

LEADER'S CONSULTATIVE COMMITTEE

Minutes of the 214th Meeting held at 5.00 p.m.
on Monday, 10th July 1978, in the Leader's
Room at the House of Commons.

Present: Mrs. Thatcher (in the Chair)

Mr. Whitelaw, Sir Keith Joseph,
Lord Carrington, Lord Hailsham,
Lord Thorncroft, Sir Geoffrey Howe,
Mr. Prior, Mr. Pym, Sir Ian Gilmour,
Mr. Jenkin, Mr. Peyton, Mr. Davies,
Mr. Neave, Mr. Heseltine,
Mr. St. John Stevas, Mr. Maude,
Mr. Edwards, Mr. Nott,
Mrs. Oppenheim, Mr. King, Mr. Taylor.

Mr. Atkins.

In attendance: Sir Michael Havers, Mr. Fowler,
Mr. Nicholas Ridley, Mr. Rossi,
Mr. Stanley, Mr. Butler, Mr. Patten
Mr. Wolfson, Mr. Ridley,
Mr. Nicholson, Mr. Houston.

1. Rhodesia

Mr. Davies reported on his visit to Rhodesia and Zambia, in particular on the tardiness of the Rhodesian Government in carrying out the internal settlement fully, increasing suspicion about the settlement, the problems over the holding of an election in present circumstances, the state of the economy, the security situation and the attitude of President Kaunda.

2. Sale of Council Houses, LCC(78)182

There was a further discussion on this paper and the paper was agreed subject to the following points:

(i) It was not desirable to give local authorities too much discretion, especially over the operation of the safeguards as proposed on paragraph 4, as Labour authorities would use these to delay the implementation of the scheme.

(ii) As agreed at the previous meeting, various detailed points relating to the position in Scotland would be resolved by the appropriate spokesmen.

(iii) Our approach to the problem raised on page 4 should be settled on the following lines: there would be an absolute right to buy but a qualified right to resell on the lines proposed in the second paragraph of page 4.

(iv) We should consult in detail with representatives of all local authorities to see how extensive were the problems arising from the existence of limited but essential council

house stock in rural and seaside areas and in national parks, and for the provision of sheltered housing for old people. There would be a general form of words in the Manifesto to indicate that we were aware of these problems and would seek to resolve them. There would be also the fullest possible discussion with the district councils while the legislation was being framed, although our intention to legislate in the first year of office would limit the time available for this. It was noted that legislation in New Zealand might be of assistance.

(v) We should seek to make it impossible for people to use the scheme to buy a second home. It was noted, for example, that a wife might seek to buy in her own name what would be, in effect, a second family home. We should examine how a restrictive covenant might be drawn up to prevent this, and also examine the provisions of the existing legislation to prevent owners of second homes obtaining improvement grants.

(vi) We should not refer in detail in the Manifesto to the provision of mortgages, for the purchase of council houses, by building societies and local authorities. It was desirable to obtain as much building society money as possible to assist those taking advantage of the scheme.

(vii) In view of the complex financial problems relating to the provision of 100 per cent mortgages, and to an alternative proposal (viz. guarantees to building societies for the provision of 100 per cent mortgages to purchasers of council houses) there would be further discussion between Sir Geoffrey Howe, Mr. Heseltine, Mr. Lawson and Mr. Rossi. We would put specific questions on this subject to Mr. Cutler, Mr. Bellow and Mr. Grugeon.

(viii) Mr. Heseltine would discuss with Lord Thorneycroft the preparations for our coming campaign on this subject.

3. Nationalised Industries, LCC(78)180

There was a discussion of Mr. Nicholas Ridley's paper on policy for the nationalised industries. The paper was generally agreed subject to the discussion in the Leader's Steering Committee on 3rd July and to the following points:

(i) We should seek to draw attention to the distortion practised by certain nationalised industries, in particular British Rail; they sometimes claimed that they were making a profit when in fact, taking into account subsidy and depreciation, they were making a substantial loss. The proposals in section 5 were agreed. In particular it was necessary to have a unit composed of experts who would spend most of their lives in the public service dealing with the finances of nationalised industries.

(ii) We were opposed to the introduction of a 2-tier board system as suggested in section 9 on page 3.

(iii) We should not refer to the General Enabling Powers Bill as proposed in section 10 on page 4 in a Manifesto. In argument, we would use the monopoly examples given there and obtain more. It was noted that there were powers under the Fair Trading Act to refer nationalised industries to the Monopolies Commission and the Research Department would check whether the then Secretary of State for Trade and Industry had been specifically prevented from making such references.

(iv) With reference to the proposal in section 12, we did not wish to give the impression that we would constantly restructure the nationalised industries.

(v) We would not publish the proposals in section 13 on denationalisation, which were to be somewhat amended and clarified as a result of the discussion in the Leader's Steering Committee.

(vi) In general, we would emphasise that we were concerned that the nationalised industries should be successful and that we recognised the important contribution they made, for example, to our export earnings.

4. Other Business

Mrs. Oppenheim raised the question of an order under the Weights and Measures Act to make it an offence to sell pre-packed goods, flour etc., in other than prescribed metric measures. It was agreed that we would seek eventually to debate the measure on the floor of the House so that members might vote on it.

The meeting closed at 6.45 p.m.