

LEADER'S CONSULTATIVE COMMITTEE

Minutes of the 204th Meeting held at 5.00 p.m. on Wednesday, 10th May 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 Thorneycroft, Mr. Prior, Mr. Pym, Sir Ian Gilmour, Mr. Peyton, Mr. Jenkin, Mr. Davies, Mr. Neave, Mr. Heseltine, Mr. St. John Stevas, Mr. Maude, Mr. Edwards, Mr. Nott, Mrs. Oppenheim, Mr. King.

Mr. Atkins.

In attendance: Sir Michael Havers, Lord Denham, Mr. Butler, Mr. Stanley, Mr. Patten, Mr. Ridley, Mr. Nicholson.

Apologies: Lord Hailsham, Sir Geoffrey Howe, Mr. Taylor.

1. Proposed Business for the Week 15th-22nd May

On Monday, 15th May, there would be the Private Members' Motions of Mr. du Cann and Mr. R. Page. These would be followed by a Motion relating to the Town and Country Planning (Windscale and Calder Works) Special Development Order (Mr. Heseltine, Mr. King) and by the Lords Amendments to the Housing (Financial Provisions) (Scotland) Bill (Mr. Taylor, Mr. Younger).

On Tuesday, 16th May, Mr. J. Cope would seek leave to introduce his Government Contracts Bill under the 10 Minute Rule. This would be followed by the Committee Stage of the Finance Bill (Sir Geoffrey Howe and team).

On Wednesday, 17th May, Mr. T. Litterick would seek leave to introduce his British Leyland (Dismissal of Directors) Bill under the 10 Minute Rule. This would be followed by the remaining stages of the Transport Bill (Mr. Fowler).

On Thursday, 18th May, there would be a Supply Day. This would be followed by a Motion on the Financial Assistance for Industry (Increase of Limit) Order.

On Friday, 19th May, there would be Government business: the Second Reading of the Homes Insulation Bill (Mr. Sainsbury, Mr. Morris) and of the Solomon Islands Bill (Mr. Luce); and the remaining stages of the Independent Broadcasting Authority Bill (Mr. Critchley) and of the Domestic Proceedings and Magistrates Courts Bill (Mr. Sims).

On Monday, 22nd May, there would be a Supply Day. This would be followed by a Prayer on Bread Prices (Mrs. Oppenheim).

2. Matters Arising on Business

There was a discussion and the following points were agreed:

(i) There would be no whip on the Motion relating to the Town and Country Planning (Windscale and Calder Works) Special Development Order.

(ii) There would be a 2 line whip for the 3rd day of the Committee Stage of the Finance Bill.

(iii) We would seek to find out more about the background to the Motion on the Financial Assistance for Industry (Increase of Limit) Order and seek to postpone this debate until this information was forthcoming.

(iv) We would not vote on the Prayer on bread prices.

3. Subjects for the Supply Days

There was a discussion and it was agreed that we would debate the Newspaper Industry, with special reference to SLADE, on the Supply Day on 18th May. Mr. Prior and Mr. Maude would be our speakers and we would not vote. We would debate Servicemen's Pay the following Monday, on a motion to reduce Mr. Mulley's salary to the level of some appropriate military rank. Sir Ian Cilmour and Mr. Churchill would speak and we would vote on a 3 line whip. It was noted that the form of the motion would permit our speakers to raise other matters relating to defence.

It was also agreed that it was desirable to debate the construction industry, fisheries and unemployment in the near future.

4. The Doctors' and Dentists' Pay Award

Mr. Jenkin reported on this subject. There was a discussion and the following points were agreed:

(i) A number of factors would make it imperative for us to honour the undertaking given on future pay trends to the doctors. Mr. Jenkin would indicate this if pressed for a statement.

(ii) We should find how many people had now received commitments from the Government on their pay after the present pay round, the likely cost of these commitments and the danger of initiating an escalation in public sector pay similar to that which took place in 1974-5.

(iii) We should examine the future constitution of the Pay Research Unit.

5. Weekend Speeches

It was noted that Mr. Prior was sending a letter to the Conservative trade unionists on Sunday night on the subject of employee participation, that Mr. Jenkin was speaking to the Annual General Meeting of the Child Poverty Action Group, and that Mr. Whitelaw was speaking to the annual meeting of Mrs. Whitehouse's organisation.

6. Unemployment

Mr. Prior introduced a discussion, pointing out that most long-term forecasts suggested that unemployment was likely to rise over the next few years. There was a long discussion and the following points were agreed:

(i) We should take account of the fact that, in Opposition, the Labour Party would not show the same restraint and responsibility on unemployment as we had done. The TUC was already encountering considerable criticism at individual union conferences.

(ii) We should examine the provision of training, especially for the 14-19 age group. It was important to ensure that training was available for skills that were in demand, and to redress the waste involved where skill centres either had vacancies for training or were training people who would then go to work for our competitors abroad. We could indicate that the current reluctance to train for a skill was largely explained by lack of incentives and lack of differentials.

(iii) We should draw attention to the important role of trade unions in increasing employment by removing restrictive practices and reducing unit labour costs.

(iv) Sir Keith Joseph would discuss a talk he was preparing on the unemployment and vacancies statistics with Mr. Prior.

(v) We should take care when attacking overmanning, waste and bureaucracy not to give the impression that the net effect of our policies would be to increase unemployment permanently.

(vi) We should draw attention to the fact that our proportion of trade with the rest of the EEC was still very low compared to our individual competitors.

(vii) On the subject of policies to combat rising unemployment, we should shift the emphasis from job creation schemes and other palliatives to the need to mobilise Britain's considerable unused resources.

(viii) Mr. Whitelaw was invited to make a study of how young people might be given more opportunity of serving in VSO, community service or similar activities on leaving school.

(ix) The importance of raising standards in schools was stressed as a means of ensuring that young people left school equipped to face the challenges of seeking employment.

7. Future Meetings

There would be a full meeting the following Monday, 15th May, to conclude the discussion on the Manifesto papers.

The meeting closed at 6.10 p.m.