

CONFIDENTIAL

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LEADER'S CONSULTATIVE COMMITTEE

116TH MEETING

5.00 p.m., Wednesday 16th June 1976, in the Leader's
Room at the House of Commons.

AGENDA

1. Minutes of the 113th and 114th Meetings.
2. Future Business.
3. Forthcoming Events.
4. Background to the Operation of the Price Code over the past 2 years and Implications of likely (Proposed) Changes, paper by Mrs. Oppenheim, (LCC/76/115) - attached.
5. ✓ Incomes Policy and the Pay Deal:
 - ✓ The Pay Deal (LCC/76/110), paper by the Research Department - previously circulated.
 - ✓ Incomes Policy (LCC/76/111), paper by Mr. Maudling - previously circulated.
 - Operation of Incremental Scales Under Pay Restraint (LCC/76/112), paper by the Research Department - previously circulated.
 - The Monetary Approach to Forecasting Inflation (LCC/76/113), paper by the Research Department - previously circulated.

Conservative Research Department,
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CFP/SMW
10.6.76

LEADER'S CONSULTATIVE COMMITTEE

Minutes of the 116th Meeting held at 5.00 p.m. on Wednesday, 16th June 1976, in the Leader's Room at the House of Commons.

Present: Mrs. Thatcher (in the Chair)
 Mr. Whitelaw, Lord Carrington,
 Mr. Maudling, Sir Geoffrey Howe,
 Mr. Prior, Mr. Pym, Mr. Gilmour,
 Mr. Payton, Mr. Jenkin,
 Mr. St. John-Stavas, Mr. Heseltine,
 Mr. Maude, Mr. Buchanan-Smith,
 Mr. Edwards, Mrs. Oppenheim,
 Mr. Biffen,
 Mr. Atkins.

In attendance: Mr. Graham Page, Mr. Butler,
 Mr. Stanley, Mr. Patten,
 Mr. Ridley, Mr. Nicholson.

Apologies: Sir Keith Joseph, Lord Hailsham,
 Mr. Raison, Mr. Neave,
 Lord Thorneycroft.

1. Proposed Business for the Week 21st-28th June

The only business known to the Whip's Office at the time of the meeting was as follows:

On Monday, 21st June, there would be a Supply Day, with subject to be decided.

On Tuesday, 22nd June, Mr. J. Corrie would seek leave to introduce his Professions Supplementary to Medicine Act 1960 (Amendment) Bill under the 10 Minute Rule.

On Wednesday, 23rd June, Mr. A. Steen would seek leave to introduce his Abolition of Unemployment Bill under the 10 Minute Rule.

On Thursday, 24th June, there would be the ballot for Private Members' Motions on Monday, 12th July.

On Friday, 25th June, there would be Government business.

On Monday, 28th June, there would be another Supply Day.

It was understood, however, that there were likely to be one or two days on the Remaining Stages of the Development Land Tax. There was also likely to be the Second Reading of the Road Traffic (Seat Belts) Bill.

2. Subjects for the Supply Day

There was a discussion and it was agreed that:

(i) While we wished to have a full debate on immigration at an early stage we wished to see our policy further developed. Mr. Whitelaw was preparing to discuss his proposals with the Home Affairs Committee, and these would then be brought to the Shadow Cabinet.

(ii) Mrs. Thatcher would discuss a selection of four subjects (viz. Job Creation for School Leavers, Educational Standards and the Lancaster Report, Rural Transport, and Fisheries) with the Business Committee and she, Mr. Whitelaw and Mr. Atkins would then decide in the light of that discussion, assuming we obtained a Supply Day.

3. House of Lords Business

Lord Carrington reported on certain difficulties regarding the British Transport Docks (Widening) Bill. There was a discussion after which his suggestions were agreed, viz.:

(i) The Conservative peers would not vote against the Bill on Second Reading.

(ii) The petitions in the House of Lords against the Bill enabled it to be referred to a Lords' Committee on Opposed Bills and the House would move an instruction to that Committee with regard to the various difficulties in the Bill.

4. Background to the Operation of the Price Code.

Mrs. Oppenheim introduced her paper, LCC/76/115. There was a discussion and it was agreed that:

(i) We should say that as a result of the Government's refusal to relax the Price Code further than it was proposing unemployment would remain higher than it would have done.

(ii) A simpler Code was desperately needed. Reference might be made to the bureaucracies being developed in private industry to deal with the Code.

5. The Government/TUC Agreement on Pay

There was a discussion. The following points were agreed.

(i) The Government had failed to use the time and opportunity provided by the unions' acceptance of the £6 limit to put the economy in order viz. reduce public spending and thus the cost of borrowing to the British tax payer. It was now imperative for the Government to get the economy into balance before they embarked upon what was expected to be a more relaxed Stage 3 of their pay policy, when in any case, if there was an up-turn in the economy, there would be increased pressure to widen differentials. Unless the Government took the necessary measures the sacrifices being made by everyone at present would be in vain.

(ii) We should seek to exploit the differences between the mass of trade unionists who wished to maintain their differentials and the socialist trade union leaders who were prepared to sacrifice their members' interests in order to keep the Labour Government in power. But while we should press for recognition of differentials, we should warn against people obtaining large increases in money wages, which only led to faster inflation.

(iii) We should recognise that a beginning had been made in obtaining recognition by trade union leaders of the link between pay and prices, but the painful process of re-education would have to go much further.

The meeting closed at 6.24 p.m.