

LEADER'S CONSULTATIVE COMMITTEE

Minutes of the 200th Meeting held at 5.00 p.m. on Wednesday, 19th April 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. Peyton, Mr. Davies, Mr. Jenkin, Mr. Neave, Mr. Heseltine, Mr. St. John Stevas, Mr. Naude, Mr. Edwards, Mr. Nott, Mrs. Oppenheim, Mr. King, Mr. Taylor.

Mr. Atkins.

In attendance: Sir Michael Havers, Mr. Butler, Mr. Stanley, Mr. Patten, Mr. Ridley, Mr. Nicholson.
Lady Elles and Mr. Hurd for Item 5 only.

1. Proposed Business for the Week 24th-28th April

On Monday, 24th April, there would be the Second Reading of the Nuclear Safeguards and Electricity (Finance) Bill (Mr. King, Mr. Gray). This would be followed by the Motion on the Weights and Measures Act 1963 (Potatoes) Order (Mrs. Oppenheim).

On Tuesday, 25th April, Mr. J. Hannam would seek leave to introduce his Liquor Prizes Bill under the 10 Minute Rule. This would be followed by the completion of the committee stage of the Wales Bill (Mr. Pym and team).

On Wednesday, 26th April, Mr. G. Shaw would seek leave to introduce his British Rail Catering Bill under the 10 Minute Rule. This would be followed by the remaining stages of the Inner Urban Areas Bill (Mr. Alison) and of the Home Purchase Assistance and Housing Guarantee Corporation Bill (Mr. Rossi).

On Thursday, 27th April, there would be the Second Reading of the Finance Bill (Exempted Business). This would be followed by the remaining stages of the Trustee Savings Banks Bill (Mr. Tapsell) and by the Lords Amendments to the Shipbuilding (Redundancy Payments) Bill (Mr. Lamont).

On Friday, 28th April, there would be the Private Members' Bills of Mr. Trotter and Sir Brandon Rhys Williams.

2. Matters Arising on Business

It was agreed that we would not vote on the motion on the Weights and Measures Act 1963 (Potatoes) Order, nor on the Second Reading of the Finance Bill and on the Lords Amendments to the Shipbuilding (Redundancy Payments) Bill.

3. Subjects for the Supply Day

There was a discussion and it was agreed that if there were to be a Supply Day on Wednesday, 26th April, we should debate industrial relations in the press, carefully seeking to avoid the possibility of the Lonrho bid for the Glasgow Herald being raised from any part of the House. Mr. Prior and Mr. Maude would be our speakers and we would not vote. If the servicemen's pay issue developed then we should consider debating that instead.

4. Amendments to the Finance Bill

Sir Geoffrey Howe reported on the views hitherto expressed by the Finance Committee, adding that its discussion of the subject had not been completed. It was noted that amendments could not be tabled until after the Second Reading. The following points were agreed:

(i) Our object was to defeat the Government on as many occasions as, with reason, we could, and also to call the Liberals' bluff on their extravagant claims. If our tactics and the response of the minor parties resulted in the Government being forced to go to the country we should accept that challenge with enthusiasm.

(ii) Our main amendments would be to reduce the higher and standard rates of income tax.

(iii) A decision on whether to press for a 2p or 1p cut in the standard rate would be taken at the next meeting. We were conscious that there was a danger that if we tabled an amendment for a 1p cut the Government might accept that cut, taking the credit while attacking us for irresponsibility if the £ later came under strain.

(iv) Whichever way we decided on (iii) we should emphasise that we could not, simply by tabling amendments, convert a Socialist budget into a Conservative budget; that there were various ways in which the Government could recoup the loss of income tax revenue, such as 10% VAT and, above all, spending cuts, and that if we carried our amendments to reduce income tax it was up to the Government to decide what changes to make in consequence.

5. European Democratic Union

Mrs. Thatcher reported that she and others were visiting Salzburg the coming weekend to set up a new alliance with a large number of European parties of the centre-right. It was noted that there was no question of fusion with any of these parties; and that there naturally remained a number of points on which we had disagreements over emphasis. It was agreed that where an arrangement existed with one party in a particular country, other parties should be involved only with the agreement of that first party.

6. Other Business

(a) Manifesto discussions

It was agreed that the Committee would meet from 5.00 to 7.30 p.m. on Monday, 8th May, to complete the discussion on the Manifesto papers, LCC(78)175.

(b) Security

Mrs. Thatcher referred to the leak in the Times of aspects of the report of Lord Carrington's committee on the Authority of Government. It was agreed that when such leaks occurred it was best to say nothing to the press either confirming or denying that the leaks were genuine. If we were pressed on the general subject discussed in the report we should say that we were naturally concerned at the effect on ordinary people of industrial strife, and also make the point that it was Mr. Callaghan who seemed to be a specialist in using troops to break strikes.

(c) British Airways

Mr. Nott reported on the various companies interested in the British Airways order for new aircraft. It was agreed that it would not be appropriate for us to say anything at the present time; we needed to obtain as much information as possible from all appropriate sources.

(d) "Pork Barrelling"

There was a discussion on this subject: viz. evidence that the Government was channelling a disproportionate amount of funds from various sources into marginal constituencies. It was agreed that this was not an appropriate subject for a Supply Day, that the Research Department should continue their work of collecting examples, but that the results should be used selectively in non-marginal seats and with care since it could not be assumed that voters in marginal constituencies were averse to this sort of behaviour by the Government.

The meeting closed at 6.10 p.m.