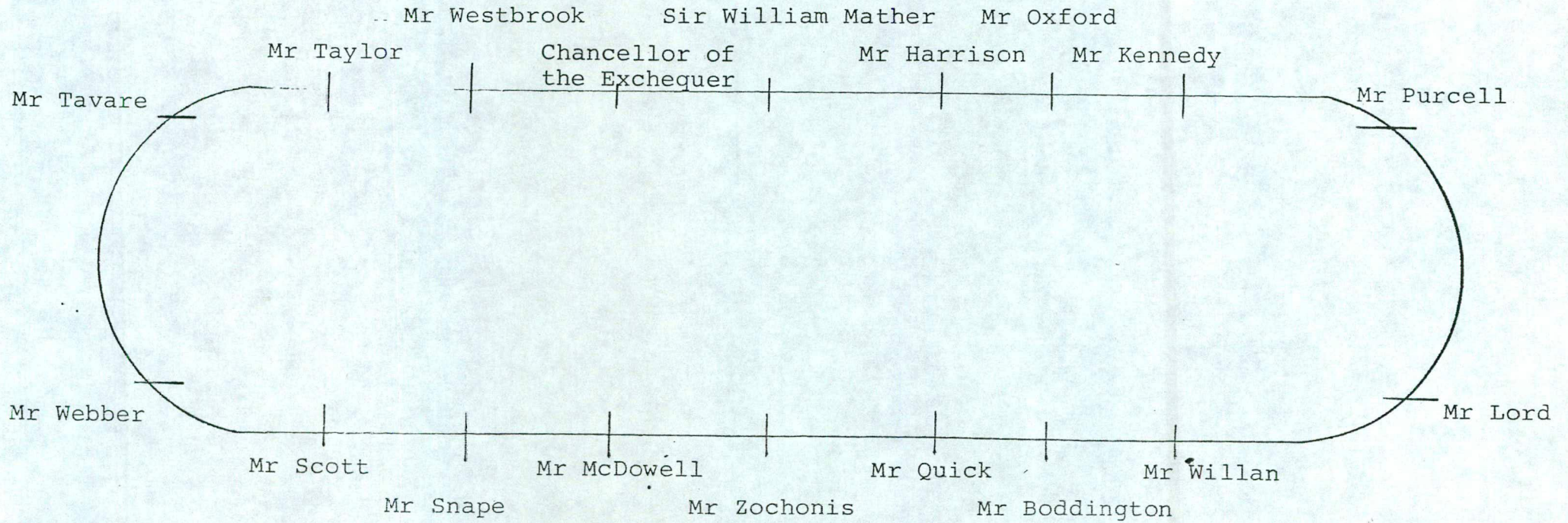


TABLE  
PLAN



Chancellor.

I attach a re-drafted  
press release on the  
Green Paper for the  
Manchester speech on  
Friday, as requested.

ML

ROONEY LORD  
28 iii 84

EMBARGO: 13.30 hours Friday 30 March 1984

EXTRACT FROM A SPEECH BY THE RT HON NIGEL LAWSON MP, CHANCELLOR OF THE EXCHEQUER, TO A MEETING OF THE GREATER MANCHESTER INDUSTRIALISTS COMMITTEE IN MANCHESTER ON 30 MARCH, 1984

In planning our future levels of taxation and public expenditure I believe we must look further ahead to the next decade. To help in this process I published a Green Paper on Budget Day which examines the implications of public spending levels for taxation. I am glad to say that a debate has already begun in the Press and elsewhere on the message which the Green Paper contains. It is vital that this debate develops. For the level of public spending determines whether we can make progress in reducing the burden of taxation, and high taxation stifles growth and jobs.

Some people have argued that we shall really have no difficulty in financing all the desirable public spending programmes whose merits will be pressed on the Government over the next ten years. We can maintain every defence commitment we had 30 years ago, we can buy unlimited amounts of the latest medical equipment, employ more teachers, meet the cost of a rising proportion of pensioners, and still have room for tax cuts. Other critics have cast doubt upon our resolve to contain public expenditure even over the next three years - the period for which we have detailed plans agreed in Cabinet. They point out that public spending has tended to rise steadily, whatever the colour of the Government, and has never

for any length of time remained unchanged in real terms as we are now planning.

I find these two positions difficult to reconcile. My own belief is that our plans for the next three years, set out in this year's Public Expenditure White Paper, are achievable and will be achieved. No responsible public spending plans are easy to stick to but I am confident that any difficulties will be overcome.

One safety net to which I attach great importance is the size of the reserve. This rises from £2.75bn. in the coming year to £3.75bn. in 1985-86 and £4.75bn. in 1986-87. We have also changed the way in which the reserve is operated so that increases in demand-determined programmes such as social security will have to be accommodated within it. This Government is pledged to cut taxes and the only way in which that can be done is to keep tight control of public spending.

The purpose of the Green Paper is to concentrate our minds on the choices that lie ahead. One factor which will affect our plans towards the end of this decade is the likely reduction in North Sea output. Our opponents have criticised us for living in a fool's paradise warmed by North Sea oil. On the contrary we have every intention of making provision for the eventual change in our national circumstances as North Sea output dries up. The calculations in the Green Paper explicitly take this into account. We need to think strategically, and we are doing so.

What the Green Paper reveals is that in order to make any real headway towards our target of cutting the burden of taxation we shall not be able to relax our grip on expenditure. We have not attempted in the Green Paper to project each individual programme forward. The balance between different programmes is a matter for future discussion. But what we do need to agree on first as a nation is the total level of public spending which we are prepared to support. For what we spend will determine what has to be raised in taxes. If we continue to constrain public spending to its present level in real terms for the next 10 years, and making a reasonably favourable assumption about economic growth, the burden of taxation will fall to a level only slightly lower than in 1973-74. As a target that does not seem over ambitious.



Attached is a note (from my Agent) about the visit together with extracts containing some electoral information. Note the dinner is a black tie function.

My home address is Gresgarth Hall, Caton, Lancashire (Caton 770313). We are ten minutes from exit 34 on the M6 and fifteen minutes from Lancaster station. I will of course meet the Chancellor and his party if he is arriving by train. My Association will also pay for train tickets if they are not paid for by Conservative Central Office. The party is obviously expected to come to Gresgarth before attending the dinner. (Please let me know travel arrangements).

The new constituency of Morecambe & Lunesdale is about 80% Town and 20% Country. The Town is made up of Morecambe (tourism, landladies and retired) and Carnforth (railway town). The Country is a stretch of the Lune Valley and takes the place of the large slice of Cumbria that comprised the earlier constituency.

The dinner is the star attraction in a series of functions to pay the Association's overdraft and other commitments of £10,000. The profit from the meal will be modest but it is hoped that the visit of the Chancellor will stir some of the more prosperous guests to make generous donations. The sum of £10,000 includes a sum of money which we will have to pay to the slice of Cumbria which formed part of the previous constituency, in compensation for the fact that we have retained the valuable constituency office at Churchill House in Morecambe.

Most of the people attending the dinner will be from the Town area. People to watch out for are:-

Sir Oulton Wade

Richard Taylor, President. Well-to-do retired business man in holiday industry - caravan sites and amusement arcades. He may not be able to attend (through sickness).

Lewis Bibby, Chairman. Solicitor with country practice based in Carnforth. Lives in and loves the rural area.

Susan Bray, Treasurer. A down to earth school teacher.

Gordon McKelvie, Agent. Born and bred Liverpudlian.

(I will give further information about other people to watch out for).

Mark *conv* 3/1  
8/3/84

Note from my agent.

Visit by the Chancellor of the Exchequer.

Arrangements are now in hand for the above visit. The Dinner will take place at the Strathmore Hotel, Marine Road East, Promenade, Morecambe, Telephone 411314, on Friday 30th March, 1984, 7.30.p.m. for 8.00.p.m. Dinner. The evening will be a formal dress\* evening and the Chancellor will be introduced by yourself. Following the Chancellor's speech, the Association Chairman, Mr. Louis Bibby will be asked to propose a vote of thanks. It is also hoped that Sir Oulton Wade will be able to attend the Dinner and make a financial appeal - this will be done following the vote of thanks. I have already arranged for Cllr. B. Thornton to present a cheque for £100 in order to start the appeal going.

We have circularised our own Branches, Founder Members and the Business Houses in the area in regard to the Dinner. We enclose, for your information, copy of the letter sent to the various organisations.

As you will see from the letters, we are aiming to raise approximately £10,000 throughout this year and the Dinner that the Chancellor is addressing is part of this scheme.

We are also operating a Founder Members Scheme, which to date has brought in excess of £2,000 and we have launched a new Year Book and Diary for 1985, which we hope will also increase our income.

INNER\*  
CKET

THE RT. HON. NIGEL LAWSON, MP  
CHANCELLOR OF THE EXCHEQUER  
VISIT TO THE NORTH WEST AREA  
FRIDAY 30th MARCH 1984

---

Friday 30th March

~~9.30~~ 10.20 hours

Depart London Airport accompanied by Mrs. Lawson and Mr. Rodney Law

~~10.20~~ 11.20 hours

Arrive Manchester Ringway Airport to be met by Ministerial car for Ministerial visit

10.30

*official visit*

12.35 hours

The Chancellor and Mr. Law to be picked up by Mr. Henry Purcell, DCOA (Red Ital SBO 593Y) from Manchester Art Gallery and conveyed to National Westminster Bank, 55 King Street, Manchester. Tel: 061 834 8255.

13.00 hours

Lunch with 12 to 15 top industrialists (list to follow). They would like you to chat informally over lunch, and at the conclusion of lunch, make some short introductory points and then lead a discussion. Sir William Mather will preside at the lunch.

14.30 hours

Depart 55 King Street, Manchester for Conservative Area Office, 31 Byrom Street. (Tel: 061 832 6044) Mrs. Lawson will join us at Byrom Street, having lunched with the Art Director at Manchester Art Gallery (Tel: 061 236 9422)

14.45 hours

Press Conference at 31 Byrom Street. The Press, local radio and TV have been invited

16.00 hours

Depart 31 Byrom Street for Caton with Mr. Purcell

17.45 hours  
(approx)

Arrive at the home of Mr. Mark Lennox-Boyd MP for Morecambe & Lunesdale, Gresgarth Hall, Caton. nr. Lancaster. (Tel: 0524 770313)

19.30 hours (approx)

Formal Dinner at Strathmore Hotel, Marine Road East, Morecambe, attended by approximately 180 business people and Association members from Morecambe & Lunesdale constituency. They would like you to speak for 20/30 minutes.

MORECAMBE & LUNESDALE

Chairman; Mr. J.L. Bibby

Agent: Mr. Gordon McKelvie (Tel: 0524 411059)

22.30 hours

Depart Strathmore Hotel with Mr. Mark Lennox-Boyd for overnight stay at Gresgarth Hall.

Saturday 31st March

Trains to London Euston from Lancaster

08.43 hours arriving London Euston at 12.14 hours

09.29 hours arriving London Euston at 12.38 hours

10.32 hours arriving London Euston at 13.24 hours

CITY OF MANCHESTER

MANCHESTER BLACKLEY Contains the wards of Blackley, Charlestown, Crumpsall, Harpurhey, Lightbowne and Moston

June 1983 Election result:-

K. Eastham (Lab)	20,132	
P. Ridgway (C)	13,676	
L. Cookson (L./All)	<u>8,081</u>	
Lab. majority	<u>6,456</u>	K. Eastham (Lab) elected

MANCHESTER CENTRAL Contains the wards of Ardwick, Beswick & Clayton, Bradford, Central, Cheetham, Hulme and Newton Heath

June 1983 Election result :-

R. Litherland (Lab)	27,353	
D. Eager (C)	8,868	
A. Ahmed (SDP/All)	4,956	
A. Coles (NF)	<u>729</u>	
Lab. majority	<u>18,485</u>	R. Litherland (Lab) elected

MANCHESTER GORTON Contains the wards of Fallowfield, Gorton North, Gorton South, Levenshulme, Longsight and Rusholme

June 1983 Election result:-

G.B. Kaufman (Lab)	22,460	
J. Kershaw (C)	12,495	
K. Whitmore (L/ALL)	8,348	
M. Cowle (Com)	333	
L.C. Andrews (BNP)	<u>231</u>	
Lab. majority	<u>9,965</u>	G.B. Kaufman (Lab) elected

MANCHESTER WITHINGTON Contains the wards of Barlow Moor, Burnage, Chorlton, Didsbury, Old Moat and Withington

June 1983 Election result:-

F. Silvester (C)	18,329	
Mrs. F.W. Done (Lab)	15,956	
B. Lever (SDP/All)	12,231	
M.G. Gibson (Freedom)	<u>184</u>	
C. majority	<u>2,373</u>	F. Silvester (C) elected

MANCHESTER WYTHENSHAW Contains the wards of Baguley, Benchill, Brooklands, Northenden, Sharston and Woodhouse Park

June 1983 Election result:-

A. Morris (Lab)	23,172	
Mrs. J. Jacobs (C)	12,488	
D. Sandford (L/All)	<u>6,766</u>	
Lab. majority	<u>10,684</u>	A. Morris (Lab) elected

MORECAMBE & LUNESDALE Contains the wards of Alexandra, Arkholme, Bolton-le-Sands, Carnforth, Halton-with Aughton, Harbour, Heysham Central, Heysham North, Heysham South, Kellet, Overton, Parks, Pulton, Silverdale, Slyne-with-Hest, Torrisholme, Victoria and Warton

June 1983 Election result:-

M. Lennox-Boyd (C)	21,968
R. Clare (SDP/All)	9,774
A.C. Bryning (Lab)	6,882
Mrs. I. Woods (Ind)	<u>208</u>

C. majority	<u>12,194</u>
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M. Lennox-Boyd (C) elected



2

Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

2 April 1984

Andrew Lansley Esq  
Private Secretary to the  
Secretary of State for Trade  
and Industry

*Dear Andrew,*

CHANCELLOR'S VISIT TO MANCHESTER AND MORECAMBE:  
13 MARCH

Thank you for your letter of 22 March enclosing background briefing for the Chancellor's visit to the North West last Friday. It was just what the Chancellor needed and he was most grateful.

I am copying this letter to Alan Davis (DOE) with similar thanks for the input from his Department.

*Yours sincerely,  
Margaret O'Mara*

MISS M O'MARA  
Private Secretary



mp

Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

2 April 1984

Sir William Mather OBE MC TD  
Regional Chairman  
National Westminster Bank PLC  
PO Box 305  
55 King Street  
MANCHESTER  
M60 2DB

*Wm Mather*

Many thanks for hosting Friday's splendid lunch which I much enjoyed. It was good to have the opportunity to meet so many industrialists from the North West and to hear at first hand their reaction to the Budget measures. I was particularly heartened to discover how many of the businesses represented were turning in record profits, confirming my view that the recovery is now well under way throughout the country.

*Wm Mather*  
*Nigel Lawson*

NIGEL LAWSON



C  
I've assumed that you won't  
want to send a formal letter  
to Mark and I gather your  
wife is writing to Tim Clifford.

The special advisers would  
normally draft the Party letters  
but as they're all away,  
I've done this one.

MOY

2/4

Thanks.  
M.





MP

Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

2 April 1984

H Purcell Esq  
Conservative Central Office  
North West Area  
Woolton House  
31 Byrom Street  
MANCHESTER M3 4PJ

*Sam Howe*

Many thanks for arranging last Friday's tour and for ferrying me back and forth. It was good to see for myself the state of morale in the region and I hope that the dinner at Morecambe will have helped to swell Mark Lennox-Boyd's constituency association's funds.

The best of luck for next month's elections.

*Nigel Lawson*

NIGEL LAWSON



PL

Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

2 April 1984

P J Little Esq  
Collector  
HM Customs & Excise  
Terminal Building  
Manchester International Airport  
Wythenshawe  
MANCHESTER M22 5PJ

*From Mr Little*

Many thanks for packing so much into what I fear had to be a very fleeting visit to the Airport on Friday. I always welcome the opportunity to see how policies formulated in London are being implemented at the grass roots and I was particularly fascinated on this occasion to watch the new ACP 80 system being put through its paces. I shall be interested to hear how much more widely it can be applied.

*Nigel Lawson*

NIGEL LAWSON



FROM: MISS M O'MARA  
DATE: 5 April 1984

NOTE FOR THE RECORD

cc PS/Minister of State  
Mr Monger  
Mr Griffiths  
Mr Lord o.r.  
PS/Customs & Excise

MEETING WITH MR LORET LEE: FRIDAY 30 MARCH

During his visit to Manchester last week, the Chancellor met a delegation headed by Mr Loret Lee, Chairman of the local Chinese Education Committee, who were concerned about the imposition of VAT on hot take-away food.

2. Mr Lee said that he recognised the concern shown by both the Conservative Party in general and the Chancellor in particular for small businesses and those on low incomes but he believed that the Chancellor's Budget measure would adversely affect both groups. He noted that it would have a particular impact on those living in the inner city, on shift workers and on working mothers. The last group on average bought take-away food, such as chips, four days a week. He stressed that this was not luxury food. Mr Lee added that the take-away business represented the only avenue for economic independence for much of the Chinese immigrant community. The introduction of VAT would impose an additional burden on them, while language problems would make it difficult for them to explain the change to their customers.

3. Mr Lee therefore suggested that if the Chancellor was determined to introduce VAT on hot take-away food, the VAT registration threshold should be increased to £25,000 per annum, representing a turnover of around £500 a week. He suggested that unless the threshold were increased in this way, many small operators would be driven out of business entirely. He also proposed that a reduced rate of VAT, say 7 per cent, should be introduced to take account of the fact that many of those



purchasing hot take-away food were not buying a complete meal.

4. Mr Lee emphasised the great support which his campaign had already received. He noted that a meeting was to be held on 1 April when the case against the Budget measure would be put to an all party group of MPs from the North West.

5. The Chancellor welcomed this opportunity to meet the delegation and thanked Mr Lee for putting his case so eloquently. He referred to his admiration for the self-reliance and hard work which the Chinese community had always displayed. His decision had not been taken lightly. He noted that VAT had always been charged on food served in Chinese restaurants but that they had flourished nevertheless. He believed it was logical that if VAT was paid on food consumed inside restaurants, it should also be paid on food which was taken away.

6. Turning to Mr Lee's specific proposals, the Chancellor said that the Government had taken the view that it was simpler and better to have a single rate of VAT across the board. No attempt was made to distinguish essential from luxury goods. In any case, the Chancellor doubted whether take-away food could be regarded as essential as clothing, to which VAT did apply. He agreed that an increase in the VAT registration threshold would be attractive not only for take-away businesses but for other small traders. However, the EC Sixth Directive prevented the Government from raising the threshold above the £18,700 level to which it had been increased in the Budget.

7. The Chancellor emphasised the strong support which the Government had given to small businesses. He referred in particular to the reduction in the small companies' Corporation Tax Rate from 38 per cent to 30 per cent - the lowest ever rate of tax on small business profits - and the wide range of measures introduced by Sir Geoffrey Howe. He did not believe that the imposition of VAT on take-away food would be as damaging as



Mr Lee feared. The Chancellor explained that by widening the VAT base and by making a real increase in tobacco duty, he had been able to reduce the income tax payments of those on lower incomes very substantially and had taken 850,000 out of tax altogether. He noted that as a result the average married couple should have an extra £2 a week to spend.

8. Mr Lee said that he already had evidence that trade in Chinese take-aways was 15 per cent down, even though VAT was not yet payable. The Chancellor suggested that this indicated the dangers of mounting too energetic a campaign. There was no question of abandoning his Budget proposal but he was sure that the Chinese community would discover that their initial fears were exaggerated.

MOM

MISS M O'MARA



Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

6 April 1984

H Purcell Esq  
Conservative Central Office  
North West Area  
Woolton House  
31 Byrom Street  
Manchester  
M3 4PJ

*Dear Henry,*

Thank you for all your help in arranging the programme for the Chancellor's visit to Manchester last week. I know he enjoyed the trip and I certainly welcomed the opportunity to get out of the office.

- - - I thought you might like to have for your files a copy of the enclosed note which I wrote after we returned, recording the Chancellor's meeting with Mr Loret Lee. We saw the news reached at least one of the national papers!

*Yours sincerely,  
Margaret O'Mara*

MISS M O'MARA  
Private Secretary



FROM: MISS M O'MARA  
DATE: 5 April 1984

NOTE FOR THE RECORD

cc PS/Minister of State  
Mr Monger  
Mr Griffiths  
Mr Lord o.r.  
PS/Customs & Excise

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*MOM*

MISS M O'MARA

# Conservative Central Office North West Area



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Publicity Liaison Officer: W. HARESNAPE Industrial Organiser: P. DOWLING

HP/NLW

12th April 1984

Miss Margaret O'Mara,  
Private Secretary,  
Treasury Chambers,  
Parliament Street,  
London SW1P 3AG

CH/EXCHEQUER	
REC.	18 APR 1984
ACTION	PERSONAL
COPIES TO	- NO ACTION

Dear Margaret,

Thank you for your letter of the 6th April and the enclosed notes on the meeting with Mr. Loret Lee. I have passed a photocopy of this on to my colleague, James Goodsman, who deals with ethnic matters in the North West, and he is delighted to receive it.

I must apologise for leaving so abruptly without seeing that you had directions on how to get back to Piccadilly station to catch your train, but you obviously managed to find it.

I don't know whether you heard the reporters talking after the Chancellor's meeting with the Chinese delegation, when one of them suggested that he might run the story under the headline "Chancellor battered by the frying pickets". Thankfully this did not appear.

Yours sincerely  
Henry Powell