



**CONSERVATIVE PARTY**  
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COSTING LABOUR'S MANIFESTO PROMISES

The attached estimates show that the cost of implementing Labour's promises by the end of a full Parliament would be at least as much as follows (£bn 1983 prices):

CONTINUING INCREASES IN:

PUBLIC SPENDING (less Social Security)	£22.5 to £25.5 bn
SOCIAL SECURITY	£13½ to £17½ bn
TOTAL <u>ALL</u> PUBLIC SPENDING	£36 to £43 bn

"ONE-OFF" INCREASES

PUBLIC SPENDING	£5 to £6 bn
COST OF NATIONALISATION	about £20 bn

Details of the analysis on which these estimates are based are attached.

CONTENTS. Introduction and technical notes  
LIST: Public spending other than Social Security  
Social Security  
Nationalisation  
Unquantifiable pledges  
Background note on Social Security  
calculations

Speaking at Oxford on May 9th, Mr. Michael Foot observed that it would be a "cruel deceit" for a political party to campaign on promises it could not cost or fulfil. In the foreword to Labour's Manifesto he has claimed not only that Labour has "counted the cost" of its promises but that "No party in opposition has ever stated its intentions so clearly and comprehensively."

Unfortunately this is not the case. Labour's Manifesto does not offer costings for a single measure. On Friday May 20th, Sir Geoffrey Howe therefore challenged Mr. Foot and Mr. Shore to publish "full, detailed, clear and comprehensive costings of Labour's longer-terms promises for a full Parliament". If this was not done by Monday May 23rd, he promised to publish the information himself.

There has been little reaction to Sir Geoffrey's challenge.

Mr. Peter Shore has sent to Sir Geoffrey Howe two documents which he press-released months before Labour's Manifesto was published. But once again neither document contained any detailed costings.

The attached technical analysis is therefore being made available to meet a fundamental need which the Labour leadership fully admit, but have proved themselves incapable of answering.

The analysis which follows sets out costings for all of Labour's spending pledges for which reasonable estimates can be made at this stage on the basis of publications and statements of the Labour Party and its front-bench spokesmen. Nearly all the estimates used were prepared by officials before the election was declared, on the basis of the Labour Party's Campaign document "New Hope for Britain", which was published in March 1983. Since Labour's election Manifesto is identical in almost all respects to the Campaign Document, these calculations apply equally to the Manifesto.

It is important to note, however, that this analysis does not deal with the following aspects of Labour's economic policies, all of which would have important influences on their financing and viability.

- (a) the commitment to massive price restraint stated clearly on p. 38 of the Shadow Treasury Team's "Programme for Recovery" of 23/11/82. This commitment involves reducing the NIS, cutting VAT and restraining nationalised industry prices by easing the industries' external financial limits (EFLS) at a total cost of £4.5bn in the first year alone. In subsequent years price controls could also be expected to play a substantial role, too, which could in turn necessitate equally substantial tax-cuts or subsidies to industry if closures are to be avoided.
- (b) There is great obscurity about the increases in local authority rates likely under a Labour Government. While the measures promised on pp 30 and 31 of the Manifesto threaten very high increases, other parts of the document suggest rate increases will be limited, or their impact offset by subsidy.
- (c) It is impossible even to guess at the likely path of the external financing needs of the nationalised sector. But it is difficult to imagine that they would decline, particularly if the sector is much enlarged.
- (d) Some policies involve implicitly or explicitly the provision of bank guarantees or would call for the provision of various kinds of indemnity by the Government - for example the proposal to take power to direct the uses of the funds of the financial institutions.
- (e) Labour are committed to lowering interest rates; but it is unlikely that this can be done by fiat. Even so it has been assumed (conservatively) that they will stay near present levels, which may be judged a little improbable.

COSTING LABOUR'S MANIFESTO PROMISES : TECHNICAL NOTE

All the costings below are at 1983 prices. To help readers to locate pledges in Labour's Manifesto precisely, each pledge is identified by two-part numbers. The first part refers to the page. The second refers to the sub-paragraph or paragraph on that page. Thus 11.13 refers to the 13th distinct sub-paragraph on page 11, which begins "Develop a new five-year national plan ...".

The costings are in three parts. Immediate costs are those which would arise in the first year of a Labour Government. Longer-term costs are those which could be anticipated in its fifth year when its pledges had been fulfilled as far as it is reasonable to assume. All costings in both immediate and longer-term categories are continuing costs. Finally there are "one-off" costs, mainly (but not solely) on capital account.

As well as drawing on Labour's Manifesto, this analysis rests in part on Labour's programme '82, Mr. Michael Foot's press release to the National Pensioners' Convention of March 1st 1983 of his "12 point plan for pensioners" and Mr. Brynmor John's statement at the Darlington by-election on March 9th, 1983. These are referred to in the tables which follow as LP82, 12PP and D respectively. As neither of the latter documents are easy to obtain from normal sources, Conservative Central Office will be happy to do so if requested. Also highly relevant in this context is Mr. Norman Fowler's letter to Jeff Rooker of March 29th about Labour's 12 point plan which is also available from Central Office.



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PART II

COSTING LABOUR'S MANIFESTO PROMISES

SUMMARY OF DETAILED SPENDING PROPOSALS

(EXCLUDING SOCIAL SECURITY)

£m 1983 prices

	CONTINUING CURRENT COSTS		ONE-OFF CAPITAL COSTS
	Immediate	Longer Term	£m
<u>EMPLOYMENT</u>	1,695	6,300	
<u>ENERGY</u>	100	100	2,000
<u>AGRICULTURE</u>		865-2,025	
<u>HEALTH &amp; PERSONAL SOCIAL SERVICES</u>	600	3,700	
<u>EDUCATION - SCHOOLS</u>		1,855-2,655	2,055
- <u>POST-16, ADULT EDUCATION, YOUTH</u>	420	2,550	825
<u>HOUSING</u>	2,750-2,850	3,950	
<u>RAILWAYS</u>			Up to 1,000
<u>LAW</u>	90	100	
<u>LOCAL AUTHORITIES (increase not accounted for elsewhere)</u>		2,500	
<u>DEFENCE</u>		-2,500	
<u>AID</u>		1,035-1,920	
MISC	21	- 500	3-6
DEBT INTEREST	600	2,700	
TOTAL £m	6,276 to 7,376	22,655 to 25,500	4,880 to 5,880

	CONTINUING CURRENT COSTS £m.		ONE-OFF CAPITAL COSTS £m
	Immediate	Longer Term	
<u>EMPLOYMENT</u> 14.1-14.7			
14.2 - Revise Temporary Short Times Work-Compensation Scheme (TSTWCS) [As on old Labour Govt. basis].	70		
- Replace Community Programme with scheme on lines of old Community Enterprise Programme for 130,000 places a year. (Extra places would cost £50m per 10,000 places)	100		
- Widen Job Release Scheme (JRS) by progressively reducing age of entry to 60.	100	1,000	
- Introduce Marginal Employment Subsidy. Gross cost assuming Prof. Layard's scheme, and 500,000 jobs subsidised		1,800	
- "New Deal" for young people. Super Youth Training Scheme (YTS) with 1 year training, twice as many assisted (920,000 16 & 17 year olds).	1,500	3,500	
22.6 Abolish Young Workers Scheme (YWS)	- 75		
Sub-Total EMPLOYMENT	1,695	6,300	
<u>ENERGY</u> 14.1 - 15.10			
15.3 "Combined Heat & Power" schemes (CHP) for major cities.			2,000
15.4 Energy Conservation Agency and "massive conservation programme"		150	
15.5 - Spending on renewable resources "greatly increased"		50	
- New Fuel Allowances	100	100	
- Reduce Nuclear Power: Saving. [In effect this could only involve cancelling Sizewell, which would cost about £1.4 bn at today's prices, and take 8 yrs to complete on time.]		-200	
Sub-Total	100	100	2,000

		CONTINUING CURRENT COSTS £m.		3. ONE-OFF CAPITAL COSTS £m
		Immediate	Longer Term	
<u>AGRICULTURE</u> 15.11-16.2				
15.11	Introduce deficiency payments, income support etc. [Lower Estimate by Labour Party Spokesman N. Buchan MP, elucidating Labour's Programme '82. Upper-estimate by Commissioner Tugendhat in 1982]		850-2,000	
16.2 -	New expanding Forestry Commission.		5	
-	Revenue loss implied by cessation of disposals by Commission.		10-20	
Sub-Total AGRICULTURE			865-2,025	
<u>HEALTH &amp; PERSONAL SOCIAL SERVICES</u> 19.7-20.11				
19.8/20.5	Spending to grow at 3% p.a. in cost terms (health) and 4% p.a. (Personal Social Services). A volume target would require about £100m p.a. more	500	3,200 (after 5 years)	
20.2	Phase out Prescription Charges, Health Charges, private care in NHS facilities.	100	500	
Sub-Total HEALTH		600	3,700	
<u>EDUCATION - SCHOOLS</u> 20.12-22.3				
20.13	Comprehensive provision for under-5s		200	550
20.14-21.8	<u>Maintained schools</u>			
20.16	Abolish selection, remaining non-comprehensive schools		200-280	
21.1	Adapt curriculum for ethnic minorities			90
21.4	- No classes with over 30 pupils		280	
	- More in-service teacher training		260	
21.8	Re-establish school meals and milk		215	
21.9-21.10	Private Schools			
-	End assisted Places Scheme		- 30	+ 30
-	Stop LEAs taking up independent school places		5	+ 65
-	Phase out boarding allowances for children of Govt. personnel		5	+120
-	End fee-paying schools		720	1,200
Sub-Total SCHOOLS			1,855-2,655	2,055

	CONTINUING CURRENT COSTS £m.		ONE-OFF CAPITAL COSTS £m
	Immediate	Longer Term	
<u>POST-16 &amp; ADULT EDUCATION, YOUTH</u>			
	21.11-22.13		
21.11	Student-traineeship for 16 & 17 year-olds	500	775
22.8*	Educational Maintenance Allowance of £25 per week for all 16/17 year-olds in full-time education, <u>net</u> of child benefit withdrawn.	500*	
21.13	- Restore student grants to "adequate level [1975/9 real value]	45	45
	- Extend central awards to all full-time students in higher education		1,000
21.16	Create new adult "educational entitlement", with appropriate financial support. [Take-up assumed trebled in response.]	375	375
22.10	Expand youth service. [Assumed to be brought to present ILEA levels.]		130
	Sub-Total POST-16, ADULTS, YOUTH.	420	2,550
<u>HOUSING</u> 24.14-25.12			
22.16	Increase LA capital spending immediately by half	1,500	1,500
23.2	Council Rent freeze for a year	150	150
23.7	Cut council house sales back severely. [Assumed to pre-1980 levels] <u>Revenue loss.</u>	1,000	1,000
23.12	Special council mortgages for low income groups, who will be empowered to borrow "at least 10%" of Building Soc. funds for this purpose.		1,300
25.9	Major increase in urban programme	100-200	
		2,750-2,850	3,950

\* [N.B. Though the Manifesto does not make any reference - perhaps understandably - to taxation or means-testing, there is a proposal by Mr Kinnock that earning parents might in effect pay income tax on each child's EMA, which would further reduce the net cost. Under this

arrangement the £25 paid to the child could be offset in large measure by the mother's loss of child benefit (£8 a week) and the father's/mother's higher tax bill of about £8 a week for a basic rate income tax payer. The estimate in the table makes no allowance for such "clawback".7

	CONTINUING CURRENT COSTS		ONCE & FOR ALL CAPITAL OR OTHER COSTS
	Immediate	Longer Term	
<u>TRANSPORT</u> 26.14-27.10			
26.16 Maintain/Improve Rail Network, Electricity, Replace Stock			Up to 1,000
<u>LAW</u> 27.11-28.12 (Costs for England and Wales <u>only</u> )			
28.2 - Increase spending on law centres (as proposed in LP82)	3.5-12		
- Extend legal aid by widening provisions	40		
- if this means making legal aid free, <u>extra</u> cost above previous item	15-20		
28.3 Extend legal aid to Tribunals	12		
28.4 Create new legal Services Commission	1½		
29.3/ 29.8 Changes in Nationality & Immigration	5		
Sub-Total LAW	77-90½	Say 100	
<u>LOCAL AUTHORITY SPENDING</u> 30.11-31.2			
30.11 LA spending to grow "in line with our plans for economic expansion" i.e. 4½% p.a. as implied by Annex p.3 Table 2 of Labour's Shadow Treasury Team's "Programme for Recovery" of 23/11/83. Given that total LA spending can <u>now</u> be expected to be roughly stable in future, cost terms increase under Labour over 4 yrs at 4½% from base of £28½bn for total LA spending can be estimated. [N.B. Much of this increase would involve <u>double counting</u> or overlap, given LA responsibilities for Education, Housing, etc.]			[5,175] of which say about half will be <u>double counting</u> : giving net increase, say £2,500m.
<u>MISC</u>			
31.4 Establish a Scottish Assembly	20		
32.3 Help to Film makers			
33.10 Withdrawal from EC		- 500	
38.2 Law of the Sea Authority. Also requires £25m-£40m of <u>both</u> interest free loans and bank guarantees.	1		3-6

	CONTINUING CURRENT COSTS		ONCE & FOR ALL CAPITAL OR OTHER COSTS
	Immediate	Longer Term	
<u>DEFENCE</u>			
37.1	Cut spending to GDP% of NATO Allies		
<u>AID</u>			
37.7	- Double Aid spending to UN target of 0.7% GDP		
	- Raise level of 1% of GDP in due course		
<u>Addendum</u>			
	<u>Debt Interest</u> on higher PSBR.		
	600	2,700	
	[Mr Shore has recently proposed adding £6 bn to the PSBR for 1983/4; and his Programme for Recovery of 23/11/83 suggests (p.52) increases of £7 bn, £7 bn, £4 bn and £3 bn in the next 4 years, leading to a total addition to public sector debt of £27 bn over 5 years. The calculation assumes an effective interest rate of 10%].		

[-£4-£5m] ultimately, of which only, say, £2½bn can be achieved by 1988/9

+ 1,035

885

## SOCIAL SECURITY PROPOSALS

SPENDING (£ million)	CURRENT COSTS/SAVINGS		Asterisks indicate where pledge is also made in:		
	Immediate	Longer Term	LP82	12PP	D
16.11/18.19 End Household Duties Test	275	275	*		*
16.11 Help 1 parent families	20	20	*		*
16.16 Maternity grant £100	50	50	*		*
16.18 Death Grant £200	120	120	*	*	*
17.9/17.12 - Child benefit up £2	710 <sup>1</sup>	1,200 <sup>1</sup>	*		*
- London term child support over and above higher CB, to long-term benefit levels as indicated in LP82		50	*		
17.13 Invalid Car Allowance extension	60	60	*		*
18.2 No recovery of 1982 benefits overshoot	240	240	*		*
18.3 Pensions up £1.45/2.25 a week <sup>2</sup>	850 <sup>2</sup>	850 <sup>2</sup>	*	*	*
18.4 Uprating benefits with earnings/prices	300	3,000-4,500 <sup>3</sup>	*	*	*
18.5 Pension age 60		2,500-4,000	*	*	
18.6 Christmas bonus £20	106	106		*	*
18.7 No TV licences for pensioners		250		*	
18.8 Women age allowance at 60	80-90	80-90		*	
18.11 Half fares scheme for pensioners	100	100		*	
18.13 Heating help for pensioners <sup>4</sup>	500 <sup>4</sup>	500 <sup>4</sup>	*	*	*
18.14 Restore ERS to UB <sup>5</sup>	135 <sup>5</sup>	135 <sup>5</sup>	*		*
18.14 Long term SB to unemployed	395	395	*		
18.14 Further improvements to UB		950	*		*
18.16 £10 blindness allowance	65	65			
18.16 Cash benefit for disabled <sup>6</sup>		3,000-4,000 <sup>6</sup>	*		
18.17 NCIP raised to IVP level	60	60	*		
18.17 Restore 5% abatement IVP	60	60	*		
18.18 Help for disabled part time work	30-100	30-100	*		
18.20 Mobility allowance after 75		[50] <sup>7</sup>			
19.3 - Strikers to get SB	1	1	*		
- SB capital rule changes	20	20	*		
- "Widows" trap	3	3			
19.4 More staff in Local offices (2 in each)	10	10			
TOTAL SPENDING (£m)	4,190 to 4,270	14,130 to 18,210			
<u>SAVINGS</u>					
Abolish upper earnings limit for NICs	700	700			
TOTAL NET SPENDING INCREASE £m	3,490 to 3,570	13,430 to 17,510			
Memo Item. Pensions to be raised to $\frac{1}{3}/\frac{1}{2}$ average earnings [Mr Foot's March 1st pledge] <sup>8</sup>		8,000 to 14,000	*	*	
Total Net Spending including Mr Foot's pledge.		21,430 to 31,510			

FOOT NOTES ON COSTING SOCIAL SECURITY PROPOSALS

1. Labour's Manifesto pledges not only to index-link child benefit, but to increase it in real terms as resources allow. This estimate assumes an increase of 10% in real terms over the lifetime of a Parliament. 1 Parent Benefit assumed to be treated similarly.
2. This pledge to raise state pensions would normally require commensurate uprating of the other linked long-term benefits and of public sector pensions, and is costed on the assumption that these firm links are not broken. If they were broken and the increase made in the state pension only, the cost would fall to £500m.
3. The two estimates reflect alternative assumptions of real earnings growth of 10% or 15% over the lifetime of a Parliament.
4. Abolishing "standing charges" for electricity and other utilities, which could well be implied by this too, would cost a further £300m.
5. If this was also restored on other related benefits, the cost would be £140m higher.
6. LP'82 costed this proposal at £1.5bn, which is considered far too low to fulfil the purposes of such a scheme.
7. This will not come into force until 1989, and is not included in the totals.
8. This proposal, long part of Labour's policies, not only appears in LP'82, but was reiterated publicly by Mr Foot on 1 March to the National Pensioners' Convention, and subsequently repeated in essence in Labour's Campaign Document "New Hope for Britain". Though it was omitted from the Manifesto, there must be great doubt as to whether it has been dropped by the Labour Party until and unless it is clearly and formally repudiated.

NATIONALISATION PROPOSALS

		<u>Approximate Cost</u>
A. The principal quantifiable proposals are:		
12.7	- Renationalise companies denationalised by present Govt.*	£1½ bn
	- Take significant public stakes in electronics, pharmaceuticals, health equipment, building materials; and also in other important sectors, as required by the national interest. [It would cost at least this much to take over Beecham, GEC, Glaxo, Plessey, Barratt Developments & Taylor Woodrow.]*	£10 bn
15.10	- Britoil*	£0.5 bn
	- 50% stake in all N.Sea Fields discovered since 1975	£1.6 bn
	- State to take over B.P.*	£4.3 bn
Sub-Total		£17.9 bn

- B. 13.18 The clear threat to nationalise one of the 'big-four' clearing banks. The Stock Exchange value of the Midland Bank exceeds £600m, and of Barclays exceeds £1½ bn
- 16.1 A start on the public ownership of tenanted land is to be undertaken by a new Rural Land Authority. Tenanted land in England and Scotland is perhaps worth about £15 bn; £2,500 per hectare for 4½m hectares in England, £1,500/hectare for about 2.3m hectares in Scotland.  
If the authority purchased 1/50th of the total per year, spending would be £300m per annum, and well over £1 bn in a Parliament if it started work quickly.

\* Values as at 27/4/83.

C. The more important unquantifiable proposals include:

- 13.12 It is most likely that the new National Investment Bank, whose task is to "put new resources....on a large scale into our industrial priorities", would be expected to do so on many occasions by taking large and often controlling equity stakes.
- 15.8 Transferring the National Nuclear Corporation to the public sector.
- 20.2 Taking into the NHS those parts of the profit-making private health sector "which can be put to good use".
- 23.7 Empowering public authorities to buy back any council houses bought under the present Government whenever they are first offered for sale.
- 24.11 Establishing a new, publicly-owned company - "as a major pace-making public enterprise" - for large and medium-sized construction projects.
- 27.7 Creating a national shipping organisation "to acquire and operate shipping services".
- 27.9 Establishing a new National Ports Authority to take ports into public ownership and "develop a new overall strategy" for them.
- 27.10 Creating a National Transport Authority to "develop transport policy and good practice, secure integration and facilitate comprehensive planning".

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D. Conclusion.

Given a cost of £17.9 bn alone for the proposals quantified above, it would be reasonable to assume a total nationalisation bill at present prices of around at least £20 billion, if Labour were to fulfill its Manifesto pledges over a full Parliament, and pay a fair price for the assets it acquired.

LABOUR PARTY MANIFESTO PROPOSALS: A SELECTION OF UNQUANTIFIABLE PROMISES AND COMMITMENTS

The position of each pledge in "New Hope" is identified by a two part number, the first part of which refers to the page on which it occurs, and the second part relates to the paragraph or sub-paragraph on that page, all sub-paragraphs being numbered individually.

- 13.1 - 13.10 Planning new technology to meet commitment to full employment by guaranteeing "adequate funding" for higher education, the Research Councils and Government Research establishments, using the National Investment Bank to channel funds from financial institutions into long term investment in new technology, working with Unions to plan new technology expansion, increased technological literacy in schools, equal opportunities for boys and girls to study science and technology, promotion of the supply of engineers and technicians; and promoting the development and use of new information communication services to support the "a wider democracy".
- 13.11-13.17 A new National Investment Bank to attract and channel savings by agreement "in a way that..improves the quality of investment in the UK". New Public Bank operating through Post Offices, created by merging Giro, National Savings Bank and PMG's office.
- 13.16/18 New Pensions Scheme Act to strengthen members' rights on occupational pension schemes, etc.
- 14.6 Statutory duty on employers to carry out training, with adequate funds provided jointly by industry and Government.
- 14.5 Giving the MSC the authority and resources it needs "to do the job".
- 14.6 Ensure the MSC develops a national job centre network, reverses cutbacks in occupational guidance and help for the disadvantaged job seekers.
- 14.7 Reduce working time, and introduce more flexible arrangements, time off for study, longer holidays, early voluntary retirement with adequate pensions - and a 35 hr week.
- 14.11 Make the Equal Pay Acts more effective.
- 15.1 Ensure that everyone can afford adequate heat and light at home.
- 15.2 Give priority to the coal industry in use of coal for fuel. Replace old generating plant with coal-fired power stations.
- 15.7 Re-establish Energy Commission and annual review of a comprehensive energy plan.
- 15.14 A new deal for Fishing Industry, with "public investment for the industry".

- 16.5 Introduce "wide-ranging new schemes to encourage women to train..particularly in...new technology."
- 16.10 Reverse the "Tory attack" on maternity rights.
- 16.17 Provide fair treatment for widows.
- 16.19 "Work to establish equal treatment in tax and social security".
- 18.10  
19.3-19.6 Reform the Supplementary Benefit system, and hold a new "40 years after Beveridge" review of social security.
- 19.4 Improve social security take-up.
- 19.5 Review statutory sick pay and housing benefit schemes.
- 20.13 Unify education and care services for all under-5s.
- 21.15/22.5 Impose new duties on (and offer subsidies to) employers to grant statutory right to educational leave for workers, who would be entitled to take it with full pay.
- 22.13 Expand funding and staffing "for the provision of social studies and education for citizenship in youth clubs and schools for the aim of informing young people of their civil, political and trade union rights and responsibilities as citizens. Accredited trade union representatives should be involved with secondary schools students in the context of such education, with full facilities for such representatives at all career days."
- 23.2 The restoration of housing subsidies, and reinstatement of adequate housing subsidy system.
- 23.7 Give councils the right to repurchase council houses sold under "right to buy legislation".
- 23.9 New and substantial financial help for first-time house buyers.
- 24.2 "Actively encourage the transfer of all property owned by absentee private landlords to the public or owner-occupied sectors, with local authorities setting the pace."
- 24.9 New system of housing benefits for lower income groups.
- 24.11 New publicly-owned construction company for large and medium sized projects, and wider public ownership of the building materials industry.
- 24.12 Generous and active support for the development of workers cooperatives. Reversal of current policies towards local authority direct labour organisations. Opposition to contracting-out of Government services to competitive tender.
- 25.2 New land authorities to be established with powers and funds to acquire development land (at its current use value).

- 25.7 New fund to help objectors at major public enquiries.
- 25.12 Support the development of local Enterprise Boards.
- 25.18 Increase resources for the Nature Conservancy Council.
- 26.7 Consider how best to provide help for those on low incomes to pay their water rates.
- 26.9 Ensure that the Development Commission and its Scots and Welsh counterparts actively implement policies for rural regeneration.
- 26.10 Take measures to expand industry in tourism and the countryside.
- 26.11 Major injection of public funds into rural transport.
- 26.12 Retain village schools wherever possible, introduce health clinics and mobile "all purpose" community services offices.
- 26.13 Take "extensive measures" to expand provision of all types of housing in the rural areas (which will deal with the "second home" problem)."
- 27.1 Properly enforce truck licensing system (more inspectors, weigh bridges, etc.).
- 27.2 Ensure basic minimum level of <sup>bus</sup> service throughout the country.
- 27.5 Increase financial subsidies to local authorities to assist bicycle schemes.
- 27.6 High priority to building by-passes.
- 27.7 Establish a national shipping organisation.
- 27.8 Invest in inland waterways.
- 27.9 Establish a national ports authority.
- 27.10 Create a national transport authority. (Perhaps on the lines of the British Transport Commission of 1947.)
- 28.14 Stimulate a wide range of "positive action programmes to ensure that ethnic minorities receive 'a fair deal - in employment, education, housing and social services".
- 29.10 Introduce a freedom of information Act.
- 30.2 State aid to political parties as in the Houghton Report.
- 30.6 All local authorities to have the power to undertake whatever they choose provided it is not forbidden by statute.
- 30.9 Pay "proper" allowances and provide 'adequate administrative support to' local Councillors.
- 31.1 Repeal controls on high spending local authorities; restore the right of local authorities to levy supplementary rates, to spend revenue surpluses in excess

of loan sanction limits, and change RSG to "give fairer treatment to areas in greatest need and the maximum freedom of local authorities to control their own budget."

- 31.2 Abolish the penalty of personal surcharges on individual councillors, and restrict the role of public audit.
- 31.10 Massive injection of public funds to expand the N Ireland economy: using "all of the economic planning powers and institutions set out in this document - together with a massive injection of public resources - to rebuild the economy".
- 31.12 A comprehensive approach at national level to provide services facilities for leisure.
- 32.1 Substantial extra funds for the Arts, statutory duty on local authorities to provide adequate arts and entertainment facilities, an immediate enquiry into the financial basis of sport and recreation, and "sufficient support" for the nation's sporting talent.
- 32.11 More financial support for Angling.
- 32.14 "Launch fund" to assist new press publications.
- 37.3 New restrictions on arms sales to "repressive regimes", in particular.

and not forgetting

- 12.1 "...new industrial powers, including discretionary price controls, financial support and access to credit; and take powers to invest in individual companies, to purchase them outright or to assume temporary control."

## LABOUR PARTY PROPOSALS ON SOCIAL SECURITY: BACKGROUND NOTES ON COSTINGS

Proposal	Cost Estimate	Comments
1. Reverse "attack" on maternity rights 16.10	Unquantifiable	Might refer to 4: or changes in rights for women returning to work
2. Abolish household duties test 18.19/16.11 LP32, D	£275m (I)	Considerable staff cost from abolition (250 initially, falling to 200). Primary legislation needed
3. Extra help to one parent families 16.11 LP82, D	£20m (I)	Cost assumes £1 on one parent benefit.
4. Increase maternity grant to at least £100 16.16 LP82, D	£50m (I)	LP82 said "substantially increase"
5. Provide fair treatment for widows 16.17	Unquantifiable	Might refer to war widows: or 38
6. Increase death grant to <u>at least</u> £200, for all deaths 16.18 LP82, 12PP, D	£120 (I)	
7. Work to establish equal treatment in tax and social security 16.19	Unquantifiable	DHSS publicly committed to changes in FIS, SB, NCIP and some contributory benefits to be phased in by 11/84. Other possibilities are changes in dependency rules for retirement pensioners, perhaps £50-60m, and 12 and 17 below
8. Abolish UEL for NICS 17.4 LP82	£700m (I) REVENUE	Assume nominal UEL retained for purposes of earnings related pensions; <u>otherwise very large costs</u> . Staff savings of perhaps 1000. Primary legislation needed
9. Child benefit up £2 and index-linked. Similar percentage increase for 1 parent benefit. 17.9 LP82, D	£710m (I), £1200m (L)	Given inflation of 6 per cent or less to November. Substantially higher costs would be involved in the longer term given Labour's Manifesto pledge to "improve it in real terms, as resources allow".

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10. Revise child support in long term to level of long term benefits 17.9 LP82	£50m (L)	LP82 says long term <u>NI</u> benefits, now £7.95 as against <u>£7.85</u> for CB. Cost given is that <u>over and above 9.</u>
11. Restore right to weekly payment of child benefit 17.9 LP82	£42m (ONCE OFF) £2½m pa (I)	£42m is <u>once-off</u> cost of paying back arrears of CB: restoration of old system has administrative costs of £2½m a year
12. Extend and improve Invalid Care Allowance 17.13 LP82, D	£60m (I)	Cost of extension to <u>married women</u> . Further improvements would cost more. 300 extra staff & primary legislation needed
13. No recovery of 1982 benefits overshoot 18.3 LP82 D	£240m (I)	Costing assumes immediate reversion to uprating based on price forecasts for 1983 as in previous years.
14. Increase pensions by £1.45/2.25 a week 18.3 LP82, 12PP, D	£350m (I) or £500m (I)	To restore amount pensioners have lost from ending earnings link. If not extended to all linked benefits, costs fall to about £500m a year
15. Uprate pensions and other benefits in line with higher of earnings and prices 18.2/18.4	£300m (I)	Every 1% on benefits costs £300m. Longer term costing depends on upward movements of real wages
16. Elderly, present and future, should "share as of right in our future prosperity" 181 LP82, 12PP	£8000m- £14,000m (L)	Possibly a veiled reference to 12PP, LP82 and Campaign Document pledges to increase pensions to 1/3½ average earnings in longer term. Minimum cost £8000m, rising to £14000m if other long term benefits included
17. Make progress towards pensions age of 60. 18.5 LP82 12PP	£2500m- £4000m (L) NET	Up to £4 bn if 16. implemented. Social Services Committee recommended scheme of flexible retirement based on common retirement age of 63, phased over 10 years, costing about £500m. Primary legislation needed for changes.

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18. Double Christmas bonus 18.6 12PP, D	£106m (I)	
19. Phase out TV licences for pensioners 18.7	£250m (L) (REVENUE FOREGONE)	Legislation probably needed
20. Give women age allowance at 60 18.8 12PP	£80-90m (I)	Would cost <u>more</u> if male pension age reduced <u>to</u> 60 (17) and applied also to men (implied in 12PP); otherwise counts against 7
21. "More adequately" protect occupational pensioners against inflation: protect position of early leavers: give scheme members rights to participation and greater information. 18.9/18.10 LP82, 12PP	Un quanti- fiable	Too vague to cost but could cost hundreds of millions. (OPB report suggested that early leavers pension rights should be revalued in line with earnings up to a maximum of 5%: costs about <u>1% on payrolls for men, 2% for women.</u> Changes would require primary legislation.
22. Nationwide "half fares" scheme for pensioners. 18.11 12PP	£100m (I)	Probably needs legislation
23. Reduce energy costs for pensioners 18.13 12PP	£500m (I)	Cost if all pensioners get Supplementary Benefit £1.90. heating addition. <u>Abolishing standing charges</u> costs £300m more
24. Improved earnings related supplement to be paid with unemploy- ment benefit. 18.14 LP82, D	£135m (I)	Cost of restoration of old system. £140m <u>more</u> if restored for <u>other</u> benefits. Primary legislation needed
25. Long term rate of supplementary benefit to unemployed after 1 year. 18.14 LP82	£395m (I)	Legislation needed

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26. Consider further improvements to unemployment benefit to help long term unemployed: large scale supplementation no longer needed. 18.14 LP82, D	£950m (L)	Continuing UB without time limit costs £700m (net). <u>Given 25</u> , this would be further reduced. LP82 implies UB to be raised to retirement pension level, cost £1100m
27. £10 a week blindness allowance .. 18.16 LP82	£65m (I)	LP82 mentions this only vaguely. Legislation would be needed.
28. ... as step towards new cash benefit for disabled. 18.16 LP82	£3000m-£4000m (speculative)	LP82 suggests £1500m, which is far too low. Primary legislation needed. Significant staff costs
29. Non contributory invalidity pension raised to level of contributory equivalent. 18.17 LP82	£60m (I)	Will create problems for contributory principle
30. 5% abatement invalidity pension restored. 18.17 LP82	£60m (I)	
31. Help disabled people who can work part time. 18.18 LP82	£30m-£100m (I)	£30m minimum cost. Primary legislation needed for new benefit: significant staff costs
32. Continue to pay Mobility Allowance to existing recipients at 75. 18.20	£50m (L)	No Mob A1 recipients reach 75 until 1989
33. Reform Supplementary benefit system. 19.3 LP82, 12PP	Unquantifiable	Scheme reformed in 1980. Legislation needed for major changes; significant staff costs likely
34. Strikers to get SB. 19.3 LP82	£1m (I)	Legislation needed.

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35. Sliding scale for SB capital rule: life assurance policies to be excluded. 19.3 LP82, 12PP	£20m (I)	Very approximate costing. Significant staff costs
36. Increase benefit takeup. 19.4 LP82, 12PP	Unquantifiable	Further efforts would of course lead to further expenditure.
37. Review SSP and Housing Benefit schemes. 19.5 LP82, (SSP only)	Unquantifiable	If schemes abolished PE cost of up to £1000m, but much smaller PSBR cost. LP82 said repeal SSP unless it could be made to "guarantee an income for all". Significant staff costs
38. Reform system of housing benefit to help low income groups. 24.9	Unquantifiable	Potentially extremely expensive. Primary legislation needed
39. End anomaly preventing some widows getting long term rate of Supplementary Benefit. 19.3	£3.5m (I)	"Widows trap". Some rates of widow's benefit fall between long and short term SB scale rates
40. Improve staffing levels in DHSS local offices. 19.4	£10m (I)	If 1000 extra staff - 2 per local office
41. Phase out married man's tax allowance. 17.14 LP82	£3000m (L) REVENUE	One half of proposed response to Government Green Paper "Taxation of Husband and Wife", setting out options
42. Thorough review of National Insurance Scheme. 19.6	Unquantifiable	Proposal for a new "Beveridge Report".