

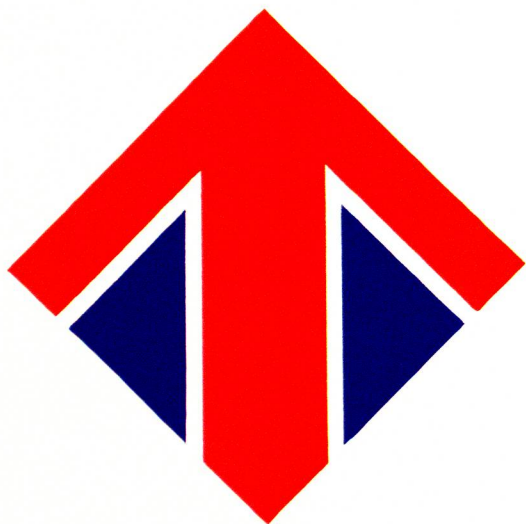
THE

CONSERVATIVE

MANIFESTO

FOR SCOTLAND

1983



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THE CHALLENGE OF OUR TIMES

Foreword by The Rt. Hon. Margaret Thatcher

In the last four years, Britain has recovered her confidence and self-respect. We have regained the regard and admiration of other nations. We are seen today as a people with integrity, resolve and the will to succeed.

This Manifesto describes the achievements of four years of Conservative government and sets out our plans for our second term.

The choice before the nation is stark: either to continue our present steadfast progress towards recovery, or to follow policies more extreme and more damaging than those ever put forward by any previous Opposition.

We face three challenges: the defence of our country, the employment of our people, and the prosperity of our economy.

- How to defend Britain's traditional liberties and distinctive way of life is the most vital decision that faces the people at this election.

We have enjoyed peace and security for thirty-eight years – peace with freedom and justice. We dare not put that security at risk.

Every thinking man and woman wants to get rid of nuclear weapons. To do that we must negotiate patiently from a position of strength, not abandon ours in advance.

- The universal problem of our time, and the most intractable, is unemployment.

The answer is not bogus social contracts and government overspending. Both, in the end, destroy jobs. The only way to a lasting reduction in unemployment is to make the right products at the right prices, supported by good services. The Government's role is to keep inflation down and offer real incentives for enterprise. As we win back customers, so we win back jobs.

- We have a duty to protect the most vulnerable members of our society, many of whom contributed to the heritage we now enjoy. We are proud of the way we have shielded the pensioner and the National Health Service from the recession.

Only if we create wealth can we continue to do justice to the old and the sick and the disabled. It is economic success which will provide the surest guarantee of help for those who need it most.

Our history is the story of a free people – a great chain of people stretching back into the past and forward into the future.

All are linked by a common belief in freedom, and in Britain's greatness. All are aware of their own responsibility to contribute to both.

Our past is witness to their enduring courage, honesty and flair, and to their ability to change and create. Our future will be shaped by those same qualities.

The task we face is formidable. Together, we have achieved much over the past four years. I believe it is now right to ask for a new mandate to meet the challenge of our times.

Margaret Thatcher

1. THE ROAD TO RECOVERY

Britain is once more a force to be reckoned with. Formidable difficulties remain to be overcome. But after four years of Conservative government, national recovery has begun.

When we came to office in May 1979, our country was suffering both from an economic crisis and a crisis of morale. British industry was uncompetitive, over-taxed, over-regulated and over-manned. The British economy was plagued by inflation. After only a brief artificial pause, it was back into double figures. This country was drifting further and further behind its neighbours. Defeatism was in the air.

We did not disguise the fact that putting Britain right would be an extremely difficult task. The second sharp oil price increase and the deepest world recession since the 1930s have made those difficulties worse. At the same time, the Western world is passing through another transformation – from the age of the smokestack to the era of the microchip. Traditional industries are being transformed by the new technologies. These changes have led to a rapid rise in unemployment in almost every Western country.

Our opponents claim that they could abolish unemployment by printing or borrowing thousands of millions of pounds. This is a cruel deceit. Their plans would immediately unleash a far more savage economic crisis than their last; a crisis which would, very soon, bring more unemployment in its wake.

The truth is that unemployment, in Britain as in other countries, can be checked and then reduced only by steadily and patiently rebuilding the economy so that it produces the goods and services which people want to buy, at prices they can afford.

What we have achieved

This is the task to which we have steadfastly applied ourselves with gradually increasing success. Prices are rising more slowly now than at any time for fifteen years. Britain is now among the low-inflation nations of the Western world. Output is rising.

We are creating the conditions in which trade and industry can prosper. We have swept away controls on wages, prices, dividends, foreign exchange, hire purchase, and office and factory building.

We have returned to free enterprise many state firms, in order to provide better service to the customer and save taxpayers' money.

We have cut income tax rates and raised allowances at all levels.

We have more than protected pensions against rising prices. We have strengthened the National Health Service. We have given council tenants the right to buy their own homes.

We have strengthened the police and the armed forces of the Crown.

We have done all this and more, and still kept our promise to bring public spending under control.

We have paid off nearly half the overseas debts the Labour Party left behind. Once the IMF's biggest borrower, we are now playing a leading part in strengthening international trade and finance – to the benefit of the poorest countries on earth.

And we have acted so that people might live in freedom and justice. The bravery, skill and determination with which Britain's task force recaptured the Falklands reverberated around the world. Many small nations gave thanks for that stand; and our allies in the North Atlantic are heartened by what Britain achieved in the South Atlantic.

Over the past four years, this country has recaptured much of her old pride. We now have five great tasks for the future. They are:

- **to create an economy which provides stable prices, lasting prosperity and employment for our people;**
- **to build a responsible society which protects the weak but also allows the family and the individual to flourish;**

- **to uphold Parliamentary democracy and strengthen the rule of law;**
- **to improve the quality of life in our cities and countryside;**
- **to defend Britain's freedom, to keep faith with our allies in Europe and in NATO, and to keep the peace with justice.**

These tasks will require sustained determination, imagination and effort from government and people alike.

2. JOBS, PRICES AND UNIONS

During the years of recession, now coming to an end, even the most successful of our competitors have faced increasingly serious problems and mounting unemployment. Despite all these difficulties, the Conservative Government has been overcoming Britain's fundamental problems: restoring sound money, setting a better balance between trade unions and the rest of society, bringing efficiency to the nationalised industries, and developing effective policies to mitigate the curse of unemployment.

The foundations of recovery have been firmly laid. In the next Parliament, we shall build on this progress.

Success against inflation

Steadier prices and honest money are essential conditions for recovery. Under the last Labour government, prices doubled and inflation soared to an all-time peak – despite the existence of a battery of controls on prices, profits, dividends and pay.

Today, there are no such controls. Yet prices are rising more slowly than at any time since the 1960s. During the last year, inflation has come down faster in Britain than in any other major economy. With lower inflation, businessmen, families, savers and pensioners can now begin at last to plan and budget ahead with confidence. In the next Parliament, we shall endeavour to bring inflation lower still. Our ultimate goal should be a society with stable prices.

We shall maintain firm control of public spending and borrowing. If Government borrows too much, interest rates rise, and so do mortgage payments. Less spending by Government leaves more room to reduce taxes on families and businesses.

We shall continue to set out a responsible financial strategy which will gradually reduce the growth of money in circulation – and so go on bringing inflation down.

Our opponents are once again proposing the same

financial policies that led to such appalling inflation and chaos in the past.

Labour's 'National Economic Assessment' is a stale repeat of the Social Contract which ended so disastrously in the Winter of Discontent. Once again, the Labour Party is committed to carry out trade union leaders' instructions in exchange for mere expressions of goodwill.

Commonsense in pay bargaining

With lower inflation, we have seen a return to commonsense in pay bargaining. Uncertainty and anxiety about rising prices have contributed to the absurdly high pay claims that destroyed so many jobs. As inflation subsides, people in work can see the prospect of real, properly-earned improvements in their living standards – which have gone up by more than 5 per cent on average over the last four years. So long as sensible government policies are matched by sensible attitudes in industry and commerce, these living standards can continue to improve.

The last four years have shown that a bureaucratic machine for controlling wages and prices is quite unnecessary. It simply stores up trouble and breeds inefficiency.

But Government remains inescapably responsible for controlling its own costs. We are committed to fair and reasonable levels of pay for those who work in the public services. We shall therefore continue to seek sensible arrangements for determining pay in the Civil Service and the National Health Service, following the Megaw Report and the resolution of the NHS pay dispute.

It is equally our duty to the nation as a whole to prevent any abuse of monopoly power or exploitation of the sick, the weak and the elderly. So we must continue to resist unreasonable pay claims in the public sector.

Trade union reforms

In the return to more sensible pay bargaining, the trade unions have an important part to play.

They can be powerful instruments for good or harm, to promote progress or hinder change, to create new jobs or to destroy existing ones. All of us have a vital interest in ensuring that this power is used democratically and responsibly.

Both trade union members and the general public have welcomed the 1980 and 1982 Employment Acts, which restrain secondary picketing, encourage secret ballots, curtail abuse of the closed shop, and restore rights of redress against trade unions responsible for committing unlawful acts.

But some trade union leaders still abuse their power against the wishes of their members and the interests of society. Our 1982 Green Paper, *Democracy in Trade Unions*, points the way to give union members control over their own unions. We shall give union members the right to:

- hold ballots for the election of governing bodies of trade unions;
- decide periodically whether their unions should have party political funds.

We shall also curb the legal immunity of unions to call strikes without the prior approval of those concerned through a fair and secret ballot.

Political levy

Consultations on the Green Paper have confirmed that there is widespread disquiet about how the right of individual trade union members not to pay the political levy operates in practice, through the system of contracting-out. We intend to invite the TUC to discuss the steps which the trade unions themselves can take to ensure that individual members are freely and effectively able to decide for themselves whether or not to pay the political levy. In the event that the trade unions are not willing to take such steps, the Government will be prepared to introduce measures to guarantee the free and effective right of choice.

Essential services

The proposal to curb immunity in the absence of pre-strike ballots will reduce the risk of strikes in essential services. In addition, we shall consult further about the need for industrial relations in specified essential services to be governed by adequate procedure agreements, breach of which would deprive industrial action of immunity.

The nation is entitled to expect that the operation of essential services should not be disrupted.

Involving employees

Good employers involve their employees by consulting them and keeping them fully informed. This is vital for efficiency as well as harmony in industry. We shall continue to encourage it. Many employers have already done much in recent years to establish a long-needed sense of common purpose with their workforces. We shall resist current attempts to impose rigid systems of employer/employee relations in Britain. We will continue to encourage workers to identify with the success of the firm for which they work, by the promotion of share-ownership and profit-sharing.

In each of the last two years, largely as a result of tax changes we have introduced, about a quarter of a million employees have acquired shares in the companies that employ them.

When state industries are offered to the private sector, we have given their employees the chance to buy shares in them, and many have exercised this right.

Unemployment: coping with change

During the last four years, unemployment in the industrialised countries has risen more sharply than at any time since the 1930s. Britain has been no exception. We have long been one of the least efficient and most over-manned of industrialised nations. We raised our own pay far more, and our output far less, than most of our competitors. Inevitably, this pushed prices up and drove countless customers to buy from other countries, forcing thousands of employers out of business and hundreds of thousands of workers out of jobs.

At the same time, there has been a rapid shift of jobs from the old industries to the new, concentrated on services and the new technologies. Tragically, trade unions have often obstructed these changes. All too often this has delayed and reduced the new and better-paid jobs which could replace those that have been lost.

This Government has an impressive record in helping the unemployed who, usually through no fault of their own, are paying the price of these past errors.

We have committed over £2,000m. this year to training and special measures for the unemployed. This is supported by substantial help from the European Community's Social Fund, amounting to over £250m. in 1982. As long as unemployment remains high, we shall

maintain special measures of this kind, which bring effective help to many of those who have no job.

This year, some 1,100,000 people are being trained or helped by the most comprehensive programme of its kind in Europe.

For the first time, the new Enterprise Allowance Scheme offers many thousands of unemployed people the support they need, but previously could not get, while they start their own businesses. We will maintain special help for the long-term unemployed through the Community Programme, and for the older unemployed through early retirement schemes.

Removing the barriers to jobs

We shall go on reducing the barriers which discourage employers from recruiting more staff, even when they want to. And we shall help to make the job market more flexible and efficient so that more people can work part-time if they wish, and find work more easily.

That is why we have amended the Employment Protection Act and why we shall continue to:

- minimise the legal restrictions which discourage the creation of new jobs;
- encourage moves towards greater flexibility in working practices, such as Part-Time Job Release, which makes it financially possible for people nearing retirement age to go part-time; and the Job-Splitting Scheme which helps employers to split a whole-time job into two part-time jobs;
- improve the efficiency of the employment services in identifying and filling job vacancies;
- ensure that Wages Councils do not reduce job opportunities by forcing workers to charge unrealistic pay rates, or employers to offer them.

Training

If we are to make the most of the employment opportunities that present themselves in an age of rapid change and more varied patterns of work and occupation, up-to-date training is essential.

Training for work must start with better, more relevant education at school. For school-leavers, we have

provided the most imaginative and far-reaching scheme in our history. The Youth Training Scheme offers every 16-year old a year of serious training for work. By the autumn of this year it should help 350,000 youngsters, of whom up to 50,000 will be in Scotland. From now on, no one leaving school at 16 need be unemployed in his first year out of school.

This is only a part of our wider strategy to ensure effective training for the skills and jobs of tomorrow – on a scale and of a quality to match the world's best. At its heart is our reform of industrial training and the apprenticeship system.

We are improving the scope and quality of our training for the employed and unemployed alike; tackling problems which the Labour Party has never had the courage to face.

We shall continue to provide for, and improve, the special employment and training needs of the disabled, and to reform our training agencies to meet more effectively the needs of industry and workers alike.

The nationalised industries

Reform of the nationalised industries is central to economic recovery. Most people who work in these industries work hard and have a sense of public service. Since 1979, we have gone to great lengths to improve the performance of the state sector, to appoint top-class managers and work closely with them to tackle each industry's problems.

But for all this, few people can now believe that state ownership means better service to the customer. The old illusions have melted away. Nationalisation does not improve job satisfaction, job security or labour relations – almost all the serious strikes in recent years have been in state industries and services. We have also seen how the burden of financing the state industries has kept taxes and government borrowing higher than they need have been.

A company which has to satisfy its customers and compete to survive is more likely to be efficient, alert to innovation, and genuinely accountable to the public. That is why we have transferred to private ownership, in whole or in part, Cable and Wireless, Associated British Ports, British Aerospace, Britoil, British Rail Hotels, Amersham International, and the National Freight Corporation. Many of their shares have been bought by their own

employees and managers, which is the truest public ownership of all.

We shall continue our programme to expose state-owned firms to real competition. In telecommunications, we have licensed a new independent network, Mercury, and have decided to license two mobile telephone networks. We have allowed competition in commercial postal services. Already, standards of service are beginning to improve. Investment is rising. And better job opportunities are being opened up.

We shall transfer more state-owned businesses to independent ownership. Our aim is that British Telecom – where we will sell 51 per cent of the shares to the private sector – Rolls Royce, British Airways and substantial parts of British Steel, of British Shipbuilders and of British Leyland, and as many as possible of Britain's airports, particularly those in the Highlands and Islands, shall become private sector companies. We also aim to introduce substantial private capital into the National Bus Company. As before, we will offer shares to all those who work in them.

We shall also transfer to the private sector the remaining state-owned oil business – the British Gas Corporation's offshore oil interests.

We have abolished the Gas Corporation's statutory monopoly of the supply of North Sea gas to industry. Already there has been a vigorous new lease of life for gas exploration and development in the North Sea, which had ground to a complete halt under Labour. In the last Parliament, we passed a law to encourage the private generation of electricity. In the next Parliament, we shall seek other means of increasing competition in, and attracting private capital into, the gas and electricity industries.

Merely to replace state monopolies by private ones would be to waste an historic opportunity. So we will take steps to ensure that these new firms do not exploit their powerful positions to the detriment of consumers or their competitors. Those nationalised industries which cannot be privatised or organised as smaller and more efficient units will be given top-quality management and required to work to clear guidelines.

3. ENCOURAGING FREE ENTERPRISE

We want to see an economy in which firms, large and small, have every incentive to expand by winning extra business and creating more jobs. This Conservative Government has been both giving those incentives and clearing away the obstacles to expansion: the high rates of tax on individuals and businesses; the difficulties facing the small firm trying to grow, and the self-employed man trying to set up on his own; the blockages in the planning system; the bottlenecks on our roads; the restrictions on our farmers and fishermen; and the resistance to new ideas and technologies.

In the last four years, many British firms have made splendid progress in improving their competitiveness and profitability. But there is some way to go yet before this country has regained that self-renewing capacity for growth which once made her a great economic power, and will make her great again.

Only a government which really works to promote free enterprise can provide the right conditions for that dream to come true.

Lower and simpler taxes

In the last four years, we have made great strides in reducing and simplifying taxes. We have:

- cut the basic rate of income tax; raised tax allowances above the level we inherited *after* allowing for price rises; brought the higher rates of income tax down to European levels; and made big reductions in the investment income surcharge, which have particularly helped the old;
- removed many of the worst features of Capital Transfer Tax, Capital Gains Tax and Development Land Tax;

- cut business taxes, in particular the National Insurance Surcharge, Labour's tax on jobs, from 3½ per cent to 1 per cent; and improved stock relief for businesses;
- much reduced the taxes on, and increased the incentives for, gifts to charities;
- greatly reduced tax bureaucracy. Manpower in the Inland Revenue and Customs & Excise has fallen from 113,400 in April 1979 to 98,500 in April 1983, and is set to fall further.

This dramatic progress is all the more striking when compared with the vast increases in taxation which our opponents' policies would inevitably bring.

Further improvements in allowances and lower rates of income tax remain a high priority, together with measures to reduce the poverty and unemployment traps.

The changes to this year's Finance Act on which Labour have insisted show that they intend just this. We shall reverse those changes at the earliest opportunity.

We want to encourage wider ownership. This means lowering taxes on capital and savings; encouraging individuals to invest directly in company shares; and encouraging the creation of more employee share schemes.

More small firms

We have reduced the burdens on small firms, especially in employment legislation and planning, and cut many of the taxes they pay, particularly Corporation Tax. Our Loan Guarantee Scheme has already backed extra lending of over £300m. to about 10,000 small firms. The new Business Expansion Scheme, a major extension of the Business Start-Up Scheme, will encourage outside investment in small companies by special tax reliefs. The construction of new premises for small businesses has more than doubled.

To help the engineering industry and the areas most dependent on it, we have introduced and now extended a very successful scheme of grants (SEFIS) to smaller firms, which help them to buy new machinery.

Thanks to these policies and over a hundred other important measures, the climate for new and smaller businesses in the UK has been transformed and is now as favourable as anywhere in the world.

Help for the new technologies

Even during the recession, our new industries and technologies made remarkable progress. Britain has more micro-computers in relation to its population than any other country. We have speeded this progress by supporting research and spreading knowledge of the technologies of tomorrow; and by increasing government support for the new technologies from £100m. in 1978-9 to over £350m. in 1983-4. But that is only the beginning. We will now:

- promote, in partnership with industry, the Alvey programme for research into advanced information technology;
- accelerate the transfer of technology from the university laboratory to the market place, especially by the encouragement of science parks;
- help firms to launch new products through pilot schemes and public purchasing;
- build on the successes of our 'Micros-in-Schools' scheme and our network of Information Technology Centres for the young unemployed so that they are equipped with tomorrow's skills;
- sanction the launch of new cable networks to bring wider choice to consumers, not just for entertainment, but for the whole new world of tele-shopping and tele-banking.

Regions, enterprise zones and freeports

We shall continue to maintain an effective regional policy which is essential to ease the process of change and encourage new businesses in areas which have been dependent on declining industries. We do not propose sudden changes in regional policy. But we will:

- make sure that these policies are economical and effective in creating genuine jobs;
- secure more effective co-ordination between central and local government and the European Community's Regional Development Fund to ensure that their actions offer the greatest help to communities in need;

- further develop local self-help initiatives, as well as building on the good work and experience of the Scottish Development Agency, the New Towns, the 24 Enterprise Zones of which Clydebank is the most successful example and, our latest innovation, duty-free trading zones, which will be established in certain experimental 'Freeports';
- diversify regional economies by encouraging the fullest use of our schemes for innovation.

Planning

In our crowded country the planning system has to strike a delicate balance. It must provide for the homes and workplaces we need. It must protect the environment in which we live.

One particular way to achieve this is by bringing back into use the thousands of acres lying derelict and unused, so much of which is in the ownership of local authorities or other public bodies. We have set up Land Registers to identify this land, and we shall now use our powers to bring it into use. The more this land can be used, the less the need to build on Green Belts and the countryside.

We will also bring open-cast coalmining within normal planning control, and we shall establish more control over intensive livestock units near residential areas.

Energy

Britain has come from nowhere to be the world's fifth largest oil producer. The development of North Sea oil has been one of the great success stories of the last few years. Private enterprise has pushed technology through many new frontiers, and the Scottish oil industry is now the acknowledged world leader in the extraction of oil from the deep sea. Almost 100,000 Scots are contributing their skill and energy to this industry, and of the £2,500m. per year which is spent by the oil industry in Britain, Scotland gets very much the lion's share.

The recent Budget changes have opened up a new chapter in the development of more marginal fields, and promise a new wave of important business to Scotland. Several new gas gathering developments are now under way, and employment in this field is certain to increase in the years ahead. The Government will continue to encourage developments in this sector.

In the next Parliament, the interests of the whole country require Britain's massive coal industry, on which we depend for the overwhelming bulk of our electricity generation, to return to economic viability.

We shall press ahead with the development of safe nuclear power. It is an important way of securing lower-cost electricity for the future. We shall set up an Energy Efficiency Office to co-ordinate the Government's conservation effort, so as to ensure that the taxpayer gets the best value for money.

Furthermore, in Scotland the Government recently confirmed the future development of fast breeder reactor technology, which will continue for many years to provide research and other employment for Scotland at Dounreay.

We recognise that some energy users have special needs. This is why we have:

- ensured that standing charges no longer dominate the bills of small gas and electricity consumers;
- increased help for the needy with their fuel bills, leading to many fewer disconnections; and
- introduced more favourable terms for the energy-intensive industries.

Better transport for industry

The national motorway and trunk road network will continue to be developed and improved to high-quality standards. This will not only make driving much safer for all, but also speed and cheapen the transport of goods.

The main Scottish road programme is now nearing completion. The previous Conservative government's magnificent rebuilding of the A9 is already proving of great benefit to industry in the Highlands. We will press forward with the improvement to dual carriageway standard of the A94 to Aberdeen, and continue to upgrade Scotland's road system in the years ahead. We will also seek to make rail freight more competitive.

Many of our ports have now been returned from state control to independent ownership. Before long, they should provide profitable and efficient services without the taxpayers' support.

Tourism

Tourism is one of Scotland's most important industries, employing 92,000 people, particularly in economically fragile areas. We are determined that Scotland should be promoted to its fullest advantage, both in the United Kingdom and abroad. To that end we have reformed and strengthened the Scottish Tourist Board. We have introduced a new system of Area Tourist Boards and given local authorities grants with which to establish them. We have encouraged full co-operation between the Scottish Tourist Board, the Highlands and Islands Development Board, local authorities and the British Tourist Authority to maximise promotional effort with the minimum duplication and waste. To this end we shall extend the powers of the Scottish Tourist Board to include promotional activity outwith the United Kingdom, on the lines of those enjoyed by the local authorities.

We have continued to provide financial assistance for the encouragement of new and enlarged tourist facilities.

Farming

Farming in Scotland has been through difficult times, mainly as a result of the refusal of the last Labour government to devalue the Green Pound and allow our farmers to compete on equal terms with European farmers.

We have fulfilled the pledges we made at the last Election by three devaluations of the Green Pound and have secured major extra benefits for Scotland, particularly the Sheep Meat Régime and the Beef Premium Scheme. The former has been particularly successful in the Hills and Uplands by guaranteeing producers a fair return for their lambs and protecting Scottish farmers from extreme fluctuations in price. In the dairy sector we have also successfully resisted proposals for extra burdens which some of our European partners wished to impose. At the same time we have brought in a measure of competition which has ensured better returns for producers while preserving the doorstep delivery system to housewives who want it, and in all cases keeping increases in price down to a minimum.

We shall carefully examine any structure programmes which the European Commission may bring forward to help disadvantaged areas and ensure that Scotland

receives fair consideration. The success of the Government's fight against inflation has now brought down the interest rates which so crippled many farms, and the outlook is one of optimism and better returns in the years ahead. We are strongly committed to helping our farming industry and we recognise that the next five years will be critical if farm incomes are to recover to acceptable levels.

Recognising the growing shortage of tenanted farms which are necessary if young people are to come into farming, we shall change the law to meet the suggestions drawn up jointly by the National Farmers' Union and the Scottish Land Owners' Federation. We have made substantial alterations to capital taxation, thus removing some of the financial disincentives to letting.

At the same time, we have not neglected the consumers' interest. Food prices more than doubled under Labour, and rose faster than other prices. Under the Conservatives, they have risen less than other prices. Last year they grew by less than 1 per cent, the smallest rise for nearly 20 years.

Fishing

We inherited a truly disastrous situation in the Scottish fishing industry. In spite of nearly seven years of negotiations, the Labour Party's dislike of Europe had prevented them from making any progress whatever towards a common fisheries policy. We found eight European nations ranged against us in the Council chamber.

Our negotiating team, containing two Scots Ministers, has now achieved an excellent agreement which is highly favourable to the Scottish fishing industry. This includes better quotas of fish than we have ever caught in our own waters, better exclusive zones round almost all the Scottish coast than ever before, and a special preferential zone off the North of Scotland in which foreign boats are strictly limited. This opens up the prospect, with effective conservation measures, of steadily increasing fishing opportunities.

Throughout these negotiations we consulted representatives of the Scottish fishing industry at all times, and the final agreement was made only with their approval. On three separate occasions during the negotiations the Government gave large sums of aid to

help our fishermen through a very difficult period. During the next Parliament we shall introduce measures to restructure the fishing industry and to encourage investment.

We are consulting the industry and local communities on the subject of inshore fishing. We intend to introduce legislation in the next Parliament to deal with the regulation of fishing within the 10-mile exclusive band, and we shall take into account the views of coastal and island communities who are heavily dependent on fishing.

Highlands and Islands

We have given a high priority to the problems of the Highlands and, as promised, appointed a senior Minister for the first time as Minister for the Highlands. This has enabled the Scottish Office to look at problems in the Highlands as a whole.

In particular, the large amount of extra help for hill farmers, special aid for fishermen, and road and tourist developments, have been an important factor in developing the Highlands' economy. After the tragic loss of the pulp mill at Fort William and the smelter at Invergordon, special recovery measures were introduced quickly involving extra money for the Highlands and Islands Development Board and an Enterprise Zone at Invergordon.

We have particularly helped the Islands by more than doubling the subsidy to the main ferry routes and introducing subsidy for the first time to the services to Orkney and Shetland. These measures recognise the importance which we attach to the maintenance of rural communities throughout the Highlands and Islands.

We will continue to give our full support to the Highlands and Islands Development Board in its work of encouraging development in this area.

4. RESPONSIBILITY AND THE FAMILY

Freedom and responsibility go together. The Conservative Party believes in encouraging people to take responsibility for their own decisions. We shall continue to return more choice to individuals and their families. That is the way to increase personal freedom. It is also the way to improve standards in the state services.

Conservatives believe equally strongly in the duty of Government to help those who are least able to help themselves. We have more than carried out our pledges to protect pensioners against price rises and to maintain standards in the National Health Service. This rebuts the totally unfounded charge that we want to 'dismantle the Welfare State'. We are determined that our public services should provide the best possible value both for people they seek to help and for the taxpayer who pays the bill.

A free and independent society is one in which the ownership of property is spread as widely as possible. A business which is partly or wholly owned by its workers will have more pride in performance. Already firms like the National Freight Company, where managers and workers joined together to take over the business, are thriving.

Under this Government, the property-owning democracy is growing fast. And the basic foundation of it is the family home.

Housing: towards a home-owning democracy

Most Scots want the security of owning their own homes. Yet in 1979 Scotland had a lower rate of home ownership than any other country in Western Europe, and even part of Eastern Europe. The 'Right to Buy' has given council tenants the chance to own their houses – and more than 48,000 have been, or are in the process of being, sold to council, Scottish Special Housing Association (SSHA) and New Town tenants. We shall extend the right to buy. The discount will be increased by one per cent a year for those

who have been tenants for between 20 and 30 years, taking the maximum discount to 60 per cent. New private building will be encouraged by ensuring that land is available.

Scotland's council estates all too often show the failures of Socialist planning. Many houses lie empty. Many more are difficult to let. Our policies are to give tenants more say, and to provide new life and new hope in the less attractive estates. We shall ensure that the Tenants' Charter is effectively implemented, and encourage the sale of empty council housing for owner occupation.

We have greatly increased the money available through the Housing Corporation to Housing Associations – to over £100m. a year. We shall continue to encourage the Associations to provide new and improved housing to rent and buy. Shared ownership has started well and there is great scope for schemes to extend opportunities for first-time buyers.

We have also done much to help the elderly and the disabled live normal lives by the provision of sheltered and amenity housing. More remains to be done and the Housing Associations and the SSHA will both have a key role. We shall encourage co-operation between local authorities, health boards and the voluntary movements to help people live in the community and look after themselves.

We shall extend our Tenants' Charter to enable council tenants to get necessary repairs done themselves and be reimbursed by their councils. Housing Improvement Grants have been increased substantially in the last two years and will continue to play an important role.

We shall conduct early public consultation on proposals which would enable the building societies to play a fuller part in supporting the provision of new housing and would bring up to date the laws which govern them.

Our goal is to make Britain the best housed nation in Europe.

Protecting the pensioner

Over the last four years, the retirement pension has risen from £19.50 to £32.85 a week for a single person and from £31.20 to £52.55 for a married couple. Even after allowing for price rises, pensioners can buy more with their pension today than they could under the last Labour government. We have ended Labour's unreliable system

of relying on forecasts of price rises to decide by how much to increase the pension. In five of the last seven years, those forecasts turned out to be wrong. In future, pensions will be related to actual and not estimated price increases.

In the next Parliament, we shall continue to protect retirement pensions and other linked long-term benefits against rising prices. Public sector pensioners will also continue to be protected on the basis of realistic pension contributions. In this Parliament, we raised to £57 a week the amount pensioners may earn without losing any of their pension. It remains our intention to continue raising the limit and to abolish this earnings rule as soon as we can. The Christmas Bonus, which Labour failed to pay in 1975 and 1976, will continue to be paid every year in accordance with the law we passed in 1979.

Over 11.5m. people – half the working population – are now covered by occupational pension schemes. We will consider how the pension rights of 'early leavers', people who change jobs, can be better protected and how their members may be given fuller information about their pension schemes.

Social security

Supplementary benefits, too, have been raised ahead of prices. To encourage thrift, instead of penalising it, the Government has also raised the amount of savings people can keep without losing any supplementary benefit. At the same time, we have clamped down firmly on fraud and abuse of social security.

Expenditure on cash benefits to the disabled is 21 per cent higher than under Labour, even after allowing for rising prices. There has been extra help, too, for those who are least able to afford their fuel bills.

We have introduced – and extended – a widows' bereavement allowance. We have kept the war widows' pension ahead of prices and removed it from tax altogether.

Child benefit and one-parent benefit are to be raised in November to their highest-ever level in real terms. We have also improved the family income supplement scheme to help low-paid working families.

Our record shows the strength of our commitment. But our ability to help depends on the wealth which the country produces. In Britain today, over 40p in every

pound of public spending is already devoted to health and social security. It is hypocritical for the Labour Party to pretend that they could raise public spending on benefits by thousands of millions of pounds without admitting the vast increases in taxation and national insurance contributions that would be needed, or the increased inflation that would result.

The National Health Service

We have more than matched our pledge to maintain spending on the National Health Service and secured proper value for money. Even after allowing for price rises, the nation is spending substantially more on health, and getting better health care for it.

Over the last four years in Scotland we have shown in practice our support for the National Health Service. We have increased the amounts given to it from £870m. in 1978 to £1,737m. this year. In other words, each Scot now gets £339 per year for health care, £73 more than his English counterpart. Far from cuts, this represents a substantial improvement on the position we inherited. It is an increase of around 5 per cent, even taking into account inflation. We have now 7,500 more nurses and 260 more doctors in Scotland than in 1979, and more Scots are able to receive hospital treatment than ever before. We succeeded in cutting the huge waiting lists which Labour left us, and despite the industrial dispute last summer we intend to continue so to do.

These extra resources have been used to introduce new medical techniques and to improve facilities for, among others, long-stay and geriatric patients.

We intend to continue to make sure that all patients receive the best possible value for the money that is spent on the Health Service. The treatment of the elderly, the mentally handicapped and the mentally ill will continue to command our particular attention.

We have established a large-scale programme for building new hospitals, from Montfield Hospital in Shetland, through the new District General Hospital in West Lothian and others, to the new Huntly Burn Hospital in the Borders. We shall continue our campaign to upgrade hospitals and brighten up shabby wards.

To release more money for looking after patients, we will reduce the costs of administering the Health Service. We are asking health authorities to make the maximum

possible savings by putting services like laundry, catering and hospital cleaning out to competitive tender. We are tightening up, too, on management costs, and getting much firmer control of staff numbers.

Most people who are ill or frail would prefer to stay in or near their own homes, rather than live in a hospital or institution. Helping people to stay in familiar surroundings is the aim of our policy 'Care in the Community'. The Government has given extra powers and extra cash to health authorities to enable them to finance such community care for individual patients on a long-term basis.

Partnership in care

Conservatives reject Labour's contention that the State can and should do everything.

We welcome the growth in private health insurance in recent years. This has both made more health care available, and lightened the load on the NHS, particularly for non-urgent operations. We shall continue to encourage this valuable supplement to state care. We shall promote closer partnership between the State and the private sectors in the exchange of facilities and of ideas in the interests of all patients.

We also welcome the vital contribution made by voluntary organisations in the social services. We shall continue to give them strong support. The Conservative Government has already made many radical changes in law and taxation which have greatly improved the way charities and voluntary bodies are financed. The terms governing gifts under covenants have been much improved, and the liability to capital taxation has been lightened or swept away.

We shall continue to support our highly successful 'Opportunities for Volunteering' scheme. In the next Parliament, we shall develop other new ways to encourage more private giving.

Schools: the pursuit of excellence

The principal features of our approach to education are a proper respect for the wishes of parents and for the diversity of the needs of their children, in the face of a rapidly changing industrial world. The benefits of this approach are already evident in Scotland. Our education system is now much closer to the needs of its consumers,

parents and pupils, and despite the necessary constraints on public expenditure, the quality of education has improved significantly; pupil/teacher ratios have never been better.

The Education (Scotland) Act 1981 introduced the 'Parents' Charter', and parents now have a legal right to be fully involved in deciding which school their children should attend. In 1984 we shall launch a completely new syllabus for the 14 to 18 age group. Firstly, in Scottish secondary schools, pupils aged 14 to 16 will study English, mathematics, science and other optional subjects at a level which suits their individual ability and at a breadth and pace of learning which meets their personal needs. As a result, their interest and motivation should improve enormously and they should no longer leave school with so many of them feeling that their education was irrelevant and largely a waste of time.

Secondly, young people who stay on at school after the age of 16, or who opt for a further education college will also find the Scottish education system adapting to their needs. New modular courses for students at school and further education colleges will break the present rigid separation of these establishments and introduce a flexibility of educational provision that has been warmly welcomed by local authorities, teachers' associations and, of course, the consumers, the young people themselves.

The popularity of our new secondary syllabus and our 'Action Plan' for 16 to 18 year olds has stung the Labour Party, who are clearly upset that the Scottish education system should so readily embrace the choice and flexibility which Conservative policies are providing.

We shall continue to support the Assisted Places Scheme (APS) which is different in character from the scheme operating in England and Wales. The APS makes it possible for lower-income families to meet the cost of independent school fees and widens the choice available to more families in Scotland.

Starting later this year, Her Majesty's Inspectors of Schools will publish the reports of their inspections of schools and colleges and, for the first time ever, these will include religious education which will soon become an optional examination subject. We shall continue to give strong support to the application of micro-computers to teaching a wide variety of subjects in primary and secondary schools, and in colleges. We shall improve the

quality of teacher training at all levels and give Scotland an all-graduate teaching profession with the introduction of a new four year primary degree course.

The link between industry and education is closer now than it has been for generations, whether direct with schools and colleges, or through the careers service, or the Manpower Services Commission's new Youth Training Scheme. The needs of many of our old traditional industries have fallen sharply in terms of employment. New industries make new demands on our education system. The central institutions and further education colleges in Scotland are responding by increasing their output of fully qualified people.

For far too long industry and education have existed in separate compartments. Our policies will provide the educational skills and training which our young people need and our industries require.

Higher education

Our universities too must generate new ideas and train the skilled workforce of the next generation. We have unrivalled institutions and unrivalled inventive genius – as the number of British Nobel prize-winners shows. What matters is to bring the two closer together and make the best practical use of both.

Britain has more students in professional training than Japan, and a greater proportion of young people in higher education than France or West Germany. More of our young people are now entering full-time degree courses than under the last Labour government. And a larger proportion of them complete their courses than in most other countries.

The very large sums of public money now going to higher education must be spent in the most effective way. Within that budget, we want to see a shift towards technological, scientific and engineering courses.

- We have set aside money for 700 new posts for young lecturers over three years to bring new blood into research.
- Over the next three years, we will provide for more teaching and research on information technology, with new posts for lecturers, and 2,200 new places for students.

Sport

We recognise that the enjoyment of sport is a vital part of Scottish life. Sponsorship of sporting events has increased considerably during the past few years. Industry and commerce have shared with central and local government the responsibility for bringing a variety of sports to an ever-greater number of people in Scotland. We shall continue to encourage sponsorship of this kind and to provide direct financial support through the Scottish Sports Council.

Safety, quality and value for money

The best way to protect the consumer is to bring price rises down and keep them down, and to increase competition. We have achieved both, and so helped the housewife far more than any bureaucratic system of controls. We have also brought the state industries under the scrutiny of the Monopolies and Mergers Commission, and exposed many of them to competition to prevent them from exploiting their customers.

We shall remain vigilant in defence of the quality and safety of the products people buy. But we shall also reduce government intervention wherever it is unnecessary or harmful to the interests of the customer.

The provisions of our Data Protection Bill will meet public concern that computers pose a particular threat to privacy and will enable us to ratify the European Convention on Data Protection.

Supporting family life

It is not for the Government to try to dictate how men and women should organise their lives. Our approach is to help people and their families fulfil their own aspirations in a rapidly changing world. As an employer, this government is fulfilling its commitment to equal opportunities for men and women who work in the public services. We have brought forward for public discussion proposals for improving the tax treatment of married women, whether or not they go out to work.

We have made provision for divorce and its consequences to be dealt with in local Sheriff Courts. We shall review the financial arrangements between husband and wife to achieve a fairer balance where marriage ends in divorce, and we shall pursue means for the speedy settlement of other problems, particularly those affecting the children.

5. LAW, DEMOCRACY AND THE CITIZEN

The rule of law matters deeply to every one of us. Any concession to the thief, the thug or the terrorist undermines that principle which is the foundation of all our liberties. That is why we have remained firm in the face of the threats of hijackers and hunger strikers alike. The defeat of the occupation of the Iranian Embassy is only one example of our determination to be patient but still unyielding.

Backing the crime-fighters

We recognised from the start the immense and continuing public concern about lawlessness, particularly in some of our larger cities. We acted immediately to fulfil our pledges to give the hard-pressed police every possible backing.

We have provided the money and resources needed to bring the Scottish Police Force up to record strength and efficiency. We shall encourage further community policing with more policemen on the beat.

We have provided them with much-needed powers to stop and search for the offensive weapons that so often turn a brawl into a murder, to detail suspects for questioning and to prevent violence and drunkenness at football matches.

We have tackled the problem of obscenity and shall be alert to meet any new threat, particularly to children's welfare such as the distribution of pornographic video cassettes.

Dealing with crimes, civil disobedience, violent demonstrations and pornography are not matters for the police alone. It is teachers and parents – and television producers, too – who influence the moral standards of the next generation. There must be close co-operation and understanding between the police and the community they serve.

We shall not weaken in our efforts to restore respect for the rule of the law, and to protect the safety of all our

citizens. We shall vigorously promote crime prevention in our housing schemes, especially for the elderly. We have introduced a new crime of vandalism, and vandals can now be compelled to compensate the victims of their crimes.

We now have a criminal justice system which for those in custody awaiting trial produces the swiftest criminal justice in the world.

In the civil justice system we shall give the individual a new and swift redress against abuse of power by those in authority, and introduce a humane and sensible form of warrant sales.

Immigration: firm and fair

We are utterly opposed to racial discrimination wherever it occurs, and we are determined to see that there is real equality of opportunity. The Conservative Party is, and always has been, strongly opposed to unfairness, harassment and persecution, whether it be inspired by racial, religious or ideological motives.

To have good community relations, we have to maintain effective immigration control. Since 1979, immigration for settlement has dropped sharply to the lowest level since control of immigration from the Commonwealth began more than twenty years ago. By passing the British Nationality Act, we have created a secure system of rights and a sound basis for control in the future; and we will continue to pursue policies which are strict but fair.

The supremacy of Parliament

The British Constitution has outlasted most of the alternatives which have been offered as replacements. It is because we stand firm for the supremacy of Parliament that we are determined to keep its rules and procedures in good repair.

We have modernised the Select Committees to improve Parliament's ability to keep a check on the actions of the Executive. We shall continue to pursue sensible, carefully considered reforms where they are of practical value.

We are concerned at all times to improve the quality of government in Scotland. To this end, we have set up the Select Committee on Scottish Affairs, which has done much useful work in Scotland and at Westminster; and we have made arrangements for the Scottish Grand

Committee to meet from time to time in Edinburgh, where Scottish issues have been debated and Scottish legislation dealt with.

We remain willing to consider further changes to improve the government of Scotland within the United Kingdom.

Labour want to abolish the House of Lords. We will ensure that it has a secure and effective future. A strong Second Chamber is a vital safeguard for democracy and contributes to good government.

Northern Ireland

In Northern Ireland, building upon the courage, commitment and increasing success of our security forces, we will give the highest priority to upholding law and order. We will continue to give the support essential for the Province to overcome its economic difficulties.

The people of Northern Ireland will continue to be offered a framework for participation in local democracy and political progress through the Assembly. There will be no change in North Ireland's constitutional position in the United Kingdom without the consent of the majority of people there, and no devolution of powers without widespread support throughout the community.

We believe that a close practical working relationship between the United Kingdom and the Government of the Republic can contribute to peace and stability in Northern Ireland without threatening in any way the position of the majority community in the Province.

The quality of government

This country is fortunate to have a Civil Service with high standards of administration and integrity. The Civil Service has loyally and effectively helped to carry through the far-reaching changes we have made to secure greater economy, efficiency and better management in Government itself. It is a tribute to this spirit of co-operation that the number of civil servants in the United Kingdom has been reduced from 732,000 to 649,000 with the minimum of redundancies and with higher standards of service to the citizen; and that there has been a reduction of eight per cent in the Scottish Office, even taking account of necessary increases in hospitals and prisons. This has saved the taxpayer about £500m. a year, and is helping us to improve civil service working conditions.

The efficiency 'scrutinies' launched by Lord Rayner and other money-saving techniques have now identified savings worth £400m. a year to the taxpayer. We have abolished 500 Quangos and done away with no less than 3,600 different types of government forms.

We are successfully putting out to tender more services needed by central government. We shall press on with this wherever public money can be saved and standards of service maintained or improved.

Public spending is now planned in terms of hard cash instead of so-called constant prices, and the discipline of cash limits on spending has been extended. As a result, public spending is firmly under control.

Local government: saving ratepayers' money

In Scotland we are already effectively using powers to reduce the rates of councils which plan excessive and unreasonable expenditure. England and Wales now intend to introduce measures with a similar aim. If necessary we will propose in addition a general scheme of limitation on rate increases for all local authorities.

We shall adjust the rate support grant system to ensure that general penalties on authorities are directly related to their overspending.

In addition, we propose to put local authorities under a statutory obligation to consult local representatives of industry and commerce before deciding on their planned expenditure and rate levels.

In Scotland, businesses already have the right to pay rates by instalments, and we shall ensure that empty industrial property is freed from rates.

For domestic ratepayers we have a much wider scheme of rate relief introduced in the form of the Unified Housing Benefit, which will help those with a particularly high burden of rates.

We shall legislate to end specific anomalies which adversely affect Scottish ratepayers as a result of differences in valuation methods between Scotland and England.

We will also take steps to bring the Scottish and English valuation systems more into line, to prevent anomalies occurring.

We will make the valuation system more responsive to changing economic circumstances and make it possible for ratepayers to appeal more readily and for appeals to be settled quickly.

We will also encourage local authorities to put out to tender important services like refuse collection and building repairs, as well as construction, wherever this can show savings. We must breakdown the 'in-house mentality' which leads to the delusion that every little job has to be carried out by local authority employees however wasteful the consequences.

We recognise the dedication of many people who serve in local government. We aim to give them responsibility, their electors better services and their ratepayers value for money.

6. IMPROVING OUR ENVIRONMENT

The Conservative Party has a long record of practical and effective action to improve the quality of life in our cities and countryside and to preserve our heritage. Since 1979, no government in Western Europe has done more for the environment – a clumsy word for many of the things that make life worth living.

Reviving the cities

The inner urban areas of our cities have suffered severe problems over the last thirty years. For this reason we have put a great deal of thought and money into the critical task of reviving them.

In particular, Glasgow, the industrial capital of Scotland, suffering from years of neglect from almost unbroken Socialist rule, has now begun an exciting revival with a great deal of help from the Government. We have sustained and enhanced the effort of the Glasgow Eastern Area Renewal project under the overall leadership of the Scottish Development Agency, and it is now a showpiece for what can be done even in the most difficult circumstances where all concerned work together. In addition, we have set in train a major dispersal of central government jobs to Glasgow. We plan the revival of the heart of the City by the development of the St. Enoch's Centre; there is to be a dramatic new Exhibition Centre on the site of the former Queen's Dock on the banks of the Clyde, and new buildings of character and distinction are under way for the Glasgow Sheriff Court and the Royal Scottish Academy of Music. This demonstrates our commitment not only to Glasgow but also to the preservation of our cities.

We have encouraged people to move back into the inner cities. Builders are now being helped to build homes of the type that young couples in particular can afford. We shall promote this revival of our inner cities, both by new building, and by sales by local councils of some of their

rundown property to 'homesteaders' who will restore the homes themselves.

We shall encourage greater opportunity for all those who live in our inner cities, including our ethnic minorities.

- Our small business schemes are helping to bring firms back into the city centres, and the Enterprise Zones we have set up are already bringing new life to some of the hardest-hit places in industrial Scotland.
- We shall continue to give priority to the areas most in need. Our programme for the reclamation of derelict land will continue. We shall increase our efforts to secure the disposal of under-used public sector land, using the powers available to us in order to require sites to be sold for homes and jobs.

Public transport

We have already taken important steps to improve the standards of public transport. We have lifted restrictions on long-distance coach services. As a result, about one hundred new express coach services have been started, fares have been substantially reduced and comfort improved.

In the country, we shall ensure better use of school and special buses for local communities. Restrictions on minibuses will be cut. So will the red tape which makes it so difficult for small firms and voluntary bodies to provide better ways to get around for those without cars, particularly the very old and the disabled.

We want to see a high-quality, efficient railway service. That does not mean simply providing ever-larger subsidies from the taxpayer. Nor, on the other hand, does it mean embarking upon a programme of major route closures. There is, however, scope for substantial cost reductions in British Rail which are needed to justify investment in a modern and efficient railway.

Fewer restrictive practices and much more attention to the customer are also essential. Rail services are now facing vigorous competition from coaches and cars, and they need to respond with more innovative and more modern work methods. We shall examine ways of decentralising BR and bringing in private enterprise to serve railway customers.

We have maintained steady progress in upgrading

Scotland's trunk road system, not only on the main strategic routes, but also with bypasses to ease damage and congestion in towns. Examples of this can be seen in the series of bypasses now in prospect for towns along the A75 route to Stranraer, and the good progress being made on the Edinburgh Southern bypass. We intend to press on with these much-needed improvements.

Rural policy and animal welfare

Conservatives understand the need for a proper balance between the strengthening of the rural economy and the preservation of the beauty and habitat of our countryside. Economic development will be encouraged in areas where this balance can be best maintained. At the same time, we have introduced the Wildlife and Countryside Act – the most important piece of legislation yet affecting the countryside – to safeguard areas of natural beauty and sites of scientific interest.

We have taken the lead in the much acclaimed measures to save the whale from extinction and to protect endangered species of seals, and we shall co-operate fully in the important international work to protect all endangered species.

Since 1979, we have been working to achieve full European agreement on the treatment of animals. We have introduced measures to improve the conditions of farm animals being transported or exported. There is now a European Convention on the Protection of Animals. We welcomed this agreement, and immediately introduced a White Paper on Animal Welfare to foreshadow changes in the law. We now propose to introduce legislation to update the Cruelty to Animals Act 1876 which will ensure more humane treatment of laboratory animals in scientific and industrial research. The sale of pet animals in street markets has been banned.

Controlling pollution

We intend to remove lead from petrol, and are taking the initiative with our European partners to achieve this at the earliest possible date. We will press ahead with our plans to reduce lead in paints, food and drinking water.

We will continue our policy to reduce river pollution – the length of polluted rivers has been halved in the last ten years, and this work will continue. We shall tighten up the controls on the disposal of hazardous waste and

continue to support the movement for recycling and reclamation.

The worst problems of air pollution have been resolved. But in some areas the levels of smoke and sulphur dioxide need to be further reduced.

The peaceful application of nuclear energy, if properly controlled (as it always has been in this country), will be beneficial to the environment as well as to the economy. We intend to make sure that the safety record of the British nuclear industry continues to be second to none. The Sizewell Inquiry into Britain's first Pressurised Water Reactor is well under way. The project will go ahead only if both the independent inspector and the Government are satisfied it is safe.

Arts and the heritage

Despite the recession, this Government has strengthened its support for the best of our heritage and for the performing arts. We have created the National Heritage Memorial Fund, which fulfils the long-delayed wish to commemorate the dead of two world wars in a permanent and tangible way.

The Arts in Scotland receive financial support from the government through the Scottish Arts Council. In 1983-4 we have increased the funds made available to the Council to £11.1m. compared with £7.2m. in 1979-80. In 1982-3 grants made by the Scottish Arts Council accounted for about half the spending of the Scottish National Orchestra's expenditure and about two-thirds of that of Scottish Opera. Many other smaller but important artistic groups also benefit in this way. Sponsorship from industry and commerce has also increased during this period and helped to bring concerts, opera, ballet and theatre to an ever-widening audience in Scotland. Our tax changes have helped to revive the British film industry. We shall keep up the level of government support, including a fair share for the regions. We shall also examine ways of using the tax system to encourage further growth in private support for the arts and the heritage.

7. BRITAIN IN THE WORLD

For nearly four decades, Europe has been at peace. The strength of the Western Alliance has kept our own freedoms secure. The possession of nuclear weapons by both sides has been an effective deterrent to another war in Europe.

The policies which our Labour opponents now propose would put at risk all this hard-won security.

The protection of peace

The invasion of Afghanistan and the suppression of dissent in Poland remind us of the true nature of the Soviet Union. It remains a threat to the liberty and security of the West. The Soviet Union maintains massive armed forces in Europe, and is extending its naval power throughout the world. Soviet nuclear strength continues to grow, despite the false assurances of their propaganda machine.

Labour's support for gestures of one-sided disarmament is reckless and naive. There is no shred of evidence to suggest that the Soviet bloc would follow such an example.

Labour would give up Britain's nuclear deterrent and prevent the United States from using its bases in Britain which are part of its nuclear shield over Europe. That would shatter the NATO Alliance, and put our safety in the greatest jeopardy.

We will fully support the negotiations to reduce the deployment of nuclear weapons. But we will not gamble with our defence.

The Soviet Union now has over one thousand SS20 warheads, two-thirds of which are targeted on Europe. If the Soviet Union does not recognise over the coming months the legitimate anxieties of the West by agreeing to our proposals to eliminate this class of weapons, we will start deploying cruise missiles by the end of this year. Even after this, the West will remain entirely ready

to negotiate for the removal of some or all of the missiles which we deploy, on the basis of a balanced and fair agreement with the Soviet Union.

The Western Alliance can keep the peace only if we can convince any potential aggressor that he would have to pay an unacceptable price. To do so, NATO must have strong conventional forces backed by a nuclear deterrent. And we in Britain must maintain our own independent nuclear contribution to British and European defence. At the same time, we shall continue to support all realistic efforts to reach balanced and verifiable agreements with the Soviet Union on arms control and disarmament.

We have substantially increased our defence expenditure in real terms. We have honoured our promise to give our regular and reserve forces proper pay and conditions and the equipment they need to do the job.

In Scotland, defence is a particularly important issue. Many Scots serve in our armed services; and there are over 20,000 other people employed in Scotland by the Ministry of Defence, as well as a host of others in high technology jobs dependent upon defence.

For both patriotic and economic reasons, therefore, it is clear that Scots have an interest in keeping our defences strong, and we agree with them.

Labour's irresponsible commitment to abandon Britain's nuclear deterrent would not only endanger the balance of power which ensures peace, but would devastate employment in sensitive areas of Scotland such as the Clyde and Rosyth dockyards.

There could be no greater testimony to the professional dedication and the quality of equipment of the British Armed Services than the brilliant recapture of the Falkland Islands in just 74 days. We take pride in their achievement.

Civil defence

Our overriding desire and policy is to go on preserving peace.

However, no responsible government can simply assume that we shall never be attacked. To plan for civil defence is a humanitarian duty – not only against the possibility of nuclear, but also of conventional attack.

That is why we must take steps to provide the help that could be vital for millions. To proclaim a nuclear-free zone, as some Labour councils have, is a delusion.

The Conservative government has accordingly carried out a thorough review of civil defence, brought forward new regulations to require local authorities to provide improved protection, strengthened the UK Warning and Monitoring Organisations, and nearly doubled spending on civil defence.

We propose to amend the Civil Defence Act 1948 to enable civil defence funds to be used in safeguarding against peacetime emergencies as well as against hostile attacks.

Britain in Europe

The creation of the European Community has been vital in cementing lasting peace in Europe and ending centuries of hostility. We came to office determined to make a success of British membership of the Community. This we have done.

Our first priority in 1979 was to cut our financial contribution to the Community Budget to a fairer level. Labour made a song and dance about renegotiating the terms, but had achieved nothing. The bill to British taxpayers soared.

We have stood up for Britain's interests, and substantially reduced our net contribution to the Community Budget. We have tenaciously sought a permanent alternative to the annual wrangles about refunds. Until we secure a lasting solution, we shall make sure of proper interim safeguards for this country. Meanwhile, with the help of Conservatives in the European Parliament, we shall continue to try to shift the Community's spending priorities away from agriculture and towards industrial, regional and other policies which help Britain more.

We shall continue both to oppose petty acts of Brussels bureaucracy and to seek the removal of unnecessary restrictions on the free movement of goods and services between member states, with proper safeguards to guarantee fair competition.

The Labour Party wants Britain to withdraw from the Community, because it fears that Britain cannot compete inside and that it would be easier to build a Socialist siege economy if we withdrew. The Liberals and the SDP appear to want Britain to stay in but never to upset our partners by speaking up forcefully. The Conservatives reject both extreme views.

The EEC is now Scotland's largest single export market and tens of thousands of Scottish jobs depend on our trade with the Community. This is in itself an obvious reason why we believe that Scotland and the United Kingdom should remain part of the EEC, but there are others.

Since Britain joined the European Community in 1973 industry, agriculture and the public sector in Scotland have received loans of £700m. and grants of £750m. from Brussels. Many thousands of jobs in industry, agriculture, fishing and construction have clearly benefited from this, as have industrial investment and many of the roads, dams, bridges and other parts of Scotland's infrastructure built in recent years.

Labour would throw all of this away, and only the Soviet Union and their allies would rejoice.

A trading nation

Our most important contribution to a healthy world economy is to manage our own affairs successfully. We shall also build on our important role in promoting international action to encourage recovery through the IMF and other international organisations. With the other leading industrial nations, we shall continue with our realistic initiatives to improve currency stability in the Western world, and assist nations with excessive debts to regain stability. Together with the Community, we are also playing a leading part in preserving an open world trading system, while safeguarding our most vulnerable industries.

While world trade declined last year, our exports and share of world trade increased, and we enjoyed a healthy balance of payments surplus, despite the pessimists who said the pound was uncompetitive. We believe in reinforcing success. This Government has given wholehearted support to British companies tendering for major overseas projects, and helped them secure many important contracts in the face of the toughest competition.

We will build on these initiatives to help our exporters, and vigorously promote the interests of British trade and industry in international negotiations – where we have already made our presence very effectively felt. We have no intention of becoming a dumping ground for the goods of other nations. We shall continue to challenge other nations' unfair barriers, whether in the shape of tariffs or trading practices.

Our wider role

In a troubled world, Britain is increasingly respected because we stand up for our own interests. But we are also respected because we stand up for the cause of freedom and the spread of prosperity throughout the world.

We resisted unprovoked aggression in the Falkland Islands, when the loyal support of our friends throughout the world reminded us of our common heritage of freedom. We will continue to uphold the principles for which we fought.

We shall continue to give our full support to the Commonwealth and to play an active and constructive part at the United Nations.

Our generous but carefully controlled aid programme is both an investment in the freedom and prosperity of the poorer countries and in a stable and expanding world economy. That programme helps us as well as those who receive it, since most of it is spent on British goods and services. More than many other nations, we direct our aid to the poorest countries, particularly in the Commonwealth.

But government aid is only a part of the total help we give the developing world. Unlike the Labour Party, we believe in permitting a free and profitable outflow of British investment. That flow to poorer countries has now grown far larger than British Government aid, bringing with it an invaluable transfer of skills and technology.

8. THE RESOLUTE APPROACH

This Government's approach is straightforward and resolute. We mean what we say. We face the truth, even when it is painful. And we stick to our purpose.

Most decisions worth taking are difficult. Cutting a clear path through the jungle of a modern bureaucracy is hard going. The world recession of the past four years, and the high level of unemployment throughout the industrial world, have made the going harder.

During these difficult years, we have protected the sick and the elderly. We have maintained Britain's defences and her contribution to the Western Alliance. And at the same time, we have laid the foundations for a dynamic and prosperous future.

The rewards are beginning to appear. If we continue on our present course with courage and common sense, those rewards should multiply in the next five years.

We shall never lose sight of the British traditions of fairness and tolerance. We are also determined to revive those other British qualities – a genius for invention and a spirit of enterprise.

Under Conservative government, confidence is brushing aside pessimism at home. Abroad, Britain is regarded for the first time in years as a country with a great future as well as a great past.

We mean to make that future a reality.

