

THE CENTRE FOR POLICY STUDIES

REPORTS OF STUDY GROUPS 1983 - 1984

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We have pleasure in circulating these reports for the interest of our donors and members of groups.

Lord Thomas of Swynnerton
Chairman

Dr Elizabeth Cottrell
Director of Research

January 1984

COMMUNICATIONS

The Communications Group re-formed itself in early 1983 to prepare for the expected General Election. It was widened to include distinguished journalists from television and the national press and representatives from Conservative Central Office.

As professional communicators the Group share two basic assumptions - first that however good a product (or policy) is it cannot be effective unless it is sold well. Secondly that some of the government's policies which were fundamentally very popular, were not being presented in a fashion which would inspire and unite the electorate.

The Group therefore concentrated on considering the way in which controversial policies could be most favourably presented in the run-up to the Election. Such policies included those on Nuclear Defence, Transport, the National Health Service and the Welfare State.

The Group's conclusions found their way into editorial columns and were passed on to Central Office by Anthony Shrimmsley, whose participation in the Group's discussions was greatly welcomed.

Since the Election, the Group has turned its attention once again to the presentation of Conservative policies, beginning with those concerning the National Health Service, where reform is long overdue, but where opposition to reform is well organised and articulate. The Group's aim is to illustrate that such a reform will lead to an improvement of the Service, not to its deterioration.

Members of the Group

Bryan Cassidy (Chairman), Ronald Butt, Ian Coulter, Henry James, Russell Lewis, John Ranelagh, Peter Utley CBE, Michael Williams, David Wood.

Associate Members

Michael Bates, Ronald Glasgow.

CRIME AND JUVENILE DELINQUENCY

During the past year the Group's activities have been two-fold: we have discussed proposed changes in the law and matters of immediate concern; and we have worked on our first publication.

As far as the first part of the Group's activities was concerned, we had detailed discussions about the Police and Criminal Evidence Bill. We met the Chairman of the Criminal Bar Association and Gilbert Kelland, Assistant Commissioner Crime and Ronald Steventon, Deputy Assistant Commissioner Crime, of Scotland Yard. We generally approved of the provisions of the Bill. But we expressed our concern about increased powers of entry, search, seizure and arrest. We also argued that tape recording of police interviews should become compulsory. We therefore welcome particularly the provisions of the new bill now before the House which deal with that.

The Group formulated its views on the proposed re-introduction of the death penalty. With one forceful exception we were opposed to it.

As for the second part of our activities, our first booklet is almost ready for publication. This considers the cost of crime and crime prevention, stressing how much has been done by the present government since 1979. Our paper produces statistics showing the growth in certain crimes and their relative solution rates. The Group attempts to identify the socio-economic background, personal status and character of offenders. We propose methods of early identification of young offenders and of reducing the opportunities for crime but stress the importance of the concept of good citizenship being inculcated in our youth both at school and in the family. We are particularly indebted to John Wheeler MP, who did much of this work, and to John Croft, who has joined us after retiring as Head of Research at the Home Office. He has been an invaluable addition to our Group.

In the next year the Group plans research on the cost effectiveness of the criminal justice system. We feel particularly that the work of the Magistrates Courts could be made more efficient and their time used to much better effect. We want to examine the interdependence of various parts of the criminal justice system, such as the police, the courts and the prisons and consider improvements in their relationship.

This government has done a great deal in the field of law reform and crime prevention. We want to help it to continue the good work.

Members of the Group

Robert Flach (Chairman), John Croft CBE, Robin Grey QC, Jonathan Peel, Mrs Simone Prendergast OBE JP, Lady Waterlow JP, Desmond de Silva, John Wheeler MP.

DE-REGULATION

The work of this Group is fundamental to the development of free enterprise and freedom in society. The value of many imaginative and positive policies of this government, for example those designed to help small business, is gravely diminished by the weight of regulation. In its pamphlet Worried to Death, published in October 1983, the Group tried to show how extensive and harmful regulations are to the economy in general and to small business in particular. It set out a programme for the wholesale dismantling of regulations and the setting up of a de-regulation unit linked to the Law Commission. While doing that it came more and more to the conclusion that frontal assaults on regulations are not likely to produce results quickly - witness the way in which the Shop Acts have survived twelve attempts by private members to amend them.

The Group therefore feels that more might be achieved by exempting whole areas of activity from regulation, for example small businesses with fifteen workers or less (as is done in Italy today), geographical areas (freeports), groups denoted by age (minimum wage laws not to apply to those below 21), or by time (all new buildings exempt from rent control).

The Group is now working on a short study of how to remove minimum wage regulations. Two further studies are in preparation: one on moral regulations, such as those on smoking and drink, which the Group believes to be manifestations of the Nanny State: the other deals with Euro-regulations which arise out of attempts to harmonise laws throughout the Common Market and which could in future undo all the good achieved by de-regulation of domestic laws in the UK.

Members of the Group

Russell Lewis (Chairman), Professor Samuel Eilon, Mrs Teresa Gorman, Philip Holland MP, Robin Jenks, Andrew Moncreiff, Brendan Sewill, Sir Gerard Vaughan MP.

EDUCATION

The Education Study Group's activities have again been geared to fulfilling its dual mission: to disseminate the fruits of its thinking and studies to policy makers and to the public.

In so doing it has tried to develop a coherent philosophy of education based on the principles enshrined in the Centre's objectives and to make recommendations for policies inspired by this philosophy. The work of this Group is of fundamental importance to the future of the free society, since if the education of our children is based on false principles or marred by bad practices any national political progress is far more difficult. In its work the Group therefore aims to restate true principles and to illustrate good practices.

Publications during the year include: The Inner London Education Authority after the Abolition of the Greater London Council by John McIntosh, Fred Naylor and Laurence Norcross. Power to the People by Professor Antony Flew, a re-statement of the case for the educational voucher, which stresses the importance of choice in education. The value of choice and the government's opportunity to extend it was also emphasised in the Statement on Selective Schools drafted for the Group by Fred Naylor. In Education, Race and Revolution, which is now in the press, Professor Antony Flew points out the dangers of education being used as a means of social engineering.

The dual themes of extending freedom in education and guarding against those who use education as an ideological weapon are continued in the publications now in the press, which include: The Case for Specialist Schools, especially Technical Schools, by Fred Naylor; Politicisation of the Curriculum with special reference to Peace Studies by Caroline Cox and John Marks; The Reception of 'Standards in English Schools' (NCES Research Report): a Case Study of Ideological Bias by Caroline Cox and John Marks.

Members of the Group contribute in various ways to work and thought in education; for example, Professor Arthur Pollard has been appointed a member of the Secondary Examinations Council: Caroline Cox has made five speeches on educational issues in the House of Lords: contributions to radio and television programmes on education have been made on many occasions by Elizabeth Cottrell, Caroline Cox, Antony Flew, John Marks, Fred Naylor, Laurence Norcross, Marjorie Seldon. The Group's advice has been sought on a number of occasions by others working for the radical reform of education.

The Group has been glad to exchange views with a number of interesting guests including:

The Secretary of State for Education and Science, the Rt Hon Sir Keith Joseph MP; the Under Secretary of State for Education (Schools), Mr R Dunn MP; and the Bishop of London.

/ . . . The Group

The Group is encouraged by the initiatives now being taken by the Secretary of State on matters such as standards in schools and awaits their developments with interest. The Group hopes to play its part in future thinking on these matters.

Members of the Group

The Baroness Cox (Chairman), Dr Digby Anderson, Robert Balchin, John Barnes, Dr Elizabeth Cottrell, Professor Antony Flew, Robin Harris, Alan Howarth CBE MP, Professor R V Jones CB CBE FRS, Oliver Letwin, Wilson Longden, John McIntosh, Dr Lionel March, Dr John Marks, Mrs Patricia Morgan, Fred Naylor, Laurence Norcross, Professor Arthur Pollard, Dr Maciej Pomian-Srzednicki, Mrs Marjorie Seldon.

EUROPEAN COMMUNITY

The Study Group was formed in November 1983 under the Chairmanship of Professor Alan Dashwood of the University of Leicester.

The first task to which the Group has addressed itself is the preparation of a paper on the future of the European Community. The paper's aim is to try and establish what kind of Community Britain should be working to bring about in the next twenty years or so. It seeks to provide an answer to two broad questions: what realistically should Britain hope to achieve in the longer term through membership of the Community; and what changes or developments are needed in the structure of the Community for those hopes to be realised? One of the problems of Community membership for Britain has been that we took part neither in drawing up the original blueprint or in the early building phase of the Community during the 1960s. With our own blueprint in hand, we should be better placed to pursue our national interests and aspirations in a coherent way and to take a lead in shaping the Community of the next generation.

So far the Group is on target to achieve its ambitious aim of completing and publishing this paper by the end of April - in time, that is, to galvanise the debates in the run-up to the European elections with more fundamental and long-term analysis and proposals than any that have recently been attempted. For this purpose experts of the highest calibre are pooling their practical experience and academic knowledge in an intensive programme of meetings. Papers have already been presented on the liberalisation of internal Community trade - in services as well as goods - and on competition, besides general principles for the future development of the Community. Such matters as the European Monetary System and the Common Agricultural Policy will be considered shortly. The Group hopes to visit Strasbourg in the course of its work to consult Continental specialists.

Members of the Group

Professor Alan Dashwood, Timothy Bainbridge, Alain Camu,
Baroness Elles MEP, Ronald Halstead CBE, Neil Hamilton MP,
Christopher Jackson MEP, Laurence Kelly, Timothy Renton MP,
Professor Denis Swann, Andrew Tyrie.

HEALTH

The Health Group feels that its problems remain those that have featured in previous reports: in particular, excessive administration at all levels, arising from a civil service trained to administer but not to manage.

It is also a matter of regret to the Group that the attitude of the opposition and their influence on public opinion, makes any constructive discussion about the Health Service almost impossible. If the concepts of a National Service are to be examined in modern terms thirty-five years after Bevan and Beveridge, this unthinking posture of those who say that they are proponents of the National Health Service only perpetuates its problems.

The Group's main work this year has been the writing of Health 2000. This is a historical critique of health care in Britain since 1900. This report analyses the causes of the problems of the Health Service. It suggests some remedies. In particular new methods of financing, which might make more money available for health care; and a new structure of the National Health Service, which might help to eliminate waste and improve morale. It is hoped to publish this by the end of the year in the form of a book.

The problem to which the Group wishes to give attention is the effect of financial cuts on the universities. Financial savings have so far been made in pre-clinical services. Eventually clinical services themselves will have to be curtailed and the standard of teaching may be lowered.

The Group was prepared to welcome the Griffiths Report since to some extent it had suggested the Report's terms of reference, though they were not as wide as it would have liked.

The Group considered the Report's findings disappointing. Whilst in business terms it would not challenge the conclusions, they exceed the resources which it may seem reasonable to allocate to them.

From past experience it is hard to believe that the "insertion" of a Health Service Supervisory Board and a Management Board into the structure of the Department of Health and Social Security will reduce the burden of bureaucracy. It will increase the latter, since there is no way in which the Department can accommodate such change without a corresponding train of ancillary services.

The Group was disappointed that the Griffiths Report specifically emphasised that it was not concerned with manpower, specific cost cutting nor "organisational" change, since it is in these areas, and particularly unit costing, that progress could be made. The Group has in the past made particular proposals relating to each of these.

/ . . . The Group

The Group is increasingly concerned at the basic difficulties which affect health services in every country, no matter what combination of public-private organisation and finance they employ.

Members of the Group

Mr George Bunton (Chairman), Mrs Christina Dykes, Roger Eddison, Hugh Elwell, Michael Lee, Andrew Moncreiff, Dr John Noble, Dr Francis Pigott, Professor George Teeling-Smith.

HOUSING AND LOCAL GOVERNMENT

This Group, formed in May 1983, decided to consider first the future of municipal housing, and its report will be completed in February 1984. The report examines the performance of councils as landlords, and finds it wanting. Many housing developments have been expensive, yet are unpopular, and between half and one million are seriously defective. The maintenance service is often inadequate and housing management insensitive. The fundamental reason for these faults is lack of accountability to the consumer; in addition, the Department of the Environment's cost controls have been ill-founded and lax, and the district auditors ineffectual. Those who pay for council house developments - ratepayers and taxpayers - have been consulted even less than tenants. The job that councils have tried to undertake has been far too large for their weak managerial abilities; and so the Group concludes that council responsibilities for managing housing must be reduced.

To achieve this the Group proposes:

- The transfer of some sheltered housing to charitable housing associations;
- The right to acquire assignable short leases;
- The transfer of the majority of the stock to Housing Management Trusts (HMTs).

HMTs are a new idea, a form of tenant co-operative, run by trustees of whom the majority would be tenants elected by other tenants. Each HMT would have 500-2,000 dwellings. Private money could be introduced into the funding of some of them.

This scheme would supplement the sale of council houses by reducing the distortion of the market by artificial council rents, and by offering the tenants greater freedom of choice in running the estates on which they live. The Group is convinced that this would mean a better life for those millions of tenants who will not buy their council houses.

Members of the Group

Alex Henney (Chairman), John Barnes, Colin Coulson-Thomas, Robert Martin, Ian Pasley-Tyler, T Melville Ross, Teddy Taylor MP.

Advisors

A Scholtz, Maurice Stonefrost.

NATIONALISED INDUSTRIES

This Group's aim is to help reduce the role of the state in national industrial life. It tries to do this in two ways: first it seeks to influence the policy makers by helping to make clear to the relevant Ministers the possibilities for denationalisation. Secondly, the Group tries to persuade public opinion, including employees, to take a stand in favour of private ownership.

Thus after the General Election the Group prepared papers for incoming Ministers on British Leyland, British Shipbuilders, British Steel, British Telecom, the Post Office and Rolls Royce. In these it pointed out the possibilities for sales to private enterprise, and methods of sale, of part or all of these concerns. The Group was encouraged by the new government's declared intention of continuing its programme of returning the more viable parts of nationalised industries to the public.

In December 1983 the Group's second study of British Leyland, BL Changing Gear, was published. This was written by the Group's research fellow, Keith Boyfield.

This publication received wide press coverage, created much interest and has been reprinted. Its main theme was that, while BL as a whole is recovering slowly, unless its competitive businesses such as Jaguar and Unipart are sold, they may be contaminated by the volume car division, which absorbs so much money. It is interesting to note that these proposals are now regarded as at least possible. That illustrates both the improvement in BL and the change in public opinion which have occurred since the publication of the Group's first pamphlet on BL two years ago.

The Group's next publication will be a short paper on the role and composition of the Boards of Nationalised Industries.

The Group will then turn its attention to the state energy industries, where there seems considerable scope to disband the state monopolies.

Finally, the Group would wish to congratulate John Redwood, who has chaired its research sub-committee, on his appointment to head the No 10 Policy Unit.

Members of the Group

Simon Webley (Chairman), Christopher Bailey, Stephen Barclay, Keith Boyfield, R H Campbell, Dr Elizabeth Cottrell, Richard Ehrman, Michael Grylls MP, Robin Harris, John Hatch, Michael Ivens CBE, Graham Mather, John Oakley CBE DFC, Michael Portillo, John Redwood, Dr Lynda Rouse, Denis Thatcher.

NEW BEVERIDGE

In 1909 Britain, though rich by the world standards of the time, was a country full of relatively poor people, 95% of whom lived in rented accommodation. There was a Poor Law which provided infirmaries for the indigent, old age pensions had just been introduced and there was a system of out-relief to supplement private benefit schemes run by trades unions and friendly societies. It was against this background that Beatrice Webb produced her Minority Report of the Poor Law Commission which sketched out a plan for what is now called the welfare state.

In 1942 Lord Beveridge was given the brief of working out a fully-fledged post-war system of social security to replace the patchwork which had evolved in the years 1920 to 1939.

His one-man report harked back to the principles of 1909. In place of the patchwork it proposed two major schemes. The first was a universal national provision of health care, free of charge to the patients. This had two implications. All existing schemes were to be swept away, so that in place of the 'panel' system, which paid for medical care for most male manual workers, there was a universal panel system; and almost all the provision of medical care was made a state monopoly.

The other area of Beveridge's war on poverty was the proposed adoption of a system of national insurance which would embrace financial provision of old age pensions, sickness and unemployment benefit, without a means test, at a flat rate, in return for universal contributions at flat rates by employees and their employers.

With various adaptations the Beveridge schemes came into operation on 5th July 1948. In the 36 years since then there have been major changes in these schemes.

The National Health Service has proved a far heavier charge on the public finances than was ever foreseen, and it now faces a squeeze between legitimate public expectations for medical care, based on medical advance, and the ability of the Exchequer to provide such care. An affluent population is increasingly driven to make provision for its own care privately. This problem will rapidly develop. A proposal for radical reform is contained in the present author's 'The National Health' (Martin Robertson, February 1984).

The national insurance scheme has been radically altered. The flat rate benefit has been replaced by a two-tiered system, of a basic benefit plus an income related payment. The setting of the basic rate of benefit was to have been above the so-called 'poverty' level. It has never been so, at any time. In consequence the safety net of National Assistance (since renamed Supplementary Benefit) designed for a few cases, has become an integral part of the scheme for many millions of beneficiaries. The insurance principle has been largely abandoned, in favour of a

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pay-as-you-go system for the main benefits. In addition a host of 'special' benefits, for rents and mortgage payments, the disabled, and other categories, have been added to the structure of public social security. The result is as complex and capricious as the system that Beveridge sought to replace.

Alongside this public system of social security a vast private system of benefits has grown up, often aided by substantial tax-reliefs, including redundancy payments, pension arrangements and sickness cover. One of the major sources of income maintenance is the growth of property ownership.

The questions that pose themselves are:

- 1 Is it possible to describe the existing welfare state in all its complexity, simply and clearly?
- 2 Is it possible to describe not only income maintenance but health care and housing, so that a true picture is given of the distribution of costs and benefits?
- 3 Is it possible to analyse the work of the 'poverty lobby' to see whether it has adequately diagnosed the problem?
- 4 Is it possible to present a coherent reform of the ramshackle structure on an acceptable basis of financial viability, equity and compassion?

On the assumption that the answer to these questions is "yes", it is proposed to mount a two year project conducted by the present author. There will be no supervisory committee, from which agreement is sought, except that a group will be necessary to monitor progress and to keep the accounts.

Lord Vaizey (Chairman)

PERSONAL CAPITAL FORMATION

The Group has concentrated on promoting measures which would achieve a capital owning democracy.

At the Annual Meeting a year ago, the Group put forward proposals designed to widen and make more personal the ownership of wealth in all its forms. Wider ownership is something people can understand, believe in and want.

Our Group is, therefore, perturbed at the ever increasing concentration of wealth in the hands of financial institutions. Since most of this institutional wealth represents retirement savings, the Group concentrated especially on the growth and functions of pension funds.

The full seriousness of the growth of pension funds may not be fully realised. In the last twenty years, the proportion of shares held by private individuals has dropped from just over half to barely a quarter - and in the same time, institutional ownership has doubled to two-thirds of the total market. It is still growing at about 2% per year and, at that rate, the private investor will virtually cease to exist by the year 2000.

So, unless we begin to make a gradual shift in the property rights to the capital represented by pension funds, we shall soon have a society where everything is institutionally owned.

In May 1983 the Centre published the Group's memorandum Personal and Portable Pensions - for All. It received unprecedented press support - no less than seven editorials were devoted to it. It is one of the Centre's best selling publications.

The Group's proposals did not start from what was the popular subject (trying to resolve the balance of treatment between leavers and stayers in jobs) but rather from the lack of personal identification and involvement by the members of pension funds in the wealth represented by the £120 billion of pension fund assets. It happens to be a timely and beneficial by-product of our proposals that they would, over a period, also solve the problem of the early leaver.

The Group are delighted that the Prime Minister has encouraged the Secretary of State for Social Services to set up a working party on instruction to report rapidly on the feasibility of these proposals and have submitted Evidence to the Inquiry detailing our proposals and refuting the objections to them. We believe that no other measure would more beneficially affect national attitudes than the personalising of pension funds - it would create wider share ownership at a stroke. It is for this reason that the Group has specialised in this area.

In the coming year, the Group hopes to continue our dialogue with the Chancellor to effect other changes - not least further reforms in the over-complicated Capital Gains Tax - which still remains the Tory wealth tax. Changes to give more equitable tax treatment to those in retirement

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without the benefit of a substantial pension - through the abolition of the Investment Income Surcharge for those aged over 65; and alterations in Inland Revenue practice so that it no longer becomes their concern if people choose to sell their labour as if self-employed.

Throughout our work we have been greatly encouraged by the welcoming and helpful responses we have received from Ministers and we hope that our research has helped their resolve to effect policy changes.

Members of the Group

Nigel Vinson MVO (Chairman), Philip Bayliss, Kenneth Carlisle MP, Philip Chappell, David Cooksey, Kenneth Daly, P W Darwin, Michael Grylls MP, M A B Jenks, Brian Kingham, David Steeds, Stuart Valentine, Anthony Wieler.

QUALGOs

The Group was set up in September 1983 to study the so-called voluntary bodies into which enormous sums of public money are poured every year by central government, local government and quangos. Many of these organisations have charitable status. A significant number of them nevertheless have little or no voluntary element. They are engaged in overt or covert political activities.

Collectively these organisations have grown into what is almost a parallel welfare state, composed of active pressure groups engaged in advancing Socialist causes. Yet politicians and the public are barely aware of the size or implications of this development.

Between 1979 and 1983 the present government increased its grant to this sector by 63%; from £93 million to £152 million by 1982. And this does not include large funds made available by metropolitan authorities, especially for the GLC, the local authorities and the quangos.

The first objective is to alert government to the political implications of a growing network of publicly funded pressure groups who, one way or another, are promoting socialism. The Group would hope to persuade the government to tighten up the control of funds and the activities on which they are spent.

It might be necessary to lay down much more precise terms under which individuals and organisations can obtain public funds.

The Charity Commissioners, who in the case of registered charities might be expected to carry out this monitoring activity, appear to lack the staff to check even the accounts submitted to them, much less monitor whether the activities of the organisation conform to the requirements of charitable status.

It is the Group's intention to produce a brief guide for local authorities and others on how to judge the merits of an individual or organisation applying for funds. For example, the Group are strongly in favour of the would-be recipient demonstrating public support for their proposed activity including a requirement to raise some of the funds voluntarily before expecting the community to contribute.

Members of the Group

Mrs Teresa Gorman (Chairman), Dr Digby Anderson, Stephen Govier, Mrs June Lait, Andrew Moncreiff, Mrs Barbara Robson, Bernard Sharp, Mrs Barbara Shenfield, Cyril Taylor, Sir Gerard Vaughan MP.

RATIONALISATION OF LAW

This Study Group was established in November 1983 under the Chairmanship of William Cash, who had already given legal assistance to the De-regulation Study Group. Building on the work of earlier investigations, such as the Renton Report, this Group intends to consider the causes and effects of the volume and complexity of law in the United Kingdom, in particular statute law, subordinate legislation and European Community law. It will consider practical and constructive ways of reducing this volume and complexity, and make recommendations. The Group hopes to report by the end of July 1984.

The premise upon which all the Group's work will rest is that understanding of - and consequently respect for - the law are essential to the rule of law; this has been reiterated by a splendid succession of philosophers stretching from Hobbes to Hayek. But the countless pressures upon modern legislators working in a lively democracy have raised the danger of a vacuum between electorate, bureaucracy and government in which Montesquieu's "spirit of the laws" may perish.

The Group will investigate: how and why statute law, subordinate legislation and EEC law have encroached upon the preserve of common law; the effect of the growth of the electorate, and of the powers and duties of central and local government, upon legislation; and particularly the question of whom this expansion of law has benefitted. Government Reports and Royal Commissions since 1900 will be carefully considered: not only to provide an historical perspective, but to discover whether, if the problem was perceived but not solved, there may be reasons why the simplification of law will prove too difficult, or too low a priority, to merit the energetic action that would be needed.

Members of the Group

William Cash (Chairman), Lord Renton.

SHIPPING POLICY

The Group was set up in 1983 under the chairmanship of Michael Colvin MP. It believes that there is a need for a fundamental assessment of the state of British shipping industry and for constructive policies for its revival. It aims to set out this assessment and these policies in a report due to be published in the early summer of 1984.

As a trading nation, our shipping fleet is of critical importance to our competitive performance in the world market. Threats to its prosperity constitute a danger to our long term interests that neither the country nor the industry itself can ignore; and these threats are all too evident. The world recession has cut international shipping traffic and, in particular, British shipping traffic with disproportionate severity. Our gross registered tonnage has fallen from a peak of 50 million deadweight tons in 1975 to 24 million tons in 1983 and the number of vessels on the UK register has dropped from over 1,800 to 1,600.

The Falklands war highlighted the need for radical reappraisal of the state of our Merchant Fleet. Fifty-four merchantmen were in Task Force South, as compared with fifty-three Royal Navy vessels, and had our Merchant Fleet been much smaller, question mark would have been raised over our ability to mount such an operation. The anticipated decline of the fleet would, if continued, make another Falklands expedition impracticable and appears to call our ability to fulfil our NATO role into question. It is not surprising that voices have been raised within and without the industry calling for drastic action to avert such a calamity.

The Group considers previous studies on the Merchant Navy to be strong on analysis of the problem but weak on remedies. The intention is to involve as many of the leaders of the shipping industry as possible in the Group's work, and the initial meeting of the working party was well attended by over thirty such experts. Research tends to raise as many questions as it answers and the Group have therefore enlisted the help of the University of Wales Institute of Science and Technology, which has the best merchant marine research facilities in the world.

Members of the Group

Michael Colvin MP (Chairman), Jonathan Marks, Christopher Thompson.

SOVIET RELATIONS

The Study Group concerned with Soviet Relations has continued to meet this year under Lord Thomas's chairmanship. Last autumn Professor Leonard Schapiro, professor emeritus of political science at the London School of Economics, agreed to take over the chairmanship. To the deep regret of all his friends, readers, colleagues and pupils, Professor Schapiro died suddenly on November 1st 1983. The Centre's Study Group will be among the many institutions which will greatly miss Professor Schapiro's wisdom, kindness and determination.

The Group has had one publication: What We Ought to do About the Soviet Threat. The Group is mainly concerned with that question. All those involved in the Group are professionally concerned, day in day out, with the study of the Soviet Union, either as historians or political scientists. (In the Group, the exception to this is its chairman among whose special interests is the study of the Soviet Union's principal surrogate, Cuba). We have been concerned with such questions as how the Soviet Union has changed since the death of Stalin and what kind of new change may be indicated by the emergence of Andropov; how far the Soviet Union is likely to be influenced by a co-ordinated Western economic strategy; what turbulence there is among the non-slav peoples of the Soviet Empire; and how to convince a peace-loving West the notion that we are likely to be permanently in a state of "neither war nor peace" with the Soviet Union - to echo Trotsky's phrase.

The members of the Group have a deep respect for the great qualities of the Russian people. The question which occupies us is whether there is anything the West can do to encourage those great qualities to breathe beneath the uniformity, suspicion, prejudice and arrogance which still appears to characterise the oligarchy in control.

Naturally, all these matters affect our whole judgement of the issues of defence and nuclear and conventional disarmament. One of the insistent themes of our discussions indeed is that the latter acute question cannot properly be discussed without profound analysis of Soviet motives. These are all momentous issues.

Members of the Group

Lord Thomas (Chairman), Dr Iain Elliot, Sir John Hoskyns, Dr Dominic Lieven, Dr Anthony Polonsky, Professor Hugh Seton Watson CBE, Dr George Urban.

TRADE POLICY

The purpose of the papers to be written by the Trade Policy Group is to examine the theory and practice of Free Trade and Protectionism generally; and by marshalling arguments and evidence to reach conclusions which will help in the propagation of Free Trade (both in the UK and world-wide), and the defeat of Protectionism.

There will be a series of satellite studies which will be drawn together by a central concluding paper.

Satellite 1

The theory of Free Trade and its development from Adam Smith and Ricardo down to the present day. This paper will include a demolition of the economic theories of the Cambridge Economic Policy Group.

Satellite 2

A brief history of international efforts to promulgate Free Trade since the war - particularly GATT.

Satellites 3, 4, 5 and 6

These will be papers divided into analyses of trade policies in the following countries: Brazil, France, Japan, the USA - with special reference to the following industries:

- Automobile - chosen as an example of a mature industry under intense competition from less developed countries.
- Telecommunications - a modern high technology industry where developed economies should enjoy significant advantages.
- Service Industries - an area where the UK particularly enjoys advantages.

Satellite 7

A paper on the transformation of the protectionist tradition in Germany into the free trade policies of the Adenauer and Erhard regime after the Second World War.

Satellite 8

Agriculture - An examination of the reasons which have led to its successful exclusion from trade liberalisation movements. A discussion of the Common Agricultural Policy within the European Economic Community.

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Our main paper will pay particular attention to:

- a) Unilateral dismantling of trade barriers.
- b) Non-tariff barriers and effective methods of dealing with these.
- c) The EEC - how to improve freedom of trade within it.
- d) The links between trade policy and economic and industrial strategy required by the UK if it is to take best advantage of Free Trade.
- e) We will recommend the establishment of a body to provide evidence of the impact on consumers, producers, taxpayers and other parties inside and outside the UK of protectionist policies of various kinds.

Members of the Group

Richard King (Chairman), Professor Alan Dashwood, Sir Monty Finniston FRS, Ronald Halstead CBE, Richard Harrison, Professor Robin Marris, Lord Thomas, Professor Sir Alan Walters.

TRADE UNION REFORM COMMITTEE

In the past year the Group has concerned itself with current proposals before Parliament and, even more urgently, those remedies that appear not to be under contemplation.

The Group's pamphlet, The Right to Strike in a Free Society, which was published in March 1983, embodied the main concerns of its members: the limitation of strikes in essential services and the enforcement by law of procedural agreements. The public is now so much at risk from the irresponsible exercise of trade union power in services that effect life, health and safety that the Government has, we believe, a duty to provide adequate safeguards against such abuse of power. The Group is at present expanding its analysis to include a careful and learned exposition of the present law as it affects strikes in essential services, and perhaps some consideration of less thoroughgoing solutions to the problem than those we proposed. There is a strong feeling in the Group that recent legislation on industrial relations must be implemented in full.

With regard to current proposals, while the Group welcomes the suggestions regarding balloting for union committees and union officials, we have difficulty in believing that these will solve any short-term problems of industrial relations. The Group does, however, believe that the rights of workers during industrial disruption - those of miners opposed to the present overtime ban, for instance - need protection of a kind which will not be afforded by ballots before strikes.

The Group feels that the Government has an unprecedented opportunity to complete the radical reform of trade union law, and hopes that its work will help this process.

Members of the Group

Sir Leonard Neal CBE (Chairman), Lionel Bloch, John Bowis, Michael Colvin MP, John Gorst MP, Professor Cyril Grunfeld, Graham Mather, John Wood.

TRANSPORT

The Transport Study Group has been gratified by the response over the past year to its proposals for the conversion of railways into roads. Even British Rail has given The Truth about Transport a sympathetic hearing, and has commissioned an investigation of routes for possible conversion in the London area. The consultants Cooper and Lybrand are expected to report on this in February.

Equally welcome to the Group were two studies for the Department of Transport that were published in the last year. They demonstrate convincingly that even awkward tunnel sections can be converted into roads without difficulty. The Woodhead Tunnel on the Sheffield to Manchester line is the third longest in Britain; yet the cost of converting the route which includes it proved to be scarcely more than that of an equivalent stretch of road. The environmental benefits from reducing traffic in the Peak National Park would be incalculable.

The National Bus Company has also asked for a report, this time by a member of the Group, on the possibility of turning the largely redundant Marylebone lines to better use. This study has yet to be published, but it shows that Marylebone could become a coach terminal with connections to the North Circular Road and the M25 motorway. The cost would be moderate and present journey times substantially reduced.

The Group has devoted much of its attention to the wastage of land, mostly disused railways, which present administrative procedures perpetuate even if such land is owned by highway authorities. Besides proposing remedies for this problem, the Group intends to offer a new strategy for transport in the London region for consideration, in the aftermath of the abolition of the Greater London Council.

Members of the Group

Keith Williams (Chairman), Angus Dalgleish, Lance Ibbotson CBE,
Michael Noar, Nigel Seymer, Anthony Shephard.

URBAN LAND AND HOUSING

This Group, all practitioners in urban land and housing fields, have been encouraged by its close contacts with successive Ministers for Housing and Construction. During 1982 and early 1983 it formulated detailed responses to points raised by John Stanley, then Minister for Housing and Construction, in connection with papers submitted to him.

Then following the General Election, Ian Gow MP, the recently appointed Minister requested that the Group examine as a matter of urgency ways of revitalising the private rented sector.

The Group shares the Minister's view that this is critically important if the private rented sector is to play any part in the nation's housing programme. It has recently submitted a lengthy document putting forward ideas in relation to both existing and new tenancies, coupled with incentives to encourage the building of new rented stock. The importance of positive action at this time arises for three principle reasons which may be summarised as follows:

- 1 Many years of artificial rent control and restriction have become major contributory factors to the immobility of labour in this country. A gradual return to market rents, thus aiding mobility, can only benefit what has become a severe constraint to economic recovery;
- 2 The domination of the present housing market by two principal tenures (home ownership and local authority housing) strengthens the need for the variety and choice offered by a viable private rented sector; and,
- 3 The nation cannot afford to lose the capital resource represented by the private rented sector and immediate steps are now necessary in order to avoid further physical deterioration of the property in this sector.

The Group looks forward to discussing this paper with the Department in the near future, and to pursuing in detail various aspects of our submission should the Minister so wish.

Members of the Group

J N C James (Chairman), Paul Clarke ARCIS, Dr Timothy Forse,
John Hollamby FRICS, Roger Humber, Arthur Jones, Robert Martin,
John Meering FRICS, Christopher Wates,
Alfred Wood Dip Arch, Dip TP, FRIBA, FRTPI.