

CONFIDENTIAL

LABOUR MANIFESTO 1983

(Briefing on The New Hope for Britain prepared by the Conservative
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THE NATURE OF LABOUR'S PROGRAMME

Labour's electoral programme is a combination of the failed policies of the past and the new ideas of the Marxist left. In the most important sections of the document, the phrasing carefully allows for differing interpretations to be made by different factions within the party. But it is possible to discern - beneath the phrasing - the most extreme programme of left-wing measures ever put before the British people.

Labour devote much of their manifesto to the economy and to explaining the means by which they will accomplish their pledge to reduce unemployment to below one million within five years. The central plank of their strategy is a massive expansion of public expenditure: Labour do not give a total cost for their programme, but the Treasury have estimated that the average annual cost of the spending proposals over a five year period would be £39.5 billion, in addition to one-off expenditure of £47.9 billion. Labour intend to finance this expenditure by a combination of borrowing and what they piously hope will be increased tax revenues accruing from an expanded economy. And in order to prevent their public expenditure stimulating large amounts of additional imports, they propose to devalue the pound, reintroduce exchange controls and introduce import controls if necessary.

Labour recognise that their strategy could be blown apart in a pay explosion. Their dependence on the trade unions prevents any mention of wage restraint; instead, they propose a system of economic planning, based upon a so-called 'National Economic Assessment'. In a new National Planning Council, Government, unions and employers would try to plan the distribution of income between profits, earnings from employment, rents, benefits and other incomes: the Social Contract would be reborn in an even more dirigiste form. In return for union participation, Labour have pledged to repeal all the Government's Employment Acts and to give the trade unions even greater powers. But the National Planning Council is only one tier of the massive system of state planning with which Labour would burden the economy. All leading companies would be forced to negotiate Agreed Development Plans with a new Department of Economic and Industrial Planning which would have powers to control prices, credit access, trade protection and aid packages. Sector Planning Committees and Regional Planning Boards would also be set up. A National Investment Bank would attempt to direct private and government investment, and a new Price Commission would be established. In addition, an enormous array of new regulatory bodies would be set up to further hamper industry. As well as massive interference with the workings of the private sector, Labour propose sweeping nationalisation in electronics, pharmaceuticals, health equipment, ports, road haulage, oil, telecommunications, building materials and tenanted land. A reconstituted National Enterprise Board would be given stronger powers to take equity stakes in companies.

Labour's philosophy of state control extends to their social policies. They retain their old commitment to a fundamental and irreversible shift in the

balance of power and wealth. They propose an annual wealth tax as well as putting forward a vast package of electoral bribes, including their twelve point plan for pensioners and pledges to increase almost every electorally-popular social benefit. They promise enormous extra expenditure on the NHS as well as measures designed to cripple the private sector. Labour would reintroduce compulsory comprehensive reorganisation of schools and abolish the Assisted Places Scheme and independent schools. They would remove council tenants' "right to buy" and empower councils to buy back homes on first resale. They would put the police under political control and cut back their powers. The House of Lords would be abolished, a Scottish Assembly would be set up; and the Government would work towards a united Ireland "by consent".

In foreign affairs, Labour's isolationist mentality is apparent. They would take Britain out of the European Community and promise complete withdrawal, without a referendum, well within the lifetime of the next Parliament. They are also pledged to unilateral nuclear disarmament, involving the scrapping of Trident missiles, refusal to permit the siting of Cruise missiles, rejection of all fresh nuclear bases or weapons on British soil or waters and removal of all those currently in existence.

In short, what the manifesto proposes is a quasi-totalitarian state, interfering incompetently in almost every action of its private citizens, destroying its own economy by reckless overspending, and rendering itself defenceless in the face of its enemies.

PUBLIC SPENDING

"Our proposals add up to a considerable increase in public spending"
(page 8)

COMMENT

1. Total increase. The proposals in Labour's Manifesto have been estimated by the Treasury to involve an extra average annual cost of £39 billion as well additional one-off expenditure of £47.9 billion. This means more than £700 for every man, woman and child in Britain today to meet the average annual cost. Labour's social security plans alone would cost £28 billion a year. Their nationalisation proposals are estimated to cost £21.5 billion.
2. The results would be soaring inflation and interest rates and a collapse of confidence, leading inevitably to higher unemployment.
3. An isolated policy. Labour's ideas are not shared by most other Western governments. Developments in France indicate the dangers of the Labour approach.

INTERNATIONAL REFLATION

"...we will ... work with other governments - especially socialist governments - to bring about a co-ordinated expansion of our economies" (page 8).

COMMENT

1. Out of step with other countries. Almost all countries are now committed to sustained reduction in fiscal deficits in order to ease inflation and interest rate pressures. The USA is under pressure from others to cut its deficit. There is no possibility of Labour convincing others to increase Government debt.
2. A policy to increase international economic problems. Boosting the world economy by the indiscriminate creation of international credit would only add to the problems of servicing existing debts, and put at risk the progress already made towards more stable prices, exchange rates and interest rates.

UNEMPLOYMENT

"Our central aim will be to reduce unemployment to below a million within five years... economic expansion will make it possible to end the waste of mass unemployment" (page 8).

COMMENT

1. Labour and increasing unemployment. Every Labour Government has promised to reduce unemployment, and every Labour Government has achieved the opposite. Challenged with this statement, Mr Neil Kinnock admitted: "Statistically, it is true" (BBC 2 Newsnight, 24th March 1983).
2. Labour will destroy jobs again by:
 - (a) Driving up inflation, interest rates and money wages through reckless spending and borrowing.
 - (b) Pulling out of the EEC, putting some 2½ million jobs at risk.
 - (c) Imposing import controls, inviting retaliation against our exports and sheltering decaying industries.
 - (d) Imposing price controls, eroding profitability and discouraging investment.
 - (e) Tilting the balance of bargaining power in industry heavily towards the trade unions, rendering management powerless to resist unjustified wage claims.
 - (f) Inflicting a vast new centralised bureaucracy and a battery of new controls on business.
 - (g) Encouraging shorter working time without compensating reductions in pay.
3. An acknowledgement of reality. In office, Mr Callaghan told Labour that borrowing cannot create jobs:

"We used to think that you could just spend your way out of recession and increase employment by cutting taxes and boosting government borrowing. I tell you in all candour that that option no longer exists; and that in so far as it ever did exist, it worked by injecting inflation into the economy. And each time that has happened the average level of unemployment has risen. High inflation followed by higher unemployment. That is the history of the last twenty years."
(Blackpool, 28th September 1976).

PAYING FOR INCREASED PUBLIC SPENDING

"It would be wrong to finance the initial boost to spending by increasing taxation... Of course, once the economy gets much nearer to full employment, some taxes will have to be increased, both to shift the balance towards those who can best afford to pay, and to help finance our social programme. Like any other expanding industrial enterprise, we shall borrow to finance our programme of investment... But the scale of borrowing will not be nearly as great as the increase in spending. Spending generates new income and new savings ...When people get new jobs they will also pay income tax and spend more on goods which are taxed...also important gains to be made by cancelling ...expenditure programmes on Trident and on PWR nuclear reactors" (pages 8-9).

COMMENT

1. Increased taxation. Although Labour promise that they will not begin by raising taxes, they admit that they will have to do so eventually. Their threat to "shift the balance towards those who can best afford to pay" is in line with their statements during negotiations on the passage of the 1983 Finance Bill, and reflects the penal top rates of personal taxation (83%) in force during the last Labour Government.
2. Spending in excess of saving. Proposed savings are far smaller than proposed spending. Cancelling Trident and PWRs would save less than £9 billion over an extended period: Labour wants to add three times that figure to Social Security spending every year.
3. Fiscal irresponsibility. Labour's proposals add up to a complete reversal of prudent fiscal and monetary policies. The net result of increased spending and borrowing would be higher inflation and higher interest rates, so undermining the economic recovery upon which the plan depends.

THE NATIONAL ECONOMIC ASSESSMENT

"At the heart of our programme is Labour's new partnership with the trade unions... Our starting point in government will be to discuss and agree with the trade unions a national economic assessment...We will not, however, return to the old policies of government-imposed wage restraint" (page 9).

COMMENT

1. The indispensability of pay restraint. Though the National Economic Assessment (NEA) is not a pay policy, and wage controls are specifically rejected, Mr Shore has himself demonstrated that Labour's economic strategy is not sustainable beyond the first two years if pay is left to market forces ('Programme for Recovery' November 1982).
2. Recreating the past. The National Economic Assessment is a resurrection of the 1964 Declaration of Intent, the 1974 Social Contract and the 1979 Concordat. Under the Social Contract, wage inflation reached 30 per cent and price inflation nearly 27 per cent.
3. The trade unions have nothing to gain from acquiescences in policies of voluntary pay restraint: Labour has already acceded to all their demands on Labour law, industrial democracy, etc.

LOW PAY

"The next Labour Government will launch an offensive against low pay as part of our strategy for equality...We will...extend the concept of fair wages and arbitration ...strengthen the Equal Pay Act...emphasise the principles of fairness and comparability...discuss with the TUC the possibility of introducing a statutory minimum wage" (page 9).

COMMENT

1. A definition to suit themselves. Labour's definition of 'low pay' (two thirds of average male annual earnings) is purely arbitrary.
2. A return to Clegg. Though there is no commitment to legislate, Labour clearly favours a Cleggstyle Commission on pay comparability; the restoration of Schedule 11 of the Employment Protection Act 1975 and the 1946 Fair Wages Resolution - all of which were abolished by the Conservative Government as tending to price people out of work. Their reinstatement would only add to unemployment.
3. Employment and inflation. The best way to help the low paid is to defeat inflation; Labour has adopted inflation as a policy.
4. The 1983 Budget, by raising tax thresholds, took 1½ million lower paid people out of tax altogether.

TRADE UNION REFORM

"We will repeal the divisive Tory employment laws and provide new statutory support for collective bargaining" (page 9).

COMMENT

1. A return to the old abuses of power. Labour's proposal to repeal the Employment Acts 1980 and 1982 means quite simply a return to the days of irresponsible union power.
2. Trade union immunities would be widened over and beyond those in the 1974 and 1976 Trade union and Labour Relations Acts (TULRA) despite Lord Diplock's view that these Acts gave a definition of a trade dispute so wide that a dispute could be lawful even if 'its predominant objective was to bring down the fabric of the present economic system'.
3. A increase of trade union irresponsibility. 'Statutory support for collective bargaining' is probably a euphemism for strengthening the closed shop, despite the fact that this would reinforce restrictive practices and overmanning, enable shop stewards to bully workers and blackmail management, and be a gross infringement of liberty.

DIRECTION OF INVESTMENT

"We will see that our financial and monetary policies support expansion. We will make sure that public borrowing is financed, through the financial institutions and national savings, without disruptive or damaging changes in interest rates" (page 10).

COMMENT

1. A fundamental contradiction. Higher public borrowing is incompatible with lower interest rates. In order to prevent a surge in interest rates Labour would be forced to print money leading to renewed inflation.
2. State control. Labour obviously hope to beguile investors into lending to the Government at low rates of interest, despite accelerating inflation. If this fails, the implication is that they will resort to force. They have already indicated that they hope to direct money from pension funds into a 'National Investment Bank'.

EXCHANGE CONTROLS

"Exchange controls...will be reintroduced. They will help to counter currency speculation and to make available - to industry and government in Britain - the large capital resources that are now flowing overseas" (page 10).

COMMENT

1. The wrong prescription. The Wilson Committee pointed out that UK investment was not constrained by shortage of finance, but lack of profitable opportunities. Nothing can force investors to invest in unprofitable projects.
2. The effects. Experience shows that exchange controls are ineffective anyway, and cause major distortions in company finance.

DEVALUATION

"We must ensure that our trade and balance of payments contribute to our expansion. This means maintaining the pound at a realistic and competitive rate" (page 10).

COMMENT

1. Massive devaluation. Labour's proposal to 'maintain the pound at a realistic and competitive rate' is a modified and rogue version of Mr Shore's bold plan to devalue by 30 per cent.
2. Inflation. The increased price of imported goods, caused by devaluation, would - of course - be inflationary in itself, and would cause further inflation by increasing the cost of imported materials needed by industry.
3. Damage to the international community. Devaluation by the UK would induce other countries to follow suit; competitive devaluation does nobody any good. As Mr Healey has admitted: "Faced with the difficulties of unilateral reflation some socialists are tempted to seek salvation through trade restrictions or competitive devaluation. But such beggar-my-neighbour policies, if pursued on the scale required to offer any hope of escaping the dilemma, are more likely to lead to a trade or currency war than to insulate their sponsors from the recession in the outside world." (Paris 12th November 1982)

IMPORT CONTROLS

"...We must therefore be ready to act on imports directly first, in order to safeguard key industries that have been seriously put at risk by Tory policies; and second, so as to check the growth of imports should they threaten to outstrip our exports and thus our plan for expansion" (page 10).

COMMENTS

1. An open trading system is in the interests of all trading nations. Protectionist measures would lead to retaliation. The UK economy is particularly vulnerable because one third of our output is exported.
2. The exclusion of foreign goods raises prices and limits choice for the British customer.

CONTROL OF INFLATION

"We will use direct measures of price restraint, such as cutting VAT, and subsidies on basic products...Stop using public sector charges...as a backdoor way of raising taxes...Buy our food where it is cheaper, on world markets...Give powers to a new Price Commission to investigate companies, monitor price increases and order price freezes and reductions...Take full account of these measures in the national economic assessment" (pages 10-11).

COMMENT

1. A return to the past. Similar cosmetic measures were adopted in 1974, enabling Mr Healey to claim, for electoral purposes, that he had reduced inflation to 8.4 per cent. Less than a year later it was at 26.9 per cent.
2. Inflation. The effect of a cut in VAT would be strictly 'one-off'. As devaluation led to imported inflation, wages would rise, necessitating an incomes policy that we know Labour cannot deliver.
3. The old Price Commission, abolished by this Government, had little effect on inflation. It simply eroded profitability and business confidence and therefore investment and jobs. In 1978-79, it employed 600 people and cost £7 million.
4. EEC withdrawal might make possible a 'one-off' cut in food prices - but even that is doubtful.
5. If food prices fell, UK agriculture would probably have to be subsidised from taxes.
6. Nationalised industry prices should reflect economic reality. Artificial price restraint holds down supply, forces up demand, and ends up by putting a burden on taxpayers.

HELP FOR THE CONSUMER

"The Tories say that 'competition' ensures that shoppers get a fair deal. The customers know better...We will...establish...a Product Research Unit... set up consumer advice centres in all main shopping centres ... provide simple court procedures for small claims...stronger consumer councils...a code of advertising practice...to be administered by the Office of Fair Trading" (page 11).

COMMENT

1. Over-regulation. In 1979-80, a mere 102 consumer advice centres cost over £3.5 million; now Labour propose to establish centres in all main shopping centres with mobile units in rural areas. The proposal entails the creation of an expensive bureaucracy.
2. Existing arrangements. There is no reason to suppose that the present voluntary code of practice on advertising is not satisfactory.

ECONOMIC AND INDUSTRIAL PLANNING

"We will...develop a new five-year national plan to co-ordinate expansion and public spending with plans for individual industries and regions. We will create a powerful new Department of Economic and Industrial Planning...Involve the trade unions and management in planning at every level with a new, tripartite National Planning Council...establish a National Investment Bank...[and] set up a Securities Commission to regulate the institution and markets of the City" (pages 11, 13).

COMMENT

1. A charter for economic mismanagement. Labour pledge to make their planning "flexible" and claim that they are "opposed to any kind of rigid planning from the centre". But their proposals for new planning machinery clearly disprove these claims. Industrialists, not bureaucrats or committees of "wise men", are best placed to determine which investment opportunities are profitable and will create jobs.
2. No clear central control. The new DEIP will be a spending Department endowed with sufficient powers to weaken the Treasury's vital control over the level of public expenditure.
3. Help for the undeserving. There is no shortage of capital for viable investment projects in industry nor of institutions ready to invest it. Therefore the only point of the National Investment Bank would be to put money in areas with insufficient potential to attract capital from other sources.
4. Ignoring reality. Labour's proposals to regulate the City are almost certain to be ineffective: finance is an international business, and water-tight controls are as difficult to apply as they are to devise.

MULTINATIONALS

"We will... monitor closely the activities of multinational companies through a Foreign Investment Unit. All UK-based multinationals will have to operate within clearly laid-down guidelines" (page 12).

COMMENT

1. Discouragement of investment and jobs. The creation of a Foreign Investment Unit would be yet another disincentive to companies thinking of locating here, along with Labour's commitments to withdrawal from the EEC and the reintroduction of exchange controls.
2. The benefits of investment from abroad. Foreign investment has brought new products, new technology and new management skills to Britain. Since 1979, foreign investors have launched over 600 projects in the UK, creating over 60,000 jobs, and such investment is expected to continue to create 10-15,000 jobs a year.
3. Damage to exports. 30% of British exports go to overseas associates of British companies. Restricting these links will hamper our trade.

REGIONAL DEVELOPMENT PLANS

"We will...develop regional development plans, with plans also being drawn up at local level by local authorities. Regional development agencies will be established, extending our present commitment to a Northern Development Agency to other English regions in need of them. These agencies will have similar powers and resources to those in Scotland and Wales. We will also consider using new regional job subsidies" (page 12).

COMMENT

1. A dangerous extension of the State. This represents yet another proliferation of bureaucracy. There are already four Regional Development organisations in England. The Government has recently increased the grants to these bodies for their promotional and advisory work, and has also acted to end the situation by which the English organisations were treated worse than their Scottish and Welsh counterparts.
2. Indiscriminate assistance. Labour's proposals would reverse the present Government's attempt to ensure that regional assistance is aimed only at those most in need. The last Labour administration so diffused effort that 44% of the workforce were in 'assisted areas' (as compared with 27% now).
3. The proposed regional job subsidy is similar to the Regional Employment Premium which Labour abolished in December 1976.

NATIONALISATION AND RENATIONALISATION

"We will... return to public ownership the public assets and rights hived off by the Tories, with compensation of no more than that received when the assets were denationalised. We will establish a significant public stake in electronics, pharmaceuticals, health equipment and building materials; and also in other important sectors, as required in the national interest" (page 17).

COMMENT

1. Privatisation is the best way of opening the Nationalised Industries to market forces. Labour propose to renationalise the enterprises we have privatised but they have no proposals for improving the running of the present nationalised industries.
2. Confiscation of successful companies. Under Labour's proposals, highly successful companies like Beechams, GEC, Glaxo, Plessey, Barratt and Taylor Woodrow would be nationalised. The cost of nationalising these companies would be well in excess of £10 billion.
3. Confiscation of new assets of working people. So far over 90,000 employees have bought shares in their denationalised firms. They would be forced to sell them if Labour gained power and set about reversing the process.
4. Inefficient telephone system. Labour's plan to give "a publicly owned British Telecom...sole responsibility to create a national, broadland network" will perpetuate the inefficiencies that Conservatives have been seeking to eliminate. The results can be predicted: in the first year of the last Labour government, local call charges increased by 100%; and in 1975/6 overall charges rose by 60%.
5. Labour also plan to renationalise BP, (page 15), "to extend public ownership to tenanted land" (page 16), and to set up a new National Freight Company (page 27), to "take ports into public ownership" and to "establish a national shipping organisation able to acquire and operate shipping services" (page 27) and threaten to nationalise one or more of the major clearing banks if they refuse to co-operate (page 13).

CLEARING BANKS

"We expect the major clearing banks to co-operate with us fully... in the national interest. However, should they fail to do so, we shall stand ready to take one or more of them into public ownership. This will not in any way effect the integrity of customers' deposits" (page 13).

COMMENT

1. The cost of nationalising even one of the banks would be high. The total market capitalisation of Midland Bank is in excess of £600 million and of Barclays in excess of £1½ billion.
2. The mere threat of nationalisation would cause a massive withdrawal of investment, throwing the financial markets into confusion.
3. As a direct consequence, the independence of the City would be endangered.

SPECIAL EMPLOYMENT MEASURES

"We will expand the schemes for compensating firms that avoid redundancy and provide temporary jobs for the long-term unemployed. We will widen the Job Release Scheme and offer employment subsidies to firms".
(page 14).

COMMENT

1. Cost. Lowering the age of entry to the Job Release Scheme (JRS) to 60 would cost an extra £100 million in 1983-4, rising to £1 billion by the end of the decade as the costs built up.
2. Waste of resources. Relatively indiscriminate 'employment subsidies' would result in substantial 'dead weight' (subsidisation of jobs that would have been created anyway) and 'displacement' (subsidisation of existing jobs, at the expense of jobs elsewhere).
3. The Government is already spending £2 billion on Special Employment and Training Measures this year (1983-4).

TRAINING AND JOB CENTRES

"We will also provide major increases in youth and adult training...introduce a new statutory framework... Give the Manpower Services Commission the authority and resources it needs to do the job... Ensure that the MSC develops a national job centre network... We will take urgent steps to abolish private employment agencies" (page 14).

COMMENT

1. Labour's past failures. In office, Labour did nothing to reform Britain's system of training. As in 1964 and 1973, it has been a Conservative Government which has improved youth training, widened adult opportunities, and moved towards flexible apprenticeships.
2. Cost of Labour's proposals. Labour's proposal to double the Youth Training Scheme would cost an extra £1½ billion in the first year rising to £3½ billion in later years. The only offsetting saving proposed is abolition of the Young Workers Scheme (£75 million).
3. Absurd restrictions. The abolition of private employment agencies has no rational justification. It would be merely ideological and vindictive. Competition with Job Centres is vital to labour market efficiency; artificial restrictions on competition would be bad for employers and for job-seekers.

ENERGY CONSERVATION

"We will ... begin a massive conservation programme, led by insulation for council housing, and giving incentives to industry on agreed plans to save energy...[and] ensure that everyone can afford adequate heat and light at home" (page 15).

COMMENT

1. Realistic pricing is the key to conservation. The Government has corrected the underpricing of domestic gas inherited from Labour. Labour's plans to subsidise "energy in general" - laid out in Labour's Programme would undermine our conservation measures.
2. Conservation already well in hand. Labour's proposals to promote conservation are not new: we are already spending around £100 million per year on energy conservation, in addition to the considerable sums spent by local authorities and the public sector. Of the 1.6 million homes insulated under the Home Insulation Scheme, 1.4 million have been insulated under this Government. Under local authority schemes 1.3 million local authority homes have been insulated since 1979.
3. Labour's earlier recognition of reality. Labour's Green Paper on Energy Policy (Cmnd 7101 February 1978) argued:

'Policies will be working under a severe handicap if price signals are not pointing in the same direction...Energy prices should give both consumers and producers reasonably accurate signals about the costs of energy supply. Under-pricing encourages consumers to waste scarce resources and may discourage additional supplies'.

Labour would do well to abide by such sensible advice now.

NUCLEAR POWER

"We will...stop Sizewell and scrap the Tory PWR programme. The need for a continuing nuclear power programme based on the British AGR will be reassessed when we come to office" (page 15).

COMMENT

1. Higher energy prices overall. Scrapping Britain's nuclear power programme would, in the long run, increase electricity prices and prevent British industry from competing effectively with industries in countries such as France, which have well advanced nuclear power programmes.
2. Labour hypocrisy. The possibility of building a Pressurised Water Reactor (PWR) was first suggested by Mr Tony Benn as Secretary of State of Energy in January 1976. Now Labour has dismissed this possibility out of hand before a public enquiry has decided whether or not such reactors are safe. No explanation for this 'volte face' has been given.
3. Internal divisions. There are deep divisions in the Labour Party on the issue of nuclear power. According to a report in the 'Guardian' on the 25th March 1983, a bitter dispute broke out in March between Labour's Environment and Energy Committees on the subject. The Environment Committee apparently proposed to stop work on the Heysham and Torness Advanced Gas Cooled Reactors (AGRs). The ambiguity on this point in the Manifesto suggests an uncomfortable compromise.

RENATIONALISATION OF BNOC & BP

"We will bring Britoil back into public ownership and combine it with BNOC to create a powerful national oil corporation with full powers to engage in all aspects of oil related activities ... We will restore to the new Corporation a minimum 50 per cent stake in all fields discovered since 1975 ... We reaffirm our commitment to achieving full public control and ownership of British Petroleum" (page 15).

COMMENT

1. The cost to the taxpayer of Labour's proposals would be more than £6 billion
2. Labour and Privatisation. It was a Labour Government which first sold shares in BP. 17 per cent of BP's shares were sold in December 1976, as part of Mr Healey's financial package to back up the Labour Government's application for a £2.4 billion loan from the IMF.

AGRICULTURE AND THE EEC

"Britain needs a food and agriculture policy much more in line with our needs - and this is one of the prime reasons for leaving the EEC. Instead of the inflated prices of the EEC's Common Agricultural Policy, we will support our agriculture through deficiency payments - coupled, where necessary, with limited intervention buying and direct income support" (page 15).

COMMENT

1. Food Prices not determined significantly by the EEC. To leave the EEC would spell disaster for the agricultural industry and for the consumer. The increase in food prices has little to do with membership of the EEC (under Labour food prices rose by 120% of which only 10% can be attributed to the CAP, and under this Government by 35% of which only about 3% can be attributed to the CAP).
2. Increasing self-sufficiency. Britain's self sufficiency, in respect of the foods that can be grown in the British climate, has increased from 67% to 76%.
3. Farming income has also benefited from membership of the EEC, actual income going up by nearly 100% per cent since 1973 despite two very damaging world recessions.
4. The cost. Mr Buchan, a Labour spokesman has said that the essentially similar proposals for the protection of domestic agriculture put forward in "Labour's Programme 1982" could cost some £850 million a year. Last year, Mr Tugendhat suggested that providing the present level of protection through a deficiency payments scheme would at prevailing world prices cost some £2 billion a year.

AGRICULTURE - BUYING IN WORLD MARKETS

"Labour will also negotiate long-term supply agreements with agricultural producing nations; establish commodity agencies and support marketing co-operatives; and, where helpful, extend marketing boards to other sectors" (page 15).

COMMENT

1. Lack of alternative supplies. It is very unlikely that the countries that supplied our food before we joined the Community would want to open negotiations again, as they have already found alternative markets for their produce over the last ten years.
2. No obvious beneficiaries at home. Labour's proposal to take Britain out of the EEC would be bad for farmers and it is very doubtful whether it would be good for consumers. It makes much more sense to reform the EEC Common Agricultural Policy from within.

LAND NATIONALISATION

"A new Rural Land Authority will...begin to extend public ownership to tenanted land" (page 16).

COMMENT:

1. A recent public opinion poll carried out for the Country Landowners' Association showed that 7 out of 10 people were against nationalisation of land and that they thought there were no social justifications for it.
2. Total nationalisation. The proposal to nationalise tenanted land has been endorsed by successive Labour Party Conferences; indeed, in 1982 the Conference voted in favour of the nationalisation of all land. Labour's Common Market Safeguards Committee (of which Messrs. Foot, Silkin and Benn are memers) stated in 1982 that 'there is no particular merit in having an agricultural industry'.
3. The cost. Approximate figures for England and Wales are some 4.5 million hectares of tenanted land at a current value of some £2,500 per hectare; and for Scotland some 2.3 million hectares valued at approaching £1,500 per hectare. On this basis the ultimate cost of full public ownership would be about £15 billion.

TAX ON HIGHER-PAID

"We shall reform taxation so that the rich pay their full share and the tax burden on the lower paid is reduced...We intend also to bring down the starting point of the highest rates of tax and to remove the present ceiling on earnings-related NIC" (page 17).

COMMENT

1. The destruction of incentives. Labour make no secret of their intention to take away incentives from middle and upper income groups. Their insistence on wrecking the tax concessions in the 1983 Finance Bill for the medium and higher-paid, and for house purchasers, gives a taste of what would be in store.
2. The effects on business managers. By bringing down the starting point for the highest rate of income tax, and abolishing the upper income limit for National Insurance contributions, Labour would dramatically reduce the take-home pay of managers. If they were to restore the maximum tax rate to the 83% imposed under the last Labour Government, the combined effect of tax and NIC would put the top rate of tax on earned income at 92½%.

TAX AVOIDANCE

"We will reduce tax avoidance. This will include action....to limit the open-ended availability to higher-rate tax payers of various tax reliefs" (page 17).

COMMENT

1. Freedom of the individual. There is an important difference between tax evasion and avoidance. Evasion is illegal, and all Governments try to reduce it. Avoidance is simply a matter of tax planning in order to reduce one's tax liability; this can cover anything from borrowing to buy a house to buying a duty-free bottle of whisky on a cross-Channel ferry.
2. Mortgage relief. Labour would almost certainly restrict mortgage interest relief to income tax charged at the basic rate, and withdraw concessions that make it possible for older people and the self-employed to provide themselves with adequate pensions.

VAT

"We shall reform indirect taxation. We will extend zero-rating under VAT with different rates for essentials and non-essentials" (page 17).

COMMENT

1. Labour silence on the implications. Extending zero-rating would cost revenue. Labour do not say how much, and where the shortfall would be made up.
2. Existing exemptions. Approximately half of consumers' spending is exempt from VAT including food, heat, light, travel, books, newspapers and children's clothes. There is very little justification for extending these reliefs, which are much more generous than in most other EEC countries.
3. A more complex VAT system. Introducing different VAT rates (Labour do not specify whether there would be two rates or more than two) would greatly complicate the work of retailers and the self-employed. There would be increase in the administrative costs of business and also in the number of civil servants in the Customs and Excise.

CAPITAL TAXES

"We shall reverse most of the Tories' concessions on Capital Transfer Tax and introduce a new annual tax on net personal wealth" (page 17).

COMMENT

1. Labour's obsession with wealth. These commitments show Labour at its most hostile in regard to business, wealth creation and the family.
2. Penalising those of moderate means. To reverse Tory CTT concessions would mean restoring the CTT threshold to £25,000; that is less than the value of a modest semi-detached house.
3. Labour's proposed Wealth Tax would fall on owner-occupied houses and on pension rights; it would require a large new bureaucracy. The last Labour Government had to abandon its plans for a Wealth Tax because of the administrative difficulties involved.

HELPING FAMILIES

"Our priority is child benefit. We will increase it by £2 a week, make it index-linked, and subsequently improve it in real terms, as resources allow ... We shall also ... increase the maternity grant to £100 and give extra help to one-parent families."

"We shall continue to help family budgets throughout the parliament ... To help pay for these improvements we shall, over the lifetime of the parliament, phase out the married man's additional tax allowance for those under the age of retirement." (page 17).

COMMENT

1. Child support fell under Labour to its lowest level ever, in real terms, in 1976-7. Under the Conservatives child benefit will have been raised from £4 to £6.50 per week in November 1983, and fully protected against prices. Labour's new proposal to raise child benefit by £2 a week would cost the taxpayer about £1,100 million per annum (by Labour's own estimate).
2. The maternity grant of £25 is paid to every expectant mother. The Labour pledge to increase this grant to "at least £100" would cost the taxpayer at least £50 million.
3. One-parent benefit is paid in addition to child benefit for the first or only child of a single parent. It will be increased from £2 in 1976 to £4.05 from November 1983 - a record in real terms. The cost to the taxpayer of increasing it by a further £1 would be about £20 million.
4. Married tax allowance. The Green Paper "The Taxation of Husband and Wife" (December 1980) examined various proposals for reforming the income tax system, including a reduction in the married tax allowance to the same level as the single tax allowance. These and other proposals have been considered by a sub-committee of the Treasury and Civil Service Select Committee, but its report has not yet been published.

The phasing-out of the married tax allowance for people under retirement age would increase the burden of income tax by about £3 billion a year and bring many more people into the income-tax net.

PENSIONS

"We shall uprate the pension in November 1983 by the full amount necessary to protect its real value against the rise in inflation,... increase pensions as soon as practicable by £1.45 for a single person and £2.25 for a married couple...link pensions and average earnings, when these are rising faster than prices, and extend this to all benefits" (page 18).

COMMENT

1. 1983 uprating. The promise to uprate pensions in November 1983 "by the full amount necessary to protect their real value against the rise in inflation" means that Labour will increase them by about 6% (i.e. the expected rise in prices in the 12 months to November 1983) rather than the 4% which the Government expects to do, based on the historic rate of inflation in the 12 months to May 1983. Labour's proposal will cost over £200 million per annum (see also Conservative Manifesto briefing on new method of pension uprating).
2. The cost to the taxpayer of increasing pensions by £1.45 for single persons and £2.25 for married couples would be over £500 million.
3. The cost to the taxpayer of restoring the link between pensions and average earnings for future years would be £115 million for each 1% earnings rise above prices. The cost of extending this to other benefits (including pensions) would be at least £300 million for each 1% earnings rise above prices.

PENSIONERS

"We shall... double the Christmas Bonus to £20; phase out the TV licence for pensioners; ... increase the Death Grant to £200 and extend it to cover all deaths... introduce... a nationwide off-peak, half-fares scheme for pensioners; ...reduce energy costs, for pensioners...by introducing new fuel allowances" (page 18).

COMMENT

1. The Christmas bonus has been paid in each year of this Conservative Government. It was not paid under Labour in either 1975 or 1976, and was never increased between 1974 and 1979. Doubling the Christmas bonus would cost the taxpayer £106 million per annum.
2. The Death Grant is a National Insurance benefit, (generally £30) paid as a lump sum on death, to those under pensionable age on 9th July 1948. The cost to the taxpayer of increasing the Grant to £200 and of extending it to all the elderly would be £120 million.
3. The cost to the taxpayer of phasing out TV licences for pensioners would be over £250 million, (equivalent to a 50% rise in everyone else's licence fee).
4. The cost to the taxpayer of extending concessionary travel would be about £100 million.
5. It is not clear what is meant by the promise to introduce "new fuel allowances". It would cost £500 million a year to pay heating addition of £1.90 a week to all pensioners' households.

THE DISABLED

"We will introduce a £10 a week blindness allowance, as a first step towards the introduction of a new cash benefit for disabled people...[and] abolish the household duties test for housewives' non-contributory invalidity pension and extend invalid care allowance to all those women presently excluded" (page 18).

COMMENT

1. The cost of introducing a £10 per week blind allowance is estimated to be £65 million a year.
2. Non-Contributory Invalidity Pension (NCIP) is a non-contributory benefit for people who have been unable to work for at least 28 weeks. Married women qualify for NCIP only if they are proved disabled and in addition prove that they are incapable of 'normal household duties'. Invalid Care Allowance (ICA) is paid to people (except married women) who look after a disabled person receiving the Attendance Allowance. The cost to the taxpayer of abolishing the household duties test and thereby extending NCIP to married women would be about £275 million per annum (based on 1981 rates); and the cost of extending ICA to married women would be about £60 million net a year.

HEALTH EXPENDITURE

"We shall increase health service expenditure by 3% per annum in real terms... phase out health charges" (page 19)

COMMENT

1. Labour's words: Conservative action. Labour's promise to increase health service expenditure by 3% in real terms is to be compared with the Conservative Government's record: by the end of the current financial year expenditure will have risen from £7,750 million to £15,500 million in 1983/4, an increase of 17.5% in real terms.
2. Neglect of efficiency. Increasing expenditure on the NHS does not by itself bring about improved health care. Labour offers no measures designed to improve the efficiency of the service: the present Government, by contrast, has removed a tier of administration (the Area Health Authorities), and has halved the number of departmental circulars on health.
3. Loss of revenue. Revenue from prescription dental and optical charges is expected to provide the NHS (in England only) with £340 million in 1983-4, and nearer £400 million in the UK. By abolishing the charges, Labour would be denying themselves an important source of income.

ATTACKS ON PRIVATE HEALTH

"We shall remove private practice from the NHS and take into the NHS those parts of the profit-making private sector which can be put to good use. We shall also stop public subsidies to the private sector and prevent it expanding further" (page 20).

COMMENT

1. This is a familiar theme: Labour attempted to phase out private beds from NHS hospitals when they were last in Government.
2. Total abolition. The Labour Party Conference in 1982 voted by a two-thirds majority to abolish private medicine altogether. This is therefore official Labour Policy. If implemented, individuals (including trade unionists) would be denied a fundamental freedom.
3. Implications for the NHS. It is estimated that the 1981-2 revenue from pay beds in NHS hospitals was £52.5 million. Labour would be destroying a service which relieves strain on NHS finances.
4. Ending tax relief. The Labour promise to stop 'subsidising' private health care would presumably entail making employer-paid private health subscriptions fully taxable. (From April 1982, income tax relief has been restored on employee-employer medical insurance schemes for those with earnings up to £8,500 a year).

PERSONAL SOCIAL SERVICES

"Labour will reverse the Tory cuts (in personal social services), improve and expand services...increasing spending by at least 4 per cent a year in real terms" (page 20).

COMMENT

1. A baseless charge. The personal social services run by local authorities include provision for children in care, but are mainly concerned with services for the disabled. These include provisions of meals on wheels; home helps and day care facilities. Contrary to the allegations frequently made by Labour, these services have not been cut, but expanded. Gross expenditure on the personal social services in England and Wales has risen from £1,460 million in 1978-9 to £2,412 million in 1981-2, (or 13 per cent faster than prices).
2. The cost. A 4 per cent increase in real expenditure on the personal social services would entail an additional burden on the taxpayer of almost £600 million a year by the fifth year.
3. Labour ignores the voluntary services. No mention is made of voluntary organisations in the 25 paragraphs of "New Hope for Britain" dealing with DHSS matters.

NURSERY EDUCATION

"Our aim will be to introduce a statutory duty on local authorities to provide nursery education, as soon as possible, for all pre-school children whose parents wish it" (page 20).

COMMENT

1. The cost to the taxpayer of providing maintained schooling for all under-fives would be in excess of £200 million per annum; a further £500 million would also have to be spent on erecting new school buildings.
2. Playgroups run by voluntary associations (like the National Child-minding Association) are not mentioned by the Labour Party, but these cater for 500,000 (or 18 per cent) of the 2.8 million children under the age of five. Labour could help the voluntary associations expand such groups at a fraction of the cost of providing local authority maintained schooling.

GRAMMAR SCHOOLS

"We will ...repeal the Education Act 1979 and prohibit all forms of academic selection..." (page 20).

COMMENT

1. The cost to the taxpayer of creating new comprehensives from the remaining grammar, secondary modern and technical schools would be over £200 million.
2. Loss of variety and choice. 85 per cent of secondary pupils are already in comprehensive schools: every parent who wants to send a child to a comprehensive school can do so. Removing the remaining grammar schools merely decreases variety and the opportunity for choice.
3. Comprehensives' standards. Recent surveys by the National Children's Bureau suggest that pupils in comprehensive schools do no better, on average, than those in secondary modern and grammar schools.

INDEPENDENT SCHOOLS

"We will abolish the Assisted Places Scheme...withdraw charitable status... and integrate private schools within the local authority sector..."
(page 21).

COMMENT

1. The cost to the taxpayer of Labour's plans to end fee-paying education would be over £500 million per annum, in addition to capital costs (for new maintained-school buildings) of almost £1,500 million.
2. Breach of human rights. No democratic country has abolished independent schools; and it is unlikely that such abolition would be compatible either with the UN Declaration of Human Rights, or with the European Convention.
3. An attack on poorer families. Ending the Assisted Places Scheme would save a paltry £30 million, and would prevent more than 10,000 children from poorer homes receiving a first-rate education in academic sixth-forms. That is how the Labour Party treats the children of the people whom it claims to represent.

HIGHER EDUCATION

"We will ... restore the right for all qualified young people seeking higher education to secure places" (page 21).

COMMENT

1. No existing disincentive. Labour's promise implies that a high proportion of qualified young people are being turned away from higher education. The reality is different: in 1981/2 (the last year for which figures are available), 86.1 per cent of those who had the minimum qualifications of 2 'A' levels were admitted to higher education.
2. A disingenuous policy. The only way of ensuring that 100 per cent of those qualified were admitted, would be to force universities, polytechnics and colleges to accept candidates whom they considered unsuitable. The Labour Party does not make clear whether it would be willing to countenance such a move, which would fly in the face of our tradition of academic independence.

STUDENTS MAINTENANCE ALLOWANCE

"We will...provide student-trainees, in full-time education, with an educational maintenance allowance of £25 a week..." (page 22).

COMMENT

1. The cost to the taxpayer of providing such an allowance would be more than £500 million per annum, even after account is taken of savings on child benefit.
2. An unnecessary bribe. There is no need for the taxpayer to spend this money: more and more young people are ready to remain in full-time education without being given a grant. Over the past two years, 10 per cent more pupils have remained in school past the age of 16, and over 20 per cent more have attended full-time further education.

COUNCIL RENTS

"The Tories have forced council rents to more than double... Labour will give council tenants a new deal...a freeze on rents for a full year." (page 23)

COMMENT

1. Rents have risen fast in the last four years because Labour, when in office in 1974-9, held them back.
2. Artificially low rents were good for council house tenants, but bad for the taxpayer and the ratepayer. Excessive rate increases have destroyed jobs throughout the United Kingdom.

SALE OF COUNCIL HOUSES

"Labour will...end enforced council house sales, empower public landlords to repurchase homes sold under the Tories on first resale and provide that future voluntary agreed sales will be at market value." (page 23)

COMMENT

1. An attack on working people. Labour will take away from tenants the right to buy their homes. This will not increase the supply available to let. It is a mean and spiteful attack on ordinary working people who want to own their homes.
2. An end to free disposal of property. Labour's plan to empower councils to buy back homes bought by tenants is an assault on the right of property owners freely to sell their property on the open market. It is a further device to dissuade tenants from purchasing their homes.
3. Labour's removal of discounts would make it impossible to take account of the number of years a tenant had lived in his home. It means that even where a local authority wished to sell at a discount it could not do so.

HOUSING

"(We) will...encourage councils to provide a unified house-purchase service, including estate agency, surveying, conveyancing and mortgage lending." (page 23)

COMMENT

1. Increased bureaucracy. This is an unnecessary intrusion of local authority activity into an area where it is not needed. The proposals will increase the number of professional and administrative jobs in local government at additional cost to ratepayers and taxpayers.

MUNICIPALISATION AND SHORTHOLD HOUSING

"We will...actively encourage the transfer of all property owned by absentee private landlords to the public or owner-occupied sectors, with local authorities setting the pace ... will repeal the Tories' shorthold scheme." (page 24)

COMMENT

1. Loss of necessary housing. Labour's proposal to municipalise private rented housing could cost between £20 and £30 billion and would take out of the market over two million dwellings potentially available to people who require flexible housing provision at short notice.
2. Labour keeping homes empty. Labour's commitment to repeal shorthold has undermined an initiative which could have released thousands of empty properties in the private sector for occupation by tenants happy to rent them for a limited period.

CONSTRUCTION INDUSTRY

"We will establish a new publicly-owned company, as a major pace-making public enterprise, for large and medium-sized construction projects...We will extend public ownership into the building materials industry." (Page 24)

COMMENT

Protection for the inefficient. These proposals were first set out in 'Building Britain's Future' (Statement to the Party Conference, 1977). There is no evidence from the record of local authority direct-labour departments, that subsidised public sector building organisations function as efficiently as the private sector. The existence of subsidy at taxpayers' expense, and the bureaucracies associated with nationalised industries, merely breed inefficiency and waste.

HEAVY LORRIES

"Heavy lorries will be made to bear their full share of road costs, including environment costs. We will cut to a minimum noise and pollution from goods vehicles and introduce national routeings...to take lorries away from people ... Labour believes that, together with a properly enforced licensing system, a publicly owned share of the road haulage industry is essential. It would clearly be sensible for the National Freight Company to form part of this sector". (Pages 26-27)

COMMENT

1. Conservative action. The Conservative Government in the 1983 Budget introduced higher vehicle excise duty for the most damaging lorries, to reflect their true road track costs. The Government lorry package also provided for quieter lorries.
2. Conflict with the policy of the last Labour Government. Labour's 1977 Transport Policy White Paper (Cmnd 6836) argued that: "Heavy lorries generally use the better routes and there are serious environmental objections to encouraging lorries to use roads which are not adequate for them. The Government has concluded that a national system of roads specifically designated as lorry routes will not be a practical proposition for some time."
3. National routeings would impose increased costs on industry and would merely transfer traffic from one person's doorstep to someone else's.
4. Lorry licensing was rejected as an option by the last Labour Government. The 1977 Transport Policy White Paper (Cmnd. 6836) argued "requiring industry to get approval before moving its goods would hinder efficiency and mean extra cost to consumers".
5. National Freight Company. To renationalise the National Freight Company, which was bought in 1982 by its management and employees, is doctrinaire folly. It shows how hollow Labour's concept of public ownership really is. The NFC is now flourishing in the private sector.

VEHICLE EXCISE DUTY

"Vehicle excise Duty, for private cars, will be abolished and the revenue secured by a high tax on petrol." (page 26)

COMMENT

The cost. It is estimated that the abolition of Vehicle Excise Duty would mean an increase of about 33p on the price of a gallon of petrol. Although some road users would benefit, people living in rural areas would suffer as would travelling salesmen and business generally.

NATIONAL TRANSPORT AUTHORITY

"Create a National Transport Authority to develop transport policy and good practice, secure integration and facilitate comprehensive planning." (page 27)

COMMENT

1. Ignoring the lesson of the past. Labour's "new" approach - a British Transport Commission - was tried in 1947. It failed within 5 years.
2. Labour's previous policy. The Labour Government's 1977 White Paper on transport policy explicitly rejected "a national plan" of transport, and a "central agency for transport planning" because "the nature and size of the demand for transport is constantly changing as a result of many diverse factors such as the requirements of industry; people's needs for travel and their preferences about how to spend their time and money; patterns of land use and the cost of transport services. These are the factors which should and will determine the development of transport".

PUTTING POLICE ON THE BEAT

"We will ensure that, throughout the country, the police are encouraged to return to the beat." (page 27)

COMMENT

A mistake implicitly acknowledged. It was a Labour Government (1964-70) that favoured the policy of taking police off the beat and isolating them from the community in "panda" cars. The last Labour Government did nothing to reverse this.

CONTROL OF THE POLICE

"We aim to create elected police authorities in all parts of the country, including London, with statutory responsibility for the determination of police policy within their areas." (page 27)

COMMENT

1. The GLC approach for the whole country. Labour's plans for accountability of the police stem from the GLC Police Committee. They propose:
 - (1) that police committees should be entirely composed of local councillors;
 - (2) that these police committees should have control over police operations;
 - (3) that they should appoint all senior officers down to the rank of inspector.
2. Political interference. While it is quite proper for a police authority to influence the Chief Constable of the areas, it is highly undesirable for the authority to control police operations, and to appoint every officer down to the rank of inspector: Public confidence in the police would be undermined if it was felt that their previously impartial application of the law had become politically biased. Under such arrangements, no police officer could be expected to progress in his career unless he shared the political views of the police authority.
3. The problems of policing London are entirely different from those of policing anywhere else in the country: the Metropolitan police is an extremely large force which has to face the problems of a capital city, including international crime and the need to police the centre of Government as well as diplomatic posts and the main Royal residences. At present the Home Secretary is the police authority for London; he is responsible to Parliament, a democratically elected body. The Home Secretary influences the Commissioner of Police in the Metropolis; he does not control him. There are consultative arrangements between the Home Secretary and the Commissioner, representatives of the inner and outer London boroughs, and London MPs

POLICE PAY

"We believe that the police should...be fairly paid." (page 27)

COMMENT

A claim disproved by the record of the last Government. Dissatisfaction over low pay under the last Labour Government had, by 1977, resulted in the numbers of police officers dropping. Belatedly, Labour set up the Edmund-Davies Committee to look into the question of police pay. The Committee recommended that pay improvements were essential to staunch the outflow of officers, but the Labour Government chose to hold back half the proposed increase. It was left to the Conservative Government in May 1979 to ensure that the police were properly paid.

SEARCH POWERS

"We will...introduce strict limits on searches of people in the street, searches of premises, the use of the power of arrest..." (page 27)

COMMENT

1. The advice given by legal experts. The Philips Royal Commission set up by the last Labour Government recommended that the power of stop and search should be expanded to include search for offensive weapons, and that the power should be available throughout the country. Lord Scarman agreed with this.
2. The Scottish experience. Figures from Scotland, where this power already exists, show that one in three of those stopped were carrying offensive weapons.
3. The Police and Criminal Evidence Bill proposed that the power to arrest, which existed under a number of different acts for a wide range of offences, should be rationalised so that it applied to serious offences only. The Labour Party voted persistently against this in Parliament.
4. Bias against the police. Labour's proposals will restrict the ability of the police to bring criminals before the courts. They are all measures which favour the offender, not the victim.

NATIONALITY AND IMMIGRATION

"We will repeal the 1971 Immigration Act and the 1981 British Nationality Act and replace them with a citizenship law that does not discriminate against either women or black and Asian Britons." (page 29)

COMMENT

1. Our inheritance from the last Labour Government. The British Nationality Act 1981 was based in many aspects upon Labour's 1977 Green Paper.
2. A groundless charge of discrimination. No part of the 1981 Act draws any distinction on grounds of colour, race or religion.
3. Our recognition of equality between the sexes. Under the Act, both sexes share the same means of obtaining citizenship, and the same rights when passing it on to their children.
4. An implication of Labour's proposals is that immediate rights of entry could be given to the majority of British subjects who do not hold citizenship of the country they live in. This could embrace some 130,000 people living in Malaysia, and perhaps 34,000 in India.

HOUSE OF LORDS

"We will...take action to abolish the undemocratic House of Lords as quickly as possible and, as an interim measure, introduce a Bill in the first session of Parliament to remove their legislative powers - with the exception of those which relate to the life of a Parliament."
(page 29)

COMMENT

1. Labour's long-standing opposition to the Lords. Abolition has been the aim of the Labour conference since 1977: but at the last election Mr Callaghan vetoed its inclusion in the Manifesto.
2. The survival of democracy. A second chamber is essential if our traditional freedoms are to be preserved. While the Lords survives, the Parliament Act of 1911 ensures that no extremist government will be able to perpetuate its own life beyond the statutory five-year term. Although that power will be retained by the Lords as long as it survives, there is no suggestion whatsoever that any new form of safeguard will be created once a single-chamber Parliament has come into being. The way would be open for an elected dictatorship.
3. Quality of Legislation. Without the Lords, badly drafted and incomplete legislation would reach the statute book. The work of revision, now done by the Lords, is invaluable since experts are available on a wide range of subjects.
4. The independence of the judiciary is guaranteed by the Lords since judges can only be dismissed following a resolution to the Queen passed by both Houses. It is impossible to believe that a left-wing Labour Government could be trusted not to subject the judiciary to political interference.

LOCAL GOVERNMENT POWERS

"We shall give a power of general competence to all local authorities to carry out whatever activities are not expressly forbidden by statute." (page 30)

COMMENT

A licence for irresponsibility. A power of general competence going further than that provided by S. 137 of the 1972 Local Government Act would be carte blanche for extremist Labour councils to spend money on services and causes for which they have no responsibility. The Labour-controlled GLC is already doing this by running a Police Committee and by grant-aiding community groups to monitor police activity.

LOCAL GOVERNMENT EMPLOYEES

"We will ... extend workers' rights and industrial democracy in local government, by enabling non-voting employee representatives to be co-opted on to committees...We will also allow all but the most senior officers the right to become elected or co-opted members of the authority which employs them." (page 30)

COMMENT

Interference with management. Labour is obsessed with satisfying the trade unions' greed for power. This proposal would be particularly invidious for senior officers whose managerial judgement could be called into question by subordinates who happened to be councillors.

LOCAL GOVERNMENT REORGANISATION

"We are examining how best to reform local government...Unitary district authorities, in England and Wales, could be responsible for all the functions in this area that they could sensibly undertake. We will also ensure that the City of London is absorbed into a reformed, democratic system of local government." (page 30)

COMMENT

1. Abolition of the shire counties. Labour is determined to destroy the shire county councils. In rural areas this will necessitate creating unitary authorities with huge geographical areas in order to achieve the population size necessary to sustain services like education.
2. The abolition of the City of London. This is pure dogma coupled with an attempt to harness the City's high rateable value to one or other of the profligate Labour boroughs bordering it (i.e. Tower Hamlets, Hackney or Islington).

SUPPLEMENTARY RATES

"We shall repeal the ban on supplementary rates." (page 31)

COMMENT

1. Ending protection for ratepayers. The ban on supplementary rates was a measure to protect ratepayers from the uncertainty occasioned by additional rate demands levied by high spending councils like the GLC after the beginning of a financial year.
2. Destruction of jobs. What Labour is proposing will expose the ratepayer, whether householder or businessman, to the risk of additional financial burdens which may force him to move his home or business, and in the latter case cause unemployment for his workforce.

SCOTLAND

"Labour will establish a directly elected Scottish Assembly, with an executive...[and] with legislative and executive powers over a wide range of domestic policy." (page 31)

COMMENT

1. A Policy conceived in haste. Labour renewed its commitment to full-scale devolution in March 1983 without providing any assurance whatsoever that it had solved the problems that caused its last devolution legislation to fail.
2. An incomplete scheme. Labour's apparent aim is to pass a short bill as quickly as possible, leaving many matters unresolved. John Home Robertson has said: "the idea is to let the people elect an assembly and subsequently to negotiate with it about how and when to hand over specific powers to it" (Scotsman, 3rd February 1982). Labour policy is therefore a recipe for grave political instability.
3. Scottish opinion. The Scottish people rejected devolution in the referendum of 1979. Labour's latest plans make no provision for consulting them through a referendum. Labour plan to create a new tier of government in Scotland, whether or not the Scots actually want it.
4. Fear of the SNP is the most likely explanation of Labour's sudden return to devolution.

NORTHERN IRELAND

"Labour believes that Ireland should, by peaceful means and on the basis of consent, be united, and recognises that this will be achieved with the introduction of socialist policies." (page 31)

COMMENT

1. The impracticality of union. Ireland cannot be united on the basis of consent in the foreseeable future, since such a course is unequivocally opposed by the majority of people in Northern Ireland.
2. The irrelevance of socialist policies. The support of the majority for the existing constitutional position would be in no way affected or diminished by the introduction of socialism at the hands of a left-wing government. Although there has always been widespread opposition to socialism in Northern Ireland, it would be perfectly feasible for left-wing economic and social policies to be implemented without any weakening of Unionist sentiment.
3. Pressure for withdrawal. Messrs Livingstone and Benn (among others) have called frequently for precipitate military and political withdrawal from Northern Ireland, regardless of the wishes of the majority. A Labour government would therefore be under very strong pressure to ignore the manifesto declaration that consent should be obtained, and to proceed with policies designed to expel Northern Ireland from the United Kingdom.
4. Confusion is the inevitable result of the Labour Party's highly ambiguous position on Northern Ireland. There is no sign that any efforts are being made to resolve the very clear differences of approach between Mr Livingstone with his "troops out" lobby on the one hand, and the party leadership on the other; (most of the latter are firmly opposed to immediate British withdrawal).

ARTS AND VALUED ADDED TAX

"The arts will be zero-rated in respect of VAT." (page 32)

COMMENT

1. Complicating the VAT system. Value added tax is designed as a broad-based tax: simplicity is a desirable feature if administration costs are to be kept to a minimum. VAT's forerunner, purchase tax, was widely criticised for multiplicity of rates, and for anomalies in allocation of items to different rates.
2. The cost. Extension of zero-rating to the Arts would cost £100m in a full year. Revenue lost by extending the range of items excluded from tax would have to be recouped by higher taxation elsewhere.

THE MEDIA

"For all the media, we will introduce a statutory right of reply to ensure that individuals can set the record straight." (page 32)

COMMENT

1. Press freedom means that newspapers have to decide what to publish while respecting the laws to which all citizens are subject, including the laws relating to libel, contempt of court and official secrets. Three Royal Commissions have considered the problem of ensuring that the press does not publish items in a way that abuses the freedom of the individual.
2. The Press Council was set up in the light of the report of the first of these Royal Commissions. It exists to protect the freedom of the press and its standards and to consider complaints about press conduct. The Press Council is working at present to improve the complaints procedure.
3. Dangers to freedom. Introducing a statutory right of reply will almost certainly impinge upon press freedom. There is a danger that newspapers will be filled with rebuttals; and fear of this may impede investigative reporting.

FIELD SPORTS

"Hare coursing, fox hunting and all forms of hunting with dogs, will be made illegal." (page 33)

COMMENT

Gross interference with individual liberty. This should be a matter for individual conscience rather than a political issue. But it should be borne in mind that a ban on the hunting of foxes in certain areas such as the uplands would spell disaster for hill farmers who rely on the local pack of hounds to keep the fox population under control. Other methods of control such as shooting and poisoning could prove dangerous to sheep flocks and sheep dogs.

LIVE-STOCK SYSTEMS

"We will also ban, over a phased period, all extreme live-stock systems."
(page 33)

COMMENT

1. Higher food prices. This proposal would inevitably put food prices up (under the last Labour Government food prices rose by 120 per cent, or approximately 2 per cent per month).
2. A whole county devoted to egg production. Taking one sector alone, it has been suggested that to return to free-range egg and poultry production, an area the size of Berkshire would be need. What is likely to be the area needed for beef, pigs, veal etc? The cost to the consumer of such a policy is difficult to estimate; but it has ben estimated that, even with semi-free-range systems of poultry, the price of eggs would increase by more than 60 per cent.

WITHDRAWAL FROM THE EUROPEAN COMMUNITY

"The next Labour Government, committed to radical, socialist policies... is bound to find continued membership a most serious obstacle to the fulfilment of those policies. In particular the rules of the Treaty of Rome are bound to conflict with our strategy for economic growth and full employment, our proposals on industrial policy and for increasing trade...Moreover, by preventing us from buying food from the best sources of world supply, they would run counter to our plans to control prices and inflation." (page 33)

COMMENT

1. The attitude of foreign socialists. The Socialist Government in France has found EEC membership to be one of the lesser problems obstructing the fulfilment of its policies. Every major Socialist Party in Western Europe supports the European Community, as do the Italian Communists. The truth is that Labour's programme is more extreme and isolationist than anything previously contemplated by Western European Socialists.
2. The isolation of Britain. Substantial parts of Labour's economic strategy are contrary in many respects to our trading obligations within GATT. Does Labour intend to isolate Britain from the mainstream world trading system, despite the fact that 30 per cent of our output is sold in export markets? Imposing import controls, thereby provoking retaliation against British exports and penalising our most efficient producers is a novel way of 'increasing trade'.
3. Loss of jobs and investment. Withdrawal from the Community would inevitably prejudice employment, as has been conceded by Mr Roy Hattersley and Mr Terry Duffy. Many investors from the United States and Japan have used Britain as a base for their European operations, thereby bringing great benefits to this country; (foreign investment currently accounts for 21 per cent of industrial investment in the UK). Withdrawal from the EEC would put such investment at risk.

BRITISH AND AMERICAN NUCLEAR BASES

"Labour's commitment is to establish a non-nuclear defence policy for this country. This means the rejection of any fresh nuclear bases or weapons on British soil or in British waters, and the removal of all existing nuclear bases and weapons" (page 36).

COMMENT

1. Healey's volte-face. Less than two years ago, Mr Healey said that:

"It is stability of the military balance between NATO and the Warsaw powers which has kept Europe at peace for over 30 years when 20 million people have been killed in wars outside Europe. NATO's nuclear strategy is an essential part of that balance. To threaten to upset that balance by refusing to let America base any part of her nuclear weapons in Britain would make war more likely, not less" (Speech to the Labour Party policy school, Oxford, 11 August 1981).

2. Imperilling the Western Alliance. The Manifesto goes to say that Labour's policy would be conducted in a manner designed to secure disarmament agreements with other countries and to maintain co-operation with out allies. In fact, however, if the policy was conducted, it would have the gravest effect on Anglo-American co-operation and friendship and would imperil the security of Western Europe, which depends on the massive American contribution to NATO.

CRUISE MISSILES

"We will not permit the siting of Cruise missiles in this country" (para. 196).

COMMENT

1. Its effect on the current negotiations. In paragraph 191 of the Manifesto, Labour says that it wants the INF talks in Geneva on banning US Cruise missiles and Soviet SS20s to succeed, and that Labour has always opposed the Soviet deployment of SS20s. But what possible incentive is there for the Russians to agree to get rid of their SS20s if the Cruise missiles are not to be deployed under any circumstances?
2. The Russian threat. Since 1977, the Soviet Union has deployed about 351 SS20 missiles, each with three warheads, of which about two thirds are aimed at Western Europe.
3. NATO's desire for peace. NATO has put forward very fair proposals (a) for the elimination of the whole class of land-based intermediate weapons (the zero option) and (b) in the light of the Soviet refusal to accept this, for an interim agreement involving a balance of such weapons between the two sides at the lowest possible level.
4. Russian superiority. At present, there are 3,940 Soviet land-based intermediate nuclear weapons systems opposing 980 NATO systems.
5. Labour's position in 1979. In December 1979, Mr Bill Rodgers, (then Labour defence spokesman), gave official Labour Party support for the Government's decision to deploy Cruise missiles if no arms control agreement could be reached with the Russians.

BRITAIN'S NUCLEAR DETERRENT

"The next Labour government will cancel the Trident programme. ...We will propose that Britain's Polaris force be included in the nuclear disarmament negotiations in which Britain must take part. We will, after consultation, carry through in the lifetime of the next parliament our non-nuclear defence policy" (page 36).

COMMENT

1. The destruction of our traditional bipartisan nuclear policy. Labour's proposal would deprive Britain of any independent nuclear deterrent within five years, even though all previous governments, Labour and Conservative, have regarded such a deterrent as a vital contribution to NATO strategy and an ultimate guarantee of our national security.
2. A surrender of our negotiating position. It makes no sense to propose including Polaris in nuclear disarmament negotiations and then, in the next breath, to say that you will carry through a non-nuclear defence policy (i.e. get rid of Polaris) by the end of the next parliament. As Mr Heseltine has said:

"What possible incentive is there for the Russians to agree to anything, if you go into negotiations saying that you are going to get rid of your nuclear weapons whatever happens?"
(Darlington, 14th March 1983)
3. Labour's earlier support for Polaris. The last Labour Government carried forward the Chevaline programme, costing £1,000 million, to keep Polaris operational until the mid 1990s.
4. Healey's support for Polaris. On 19th December 1982, Mr Healey said that it would be "crazy" to get rid of Polaris (Times, 20th December 1982).

DEFENCE EXPENDITURE

"Labour will reduce the proportion of the nation's resources devoted to defence so that the burden we bear will be brought into line with that of the other major European NATO countries" (page 37).

COMMENT

1. The financial consequences. UK defence spending is about 5.1 per cent of GNP compared with an average of 3.5 per cent for our major European allies (Germany, France and Italy). If we had brought our defence budget in the last financial year (£14.4 billion) down to that average, we would have had to cut some £4,500 million off our spending.
2. The concealed cut in conventional forces. Labour pretends that the burden of Trident is distorting the defence budget and threatening the adequacy of our conventional forces. But the annual cost of Trident is £375 million - only one twelfth of Labour's proposed cuts of £4500 million. To achieve the envisaged saving, there would have to be vast cuts in our conventional forces.
3. The real implications. Mr Heseltine suggested three ways of meeting Labour's target at South Mimms on 16th April 1983:
 - i) "Disband one of the three Services. If we had no navy at all that would achieve nearly but not quite Labour's targets for defence cuts.
 - ii) ...cut our forces in Germany by half and dispose of all our aircraft carriers and cut the destroyer/frigate force by half and cut the RAF's offensive capability by half.
 - iii) Abandon all R & D on military aircraft and reduce army home forces by half and cut RAF strike, attack and reconnaissance by one third and dispose of the submarine fleet and amphibious forces together with massive reductions in training, support, communications and maintenance"
4. Soviet defence spending takes 13%-15% of GNP.

OVERSEAS DEVELOPMENT

"Labour sets a high priority on attacking the causes of mass poverty. A Labour government will reach the UN sponsored aid target of 0.7 per cent of Gross National Product and work towards a further target of 1.0 per cent. We will also re-establish the principle that aid must be used in the interest of the poorest people in the poorest countries..." (page 37).

COMMENT

1. Labour's unimpressive record. Labour's target of 0.7 per cent is in fact no different from that of the Conservative Government. The Labour Party puts no time scale on this, or on the move to 1.0 per cent. This is a retreat from the position in "Labour Programme 1982" when Labour pledged to reach 0.7 per cent within the first full parliament. Interestingly, the Labour Party Manifesto of 1974 stated that the government would move towards the 0.7 per cent target "as fast as possible". The facts show that they did not meet this clear pledge.

	<u>Year</u>	% of GDP spend on Aid
	(1975)	0.39
Full year of the Labour Government	(1976)	0.39
	(1977)	0.45
	(1978)	0.46

There is no reason to believe that any future Labour Government would fulfil its promises, particularly since there would be so many other competing claims for its finance.

2. Firm Conservative support for the poorest. Labour will not need to re-establish the principle of concentrating aid on the poorest countries. The present Conservative Government has already done so. In 1978, (the last full year of the last Labour Government), 60 per cent of all our bilateral aid went to the poorest countries. The Conservative Government's figure is currently about sixty eight per cent.

TRADE WITH DEVELOPING WORLD

"Labour will plan an expansion of trade with the developing world and will work to bring about changes in the international trading system that will be of benefit to poor countries...In trade agreements, Labour will insist upon workers rights and will bring in legislation to control the activities of British based multinational companies operating overseas."
(page 37)

COMMENT

1. Conflict with Labour policy for import controls. Expansion of imports from the third world would run counter to Labour's proposals for import controls. In fact the areas of the economy where the arguments for import controls are strongest are those which are threatened by third world imports eg. textiles and clothing. Would Labour abolish the Multi-Fibre Agreement?
2. The practical difficulties. It is difficult to see how Labour could control the operation of British based multinationals operating overseas. In any case Western investment funds are nearly always welcome in the poorer countries and Western multinational companies have pioneered the introduction of good working conditions.

POLICY TOWARDS LIBERATION MOVEMENTS IN SOUTH AFRICA AND NAMIBIA

"We are totally opposed to apartheid and will unequivocally support its opponents, giving financial and material assistance to the liberation movements in South Africa and SWAPO of Namibia." (page 38)

COMMENT

1. Soviet-style policies. In stating that a future Labour Government would give financial and material support to guerrilla groups operating in Southern Africa, the Labour policy makers are explicitly supporting terrorism and implicitly aping the Soviet policy on Africa: there are currently 20,000 Cuban troops in neighbouring Angola who give direct support to the guerrilla movement. In April 1983, there was a joint operation by the Angolan Marxist MPLA and SWAPO, in which 37 black civilians were killed and 161 were abducted and taken to Angola for military training by the Cubans.
2. Destroying the prospects of peace. At present Britain belongs to the 'Five Nation Contact Group on Namibia'. The Government's policy is to support all proposals aimed at resolving the dispute without bloodshed. Were Labour to pursue its policy, the contact group would become divided and the basis for a peaceful settlement very slim.

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FUTURE OF THE FALKLAND ISLANDS

"Labour believes that Britain must restore normal links between the Falklands and the Latin American mainland, and that the United Nations must be involved in finding a permanent settlement of the problem."
(page 39)

COMMENT

1. Britain is responsible for the Falkland Islands' diplomatic links with the Latin American mainland. It was notable that no South American country, apart from Argentina, severed diplomatic relations with us over the Falklands issue.
2. Britain wants peace: The Government has repeatedly made it clear that we are prepared to normalise relations with the Argentinians once the latter have declared a definitive cessation of hostilities and renounced the use of force, which they have still not done. The restoration of air and sea links between the Islands and the Latin American mainland will come about of itself as the normal requirements of commerce assert themselves.
3. Betrayal of Britain's heroes. There may be scope for the U.N. to contribute to a solution of the problem, but the basic requirement of any solution is for the Argentinians to abandon their insistence that negotiations should be about the transfer of sovereignty. The Prime Minister said in the House of Commons on 23rd November 1982:

"There can be no question of negotiations on sovereignty for the Falkland Islands. It would be a betrayal of those who fought and died" (Hansard, Cols. 704-5).