

10 DOWNING STREET

29th January, 1980

and

Prime Minister

GEOFFREY RIPPON

- 1. In case you did not see it, I attach his article which appeared in last Sunday's News of the World.
- 2. I think that it is not as hostile as it appears at first sight.
- 3. We all hate high interest rates, and there is merit in his assertion:-

"The truth is that instead of making necessary borrowing dearer, we must stop unnecessary spending".

- 4. Michael Jopling is concerned about a possible Heath/Rippon axis:
- 5. I wonder whether we could find some job for Geoffrey Rippon to do, and which would keep him out of mischief. He will be 56 in May.
- 6. We could risk a by-election in Hexham. Rippon's majority was 8548, over Labour but the Liberals polled 20% of the vote. Furthermore, Hexham shares long boundaries both with Roxburgh, Selkirk and Peebles and with Berwick upon Tweed.
- 7. Finally, you may be interested to see the story on the same page of the News of the World about Government Grant to the TUC.

29th January, 1980

Ian Gow

CONTRINE

Britannia waives the rules

THE Government keep on saying we can't spend money we haven't got.

Quite right, too. But if we haven't got it, why waive the roles for the Royal Yacht?

The Britannia is now at Portsmouth undergoing yet another costly refit. The Defence Ministry insist it is impossible to give the News of the World an estimate of the cost.

Our guess is that the dock-yard bill will not be much less than two million pounds.

Treasury chief John Biffen is warning that the nation is in for "three years of un-paralleled austerity."

Clearly, he doesn't include the Royal Yacht.

This floating white elephant has already cost us around thirteen million pounds over the last five years.

What is it going to be used for this year? The Ministry won't say, apart from sea



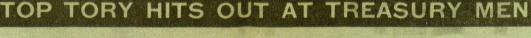
trials, and working the crew of 21 officers and 256 men up to the required pitch of plimsolled efficiency.

What did it do last year—apart from burn a ton of oil every seven miles?

It saved Prince Philip having to find a hotel for Cowes week.

took the Royals to Arabia, Denmark and the Scottish islands. And the Queen Mother to the Clyde and Dover.

British Airways would have taken good care of them. And for a lot less money.



WE JUST CANNOT

AFFORD ANY MORE



RIPPON: Warning

LAMENTABLE is the best word to describe Treasury forecasting over the last decade. Time and again the economic pundits have got it all wrong.

Successive Governments have been led into policy decisions sub-sequently found to be based on manifestly false premises.

Last year Chancellor of the Exchequer Sir Geoffrey Howe was warned by his experts to expect a balance of payments deficit of £750m.

In the event it has turned out to be three times as large.

His forecasters contemplated a degree of pay restraint which has been knocked sideways by the recent announcement that the average pay rise in the current round is running at 19.2 per cent.

Most damaging of all was the failure Most dainaging of an was the failure to foresee what was happening to money supply, which ultimately forced Sir Geoffrey to hike the minimum lending rate to a new record 14 per cent in order to control it. Only to be told in the Autumn that it was apparently continuing to rise.

Are we about to make the same mistakes again?

Will the Chancellor on March 26 bring out a Budget full of the usual unreliable Treasury guestimates?

We cannot afford to continue to found economic judgments on statistics that exist in a vacuum and are based on the assumption that there is no motive force coming from any other direction

It is like a man having his nose close to the grindstone that cannot see the wheel going

Change the policy, and you ange the statistics.

Instead of looking at historic and often misleading and in-accurately compiled mathematical tables, the Chancellor would do better to ask a dozen industrial-ists, retailers, small businessmen, farmers and householders how they see the future.

The most dangerous illusion of all is to think that control of the money supply can by itself succeed in dampening current inflationary tendencies.

Monetary policy, in the sense of

Geoffrey Rippon was a leading Heath Minister. He declined to serve in Mrs Thatcher's Shadow Cabinet and is now a back bencher.



SIR GEOFFREY AND LADY HOWE: A Budget in eight weeks

BY THE RT. HON.

GEOFFREY RIPPON QC

appreciating that a nation cannot indefinitely spend more than it earns, is an essential part of sound economic strategy.

But it cannot stand in isolation from fiscal and other measures.

Monetary management can do a limited amount of good. Monetary mismanagement may bring accelerating inflation and socal disaster.

I fear that our present mone-tary policies have been influenced not by what is happening today but by what we were dong in different circumstances in the early 1970s.

Strong

No longer is it a case of using high interest rates to moderate a boom or protect a weak cur-

a boom or protect a weak currency.

Today, thanks to North Sea oil, we have a strong petro-currency.

We have no need to strengthen the short-term exchange rate of sterling by attracting hot money from abroad that we do not want, to the detriment of the competitiveness of our exports.

Such a policy fuels rather than

Such a policy fuels rather than

contains inflation, albeit the ulti-mate result may be to turn reces-sion into depression.

Furthermore, excessively high interest rates discourage invest-ment, force up export prices, and threaten many small companies

with bankruptcy.

This is the unacceptable face of monetarism.

This is the unacceptable face of monetarism.

Even if interest rates were put up still further, they would not control the money supply.

Many people have no choice but to borrow—to pay the mortgage or the wages bill.

Others think the rate does not matter as they can pass it on to the consumer in higher prices.

And consumers in their turn seek to compensate themselves by higher wages and salaries.

One thing is certain. High interest rates substantially increase Government spending through the extra cost of servicing the public debt.

Asked about this in the House of Commons, the Chief Secretary to the Treasury, Mr John Biffen could give me no information about the effect in the current financial year of the increase in interest rates since the Budget.

l venture to suggest on my own account a figure of the order of £500 million in the current year—and for all subsequent years until the debt is repaid, or rendered valueless by continuing inflation.

Well may it be said of the Treasury that, like the peasants in Charles Lamb's essay, they know no better way to roast a pig than to burn the house down.

The truth is that instead of making necessary borrowing dearer, we must stop unnecessary spending. This is not a soft option.

I do not believe, however, that cuts in public expenditure need be indiscriminate. Not every service can bear the same percentage cut right across the board.

Balance

Nor is it any good attacking at the fringes, chipping the odd million or so off activities which are important to British overseas interests but which have no imme-diate domestic repercussion.

There must be enough flexibility to balance regional needs. And, above all, a proper apportionment between productive and non-productive expenditure and between public consumption, and public investment which creates wealth and jobs.

This is not easy, as I know from my experience in 1973 as Secretary of State for the Environment.

But it can be done.

And it must be done.

Just as the Government's tax policy is now rightly based on the principle pay-as-you-spend

rightly based on the principle pay-as-you-spend rather than pay-as-you-earn, so an essential part of the control of public expenditure is making people pay where appropriate for essential services before they spend on luxuries. on luxuries.

It also means ending abuses of social security and unemployment ben-offs

Just as the alternatives are grim, so the rewards of beating inflation will be great—in terms both of jobs and the creation of a genuine and lasting prosperity.

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INSIDE POLITICS

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By MARTIN TURNER FLAMENCO dancer Rosita Jurado dreamed of becoming an actress in Britain,

And she thought her big chance had come when she was ap-proached by a woman on her doorstep.

But instead of signing for what she be-lieved was an acting agency, it turned out that Rosita had joined

The mix-up started because the 37-year-old Rosita, who comes from Spain, did not understand English.

And it ended with the club, Lelsure Circle, threatening her with court action over an unpaid bill.

Rosita, who is married to Englishman George Curry, had been trying to get work as a television extra.

"A few weeks later, a woman knocked on my door and I thought she was from an act-ing agency," she sald. "It seemed to be my chance of a lifetime, so I told the woman in



ROSITA: Mix-up

my very bad English that I was Interested. "The woman re-turned a week later with a form which I signed.

"I heard nothing for three months. Then, a book arrived through the post and I got a letter from Leisure Circle saying that I owed them £4.64.

"I sent the book back but they returned it saying that I must pay up, I sent it back again."

Two more books arrived at Rosita's home in Kingsbury Road, Hendon, North

Then she received another letter which said she would be taken to court if she did not pay the £4.64 within seven days.

A spokesman for Leisure Circle, which is based in Wembley. London, said: "Had we known that this lady was unable to understand English we wouldn't have had her as a member."

as a member.

"We shall now send her a pre-paid envelope for the return of the books and take no further action."

I'LL DIE TONIGHT TRAGIC DEBBIE

AS 13-year-old Deborah Hawley was tucked into bed she turned to her little brother and said: "I'm not kissing you goodnight, I'm kissing you goodbye."

The next morning she was dead, the victim of the "cot death syndrome which is almost unknown among teenagers.

Her heartbroken mother, Mrs Barbara Hawley, a 37-year-old nursing sister, told me of Deborah's tragic last night and how she predicted she

"Deborah was all around me," she said. "She kept hugging me and saying 'You do know how much I love you, don't you, Mummy?'

"I had recently had an operation and wasn't feeling too strong. She kept mothering me. She insisted on cooking an egg for my supper and filled a hot water bottle for me.

"And she asked her 14-year-old sister Anthea to look after her goldfish and kitten, and to take care of me because she was going to die."

CHILDISH

"Anthea didn't take it seriously and just told her not to be so dramatic. "When I tucked her up with her six-year-old brother and she talked of kissing him goodbye, I told her not to

"I dismissed it as childish nonsense." Earlier Deborah had complained of stomach pains so Mrs Hawley checked her at 4 a.m. She was sleeping peace-

But at 7.15 she was dead.

"She had obviously not been in any pain or distress," said Mrs Hawley. "She lay as she always did with both hands tucked under ther chin and with an expression of peace on her

"There was no fear. I suppose in some way she must have known she was going to die.'

Deborah, an athlete and brilliant in from school every day."

By BARRY POWELL

"We're a very close and loving scholar, had never suffered a serious family and I reassured her.
"I had recently had an operation She was the victim of a disease

She was the victim of a disease which kills more than 2,000 babies and toddlers in Britain every year.

The cause of "cot deaths" is a rapid attack of virus pneumonia which slows down the breathing and leaves the lungs full of blood.

Mrs Hawley, of Meadway, Ilford, Essex, said: "Deborah could be a strange, quiet child on occasions—more involved with sport, reading and her pets than with dances or going out.

"Some months ago I had a strange dream concerning a death in the family. Deborah was in that dream but nothing seemed to point to her.

SHATTERED

As her death occurred naturally, there was no inquest.

Her 40-year-old father George, who works at Ford's Dagenham plant, is shattered, said Mrs Hawley. "He

"I've tried to comfort her but she has been prescribed sedatives to help her sleep.

"I've lowly coming to terms with

"I'm slowly coming to terms with losing my daughter although I still feel her presence around the house.
"And I expect her to come rushing

His secret yearning for the woman next door

A YOUNG bachelor with secret desires for a married woman pushed a letter through her door. It read: "You don't know me, but I know you. You were recommended to me by one of your former sex partners (wife - swapping

association).

"I am 20, good-looking and I think you are very attractive and experienced in the art of love-making. But I am not.

"Do not let your husband know. Switch the bedroom lights on and off twice to let me know we can meet. Signal this on Saturday night."

GREAT COLOUR PRINTS

By DAVID LESLIE

The letter finished: "I love you" and was signed "Your secret lover." But it was not long be-fore the 35-year-old woman

was able to put a name to her admirer, a court heard. For while her husband was on the nightshift, 20-year-old Christopher Adams stripped in her garden, crept into her bedroom and switched on the light. But he fled down the street, frantically trying to

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the estate that she didn't know was harbouring these secret desires for her filled her with fear and despair.

Police

"She took the letter straight to the police.
"Meanwhile, Adams brooded on his desires for another two weeks.
"He went into the house in a highly charged sexual state with the intention of having intercourse, come hell or high water, but he panicked and did not go through with it.
"This woman was clearly put in fear and that can constitute assault. In this case, it was certainly in circumstances of indecency."

this case, it was certainly in circumstances of indecency."

Mr Faulks said the woman and her family had since moved.

Mr Timothy Bubb, for Adams said: "Though the circumstances were horrific it was the action of a stupid and immature young man."

He said Adams was getting married in April.

Happy wedding anniversary!

THE NEWS OF THE WORLD sends greetings to these readers on their wedding anniversaries. Sixty-five years. - Mr and Mrs Cox, Whitchurch Avenue, Edg-

F. Cox. Whitchurch Avenue, Edgware, London, ware, London, ware, London, London

Kent.
Fifty-three years. — Mr and
Mrs W. Ellis, Lansbury Road,
Sutton-in-Ashfield, Notts,
Golden, Mr and Mrs F.
Smith Hodgson Road, Norwich,
Mr and Mrs J. MacDonald, Johnstone A. Aenue, Stenhousemuir,
Stirlingshire.

put his shirt back on, when she screamed.

The woman, a mother of four, wept as she told Teesside Crown Court: "I've known Christopher for 14 years Our families were friends. But I've never encouraged him to think that he might have sex with me."

Adams, of Broughton Avenue, Easterside, Middlesbrough, was remanded in custody for reports after pleading guilty to indecent assault.

Mr Esmund Faulks, prosecuting, told the court: "This woman was highly respectable and the thought that someone on the estate that she didn't know was harden.

Think again-please.

FOR the life of me I can't see why every-one's so surprised that Dudley Moore is our latest male sex symbol. "But he's so short,"

Just shows the difference in the sexes, doesn't it? Men might be attracted initially by boobs or bottoms or whatever.

so important to women. What turns us on is

And of course all women love a chap who makes them laugh. Given both, Dud can't fail, can he?

the Week

Whitehouse? Some stuffy old judge? No, none other than the world's greatest nudie goddess herself, Brigitte

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0507





DID you hear about those Women's Lib-bers who gate-crashed a men-only bar in Cardiff and then kicked up hell when they were thrown

I shudder to imagine the scene.

Furious liberated women in full cry for their equal rights put the fear of God in me. Goodness knows what it must do to an "unliberated" man.

Yes, of course I believe in equal pay and equal opportunity, but I defi-nitely do not agree with equal drinking arrange-

I was once asked to march down Fleet Street carrying a banner protesting because women journalists were not then allowed to join the allmale Press Club. I refused.

Nor would I join a group of female colleagues who stormed a local tavern which wouldn't let us stand at the bar.

The way I look at it is this: Men would never dream of invading our powder rooms.

Nor would they gate-crash one of those cosy, catty, all-female sessions where we tear everyone to pieces. Nor would want them to.

So if chaps want to have a few beers by themselves, and let their hair down, and talk about football or sex or poli-tics—or us!—or what-ever they jaw about when we're not around, OK, let 'em, I say.

Appalling

CALL me old-fashioned if you like—and I don't care if you do in this instance—but I am appalled at a Middlesex council's decision to bar engaged couples from their housing list, unless they are already living together.

Listen, you "trendy" council members, there are still thousands of youngsters-in-love in this country who prefer not to follow the trend and live together before marriage.

Why should their virtue be punished in this unfair way?

Eye, eye

most men say, bemused. "He's only five-foot-two."

But looks aren't nearly

what turns us on is the sort of man who obviously knows all about us. And one look at those knowledgeable Dudley eyes and you know he knows.

Quote of

M ABOUT nudity: "All this display of human flesh is not nice to look at. People would be better to hide them-selves."

Oh, how she's grown up. Or grown older?

This week in your exciting

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