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Statement by the Rt Hon Michael Heseltine, Secretary of State for Defence, Conservative Parliamentary Candidate for Henley, on the effect that the Labour Party's defence policies would have on jobs, on Saturday, 21th May 1983

LABOUR AND JOBS

The primary responsibility of Government is the defence of the freedoms of this nation. The sovereignty of Parliament, the democratic process, the rule of law, and freedom of speech and conscience - all these depend upon our ability to defend ourselves against those who do not share our values.

This Government, like all post-war Governments, has provided for the defence of this nation along lines which have been supported by all parties. Conservative Governments and Labour Governments alike have:

- pursued a policy of collective security through the North Atlantic Alliance
- recognised the need for NATO to back its conventional forces with a nuclear deterrent
- provided a British independent contribution to the Alliance's nuclear forces.

Today the Labour Party proposes to abandon those policies and to gamble with our defences.

Labour is pledged

- to carry through in the lifetime of the next Parliament a non-nuclear defence policy for this country
- to 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, without increasing the reliance on nuclear weapons."

They do not explain how we should then defend ourselves against nuclear blackmail or how we can cut our conventional defences without also lowering the nuclear threshold. On all rational defence grounds they should be rejected at the polls. But behind the defence arguments lies another issue. Jobs.

The effect of Labour's policy would be to destroy over 400,000 jobs in the Armed Forces, the Civil Service and British industry.

I make no extravagant or unsubstantiated claims. My calculations follow from the facts.

Britain spent last year some £14,400M on its defences. This was 5.1% of our GDP. Labour's pledge is to reduce that proportion of GDP into line with that of our major European Allies. Our three major European Allies are France, West Germany and Italy. In 1982 they spent 4.1%, 3.4% and 2.6% respectively of their GDP on defence.

Presumably it is to the average of these figures that the Labour Party refer. If not, to what others? Their combined defence expenditure is 3.5% of their combined GDP. So on their policy Labour would have to reduce the defence budget from 5.1% to 3.5% of our GDP - a cut of over 31% or some £4500M on last year's figures.

In defence terms this would be devastating. The MOD's provision for the Royal Navy last year was £4,200M. So even if Labour got rid of the whole Royal Navy they would still be looking for further savings.

They talk as though these huge savings could be found by cuts in our expenditure on nuclear forces. But if I illustrate these costs within our existing defence programme, the irresponsibility of Labour's policy is evident:

- the cost of our existing nuclear strategic force in 1982/83 was £327M

- the average annual cost of the procurement of the Trident system is about £400M. But expenditure doesn't reach this level until much later in the decade. And even when expenditure is at its peak, Trident is not expected to absorb more than some 5% of the defence budget.

And other programmes would not yield the savings we are talking about:

- cutting BAOR in half would save some £750M

- cutting all the RAF's general purpose forces by half would save some £1350M.

And so on.

It is obvious that no one considering the defence needs of this nation could seriously propose such a cut, particularly when one remembers that the Soviet Union spends some 15% of its annual wealth on defence. On this basis, our commitment is too small not too large.

But suppose that the Labour Party were to pursue this reckless gamble with our freedoms. They would then have to deal with the employment consequences.

There are 320,000 men and women in our Armed Services, and 230,000 UK-based civil employees work alongside them in support of our defence effort (some 26,000 in the Dockyards, and 19,000 in the Royal Ordnance factories, for example). In 1981/82 defence equipment spending sustained over 240,000 jobs directly in the British defence industries, and nearly 200,000 more indirectly in British industry as a whole. Another 160,000 jobs arose from spending on items such as food, fuel and construction. That makes a total of about 600,000 jobs in British industry - to say nothing of the extra 150,000 jobs sustained by defence sales overseas, which Labour would also decimate.

The grand total of jobs linked to our defence effort is thus 1,300,000. A cut in the defence budget of some 31% plus Labour's attack on defence sales could destroy over 400,000 jobs.

But you do not have to take my word for this. In 1981 the then Labour defence spokesman - Brynmor John, the MP for Pontypridd - said what would happen if Labour pursued its anti-nuclear, anti-defence policies. This is what he said then:

"To implement what the National Executive Committee has in mind ... would mean a loss of jobs ... of a minimum of 325,000 and probably over half a million."

I am today sending to each Conservative candidate a list of the major defence contractors with factories in his area.

There is an important question to be asked of all Labour candidates by each of the 1,300,000 people whose jobs depend upon our defence effort:

"If you carry out your policy to reduce the defence budget by one third, what is going to happen to my job?"

I don't think that they will be impressed by the official Labour answer. Let me quote it:

"A Labour Government will plan to ensure that savings in military expenditure do not lead to unemployment for those working in defence industries. We shall give material support and encouragement to plans for industrial conversion so that the valuable resources of the defence industries can be used for the production of useful goods."

You will notice that they admit that their policies will destroy defence jobs. They want you to believe that a Labour Government can create alternative jobs.

So they want you to take another gamble.

Not only to gamble with the nation's defences

But to gamble on a Labour Government's ability to create alternative jobs.

You will know that no Labour Government has ever reduced unemployment. Here are the facts:

Labour Government	Unemployment on taking office	Unemployment on leaving office	Rise in Unemployment
1924	1,229,300	1,280,700	+ 51,400
1929-31	1,165,000	2,792,000	+1,627,000
1945-51	131,000	261,500	+ 130,500
1964-70	369,800	600,700	+ 230,900
1974-79	577,700	1,306,100	+ 728,400

So you can see that you are on a two-way loser if you vote Labour. Defenceless and jobless.

The Conservative Party will not gamble with this nation's freedoms.

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