

Monday, 23rd May 1983

1. NEDC Report (Kinnock)
2. Unemployment Forecasts
3. US interest rates
4. Brain drain
5. Pensioners
6. Agricultural wages
7. Elgin Marbles
8. Times leader on defence
9. Training
10. Child Poverty Action Group

General

- (i) Cabinet reshuffle
- (ii) Conservative "ethnic" poster
- (iii) LT fares down today

KINNOCK: "SUPPRESSED" NEDC REPORT

Kinnock has claimed that the Government suppressed a NEDC report that under present policies the slump could only get worse.

Line to take: Mr. Kinnock has got his facts wrong. No paper about prospects for the British economy has been suppressed. There was a different paper (in March) which Mr. Len Murray among others did not want to publish for the time being.

Background:

1. There was a NEDC report discussed at the April meeting. This was published in the usual way immediately after the meeting. This report was compiled from 40 NEDO sector assessments of prospects to the end of the decade<sup>7</sup>. However, the Council did not accept the paper's view of the future.
2. In March, the Council discussed a report - NEDC (83) 14 - on "Britain's Industrial Performance". All members of the Council agreed that publication would be unhelpful to British industry and helpful to our competitors. The minutes show Mr. Len Murray of the TUC saying that while he had originally been in favour of publishing it, he now proposed that publication be delayed.

CAMBRIDGE ECONOMETRICS FORECAST 5m JOBLESS BY 1993

(The Observer 22nd May 1983 page 17)

Line to take: Unreliable.

BACKGROUND

1. CAMBRIDGE ECONOMETRICS forecasts over 5 million registered unemployed by 1993 if present policies continue.
2. CITY UNIVERSITY Business School (FT 23/4/83 page 5) predicts that if present policies continue, unemployment will fall to an average 1.7 million from 1986-90. The PSBR will fall to zero and the standard rate of income tax will be cut to 25p. Labour's policies while reducing unemployment faster in the short-term would result in a 'hyperinflationary disaster'.

PRESS CONFERENCE BRIEFING

(Sunday Times Page 57)

Are our prospects for cutting interest rates jeopardised by US interest rates?

Line to take: The persistently high level of US interest rates underlines what we have argued all along - the need to get a grip on money supply and reduce budget deficits. The US Government's failure to reduce its budget deficit is holding back world recovery.

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Background

US figures released on Friday showed that the US money supply had increased by £7 billion. According to the Sunday Times, these were worse than the most pessimistic expectations.

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KM/AM  
22.5.83

PRESS CONFERENCE BRIEFING

BRAIN DRAIN PEAKS IN TORY YEARS

(Sunday Times Page 2)

Dennis Healey claims Brain Drain has increased nearly four times under the Tories.

Line to take: This is not true. It is unfortunate that the net number of professional and managerial people leaving the country has risen towards levels under Labour. But you must remember that in 1981, we were in the middle of the worst recession since the 1930's our which as a result of / relative economic decline since the war, hit us harder than others. In 1977, when under Labour there was a greater outflow of talent, the recession had not begun. But Labour's vendetta against the entrepreneur and high levels of taxation were driving people out.

Background

	Out	In	Net Loss
1977	65,800	43,200	22,700
1978	55,000	45,600	9,900
1979	57,900	52,800	5,000
1980	64,800	44,500	20,300
1981	67,500	45,200	22,300

(Source: Sunday Times report of CSO statistics)

KM/AM  
22.5.83

PRESS CONFERENCE BRIEFING

PENSIONERS

(Financial Times compares UK to EEC)

Allegation:  
Line to take: Retirement pensions are generally lower in the UK  
than in other major EEC countries.

LINE TO TAKE:

1. Low income pensioners in the UK do have the benefit of a much more sophisticated system of supplementary benefits. Almost two million (including dependant wives) receive Supplementary Benefit pensions.

2.i. Under the Conservatives the value of the basic retirement pension has improved:

	Nov 1978	Nov 1982
Single Pension	19.50	32.85
Married couple	31.20	52.55

Increase of 68.5% compared with a rise in prices of 61%. (Nov - Nov)

ii. Christmas bonus of £10 paid in full every year under us (under Labour it was not paid in 1975 and 1976).

3. The income of UK pensioners will be greatly improved under the new earnings related second pension scheme which began in 1978 (Social Security Pensions Act 1975). The first full pension will be paid in 1998.

23 May 1983

CD/LC

PRESS CONFERENCE BRIEFING

AGRICULTURAL WAGES

Demand for higher wages for Agricultural Workers

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Source: Guardian 23rd May 1983

Suggested Answer:

Agricultural wages have gone up in real terms under the Conservatives (approx. 15%) whilst under Labour they actually fell in real terms.

1. Farming Income is still below that achieved in the mid 1970s and the 45% average increase only made up lost ground and was not representative of all sectors of the industry (cereal farmers incomes actually fell in 1982)
2. Average earnings under this Government have increased from £71.75 (1979) to £105.75 (forecast 1982)
3. The £105.75 per week is the basic wage and does not include the 'benefits in kind' that most agricultural workers receive.

THE ELGIN MARBLES

"The British say they have saved the Marbles. Well,  
thank you very much. Now give them back".

Melina Mercouri quoted in the Sunday Times 22nd May 1983.

Line to take : No, we will not return the Elgin Marbles to Greece.  
The Marbles were legally acquired. Their purchase by the Earl of  
Elgin has preserved the Marbles from the decay which would have  
overtaken them if they had remained in Athens.

Supplementary arguments :

1. Acceptance that all countries can claim the return of works of art originating in their countries would lead to an unseemly scramble to repossess works scattered throughout the world. Britain would be faced with claims for the return of thousands of objects.
2. It would also impoverish the world wide appreciation of the development of different cultures which is nurtured by the British Museum and other important museums which have a representative collection of the art of the world's major civilisations.

PRESS CONFERENCE BRIEFING

TIMES EDITORIAL ON DEFENCE MATTERS

(23RD MAY 1983)

Main Points

1. Criticizes all parties for not considering conscription.
2. "Conscription is the one serious demonstration of a country's desire to enlist all its citizens in the defence of their society, and here it is ignored."
3. Describes defence chapter of Conservative Manifesto as "bland, to say the least".
4. Recommends shift from continental defence policy in favour of meeting threats outside NATO area.
5. Supports Trident? Why not mentioned in Manifesto?  
Hopes that Trident is not being reviewed.

RT/DM

23rd May 1983

## TRAINING

'The unpublished National Economic Development Council report publicised at the weekend by Mr. Neil Kinnock, Labour's education spokesman warns that Britain's lack of spending on education and training "may give rise to a corresponding relatively low proportion of skilled individuals entering the UK working population" '. (Financial Times, 23 May 1983, p. 1).

### Line to take:

We are acutely conscious of Britain's relative position over training, and we are the first Government ever to have taken substantial measures to rectify it.

### Background

- the Conservatives have turned Youth Opportunities Programme into the Youth Training Scheme, which will cost £1 billion each full year and offer places for 460,000 school leaver entrants.
  
- Shirley Williams has acknowledged that the last Labour Government of which she was part, achieved nothing for youth training.
  
- We have started the New Technical and Vocational Education Initiative for 17 and 18 year olds.
  
- Steps have also been taken to ensure that the school curriculum helps develop skills and knowledge for working life. A new national qualification is expected to attract 80,000 more academic young people.
  
- We are encouraging flexible apprenticeships, to provide real instead of merely time-served qualifications.

PRESS CONFERENCE BRIEFING

YOUTH TRAINING SCHEME

The DHSS is seeking to make the Youth Training Scheme (YTS) compulsory by denying 16 year olds supplementary benefits. (Times 21st May 1983).

Line to Take: No question of us making YTS compulsory. The DHSS is simply seeking to make effective what was agreed at the time it was decided to go ahead and set up YTS in June 1982: that young people who refuse suitable training places should, like adults, have their benefit reduced for six weeks. The TUC Commissioners showed no dissent from this view at that time.

Background:

1. Government's original proposal (December 1981) was that that supplementary benefit be withdrawn from 16 year olds in their own right. This seemed reasonable since YTS would guarantee none of them need be unemployed. Following objections from representatives of the trade unions and voluntary organisations on the Youth Task Group, we withdrew that proposal, because we did not wish to jeopardise YTS.
2. No evidence from experience of Youth Opportunities Programme that Young People were 'forced' to take up places by the inflexible applications of DHSS rules.
3. (Not for use: Whilst we did accept the Youth Task Group proposals at the time of their report (June 1982) we did say we would review the situation if enough training places were available).

CHILD BENEFIT ACTION GROUP (CPAG)

½ page advertisement in Times

Line to take: The Government has a good record in helping all families with children - including those on low income.

1. Child Benefit Under Labour £4 p.w. in April 1979; under Conservatives £6.50 in November 1983 - this is ahead of rising prices and will be worth more than under Labour in real terms. The Government has no plans to means-test child benefit.
2. One-Parent Benefit doubled from £2 p.w. in April 1979 to £4.05 by November 1983 - the highest ever level in real terms.
3. Supplementary Benefits (S.B.)
  - i) Rates for children under 5 doubled from £4.40 under Labour to £8.75 in November 1982 .
  - ii) Adult rates raised November 1978 - November 1982 by 65%, prices by 61%.
  - iii) Basic heating addition (£1.90) given by us automatically to S.B. families with a child under 5.
4. Taxation of low paid: Tax allowances up by on average 5% more than inflation.
5. Useful quote: Ruth Lister, Director of CPAG, was quoted in Sunday Times, 10th April 1983, saying  
"(Conservatives) have protected the value of supplementary benefit and slightly improved family income supplement which protects the poorest families in work."