

CONFIDENTIAL

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LEADER'S CONSULTATIVE COMMITTEE

69TH MEETING

5.00 p.m., Wednesday 9th July 1975, in the Leader's
Room at the House of Commons.

AGENDA

1. Minutes of the 67th and 68th Meetings - attached.
2. Future business.
3. Reactions to the Government's economic measures.
4. Any other business.

Conservative Research Department,
24 Old Queen Street, London, S.W.1.

CFP/SNW
8.7.75

LEADER'S CONSULTATIVE COMMITTEE

Minutes of the 69th Meeting held at 5.00 p.m. on Wednesday, 9th July 1975, in the Leader's Room at the House of Commons.

Present: Mrs. Thatcher (In the Chair)

Mr. Whitelaw, Sir Keith Joseph,
Sir Geoffrey Howe, Mr. Gilmour,
Mr. Maudling, Lord Carrington,
Mr. Prior, Mr. Peyton, Mr. Jenkin,
Mr. Maude, Mr. St. John-Stevas,
Mr. Heseltine, Mr. Raizon (later),
Mr. Edwards, Mr. Neave, Mr. Younger,
Mr. Fowler, Mrs. Oppenheim, Mr. Jopling.

Mr. Atkins.

Mr. Montgomery, Mr. Ryder, Mr. Shelton,
Mr. Patten, Mr. Ridley, Mr. Nicholson
(In attendance)

Apologies: Lord Hailsham, Lord Thorneycroft,
Mr. Buchanan-Smith.

1. Proposed Business of the Week

Mrs. Thatcher outlined the proposed business of the week 14th to 21st July.

On Monday, 14th July there would be a Supply Day with subjects to be decided. This would be followed by the remaining stages of the Northern Ireland (Emergency Provisions) (Amendment) Bill, and a Motion on the Northern Ireland (Appropriation) (No.2) Order (Mr. Neave, Mr. Miscampbell).

On Tuesday, 15th July Mr. Baith would seek leave to introduce his Bill of Rights under the 10 Minute Rule, and this would be followed by another Supply Day with subjects to be decided. This would be followed by the Lords' Amendments to the Coal Industry Bill and the remaining stages of the Safety of Sports Grounds Bill.

On Wednesday, 16th July Mr. Cyril Smith would seek leave to introduce his Electric Lighting Bill under the 10 Minute Rule, and this would be followed by the first day of the Report Stage of the Finance (no. 2) Bill (Sir Geoffrey Howe and team).

On Thursday, 17th July there would be the 2nd day of the Report Stage and the 3rd Reading of the Finance (No. 2) Bill (Sir Geoffrey Howe and team).

On Friday, 18th July there would be the 2nd Reading of the Policyholders Protection Bill (Mr. Higgins) and of the Fair Employment (Northern Ireland) Bill.

On Monday, 21st July there would be the first day of a two day debate on counter-inflation and the Government's White Paper.

2. Subjects for Supply Days

We had protested vigorously against having to take both these Supply Days together.

It was agreed that the first day (Monday) should be devoted to agriculture, stressing that confidence in the industry had collapsed. It would be on a motion for adjournment on which we would not vote.

There was a discussion of subjects for Tuesday. One suggestion was the question of the North London Polytechnic, to which Lord Amman had drawn attention by his letter in The Times. It was felt that, despite the abominable behaviour of the student militants there, the attitude of the Polytechnic's authorities was also vulnerable to criticism. Other suggestions were the Government's treatment of Parliament and the problems of the wall insulation industry, but it was decided to devote the first half to debating the Post Office (emphasising its inefficiency and overmanning) and the second half to the Conference on Security and Co-operation in Europe. It was noted that we were trying to debate the Bullock Report in the Government's time.

3. Coal Industry Bill

Since we were not voting earlier on Tuesday, it was agreed to seek to have the debate on this Bill, on which it was desirable to record a good vote, postponed for another week.

4. Bills in the Lords

Lord Carrington reported that the Government had been unwilling to make concessions on the Industry Bill, so the Conservative peers did not propose to co-operate with the Government in expediting its passage. Mr. Prior expressed the hope that the Lords would seek to deny the Employment Protection Bill to the Government before the session ended in October. But it was noted that this would be very difficult.

5. Timing of the First Half Day Meeting on Policy

In view of the two day debate on the Government's White Paper, it was no longer possible to have the first of these policy meetings on 21st July, and it was agreed to meet instead on the morning of 25th July.

6. Reactions to the Government's Counter Inflation Package

It was noted that the Government's statement would be made by Mr. Wilson or Mr. Healey at 11.00 a.m. on Friday and would be followed by a press conference at noon. It was understood that there would be a Bill to enforce the Government's policy on employers in the private sector, continuing sanctions such as the withholding of Government contracts and of aid under the Industry Act.

There was a discussion. Mrs. Oppenheim, Sir Geoffrey Howe, Mr. Prior and Mr. Jopling reported on the reactions of the C.B.I. and the food industry to the Government's proposals. It appeared that the C.B.I. would accept the £6 a week pay limit if they could obtain statutory enforcement of it, and they wanted a special board of arbitration for this purpose. They had not objected to an extension of price control and it was understood that Mr. Campbell Adamson had suggested that if the C.B.I. had taken up a position of more vigorous opposition there would have been a danger of a collapse of sterling.

It was noted that a £6 per week increase in pay in the food industry and agriculture would represent much more than 10 per cent,

as many of these employees were on below average earnings. It was understood that the Government proposed to revalue the "green pound" to help farming, but that this would mean food prices increasing by about per cent.

It was understood that while the C.B.I. had wanted the pay controls to be effective from the coming weekend, these would not take effect until 1st September, and there was likely to be pressure to obtain settlements before then.

It was agreed that the Research Department would relay reactions by members' special advisors and other outside bodies to the Shadow Cabinet, which would meet immediately after the Government's statement on Friday morning.

7. The Boyle Report on MPs' Salaries and Allowances

There was a discussion. It was understood that the Boyle Committee was recommending that salaries be increased up to £3,000. Some Members reported that a number of Conservative MPs were extremely hard pressed on present salaries, and that there was an obligation for the Party's spokesmen to stand up for their interests, as they were obviously reluctant to draw attention to their own problems. Others felt that Parliament's whole reputation was at stake and that unless the salary increases were related to the Government's pay curbs, the distrust and dislike for Parliament felt by many sections of the public would increase. Various compromises were suggested: a review of MPs' pay at the end of the year; letting the increase come by larger allowances rather than larger salaries (but it was strongly urged that this would not deceive the public); and accepting a 10 per cent annual increase back-dated by three years.

It was agreed that we should reiterate our protests that we had not been allowed to see the Boyle Report. When it was published (this was likely to be on Monday) Mr. Peyton would tell Mr. Mellish that we obviously could not react until we had fully studied and discussed the report.

The meeting closed at 6.10 p.m.