

"Panorama"

To help focus your mind on "Panorama" I have set out the following very hostile questions which may arise in one form or another. We are providing briefing separately. I hope to get a better run down of the likely questions tomorrow (Friday).

Economic Situation

We now have a combination of rising unemployment, high inflation, high wage settlements, a major industrial dispute and a menacing trade union movement. What has gone wrong?

What has gone right so far? What is the good news?

Why have you run into all this trouble? Did you expect it? Or is it all much more difficult than you thought it would be?

Economic Policy

You are felt to be a dogmatic Government. How can you be sure your determination to keep a tight hold on money supply will work its magic? Will it necessarily do so? Or if it does work, may not the social and industrial cost be very serious indeed?

It is, in fact, argued by the Opposition and perhaps even some of your own side that you are already stretching the social fabric of the nation. Do you not think you are running a risk of damaging the country's political stability? After all, the South Wales miners are on a general strike today and the idea of a general strike has apparently been canvassed in the TUC.

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Do you think, on reflection, that your major switch from direct to indirect taxation in the last Budget was a mistake? It has stoked up inflation by 4% and thereby tended to stoke up pay claims.

Intervention

You have so far maintained a steady resolve not to get involved directly in industrial disputes? Can you possibly maintain that if the steel strike really begins to bite or the water and sewage workers come out?

Is not, in any case, your policy of intervention wholly misnamed, given the extent of your initial intervention in setting cash limits?

Couldn't you, as Mr. Callaghan maintains, settle the steel strike tomorrow if you had the will to do so? And wouldn't that now really be in the country's interests?

Given this country's traditions, is it really sensible not to have a better and closer relationship with the TUC? Are you considering instituting a forum in which you can consider matters with them?

How consistent is your policy of non-intervention in any case when you manifestly intervene to set cash limits; when you intervene to cut public expenditure and impose alternative costs on companies and consumers; and when you were clearly not a passive bystander on MLR? What is so different about intervention in industrial disputes?

/Prices/Charges ..

Prices/Charges

All along the line you as a Government have raised prices - VAT: gas and electricity; rents and rates; and family costs such as school meals and school transport. Is this not entirely contrary to your declared objective of bringing down inflation?

What hope can you offer the housebuyer and the small business? When will mortgage and interest charges come down?

Is anyone except the rich really any better off as a result of your tax cuts, given the massive rise in inflation since the Government took office? And what evidence is there that they are releasing new energy or even appreciated?

When do you see light at the end of the tunnel?

Is there any prospect that the rate of inflation will soon start falling?

Pay

We now clearly have a wages explosion on our hands with earnings rising by nearly 20% and thereby perpetuating very high inflation. Does this not really argue for an end to arms length relations with the TUC and the introduction of an incomes policy?

If you won't go for an incomes policy, is a wage freeze not on the cards? Will you rule out a freeze?

/How

How can you expect trade unions to moderate their pay claims when they see so much Government induced price inflation?

What incentive is there for trade unions to go for productivity agreements when, in the midst of rising unemployment and a deepening recession, these would inevitably result in a loss of jobs?

Unemployment

There are a number of working assumptions about the rise in unemployment - some suggesting it might go even as high as 3 million. Do these worry you? And are you doing anything about it, given that your cuts include those of the Manpower Services Commission?

Y Is it not a fact that steel closures will leave some towns devastated? And isn't there really a need for you to take crash special measures to alleviate the problems?

Aren't you being a bit insensitive and provocative with your plans for taxing, de-indexing, reducing or eliminating various social security payments?

Steel/BL

Is there any chance of your intervening to end the steel strike - say by slowing down redundancies and allowing redundancy money to sugar the pay offer?

Is not the consequence of the steel strike likely to be far more costly damage to the industry and the economy than the money now required to settle it?

/If

If you or your colleagues selected steel for a strike in order to make an example of them, are not events proving that this was a costly misjudgment?

What impact do you think the steel strike will have on subsequent negotiations - notably electricity supply; railwaymen? Have they got the message, do you think? Or will they see water as the example to follow? And why shouldn't they follow that example when the miners got away with 20% plus months ago?

Presumably you have taken encouragement from the Red Robbo decision? But can BL really survive in its present form?

Employment Bill

You can't win on this. Some newspapers and some of your own Backbenchers think it is pussy-footing while the trade unions are talking even in terms of a general strike to fight the Bill and your economic policies. Are you confident you have got it right? Or does the plan to publish a green paper this summer on trade union immunities simply confirm that you don't have much confidence in your new proposals?

If the criminal law is clear and the police have all the powers they need, why did Hadfields occur?

What on earth makes you think that anything will stop such a determined martyr as Scargill and his followers?

Why should employers be left to sue secondary blackers or picketers? And won't unions get round injunctions simply by ringing the changes on organisers so that an injunction is not worth the paper it is written on
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the moment it is served?

What makes you think your Government will get it right or succeed when successive Governments for 15 years have either chickened out or been beaten down?

Public Expenditure/Budget

Why are you having so much trouble cutting public expenditure, always assuming it's the right thing to do?

Will you get all the cuts you want in time for the Budget? If not, can we assume that there will be further tax increases, etc?

Is there not a real risk now of even higher interest rates?

Given the unwillingness of our partners to lighten our EEC Budget burden, can we possibly look forward to any further tax cuts? Don't we face dearer domestic beer, whisky and fags partly because of the great EEC rip-off?

Are you not getting the worst of all worlds through your public expenditure cutting process, since you have to leave it to others - local and health authorities - to implement the actual cuts? What are you going to do about their seeming preference for cutting services rather than waste and bloated bureaucracies?



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