

PRESS CONFERENCE BRIEFING

CRIME AND UNEMPLOYMENT

Line to take: The causes of crime are complex; unemployment is not the sole determinant, nor is it a major determinant of crime.

1. In the past, crime has gone up during periods of low unemployment. Many crimes are committed by people in employment or of school age.

2. The Report of the Home Office Research and Planning Unit confirmed this.

3. The Rutter report pointed out the connection between delinquency and adult crime, and stressed the importance of family stability in preventing delinquency. It found that there was no connection between immigration and unemployment and delinquency.

4. The Criminal Justice Act 1982 implements a number of measures such as the extension of Community Service Orders and increased parental responsibility for the fines of young offenders to help to deal with the problem of juvenile crime.

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Economic Figures

Line to take: The recent figures confirm the views of the Government and CBI that recovery is under way and accelerated at the turn of the year.

NATIONAL OUTPUT: Up $\frac{3}{4}\%$ in Q1 1983, highest rate of growth since Q2 1979. National output is now at highest level for three years, up 2.5 to 3% on its nadir in Spring 1981. Last year output grew 1% and this year the Treasury is predicting 2% .

STOCK FIGURES: Total Stocks fell by £36m in Q1 1983, compared to £566m in Q4 1982. Retailers stocks increased £101m, and slower rate of destocking by manufactures suggest that they met more orders from current production. CAUTION: In Q1 1982 a modest rebuilding of stocks occurred but then petered out.

CAPITAL SPENDING: Fell by $\frac{1}{2}\%$ in Q1 1983 compared to Q4 1982. This reversed a modestly rising trend last year, Manufacturing investment fell by $5\frac{1}{2}\%$ on Q4 1982.

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not in 5/83*

INDUSTRIAL PRODUCTION: Released earlier in the week. There was a fall of 1% in March, and of 0.2% in March's Manufacturing production. BUT both figures were $1\frac{1}{2}\%$ up in the first quarter taken as a whole and Central Statistical Office consider this a more reliable indicator.

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Money Supply

M3 grew by £1.8 billion; M1 by £440 million; PSL 2 by £2.2 billion in banking month of April. CGBR was £1.9 billion. Bank lending to private sector increased by only £210 million.

(Financial Times, 20th May 1983)

Line to take: Too early to judge progress against money supply targets for 1983-4 (7 - 11 per cent), particularly as figures still under influence of the fact there was less Government underspending 1982-3 was assumed at the end of the Budget. Overall policy still right and will not be changed.

DH/AM

20.5.83

PRESS CONFERENCE BRIFFING

STATEMENT IN THE TIMES ON VOUCHERS

"Vouchers scheme is revived". Times, Friday May 20

Line to take: We intend to give parents more influence and choice. A 'voucher' or 'credit' scheme is only one way of achieving this end.

1. The passage in 'Daily Notes', quoted by the Times, says only that 'vouchers' or 'credits' would be "one way" of achieving wider parental choice.
2. 'Daily Notes' mentions two other possible means of achieving our aims: (1) "increased self-management for maintained schools"; (2) "operation of 'open-enrolment' schemes in which Local Authorities make provision for schools to contract and expand rapidly in line with fluctuations in parental demand".
3. 'Daily Notes' talks only about maintained schools. No mention is made of 'vouchers' or 'credits' for independent schools.
4. We should stress that our aim is to raise standards in maintained schools.
5. The Times says that Sir Keith Joseph 'vigorously endorsed' vouchers at last years Conservative conference. In fact, he said only that "another possible means of increasing choice and improving standards is vouchers".

VOUCHERS II

Why doesn't our Manifesto promise a pilot scheme?

(The Times 20.5.83)

Line to take: Even a pilot scheme would require complicated
legislation. We would not want to introduce such legislation
until we have satisfied ourselves that administrative difficulties
could be overcome.

1. Administrative difficulties include the problem of ensuring that every child is provided with a suitable education at no charge.
2. The 1944 Act does not make provision for Local Authorities to set up schools on a "credit basis".
3. We are fully aware of all the difficulties: in 1982, the DES issued a statement about the problems that would have to be overcome by any voucher scheme.

UNEMPLOYMENT FIGURES.

The discrepancy between the figures in the Prime Ministers speech and that of Mr Heseltine is explained by the fact that the P.M. used the UK figures on the old (unadjusted) basis whilst Mr Heseltine quoted the GB figures also on the old (unadjusted) basis .

"RAILWAY REPORT FINDINGS BLAMED ON HOWELL"
(The Guardian, 19th May 1983)

a) Question: Was Mr Howell to blame?

Line to take: I understand that the Select Committee put a totally erroneous interpretation on a letter sent by Mr Howell to Sir David Serpell. This letter in no way altered the Committee's terms of reference.

b) Question: Are you going to implement Serpell's network cuts?

Line to take: We have already made it clear that we do not intend to embark on a major programme of route closures and Serpell did not recommend any.

Background

1. Sir David Serpell wrote to Mr Howell in September 1982, asking him which areas of policy he thought the Serpell enquiry should concentrate upon given the tight time scale. In reply, Mr Howell, while recognising that Serpell would not be able to cover some issues in great detail, said "I hope the Committee will be able to open out the issues and to suggest lines of action that could usefully be explored". (The Select Committee alleged that Mr Howell's letter gave a significantly different emphasis to the enquiry's terms of reference).

2. Positive points. The Select Committee pointed to some useful points from Serpell e.g. recommended changes in relationship between the Department of Transport and BR Board with specified objectives for the Board. The Government and BR are working on these. Serpell identifies scope for over £200 million cost savings on the railway annually by 1986 within broadly the same network. BR is following these up.

PRESS CONFERENCE BRIEFING

DEFENCE FIRMS MAKE EXCESS PROFITS

"Excess profits of at least £75 million a year are being made by suppliers of materials and equipment to MoD according to Public Accounts Committee"

Source: Guardian, 20th May 1983 (Page 1)

Line to take:

I understand that this arose largely because the Government was more successful in reducing inflation than predicted and that MoD believe that the loss to the defence budget was only £30 million a year, rather than £75 million.

Background Note

1. This appears to be a leak.
2. "The windfalls stem largely from the fact the Review Board for Government contracts budgeted for a inflation rate of 15%."

RT/DM

20th May 1983

PRESS CONFERENCE BRIEFING

COMMUNISM IN CND

Mr. Edward Heath asserts that it was "foolish" to regard unilateral disarmament as being motivated by communism.

Source: The Daily Telegraph, 20th May 1983

Line to take:

At no time has the Government suggested that CND is motivated by Communism.

Background

1. It is the case that a number of Communists are in positions of responsibility, however the vast majority of CND supporters are motivated by the fear of the bomb.
2. Multilateral disarmament is aimed at alleviating that fear by ensuring that both sides start to reduce the number of their weapons, not just one. Multilateralism is global in its philosophy; unilateralism pessimistically one-sided.

PW/DM

20th May 1983

FRANK CHAPPLE AND SDP

Suggested line to take:

MORE TRADE UNIONISTS SUPPORT CONSERVATIVES THAN LABOUR

	<u>1979</u>	<u>NOW</u>
<u>Conservative:</u>	33%	39%
<u>Labour:</u>	51%	35%
<u>Alliance:</u>	13%	26%

Labour to Conservative swing: 11%

From MORI poll, published by EVENING STANDARD 16th May 1983

G.G.
19.5.83