

MINUTES OF THE STRATEGY GROUPELEVENTH MEETING: MONDAY 19th JANUARY 1987

Present: Prime Minister (in the Chair)
Lord President
Foreign Secretary
Home Secretary
Chancellor of the Exchequer
Party Chairman
Chief Whip

Also present: Mr Alison
Professor Griffiths
Mr Sherbourne
Mr Harris (Secretary)

Action1. BTR/Pilkington

The Strategy Group discussed the current controversy surrounding BTR/Pilkington. It was agreed that the main points to be stressed were that: the issue of competition had not arisen; nor was the 'national interest' an issue; the Government therefore had no responsibility to intervene. It might also be pointed out that: the shareholders were quite capable of taking all the considerations fully into account in making their decision; and that if it were thought that special criteria would be applied in such matters by government to firms in the regions that would discourage regional investment.

2. City Fraud

The Strategy Group discussed the current controversy about fraud in the City. It was agreed that briefing on this matter should stress the important steps which had already been taken by the Government and draw particular attention to the provisions of the Criminal Justice Bill, amendments to which were being proposed by the Opposition in the Lords - amendments which were designed to reduce the protection which the Government was seeking to extend to investors. It was proposed that both the Prime Minister and the Chancellor of the Exchequer should make speeches on the City.

PM/NL

3. Next Meeting

The next meeting will take place on Monday, 26th January at 12 noon when the paper on Presentation will be discussed.

RH/VCS
21.1.87

STRATEGY GROUP MEETING ON MONDAY, 19th JANUARY 1987

A G E N D A

1. "Presentation this Year" (paper attached)
2. Forward looking diary for the next two weeks
(paper to be circulated at meeting)
3. The Chancellor's Policy Group Report
(already circulated to Strategy Group)

SS
16.1.87

Conservative Research Department

32 Smith Square Westminster SW1P 3HH Telephone 01-222 9511

Director: ROBIN HARRIS

Copy number .1..

PRIME MINISTER

cc Mr Sherbourne
Professor Griffiths

'MANAGING THE ECONOMY' (PG/86/1) - FINAL REPORT

Your Strategy Group will discuss the Chancellor's Policy Group's Report on Monday, 19th January.

... I attach a note of my observations and recommendations.



ROBIN HARRIS

14th January 1987

RH/VCS

'MANAGING THE ECONOMY' (PG/86/1) - FINAL REPORT: COMMENTS (RH)

1. General

The Report is clear; its contents need little elaboration. It reaffirms the Government's economic strategy and proposes further radical action - without, however, having much serious regard to the political difficulties involved.

A recurring theme is the need to avoid pledges in the manifesto or election campaign so as, in effect, to have a fresh look at possibilities in the next parliament. (For example, radical options in education and health - paragraph 14; tax changes - paragraphs 25-6.) But there is no point in the Treasury imagining that these can be achieved by stealth: in particular, charging on health and education and the extension of VAT are bound to be brought up early in the campaign. It would be better to take a realistic view of what needs to be said now than to give the impression of uncertainty or division ... in the election campaign. (I attach the three key tax pledges which bind us at present - appendix A).

2. Specific Recommendations of the Report

(References are to paragraph numbers of the Policy Group Report).

Paragraph 14: It is unrealistic to imagine that one can keep all the options open of i-iii since the possibilities in education and health are different. Nothing should be said which implies that charging for basic education or hospital treatment might be introduced. In practice, there will be no temptation to do this in health: but it would be politically damaging to the case for devolution of management of schools and increased parental choice if they were linked with the

/introduction of

HARRIS

introduction of charging.

Paragraph 15: This again remains at the level of theory.

Paragraph 22: (i) and (ii) put the argument for tax cuts well; but the argument for cuts in the basic rate as opposed to other options will also need to be spelt out convincingly between now and the General Election. We need to raise the profile of the issue of tax: Labour's problems and those of the 'Alliance' on tax/social security will help us in that. But the Group Report is complacent in believing that we are clearly associated by the public with tax cutting. The Party's Summer Survey (July 1986) showed that as many people believed that Labour would cut taxes as that the Conservatives would do so. It is also true (see attached - appendix B) that the opinion polls consistently show that people say (whether honestly or not) that they would prefer increased public spending to lower taxes. Similarly, Keith Britto has confirmed to me that he knows of no evidence to suggest that the C1/C2 group are more in favour of tax cuts than others. Our argument, therefore, should not be that lower taxes are more important than public services but rather that lower taxes and better services, because of a healthy growing Conservative economy, are now possible - something which our opponents would reverse.

Paragraphs 25 et seq.: See above - 1. General.

Paragraph 28: You will be discussing this with the Chancellor in preparations for the Budget. But it is worth considering that the objective outlined by the Policy Group - no rise in the ceiling and limitation of relief at the higher rates - is effectively the same as that now put forward by the Labour and 'Alliance' Parties (though there are some past confusions which we can exploit). I attach a note which shows the Parties' positions - appendix C. That suggests to me that there would be advantage in a further rise in the £30,000 ceiling: in

/particular, we ...

time?

2. Are we still aiming for zero inflation: Should the Manifesto say so?

3. What is our aim for public spending - in real terms or as a share of GDP - and what do we say about it?

4. There are no new proposals on wider ownership: Should further work now be commissioned?

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APPENDIX A

Commitments given by Ministers on the Major Tax Expenditures

1. Mortgage Interest Relief

The Prime Minister has given several public assurances that mortgage interest relief will be retained, for example:

"I confirm that, so long as I am at the Dispatch Box, mortgage interest tax relief will be a policy of the Conservative Party".

[16 April 1985 OR vol 77 no 97 col 133].

2. VAT on Food

A number of statements on VAT and food were made in the run-up to the 1984 European elections, for example:

"We have no intention of extending VAT to food. The leader of the Opposition should remember that it was a Labour Chancellor who put VAT on confectionery, ice cream, soft drinks and potato crisps."

[Prime Minister 12 June 1984 OR vol 61 no 169 col 756].

3. Pension Fund Taxation

In his 1985 Budget Statement the Chancellor said:

"There is also a case for changing the tax treatment of pension funds, as part of a thorough-going reform of the tax treatment of personal savings generally. Any fundamental reform of this kind would, in the same way, need to be preceded by the publication of a Green Paper.

The House will, I am sure, be interested to learn that I have no such Green Paper in mind.

Nor, indeed, despite the unparalleled pre-Budget agitation, do any of the detailed proposals in my Budget affect the tax-deductibility of pension fund contributions, the tax free nature of pension fund income and capital gains, or the anomalous but much-loved tax free lump sum."

[OR 19 March 1985 vol 75 no 83 col 795].

Copy number 1
Conservative and Unionist Central Office

B

32 Smith Square Westminster SW1P 3HH Telephone 01-222 9000

Memorandum from:KEITH BRITTO.....

To:ROBIN HARRIS.....

Date:13th January 1987.....

TAXES AND PUBLIC SPENDING

As promised I have looked at recent polls with regard to attitudes to tax cuts versus public spending. The latest available information I have is taken from a Gallup survey published in October - the results are given below together with comparative figures from June 1986.

People have differing views about whether
it is more important to reduce taxes or keep
up Government spending. How about you?
Which of these statements comes closest to your own view?

	<u>Oct</u> <u>1986</u> %	<u>June</u> <u>1986</u> %
Taxes being cut, even if it means some reductions in Government services, such as health, education and welfare.	9	17
Things should be left as they are.	18	14
Government services such as health, education and welfare should be extended, even if it means some increases in taxes	68	64
Don't know	5	5

As you can see there has been little change since from June 1986 to October 1986. In June 1986 64% thought Government services should be extended even if this means increases in taxes compared with 68% in October 1986.

We do not have a detailed analysis of this question by socio-economic groups - I will try and obtain. It is likely to be only ABC1, C2 and DE. I doubt if I will be able to separate out C1's from the ABC1 groups.

11 B

OPPOSITION PARTIES ON MORTGAGE INTEREST TAX RELIEF1. LIBERALS AND SDP'Partnership for Progress' : July 1986

The Alliance would also promote owner occupation by enabling those on low incomes to become home owners. Mortgage Tax Relief has assisted millions on households to buy their own homes. It is essential and must be retained. We do not believe however that the present situation whereby the better off benefit most from this relief is fair. We would therefore confine Mortgage Tax Relief to the basic rate of tax. The Alliance Parties propose help for those on low incomes - with a deposit by extending the existing Home Purchase Assistance Scheme which was set up in 1973. This Scheme would particularly help young people buying for the first time, and council tenants could choose this scheme instead of the 'Right to Buy'. We would also promote, through local authorities and building societies, index-linked mortgages to reduce mortgage repayments in the early years when they are highest.

2. LABOURNEC Statement to 1986 Conference : Social Security and Taxation

Party Policy As Approved by Conference

Making the structure of taxation fairer

As part of our plans for more fundamental reform of taxation we have prepared a package of changes with the following characteristics:

- An end to sex discrimination in the taxation of earnings by taxing men and women independently
- Introduction of a new reduced rate band of income tax for the low paid, and a progressive system of tax rates to be levied according to income
- Restriction of all allowances against tax to the standard rate, so as to end the present system of extra tax allowances for the wealthy
- Introduction of a new, fairer and more comprehensive system of progressive employee national insurance contributions. Those on low and middle incomes will face a lower rate of national insurance contribution than those on higher incomes
- Removal of the current special national insurance contributions exemptions from earnings above £285 per week and investment income. There will be special safeguards to protect small savers
- Institution of a clamp-down on fringe benefits, tax evasion and tax avoidance. This will require the creation of a substantial number of jobs in the Inland Revenue, jobs which through revenue recovered will save many times their cost
- Reintroduction of a comprehensive tax on capital transfers
- Tightening the tax regime for capital gains and investment income
- Introduction of a tax on wealth

Such a package of reforms would make the tax system much fairer. Yet the package, in itself, would not involve any tax increase for the ordinary taxpayer. This is possible because of the sheer scale of redistribution from ordinary taxpayers to the rich that has taken place since the Conservatives came to power in 1979.

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PRIME MINISTER

16 January 1987

MANAGING THE ECONOMY

The Thrust of the Report

The major proposals are:

- a. a target of zero inflation
- b. a reduction in the basic rate of income tax to 25p and in the top rate to 50p
- c. privatisation of electricity, coal, steel, water and possibly PSA and Waterways
- d. joining the Exchange Rate Mechanism of the EMS
- e. more rigorous tests for welfare benefits
- f. resources following consumers in education and health
- g. revitalisation of the private rented market.

All are desirable with the exception of joining the ERM; but apart from a. and b. all need more work.

ERM and the EMS

The cornerstone of economic policy since 1979 has been the Medium Term Financial Strategy (MFTS), which has set targets for public expenditure, public sector borrowing and money supply growth. It is because of this that inflation has been reduced and taxes cut, despite the difficulties of measuring the money supply.

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This Report advocates a major change in tactics. It reaffirms that public expenditure needs to be controlled, but says nothing about the PSBR or the money supply. It does not even mention the MTFSS. In its place it advocates a binding commitment to membership of the ERM after the election.

It is highly likely that the Chancellor and Foreign Secretary will wish to press this issue. A Manifesto is not the place to discuss tactical questions of monetary funding and exchange rate policy. It would lead to speculation in the foreign exchange and money markets and could be very damaging to the Government, not least in the immediate run-up to the election.

Recommendation: Maintain present policy. Having won the election there will be plenty of time to examine the case for ERM membership.

Privatisation

We need to expand on our success with past privatisation and make this an important part of our programme.

It is unrealistic, however, to make a commitment to substantial future privatisation without listing the specific industries involved (see appendix A). Unless we are prepared to be specific in this Manifesto:

- (a) we run the risk that the Manifesto will be vague;
- (b) you will be hounded during the campaign to say something;
- (c) it will be more difficult to secure the support of parliamentary colleagues for the more contentious privatisation.

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Steel, electricity, water, PSA and Waterways present no difficulties in being mentioned. The major difficulty would be how we declare our intentions regarding the NCB and parts of British Rail (BREL, Freight, Parcels, Inter-City, Network South-East) without incurring the opposition of the trade union movement. It is difficult to imagine that by being specific you may give much of a hostage to fortune.

Should not the list of industries to be privatised be extended? What about parts of the Post Office and urban bus companies?

Para 30 which reaffirms "the objective of increasing competition or an important part of the privatisation programme" is very important and needs more thinking as to how it might be implemented.

Recommendation:

- (i) List specific industries
- (ii) Extend existing list
- (iii) Reaffirm competition

(ii) and (iii) require extra work.

Taxation

Para 29 not only makes a commitment to lower taxes, but also a fair deal for women and removal of existing tax penalties.

Recommendation: Before any commitment is made these need further work and discussion.

Public Expenditure

Demographic trends and rising expectations are putting great pressure on public expenditure. The great challenge to

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future governments is to break the mould of established assumptions and policies, especially of what is provided "free". This has to be presented not in the negative context of avoiding an arthritic economy overburdened by public expenditure, but of a vigorous one stimulated by appreciably lower taxation.

In terms of public expenditure the Manifesto should outline major reforms in education, housing and health. In all cases the objective must be to transfer more activities to the private sector and to introduce direct paying wherever practical. The discussion in paras 12-18 is rather theoretical. It lacks:

- a) concrete examples of where pricing might be introduced (eg student loans, options for higher council house/flat rents as the price of increased renovation, a range of preventive medical services for which people might pay) even if they are not mentioned explicitly in the Manifesto;
- b) per capita funding rules which limit the discretion of LEAs and Regional Health Authorities in funding individual schools and hospitals - so that money follows choice;
- c) increased use of private supplies within the NHS, schools and housing (compared to the 25% rate imposed on the BBC re independent producers).

Recommendation: Would it be useful to commission papers on these issues?

RG.

BRIAN GRIFFITHS

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ELECTRICITY PRIVATISATION

The Proposal: To privatise the electricity supply industry (ESI) in a way which promotes competition. The best solution would be to maintain the national electricity grid but to sell off the power stations individually or in groups. The Area Boards would become independent companies, with freedom to generate some of their own electricity or to buy from the competing generating companies, paying tolls for use of the national grid. The electricity showrooms would be sold off separately.

Reasons in favour: A major tranche of privatisation with proceeds well over twice those of gas. Wider share-ownership. More competition within the supply industry and therefore more efficient production. Major industrial consumers could shop around for the most advantageous contracts when considering investment decisions. Greater security from industrial action by breaking up the monolithic ESI. Possibility of more small-scale local electricity generation projects justified by the scope for greater energy efficiency through use of the waste heat for industrial complexes or district heating schemes.

Arguments against: Breaking up the monolithic structure of the ESI and promoting competition within the industry is likely to lead to substantially wider regional variations in electricity tariffs - currently a maximum of 11%. For a commodity as basic as electricity this could be difficult to handle politically.

Transferring the nuclear power stations into profit-motivated private sector hands will arouse concerns that safety standards may be compromised. This could damn the whole nuclear industry in the eyes of a nervous public.

The pro-competitive form of privatisation proposed will be

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opposed by the unions and probably the most senior level of management. The political risks of a serious conflict with the power workers are particularly severe.

Assessment: For a compact, densely-populated country there is a conceptual attraction in the existing system of relatively few large well-located power stations, linked by the national grid and operated in accordance with an economic merit order. However, a monolithic ESI subject neither to competition nor to the commercial disciplines of the private sector is horribly inefficient. The big power station mentality of the CEGB discourages small scale energy-efficient initiatives. We would opt for the radical pro-competitive model, if necessary keeping the nuclear stations in the public sector or privatising them as a single group.

JOHN WYBREW

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PRIVATISATION OF THE COAL INDUSTRY

The Proposal: To restructure the UK coal industry, aiming for a diversity of private sector participants operating in a licensing/regulatory régime akin to that successfully established for the exploration and development of UK oil and gas resources. The country would be divided into concession areas, awarded on a discretionary basis or after competitive tender. The Government would be the licensing/regulatory authority. Royalty would pass directly to the Exchequer.

Into this framework, a privatised industry would be launched. The open-cast pits would be auctioned off. Concessions for the exploration and development of new mines would be awarded after competitive tendering from the private sector (probably mining and oil companies). British Coal's existing profitable mines would be offered for competitive tender. Where appropriate (ie limited future investment required) management/employee buy-outs would be encouraged.

Reasons in favour: The exploration and development of coal is no more a natural monopoly than that for oil and gas. British Coal is a hopelessly confused combination of business interests, licensing authority, economic rent collector in lieu of Government and vehicle for social policy. Even given the highly desirable shift of emphasis from a supply-driven business to a market-responsive business, it is doubtful that a monolithic NCB riven with these conflicts of interest can ever operate as an efficient, commercially-disciplined business. The present structure has locked in inefficiency and pre-War work practices. British deep-mining capability is at the forefront of technology, yet we are denied much of the benefits because the industry still operates on the basis of work practices appropriate to the days of a million miners winning coal with pick and shovel.

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Arguments Against: The business logic and macro-economic case are irrefutable. Nonetheless, some will argue that the social dislocation consequent on the radical restructuring of the UK coal industry will be too severe. Mining communities have deep tribal loyalties. There is a North/South dimension. The argument, therefore, is whether to proceed cautiously step-by-step, or, as it were, to go for a "big bang", in tandem with electricity privatisation.

Assessment: Given the considerable scope for reducing the unit cost of coal production from deep mines, the potential value of UK coal reserves is probably greater than that of our oil and gas reserves. The prize for privatisation would be transformation to a diverse, modernised, market-responsive extractive industry at a time when the trend of energy prices in real terms is set to rise, lead by oil and gas prices.

JOHN WYBREW

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WATER PRIVATISATION

The Proposal: To privatise the 10 Water Authorities in England and Wales as single entities whilst protecting the public interest through ensuring proper regulation of monopoly suppliers and accountability to Parliament for the regular functions to be undertaken by the privatised bodies. Bill in preparation.

Reasons in Favour: Substantial privatisation receipts, wider share ownership, incentives to greater efficiency through comparisons between investors of authorities, opportunities for industries to diversify including providing value added services to customers.

Arguments against: Inappropriate to privatise industry which has regulatory functions since there will inevitably be conflicts of interest. No real stimulus to efficiency because authorities are monopolies.

Assessment: The proposal is highly desirable as a measure of privatisation. There is a genuine question not encountered with previous privatisation about how to ensure that regulatory functions can be performed without conflicts of interest and ensuring accountability to Parliament. These can be overcome, as is envisaged in the Bill in preparation, by ring fencing the regulatory functions of the privatised bodies and exercising them as agents of the Secretary of State, who will remain statutorily responsible and accountable to Parliament. Consumer interests will be protected by a regulatory office (of water) and by competition in capital markets.

PETER STREDDER

POST OFFICE PRIVATISATION

The Proposal: The four main activities of the Post Office, (Inland letters, Parcels, Overseas post, and Counter services including Girobank) are separable and profitable and should be privatised. There is no natural synergistic reason for keeping these activities together in one business although the Post Office management and unions would so argue. The logical course of action is therefore that the four activities should be privatised separately.

Reasons in Favour: The special status of a letter as the only practicable fast means of communication is a Victorian legacy which is no longer valid. A letter is simply a thing to be carried.

Post office profits have risen over the past 10 years while standards of service have deteriorated badly. Whenever competition has been allowed private services sprout and the quality of the service generally is improved. This is the best time to privatise the post because most important communications already arrive other than by post and volumes will decline in the future as junk mail is transmitted by other mechanisms.

Arguments Against: Rural Post Offices may cease to be profitable and close under private ownership. However, most rural Post Offices are in fact privately owned shops with a franchise for the selling of stamps and the providing of mail services for which the Post Office pays out a blanket minimum fee. Under privatisation these procedures would cease. Rural delivery of mail may also discontinue and this is the strongest argument of the critics against Post Office privatisation. However, when the USA did away with nationalised freight service the quality of service to outlying areas from the centres actually improved.

Assessment: There is nothing special about letters and there is no reason why their carriage cannot be privately owned and financed. The same applies to all the other activities of the Post Office including the agency work which Post Offices do for Government. Legally there are problems to be addressed because the Secretary of State is required to provide a postal service and so it is not simply a question of suspending the monopoly practices within the Post Offices. In practical terms it is probably necessary to legislate for privatisation of the Post Office.

Action

Owing to the emotive nature of the Post and the perceived standing of the stamp carrying The Queen's head, it may not be desirable to name the Post Office as a privatisation candidate in the Manifesto.

GEORGE GUISE

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PRIVATISATION OF BRITISH RAIL

The Proposal: The restructuring of BR into business sectors - InterCity, Network South East, Provincial, Freight and Parcels - is yielding marked improvements in attitudes, efficiency and commerciality. The InterCity, Freight and Parcel sectors have been set attainable commercial targets. Taking account of its property development potential, Network South East could be within sight of becoming a saleable, commercial concern.

BR's unsubsidised business sectors would be progressively privatised. Given the manpower intensive nature of the industry, employee participation would be encouraged. Provision would be made for competing rail-based businesses to operate services, reimbursing the relevant track-owning sector or company on similar terms to the other users. With the segregation of BREL - as an arms length supplier competing for BR's business - well under way, BREL must be privatised either whole or in parts.

Reasons in favour: The creation of market-orientated business sectors within BR has shown much promise - with more to come. Privatisation with emphasis on employee participation would build naturally on this success. The Channel Tunnel will open the market for high-speed rail services to North West European cities. Market-driven enterprise and modern rail technology can yet rejuvenate our railway industry.

Arguments against: Railways have a special place in the British heritage. The politics of change even towards a promising future are sensitive, not least in the Tory heartlands. The logical consequence of the course proposed will ultimately be a significant reduction of the under-used fringes of the Provincial network.

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Assessment: This Government has laid the foundations for an opportunity which would have been undreamt of in 1979 - a rejuvenated railway system comprising a number of market-orientated, commercial businesses. Go for it.

JOHN WYBREW

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PRIVATISATION OF THE LONDON UNDERGROUND SERVICE

The business prospects of the London Underground Service have been transformed by the market-orientated approach of Keith Bright and his management team. With the system being modernised and given a facelift, the Underground is in sight of operating without subsidy. Consolidate and build on this remarkable turn-around by privatising the London Underground. It would be a good candidate for a flotation with generous provisions for employee participation.

Reasons in favour: The Underground service per se provides a solid, growing, core business. Freed from public sector constraints, there are considerable related opportunities, particularly in property development and franchising. As a manpower intensive business, it is an ideal vehicle for employee share ownership. Apart from the wider political benefits, this will make the service less vulnerable to industrial action.

Arguments against: There are none. The only issue is when to launch the privatisation. The timid will argue for a prolonged track record of unsubsidised operation.

Assessment: Let us be bold and aim for early privatisation of the London Underground. A lively, modern, privatised underground service in the capital would be a marvellous demonstration of the virtues of privatisation.

JOHN WYBREW

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PRIVATISATION OF URBAN BUS COMPANIES

The Proposal: Privatisise the urban bus undertakings (currently municipal bus companies and PTEs) along the same lines as the privatisation of NBC - principally management/employee buy-outs.

Reasons in favour: The deregulation of the local bus industry is still in the melting pot. However, substantial benefits are already evident. There are indications that urban bus managements would welcome the opportunity to follow NBC into privatisation. To do so would be wholly consistent with the Government's policy. The only question is how soon.

Arguments against: Some of the existing local authority owners of urban bus companies will attempt to frustrate privatisation and during the transition period passengers may suffer.

Assessment: There is no logic in privatising NBC to enhance competition but not the urban bus undertakings which collectively represent the majority of the local bus industry. The arguments against proceeding apace should not deter us; the Secretary of State can use his powers sparingly if he considers it prudent to move more slowly in particular cases.

JOHN WYBREW

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PRIVATISATION OF THE STEEL INDUSTRY

The Proposal: To return the five major UK steel plants, their associated fabricating companies and their marketing outlets to private ownership. The British Steel industry would then operate in the same way as steel industries in the United States and European countries.

Barclay's Merchant Bank (BZW) has been invited to submit proposals for the privatisation of British Steel for presentation to that company by the end of April. It is not yet resolved whether the recommendation will be that BSC should be privatised as one corporation, in the manner of British Telecom and British Gas, or as a number of separate businesses.

Reasons in Favour: There is no natural monopoly about steel-making and there is no case for continued Government ownership. Despite the worldwide steel surplus capacity, British Steel has achieved profitability and efficient technical operating parameters comparable with profitable steel companies elsewhere. British Steel is already subject to competition because of imports which vie directly with it in the UK. It does not therefore operate a monopoly in its present form.

Arguments Against: There is substantial over-capacity in the British steel industry and there is a strong economic case against maintaining five steel mills. The logical consequence of privatisation would be the closure of Ravenscraig in Scotland after present Government undertaking expire in mid-1988. There is therefore likely to be social dislocation in Scotland and elsewhere once the steel industry is privatised. The same argument would apply whether it was privatised as a single entity or whether it was privatised as individual businesses.

Assessment: Privatisation of BSC is stated Government policy and is proceeding beyond the general study stage to detailed practical recommendations for implementation. This should be encouraged.

Action: If individual businesses are included in the Manifesto, steel should certainly be.