

PRIME MINISTER

1 May 1987

CONSERVATIVE MANIFESTO 1987

I enclose a second draft of the Manifesto which incorporates comments from Ministers on the first draft and which has been edited by John MacGregor and myself.

At certain points there is a choice to be made:

either whether to include something - which is indicated by a black line in the left hand margin and a question mark

or which form of words to use - which is shown with either/or: but in all cases the real choice is between policies and not just words.

John MacGregor's Reservations

John MacGregor would like you to know that in fairness to other Ministers he has allowed comments to be included in this second draft which he would personally wish to query. They refer to:

- the Green Pound
- a commitment to 20 CTC's
- the Third guarantee of employment, and
- expansion of the Community Programme.

He will raise these at the meeting next Tuesday (5 May).

### Other Issues

I would also like to bring to your attention the following issues:

#### Electricity Privatisation

Peter Walker has sent a wording for the manifesto on the privatisation of the electricity industry. It is appalling. Out of a total of 15 lines, 13½ are devoted to the success of gas and only 1½ to electricity. The clear implication of what he writes is electricity should be privatised in the same way as gas. This would attract extremely hostile comment from serious commentators.

John Wybrew and myself both feel very strongly that Peter Walker's wording should be left out.

#### Education

Comments from Kenneth Baker raise issues about just two words - but they are important.

- a. Kenneth Baker prefers in Chapter 8, page 13

'In each of these basic subjects syllabuses will be agreed .....

to the original

'In each of the basic subject syllabuses will be published .....

Later on in this paragraph we acknowledge that we will consult. But to commit ourselves to agree with the NUT,

HMI and certain officials is a very strong commitment on our part, which could give away a lot of ground in drawing up the national curriculum. The original formulation seems better.

- b. Kenneth Baker prefers later in the same paragraph:

'We want all the education interests to make a positive contribution to creating the National Curriculum',

whereas the original text was

'We wish to see all the parties in the education service ....'

Once again 'interests' makes too great a potential concession to the unions. I would recommend the original formulation.

#### Broadcasting

Douglas Hurd now wishes to be more imprecise about commitments for a 25% quota for independent producers in the BBC and ITV and more importantly to establish a new Broadcasting Complaints Authority. (The latter proposal was certainly suggested by his Policy Group.)

Both these very much reflect the sympathies of Home Office officials. It is difficult to convince the public of our intention to do something about television violence if we do not promise some form of positive action rather than mealy-mouthed words. If we wish to achieve something in this area, we need a more positive commitment than is being recommended by Douglas Hurd.

*B.G.*

BRIAN GRIFFITHS

Secret and Personal



10 May 87

10 DOWNING STREET

From the Head of the Prime Minister's Policy Unit

Prime Minister.

One delicate issue I have not put in the paper is The Third Guarantee on jobs. The Treasury feel quite strongly that this is a hostage to fortune. I very much agree. We would do well to soft-pedal it - especially when you compare it with the other two guarantees.

Brian Huffis



10 DOWNING STREET  
LONDON SW1A 2AA

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TO ALL MEMBERS OF THE STRATEGY GROUP

Strategy Group Meeting on Tuesday, 5th May 1987  
10.30 am to 1.00 pm

Attached is the latest draft of the Manifesto which  
will be considered at this meeting.

Sr

STEPHEN SHERBOURNE

1.5.87

Encl.

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Copy No <sup>1</sup> .....

*[Handwritten scribble]*

**CONSERVATIVE MANIFESTO 1987**

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**Second Draft**

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**(Corrected version)**

1st May 1987

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*Choice*

*Arthur Wilson  
Chairman*

*Steps to  
author hand  
corner of sheet  
(2) Fundamental  
Choice*

Introduction THE BRITISH RENAISSANCE ①

For the first time in a generation, Britain today can look forward to an era of prosperity and fulfilment - of expanding boundaries and new accomplishments. A country with pride in its achievements and self confidence in the freedom and spirit of its people. A country once again respected throughout the world - for its principles, its courage and its success.

This manifesto sets out our vision for the Britain of the 1990s and beyond, a future based on the aspirations of millions of individuals and their families - their hopes, their needs, their security.

Already there is a vast gulf separating the Britain of today from the Britain of the late 1970s.

Is it really only a decade ago that inflation rose to an annual rate of 27 per cent? That the leader of the Transport and General Workers Union was generally known as "the most powerful man in Britain"? That a minority Labour Government, staggering from crisis to crisis on borrowed money, was nonetheless loyally maintained in power by the Liberal Party in return for the paper concession of a Lib-Lab pact? And that Labour's much-vaunted pay pact with the unions collapsed in the industrial anarchy of the "winter of discontent", in which the dead went unburied rubbish piled up in the street and the country was gripped by a creeping paralysis which Labour were powerless to cure?

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①

*Chart*

*1976  
Sunday*

*Brdc*

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It seems in retrospect to be the history of a different country. Yet these things happened and, at the time, people had to accept them as an unavoidable part of everyday life. It needed faith and courage to believe that things could be different.

### Reversing the Decline

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Remember the cliches of the day. The British people were "ungovernable". We were in the grip of an incurable "British disease". Britain was heading for "irreversible decline."

Well, the decline has been reversed.

- Today in Britain, we are in the seventh successive year of steady economic growth, having moved from the bottom to the top of the European economic growth league.
- Today in Britain, inflation has reached its lowest levels for almost twenty years.
- Today in Britain, the number of strikes has dropped to the lowest levels for 50 years.
- Today in Britain, far from being in debt to the IMF, we have built up our net overseas assets to their highest level since the Second World War - higher than France, Germany, and the United States, second only to Japan.
- Today in Britain, living standards are higher than ever before in our history.

But these are bald statistics. What matters is the feel of the country, the new enthusiasm for enterprise, the new spirit that Britain can make it, that we can prosper with

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the best. Investment in British industry is rising rapidly. Our services sector, employing almost two-thirds of our workforce, generates a vast surplus abroad. And our manufacturers are travelling the globe with a new confidence born of the knowledge that Britain is internationally competitive again.

The World Stage

This national revival is not confined to increased prosperity. Britain is also back as a major player on the international stage. Our voice is heard on arms control, on East-West issues and on human rights, from Camp David to Moscow.

Middle East Europe

playing a major part  
economic growth  
on the Middle East or African affairs  
Worship was

Government

Under the Conservatives, Britain has played a forceful and responsible role internationally. We have defended civilised values, as when we took the lead in fighting terrorism. We have secured our national interests, as when we used necessary force to liberate the Falklands from the Argentine military junta. But we have been ready to bargain and to settle long-standing disputes in cases like Hong Kong where agreement with reasonable men was possible.

We need

We have shown time and again that we possess the two requirements of successful diplomacy: the willingness to negotiate and the determination to act.

standards for  
principles  
and within the framework of respect for sovereignty and to take decisive action.

Founded in Strength

The capacity to act internationally, however, does not come without effort. It must be founded on a strong economy and a robust defence. This Government took the necessary steps to build up both - and success has followed.

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- It is because prudent financial policies have made Britain one of the world's largest creditors that we are able to shape world efforts to sustain trade and promote international monetary co-operation.
- It is because we gave a lead in NATO and installed Cruise missiles that the Soviet Union is finally, after seven years, prepared to negotiate <sup>to</sup> removing <sup>it</sup> its own missiles targeted against us.
- It is because this Government is modernising our own independent deterrent that Britain retains an independent influence in arms control negotiations between the superpowers.

By such steadfastness, we have not only rebuilt our economy and re-established our world reputation; we have also regained our national self-respect. But restoring a country's greatness is never easy. The new Conservative policies met bitter resistance every step of the way.

#### Remember

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- The year-long coal strike, with its violence and intimidation on a massive scale. It failed and mining productivity has since soared <sup>to</sup> ~~to Japanese~~ <sup>American</sup> levels.
- The battle we had to fight to ensure that Britain paid no more than its fair share of the European Community Budget. Britain this year will receive over £1.3 billion returned from excess payments to Brussels.
- The doubling of the oil price which confronted the new Government with a severe recession ~~and high inflationary pressures~~ - and, more recently, an equally dramatic fall in

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the oil price which halved government oil revenues and in earlier times would have threatened a collapse of confidence in the pound. Both these oil "shocks" were successfully withstood by prudent policies which have produced a sustained growth of prosperity.

• And let us not forget the challenges of the Falklands War.

→ How many of the alternative governments on offer would have <sup>stood firm and</sup> ~~survived, let alone~~ overcome, such difficulties? Does anyone suppose that the Labour Party would have resisted ~~and let alone~~ defeated the violence and intimidation in the miners' strike? Or that the Liberals or the Social Democrats would have negotiated the return of our money from the EEC? Or that any of the Opposition parties would have persevered through all these difficulties to break the back of inflation and restore honest money?

### A Strong and Stable Government

The plain fact is that all these improvements in the wealth and welfare of our country have only been possible because we have had a strong government with sound policies and a decisive majority in Parliament. A weak government with uncertain policies would not have known how to withstand the pressures upon it; a government without <sup>a good</sup> an overall majority in Parliament would not have been allowed to do so; and a strong government with unsound policies would have been a positive force for disaster.

In this election, only ~~the~~ <sup>UK</sup> Conservatives <sup>are offering strong</sup> and responsible government ~~by a single party.~~ <sup>decisive</sup>

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The Next Moves Forward

The next Conservative Government will build on the achievements of the past eight years with a full programme of new and positive reforms. We will continue:

to pursue our policies of sound financial management and the promotion of enterprise and employment;

to spread the ownership of homes, shares, pensions and savings even more widely to give families greater financial independence;

to give people greater choice and responsibility over their own lives in important areas such as housing and education;

to exercise strong leadership where government needs to be strong - in protecting the nation against potential aggression and the citizen against lawlessness;

*to improve the quality of life - all the essential things*

We intend, in short, to press on with the Conservative revolution which we embarked upon in 1979 and which has already revived the ~~morale~~ <sup>spirit</sup> of our people and <sup>restored</sup> the reputation of our country.

*Revised  
Cons. Reform*

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PART I BUILDING PROSPERITY

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Our economic programme is based firmly on a record of success. Lower income tax, low inflation, expanding opportunities, greater incentives, increased competition and less government intervention have produced a remarkable record of achievements.

- Britain has moved from being bottom to the top of the European growth league - despite the miners strike and the collapse of the oil price.
- Inflation has reached its lowest level for almost 20 years.
- The basic rate of income tax has been cut from 33p to 27p, four taxes have been abolished entirely, and almost a million and a half people have been taken out of income tax altogether.
- Over a million extra jobs have been created - more than in the rest of the EEC put together.
- Unemployment, a worldwide problem, is now firmly on a downward trend - with youth unemployment below the European average.
- We have successfully rebuilt our net overseas assets to some £110 billion, which will provide substantial income in the years ahead and cushion us against the effects of falling oil revenues.

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The success of our economy can be judged by the scale of foreign investment in Britain. Over the last four years more than 1,200 investment decisions have been taken by foreign companies to invest in Britain - a clear vote of confidence in the strength, stability and long-term future of the British economy.

Our strategy has become accepted as the new international consensus: Socialist Spain as well as Christian Democratic Germany, Social Democratic Sweden as well as Gaullist France, all accept that governments must reduce their borrowing, curb state spending, reduce taxation, privatise state firms and remove unnecessary controls.

For the next Parliament we have set ourselves seven *concrete* objectives. These are to:

bring down inflation still further;

reduce taxation in general and income tax in particular;

spend more on our priorities in the public sector while ensuring that overall public spending takes a smaller share of our national income;

transfer more companies out of state ownership and remove more controls from business;

promote competition while protecting consumers and attacking fraud;

continue reforming trade unions;

offer guarantees of training for young and long-term unemployed.

*housing  
education*

~~to~~  
~~to~~  
*- Enterprise -  
(Business units) jobs*

*Preferred the four  
new measures forward*

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*The Sunman*

*Prosperity*

Chapter 1 Creating a Climate for ~~Economic Success~~

---

Since the Government first took office in 1979 ~~we have done~~ <sup>Constitution</sup> ~~those things that only governments can do.~~ We have restored honest money and established a stable economic framework in which business can flourish.

We have been careful not to spend money before we earned it. We have refused to be drawn into an auction of pledges for higher spending that the country simply could not afford. We have brought the nation back to living within its means. We have paid our way. We have massively rebuilt our international assets. And we have made the books balance.

Stable Prices

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The key to Britain's economic revival has been our success in the battle against inflation.

- Nothing erodes the competitiveness of British firms more than inflation. Rampant inflation under the Labour Government, when money lost more than a quarter of its value in a single year, made our economy the sick man of Europe.
- Nothing destroys the confidence of industry in the future more than the prospect of hopelessly unstable prices, inhibiting capital investment and essential long-term planning.
- Nothing so undermines personal thrift and independence than to see the value of a lifetime's savings from hard work eaten away in retirement through spiralling prices.

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- Nothing more threatens the social fabric of our nation than the conflicts and divisiveness which inflation creates.

The defeat of that inflation required firm control of public expenditure, a substantial reduction in government borrowing, curbing the growth of money in circulation and maintaining financial discipline, increasing competition and moderating trade union power.

The Opposition parties opposed nearly every aspect of <sup>our</sup> ~~this~~ strategy. If even part of their policies were implemented, higher borrowing and higher spending would once again unleash inflation.

We will continue to put the permanent conquest of inflation as our first objective. We will not be content until we have stable prices, with inflation eradicated altogether. This is our aim for the next Parliament.

Lower Taxes .....

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We are the only Party that believes in lower taxation and have steadily reduced income tax.

There is nothing moral about a high taxation system which deprives individuals of their independence and makes choices for them. As a party committed to the family and opposed to the over-powerful State, we want people to keep more of what they earn, and to have more freedom of choice about what they do for themselves and their families.

~~The most powerful economic force is the desire to improve the standard of living of our family by our own effort.~~  
 As the Party determined to achieve growing prosperity we recognise that it is people, not governments, who create wealth.

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Lower taxation makes everyone better off, as our record in office has shown. It encourages people to work harder, to be inventive and to take risks. It promotes a climate of enterprise and initiative. By contrast, what point is there in working hard or taking a risk with a new business idea when you know that, as under Labour, your ultimate reward for success is tax at anything up to 98p in the £?.

Lower taxation enables people to build up savings and investments out of their earnings which will give them their own financial security as they grow older.

Lower taxation, by increasing take-home pay without adding to industry's costs, improves industry's competitiveness and helps with jobs.

And tax relief for charitable giving encourages more people to give and to give more generously, to the benefit of charities throughout the length and breadth of the country.

#### .... Our Record

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That is why already:

- We have cut the basic rate of tax on everyone from 33p to 27p in the £, and increased the personal allowances (the starting point of paying tax) by 22% <sup>more than</sup> ~~after taking account of~~ inflation. If Labour's tax regime were still in force, the family man on average earnings would today be paying more than £500 per year in extra income tax: a primary school headmaster married to a nurse would be paying more than £1300 extra.

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- a document which is the*
- We have sharply cut the absurd top rates of tax inherited from Labour, which were causing so many of our most talented people to work abroad or stop ~~giving of their best.~~ *use here for workers to use limits of their energy & ability at home*
  - We have greatly increased the tax relief for charities, which has been an important reason leading to the doubling of charitable giving.
  - We have abolished four taxes completely - the national insurance surcharge (Labour's tax on jobs), the investment income surcharge, the development land tax and the lifetime gifts tax.
  - We have ~~streamlined~~ *reformed* and simplified corporation tax, and cut its rate to the lowest of any major industrial country.
  - We have cut the small business corporation tax rate by more than a third, and extended it to many more small businesses.
  - We have ~~simplified~~ *reformed* and reduced capital taxes; and stamp duty has been slashed.

In each and every case where taxes have been ~~simplified~~ *reformed* and reduced the result has been an increase in the amount of tax collected.

The Labour Party totally fail to understand the benefits this brings to everyone. Today it openly admits that it would raise taxes on everyone: to fulfil its plans it would have to raise them substantially. All the other Parties would raise taxes.

We shall do precisely the opposite.

In the next Parliament:

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*cur* *f*  
We will ~~further~~ reduce taxation, *as a proportion of national income?*

We aim to reduce the <sup>*burden*</sup> ~~burden~~ of income tax <sup>*further*</sup> ~~at all levels~~.

In particular, we will cut the basic rate of income tax to 25p in the £ as soon as we prudently can.

We will continue the process of tax reform.

Spending we can afford

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Over the past eight years we have managed the nation's finances with care. This has enabled us to spend substantially more on defence (up by 27%), the Health Service (up by 24%), roads (up by 19%), education per pupil (up by 17%), the police and the battle against crime (up by 48%). *Training-*

How have we been able to afford these increases without running into the financial crises which Labour's spending policies invariably set off? The answer is twofold:

First, we have been prudent with the nation's money. *(*We are engaged in steadily reducing the share of the nation's income taken by the state by keeping public expenditure under firm control. Thus we have ensured that more is left for families and for business to invest. That is the only safe route to higher growth in the economy. Only that can in turn provide better public services.

Second, we have constantly improved the efficiency of the public services, ensuring that we get more value for every pound spent.

For the next Parliament:

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*aim to*                      *for*                                      *to*  
We ~~will~~ ensure that public expenditure takes a steadily smaller share of our national income.

*objectives*  
Within that ~~we~~ we will continue to spend more on our priority areas. ~~as intended - this year - 1964~~

~~in the next three years~~  
We have set out our plans for further increased spending in these areas over the next three years.

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Chapter 2 JOBS AND ~~ENTERPRISE~~

During the last few years high unemployment has been one of the most intractable problems facing all Western industrialised countries.

Today, there are encouraging signs that it is responding to continued growth in the economy and to the extensive programmes that we have developed during the last Parliament. Unemployment in the last eight months has fallen faster in the United Kingdom than anywhere else in the world, and faster than at any time since 1973..

~~This is not by chance~~

*(The last year...)*

~~More Jobs~~

~~Small Firms & Full Employment~~

*Seeds of New Jobs*

We have established the conditions where new jobs have been created - more than in the rest of the EEC combined since 1983. And not just through the revitalisation of our traditional industries. We have encouraged growth in those crucial areas of new enterprise which provide the foundation for our future prosperity - self employment, the creation of new small firms and the expanding service sector, particularly tourism and leisure, and new technology.

Self-Employment

Self-employment is the seed corn of the new enterprises of tomorrow. ~~Without a sufficient supply of people to start new businesses the future of our whole economy is in jeopardy.~~ Today we have the highest number of self-employed



people for over 60 years, with over one in ten of our workforce now working for themselves. The eighties have seen over 825,000 more people become self-employed. More and more of our young people today accept self-employment as a viable career prospect.

*Half of the self-employed in the Nineties?*



Small Firms



Small firms, along with all businesses, have benefited from our sound and prudent management of the economy. With the reduction of Corporation Taxes and the control of inflation has come a resurgence of the small firm. The number of registered businesses has shown a net increase of more than 500 a week since this Government took office - and the number of businesses has increased in every region of the country, and in every industry sector except retailing.

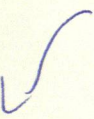
*Not a people 25%*

~~Today there are many competing sources of venture capital and more than three hundred Local Enterprise Agencies giving advice and assistance to those running small firms. We are playing our part with the Business Expansion Scheme and the Loan Guarantee Scheme to help businesses expand and grow.~~

~~There is not one large company in the country that did not start one day as a small firm, and the progress we are making this decade will set the foundation for employment and wealth for the next century.~~

*Every Mr started*  
*decade*  
*into*

Tourism and Leisure



There are well over a million jobs today in the tourism and leisure industry. It is the fastest growing international industry and earns us billions of pounds in foreign exchange each year. Here are opportunities for new uses of our

heritage, especially in those parts of the country where employment opportunities are ~~not plentiful~~. *are not growing fast enough*

We have encouraged the growth of the industry by improving training and increasing help for the Tourist Boards.

~~We will continue to help tourism develop its employment potential and wealth creation.~~ *How?*

*P* Practical Help for *those who are* the Unemployed

*Helping Unemployed People with Govt*

The last two Parliaments have seen the foundation laid for our future growth in employment and prosperity. Unemployment is now falling in every region. (We must now build on this and create the climate in which business and wealth creation will flourish for the common good.)

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We have ~~therefore also~~ developed a ~~whole~~ range of measures to help those who have become unemployed to take advantage of the new ~~job~~ opportunities arising throughout the country.

*② 5.16.5*  
*③*  
*4.12.5*  
The Community Programme. Over three hundred thousand people each year gain valuable experience and an up-to-date work reference working on projects *which benefit* for community benefit. We wish to ~~expand the number of places and~~ improve the programme to make it both full time and more able to help those with families. We propose to pay those working on the programme a premium over *which they would have received on* benefit. This will enable those with large family commitments to *people* benefit from this programme.

*Second*  
*①*  
Job Clubs. There have been few more successful and popular programmes to help the unemployed to help themselves back into jobs. We opened the first Job Club in 1985 and there are now over 1,000 open and in business.

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We will work towards expanding the programme as long as they continue to help two thirds of those leaving Job Clubs to go into jobs.

*Thom*  
*(4)*  
The Enterprise Allowance Scheme. Already 200,000 unemployed people have started to work for themselves under this scheme. Our surveys show that six out of ten are still in business after three years and each remaining will then be providing a further job. *many - or more of us*

*F. Smith*  
Restart, the programme for interviewing and counselling the long term unemployed, which we pioneered has helped achieve ~~a reversal in the growth of long term unemployment~~. It has been so successful that we have improved the programme to help the unemployed after six months and then again at each six-month interval.

*Revised*  
Three Guarantees for Tackling Unemployment

In the next term we propose to go further. The success of our economic policies means that we can now offer <sup>higher</sup> ~~to those who need them most.~~ guarantees

Youth unemployment is ~~the~~ a particular problem. In Britain far too many young people have left school with an education that has not prepared them for the world of work (whilst at the same time unions maintained unrealistically high starting wages). *cannot wait to be fully trained and then*

In this Parliament we introduced the first Youth Training Scheme. Already we have extended it into a national two-year programme leading towards <sup>Practical</sup> ~~vocational~~ qualifications. We have now gone a stage further and today offer a guarantee to all unemployed school-leavers under 18 that they will have a place on the programme.

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The First Guarantee

We will guarantee a place on the Youth Training Scheme for each and every school-leaver under 18.

*Only* The only school-leavers today who are unemployed have chosen unemployment for themselves. Unemployment should not now have a place in the vocabulary of our <sup>or plus</sup> school-leavers <sup>young people</sup> and <sup>school</sup> YTS will ~~serve as the bridge between school and work.~~

We therefore propose <sup>to take</sup> ~~taking~~ steps to limit entitlement to benefit to ensure that young people do not deliberately choose to remain unemployed.

We have ensured that all young people have the opportunity, either on YTS, or at school, to obtain credits towards vocational qualifications. The need for a well-trained and qualified people is crucial to enable us to compete in an ever more competitive world.

~~Over the next Parliament the National Vocational Qualification will come into being and bring into a coherent framework all the hundreds of existing qualifications.~~

But there are <sup>still</sup> ~~simply~~ too many young people <sup>who lack</sup> without the right qualifications for employment in today's world. The <sup>new</sup> Job Training Scheme (JTS) will offer a chance to an unemployed person <sup>over</sup> to work and train on an employer's premises <sup>for some time</sup> and take an existing vocational qualification. This year it will help nearly a quarter of a million people.

*It will aim to reduce the training to skills in each case to jobs that are vacant and skills that are needed in a particular area*

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The Second Guarantee

We therefore propose that within a year we will be in a position to offer the guarantee of a place, either on JTS or on the Enterprise Allowance Scheme, for everyone aged between 18 and 25 years and who has been unemployed for between 6 and 12 months.

Either | We also hope to work towards a position in which we can offer a place either in JTS or in the new Community Programme or on the Enterprise Allowance Scheme for everyone aged between 18 and 50 who has been unemployed for more than 24 months.

? | But what about the remainder of the unemployed? Apart from the major programmes which we have already established, there is one further step to be taken.

or | The Third Guarantee

? | We will work towards a guarantee of a place either in the Job Training Scheme, the new Community Programme or on the Enterprise Allowance Scheme for everyone aged between 18 and 50 who have been unemployed for more than 24 months. We hope to achieve this guarantee during the lifetime of the next Parliament. Recruitment to these programmes will be through the six monthly Restart interview.

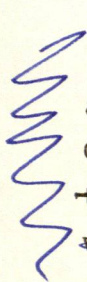
~~The Employment Service~~

*Jobs Centre and Training Agency*

These are ambitious ~~guarantees~~ <sup>or</sup> and to achieve them and to provide a comprehensive service to the unemployed we would <sup>where it is right</sup> propose consulting with the Manpower Services Commission

*with the place of Job Centres should come under the Department of Employment and work more*

1.3



*to be made*  
*bring*  
about merging the Jobcentres with the Unemployment Benefit *work with*  
Offices to provide a ~~new~~ *new* Employment Service with nearly two  
thousand offices throughout the country. This new service  
would be located within the Department of Employment.

The Manpower Services Commission

*become*  
The MSC would then be primarily a training agency. *Training is not a political*  
To reflect the importance the Government attaches to the *to employment. It is a vital part of our*  
contribution of *business* employers to the National training effort we *whole of industry & commercial interests.*  
would propose to increase Employer representation on the  
Manpower Services Commission itself and on its advisory  
bodies. *The rest of it is*

*Training is not a political issue*

A Proven Approach

*education*  
*form*

*Business is creating more jobs.*  
More jobs are being created. Unemployed people need more *help*  
help to *know* train and prepare them *to* take these jobs. There *for the world provide early technical*  
a practical and realistic approach to helping people *back*  
into work and tackling the *scourge* of unemployment. That is  
the approach that we will continue to pursue *is*

*Japan*

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Chapter 3 A FRAMEWORK FOR BUSINESS

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British business today is in a healthier state than it has been for a generation. Output has been rising steadily for six years. Productivity has increased at a rate second only to Japan. Company profitability is at its highest for over twenty years. Industry has a confidence in the future that would have been unthinkable seven years ago.

Moreover, setting new records has not been confined to the private sector. Productivity in the coal industry has risen by over 50% since the strike. British Steel has more than doubled its productivity since 1979, is now exporting 40% of its output, and made a profit last year for the first time in over ten years. British Rail will cost the taxpayer 25% less in subsidy this year than in 1983 and without any major route closures.

~~This success was not achieved by subsidies, regulations, controls and the direction of investment. These were the failed policies of failed governments.~~

~~Instead the~~ Conservative Government has created a framework in which enterprise <sup>by cutting red tape</sup> can flourish - by privatising state owned companies, by <sup>setting a new</sup> enabling the City <sup>to become</sup> to compete <sup>the government will not</sup> for Britain <sup>word centre</sup> more effectively, by keeping down prices through extending competition, and by ensuring access to open trade so that consumers and exporters both benefit.

~~But we have also ensured that while consumers benefit from increased choice and lower costs they are protected from fraud, exploitation and unfair practices.~~

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newly 13/14  
0 - Reading  
Financial  
Review

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## Privatisation

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Over a third of the companies and industries which used to be owned by the State have been returned to private enterprise. Productivity and profitability have soared in the newly <sup>denationalised</sup> ~~privatised~~ companies.

- In 1980 Jaguar made 14,000 cars a year, losing well over £3,000 on each car sold. Now the company is hard put to keep up with overseas demand and last year made a pre-tax profit of over £120m.
- Since the National Freight Consortium was sold to <sup>takeover by?</sup> management and staff in 1982, pre-tax profits have increased seven-fold.
- British Aerospace, Cable & Wireless, Amersham International, Associated British Ports have all increased their profits strikingly.

*Introduction*

Privatisation has succeeded because:

- the overwhelming majority of employees have become shareholders in the newly ~~privatised~~ companies. They want their companies to succeed.
- these companies have been released from the <sup>delimited</sup> ~~constraints~~ <sup>company</sup> of Whitehall and given more freedom to manage their own affairs.
- they have been exposed to the full commercial disciplines <sup>customer</sup> ~~and incentives~~ of the ~~market~~. Even former monopolies now face increased competition.

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Nevertheless, where the consumers' interest requires it - as in British Gas and British Telecom - we have established regulatory bodies to protect them.

We must  
put  
more

We shall continue the successful programme of privatisation including <sup>first</sup> in the near future, the Water Authorities, and

~~the~~ ~~shall~~ ~~consider~~ following the success on Gas we shall consider ~~bring forward proposals for electricity~~. Other measures will be ~~Trade Unions~~ ~~bring forward as appropriate~~ - with proposals for measures ~~concerning~~ ~~myself~~ ~~requiring~~ special consideration, ~~first~~

~~Conservative reforms since 1979 have redressed the balance between the individual and his union, preventing coercion of the majority by a politically motivated minority of activists and militants. Our measures since 1979 have~~ encouraged democracy within the union, restrained the abuses of secondary action and picketing, reversed the growth of closed shops, restored the rights of redress against unions acting unlawfully and removed the immunity of unions that call a strike without a fair ballot.

The result has been a transformation of shop floor relations, allowing management and their workforce to co-operate together to improve working practices and introduce new technology to mutual gain. In the next Parliament we will take the remaining steps we believe are necessary to protect the rights of individual trade union members. We will: *introduce legislation to*

allow individual members to stop their unions calling a strike without first holding a secret ballot of members;

protect individual members from disciplinary action if they refuse to join a strike they disagree with;

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ensure all members of trade union governing bodies are elected by secret ballot at least once every five years;

make the use of independently supervised postal ballots compulsory;

further limit<sup>the</sup> the abuse of the closed shop by providing new protection against unfair dismissal for non-union employees and requiring new and existing closed shop agreements to be regularly confirmed by secret ballot;

provide new safeguards on the use of union funds; and

establish a new trade union commissioner who can take action on behalf of individual trade unionists to help enforce their fundamental rights.

### Competition

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Competition forces the economy to respond to the needs of consumers. It promotes efficiency, holds down costs, <sup>Spurs</sup> drives companies to innovate, <sup>investment and innovation</sup> and ensures that customers get the best possible value for money.

The Government has:

- deregulated long-distance coach services - creating over 700 new services with improved quality and lower fares;
- removed the solicitors' monopoly on conveyancing of houses in England and Wales and made it easier to buy spectacles by removing the opticians' monopoly; relaxed advertising controls on accountants, solicitors, stockbrokers and vets; and permitted greater fee competition

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for architects and surveyors.

- increased competition on air routes within the UK and between certain European countries. The results have been cheaper fares, a more responsive service and greater choice of carriers.
- deregulated telecommunications, so that customers can now choose between suppliers when buying telephones and private exchanges. Businesses can meanwhile choose an alternative telecommunications network through Mercury.
- suspended the Post Office monopoly of time sensitive and valuable mail, stimulating a dramatic increase in the number of private courier companies.

We will continue this approach:

by pressing air services in Europe to cut fares and compete for routes.

by continuing the liberalisation of the telecommunications sector.

Competition must be supplemented however by protection for consumers. Those who make their living from their ideas and creations also require protection against theft.

We will introduce further measures to impose tighter controls on pyramid selling and on the merchantable quality of goods on sale.

We will introduce specific measures to reform the law on copyright, designs and performers' protection in order to ensure that they are able to obtain the full benefits to which they are entitled.

Opt - G.M.M.C.

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We will present proposals

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## The City

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The City of London is the world's leading market place in foreign exchange, international bank lending and international insurance. It is a major source of funds for British companies. The financial services sector as a whole accounts for nearly 6% of our national income, ~~contributes~~ <sup>to our balance of payments</sup> generates a net-~~over~~ £7 billion per year in ~~overseas earnings~~ and employs over 1 million ~~highly skilled~~ people.

Like other sections of British industry, however, the City was held back by restrictive practices until they were swept away in last year's "big bang". [By abolishing exchange controls, by removing dividend restrictions and by sweeping away restrictive practices in the Stock Exchange, the Conservative government has enabled the City to stay at the forefront of world competition, whilst providing financial services to the British economy and rapidly expanding overseas markets.] This has brought nearer the day when shares can be bought and sold over the counter in every high street.

We have also given building societies greater freedom to make a wider range of financial services available to the average family. [We have acted to ensure<sup>d</sup> that these reforms are accompanied by a proper legal framework to protect investors and consumers. The Conservative Party is the party of law and order. That applies just as much to City fraud as to street crime.]

- ~~which we introduced~~
- The Companies Acts of 1980 and 1981 strengthened the powers of investigators and increased the Courts' power to disqualify directors for misconduct in the City as elsewhere.

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- The Insolvency Act of 1985 made it easier to disqualify directors who had been guilty of unlawful trading.
- And now the Financial Services Act of 1986 provides the first comprehensive system of investor protection we have had in this country. It also contains stringent new powers to investigate insider dealing which was first made a criminal offence by the Conservative Government in 1980.

These measures add up to an unprecedented drive against City fraud. In the next Parliament:

We will ~~re~~<sup>re</sup>-introduce the proposals in the Criminal Justice Bill, based on the Roskill Committee Report on the reform of fraud trials, to change the outdated rules of evidence and procedure which have for so long made it needlessly difficult to obtain convictions in cases of criminal fraud.

Take - Over Panel

Trade

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Britain exports 30% of all that we produce. If we are to remain a key trading nation, our industry must remain competitive. A protected domestic market would stifle the competitive spirit of industry. That is one reason why the Conservative government attaches great value to maintaining an open multinational trading system. The other is that increased trade is a major way of encouraging growth and prosperity in the Third World. The Conservative Government has therefore stood out against economic sanctions and import controls that would damage the interests of those countries.

We will continue to fight for free and fair trade in international negotiations and resist the growth of protectionism.

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But trade must be fair and British interests must be protected. That is why the government will:

press for international rules of fair trading to be extended to international investment, trade in services and intellectual property protection;

continue to exert pressure on countries such as Japan to open up their markets and provide the same freedom to trade for exporters <sup>as</sup> as ~~exists in this country~~; they expect others to ~~provide for them~~.

ensure that British exporters obtain an <sup>reasonable</sup> equitable degree of assistance. ~~credit, through (EEC) - help out to enable them to compete with other countries~~

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Supply  
~~Practical~~ SERVICES for Industry

Chapter 4 BACKING FOR INDUSTRY

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The Conservative Party recognises an important duty for government in establishing the practical services on which industry, like the citizen, must rely.

Efficient Transport

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One such task is to ensure that the economy and our people are served by efficient transport.

The Conservative Government is proud that it has:

- modernised the transport system by investing over £10 billion in the nation's motorways, roads, airports, seaports and railways;
- since 1979 completed over 680 miles of motorway and trunk roads and 67 bypasses;
- secured greater efficiency by privatising British Airways, National Freight Corporation, Sealink and Associated British Ports. We are now returning the nationalised bus companies to the private sector - in many cases to management buy-outs - and are privatising the former British Airports Authority - the world's leading international airports group;
- increased competition by deregulating long distance coach services and abolishing local bus licensing;

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The Government is committed to continuing the capital investment programme in transport through;

British Rail's plans to invest £500m a year over the next 3 years;

private sector financing, construction and operation of the Channel Tunnel and the Dartford bridge;

and new investment to build an extra 450 miles of motorway and trunk roads to 1989/90.

*Official*  
~~Low Cost~~ Energy

A second task is to ensure a ready supply of low cost

~~energy~~ *at the lowest possible cost* *energy*  
*renewable resources - capital* *consider will*

Britain under this Government is one of the world's leading energy producers. We are the only Western industrial country that is a net exporter of energy.

Coal will continue to meet much of the steadily rising demand for electricity. But rejecting a nuclear contribution to the supply of reliable, low-cost electricity and depending on coal alone would be short-sighted and irresponsible.

The world's resources of fossil fuels will come under increasing strain during the 21st Century. So will the global environment as the build up of carbon dioxide - or so-called "greenhouse effect" - raises temperatures and changes climates.

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It is vital, of course, that we continue to give the highest priority to safety. But our nuclear industry has a record of safety and technical excellence second to none.

• After the most careful and painstaking independent assessment of the safety case for a new pressurised water reactor at Sizewell, the Government has decided to proceed with the next phase of our nuclear programme.

We intend to go on playing a leading role in the task of developing abundant, low cost supplies of nuclear electricity, and managing the associated waste products.

We will promote greater efficiency in the production and consumption of energy by encouraging more competition and private enterprise.

#### Science and R & D

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*redraft*

A third task is to ensure that basic research and the advancement of science are adequately funded and well managed.

This Government spends over £4½ billion per year on scientific research and development, through the Science and Engineering Research Council and in many other ways: and the Department of Trade and Industry has nearly trebled since 1979 the amount it spends on supporting new technology in industry.

The Alvey programme on fifth generation computers is developing invaluable new enabling technologies, while the new LINK programme will concentrate on our area of greatest

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weakness, namely our inability to exploit sufficiently well new ideas from the research laboratories.

A country of our size, however, can no longer afford to do everything in science. We are frequently spreading our effort too thinly across too wide a field. Priorities must be established and difficult judgements made.

Science must be properly managed. Research programmes are more likely to produce results when they are clearly and carefully targeted. Government's role is to be a catalyst and a pump primer with the aim of stimulating more investment by industry, promoting a greater degree of awareness of the technological opportunities, encouraging improved exploitation and insisting on high levels of quality and design in the finished products. When close links existed between the theoretical and the practical British science lead the world

### The Regions

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A further continuing task of government is to ensure that help in attracting firms to regions is properly targeted to job creation and to the areas of highest unemployment.

Areas of the country which have been more dependent on traditional industries need special help to adapt and develop the businesses of the future.

In the past, however, money has sometimes been spent on projects which have created few jobs. That is why the new system of regional assistance, introduced in 1984, ensures that aid is directly targeted towards the creation of new jobs. In addition, new activities in the service sector from which so many of the new jobs come, have been made

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eligible for assistance, and the areas of the country covered have been extended, so that they now take in over one-third of the working population. This new policy has already secured nearly 200,000 jobs and we will continue to ensure that assistance is directed to where it is most needed.

### Investing in Britain

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A fifth task of Government is to promote the UK as a location for investment by overseas companies.

Overseas companies investing in Britain on a substantial scale bring significant benefits to the UK economy. Since 1980 they have created or safeguarded 200,000 jobs. They have placed contracts with British companies worth many millions of pounds. They have benefited the balance of payments. And they have introduced innovative technologies, new production techniques, and new styles of management.

We will therefore continue to seek to attract inward investment into the UK from abroad.

### The Civil Service

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*From*  
A ~~final~~ task of government is to ensure *Sound admin's values that* (an efficient Civil Service.

We have long had in this country a professional and dedicated public service which is the envy of the world. We are now building on to those traditional virtues - which can too easily be taken for granted - new strengths and skills: a greater readiness to adapt efficiently to change, to

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manage the public service more effectively, and to pursue year on year improvements in value for money for the taxpayer and the citizen.

~~Since 1979 we have progressively reduced the amount of government?~~ the size of the Civil Service at under 600,000 people is today the lowest since World War Two.

Productivity has been raised by over 10%. This is already saving the taxpayer £1 billion a year. In the last five years more than 25,000 forms have been improved and 17,500 scrapped.

We will press on with long-term management reforms in order to reduce the cost of services and also to improve their delivery to the public.

*Performance Plus*

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Chapter 5 AGRICULTURE AND THE RURAL ECONOMY

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Farming

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Britain's farmers serve the nation well. They produce 80% of the food we can grow compared with 60% only 10 years ago. They have made us into the world's sixth largest exporter of cereals when we had been a net importer for decades before. They look after 80% of the British countryside. The consumer has benefited from food prices rising less than the cost of living, unlike the Labour years.

But farmers worldwide are under pressure because of rising surpluses and the huge costs of disposing of them. It is just as much in farmers' interest as in the consumers' and taxpayers' that this over-production be stopped and a radical overhaul of the Common Agricultural Policy achieved. Farmers need a more certain environment in which to plan ahead.

We will continue to play a leading part in European Community negotiations on the CAP to:

*share for*  
ensure even-handed and fair treatment between Member States and between the different regions of the UK;

*decide 2* *fixed that that*  
continue to work for a rate ~~for~~ the Green Pound ~~which is~~  
~~fair to our producers:~~ *for lower Ireland, especially 0-100.*

? | uphold the interests of the efficient family farm;

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reduce costs and tackle surpluses, by bringing supply and demand in the Community into better balance by a combination of measures including price restraint; *and a ~~less~~ reduced role for intervention*  
~~bring market forces more into play in determining production, with the role of intervention being correspondingly reduced;~~

At home we will continue to

*Mr. David Williams*

?  
, promote competitiveness and innovation in British farming ?  
, and horticulture, through capital grants, assistance for >  
? flood defence and arterial drainage, research and ;  
, development and advisory services;

?  
, give particular assistance to farmers in the Less Favoured Areas where farming is difficult. These have recently been extended;

encourage better marketing of agricultural and horticultural products.

We will not introduce rating on agricultural land and will oppose two-tier pricing in the CAP, which would greatly disadvantage our farmers and benefit their competitors.

### The Rural Economy

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Farming is and will remain the major industry in the countryside and food production will continue to be the farmer's basic purpose. The higher production resulting from greater efficiency and modern techniques initially means more land coming out of agriculture. A new balance of policies has to be struck, with less support for expanding

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production of commodities already in over supply and more support for diversifying into other activities.

We have already recognised the new needs of the countryside and rural economies by adjusting our policies in two ways. First, more emphasis on support for the environment and the beauty of the countryside; we now give grants to plant hedgerows, not dig them up. Second, encouragement of alternative uses of land and new and more diverse job opportunities to maintain thriving communities in the rural economy.

We will therefore

emphasise environmental protection and promotion of non-farming rural businesses in the planning system;

continue to support the Development Commission in developing rural enterprises;

extend the Environmentally Sensitive Areas scheme which makes conservation a more integral part of farming;

introduce new schemes to assist diversification of new enterprises on farms;

introduce a new Farm Woodland Scheme to assist alternative land use.

### Fishing

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The fishing industry is an important source of jobs and income in many areas. It supplies two-thirds of the fish we eat.

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The Government's success in further improving the Common Fisheries Policy has meant that international policing has been made more effective; and increasingly stringent conservation measures have secured the future for our fleets. We shall press the Community to ensure that we can pass effective legislation for UK quotas to be reserved for UK fishermen. We are pledged to measures to enable our fishermen to take full advantage of all their opportunities and to improve and modernise their boats.

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PART II WIDER OWNERSHIP AND GREATER OPPORTUNITY

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*Housing - Education*

Conservatives aim to extend as widely as possible the opportunity to own property and to build up capital, to exercise real choice in education, and to develop economic independence and security. Our goal is a capital-owning democracy of families and individuals who would exercise power over their own lives in the most direct way. They would take the important decisions themselves - as tenants, home-owners, parents, employees, pensioners and trade unionists - rather than having them taken for them.

Of course, it is not possible to give people independence. That is something they must achieve from their own efforts. But what this Conservative Government has done is to make it easier for people to acquire independence for themselves:

- ° by introducing, against fierce resistance from the Opposition parties, the right to buy council houses;
- ° by privatising nationalised industries in ways that encourage the widest possible spread of ownership;
- ° by making it easier for people to buy shares in industry through such incentives as employee share schemes and the Personal Equity Plan.

The result of such incentives has been spectacular. There has been an explosion of home-ownership, share-ownership and self-reliance.

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And because these first-time shareholders and homeowners are more independent, they develop a more independent outlook. They are no longer content that some of the most important decisions in their lives - what sort of school their children attend, for instance - should be taken by officials in central or local government. They want to decide such things for themselves.

Millions of people cannot change in this way without society as a whole being transformed. The scope of individual responsibility is widened, the family is strengthened, voluntary bodies flourish, and state power is checked. Ownership and independence cease to be the marks of a particular social class and, as opportunities spread throughout society, become the birthright of all.

In this way one Nation is finally reached - not by a single  
People being conscripted into an organised socialist  
programme but by millions of people building their own lives  
in their own ways.

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Chapter 6 BETTER HOUSING FOR ALL

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Home Ownership

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Nowhere has the spread of ownership been more significant than in housing. "Buying your own home" is the first step most people take towards building up their own capital to hand down to their children and grandchildren. It gives people a stake in society - something to conserve. It is the foundation stone of a capital-owning democracy.

Home-ownership has been the great success story of housing policy in the last eight years. One million council tenants have become homeowners since 1979, and 2½ million more families have become home owners for the first time.

Sixty-four per cent of the British people - almost two-thirds - now live in homes they own. It is one of the largest percentages in the world - but we are determined to make it larger still.

Some people are still deterred by the costs and complications of house purchase. That is why we must look for new ways to make house-buying simpler and easier.

We will keep mortgage tax relief. No ifs, no buts.

We will bring in new measures to reduce the delays and costs of house purchase. Our removal of the solicitors' monopoly of conveyancing has already made it cheaper.

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We will direct improvement grants to where they are most needed and, in particular, to meet the special needs of old people. We will ensure that all local authorities give improvement grants where necessary for the conversions needed when the elderly move in with relatives, and we will extend more widely the 30 per cent housing association grant to help schemes for old people.

## A Right to Rent

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Most problems in housing now arise in the rented sector. Well-intentioned but excessive controls have reduced the private rented accommodation to only 8 per cent of the housing market.

This hinders the economy and restricts housing choice. The unemployed cannot move to a different area to look for work. Those who find work may not be able to find rented accommodation in the same area. Those who prefer to rent rather than buy are forced to swell the queue for council houses. Some may even become temporarily homeless.

And it is not only these individuals and their families who suffer from the shortage of homes for rent. The economy as a whole is damaged when workers cannot move to find work because there are no homes to rent in the neighbourhood.

This must be remedied. We have already taken some modest steps in this direction by making it easier to part-own and part-rent homes through shared ownership; by bringing in and widening the scheme for assured tenancies; by our new system of short holds; by providing a new 30 per cent Housing Association Grant to build hostels for young workers; and by allowing local authorities to assist landlords who are

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building for rent instead of sale. We have also directly tackled the problem of homelessness through new grants to housing associations and other measures.

More must now be done. The next Conservative Government, having already implemented the right to buy, will make a reality of wider choice in renting.

We must attract new private investment into rented housing - both by the large institutions and by small private landlords. In order to do this we intend to build on two initiatives we have already taken.

First, to encourage more investment by institutions, we will develop the system of assured tenancies for new letting in which rents and the period of lease will be freely agreed between the landlord and tenant. The tenant will have security of tenure and will renegotiate the rent at the end of the lease either freely or through arbitration. The level of rents will give the landlord an economic return on his investment.

Second, to encourage smaller landlords to let their properties, we will develop the system of shortholds whereby rents will be limited to a reasonable rate of return but tenants will have no security of tenure at the end of the term of the lease. This will bring back into use many of the 550,000 private dwellings which now stand empty because of controls, as well as making the provision of new rented housing a more attractive investment.

We will continue to protect security of tenure for existing private lettings.

We will encourage major institutions to take the lead in providing and financing new choices in renting.

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Rents will be limited

Who security

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???

We will ensure that consumer protection for tenants, new and old, is effective.

And we will revise the housing benefit system to ensure that it does not encourage landlords to increase rents to unreasonable levels.

#### Rights for Council Tenants

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That leaves the last redoubt of British life where bureaucratic rationing still persists: council housing. It can take years to obtain a council house, making it nearly impossible for tenants to move, change jobs or live where they want. The problems are especially severe in cities. Many council estates built in the sixties and seventies are badly designed, vulnerable to crime and vandalism, and in bad repair. In many areas, rent arrears are high. In all, over 110,000 council dwellings stand empty. Some have done so for two years or more.

If these tenants are ever to enjoy the prospect of independence, they must be given access to housing without queueing or capital. Among other benefits, providing such access would tackle one of the root causes of homelessness.

Under our expanded Charter for Council Tenants:

We will give groups of tenants the right to form a tenant co-operative, owning and running their management and budget for themselves. They will also have the right to ask other institutions to take over their housing. Tenants who wish to remain with the local authority will be able to do so. If choice is to be restored to tenants, then municipal monopoly must be replaced by choice in renting.

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We will give each council house tenant individually the right to transfer the ownership of his or her house to a housing association or other independent landlord.

Where a local authority has failed its tenants to a major degree, we will create Housing Action Trusts to take over such housing, renovate it and pass it onto different tenures and ownerships such as Housing Associations, tenant cooperatives, owner occupiers, or private landlords. Housing Action Trusts will also be able to build new homes for sale to such groups.

We will reform the structure of local authority housing accounts so that public funds are directed at the problems of repair and renovation; maintenance and management is improved; and resources are directed to the areas where the problems are greatest. This will also lead to lower rent arrears and fewer empty houses.

Housing is the biggest single investment that most people make - whether in money or time, skill and effort. In the last eight years, we have given potential owners the right and incentive to make a financial investment in owner-occupied accommodation. In the next term, we will offer incentives to tenants and landlords to invest their time, skill and effort into similarly improving the supply and condition of the rented housing stock.

A home should be a source of pride and independence to the family living in it regardless of whether it is owned or rented. We will ensure that every family in the land has the opportunity to make it so.

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## Chapter 7 A CAPITAL OWNING DEMOCRACY

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### Share Ownership

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Home-ownership leads naturally to other forms of financial provision for the future - especially to pensions and share ownership. Yet, until recently, far fewer people have invested their savings in these ways. Only half of the working population are in occupational pension schemes, and in 1979 a mere seven per cent of the population held shares.

People were deterred by the sheer unfamiliarity of owning shares. Young people were reluctant to save for a retirement which seemed far away. And most tax incentives encouraged saving through institutions rather than directly, with the bias on pension planning towards occupational schemes, rather than personal ones.

All that has been changing since 1979.

We were determined to make share-ownership available to the whole nation. Just as with cars, television sets, washing machines and foreign holidays, it would no longer be a privilege of the few, it would become the expectation of the many. We achieved this historic transformation in two ways:

First, we introduced major tax incentives for employee share ownership. In seven out of the last eight budgets, we have included measures to encourage people to purchase shares in the company in which they work. And now, starting this year, we have introduced Personal Equity Plans, which enable people to invest in British industry entirely free

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of tax. Second, we embarked on a major programme of privatisation, insisting that small investors and employees of the privatised companies should have a fair chance to join in the buying.

The results have been dramatic, and the direct consequence of government policy. Share ownership has trebled in Britain since 1979. Eight and a half million people - almost 20 per cent of the adult population - now own shares directly. And the figure will continue to rise.

Out of this total, more than five million are first-time shareholders, and the great majority own shares in either privatised companies or the TSB group. Another three-and-a-half million people hold shares in the company where they work.

Britain is now at the forefront of a world-wide revolution in extending ownership. One in every five British adults now owns shares compared to one in ten Frenchmen and one in twenty Japanese. Only the Americans, where a quarter of the people are shareholders, remain ahead - and the gap is narrowing.

This is the first stage of a profound and progressive social transformation - popular capitalism. Owning a direct stake in industry not only enhances our economic independence; it also gives us a heightened sense of involvement and pride in British business. More realistic attitudes to profit and investment take root. And the foundations of British economic achievement are further strengthened.

We will press on with the encouragement of popular capitalism. In the next Parliament:

We will continue to extend share ownership more widely as we have done with home ownership in the past.

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We will give full weight in future privatisations to the scope for increasing share ownership, both for the employees of the privatised businesses and for the public at large.

And we will continue initiatives like the Enterprise Allowance Scheme which between August 1983 and March last year helped 134,000 unemployed people to start up their own businesses.

The Coming Revolution in Pensions

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*Chris Bond*

In pensions too, the new ownership revolution is coming. We have already brought in reforms which, during the next Parliament, will effect the same dramatic expansion of pension-ownership seen in share ownership. And that expansion starts from a much higher base.

Half the working population are already members of private occupational pension schemes. And four million pensioners are already receiving their occupational pension payments.

Independence and prosperity in old age are greatly enhanced by this additional income. For many people their occupational pension doubles the value of the basic pension. And pensioners' incomes from saving have increased by over 7 per cent a year since 1979 - compared to a fall of over 3 per cent a year under the 1974-79 Labour Government.

To extend these benefits more widely, we passed the Social Security Acts of 1985 and 1986. This legislation:

- ° gave all employees the right to a personal pension whether their employer runs an occupational scheme or not;
- ° made pension rights transferable;

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° extended favourable tax treatment from employers' schemes to personal pensions.

As a result of these Conservative reforms, millions more people will have the opportunity to take out additional pensions of their own.

In the next Parliament:

We will reintroduce measures to give substantial tax incentives to personal pensions, and to enable members of occupational schemes to make additional voluntary contributions to a pension plan that is completely separate from their employers schemes. These measures will mark a further advance in increasing the range of choice for millions of employees.

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## Chapter 8 Raising Standards in Education

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Parents want schools to provide pupils with the knowledge, training and character that will fit them for today's world. They want schools to teach their children basic educational skills and then to build on these. They also want schools that will encourage moral values: honesty, hard work and responsibility. Parents should have the right to choose those schools which do all this for their children.

### Raising Standards in our Schools

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How can all this best be done? Resources obviously matter and this Government has provided more resources for pupils than ever before.

- ° Spending per primary pupil has risen by nearly 17% after allowing for inflation and per secondary pupil by nearly 20% under our Government.
- ° The ratio of teachers to pupils is at its best ever.
- ° British primary schools are the world leaders in using computers.

But money alone is not enough. Increased resources have not produced uniformly higher standards in our schools. Parents and employers are rightly concerned that not enough children master the essential skills, that some of what is taught seems irrelevant to a good education and that standards of personal discipline and aspirations are too low. In certain cases education is used for political indoctrination and sexual propaganda.

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We are determined to tackle those structural issues fundamental to education reform.

We will introduce four major reforms.

First, we will establish a National Core Curriculum

It is vital to ensure that all pupils between the ages of 5 to 16 study a basic range of subjects - including maths, English and Science. In each of these basic subjects syllabuses will be published and attainment levels will be set against which pupils can be assessed at ages 7, 11 and 14, and with GCSE at 16. Parents, teachers and pupils will all then know of the standards each child should be achieving at these ages.

Who is preparing them?

[ We wish to see all the partners in the education service making a positive contribution to creating the National Curriculum. ]

Second, we will give schools greater control over their own finances.

Education is more effective when those in charge of the schools are also in charge of the money to be spent. They know best the needs of their school. Several pilot schemes for financial devolution to schools have already proved their worth. ~~(such as schools in partnership in Leicestershire, where school)~~

Within five years governing bodies and head teachers of all secondary schools and many primary schools will be in control of their own budgets. With this independence they will manage their resources and decide their priorities. This freedom will cover the costs of books, equipment, maintenance and staff, (though LEAs will continue to be the employers of school staff.)

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To enable financial autonomy, we will provide specialist training in managerial and financial skills for head teachers and governors.

Third, we will increase parental choice.

The most consistent pressure for high standards in schools comes from parents. They have a permanent incentive to ensure that their children are receiving a good education. We have already done much through the 1980 and 1986 Education Acts to ensure that parents make their voice heard by having ~~access to~~ more information and representation on governing bodies.

But parents still need <sup>opportunity</sup> greater ~~access~~ for their children to go to the schools of their ~~own~~ choice. ~~This~~ is the ultimate guarantee that standards will be permanently raised. To achieve this:

We will ensure that LEAs set school budgets in line with the number of pupils choosing to attend each school.

We will allow parents to apply for places in popular secondary schools which still have the physical capacity to take more children. Those popular schools offering good education, which have earned parental support, will be able to expand beyond present pupil numbers. Such schools will be required to enrol children up to a school's agreed physical capacity instead of artificially restricting pupil numbers as can happen today.

Taken together, these steps will compel schools to pay attention to the views and criticisms of parents. But there must also be variety of educational provision so that parents have standards of comparison, on which to base critical judgements.

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We will therefore support the co-existence of a variety of schools - comprehensive, grammar, independent, sixth form and tertiary colleges, as well as the rights of schools to retain their sixth forms - all of which taken together will allow parents greater choice and make for higher standards.

We will establish a pilot network of ~~twenty~~ City Technology Colleges. Already two have been announced and support for more has been pledged by industrial sponsors.

We will expand the Assisted Places Scheme to 35,000. This highly successful scheme has enabled 25,000 talented children from less well off backgrounds to gain places at the 230 independent schools currently in the scheme.

We will continue to defend ~~the right to~~ independent education which is under threat from all the other parties.

Fourth, we will allow state schools to opt out of LEA control

One further step is still needed. If, in the case of a particular school, parents and governing bodies remain dissatisfied with the education for their children provided by the LEA, they will be given the opportunity for their school to be freed from LEA control.

We will allow such schools currently maintained by Local Education Authorities to opt out of local authority control and receive a full grant direct from the Department of Education and Science. Such schools would become independent charitable trusts.

We will also review the functions and structure of the Inner London Education Authority, under the terms of the Local Government Act 1985.

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### Choice in Pre-School Education

We fully recognise the considerable benefits for under-fives in pre-school experience prior to compulsory schooling. With over 20% of three and four year olds in nursery classes, over 20% in reception classes and 40% in play groups, the overall age participation rate in the UK is high by international standards. //

Formal nursery education is not necessarily the most appropriate form of such experience for all children. Other pre-school experience which develops social skills and introduces manual and intellectual challenge through being in a learning environment, even for short periods of time each week, is more often in keeping with what many parents want for their children.

We think it important, because of parental involvement in this particular area, that LEAs should recognise the demand for a variety of pre-school experience and should look to support the voluntary sector in addition to making their own provision.

Variety of educational provision enables parents to make comparisons of standards on which they can base critical judgements and exercise choices for their children. All these steps will enormously increase the power of parents and other consumers within the education system.

### New Career Prospects for Teachers

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We recognise the important role of teachers in our society and wish to raise their professional status. We want to

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encourage able young people to enter the career of teaching and reward the many good teachers already in the profession.

The Government has provided a record amount of money to increase the pay of teachers by an average 16.4% this year - 25% over 18 months. The discredited Burnham negotiating machinery broke down and has been temporarily replaced by an Interim Advisory Committee. The Government wants an effective and permanent machinery for settling teachers' pay in which the interests of all parties will be recognised.

The Government will produce a green paper setting out the various possible <sup>of how</sup> models, and will enter into consultation with all the interests with a view to <sup>establishing</sup> ensuring that a new and <sup>permanent</sup> effective machinery is established. *is a permanent basis*

#### Higher Education:

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#### Widening Access

The British system of higher education is among the best in the world. We are committed to providing places for all with the intellectual competence, motivation and maturity to benefit from Higher Education. We must meet the nation's demand for highly qualified manpower so that we get the skilled people we need for economic success and to compete in international markets. Equally, we recognise the value of research and scholarship for its own sake.

Building on our achievements since 1979 - 160,000 more full-time and part-time students - we want to expand Higher Education opportunities still further.

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By 1990, we will increase student numbers by a further 50,000, and plan to raise the proportion of 18 year olds in Higher Education from 14.2% at present to 18.5% by the end of the century: 1 in 5 of young people.

We will achieve this by further increases in:

The proportion of young people getting A-Levels and A/S Levels.

The proportion of girls in the Higher Education system - which has already risen from 40% to 44%.

The number of young people with vocational qualifications who go on to Higher Education.

The number of mature students - already up by 24% since 1979

Replacing the UGC

We will replace the University Grants Committee with an independent statutory body on the lines recommended by the Croham Committee. The new body will be called the Universities Funding Council and will have broadly equal numbers of academic and non-academic members with a Chairman who has substantial experience outside the academic world. The primary responsibility of the UFC will be the allocation of funds to individual Universities under new contractual arrangements.

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### Independence for Polytechnics

Polytechnics are today strong, successful and mature institutions. They are complementary to the Universities. At present they are held back from the challenges of the 1990s by local authority control which can inhibit enterprise the most effective management of resources.

As part of our policy to delegate power and responsibility, we will legislate to convert the Polytechnics and other mainly Higher Education colleges in England to free-standing corporate bodies under Boards of Governors.

We will set up a new Polytechnics and Funding Council independent of central Government.

### Review of Student Support

As part of our aim to widen access to and increase choice within Higher Education we have begun a review of student support which remains the most generous in the western world. We need to modernise this system which has not changed for 25 years. The purpose of the review is to improve the overall prospects of students so that more are encouraged to enter Higher Education.

We will therefore take care to ensure that the best aspects of the present system are retained in any new proposals which we bring forward.

~~No final conclusions have been reached but we believe that top-up loans to supplement grants are one way, amongst others, of bringing in new finance.~~

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Choice in Education

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Our reforms will encourage greater variety and flexibility in both the schools and higher education sector. This is necessary if excellence, variety and experiment are to survive alongside each other. It is also essential if parents and students are to be offered the kind of real but responsible choice in education appropriate to a society of independent people.

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PART III STRONG AND RESPONSIBLE GOVERNMENT

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As people gain greater power over their own lives, state direction must diminish. But the state will always have many important functions to perform; to safeguard our freedom and secure peace by strong defences; to uphold British interests overseas; to help those who cannot help themselves; to protect citizens against lawlessness; to ensure that government itself (both central and local) is responsive to voters, to secure peace by a strong defence and to conserve the best in our countryside and heritage.

Governments which try to do everything fail in the end to perform even these essential duties adequately. The Labour Government of the late seventies was just such a government: vast but vulnerable, imposing but ineffective.

In 1979, the new Conservative Government had two tasks: to cut back the over-extended powers of Government and to restore its failing authority. We did so by performing the essential tasks of government well.

We re-established a high priority for defence. We have substantially improved the Health Service. We have brought major benefits to the disabled. We have reformed pensions on a sounder footing. We have launched the largest campaign against crime this century. We have strengthened environmental conservation. We have acted to safeguard Britain's artistic and architectural heritage. We have capped the high rate rises of extravagant Labour-controlled local authorities.

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Britain, as a result, is no longer in a state of perpetual crisis. it is a stable and well-governed country which exercises great influence in the world. In the next Parliament, we will build on this record of strong but limited Government.

We will continue:

achieving a higher quality of health care for patients;

protecting the living standards of those who have to depend on the community;

forging a close alliance between people and police to defeat crime;

restoring proper accountability to local government;

mounting a determined drive against areas of dereliction;

maintaining the British nuclear deterrent which has helped keep the peace for forty years;

and providing firm government that keeps its promises.

That is how we began; that is how we mean to go on.

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Chapter 9 BETTER HEALTH

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Achievements

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The health of the British people is improving steadily. Over the last eight years the Government has spent more on the health service than any previous Government, Labour or Conservative. In 1979, the outgoing Labour Government planned to spend on the nation's health £7.75 billion. The Conservative Government is now spending almost £19 billion a year: after allowing for inflation, an increase of more than a quarter.

That extra money has been spent wisely and well. The Health Service today is treating more patients than ever before in its history.

Important though money is, the success of the NHS depends still more on the dedication of the people working in the Service. We are proud that there are more doctors and nurses working in the Health Service than ever before - over 70,000 more than in 1979.

These extra staff are treating 4½ million more patient cases - in-patients, day cases, outpatients- than when we took office. The enormous popular affection for the NHS rests above all on regard for their work. It is sometimes done in very difficult conditions. That is why the Government has both reduced nurses' basic hours from 40 hours to 37½ hours per week and increased their pay by 30 per cent after allowing for inflation.

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## Future Tasks for the Health Service

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Our policies rest on six principles:

First, we want to give greater emphasis to the prevention of avoidable illness and the promotion of good health - to make the NHS more truly a health service and not merely a sickness service.

Much progress has already been made in the past eight years. The improvement of the maternity services has helped to reduce by a third the death rate amongst babies in the weeks around birth. The expansion of vaccination and immunisation has prevented illness and death among children. The development of cervical cancer screening has reduced deaths amongst women. We have already embarked on a major campaign to tackle the problem of coronary heart disease; the result has been death rates from strokes and cervical cancer have fallen 10 per cent in the last decade. And to fight AIDS, the Government has conducted the biggest health education campaign ever seen in this country - one much admired abroad.

These are welcome and remarkable advances. In the next Parliament, we shall build on this work by:

extending cervical cancer screening to younger women;

developing a national programme for breast cancer screening;

backing the newly established and powerful Health Education Authority.

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Second, we need to show our respect for the million people working in the NHS, of whom a half are nurses.

Nurses want stable and generous pay arrangements. That is why we set up the independent Nurses Pay Review Body and, following the latest award, will have increased their pay by 30% since 1979 after allowing for inflation in contrast to a drop of more than a fifth under the last Labour Government.

Nurses want a respected professional career which does not take them away from patient care and put them in a distant office. That is why we want to build up the role of the ward sister - our management reforms are aimed at giving nurses greater responsibility in running their wards.

Nurses want a career structure which rewards experience and professionalism. We are particularly keen to attract older women back into nursing. We will be giving careful consideration to these and other ideas as part of the Nursing 2000 project.

Hospital doctors and consultants know that we will not reopen barren, ideological disputes like the Labour Party's commitment to abolish pay beds. They are an important extra source of income, both for the NHS as a whole and for medical staff.

The Government will continue its experiments in clinical budgeting, which are intended to increase the direct involvement of hospital doctors in planning and budgeting for their clinical work. We will also continue to consult with them on our painstakingly developed proposals for improving the medical career structure.

The NHS could not function without an enormous range of ancillary services. Some of these - cleaning, catering, and laundry - have been put out to competitive tender. This is

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not privatisation for its own sake. It gives each and every health authority the power to select the best and most effective way of providing these services regardless of whether they are in the public or private sector. Over £70 million of savings have already been achieved and they have gone directly and immediately into better patient care.

Our recent consultation document on primary care was aimed at enhancing the role of GPs. GPs are enterprising and flexible, - we want to build on these strengths.

Our third principle is to modernise the physical embodiment of the health service - its hospitals, its clinics, its equipment.

In 1976 the last Labour Government, facing economic collapse, cut the hospital building programme by a third. By contrast, this Government has embarked on a £3 billion building programme, the biggest in the history of the Health Service. In seven years, some 170 major building projects have been carried through.

We shall complete over 100 further major new hospital schemes in the next three years.

We are replacing old and inefficient Victorian buildings with purpose-built modern hospitals fully equipped to provide the best patient care and a better environment for staff. Closures of small, old hospitals are easy to denounce because they are popular: and wherever possible we find a new role for them within the NHS as a base for GPs or community services. But it is often better to be treated in new, larger hospitals which have a greater array of advanced back-up facilities in case complications develop during operations. Morbid critics of the NHS are only interested in the deaths of hospitals, never their births or marriages.

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Fourth, the mentally handicapped and old need to be cared for within the community whenever feasible.

It is not right for them to receive long-term care in anonymous institutions. That is why the number of children in long stay hospitals for the mentally handicapped has fallen by almost three-quarters and the number of adults in long stay mental health and mental illness hospitals has fallen by 10,500. Critics complain that there are fewer NHS beds but they omit to say that this is because of the expansion of community care.

Our fifth principle is to strengthen management.

The NHS is a large and complicated organisation which needs to be managed. It is not a business but it must be run in a business-like way.

The elimination of waste and inefficiency has already raised hundreds of millions of pounds for better patient care. Receipts from the sale of unused land and buildings are running this year at £130 million which is being used for better health care. We will continue to ensure that the Health Service is as efficient as possible.

But good management is not just a matter of efficiency. The new managers we have appointed have imagination and drive. We value enterprise in the public service just as much as in the private sector. The Government looks therefore to new management for fresh ideas, and for experiments in different ways of providing better patient care. Uniformity need not be a virtue.

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Finally, the ultimate purpose of the Health Service is to serve the patient: that principle will continue to guide the Government.

The Government has given priority to reducing waiting lists. We have set up a special £25 million programme which over the next 12 months will give treatment to over 100,000 people who are waiting for operations. In addition we have set clear targets for more hip operations, more heart by-pass operations, more cataract operations for old people, and more bone marrow transplants for children.

The principle of putting patients first was the basis for our consultative document on primary care. We want the patient to have more information about services available from family doctors so that they can make a more informed choice.

And there should be scope for extending choice in the hospital service. Each individual district should not be an isolated economy, handling all its own cases, however rare, and not taking on work from other districts. We will improve the rewards for districts which handle many referrals from outside. This would particularly benefit the big teaching hospitals which treat people from all over the country.

There are particular problems affecting health care in inner city areas. The doctors and nurses in these districts take on a particularly tough and difficult job which is in the finest traditions of health care. We are always looking out for new ways of helping them and improving health care in the inner city. We will continue to back special projects in these areas.

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Chapter 10 A FAIR DEAL FOR THOSE IN NEED

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Just as we have worked to create a modern health service, so too we have undertaken the long overdue task of putting Britain's social security system onto a basis which will better meet the needs of those who have retired and direct help better to those genuinely in need.

We are spending about £46 billion this year on benefits - over £800 a year for every man woman and child in the country. Expenditure on pensions and other benefits has risen by £13 billion on top of inflation. Most of this, an extra £9 billion, has gone to provide better standards of help and support to more beneficiaries amongst the elderly, families with children, and disabled people or those suffering long term illness. A further £4 billion has gone to help the unemployed.

We have three main aims:

First, to ensure that those in retirement have a decent standard of living through state provision and personal saving.

This Government has honoured its pledges to the pensioner and more than maintained the buying power of the state pension. Total spending on state pensions and benefits for elderly people has risen by 29 per cent after allowing for inflation.

We shall continue to maintain the value of the state retirement pension.

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But retired people value their independence. They do not want to rely on the state alone for their income nor increasingly are they doing so. Retired people as a group have enjoyed greater rise in their living standards than any other major group. It has increased by almost 3% a year, on top of inflation, since 1979. That is more than four times as fast as under Labour.

That is why our policies for pensions are based on Beveridge's original goal of a good basic pension from the State, together with a second income from occupational and personal pensions and savings.

The Government's success against inflation has been particularly valuable for pensioners. Their income from savings - and almost three quarters of all pensioners do have savings - has grown under the Conservatives by over 7 per cent on average every year since 1979: income from savings fell by 3½% every year under Labour, destroyed by inflation.

We are offering new opportunities for people to enjoy the security of additional pensions which go with their jobs or which are based on their own savings. We have already improved the treatment of those now retiring early and of the pension rights of the people changing jobs.

Every employee will have the right to take out a personal pension and these will be fully portable from job to job. We also wish to encourage the 11 million employees who do not yet have their own occupational scheme to have a pension of their own.

Second, we are reforming the tangled mess of income-related benefits which has grown up piecemeal over forty years in order to create a simpler, fairer and more understandable structure.

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We are providing more help for families with children and we shall continue to pay child benefit as of right direct to the mother.

We will introduce the new family credit which will benefit twice as many low income families in work as Family Income Supplement. We believe that it is wrong for families to be better off out of work than in a job.

Third, we will improve the framework of benefits for disabled people.

Spending on benefits for the disabled and those suffering long term sickness has risen under this Government to £6 billion - up by a massive up 75% since 1979 after allowing for inflation. We have doubled the amount spent on mobility allowances, extended invalid care allowance, introduced a new benefit - severe disablement allowance - and abolished the infamous invalidity trap. The introduction of the new disablement premiums will bring an extra £50 million per year to disabled people.

The new social security system will not only be fairer and easier to understand. In addition our programme of computerisation will help deliver benefits to all who are entitled to them quickly, accurately and, we hope, courteously.

Efficient and rising care is what modern Conservatism is all about. It is what this Government has delivered and will continue to deliver.

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## Chapter 11 FREEDOM, LAW AND RESPONSIBILITY

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Conservatives have always believed that the single most important purpose of Government is to protect the security of the citizen under the rule of law. There can be no half-heartedness, no opting out, in the fight against crime and violence: all of us, not just the Government or the police, share a responsibility to make safer our streets and homes.

### The Fight Against Crime

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We do not under-rate the challenge. Crime has been rising steadily over the years: not just in Britain but in most other countries too. The origins of crime lie deep in society: in families where parents do not support or control their children; in schools where discipline can be poor; and in the wider world where violence is glamourised and traditional values are under attack.

Government alone cannot tackle such deep-rooted problems easily or quickly. But Government must give a lead: by backing, not attacking the police; by providing a tough legal framework for sentencing; by building the prisons in which to place those who pose a threat to society - and by not placing there those who do not; and by encouraging local communities to prevent crime and to help the police detect it. All this we have done; and we will intensify these efforts.

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No Government has given a higher priority to the task.

° The manpower available to the police has been increased by 16,500 since 1979.

° We have given the police more powers to avert public disorder.

° We have encouraged tougher sentences for violent criminals. The maximum penalties for trafficking in hard drugs and for attempted rape have been raised to life imprisonment. The Courts have been empowered to strip drug traffickers of their profits.

° We have brought forward a number of reforms to help tackle child abuse and make it more likely for offenders to be successfully prosecuted.

° We have embarked on the biggest prison building and refurbishment programme this century. ~~It will eventually provide 17,400 more places.~~ And we have increased staff numbers by almost a fifth.

#### Care for the Innocent

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At the same time we have taken care to ensure protection for the innocent, and for the victims of crime.

° We have strengthened the safeguards against any abuse of police power by setting up an independent Police Complaints Authority, providing for the tape-recording of police interviews and setting down clear rules on the proper treatment of subjects.

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° We have given special priority to helping the victims of crime. Police treatment of rape victims has been made more sensitive. More criminals now pay compensation to their victims. We have stepped up the amount of money provided to help local Victim Support Schemes.

° We have launched a determined drive to improve the administration of justice by setting time limits by which cases must be heard, appointing 58 more new Circuit Judges, completing 43 Court building projects, and improving both training and facilities for the judiciary and Court procedures.

#### Better Justice

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The challenge before us remains great: but much has been done. The great majority of those who commit serious crimes of violence are brought to book. There are more police, better equipped to fight crime. Those who commit serious crimes of violence or who take part in the evil trade of drug trafficking can now expect much tougher punishment.

Now we will do more.

We will reintroduce the far-reaching Criminal Justice Bill in the first Session of the next Parliament.

We will raise the penalty for carrying firearms *with intent to commit crime* to life imprisonment.

Because <sup>some</sup> ~~of the occasional over-~~ lenient sentence and its effect on public confidence in the Courts, we will give the Court of Appeal an opportunity to state how such cases should be handled in future.

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Service fraud.  
Video links

We will give victims of crime a statutory right to compensation under the Criminal Injuries Compensation Scheme.

Child victims of physical and sexual abuse will be enabled to give evidence by a live video link so as to reduce the strain they would otherwise face.

Building on what we have done to strip drug traffickers of the proceeds of their crimes, we will extend the same approach to other serious crimes.

We have already signed an extradition treaty with the United States which will make it more difficult for terrorists to escape British justice: Now we will reform our own law on extradition so as to make still more effective the international war against crime.

#### Building on Strength

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And we will not stop there. We will continue to put a high priority on the fight against crime until the ordinary citizen can feel safe on the street or in his home.

We will:

ensure a still stronger police presence on our streets to prevent crime and to reassure the public;

strengthen the law dealing with sale and possession of offensive weapons;

maintain the operational independence of the police and resist pressure from the Opposition parties to politicise

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policing by letting local authorities determine policing priorities;

continue our present prison building programme and achieve more professional and efficient working practices in the prison service;

institute a thorough review of the workings of the parole system;

~~give a high priority to further measures for the protection of children.~~

Our approach in all these cases is strongly supported by the general public. We will go further in drawing on that support by promoting crime prevention. Already more than 29,000 Neighbourhood Watch Schemes have sprung up since the last Election. We are committed to the success of this popular anti-crime movement.

We will build on the support of the public by establishing a national organisation to promote the best practices in local crime prevention initiatives.

We will seek ways of strengthening the special constabulary.

#### Tackling Drug Abuse

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We have taken the battle against drugs into every corner of the globe where production or trafficking flourishes. At home we have strengthened police and customs. Traffickers can now be sentenced to life imprisonment. They also stand to lose all the wealth generated by their evil trade under the most far reaching asset seizure provisions anywhere in the world.

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We have funded about 200 new drug treatment facilities. Our prevention campaign, targeted on youngsters at risk, is spreading a strong resistance to hard drugs amongst teenagers.

The battle against drugs can be won. Already there are clear signs that the heroin problem has reached its peak. The cocaine explosion has not happened, and it need not happen if people heed the clear warnings we have given.

We will continue to make the defeat of the drug trade a key priority for the Government.

#### Northern Ireland

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The British people have shown their commitment to the people of Northern Ireland in the common fight against terrorism, and in helping improve the economic and social situation in the Province. We have stood resolutely behind the security forces in their outstanding service to the whole community.

We are determined that terrorism will not succeed; that the vital principles of democracy will be upheld; and that the people of Northern Ireland themselves should determine their constitutional position.

2 } We shall maintain (against Socialist opposition) for so long  
3 } as is necessary the special powers which the police ~~used~~ need  
3 } throughout the UK to prevent terrorism and bring terrorists  
3 } to justice.

h There will be no change in the present status of Northern  
Ireland as part of the UK against the wishes of a majority  
in the Province. ||

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That is at the heart of the Anglo-Irish Agreement which was signed with the Irish Republic in 1985. The Agreement offers reassurance to both sides of the community that their identities and interests will be respected, and that any change in the status of Northern Ireland would only come about with the consent of a majority of the people of the Province. It also recognises ~~the long standing interest that the Irish Government has taken in the position of the minority community,~~ and that both governments will work together in the fight against terrorism.

We will continue to work within the Province for a devolved government in which both communities can have confidence and will feel able to participate.

#### Immigration and Race Relations

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Immigration for settlement is now at its lowest level since Commonwealth immigration was first controlled in 1962.

Firm but fair immigration controls are essential for good community relations.

But our entry controls have come under growing pressure as part of a worldwide phenomenon.

We, therefore, now require visas for visitors from the Indian Sub-Continent, Nigeria and Ghana, both to protect genuine travellers and to guard against bogus visitors seeking to settle here illegally. We are tackling the problem of those who fraudulently pose as refugees and who seek to exploit Britain's long tradition of giving refuge to the victims of persecution.

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Despite these changes, the immigration rules still contain some anomalies.

We will strengthen the law - and remove the ~~sexually~~ discriminatory features of some present restrictions.

S. 1(5)  
presents those  
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1973.

~~British society benefits from the contribution of ethnic minorities to the national economy and their cultural diversity.~~ We want to see members of the ethnic minorities assuming positions of leadership alongside their fellow citizens and accepting their full share of responsibility. Racial discrimination is an injustice and can have no place in a tolerant and civilised society. But such progress must be on a basis of equality. Reverse discrimination is itself an injustice and, if it were to be introduced, would undermine the achievement and example of those who had risen on their merits.

Immigrant communities have already shown that it is possible to play an active and influential role in mainstream British life without losing one's distinctive cultural traditions. We also want to see all ethnic minorities participating fully in British culture. They will suffer permanent disadvantage if they remain in linguistic and cultural ghettos.

#### Animal Welfare

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The Conservatives have a proud record over the years of promoting <sup>animal</sup> the welfare of ~~wild animals and those in captivity.~~ Most of the legislation ~~on animal welfare~~ was either initiated by Conservative Governments or introduced as Private Members' measures by Conservative MPs when the Conservatives were in office.

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Since 1979 we have:

- set up the Farm Animal Welfare Council which advises the Government on the welfare of farm animals
- introduced the Animals (Scientific Procedures) Act 1986 which imposes new, tight controls on the use of animals for experiments; the number of experiments has declined in each of the last nine years.

We will continue to care for farm animals with the advice of the Farm Animal Welfare Council.

#### Reforming the Law

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Particular laws which are not enforced or which are full of obvious anomalies risk bringing law itself into disrepute. Changing tastes also require the reform of outdated laws which govern personal habits and behaviour: such reform should where possible be on the basis of a wide consensus.

The present laws on Sunday trading and Licensing contain innumerable anomalies. They are frequently flouted.

We will therefore look for an acceptable way forward to bring sense and consistency to the law on Sunday trading.

And we will liberalise the laws on liquor licensing hours so as to increase consumer choice. *NIKE*

We have already extended absent voting rights to new categories of electors. In particular we have enfranchised British citizens who have lived abroad for less than 5 years.

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*extend the ~~constitution~~ <sup>eligibility</sup> / 13/11/88*

We will raise the overseas resident threshold in the next Parliament for those who retain a link with this country.

## Broadcasting

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We approach broadcasting with two general objectives. We want to make the airwaves, in both radio and television, more open to programmes from independent producers. This would provide the consumer with a wider range of programmes from which to choose. Our second aim is to preserve the high standards which we have traditionally enjoyed in British broadcasting.

Time is pressing. Vital decisions will need to be made in the next Parliament. In addition to the growth of cable television, direct broadcasting by satellite to Britain should be under way by 1990. The first essential steps must be taken to meet the moment, now rapidly approaching, when the British audience faces an international broadcasting medium comparable to the range of international press and magazines already available.

We have already published proposals for a less regulated and more diverse radio system. We shall follow a consistent policy of more competition and variety in our domestic networks and the encouragement of innovation in bringing British programmes, news and views, to international audiences and market. The development of the broadcasting industry will be allowed to occur, wherever possible, commercially. As elsewhere, the next Government will build on success.

We will therefore introduce a major new Broadcasting Bill in the new Parliament. It will enable the broadcasters to take full advantage of the opportunities presented by

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technological advances and to broaden the choice of viewing and listening. Our target is for 25% of programmes broadcast on ITV and BBC to be supplied by independent producers over the next four years.

Or ? | we will ensure that 25% of programmes broadcast ...

There is deep public concern over sex and violence on television. Programme makers are themselves conscious of the need for improvement and have recently laid down fresh guidelines to limit the presentation of violence.

We will establish a new Broadcasting Complaints Authority to produce reports on general programme standards and to receive <sup>and deal with</sup> individual complaints about programmes. ~~Be~~

~~Or ? | We will monitor progress so that we can judge whether any further action is needed.~~

We will remove the current exemption enjoyed by broadcasters under the Obscenity Act 1959.

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Chapter 12 LOCAL GOVERNMENT AND INNER CITIES

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The Conservative view of local government is that local people should look after the interests of the local community which they were elected to serve, concentrating on maintaining and improving essential services at a price people can afford. That is an honourable tradition of public service which is still upheld by Councillors in Local Authorities in most areas of the country.

The abuses of left-wing Labour councils have shocked the whole nation. The Labour Party leadership pretends that this is a problem in only a few London boroughs: but the truth is that the far Left control town halls in many cities.

The extremists have gained power in these areas because too few ratepayers have an interest in voting for responsible councillors pursuing sensible policies. Many people benefit from local services yet make little or no contribution towards them: this throws too heavy a burden on too few shoulders. There is much else wrong with the present system of domestic rates. They seem unfair and arbitrary. And businesses are left with little protection against huge rate bills levied by councils controlled by Labour, Liberals and Social Democrats, which can block expansion and destroy jobs.

We have already acted to protect ratepayers' interests in a number of ways. As we promised in our last Manifesto, the wasteful and unnecessary tier of the GLC and Metropolitan Counties has been eliminated - to the substantial benefit of

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ratepayers. Our rate-capping legislation - so fiercely denounced by the Labour, SDP and Liberal parties in Parliament - has protected rate-payers from huge rate increases. This year alone, twenty councils will be rate-capped - nineteen of them Labour and one controlled by the Liberals and the SDP - saving ratepayers several hundred million pounds.

We will now go further and tackle the roots of the problem by reforming local government finance to strengthen local democracy and accountability. Local electors must be able to decide both the level of service they want and how much they are prepared to pay for it.

We will therefore legislate in the first Session of the new Parliament to abolish the unfair domestic rating system and replace rates with a fairer Community Charge.

This will be a fixed rate charge for local services paid by everyone over the age of 18 except the mentally ill and elderly people living in homes and hostels. The less well off will not have to pay the full Charge - but everyone will be aware of the costs as well as the benefits of local services. This will ensure that people take a greater interest in the policies of their local council and in getting value for money. Business ratepayers will pay a Unified Business Rate at a standard rate pegged to inflation.

We will ensure better value for money by requiring Local Authorities to put out to tender a range of services: refuse collection, the cleaning of streets and buildings, vehicle maintenance, catering and ground maintenance.

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Ratepayers have the right to expect Councils to provide their services as efficiently as possible. Yet some local authorities remain steadfastly opposed to allowing private sector companies to tender for services which they could provide more cheaply and more effectively. The independent Audit Commission has estimated that some £500 million a year could be saved if all councils followed the practices of the best - sums which could be used to lower rates or improve services.

We shall act to strengthen democratic processes in local authorities and attract back into local government service the natural leaders of local communities. The Widdicombe Report into the the conduct of local authority business painted a disturbing picture of the breakdown of democratic processes in some local authorities. We recognise the need to deal with the major abuses identified in that report.

The Government must insist that proper standards of democracy apply in our Town Halls.

Our far-reaching proposals will re-establish local government on the solid political and financial foundations it needs to respond effectively to the real needs of families.

#### Inner Cities

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The growth in our national prosperity in recent years has been founded on a rebirth of enterprise, underpinning the living standards and providing the jobs which our country needs. But in many of our inner cities the conditions for

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enterprise and pride of ownership have been systematically extinguished by Socialist councils.

The regeneration of the inner cities must be a national priority. We owe it to the families living there to liberate them from the control of Left-wing councils which have stood for so long in the way of development, progress and jobs.

We are setting up five new Urban Development Corporations which will have the powers, resources and management structure to reclaim and redevelop great tracts of derelict land: these new Corporations will follow the model so successfully applied in London Docklands and on Merseyside.

Our Unified Business Rate will ensure that enterprise and new jobs are not driven out of inner city areas by the high rates of profligate local Councils.

We have roughly doubled the resources to reclaim derelict land: our new Land Registers are accelerating the process of bringing vacant and under-used public sector land back into productive use.

We intend to improve procedures to dispose of surplus land and derelict public land and property.

We will build on the experience of Urban Development Corporations by creating new mini-UDCs with the planning powers to have derelict land developed and brought into use. These will operate on a smaller scale in areas where there is clear economic potential but where the local authorities are failing to tackle the problem.

Our Urban Programme provides a range of grants to help industry and local Councils to undertake projects to improve the environment and tackle dereliction.

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We are helping to mobilise local action through our City Action Teams, Inner City Task Forces and the Inner City Partnerships - all of them able to draw on government assistance for enterprise, employment and training.

Great cities are built on the enterprise and vitality of the individuals who live there. Our aim is to create a climate which encourages and harnesses that energy in the interests of all.

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Chapter 13 THE ENVIRONMENT, PLANNING, THE ARTS AND SPORT

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Conservatives are by instinct conservationists - determined to preserve all that is best of our country's past. In particular, we are determined to conserve our national heritage of countryside and architecture. Since taking office we have:

- ° more than doubled the area of specially protected Green Belt: we will continue to defend it against unsuitable development;
- ° established new arrangements, backed with public funds, to make farming more sensitive to wildlife and to conservation;
- ° completed the work of listing pre-War buildings which receive legal protection and extended such protection to the best post-War buildings;
- ° established a new powerful Pollution Inspectorate;
- ° passed new laws on the control of pesticides and implemented new controls on the pollution of water;
- ° put in hand plans for cleaning up Britain's beaches, costing over £300 million over the next four years;
- ° more than doubled spending in real terms on countryside and nature conservation alone since 1979;
- ° set in hand the establishment of the new Norfolk Broads Authority - a major environmental initiative;

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established a huge programme, costing over £4,000 million, to clean up the Mersey, canals, and derelict land by the early years of the next century.

We are unshakably determined to preserve our countryside heritage in the Green Belts inside and outside. The emphasis now must shift towards protecting the countryside for its own sake. We must preserve its beauty and its wildlife, while allowing for the small scale and well planned developments which are needed to provide jobs and to keep country areas alive.

Large scale developments must, wherever possible, reuse land left derelict from the past. In 1986 nearly half of all new houses were built on re-used land, far more than in the past. There are still huge areas of derelict land in the Midlands and North suitable for new industrial development. We shall continue to encourage this through the planning system, through grants for reclaiming derelict land and through the Urban Development Corporations.

#### A Costed Agenda

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Only the Conservatives have a serious costed agenda for further environmental action for another five years of Government. We will:

press on with action at the power stations to combat acid rain, completing our £600 million programme;

adopted in Britain, European standards for non-polluting cars and ensured that lead free petrol, already widely available, can be bought anywhere;

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introduce new laws on air pollution and dangerous wastes, so that the new Pollution Inspectorate has all the powers it needs;

double the funding for Environmentally Sensitive Areas;

introduce new laws giving extra protection to the landscape of our National Parks;

encourage more small woodlands in lowland areas through new grants;

legislate to safeguard common land on the basis of the Common Land Forum, and continue to protect public access to the countryside through footpaths;

support international action to protect the atmosphere and the sea from damage from pollutants;

press forward with our new measures to clean up the litter on our streets and large cities.

We will establish a National Rivers Authority within a strengthened public sector framework to take over responsibilities for ensuring strict safeguards to prevent pollution of river and water courses and to pursue sound conservation policies. The water supply and sewage functions of the water authorities will be transferred to the private sector.

We will establish safe facilities for disposing of radioactive waste from power stations, hospitals and other sources. We have asked UK NIREX to come forward with proposals for deep disposal.

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## The Arts

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Our international reputation for excellence in the arts has never been higher. Tourists flock to this country to see the highest standards of theatre, music and arts in general. The number of museums has doubled in twenty years. And art centres have nearly doubled in number since 1979. Attendances for theatre, concerts, cinema and historic houses have all risen significantly.

Under the Conservatives, spending on arts has risen by 15 per cent in real terms since 1979. Over the same period, the Arts Council grant has risen from £61 million to nearly £139 million. And schemes like the Business Sponsorship Incentives Scheme have pushed the value of such sponsorship from £½ million to £25 million over the last decade.

In future years:

We will maintain Government support for the arts and increasingly use taxation policy to expand the arts through private support.

We will make it a major objective to ensure that excellence in the arts is available in all parts of the country.

We will continue to safeguard our heritage, particularly through the National Heritage Memorial Fund, created by this Government in 1980 to assist the preservation, maintenance and acquisition of items of outstanding merit which might otherwise be lost to the nation.

We will encourage our great National Museums and Galleries to make the national treasures which they house more widely accessible.

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And we will proceed with the construction of a new British Library, and maintain our excellent public library services.

## Sport

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We have increased funding for the Sports Council by over 40% in real terms since 1979.

We will continue to work with the Council and, through our funding of the Sports Council National Centres, we will encourage pursuit of excellence in our sports and will seek to develop high level medical back-up for all sportsmen and women.

Young people seek opportunities for sport and physical recreation and they enjoy sensible competition which is so valuable to the development of character. We will encourage competitive sports through schools and clubs and will oppose the prejudice against competitive sports in some local education authorities.

We will continue to encourage schools and colleges to open their facilities for community use and wherever possible to co-operate with other owners to achieve public access to sport premises.

Football hooliganism has tarnished the good name of British sportsmanship. We have acted to control the sale of alcohol at sports grounds. We have enhanced police powers to stop and search at football grounds and have encouraged tougher sentencing of hooligans.

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We will continue to work with the football authorities to eliminate this evil from our society in particular by encouraging a wider adoption of membership schemes.

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## Chapter 14 BRITAIN AND THE WORLD

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Under the Conservatives, Britain has regained the respect of the world. We are unswerving in support of freedom and justice. We stand up fearlessly for British interests. And Britain's voice once again carries weight, in the European Community throughout the world.

### Defending the Nation

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The first responsibility of government is defence of the realm and the preservation of peace. The strong defence of the Western Alliance has kept the peace in Europe for over forty years.

This is a remarkable achievement compared with the carnage of two world wars in the first half of this century. Over twenty five million soldiers, sailors and airmen died in the First and Second World Wars. Since 1945, the nuclear deterrent has prevented, not only nuclear war, but also conventional war in Europe. A strong defence policy has proved to be the true peace policy.

For forty years, every government of this country, whatever its political persuasion, understood the need for strong defence. It used to be common ground that Britain should retain and modernise our nuclear deterrent and that Britain should remain a member of the Western Alliance, accepting in full the responsibilities which membership brings.

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Today's Labour Party has abandoned that common ground. Labour would give up Britain's independent nuclear deterrent for nothing in return. Labour would also require the United States to withdraw its nuclear weapons from our soil and to close down its nuclear bases. Furthermore, Labour would remove Britain altogether from the protection of the United States' nuclear weapons.

That policy would be an absolute break with every defence policy of every British government since the Second World War. A Labour Britain would be a neutralist Britain. We would be defenceless against nuclear blackmail. For you cannot deter with conventional weapons an enemy which has, and could threaten to use, nuclear weapons.

The defence policy of the Liberals and Social Democrats is one of fudge. They say they would not give up Britain's nuclear deterrent; but in fact when Polaris ceases to be effective, they admit they will not replace it with Trident. This is one-sided disarmament by stealth.

Only the Conservative Party has a clear and strong defence for Britain. We will retain our independent nuclear deterrent. We will modernise it and keep it effective by replacing the ageing Polaris with Trident. And we will not give up the British deterrent for nothing in return.

One-sided disarmament will never bring the Soviet Union to the negotiating table. The strength of the Western Alliance will and has done. Britain gave a lead by deploying Cruise missiles. All the Opposition parties - not just Labour, but also the Liberal and SDP - voted against it in the House of Commons. Yet it is the deployment of Cruise and Pershing missiles which has encouraged the Soviet Union to come forward with disarmament proposals.

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We want to see a world in which there are far fewer nuclear weapons. But that must be brought about by agreements which are fairly negotiated and whose results can be verified at every stage. Strength is the surest foundation on which to work for peace.

### Europe Grows in Strength

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This Government has taken Britain from the sidelines into the mainstream of Europe. We are helping to build a stronger and more united European Community.

But we have also proved that being good Europeans needs not prevent us from standing up for British interest. The Conservative Government has reduced Britain's contribution to the European Community by £ .... billion. [or received a rebate from the European Community of £        billion.] The next Conservative Government will work for stricter controls on the Community Budget.

Britain has led the way in establishing a genuine Common Market, with more trade and services moving freely across national boundaries.

The next Conservative Government will campaign for the opening of the market in financial and other services and the extension of cheaper air fares in Europe.

We will also continue to work with our European partners to defend our own trading interests and press for freer trade for all nations.

We shall continue to help build up Europe's industrial technological and scientific strength, and so provide more opportunities for british industry.

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All of this will help safeguard existing jobs and create new ones.

The next Conservative Government will continue to play a responsible leading role in the development of the Community, while safeguarding our essential national interests.

#### Firm against terrorism

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Britain has stood at the forefront in the fight against international terrorism. No democracy has a better record than Britain in standing up to the terrorists, who threaten the most basic values of civilised life.

We will continue to fight terrorism wherever it imperils Britain and our people.

We will continue to support the Prevention of Terrorism Act, unlike the Labour Party who regularly vote against it, because it is an indispensable weapon in defeating terrorism.

We will seek to gain the support of other democratic nations for the provisions of the European Convention for the Suppression of Terrorism.

#### Defending freedom in the Falklands

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We stood up to aggression in the Falklands and would do so again, if necessary. We stand by our pledges to the Islanders. But we want normal relations with Argentina and

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10 DOWNING STREET

STRICTLY CONFIDENTIAL

Dear Prime Minister,

16 April 1987

I enclose a first draft of the Manifesto which hopefully will form the basis of discussion at your meeting next Tuesday, 21st April (at Chequers). I should like to emphasise that this is very much a first draft, far too long and without either a draft foreword or conclusion. I am also enclosing an Achievements paper prepared by Robin Harris.

I am sending copies of these drafts to Lord Whitelaw, the Chairman of the Party, Lord Young, John MacGregor, Peter Morrison, Michael Alison, Robin Harris, Stephen Sherbourne and John O'Sullivan.

Yours ever  
Brian Griffiths

BRIAN GRIFFITHS

Critical Path for Manifesto Publication 11th June 1987

Initial Manifesto drafting.

6 April - first draft with John Macgregor

8 April - Artwork instructions issued

14 April - Artwork first layouts approved

15 April - final first draft with Prime Minister

16 April - Artwork layouts with Prime Minister

16/19 April

Prime Minister works on Manifesto draft

? query any meetings with individual ministers?

20 April - Prime Minister approves draft

21 April - Chequers Meeting 9.30

Draft Manifesto approved subject to changes

April 22 - May 7

John Macgregor has bilateral with individual Ministers

Prime Minister meets with any Ministers to settle points

Strategy group considers Manifesto?

7 May - final revised draft submitted to Prime Minister

9/10 May "Chequers" meeting

Decision made

Manifesto approved by Prime Minister

11 May - ELECTION ANNOUNCED

12 May - Manifesto approved by Cabinet

15 May - final deadline for changes for printer

19 May - Manifesto printed and distributed to retail outlets

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20 May - Candidates Meeting

21 May - Press Conference launch of Manifesto

25 May - Election Campaign starts in earnest.

## Chapter 2 JOBS AND ENTERPRISE

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(To be incorporated with Chapter 1 with a title such as Prosperity and Jobs)

During the last few years high unemployment has been one of the most intractable problems facing all Western industrialised countries.

Today, there are encouraging signs that it is responding to continued growth in the economy and to the extensive programmes that we have developed during the last Parliament. Unemployment in the last eight months has fallen faster in the United Kingdom than anywhere else among our major competitors in Europe and faster than at any time since 1973. On the basis of the most recent figures we hope and believe that unemployment will fall below 3 million this summer.

This is not by chance.

### Seeds for New Jobs

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The overwhelming number of new jobs are being created by business, and in the last decade, by small firms and the self-employed especially. This Government has established the conditions in which new jobs have been created. These amount to more than the rest of the EEC combined since 1983.

This has been achieved not just through the revitalisation of our traditional industries. We have encouraged growth in those crucial areas of new enterprise which provide the foundation for <sup>the lion of the</sup> ~~our~~ future, ~~prosperity~~ - self employment, the creation of new small firms and the expanding service sector, particularly tourism and leisure, and new technology.

Self-employment is the seedcorn of the new enterprises of tomorrow. Without a sufficient supply of people to start new businesses, the future of our whole economy is in jeopardy. Today we have the highest number of self-employed people for over 60 years, with over one in ten of our workforce now working for themselves. The eighties have seen over 825,000 more people become self-employed. More and more of our young people today accept self-employment as a viable career prospect. It is particularly encouraging that almost one half of the growth in self-employment since 1983 has been in the northern part of our country.

Small firms, along with all businesses, have benefited from our sound and prudent management of the economy. With the reduction of <sup>business taxation</sup> ~~Corporation Tax~~ and the control of inflation has come a resurgence of the small firm. The number of registered businesses has shown a net increase of more than 500 a week since this Government took office - and the number of businesses has increased in every region of the country. The Government has helped small businesses expand through the Business Expansion Scheme and the Loan Guarantee Scheme.

Most large companies started as small firms. The progress we are making this decade will set the foundation for employment and wealth into the next century.

## Tourism and Leisure

There are well over a million jobs today in the tourism and leisure industry. It is the fastest growing international industry and earns us billions of pounds in foreign exchange each year. Here are opportunities for new uses of our heritage, especially in those parts of the country where employment opportunities are not growing sufficiently fast.

We have encouraged the growth of the industry by improving training and increasing help for the Tourist Boards.

## Helping Unemployed People into Jobs

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In addition to creating a climate conducive to the growth of employment we have also developed a range of special measures to help those who have become unemployed. These are intended to help them to take advantage of the new opportunities arising throughout the country, which are set out in detail by the government in Action for Jobs.

**Youth Training Scheme.** This scheme provides for all school leavers aged 16 and 17 who wish to participate training and work experience. Every trainee is given the opportunity to take or work towards a recognised vocational qualification.

**Job Training Scheme.** The new JTS, which started in April this year, will offer a chance to an unemployed person over 18 to work and train on an employer's premises for six months and to take an existing vocational qualification. The Scheme will aim to relate the training to jobs that are

available in the area and beyond. This year it will help nearly a quarter of a million people.

**Community Programme.** Over three hundred thousand people each year gain valuable work experience and an up-to-date work reference working on projects which benefit the community. We shall improve the programme to make it both full time and more able to help those with families. We propose to pay those working on the programme a premium over what they would have received had they remained on social security benefit. This will enable those with large family commitments to benefit from this programme.

**The Enterprise Allowance Scheme.** Already 200,000 unemployed people have started to work for themselves under this scheme. Our surveys show that six out of ten are still in business after three years and each remaining self employed person are then providing a further job.

**Job Clubs.** We opened the first Job Club in 1985. There have been few more successful and popular programmes to help the unemployed to help themselves back into jobs. Now over 1,000 have been established and are operating successfully. At present two-thirds of those leaving Job Clubs go into employment. We will work towards expanding this successful programme.

#### **New Guarantees for Tackling Unemployment**

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In the next term we propose to go further. The success of our economic policies means that we can now offer further guarantees to those who need them most.

Youth unemployment remains a particular problem. In Britain far too many young people have left school with an education that has not prepared them for the world of work, whilst at the same time unions maintained unrealistically high starting wages comparable to those of fully trained craftsmen.

In this Parliament we introduced the first Youth Training Scheme. Already we have extended it into a national two-year programme leading towards practical qualifications. We have now gone a stage further and today offer a guarantee.

#### The First Guarantee

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We will guarantee a place on the Youth Training Scheme for each and every school-leaver under 18.

As a result no school leavers need be unemployed. They can remain at school, move to college, or receive a guaranteed training - so that YTS will serve as a bridge between school and work. Unemployment should not now have a place in the vocabulary or plans of our young people leaving school.

We therefore propose to take steps to limit entitlement to benefit to ensure that young people do not deliberately choose to remain unemployed. If they do so before the age of 18 they will not be entitled to benefit.

But there are simply too many young people without the right qualifications for employment in today's world.



### The Second Guarantee

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Within a year we aim to guarantee a place, either on JTS or on the Enterprise Allowance Scheme, for everyone aged between 18 and 25 years and who has been unemployed for more than six months.


### The Third Guarantee

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But what about those who have been out of work for some time? Apart from the major programmes we have outlined we have also taken one further important step.

Restart is a programme we have set up for interviewing and counselling the long-term unemployed to receive training or obtain a job directly. It has been so successful that we have improved the programme to help the unemployed after six months and then again at each six-month interval. Within the next six months we shall have interviewed everyone who has been unemployed for more than one year.

We shall guarantee to provide this service in the future at six-monthly intervals, to all those who have been unemployed for more than six months.



### The Employment and Training Services

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To achieve these ambitious objectives and to provide a comprehensive service to those without work, we propose,

after consulting with the Manpower Services Commission, to transfer Job Centres to the Department of Employment so that they can work more closely with Unemployment Benefit Offices to provide a new <sup>better</sup> employment service.

Training is not a palliative for unemployment. It is a vital part of our industrial and commercial future. Under our proposal the MSC would then become primarily a training agency. To ~~signal~~ <sup>underline</sup> the importance that we as a government attach to training, we propose to increase employer representation on the MSC and its advisory bodies to reflect a broader range of businesses.

#### A Proven Approach

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uw More jobs are being created by business. <sup>But</sup> young people and those without jobs need better education and training ~~to~~ <sup>to</sup> for today's world of work, enterprise and technological change. Our policies form a practical and realistic approach to helping people back into work and tackling unemployment. It is an approach which is succeeding. It is one we shall continue to pursue.

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failure to achieve them will not be our fault. But we will not negotiate over the sovereignty of the Falklands.

#### **Dialogue not bloodshed**

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Our record of tackling longstanding problems in Hong Kong, Zimbabwe and Gibraltar demonstrates our determination to seek peaceful and imaginative settlements of difficult international disputes. When other countries are prepared to act in good faith, the Conservative Government has shown the will and the diplomatic skill to find solutions to age-old conflicts and misunderstandings.

We believe that the issues of Southern Africa, too, will be tackled best by dialogue, not violence. We want to see an end to apartheid in South Africa. But trade and economic sanctions would only serve to entrench apartheid, increase the rise of bloodshed and inflict severe hardship on black South Africans without bringing a settlement any nearer. Negotiation between the leaders of the South African people is the way to ensure a peaceful transition to a non-racial representative government. That is and will remain our aim.

#### **Overseas Aid**

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We have the sixth largest aid programme in the Western world and the third largest in Europe spending about £1,300 million each year. Britain pioneered the reform of Europe's Food Aid policy, to make it more rapid and effective. In particular, we have substantially increased our support for the disaster, famine and refugee relief activities of voluntary agencies, as well as for their long-term

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development work. Our "Aid and Trade Provision" funds have helped win good development contracts for British firms worth over £2 billion since 1979.

The next Conservative Government will continue with our programme of aid and target it to where it is most effective.

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CONCLUSION: THE WAY FORWARD

The proposals outlined in this manifesto are the extension of policies which have already proved outstandingly successful.

We have already restored Britain's prosperity, spread financial independence and property ownership more widely than ever before. And we have re-established the authority of Government to protect the citizen and defend the nation.

Now we seek the support of the British people to make these achievements truly secure, to build upon them and to extend their benefits to all.

No previous Government with eight years of office to its credit has ever presented the electorate with such a full programme of radical reform. No other party, presenting its manifesto proposals to the nation, has been able to support them with such a solid record of achievement.

We commend them to the British people with confidence.

The time when so much is going right is no time for a change.

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