

CONFIDENTIAL

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LEADER'S CONSULTATIVE COMMITTEE

216TH MEETING

3.00-6.15 p.m., Wednesday, 19th July 1978, in
the Leader's Room at the House of Commons.

AGENDA

1. Future Business.
2. Forthcoming Events.
3. First draft of the Manifesto,
LCC(78)183 - previously circulated.
4. Any other business.

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CFP/MMM
17.7.78

LEADER'S CONSULTATIVE COMMITTEE

Minutes of the 216th Meeting held at 3.00 p.m.
on Wednesday, 19th 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 Thorneycroft, Sir Geoffrey Howe,
Mr. Prior, Mr. Pym, Sir Ian Gilmour,
Mr. Jenkin, Mr. Peyton, Mr. Davies,
Mr. Neave, Mr. Heseltine, Mr. Maude,
Mr. Edwards, Mr. Nott, Mrs. Oppenheim,
Mr. King, Mr. Taylor.

Mr. Atkins.

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

Apologies: Mr. St. John Stevas.

1. Proposed Business for the Week 24th July -2nd August

On Monday, 24th July, there would be a Supply Day. This would be followed by a Motion on the Dock Labour Scheme 1978 (Mr. Prior), by Lord's Messages, if any, on the House of Commons (Administration) Bill and the Employment (Continental Shelf) Bill.

On Tuesday, 25th July, Mr. R. Page would seek leave to introduce his Employment Protection (Amendment) (No.2) Bill under the 10 Minute Rule. This would be followed by the Lords Amendments to the Transport Bill (Mr. Fowler) and by Motions on the Drivers' Hours (Harmonisation with Community Rules) Regulations and on the Community Road Transport Rules (Exemptions) Regulations.

On Wednesday, 26th July, Mr. A. Hamilton would seek leave to introduce his Independent Broadcasting Authority (Local and Community) Radio Bill under the 10 Minute Rule. This would be followed by Lords Messages, if any, on the Scotland and Wales Bills (Mr. Pym and team), and on the Parliamentary Pensions Bill.

On Thursday, 27th July, there would be a debate on the economy, or on the White Paper on Pay Policy.

On Friday, 28th July, there would be Government business: Motions on Ministers' and Members' Allowances, Salaries and Pensions and a Motion on the Fifth Report from the Select Committee on House of Commons (Services) on the New Parliamentary Building.

On Monday, 31st July, there would be proceedings on the Consolidated Fund (Appropriation) Bill.

On Tuesday, 1st August, Mrs. G. Dunwoody would seek leave to introduce her Libel Bill under the 10 Minute Rule. This would be followed by a debate on Rhodesia.

On Wednesday, 2nd August, Mr. T. Renton would seek leave to introduce his Private Rented Accommodation Bill under the 10 Minute Rule. This would be followed by questions and by the Summer Adjournment debates.

2. Matters Arising on Business

There was a discussion and the following points were agreed:

(i) There would be a 2 line whip for Lords' Amendments to the Transport Bill on 25th July.

(ii) There would be a precautionary running 3 line whip on 26th July on Lords' Messages on the Scotland and Wales Bills.

(iii) If, as expected, the Prime Minister spoke in the economic debate on 27th July, Mrs. Thatcher would open for us and Sir Geoffrey Howe would close. There would be a 3 line whip.

(iv) There would be a 2 line whip for the debate on Rhodesia on 1st August. Mr. Davies and Mr. Luce would speak.

(v) If there were a Bill to continue dividend control we should vote against it on Second Reading.

3. Subjects for the Supply Day

There was a short discussion and it was agreed that we should debate unemployment on 24th July on a Motion to reduce Mr. Booth's salary. Our speakers would be Mr. Hayhoe and Mr. Teddy Taylor. We should try to arrange for backbench speeches from MPs representing the various regions, particularly those like Wales, the North-West, the South West and the West Midlands which had very high unemployment or where there were a number of marginal seats.

4. Date of the Referendum on Scotland and Wales

There was a short discussion on when the Prime Minister was likely to arrange to have a referendum on the Assemblies set up by the Scotland and Wales Bills. It was noted that the spring of 1979 was the most likely time.

5. Discussion of the first draft of the Manifesto

Mrs. Thatcher introduced the first draft of the Manifesto, LCC(78)188. There was a general discussion and the following points were agreed:

(i) Each individual member of the Shadow Cabinet was responsible for checking the accuracy of statements dealing with his appropriate subject and for sending, in duplicate, to Mr. Maude and to Mr. Patten any further comments. Members wishing to insert material were requested to seek to balance this by suggesting possible deletions.

(ii) In addition to the full Manifesto, a shorter document expounding the main points of our case was desirable.

(iii) The title of the introduction, "Britain Deserves Better", was provisional. It was desirable to emphasise more the theme of reviving Britain.

(iv) The first three pages would be revised to sharpen the argument, which was thought to be too complex.

(v) Care would need to be taken in cutting the length of the main document so as not to damage the flow of the argument.

(vi) We should seek to emphasise more the point on tax incentives, and to emphasise the desirability of creating industrial confidence and continuity in industrial policy.

(vii) It was necessary to emphasise both the grave dangers that would face the country if present policies continued unchanged and also the great opportunities that awaited Britain if the right Government with the right policies was elected.

(viii) We needed to say more on constitutional matters. Mr. Pym had submitted a draft, LCC(78)184.

(ix) We should take extra care in not giving "hostage to fortune" - quotations that might be exploited out of context by our opponents. The references to the Scottish and Welsh Development Agencies were cited as examples.

(x) We should establish more balance between what we would do over tax for the average voter, and what we would do for the wealthy. It was not satisfactory to have a specific figure (the 60% limit) for the latter and nothing so specific for the former.

(xi) Our proposals on education and ownership should be made more emphatic.

(xii) We should bring out the argument that Socialism had divided our people and had encouraged envy.

(xiii) We should seek, where possible, to reduce the commitments requiring legislation. As drafted at present, the Manifesto committed us to an enormous legislative programme.

(xiv) We should seek to tone down several commitments: we should make the document appear less of a shopping list of promises so as to fulfil the claim at the end that we had not sought "to present a shopping list of bribes".

(xv) We should take care not to be too gloomy about the past, in particular the attempts to reverse the decline of Britain made under the last Conservative Government.

(xvi) Two points were important: a) the argument that the last 12 months had not been typical and that a Labour Government with a majority and with Labour's Programme would be very different; and b) the importance of attracting Liberal voters. To achieve the latter objective, we should emphasise the fact that our policies would unite the nation, although our desire for unity did not imply compromise with Messrs. Foot and Benn. We could refer to the disappointed hopes of those who had voted Liberal, betrayed through their Party's pact with Labour, and to the disillusionment of long-term Labour voters who had seen their party decline from that which existed under Attlee, Bevin and Gaitskell.

There when followed a discussion on the particular sections of the Manifesto and the following was agreed:

Page 3

(i) Point one would simply state that our aim was to bring inflation down: we would not refer to the levels of the 1950s.

(ii) In referring to the balance of payments there would be emphasis on the need to ensure more self-sufficiency in Britain's food supplies.

Page 4

(iii) In point 2 there would be a reference to the need to encourage industry to create more wealth. There should be a reference to these 10 points to productivity and output.

Page 5

(iv) Point 8 would be strengthened with reference to Mr. Pym's proposed passage.

(v) We should consider separating the reference to the development of the European Community and the reference to deterring Soviet aggression.

"Rebuilding a Stable Economy"

(i) There was considerable scope for cuts in this section.

(ii) We should emphasise the fact that inflation was "public enemy number one" at the opening.

Page 6

(iii) The third paragraph on fixed exchange rates should be redrafted: there should be a reference to the Bremen proposals.

Page 7

(iv) The second paragraph on public spending should be redrafted: the first sentence should be omitted.

(v) The reference to cutting "indiscriminate grants and subsidies" in the fourth paragraph should be omitted.

(vi) In the fifth paragraph the second sentence should be redrafted to read: "We will scrutinise the work ..."

(vii) The sixth paragraph should indicate our desire to cut the size of the Civil Service where possible.

Page 8

(viii) In the second paragraph there should be a tribute to the people who worked in the public sector, particularly in the nationalised industries.

(ix) The last sentence should give examples of how the nationalised industries might operate under more competitive conditions.

(x) In the third paragraph omit the words "Free from Government interference".

(xi) In the fourth paragraph omit the reference to Labour's pay guideline having been "turned into a rigid ceiling".

Page 9

(xii) In the second paragraph omit the second sentence.

(xiii) The third paragraph should be redrafted omitting the word "widely" in the second sentence which should continue "according to various factors, such as the profitability of the undertaking..."

Page 10

(xiv) In the third paragraph there should be a reference to the pay grievances of the doctors.

(xv) The fourth paragraph should be redrafted omitting "not controls" in the heading.

(xvi) Mrs. Oppenheim would draft a passage on the doubling of food prices for insertion at this point.

"Revival and Enterprise", page 11

(i) Sir Keith Joseph would draft a sentence covering our policy to offer back the aircraft and shipbuilding industries to those interested in buying them.

(ii) Mr. Taylor would redraft the second paragraph: there would be a reference to "careful consideration" before any changes in the regional grant system were made.

Page 12

(iii) Redraft the third paragraph to indicate our intention to keep the National Enterprise Board but deprive it of the power to buy into profitable industry. Sir Keith Joseph would supply a draft (Note: for 1976 Industry Act, read 1975).

Page 13

(iv) Third paragraph (Rebuilding Profits), omit third sentence.

(v) On cutting taxes see earlier point; tax cuts should be emphasised more in the introduction and the reference to 60% should be omitted; we should refer instead to reducing tax rates to the average prevailing in the European countries.

Page 14

(vi) Second paragraph, delete last two sentences (referring to short-term benefits and reduction of top rate of 60%).

Page 15

(vii) Last paragraph, our proposals relating to the Employment Protection Act should be expounded in a speech: we should not pledge ourselves in the Manifesto to do anything specific.

Page 16

(viii) Mr. Peyton would submit a redraft of the passage on agriculture.

Page 17

(ix) Mr. Maude would condense the section on energy.

Pages 18-19

(x) Mr. Folwer would draft a short passage for insertion in the transport section referring to our intention to encourage private investment into the National Freight Corporation and reduce the road construction units.

(xi) In the second paragraph of page 19, we should specify that the elimination of freight subsidies did not apply to services to the Scottish islands.

(xii) Mr. Prior and Sir Keith Joseph would redraft the section, "Creating New Jobs", on pages 19-20 to make this theme more prominent and include some more specific suggestions. The reference to the "Open Tech" would be omitted.

"One Nation at Work"

(i) Mr. Prior would consolidate the three sub-paragraphs on page 22. We should not give the impression that we were satisfied with ACAS's performance.

(ii) Last paragraph, page 22, omit "amounting to the removal of rights of investors".

(iii) There should be a reference to the importance of the role of managers.

Page 23

(iv) Third paragraph, redraft first sentence to take account of the individual's right not to become a member of a trade union.

(v) In the second sentence refer to "impartial conduct" and "approved electoral system".

Page 24

(vi) Second sub-paragraph, the position was that compensation was obtainable from the employer except where an individual was expelled or excluded from membership of a trade union, in which case the compensation would fall on the union.

(vii) The proposals in the second and fifth sub-paragraphs would require legislation.

"Ownership and Responsibility", page 26

(i) Mr. Heseltine would reduce the length of this section.

Page 27

(ii) The first paragraph, omit "Parliament", refer to "first session".

(iii) Second paragraph, there should be no reference to the "Domesday Book" register.

Page 28

(iv) First paragraph, refer to sheltered housing.

(v) Second paragraph - Mr. Rossi would check the section on the "Private Rented Sector". The third sentence would be omitted and the second half of the fourth sentence would be redrafted to read "and continue to give grants for the improvement ..."

Page 29

(vi) First paragraph, we would rephrase the first two sentences to read: "the present domestic rate system is unfair and our promise to phase it out as soon as possible remains intact. But the present state of the economy means that this must take second place to our desire to cut income tax". The remainder of the paragraph would be omitted, but there would be a reference to our wish not to increase the burden of rates in the meantime.

The meeting closed at 6.15 p.m.