

PREM 19/720

● PART 1 ends:-

I Gow to Chris Lawson 26/8/82

PART 2 begins:-

m/s HMT to PM 1/9/82



Mr Ingham
cc Mr Ward Econ Pol
(Lord President's
Office)

10 DOWNING STREET

W Mickett
PS/PM
26/8

26th August 1982

Dear Chris,

The Prime Minister will be very pleased if you attend future meetings of the Liaison Committee.

The next meeting is to take place here on Friday, 10th September at 2.30 p.m.

IAN GOW

Chris Lawson Esq

cc. The Rt Hon Cecil Parkinson MP
✓ Robin Butler Esq

Box 2

The Prime Minister -



with the
compliments of

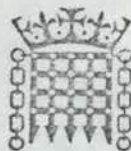
K21/3

John Stanley

HOUSE OF COMMONS
LONDON SW1A 0AA

From: John Stanley MP

Recd [initials]



HOUSE OF COMMONS

LONDON SW1A 0AA

15 August 1982

Rt Hon Cecil Parkinson MP
Chairman of the Party
Conservative Central Office
32 Smith Square
London SW1

ms.

As you know, at the Liaison Committee meeting on 28 July the Prime Minister asked that we should give further impetus to council house sales through the Party organisation. I said that I would draft a standard letter that, with local variations, could be used for house to house delivery on council estates by Conservative Councillors and Branches. I attach a draft.

As you will see, there are two pieces of information that local Conservative Associations will need to fill in for themselves. The first is the figure for the number of sales (both right to buy and voluntary) in their area since May 1979. The latest figures we have in the Department for each local authority are for the period April 1979 to April 1982 and I have already given these to Central Office for passing on to all Area Agents. Councillors should be able to get still more up to date figures from their own authorities. The second piece of local information is the illustrative valuation figures for dwellings that have recently been sold. Councils should be willing to provide this information for illustrative purposes as long as it doesn't identify the valuation of specific dwellings that have been purchased.

You will note that I haven't drafted the letter on the basis that every tenant will get with it a valuation of his own particular dwelling. I am afraid that the local authority manpower and expenditure implications

of this course are such that I can't recommend it. To get the progress we all want with the right to buy we must not divert valuation manpower from tenants who are actually buying to those who are still undecided. However we can achieve the objective of bringing home to tenants that buying may be relatively inexpensive compared with renting by using illustrative valuations (after discount), together with the weekly net of tax cost of a £10,000 mortgage.

I hope that we can get this letter out to all Associations in September and I am ready to discuss any points you wish.

I am copying this letter and the draft to the Prime Minister.

Dear Resident

During the last 3 years, well over 300,000 council tenants in Britain have achieved the goal of a lifetime; they have become home-owners. In our city/borough/district of (), () council houses have successfully been purchased since the Conservative Government was elected in 1979. Applications to buy are still coming in.

We have tried to give tenants all the help we reasonably can in getting the price down to a level they can afford. You get a discount of one-third off the market value of your house or flat after you've been a tenant for only 3 years, and the discount goes up to 50% if you've been a tenant for 20 years. If you can't afford to buy immediately you have the right to an option to buy in 2 years time - during which the price of your house or flat will remain fixed. Here are some local illustrations of what you might pay for a council house or flat in our area assuming a 42% discount which is the average discount that council tenants are getting nationally:

2 bed house without garage on () estate	£.....
3 bed house without garage on () estate	£.....
3 bed house with garage on () estate	£.....
1 bed flat at ()	£.....
2 bed flat at ()	£.....

The actual price of your own council house or flat would of course depend on its particular valuation and on your own discount entitlement.

If you need a mortgage, you have a legal right to one - and its worth bearing in mind that the weekly payment on a £10,000 mortgage (and some tenants won't need to borrow as much as that) is now only £17.56 after tax relief and assuming mortgage interest at 12%.

Is this the time for you to think about buying your council house? If so, your local Conservatives are ready to help you. No other political party wants to give you the right to buy your home. Indeed, if given a chance they will take that right away from you - and your children.

A booklet on "The Right to Buy" (is enclosed) (is available from local Conservative Office/Council Offices - address, tel. number). If you have any questions about your right to buy, we will be glad to help you.

Yours sincerely

- () MP for ()
- () Prospective Conservative Candidate for ()
- () Conservative Councillor for () Ward
- () Conservative Chairman of () Branch

SUBJECT

*See also
cc memo*



fw

NOTE OF LIAISON COMMITTEE MEETING ON 28 JULY 1982

Present: Prime Minister
Lord President of the Council
Secretary of State for Scotland
Secretary of State for Education and Science
Secretary of State for Social Services
Secretary of State for Employment
Chief Secretary, Treasury
Minister of State, Treasury (Mr Wakeham)
Minister of State for Housing and Construction
(Mr Stanley)
Prime Minister's Chief Press Secretary
Mr Cropper, Conservative Research Department (and
Research Department staff)
Mr Ward, Lord President of the Council's office.

Presentation of Housing Policy

The Committee considered the revised paper on the Presentation of Housing Policy. The following points were made in discussion:

- a) It was re-assuring that applications for council house purchases continued to run at a high level; in the first six months of this year a further 100,000 such applications had been made. About 300,000 people had now been involved in the successful purchase of their council houses. There was, therefore, confidence that the scheme had acquired a momentum of its own. There had however been problems, arising out of an industrial dispute, over placing advertisements on the right to buy on commercial television.
- b) This was undoubtedly an area of policy which should be given prominence at the Party Conference. In particular, it remains the case that a number of Authorities not exclusively Labour Authorities, were proceeding more slowly than the Government would wish with processing applications and it would be valuable for the Minister of State for Housing and Construction to discuss with the Party Chairman a letter, and a leaflet, which should be sent to all Conservative Councils urging that the best possible progress be made.



c) It was noted that the forthcoming Conservative Central Office briefing note would deal with this subject.

d) It was interesting that intellectual opposition to the sales of council houses had almost totally collapsed. The Labour Party was on the record as being committed to cancelling the scheme but it was noteworthy that in recent months they had played this theme very low.

The Committee approved the note for distribution to Ministers by the Lord President of the Council.

Presentation of Social Security Policies

The Committee considered the first draft of a guidance note on the Presentation of Social Security Policies. The following points were made in discussion:

a) It was important as the election grew nearer that the Party should avoid any expensive commitments in the area of social security policy and should seek to keep its options for the future open.

b) This was a policy area in which it was presentationally difficult to be pressing for increased personal efforts in the interests of cutting public expenditure. It would be unwise to raise fears about the future of the NHS. In general, one could not expect the private health sector to do more than offer alternative facilities for acute cases; the care of the chronically sick held no attractions to the private sector.

c) On the other hand, a great deal of useful work was done outside the NHS by voluntary agencies and charitable associations, for example in the care of the elderly. The Government should be seen to be keen to cooperate with these voluntary efforts and to encourage them. Local directors of social services should not regard themselves as running large bureaucratic organisations, but as drawing on all the assets that the community could offer.

d) The statement in paragraph 4 of page 1, that proportionately more elderly people were cared for by their families than was the case at the beginning of this century, was remarkable if it could be substantiated.



e) The manpower figures in paragraph 5 on pages 3 and 4 were impressive but could usefully be counter-balanced by a reference to the importance of proper manpower control.

f) Here and there in the paper there were examples of insensitive drafting which, if taken out of context, could be presentationally damaging. Paragraphs 3a and 3b on page 6 were examples. In revising the paper for future consideration by the Committee at its next meeting, care should be taken to amend any such passages.

The Committee agreed that the paper should be revised in the light of their discussion, and re-considered at their next meeting.

Presentation of Education Policies

Introducing the first draft of a guidance note on the Presentation of Education Policies, the Secretary of State for Education and Science said that the paper was generally a review of what had so far been achieved. He would shortly be coming to colleagues with important proposals for future measures especially in the area of parental choice. He would also make proposals in the field of higher education. This meant that the existing paper fell short of anything which might be useful for campaign purposes. In discussion it was noted that here and there were passages where the drafting lacked sensitivity - paragraph 8 on page 2 was an example - and that in revising the paper care should be taken to avoid insensitive drafting, or statements which appeared to lack humanity. There should be a clearer expression of the Government's philosophy to education generally. The Committee agreed to consider the revised draft at their next meeting.

Circulation of Press Releases

The Chief Secretary, Treasury said that he had circulated this note to the Committee in the light of his experience of the operation of the guidelines laid down in "Questions of Procedure for Ministers" regarding the distribution of Ministerial speeches. The current regulations precluded use of official machinery for distributing Ministerial speeches made in a Party political context; such material could only be disseminated through Conservative Central Office. In his view, the distinction between Party political, and official, occasions was somewhat artificial. Moreover, he had found that almost invariably better media coverage was achieved when material was circulated through official machinery. He was not arguing for a wholesale change in the arrangements, but he could not see any serious objection to the use of official machinery for circulating Ministerial statements of policy wherever they were delivered.



In discussion, it was accepted that the existing Conservative Central Office arrangements were deficient in that no special priority was given to important Ministerial speeches. Their impact was often lost by the contemporaneous circulation of less important material from backbenchers. It would be presentationally unwise for this Government to be seen to be tinkering with the rules. The emphasis should be placed instead on improving the operation of the Conservative Central Office machinery.

Diary for 1982

The Prime Minister's Press Secretary said that the major political topics for the remainder of the year were likely to be the forthcoming pay round, public expenditure, consultation on industrial relations legislation, and the EC Budget re-negotiation. In discussion, there was general agreement on the importance of keeping away from the concept of an annual pay round, and of discouraging expectations of pay increases unrelated to progress and performance. There was an important message for the Government to get across. On the other hand, the point was made that in general the private sector could be expected to behave responsibly because of the pressures it was under; exhortations from the Government were unlikely to be of significant value to the private sector; and possibly the Government's best contribution would be to demonstrate unequivocally that it had its own-house firmly in order. It would be valuable to have a further discussion on the handling of these topics, and in particular on the orchestration - both as regards message and timing - of keynote speeches by the Prime Minister and senior colleagues.

Date of next meeting

The next meeting of the Committee will be held in No. 10 Downing Street on Friday 10 September 1982 at 2.30 pm.

A handwritten signature, possibly "A.W.", in dark ink.

Distribution: Those present
Party Chairman

PRIME MINISTER

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LIAISON COMMITTEE - DIARY FOR 1982

This note deals with the diary to the end of the year, looking beyond the frenetic period over the next 10 days to the Recess.

The period is likely to be marked by a rising political temperature as we move into the last 12-18 months of this Government.

Over the five months you are due to have:

- one major overseas tour (Far East);
- 3 regional tours in the UK;
- 2 EC bilaterals (in France and Germany); and to make
- 7 major speeches including that at the Party Conference and in the debate on the Queen's Speech.

*Pay round
Pub. Exp. review
Ind. Rel.
Europe*

The period includes:

- the party conference season which is likely to find the Labour Party in renewed turmoil; the SDP will parade a leader;
- fresh negotiations on the reform of the EC Budget;
- the report of the Falkland Islands inquiry, which it is hoped will come before the end of the year;
- a new Defence White Paper; and
- the hearing in November of the spying charge against Prime.

Economically, the period includes:

- the Trades Union Congress at the beginning of September, which more or less coincides with the opening of a new pay round, though this year a substantial part of the old one may be unsettled;
- the public expenditure review, which is complicated this year by the cost of the Falklands campaign; and
- consultation on further industrial relations legislation to democratise the unions.

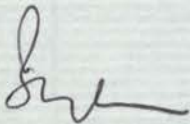
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Three continuing presentational problems assume increased significance:

- economic performance, and especially unemployment and inflation;
- the pay round; and
- relations with the EC, including Budget reform.

Officials will be giving special attention to these.

Finally, once opinion settles down and is not distracted by the spate of incidents we have had recently, it is likely to show renewed concern for the more traditional concept of law and order. It may well then be receptive to views on how standards and values in society are to be restored.



B. INGHAM
19 July 1982

PRIVATE AND CONFIDENTIAL

JULY

- 22 PRIME MINISTER AT 1922 COMMITTEE. x
- 26 Falkland Islands Service.
PRIME MINISTER GIVES ARMY MEMORIAL LECTURE.
- 27 PRIME MINISTER ADDRESSES CONSERVATIVE UNIONIST PEERS. x
- 28 TUC General Council; Labour Party Executive.
- 30 PRIME MINISTER AT GUILD OF BRITISH NEWSPAPER EDITORS' DINNER, HENDON. x
- RECESS. x

AUGUST

- 9 WPI.
- 10 Central Government borrowing requirement.
- 16 Index of Retail Prices.
- 23 US Administration ruling on EC steel products.
- 24 Unemployment figures.
- 25 TUC General Council; Labour Party National Executive.
- 30 Bank Holiday.

late month - result of Royal College of Nursing pay ballot.

SEPTEMBER

- 1 PRIME MINISTER AT SCOTTISH CBI DINNER.
- 2 Official Reserves.
- 6 TUC CONGRESS, Brighton (to 10).
- 7 WPI.
- 16-29 PRIME MINISTER IN JAPAN, CHINA AND HONG KONG.
- 16 Scottish Prison Officers' Association conference (to 17).
- 17 Index of Retail Prices.
- 20 LIBERAL PARTY ASSEMBLY, Bournemouth (to 25).
- 21 Unemployment figures.
- 22 TUC General Council; Labour Party National Executive.
- 27 LABOUR PARTY CONFERENCE, Blackpool (to Oct 1).
- 30 Deadline for Hunt report on Cable broadcasting.

OCTOBER

- 4 Official Reserves.
- 5 CONSERVATIVE PARTY CONFERENCE, Brighton (to 8).
- 8 PRIME MINISTER'S SPEECH TO PARTY CONFERENCE.
- 11 CGBR; WPI.
SDP CONFERENCE, Cardiff (to 12).
- 13 SDP CONFERENCE, Derby (to 14).
- 15 SDP CONFERENCE, Great Yarmouth (to 16).
Index of Retail Prices.
- 19 PLAID CYMRU CONFERENCE, (to 21).
- 20 Elections to Northern Ireland Assembly.
International Motor Show.
Institute of Personnel Management Conference, Harrogate.
- 24 Clocks go back.
- 26 ? Unemployment figures.
- 27 TUC General Council; Labour Party National Executive.
- 28 BILATERAL WITH CHANCELLOR SCHMIDT, BONN (to 29).

NOVEMBER

- ? Prime GCHQ espionage charge to be heard this month.
- 2 Official Reserves.
- 3 QUEEN'S SPEECH.
- 4 BILATERAL WITH PRESIDENT MITTERRAND, PARIS (to 5).
- 9 CGBR.
- 12 Index of Retail Prices.
- 13 Lord Mayor's Show.
- 14 Remembrance Sunday.
- 15 PRIME MINISTER'S SPEECH, LORD MAYOR'S BANQUET.
- 16 Visit of Queen Beatrix of the Netherlands (to 18).
- 17 PRIME MINISTER'S SPEECH TO NORTH ATLANTIC ASSEMBLY, LONDON.
- 18 Presentation of Humble Address to Queen.
- 19 PRIME MINISTER'S REGIONAL TOUR OF CORNWALL AND WEST COUNTRY.

NOVEMBER/cntd

- 23 ? Unemployment figures.
- 24 TUC General Council; Labour Party National Executive.
- 26 PRIME MINISTER'S ST. ANDREW'S NIGHT DINNER SPEECH, GLASGOW.
- 30 Deadline for settlement of EC Budget problem.

DECEMBER

- 2 Official Reserves.
- 3 EUROPEAN COUNCIL, COPENHAGEN (to 4).
- 6 WPI.
- 8 PRIME MINISTER OPENS CONFERENCE ON INFORMATION TECHNOLOGY, BARBICAN.
- 9 CGBR.
- 15 Association of University Teachers' Conference, Bradford (to 17).
- 17 Index of Retail Prices.
- 21 ? Unemployment figures.
- 22 TUC General Council; Labour Party Executive.
- 24 Recess.
- ? Franks report on handling of Falkland Islands.

- ✓ ^{KW 19 iii}
1. MR WHITMORE - for Liaison Committee briefing
 2. PRIME MINISTER

LIAISON COMMITTEE - CIRCULATION OF PRESS RELEASES

The Chief Secretary urges you to agree to a change in the rules governing the distribution of press releases. I hope that you will resolutely refuse to do so.

Questions of Procedure for Ministers (para 103) says:

"Ministers should use official machinery for distributing texts of Ministerial speeches only when such speeches are made on official occasions. Speeches made in a Party political context should be distributed through Party machinery."

This rule is not merely well founded but has served successive Governments perfectly well in protecting Ministers from charges of misusing Government resources for Party ends and the Government Information Service (GIS) from the charge of Party political bias.

Contrary to what the Chief Secretary suggests, distribution by the GIS of Ministerial speeches to be made on a Party political platform would be no less open to allegations of misuse of Government resources than the distribution of speeches containing comments of a Party political kind. The risk of such allegations is not, in my submission, avoided by eliminating all trace of Party political comment from Ministerial speeches to be made on a Party platform.

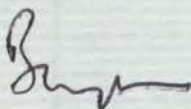
If the Government changed the rule it would be laying itself open to the kind of row which it should avoid like the plague and which is not worth the candle by any stretch of the imagination.

The Chief Secretary makes some flattering comments about the efficacy of the GIS as a distributing agent. There may be something in what he says about the relative effect of GIS and Party distribution. But the impact of any speech depends on its content, its topicality and its news value and not on the masthead of the press release.

In any case, if the Party masthead puts the media off - as the Chief Secretary suggests - Government press officers can easily redress the balance (assuming that the content of the speech supports their efforts) by "selling" the news in advance to the interested media. Ministers do too little to promote speeches they consider important, judged by the few requests I get from them to spread the word in the Lobby.

If the Party label really does put people off - and I remain extremely sceptical - there is another way of drawing attention to the speech without compromising either Ministers or the GIS. This is for the GIS to make the text available where it counts on plain paper.

In short, a professional press office can overcome any real or imagined obstacles in the way of publicity if a speech contains a good story and it has enough notice of its content to enable it to promote it. It may be no coincidence that the Treasury is the one Department which can from time to time be relied upon to try to change Rule 103. This is, I believe, the second time in your Administration. I pray that it will again be unsuccessful.



B. INGHAM

19 July 1982



26 AH.
Econ Pol

10 DOWNING STREET

From the Principal Private Secretary

PRIVATE AND CONFIDENTIAL

MR WARD
LORD PRESIDENT'S OFFICE

LIAISON COMMITTEE

Thank you for your minute of 13 July about the Liaison Committee's outstanding business.

X/ I have now been able to consult the Prime Minister, and she would like to have a meeting at 11.30 am on Wednesday 21 July with the agenda proposed in paragraph three of your minute, including the item on education policies.

I should be grateful if you could arrange for the necessary papers to be circulated.

AW.

15 July 1982

AW

Prime Minister.



You agreed recently that we should get meetings of the Liaison Committee going again, with things you might not think them all yourself.

Content for me to arrange a meeting for next Wednesday, 21st July with the agenda in paragraph 3 below?
With or without the education policies item? AKH 13 vii

Handwritten initials

Yes. with.

MR WHITMORE

LIAISON COMMITTEE

You asked for a note on the Committee's outstanding business. You will recall that guidance notes on presentation of economic policies, and policies on law and order, have already been issued.

2. Outstanding business is as follows:-

(a) Guidance note redrafted but subject to final Committee Approval

Housing policy

(b) Guidance notes in first draft, commissioned but not yet considered by Committee

Social Security policies

Education policy (commissioned by Mr Parkinson and Mr Biffen but not yet circulated)

(c) Guidance notes commissioned but not yet drafted

Employment legislation and training programme

Medium term paper on the Committee's business

Policies towards industry (commissioned by Mr Parkinson and Mr Biffen)

(d) Guidance notes not yet commissioned, but envisaged by the Committee

Defence policy

Foreign policy

Scotland generally

(e) Additionally, the Chief Secretary, Treasury has distributed a short paper to the Committee on the circulation of press releases.

.../...

3. An agenda for the next meeting might be:

(a) Housing policy - final approval of the note

— (b) Social Security policies - first consideration

— (c) Education policies - first consideration

(d) Chief Secretary, Treasury's note on press releases
- a short item

(e) Chief Press Secretary's usual list of forthcoming
topics/events

(f) Consideration of topic for Central Office's
briefing notes

(g) Any other business (eg topics for future notes;
use of notes already circulated;
topics for the recess)

(h) Date of next meeting

In practice this might make for too long a meeting; of the business, perhaps item (c) could most easily be deferred.



ANDREW WARD

13 July 1982

11 3 JUL 1982



CONFIDENTIAL

7, GROSVENOR SQUARE,
LONDON,
W1X 9LA.

8 July, 1982

1981

Dear Margaret,

I'm asked at the end of
our source for the notes I read, but I
did not think them legible and have had
them typed, and minimally edited to insure
comprehensibility where there might otherwise
have been none. Except for the elimination
of one relatively minor topic, the rest is
all there, even including the points which
I somehow sensed did not command an
enthusiastic reception!

There is a separate note on
the subject of assessment of the public interest
in purchasing procedures and Treasury accounting
methods. I am not really satisfied that it

is adequately lucid or sufficiently brief.
And I will try to talk to the subject
if there is a suitable debate in the hours.

I hope I did not add to your
cares and burdens by making you cross on Friday
evening. But I do not see that I can be
of the slightest use if I do not tell you
frankly what I see and think — and
I am sure that that is what you really want.

With warmest regards,

Yours,

Arnold

(WINSOCK)

I Failure of Tories to win next general election would open way to frightful possibilities. Urgent now for public perception of Tories to change; not only hard facts of situation are relevant.

See Guardian (PJ). NB. Present movement by Labour to party Democracy as distinct from representative democracy (cf Trotsky). Party is replaced by Party organisation, then party organisation replaced by Central Committee. Central Committee replaced by dictator.

All quite easy to accomplish through present set-up in H of C, via Labour party organisation and HOC unbridled power.

II Watch out that public disillusion with Labour party, if it becomes catastrophic, affects middle classes first, and will become anti-big-party, and therefore rubs off on to Tory party. See recent polls.

III Present popularity of HMG not very high. How could it be? Even if present policies right (right for what?) not easy to present them to public and get them understood. Emotional overtones of unemployment, fears for future, harsh rhetoric, all override more rational considerations. Even if HMG policies correct, does not prove that economic goodies will be perceived by next election to be readily forthcoming. And, anyway, "successful" pragmatism did not save Giscard's government.

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IV HMG cannot in short term rectify bad elements in economy - e.g. inflation beyond a certain point, unemployment. Probably no one can. What can HMG do?

- i) better communication. Disperse impression of HMG = Foreign Secretary + First Lord of Treasury, and everything else ad hoc;
- ii) Trust - PM has nothing to fear politically from "colleagues", at least until after next election, because of obvious common interest. If given the chance and the encouragement, she would find more active support from several she suspects of disloyalty. She could be less severe with them, and now and again do something to please their faction without ^{being} it/thought or presented to be forced on her as a concession. Why not bring in new blood, e.g. young Tories of traditional type, intelligent and obviously decent? Danger of being surrounded (or even seem to be) by sycophants;
- iii) organise running of Government on more efficient basis and attenuate domination of Treasury. Arrange departmental accounting so that the true national interest is taken into account at each stage (see separate note);

- iv) regional support not to take form of inducing Japs to start up supply units, no British technology, using Britons as proles in EEC. Support infrastructure, and regional education in technology, instead of just money subsidy for uneconomic ventures;

- v) as things are in the world (not just recession, but technological change), make plain we must live with unemployment but we must care about the consequences and make them tolerable. Perhaps Committee of Inquiry to enquire into "the working/leisure life of the future" because of new technology. (NB. GEC scheme for two youngsters to do one job - and one day's education; why not extend to other end of working life, say at 50, leaving room to train for constructive leisure and retirement?)

- vi) consider national wage, simplified tax system, tax credits, and equal treatment in pensions of public and non-public sectors, i. e. remove as far as possible all identifiable causes of social division;

/.....

- vii) rationalise and enhance the multitude of initiatives regarding training, employment, inner city decay and so on. Use MSC as focal point, don't grudge money, because MSC and associated schemes can attract at least twice as much non-government money for every public £1 spent;
- viii) consider political advantages in the public mind of constitutional reform:
 - (a) electoral procedure;
 - (b) House of Lords;
 - (c) Trades unions immunities, picketing, etc.;
 - (d) financing of local government, functions;
 - (e) Bill of Rights (to please Quintin?).

Perhaps Constitutional Commission and sub-committees. Three years to report and advance promise of publication, with assurance of subsequent debate and action.

To put such matters on the agenda for future consideration by the Conservative party would alter the widespread feeling that the Government's thinking is narrow and too much concentrated on day-to-day

/.....

economic problems, in the successful outcome of which there is no great public confidence;

- ix) there may be lots of other possibilities. The thing is to think new, not only to bang on about old problems with Treasury dominated policies freezing out all possibilities of innovation and imagination (social) and giving only palliative bromides to people economically and socially sick and scared;
- x) certainly control money supply. But not through dogmatic assertion of particular theory. Just good housekeeping. PSBR causes inflation if too big, but better to tax than to do nothing^{construcive} for lack of funds;
- xi) don't be afraid of taking surprise initiative. Go to Moscow and talk about arms limitation in 1982, 1983. People are really afraid about peace and war. And Peter C available to use at home and abroad as bridge.

MEMORANDUM ON
CONDITIONS RELATED TO PUBLIC PURCHASING

The Government machine is not really under the Government's control, and the accounting system which creates divisions between Departments and functions often disguises the overall national interest. The lead Department in a particular project does not have to take numerically into account all the costs and benefits arising from its advocacy of a chosen course of action. The relevant factors may come up at the Cabinet Committee level, but by then the Department concerned has committed itself to a chosen course. Where purchasing decisions are concerned, the specialist Department may become deeply committed to a particular purchase only because it does not have to take responsibility for, or measure the cost of, consequences which may be adverse for a number of other Departments whose representations (on behalf, say, of Industry or Employment) may be too late and too fragmented to be effective. Indirect benefits are not credited against the appropriations of the lead Department which is, on the contrary, debited the gross cost and must thus forgo other items it wants to buy. If lead Departments in particular fields are to be allowed to take a full synoptic view of the implications of different options, and accounting procedures are provided accordingly, there would be a considerable shake-up in the way Departments treat one another, and in particular in the relations between the Treasury and all other Departments. The present self-appointed Treasury monopoly of concern for the overall national interest measured in cash is based on dividing and ruling other Departments in constant bilateral negotiations. The Treasury effectively challenges the specialist judgements of individual

Departments on the basis of restricting their budgets.

The fact is that a victory for a foreign purchase by MOD or the DHSS will invariably turn out to have expensive consequences for, say, Employment, but this will have been "covered" in Employment's spending limit, so no one notices that the total cost greatly exceeds the estimated excess of the home price over the foreign bid. No great difficulty or expense is required to put right this disorganised and illogical state of affairs.

In the longer term, it would be better for the Treasury to become a much simpler Ministry of Finance, responsible for raising money in the quantities allowed by the Government's economic policy (which should perhaps be the responsibility of a separate Economic Department), and Departments themselves should be left to hammer out the assessment of projects in terms of the national interest; the allocation of available funds between different Departmental budgets then becomes simply a matter of accounting procedures.

It would be futile to pretend, and I would not wish to do so, that my own interest in this matter has not been made much more pointed by the discussions covering the Heavyweight Torpedo. I suggest this question, and others like it, should be dealt with in the following way :-

MOD should first choose between the competing weapons qua weapons. Unless the US weapon had a decisive operational advantage, MOD should

have to discuss with D of I and D of E the consequences for industry and employment of buying abroad. If the Marconi weapon is judged to be more expensive, then because of the other savings implicit in a UK purchase, DOI and DOE should decide how much could be transferred from their budgets to the credit of MOD, and so, of course, should any difference in VAT be similarly credited. The real cost to the MOD and the nation could then be assessed, and the true account presented to the Cabinet for decision. The trouble with the present arrangements is that because of the accounting system, the MOD will be induced to prefer to buy the US machine when it believes this will impose less strain on its available funds. The savings to other Departments will only emerge, probably unquantified, after the choice has been made by MOD.

As things are now, the Treasury second-guesses MOD, even on strategic and technical matters, insists on the narrowest basis of cost comparison as the only allowable basis for the establishment of preferences within MOD. The overall view is not seriously considered until Cabinet Committee, that is long after the narrow departmental views have hardened.

The alternative is to instruct all purchasing departments that in comparing foreign bids with UK ones, they must apply to the foreign price an

imposed multiplying factor, which has been calculated to compensate for the additional costs which the economy bears when purchases are made abroad of goods or services which could have been provided here. It should be noted that these proposals are relevant in times of recession and high unemployment and may not, in different circumstances, be appropriate at all. On the other hand, the degree to which they are or are not appropriate can be simply, if arbitrarily, reflected in the multiplier.

REPORT TO LIAISON COMMITTEE
ON PRESENTATION OF
CONSERVATIVE POLICIES ON EDUCATION

SECTION 1 - Importance and Public Perception

1. Obviously, the education system is a vital concern of every family in the land. No other service provided by the state involves so many people so actively day in and day out. In the maintained sector, some 420,000 schoolteachers provide instruction for just under eight million children under a system in which important rights and duties are also conferred on parents (whose position has been strengthened significantly by our three Education Acts).
2. Recent opinion polls suggest that the existing system enjoys widespread public support, and is not felt to have grave structural deficiencies. NOP in February 1980 found that 91% of pupils interviewed were satisfied with the education they were receiving, and 82% of parents said they were satisfied with the standard of teaching being provided (33% were very satisfied).
3. While no strong demand for radical reform can be perceived, a feeling that a fairly marked deterioration has occurred in recent years may well be growing. The 1980 NOP poll questioned parents, teachers and employers. In all three groups the number who believed that educational standards had declined exceeded the number who felt that some improvement had occurred in the last few years. Pessimism was particularly strong amongst employers: only 9% said an improvement had taken place, while 60% said standards had fallen.
4. No systematic effort has been made to establish why such critical views of the recent performance of the education service have taken root. There does, however, seem to be a widespread disposition to lay at least part of the blame at the door of the comprehensive school. Amongst those interviewed by NOP in 1980, the comprehensive school was seen as suitable for the less bright child by only half the teachers, 44% of parents and 37% of employers (its suitability for the bright child being seen, of course, as even more questionable). The doubts about the comprehensive system felt by many teachers also emerged in an NAS/UWT poll in 1978 which showed that 58% of the profession believed that the introduction of comprehensive education had lowered standards. Independent support for that view comes from Northern Ireland which obtains consistently better results than the rest of the kingdom from its selective system.
5. Nevertheless, it seems unlikely that the abolition of comprehensive schooling would be widely welcomed. MORI, in a survey in 1981, found only 20% in favour of that course (slightly less than the number in favour of abolishing public schools). Evidence of serious dissatisfaction unaccompanied by demands for the ending of

comprehensive schooling provides support for the efforts of ministers to induce LEAs and comprehensive schools to reorder their affairs in order to improve their standards. (MORI also shows that our determination to protect the independent sector is far from being an electoral liability).

6. Although abundant and detailed information is not available, it is hard to avoid the conclusion that cuts in expenditure on education have so far been highly unpopular. NOP in 1980 did not seek to canvass opinion on this point; it is therefore all the more revealing and significant that 40% of parents interviewed spontaneously stated that no cuts at all should be made in spending on education. There is a certain amount of anecdotal evidence pointing in the same direction. The 'Average British Family' recently identified by The Times (May 1982) felt more strongly about 'the Government's pruning of education' than any other issue.
7. The new fashion for decrying education cuts tout court - now well-established in middle-class circles - may well have arisen (at least to some extent) because of a widespread assumption that any reduction in expenditure, however small and whatever the circumstances, is bound to do damage. A fuller understanding of the true position, and of the scope for savings without consequent damage, is likely to be held in some sections of the teaching profession. Interestingly, only 14% of teachers questioned by NOP in 1980 spontaneously denounced the very idea that savings might be made in education. (Teachers, not surprisingly, tend to favour cuts in administration.) It therefore must be worth re-stating the sound case that exists for reducing expenditure in education at this time in the hope that greater awareness of the facts will eventually undermine the fashionable and rather simple-minded habit of assuming that cuts must inevitably be harmful.
8. It is generally supposed that universities do not enjoy enormous public esteem. Consequently, cuts in higher education might be expected to arouse less public feeling than cuts in LEA expenditure. The limited information that is available does not clearly point to a really marked difference in perception as between these two parts of the system. MORI, in November 1981, found that 60% were against the university cuts, and 30% in favour (with 50% opposing a cut in student grants). However, such reactions, uncovered in the immediate aftermath of the Government's decision to reduce expenditure on universities, may well diminish quite quickly with the passage of time.
9. No close connection has been established by opinion polls or other means between the public perception of the cuts (which the recent HMI report is widely thought to have confirmed), and the generally low standing of the Government on educational issues which the polls tend to show. (For instance Gallup in December 1981 found that 62% disapproved and only 27% approved of Government education policy). Disapproval may well stem also from other factors: such as widely publicised cases of indiscipline, the education crisis in Toxteth or exaggerated hopes of improvement and gain (particularly by parents) arising from our major Education Acts.

10. Whatever the cause, the existing perception of education policy is disquieting. Amongst the electorate at large, Gallup in December 1981 found that education came fairly high on the list of subjects whose handling by the Government was attracting popular disfavour - well behind prices, taxation and employment, but only just behind the health service. Amongst Conservative supporters, 37% expressed disapproval, marginally less than Party disapproval of policies in health, and economic and financial affairs.
11. Education seems to have little power to sway votes at elections. In 'tracking' studies by Gallup since 1979, schools and education have consistently been seen as the most important political issue by no more than one to two per cent of those interviewed.

SECTION II - The Record

1. Introduction

- Three Education Acts have been passed in this Parliament which fulfilled most of the Manifesto promises, and reversed the Socialist, centralist, comprehensive approach.
- Various measures have been, and are being, introduced which will lead to improvements in standards, but these take time. It has to be remembered that apart from legislation, the Government has remarkably little direct power over education provision. Much of the improvement has to come from persuasion since the powers of direction do not exist.
- Two major problems have loomed large: the need to reduce overall expenditure on education, and the need to accommodate the schools system to a rapid fall in the numbers of children of school age. To some extent these separate issues have complemented each other, in that it is easier to contain expenditure with fewer children to teach.
- BUT the increased numbers of post-16 year olds staying on in school lessen the possibilities of greater economies, and because of diseconomies of scale there can be no direct relationship between falling numbers and reduction of schools expenditure.

2. Variety, Choice and New Parental Rights

- Education Act 1979 saved the remaining grammar schools by removing the Labour Government's compulsion to go comprehensive contained in their 1976 Education Act. Local Authorities and the voluntary bodies once again have the freedom to preserve - and indeed to restore - the grammar schools.

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- Education Act 1980/Parents' Charter: a very substantial legislative achievement which fulfilled many more election pledges, especially those contained in the "Parents' Charter". In particular, the Act:
- * provides for full information about schools, including examination results, to be available to parents;
 - * for the first time gives parents a statutory right to express a preference for school;
 - * complementing the parent's choice, places a statutory duty upon the Local Education Authority to meet that choice, except in well-defined cases where this is impossible;
 - * gives a right to choose a school outside the area of the home Local Education Authority;
 - * provides for clearer admissions criteria to be published for the benefit of parents;
 - * sets up a local appeals procedure for parents not obtaining their first choice of school;
 - * ensures that there is a separate governing body for each school, with certain exceptions;
 - * puts parents and teachers on the governing bodies of maintained schools (normally two of each);
 - * introduced the new Assisted Places Scheme which restores in an improved form the old direct grant system which Labour had scrapped. Once again children from families of limited means are able to go to highly academic independent schools (in many cases former direct grant grammar schools). Parents pay a contribution towards the fees according to income. The Scheme is now in its first year: two-thirds of all the children who have benefited come from families of below the national average income, (half of those had totally free places because of their low family income).
- Education Act 1981 extends the parental rights contained in the 1980 Act to parents of handicapped children, and children with "special educational needs". It sets the framework for a better and more appropriate educational provision for such children, implementing many of the Warnock Committee's 1978 recommendations. (Parts of the Act not yet in force will be brought in as conditions allow.)
3. Standards
- The Government's document The School Curriculum (1981) is the first of its kind. Never before has full guidance been published on the school curriculum from five to sixteen.

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- Our aim is to ensure that all primary school children receive education in the basic subjects, that they are literate and numerate, and that they go on to a proper "core" curriculum in the secondary schools to include Mathematics, English and Science, plus a modern language, where appropriate.
- We are concerned to see that the law on religious education and the daily act of worship is properly enforced.
- The Public Examinations System has itself been examined to ensure that existing high standards are not lowered, and to see where improvements might be made:
 - * An early announcement confirmed that the GCE "A" levels were to stay, ending speculation initiated by the previous Government that they were to be replaced by examinations of a lower standard.
 - * For the GCE "O" levels and CSE, a full-scale exercise has been mounted between the Government, the examining boards, and the teachers, to improve and standardise the syllabuses of these examinations, to ease the problem of choice between them, and to reduce the excessive number of examining boards. This work continues, and it is too early to say whether the result will be an amalgamation of "O" level and CSE, or whether the two examinations will continue in parallel, but improved and in greater harmony.
 - * A new Certificate of Pre-vocational education is to be introduced for less academic pupils aged 17+. It is to be set by a new board, combining existing boards in the pre-vocational field and will give young people, who at 16 have few or low examination achievements, coherent courses preparing them for either technical, clerical or vocational training. These courses will lead to assessments of character and application as well as externally moderated examinations where any are passed. It is intended that the new Certificate can be taken either in schools or colleges of further education.
- Higher standards of entry are now required for candidates into teacher training (five "O" levels, including Mathematics and English, and 2 "A" levels).
- Incentives have been introduced to encourage teachers to train, or to retrain, in the "shortage subjects" such as Physics, Mathematics, Craft and Design, and Technology. In 1981 there was an increase of 45% in the number of postgraduates applying to train for a further year as teachers.
- A special study has been carried out into the teaching of mathematics by the Cockcroft Committee whose report (1982) underlined the critical need for more teachers qualified in the subject. The Government is now urgently examining ways of implementing the report.
- The Science budget has been maintained.
- Two unions, the Professional Association of Teachers and the Association of Polytechnic Teachers, both moderate and responsible bodies, have been given places on Burnham Committees.

4. Expansion of Nursery Education

Contrary to popular belief, the number of nursery places under this Government has actually increased. For example, in 1980/1981, it increased by 5,600 places. This expansion can be highlighted to disprove the sweeping charge that the Government is presiding over contraction in all parts of the system.

5. Training

- A £9 million programme is being carried out by the Department of Education and Science to familiarise teachers with micro-electronics applications, and to develop "software" for schools. This complements the Department of Industry's scheme to pay half the cost of new computers for schools.
- An additional £60 million has been made available for the expansion of educational training to post-16 year olds in both schools and colleges of further education, together with a further £35 million for additional provision in non-advanced further education. Further measures are being planned to pay particular attention to the 16-19 group in conjunction with the new training initiative.

6. Higher Education

- Reductions in the total funding for the universities have been implemented to produce savings of around £200 million by 1983/84 and £150 million a year thereafter. This has been done in a selective way, taking the opportunity to shift the overall balance from Arts to Science and Technology, to strengthen certain departments in universities, and to reduce or remove other weaker courses. Action is now being taken to channel money specifically towards areas of high priority, such as biotechnology.
- The University Grants Committee for the university sector has been complemented by the creation of the National Advisory Board (1982) for the public sector of higher education. Our aim is to make better use of resources and to meet the national needs in both sectors.
- The Government has increased overseas students' fees to a figure approaching the economic cost, thereby reducing both the indiscriminate subsidy from the taxpayer and excessive demand for places from overseas. Yet through assistance from the Overseas Development Agency, selected overseas students who need financial assistance can still get it. Despite the increase in overseas students' fees, new enrolments have only fallen to the level of 1974/5, whilst the income derived from them has doubled, £50 million to £100 million, between 1978/79 and 1980/81. Altogether savings of over £100 million a year have been obtained. We have also introduced a scholarship scheme for very able postgraduate research students from abroad.
- A revised system of support for student unions and the facilities that they provide has been devised whereby a sum is agreed between the student body and its parent university or college, the money coming from the total grant to the university or college. This replaces the previous system where the sum was set by the union

itself, and compulsorily levied on each student's Local Education Authority.

- Student grants in 1982/3 are to be raised in conformity with the 4% guideline, and a new enquiry into student loans has been undertaken.

SECTION III - Some Comments on Presentation

1. We face three very obvious difficulties:

- (a) Endless controversy about the so-called cuts and their effects could overshadow and obscure the Government's achievements, diverting attention in particular from the three Education Acts whose significance could as a result be grossly underestimated by the public.
- (b) The full effects of the action taken to implement the 1979 manifesto (virtually in full) are not yet visible which again makes accurate public perception of its importance hard to attain. For instance, the local appeals system is only now coming into operation.
- (c) The limited power which the Government possesses makes it dependent in many respects on the co-operation and goodwill of LEA's, qualities which some of these bodies (including one or two in Conservative hands) are unlikely to exhibit.

2. The Cuts

Ministers have dealt firmly and clearly with this issue pointing out in emphatic terms that:

- more is being spent in real terms per pupil than ever before
- the pupil/teacher ratio stands at a record level
- the total education budget has only been trimmed marginally in real terms
- the number of pupils to be taught is falling faster than the education budget
- our post-war history shows beyond peradventure that there is no demonstrable relationship between expenditure and rising standards

It is obviously important that such points should be repeatedly hammered home. No opportunity should be lost to challenge those who accuse the Government of making swingeing and irresponsible cuts. So far the tone adopted in some sections of the party has perhaps been unduly defensive and apologetic. At the same time greater efforts could be made to reveal and give prominence to cases where money is being wasted by LEAs.

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3. An essential part of the background to the case for reorganisation of, and savings in, schools is the rapidly declining number of children. There is considerable danger that among naive or truculent parents the Government may be judged unfairly and harshly for removing school places precipitately, so diminishing parental choice. In fact our advice to LEAs to take out 40% of surplus school places provides plenty of scope to improve parental choice, and makes allowance for any possible increase in the child population. Yet undoubtedly the background to the decision to remove surplus places is not fully understood, even among our own supporters, especially where small schools have been closed to save money. We have to recognize these feelings, and seek to remove them by patiently pointing out that schools have to be closed when they become so small that it becomes impossible to make proper provision for the curriculum.

4. The Labour Party

Its education cuts between 1976 and 1979 were greater than those carried out by this Government. Yet since the election it has affected outraged indignation about our education policy, and sought to pose as the ardent champion of that wide range of pressure groups which believe that spending on education should only be allowed to move upwards. Not nearly enough attention has been paid to Labour's embarrassing past, and we could profitably spend more time reminding them that:

- their 1976 cuts removed just under £1 billion from the education budget
- in 1978/9 they made education the largest single area for cuts

With the aid of that record, we can make their current promises to spend money like water sound pretty hollow.

5. Standards

The three Education Acts provide the clearest proof of Conservative concern to maintain existing excellence, and promote higher standards. In the defence of educational standards, we clearly stand a long way in front of other parties. That advantage must not be lost, and we must endeavour to ensure that the issue of standards continues at the heart of political debate about education. In some quarters there may well be a feeling that the three Acts did not go far enough, or that the results have been disappointing. Action might be considered to counter such feelings. It should be emphasised that the legislation, coupled with other measures (eg improving the quality of teachers and the curriculum) provides clear evidence of Conservative determination to lay down a framework through which higher standards can be achieved.

6. Parents

The Government's legislation shows that we are the guardians of the rights of parents. However, the party's advantage over its opponents could be reduced by a sense of disappointment on the part of some parents who believed that the 1980 Act would guarantee

a place at the school of their choice, even if it is already full. We should impress upon such doubters that the Act has improved choice, and also improved the response that Local Authorities make to that expression of choice.

Our difficulties in this area are increased by the fact that some LEAs (Conservative as well as Labour) continue to act as if no change in the law had taken place, and direct children to schools as they require rather than the parents wish. Some of the Shire Counties in particular seem to resent the new Act because it seeks to make them less dictatorial than they have been.

The overall position will not be clear until the autumn. We must take great care to try and preserve the reputation we have gained with parents.

7. Universities

Once patiently explained, the selective nature of the university cuts is understood and often agreed with. Nevertheless, the way the university cuts have been presented, and the effectiveness of some of the university campaigners, may have led some traditional Conservative middle-class voters, especially if they have young teenagers of their own, to be highly critical, and sometimes angry.

The university cuts seem to have done most political damage amongst our own supporters. To those who have no knowledge of the universities at all, and no appreciation of their value, (those that believe that all students are trendy lefties) the cuts are possibly welcome, but it is not likely that there are many amongst our own supporters who are totally unsympathetic to the universities.

Emphasis needs to be concentrated particularly on the most positive aspect of this process of university restructuring:

- within the overall reduction, there will be an absolute increase in numbers studying certain subjects of crucial importance to the future of our country (engineering and technology, mathematics and physical sciences).

8. Some points that should have a secure place in our education policy speak for themselves and require little comment. The following list is far from being exhaustive:

- the retention of traditional teaching methods
- support for good discipline.
- support for the enforcement of religious education and the daily act of worship
- opposition to trendy sex education, politics in schools etc
- support for the retention of academic sixth forms

...../

- support for selection and the selective process
- support for grammar schools, technical schools, and specialist schools
- a general move away from the monolithic large comprehensive school

9. Conservatives are often thought to be concerned about standards and academic excellence to the almost total exclusion of everything else. The Government's record shows a deep interest in the position of the less academically orientated student. Additional money for further education and a new examination are just two of the measures that have been taken to improve the prospects of those who need to be equipped directly for their working lives. We can legitimately claim to be just as preoccupied with the needs of the 'bottom 40%' as with the enhancement of prospects for those who take exams at 16.

Conservative Research Department

SS/AC/SCB
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PRIME MINISTER

You have said on other papers today that you want meetings of the Liaison Committee to resume, even if you are unable to chair them all yourself. Do you also want us to reinstitute media meetings on Monday and ~~Thursday~~^{Friday} of each week?

No,
~

KLS

25 June 1982



Edon
Pol.

10 DOWNING STREET

~~Clive~~

No. 10 Downing St.
W.

The PM gave this paper to
Ferdinand Mount for his comments.

Understand he has taken a
copy for his own use.

Douglas was to hold this
copy.

Andy

Econ Pol.

PRIME MINISTER

LIAISON COMMITTEE

ISSUES FOR DECISION

The period immediately ahead will be dominated by the Falkland Islands crisis. This makes its own very heavy presentational demands which have so far been dealt with successfully.

The crisis has however overshadowed, if not entirely eclipsed, three important events:

- the Government's third anniversary;
- better economic news, apart from an unemployment figures relapse; and
- the local elections in which the Government's position may be benefiting from the Falklands crisis.

The effect may be a mixed blessing. But the reality is that substantial opportunities to present the Government's domestic record in a better light have been lost. A major effort will be required to build domestically upon any successful outcome of the Falklands crisis.

Meanwhile, it is important to avoid being caught out by other events. The major events/issues arising over the next months are:

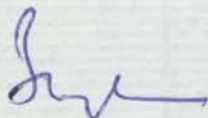
- pay review/arbitration decisions this week (? tomorrow); (NB: a series of 6 Civil Service Union Conferences is to be held between May 10 and 20);
- NHS dock and rail disputes; NB: ASLEF conference (18-26); NUPE conference (23-27);
- anniversaries of hunger striker deaths starting with Bobby Sands today; others this month are Hughes (12); McCreesh and O'Hara (21);
- EC Mandate;
- Economic - Index of Retail Prices (? single figures) (21); Unemployment figures (25).
- Pope's visit at end of the month.

CONFIDENTIAL

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Your media/speaking engagements are:

- May 14 - Scottish Conference;
- May 15 - Franco/British Council;
- May 26 - Conservative Women's Conference.



B. INGHAM

4 May 1982

CONFIDENTIAL

SECRET

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NOTE FOR LIAISON COMMITTEE: CIRCULATION OF PRESS RELEASES

... The Chief Secretary has asked that the attached note be circulated for possible discussion at the Committee's next meeting (Wednesday 21 April).

CIRCULATION OF PRESS RELEASES

The present rule concerning the circulation of press releases through the official machinery is set out in paragraph 103 of 'Questions of Procedure for Ministers' circulated by the Prime Minister as C(P)(79)1. I understand that the entire memorandum is currently under review. This seems, therefore, a particularly appropriate time to suggest any changes.

The change which I propose concerns the ruling contained in the re-drafted memorandum in the sentence of paragraph 103:

"Speeches made in a Party political context should be distributed through the Party machine".

It is easy to understand the concern that the Government should not be seen to be using the official machinery for speeches which make comments of a party political kind. The substance of Ministerial speeches circulated in this way is already subject to continuing scrutiny by the Central Office of Information, and undoubtedly should continue to be subjected to such scrutiny. We would not wish to set a precedent which could be exploited by future governments. Nor would we wish to incur the odium stemming from accusations of misusing government resources for Party ends.

On the other hand, the clear and proper purpose of the Central Office of Information and of official machinery should be to ensure that the Government's policies and decisions are effectively publicised. The rule concerning the occasion (as opposed to the content) of speeches presents a major obstacle to that. It also, by doing so, presents an obstacle to ensuring that success in communication of the Government's over-all economic strategy which it is one of the purposes of this Committee to achieve.

In practice, the location of the great majority of Ministerial speaking engagements is party political. The number of 'official' occasions which present themselves for policy pronouncements are fairly few. Special statements issued on other occasions, with

with no obvious forum, are likely either to attract no attention, because they lack credibility, or too much attention because they have the air of 'emergency' about them.

In spite of the good endeavours of the Party press officers, there is no doubt that Party press releases attract less attention and carry less weight than those issued through the official machinery. In my own experience in the economic field, statements of equal importance, topicality and weight are almost always given far more coverage if they are issued through the official machinery. This is regrettable. But whatever efforts are made, the sea of press releases issued through the Party appears to have that effect. Moreover, it is right that the Government should try to ensure full use of its resources for its own legitimate purposes.

On previous occasions when this matter has been discussed the issue of content, rather than location, has been considered. I would stress that I propose no change concerning the rule in that regard.

I do, however, propose that the rule concerning location should be changed. In the proposed re-draft of paragraph 103 that would be achieved by deleting the words "are made on official occasions and" and by deleting the second sentence, "Speeches made.....Party machinery". The rule would then be:-

"Ministers should use official machinery for distributing texts of Ministerial speeches only when such speeches deal with Government as distinct from Party policy".

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REPORT TO LIAISON COMMITTEE

ON PRESENTATION OF

CONSERVATIVE SOCIAL SERVICE POLICIES

SECTION I - Importance and Public Perception

In this paper the term "social services" includes the social security system, the National Health Service and the personal social services administered by local government. Special attention is also paid to non-state provision by volunteers and families.

1. Although the most urgent political issues in the minds of the electorate are mainly in the economic field, the Conservative Party has traditionally recognised the importance of wider values.
2. These values underpin the kind of society to which the Conservative Party is committed and the policies which are needed to sustain them.
3. Conservative values include the cohesion and stability of our society; the establishment of good standards of learning and behaviour; freedom of choice for individuals and their families as well as the devolution of responsibility to them; and the humane and religious tradition of caring for those in real need.
4. This last quality in particular is reflected in the work of the family in caring for children and disabled relatives; this greatly outstrips provision by the state and there is no evidence that the modern family has given up its caring functions. Indeed proportionally more elderly people are said to be cared for by their families than was the case at the beginning of this century.
5. Against this background one of the main functions of the statutory services is to back-up the family unit and help it to carry out its responsibilities.
6. Clearly these services also have a major role to play where there is no family or where the family are unable to cope.
7. In the final analysis the statutory services act as a safety net. No-one is denied medical treatment because he cannot afford it and no-one need be reduced to real poverty, by unemployment, widowhood or old-age. In a very real sense the social services in Britain re-inforce the claim that a free enterprise economy and a compassionate society go hand in hand. Each are different sides of the same coin.
8. There is strong support in principle for the present system of social services. For example, a recent poll found that 71% of those asked about the National Health said that it represented value for money and 83% would oppose replacing it by private medicine.

(Marplan, December 1981). Popular support for a system which provides an income for old people is equally high. When given a list of seventeen things the 1981 budget should or should not have done, the one issue easily topping the list was raising pensions - which was favoured by 95% of the respondents and was more popular than raising tax allowances (favoured by 73%).

9. It is worth noting that about 30% of those voting Conservative at the last General Election were over pensionable age and that we have a bigger lead in this age group than in any other. This is because the elderly strongly identify with the values of the Conservative Party.
10. The Government's overall record in the social services is a very creditable one and many achievements have been carried out of which we can be proud. Unfortunately there is absolutely no reason to think that this is getting through to any but a small section of the electorate.
11. For example, a Gallup survey in December 1981 showed that 64% of respondents disapproved of the way the Government was handling the Health Service and only 28% approved. (In June last year, the figures 55% and 33% respectively). It is likely that the public, if asked whether the Health Service was being expanded or reduced, would almost entirely assume the latter. The fact that the real resources going into the NHS have never been higher is almost certainly disbelieved.
12. Similarly, 55% of respondents disapproved of the way in which the Government was handling pensions whilst only 34% approved (last June the figures were 49% and 39% respectively).
13. Other poll evidence shows that in our first three budgets (but not the fourth) the majority of people felt that pensioners and families with children had actually been made worse off, whilst in all our budgets widows and the low-paid were seen as being made worse-off.
14. In sum the social services are an essential element in our society and command widespread support; they are directly relied upon by large numbers of people, accounting for over 40% of the adult population; although the Conservative record is very creditable the majority of the electorate do not share this view.

SECTION II - The Record

1. The present Government has fully lived up to the tradition of the Conservative Party in protecting the old and recognising the special needs of the disabled; in safeguarding those who are most in need; and in improving the National Health Service.
2. The Elderly
 - pensions have been fully protected against prices, as we promised at the last General Election. Indeed by November 1982 they will have been raised during our period of office slightly ahead of prices

- the £10 Christmas Bonus has been paid each year
- the Government is committed to the abolition of the earnings rule
- poor pensioners on supplementary benefit receive more help with their heating costs than they received under Labour
- the Government's prime economic objective of reducing the rate of inflation is of great importance to the elderly, because inflation erodes the value of their savings as well as any fixed income they may have. The inflation rate is expected to fall from 12% at the beginning of 1982 to 9% by the autumn and to 7½% by the middle of 1983.

3. The Disabled

- the attendance allowance paid to 300,000 handicapped people has been fully protected against prices
- the mobility allowance will have been raised from £10 per week under Labour to £18.30 by November 1982. Its value will therefore have been increased by 83% under the Conservatives. In addition, the mobility allowance has been made non-taxable and this will benefit some 40,000 disabled people, many of whom are in work and thus have other taxable income
- in total, social security expenditure on the long-term sick and the disabled has risen by 5% in real terms between 1978-9 and 1981-2.
- under the Companies Act 1980 company policy towards the disabled must be set out each year in the director's report
- measures taken by the Government last year include doubling the tax allowance for the blind and the Education Act 1981, updating the law on the special education of handicapped children.

4. Low-income Groups

Supplementary benefits provide a minimum level of income for over 6 million people (including dependent wives and children) and the main categories are pensioners, the unemployed and single-parent families.

The Government will have raised supplementary benefits fully in line with the increase in prices in the four years to November 1982.

This means that the very poorest in our society have had their living standards maintained. The idea that we are inviting the poor to bear the brunt of our economic strategy bears no relation to the truth.

5. The National Health Service

- in 1979 the Conservative Party promised to increase the resources of the NHS and this commitment has been fulfilled. Between 1978-9 and 1981-2 spending on the National Health Service rose by 5% in real terms and now runs at over £12000 million p.a.
- over £1000 million has been set aside for 123 important new hospital building schemes costing over £2 million each
- one result of the increase in expenditure is that the NHS is now employing more staff to care for patients. In the two years to

September 1981 the number of nurses and midwives (whole-time equivalents) rose by 34,000 in England alone; the number of doctors and dentists directly employed by the NHS increased by 1900 and the number of GPs by 1400

- under Labour the number of people awaiting admission to hospital rose by a quarter of a million to three-quarters of a million in England by March 1979; under the Conservative waiting lists have been reduced from 752,000 in March 1979 to 628,000 in March 1981, and urgent cases are now being treated more quickly
- administration is being simplified by the removal of one administrative tier (the area health authority); decision-making will be nearer to the point where health care is actually delivered; and some £30 million will be saved on administration and transferred to patient care
- mental health legislation is being updated and much more attention given to the needs of families with mentally infirm relatives. Special measures are also being taken to reduce the number of mentally handicapped children in large hospitals
- private medicine has been encouraged by abolishing Labour's legislation to phase out paybeds; easing restrictions on private hospitals and restoring tax relief on employer/employee medical schemes. These measures have increased total health care in the UK and relieved the strain on the NHS

6. Personal Social Services and Voluntary Effort

- the resources going into the personal social services, run by local authorities, have also been increased in real terms and are therefore higher than when Labour was in office
- this extra money has resulted in an improvement in services as well as salaries. There have been increases in the number of home helps, as well as meals-on-wheels and other services, since 1978-9. These services, together with the financial support offered through the social security system, mean that more disabled people are able to live in their homes in the community, which is what they want to do in the first place.
- the amount of voluntary effort in the personal social services is actually greater than that provided by local government and budgetary concessions worth £30 million p.a. have been made by the Government to help charities. In addition, Central Government has maintained the value of its grants to voluntary organisations and make it easier for the unemployed to do voluntary work without losing entitlement to benefit.

SECTION III - Themes and Presentation1. Improving the Social Services 1979-82

- (a) It must be accepted that the propaganda climate in recent years has been a difficult one. Some hard but necessary decisions have had to be taken in which certain benefits have been cut in real value (e.g. unemployment benefit, sickness benefit and child benefit) and earnings-related benefits abolished. This has been aggravated by a constant barrage of ill-informed press and TV comment about "the cuts" and rumours about further proposed public expenditure economies in the last two years. The end result has been to create a climate of opinion in which everything is seen to have been cut even if it is untrue. Many Conservatives appear to share these widespread misconceptions.
- (b) Fortunately we now have a good practical record in Government and we can claim to be judged on what we have done. Furthermore, on the assumption that the public expenditure programmes are established and will be adhered to, there will be a period of relative calm and consolidation. Now is a good time for taking a much more aggressive approach in selling our achievements.
- (c) Public opinion will, on all the polling evidence that is available, strongly support out positive actions in the social services and there is no reason to believe that the unfavourable attitude currently displayed by the electorate is somehow set or immovable. Interestingly, in the 1981 budget we were seen for the first time, by a small majority, as making the disabled better-off and in the 1982 budget we were seen as making pensioners better-off (by 31% to 19%), also for the first time. This shows that with imaginative measures, like doubling the blind allowance, and good presentation it is possible to alter public perception of the Government.
- (d) In the Health Service we should stress not only our record but only the dedication shown by the nurses, and hence the damage done to patients as well as to their own interests by going on strike.
- (e) Unemployment is the most important political issue at the present time and, although it is not a DHSS matter, the electorate may well see the Government's response as an important indication of its social attitudes. This suggests that our publicity in the social services field should be complemented by similar illustrations of what we are doing to help the unemployed (e.g. educational provisions, training and early retirement) whilst the economy is being put on a sounder footing.
- (f) We have done as much for the social services as any responsible Government could do and this is a point which we should aim to get across to the electorate. By contrast, the Labour Party proposals for massive extra public borrowing, in the social services as elsewhere, carry little conviction and highlighting them may help us to damage Labour's credibility.

2. Paying for the Social Services

- (a) Although any Government would obviously like to improve the social services, the fact is that huge sums are already being spent and that extra expenditure has to be paid for.
- (b) This year the personal social services will cost over £2000 million; the NHS over £12,000 million and the social security programme over £32,000 million. This means that out of every £10 of public spending, £4 goes on the social services.
- (c) Emphasis must be constantly laid on the fact that expenditure on the social services is financed out of taxation and that the increases in expenditure since 1979 have had to be financed by increases in taxation. For example, the NI contribution paid by employees has risen from 6.5% to 8.75% mainly to finance expenditure on social security benefits and the NHS.
- (d) Any responsible Government must strike a balance if only because heavier taxation can damage the very groups which the social services are trying to help. Increases in personal taxation mean that people on low incomes are made worse-off whilst increases in business taxation simply results in higher unemployment.
- (e) In the longer term, the most important reason for controlling expenditure and taxation is that such restraint is vital to the Government's economic objectives and hence to a healthier and more productive economy. Unless we can achieve industrial recovery we will not create the wealth that is necessary to put into effect our plans and aspirations. People dependent upon the social services, including the unemployed, are among those who will gain most from the success of the Government's economic strategy.

3. Strengthening the Family

- (a) The family is the basic social unit in our society and provides the framework within which most people develop as individuals and as members of society.
- (b) In the social services field the family is important not only because of its role in raising children but because its functions in caring for disabled relatives. A survey by "Age Concern" confirms that very few elderly people are ever visited by a social worker or a voluntary worker and that the bulk of supporting help for the elderly disabled is met by the family. ("Beyond Three Score and Ten", 1978). Of some 700,000 elderly people suffering from dementia, only 13,500 are being cared for in hospital and the vast majority are being looked after by their families.
- (c) It is totally in accord with Conservative values to help families who wish to look after their relatives. The social security system can help ease the financial strain on the family (e.g. the attendance allowance, introduced by the last Conservative Government, is especially helpful) and the personal social

services are becoming more family-orientated. For example, some local authorities take disabled people into residential accommodation for short periods so that families can be given a break.

- (d) The removal of children in care from institutional homes and placing them with carefully chosen foster parents is a good example of family policy. It is in the interests of the children to be brought up in a family and they are most likely to accept social discipline in adulthood.
- (e) Conservatives have strengthened the family in other areas. The sale of council houses means that many working families can, for the first time, acquire their own home and a major financial asset, which they can leave to their children. The Education Act 1980 has established a Parents Charter in our schools and given parents more say in how their children are educated.
- (f) Families have duties as well as rights and in the past too little emphasis has been laid on parental responsibility. The Criminal Justice Bill makes parents face up to their responsibilities by normally paying the fines imposed on their children or entering into recognisances to ensure their good behaviour.
- (g) However, the family is coming under strain as a result of the rising divorce rate, particularly the effect it has on children. To over-simplify the issue, divorce is generally good for adults but devastating for children. There are important implications for public policy because of the heavy burdens that divorce places on the legal system, the social service departments and social security benefits. It also seems probable that divorce leads to an increase in juvenile delinquency among the children involved. Calls have been made for more effective conciliation and reconciliation procedures and the Government is studying these recommendations.

4. Privatisation and Freedom of Choice

- (a) The Conservative Government has strongly encouraged the growth of the private sector in the social services.
- (b) About half of all earnings-related pensions are in the private sector and the excessive reliance on state pensions provided after the war has been radically diminished. The introduction of the new sick pay scheme for the first eight weeks of illness will take the state out of a business which employers can do perfectly well. In both these areas the role of the state is simply to supervise the arrangements and lay down certain minimum standards.
- (c) The private medical sector is also rapidly expanding and over 4 million people now have medical insurance with the provident associations.
- (d) Conservative policy is to encourage the private medical sector, thereby widening freedom of choice and easing the strain on the NHS. This policy is strongly supported by the electorate and indeed a BUPA survey of February 1980 shows that 66% of

all union members would be in favour of accepting a wage deal which included private medical insurance (20% would reject it and 14% did not know).

- (e) Conservative policy is therefore going with the grain of public opinion, whereas the Labour Party - which has traditionally called for the banning of private medicine - and the SDP/ Liberal Alliance, which appears to favour restrictions on private medicine, are both in some difficulties. The Conservative Party could take a much more aggressive approach in its publicity in this area.

5. Encouraging the volunteers

- (a) The role of the volunteer is valued by the Conservative Party in particular. Volunteers embody individual responsibility in a free society and represent a personal response to social needs. The voluntary movement often does what the state cannot do and, in addition, is innovative, quick and flexible.
- (b) Some 1½ million people take part in voluntary work in the community every week and the amount of voluntary effort in the personal social services exceeds that provided by the statutory services. Many disabled people, especially those without families or friends to support them, are only able to live in their own homes because of voluntary workers.
- (c) The voluntary and the statutory workers are being encouraged by the Government to work in partnership and as a result many local authorities now provide basic services in conjunction with voluntary bodies.
- (d) The suggestion that charities should be helped by tax concessions is extremely popular. When, after the 1981 budget, people were given in a poll a list of seventeen measures which they would have liked to have seen in the budget, the third most popular proposal (after raising retirement pensions and tax allowances) was tax concessions for charities. In fact, the 1980 budget gave about £30 million in tax relief for charitable giving and that was the biggest incentive to charities for half a century.
- (e) Although the Labour Party is still not over-enthusiastic about voluntary organisations, partly because some of its members believe that the state should manage everything, this is not true of the SDP/ Liberal Alliance which is likely to make a bid for the "charitable" vote. This will make it more important for the Conservative Party to make more of its favourable attitude and good record in helping the voluntary sector.

20/4/82

THE PRESENTATION OF HOUSING POLICY

Part I Government Policy, Public Perceptions, and Presentation

Government Policy

Our housing policies have benefited a substantial proportion of the electorate in a very material way. 6 million public tenants have obtained new and valuable legal rights under our Tenants Charter, and by the end of this Parliament, at least half a million tenants (or one million if wives are included) will have become home-owners entirely because of the right to buy and the Government's other low-cost home-ownership schemes. In housing we shall have brought tangible benefits to a very large number of the electorate.

Since the election the emphasis in housing policy has moved from the indiscriminate drive to build more new homes regardless of quality or acceptability to potential occupants, to an effort to make better use of the existing housing stock. At the same time the Government has embarked on an ambitious programme of extending home-ownership both through the sale of council houses and other low cost home ownership initiatives, and the liberation of public sector tenants through the tenants charter and the tenants exchange scheme.

Because of the failure of the Labour Government to implement its stated policy objective of increasing council house rents in line with earnings it has been necessary to increase rents by considerable amounts since the election, but it must be stated constantly that half of all council tenants receive

substantial help with their rent through supplementary benefit and rent rebates.

On the other hand, families who have entered home ownership for the first time in the last few years will have had to make sacrifices to meet the consequences of high interest rates. The recent reduction in mortgage rates will begin to make them feel those sacrifices were worthwhile, and in the long term they will enjoy the benefits of home ownership.

Public Perceptions

A recent survey * showed that the public's understanding of housing policy could be better. Most people, and a large proportion of council tenants, believe the Government is doing everything it can to ensure that council tenants who wish to buy their houses are able to do so. Fewer people think that the Government is doing enough to help first time home buyers who are not council tenants to buy their own homes. Most people disagreed with the statement 'it has been suggested that the Government is interested only in owner occupiers and has done nothing for council tenants'. A majority of people do not understand why council house rents had to be increased, although a small percentage of people think rents have not been increased enough. There is still considerable support for new building for rent. There is consistently high support among people of all parties for the proposition that the Government should make more money available for house improvement rather than new building.

* Gallup survey, conducted between the 10th and 13th April 1982.

The Presentational Approach

In housing, the major presentational need is not so much to get over the argument for Government policies, but to get over the benefits that the policies are already bringing to millions of families.

Few outside the Labour Party and the public housing lobby will deny the strength of the social case for selling council - certainly not council tenants themselves. Even fewer will deny the value of the Government's other low-cost home-ownership initiatives, and of measures to encourage the private rented sector. The Tenants' Charter, The Tenants Exchange scheme to facilitate mobility and initiatives on hostels and home improvements are being welcomed widely. About half the council tenants who do not choose to buy will receive help with their rent.

The key points to highlight are as follows:

- (a) The sale of council houses has brought home-ownership to thousands of council tenant families for whom otherwise it would have been impossible. By the end of 1981 nearly $\frac{1}{4}$ million council dwellings had been sold under the present Government and nearly $\frac{1}{2}$ million were still in the pipeline, of which well over half are likely to go through to completion.
- (b) We are not bringing home-ownership just to council tenants. Our other low-cost home ownership schemes (building for sale, improvement for sale, homesteading, and shared ownership) represent the most far reaching and comprehensive widening of home-ownership opportunities of any post-war Government. Two-thirds of all local authorities in England are now undertaking one or more

of the low-cost home-ownership schemes.

- (c) No other country has developed shared-ownership on the lines now available in Britain whereby people can buy a part stake in the equity of a house or flat with the contractual right to buy the balance of the equity later - in several stages if need be. This brings home-ownership well within the capacity of those with below average incomes. Shared ownership purchases are being made now of as little as 25% of the equity initially.
- (d) We have not ignored those who can only afford to rent - far from it.
- (e) In the public sector, our Tenants Charter gives all council, new town and housing association tenants far and away the most important extension of their legal rights this century - security of tenure, the right to improve, access to improvement grants on the same basis as owner-occupiers, the right to take in lodgers, the right to sublet, the right to be consulted by the local authority.
- (f) We have also made much the most important advances post-war in helping public tenants who want to move - with the launching of the National Mobility Scheme in April 1981, and with the Tenants Exchange Scheme which started on 1 April this year. The National Mobility Scheme

releases a minimum of 1% of each local authority's lettings to people from outside its area, and the Tenants Exchange Scheme provides the first national computerised information system about the exchange requirements all public sector tenants.

- (g) In the private rented sector we have made it possible for the first time for more than 15 years to let a house or flat short-term with the certainty of being able to get it back - by introducing shorthold. We have made it possible through introducing assured tenancies to carry out new building for rent, free from rent control. We have made it much easier for home-owners to let their spare rooms, and for owners of retirement homes and for home-owners going abroad to let their house for a short period with a guaranteed right of repossession.
- (h) We have extended rent allowances to a number of low income families who were previously excluded from them - e.g. certain hostel dwellers and those sharing accommodation.
- (i) Hostel accommodation, and where there is the greatest single concentration of housing need, has been the subject of major improvements in legislation (in the 1980 Housing Act) and of a significant increase in expenditure. In 1982-83 there will be approximately three times as many hostel bedspaces approved as in the last year of the previous Government.

(j) The home improvement grant system has been radically overhauled, and made usable for the first time by those with very little capital of their own. Improvement grants can now be paid to the low-income elderly and to the disabled at the rate of 90% of the cost of the work, and the same groups can now get a 90% rate of grant for home insulation. The 90% rate of grant has been extended to other groups in the Chancellor's recent Budget for grant applications received by 31 December 1982 and an additional £100 million has been made available for home improvement in 1982-83.

(k) Through our Priority Estates Project we are making a concerted, intensive, and long over-due, effort to help authorities tackle the immense problem of difficult to let and vandalised council estates, covering, on local authorities own estimates, $\frac{1}{4}$ million dwellings (or more than $\frac{1}{2}$ million electors). The Priority Estates Project is demonstration on the ground how three difficult to let estates in Bolton, Brixton and Hackney can be made more acceptable to tenants.

The appendix sets out the detailed factual record of the Government's housing measures.

PART II Fallacies versus the facts

1. Housebuilding

Fallacy

The present Government is responsible for a collapse in the housebuilding programme.

Fact

Under the Labour Government public sector starts went down every single year from 1975 onwards; public expenditure on housing capital was nearly halved; and in their last year (1979) public starts were the lowest in the post-war period. Whilst the decline in public sector housebuilding has continued under the present Government, local authorities have substantially underspent the Government provision for housing capital expenditure in 1981-2, and the reduction in public sector starts is being offset by an increase in private sector starts which in 1981 were 20% up on 1980.

2. Home ownership

Fallacy

Not enough being done for first time buyers who aren't council tenants with the right to buy.

Fact

The Government has the most extensive range of schemes for helping first-time home-owners of any post-war Government. In addition to the Right to Buy, these comprise

- (a) the building of starter homes for sale by private housebuilders in partnership with local authorities.
- (b) the new improvement for sale scheme.
- (c) the homesteading scheme - the sale of vacant dilapidated houses for improvement by the purchaser.
- (d) sharedownership - part-

owning and part-renting - which can now be provided as an alternative to outright ownership by councils, new towns and housing associations.

- (e) the mortgage guarantee scheme under which local authorities can now act as guarantors of building society mortgages.
- (f) the general consent given to all local councils to sell vacant council houses and flats at 30% discounts to any first-time buyer.

Two-thirds of all local councils are now undertaking one or more of the Government low-cost home-ownership initiating.

First-time buyers are also being helped by the fact that the ratio between earnings and house prices is more favourable than at any time under the Labour Government.

3. The sale of Council houses

Fallacy

The sale of the century has not taken off.

Fallacy

The Government has not done enough to help tenants who face obstruction by Labour Councils.

Fact

Nearly $\frac{1}{4}$ million council dwellings were sold between May 1979 and December 1981, and the lions share of nearly $\frac{1}{2}$ million right to buy applications had still to come through to completion.

Fact

Intervention has already taken place successfully in Norwich. Intervention has not occurred on a larger scale because Labour Council

almost without exception have submitted to continuous pressure from the Government to accelerate sales.

A large number of councils rate of progress is being monitored monthly.

Every single complaint of delay from council tenants is pursued by the Department of the Environment with the Council concerned.

The Minister of Housing has urged any tenant in England whose application is still being held up to write to him with details.

Fallacy

The Government isn't helping Council tenants who can't buy because their house is on leasehold land.

Fact

In reply to a Parliamentary Question on 11 February the Prime Minister said, "I am well aware that our pledge at the general election covered those living in leasehold properties belonging to local authorities who wish to buy their homes, but where the local authority does not possess the freehold. Our last legislation did not cover that case. It should be covered. It is our intention to cover it. We have a high priority to do so. I cannot promise my hon. Friend that there will be legislation during this Session of Parliament. However, if not, we shall try in the next Session."

Council Rents

Fallacy

The Government is increasing rents by more than the increase in earnings.

Fact

The Labour Government, while accepting the principle that rents should rise in line with money-incomes, failed to ensure that rents did so. Consequently the share of average earnings taken by rents dropped under Labour from 8% to 6.3% and the subsidy burden on taxpayers and ratepayers was increased enormously. It is only reasonable that council rents are brought back to a more sensible relationship to earnings, particularly when about 50% of all tenants get the majority or the whole of any rent increase paid for them through either supplementary benefit or rent rebates.

Fallacy

The Government is interested only in owner-occupiers and has done nothing for tenants.

Fact

Council tenants now have a Tenants Charter which gives them:

- (a) security of tenure
- (b) the right of succession to the tenancy for a widow, widower or resident relative
- (c) the right to sublet
- (d) the right to take in lodgers
- (e) the right to make improvements and rights to consultation. The Government has also introduced the Tenants Exchange Scheme, a computer based scheme which will enable public sector tenants to exchange houses with other tenants in different parts of the country.

Empty Dwellings

Fallacy

The Government is responsible for the considerable number of empty dwellings in the public and private sectors.

Fact

The responsibility lies squarely with Labour Councils and Labour policies. In the public sector the heaviest concentrations of empty council dwellings are in Labour authorities, frequently because of irresponsible large-scale municipalisation programmes carried out under the last Government.

The present Government has given councils the most extensive encouragement and incentives to get empty dwellings back into use by:

- (a) encouraging homesteading
- (b) bringing in the improvement for sale scheme
- (c) allowing councils to sell empty dwellings at 30% discounts
- (d) allowing councils to use both their housing and non-housing capital receipts to increase their housing expenditure, for example on improving their empty dwellings.

Too many Labour Councils have chosen to keep dwellings empty rather than selling them.

In the private sector the Government has introduced shorthold to help bring privately owned empty dwellings back into use through lettings for between 1 and 5 years. By their commitment to repeal shorthold the Labour Party is directly responsible for impeding the take-up of shorthold and for dwellings in the private sector being kept empty unnecessarily.

Public expenditure on Housing

Fallacy

The public expenditure cuts have fallen disproportionately on housing.

Fact

Housing is an area where there is a genuine private sector alternative to public expenditure. Low-cost home-ownership is a feasible and a more satisfactory housing option for many of those who are already in rented accommodation or on waiting lists. The Building Societies can and are replacing much of the public expenditure on local authority mortgages with private sector mortgages - again perfectly satisfactorily.

Even so -

- (a) the Government's gross provision for housing capital expenditure in 1982-83 (i.e. allocations plus receipts) will be 6% higher in real terms than that for 1981-82
- (b) the Chancellor in his Budget announced £100 million of additional expenditure on home improvement and home insulation for 1982-83
- (c) the new capital receipt rules which the Government introduced from 1 April 1981 give individual councils very great scope for adding to their capital expenditure on housing if they wish from the receipts from sales of council houses, sales of council land and repayments of principal on local authority mortgages.

Labour MPs and Labour Councillors who complain about housing cuts represent areas where the local authority is not spending its full entitlement on housing. (The latest authority by authority figures for 1981-82 on housing expenditure in relation to allocation plus receipts are in Hansard, Written Answers, 1 April 1982, Cols. 178-194).

A SUMMARY OF HOUSING MEASURES SINCE MAY 1979
(Updated to March 1982)

This brief is designed to provide a summary of the key provisions of the Housing Act 1980 together with other measures the Government has taken in the Housing field since May 1979.

This brief is arranged as follows:-

The Government's low-cost home-ownership programme	paragraphs 1-7
Other measures to assist home-ownership	paragraphs 8-12
The Tenants Charter	paragraphs 13-14
The Priority Estates Project	paragraph 15
Shorthold	paragraph 16
Assured Tenancies	paragraph 17
Other Rent Act changes	paragraph 18
Service charges	paragraphs 19-21
Leasehold reform	paragraph 22
Improvement and repair	paragraphs 23-26
Home Insulation	paragraphs 27-29
Rent rebates and rent allowances	paragraphs 30-31
Housing Associations	paragraphs 32-34
Hostels	paragraph 35
The Elderly	paragraph 36-42
The Disabled	paragraphs 43-45
Servicemen	paragraph 46
Mobility	paragraphs 47-50
Reform of local authority housing finance	paragraph 51
1980 Housing Act booklets	paragraph 52
Housing Films	paragraph 53

THE GOVERNMENT'S LOW-COST HOME OWNERSHIP PROGRAMME

The Government is implementing a comprehensive and far reaching 7 point low-cost home-ownership programme as follows:-

1. The sale of council houses and flats

Council tenants, new town tenants and the tenants of non-charitable housing associations have been given the right to buy their houses or flats, and the right to a mortgage from their landlord or, in the case of housing associations, from the Housing Corporation.

If tenants are not able to afford to buy outright, they will, on payment of £100, have the right to a two year option to buy at the original price.

If they are still unable to buy at the end of the two-year option period, local authorities, new towns and non-charitable housing associations will be able to sell them their house or flat on a shared-ownership (part-owning and part-renting) basis - again at the original price.

The tenants of charitable housing associations do not have the right to buy, but these associations have been empowered to sell to their tenants voluntarily.

Co-ownership societies have also been given the power to sell to their members.

All local authorities (including county councils) have been given wider powers to sell houses and flats voluntarily. The general consents issued on 2 June 1981 enabled authorities:-

- a. to sell dwellings at a discount of up to 30% to sitting tenants who have not completed the 3 year right to buy qualifying period;
- b. to sell dwellings at right to buy discounts to sitting tenants who are excluded from the right to buy;

- c. to sell empty dwellings at discounts of up to 30% to any first-time buyer; to anyone with a firm offer of regular employment in the area; and to anyone having to leave tied accommodation, Armed forces married quarters, or a dwelling subject to slum clearance or redevelopment.

Since the Government was elected local authorities and new towns in Great Britain had completed the sale of almost $\frac{1}{2}$ million dwellings by 31 December 1981. In addition at 31 December 1981 nearly $\frac{1}{2}$ million tenants in Great Britain had applied to buy their homes under the right to buy.

2. The sale of land for starter homes

To encourage the release of publicly owned land for starter homes schemes, authorities have been able since 1 April 1981 to increase their individual Housing Investment Programme (HIP) allocations by the full amount of their receipts from land sales. In addition, as from 1 April 1981 housing subsidy will be withdrawn from local authority housing land that is kept vacant and not developed within 3 years from 8 August 1980 or from the date of purchase if later.

Between April 1980 and September 1981 a total of 1210 acres of land was sold to private housebuilders in England by local authorities.

3. Building for sale

Maximum encouragement is being given to partnership schemes between local authorities and private housebuilders whereby building for sale is carried out under licence on local authorities' own land. A total of 113 out of the 367 authorities in England are undertaking such schemes.

4. Improvement for sale

Under the 1980 Housing Act, powers have been taken to make a central Government grant available to both local authorities and housing associations who improve run-down dwellings for sale. The grant is paid on any difference, up to a maximum of £7,500 per dwelling

(£10,000 in Greater London), between the cost of providing the improved the dwelling and its sale value after improvement. Experience so far suggests that this provides exceptional housing value for a relatively small amount of public expenditure. 80 local authorities are undertaking Improvement for Sale schemes and 51 housing associations also have had schemes approved.

5. Sale of unimproved homes (Homesteading)

Homesteading provides the lowest-cost route into home ownership of all. Pioneered by the GLC, sales of unimproved dwellings for homesteading have now been made by Skelmersdale New Town, and a number of local councils such as Corby, Newcastle, Peterborough and Portsmouth. 85 authorities are now undertaking home-steading schemes in the current year.

To encourage homesteading, powers have been taken whereby the Secretary of State can give an authority consent to waive the interest payments on the mortgages it grants for homesteading for up to 5 years. Such consents have been given to the GLC, the London Boroughs of Barnet, Ealing, Havering and Wandsworth, and the District Councils of Blackpool, Kingswood, South Lakeland, Tunbridge Wells and West Somerset.

6. Shared-ownership (part-owning and part-renting)

To bring home-ownership within reach of more people, local authorities, new towns and housing associations have been empowered to offer shared-ownership as an alternative to outright ownership in all the circumstances where they may be selling a dwelling - including sales of council houses, building for sale, improvement for sale and homesteading.

On 15 October 1980 comprehensive guidance was issued to each local authority and new town corporation on shared-ownership, including a Shared Ownership Model Scheme. Model clauses for inclusion in shared ownership leases have been agreed with the Building Societies Association to enable private sector mortgages to be provided for shared ownership purchasers and these were circulated to all authorities.

on 6 February 1981. Guidance for housing associations has been issued by the Housing Corporation.

In February 1982 the Department issued a new booklet "Shared Ownership how to become a home owner in stages". This is available free from local authorities and other public sector landlords and explains shared ownership in Question and Answer form. 37 authorities are undertaking shared ownership schemes.

7. Guarantees for Building Society Mortgages

To help make Building Society mortgages available to those buying the cheapest, and often therefore the most run-down dwellings, local authorities and the Housing Corporation were given a new power under the 1980 Housing Act to guarantee Building Society mortgages. Model forms of agreement were published in March 1981 (Circular 5/81). A number of authorities are now making use of these powers.

OTHER MEASURES TO ASSIST HOME-OWNERSHIP

8. The exemption ceiling for stamp duty that stood at £15,000 in May 1979 has now been raised again to £25,000 in the March 1982 Budget.

9. The ceiling for local authority mortgage advances has been raised from £13,000 (£15,000 in Greater London) to £25,000 in Greater London or elsewhere.

10. First payments under the Homeloan scheme were made in December 1980 and some 5,000 families have benefitted up to 31 January 1982. Prospective purchasers, who have saved under the scheme for at least two years and who buy a house within the regional price limit set by the Government, will qualify for:-

- a. a loan of £600, free of repayments of interest and capital for up to five years, and
- b. a tax free cash bonus of up to £110.

11. The Housing Act has made it easier for housebuyers to switch between option mortgages and tax relief mortgages. The house

valuation limit under the option mortgage guarantee scheme has been raised from £14,000 to £20,000.

12. The Building Societies have agreed to continue the Support Lending Scheme in 1982/83, and have earmarked £350M for this. From December 1981, the priority categories of borrower, under the Scheme have been extended to include council, new town, and housing association tenants who are buying their homes, and purchasers of homes under the Improvement for Sale scheme.

THE TENANTS' CHARTER

13. In the Housing Act the Government introduced the first statutory charter of rights for tenants of local authorities, new towns and housing associations. The main rights are:-

- a. the right to buy;
- b. security of tenure, subject to the ability of the landlord to obtain repossession for certain specific reasons;
- c. the right of a widow, widower, or a resident member of the family to succeed to the tenancy;
- d. the right to take in lodgers;
- e. the right to sublet;
- f. the right to improve;
- g. the right to information about tenants' rights and obligations;
- h. the right to be consulted about matters affecting the tenancy.

14. To encourage tenants to take more direct responsibility for managing their own estates, powers were renewed in the 1980 Housing Act for the Secretary of State to approve agreements between local authorities and tenants' management co-operatives who are willing to take over the day to day management responsibility for their estates. 10 management co-operatives have so far been approved under the 1980 Act.

THE PRIORITY ESTATES PROJECT

15. The Government has launched, and is financing, a radical and

intensive drive to help local authorities tackle the serious problem of 'difficult to let' council estates, that now include, on authorities' own estimates, some 250,000 dwellings. It is doing this through its Priority Estates Project (PEP). Under this project, 3 actual difficult to let estates are being systematically upgraded—in Bolton, Hackney and Tulse Hill (Lambeth). In addition, the three independent consultants who are managing this project, and who are each tackling one of these estates themselves, are also providing an invaluable source of advice and practical experience to several local authorities with difficult to let problems. An interim report on the progress of PEP was published in 1981 and circulated to all local authorities. A film to demonstrate the various ways in which the difficult to let problem can be overcome is in the process of being produced by the Department and will be launched in June.

SHORTHOLD

16. Shorthold gives landlords the right to let for between 1-5 years with a guaranteed right of repossession, subject to the following safeguards for tenants:-

- a. existing statutory or protected tenancies cannot be converted into shortholds;
- b. tenants have security of tenure during the period of the tenancy plus a further year's security if the landlord does not give notice of repossession before the end of the shorthold period;
- c. For shortholds in Greater London a fair rent has to be registered. Outside Greater London the tenant has the right to apply for a fair rent, but a fair rent does not have to be fixed from the outset of the shorthold tenancy.

Up to the end of November 1981 the number of known rent registrations for shorthold tenancies was 5,128 (NB This is not the complete total of shorthold lettings because, for example, it does not include dwellings where a fair rent was already registered when the shorthold tenancy commenced.)

ASSURED TENANCIES

17. Under the 1980 Housing Act the Government created "assured tenancies", under which landlords approved by the Secretary of State can build for rent at freely negotiated (ie market) rents outside the provisions of the Rent Acts. Approval has been given for four bodies; the Abbey Housing Association Ltd, Wates Ltd, Rushey Development Co Ltd (a wholly owned subsidiary of Rush and Tompkins Ltd), and the Prudential Assurance Company Ltd. The Abbey Housing Association Ltd has already built and let property on assured tenancies in Tower Hamlets, and has other assured tenancies under construction or planned in Islington Southwark and Reading. The Chancellor announced in his March 1982 Budget that the 1982 Finance Bill would introduce capital allowances, at the rate of 75% in the first year, for expenditure on the construction of properties wholly for letting as assured tenancies.

OTHER RENT ACT CHANGES

18. In the Housing Act the Government has:-

- a. ended the system of controlled tenancies under which rents were pegged at 1956 levels; these tenancies have now been brought into the fair rent system;
- b. reduced the period between reviews of fair rents from 3 to 2 years, with a corresponding reduction in phasing instalments, in order to give greater protection of the value of fair rents against inflation;
- c. improved the rent registration procedures to avoid delays;
- d. extended the rights of temporarily absent owner occupiers, servicemen and the owners of retirement homes - and their successors if they die - to regain possession of their homes from tenants;
- e. made it easier for owner occupiers who sublet part of their homes to regain possession. (In addition resident landlords have been helped by the Finance Act 1980 which exempted from Capital Gains Tax the part of an owner occupier's home which is sublet providing it is not self-contained and the gain during the period of letting is

not more than £10,000 on the part of the house which is not let);

- f. extended the right of a deserted husband or wife to apply to the Court for the suspension of an order to possession;
- g. given widowers the same succession rights as widows;
- h. extended Rent Act protection to tenants of the Crown Estate Commissioners and the Duchies of Cornwall and of Lancaster.

SERVICE CHARGES

19. In the Housing Act, the Government has given tenants and long leaseholders of flats who pay service charges:-

- a. increased rights to obtain summaries of costs and to inspect the landlord's accounts;
- b. new rights to be consulted on major works, with a financial sanction against a landlord who fails to consult;
- c. new rights for tenants associations, and a simple procedure whereby associations can obtain recognition;
- d. a new right to challenge demands for advance payments which are unreasonable;
- e. a new right for tenants, who pay service charges as part of a fixed fair rent, to challenge a landlord's evidence on service costs before a fair rent is registered by the rent officer.

20. The Government has increased the maximum penalty for failure of landlords of flats to provide summaries of costs, or facilities for inspection of their accounts.

21. It has also increased the penalties for landlords failing to disclose their identity.

LEASEHOLD REFORM

22. In the Housing Act the Government has amended the Leasehold Reform Act 1967 to help long leaseholders of houses by:-

- a. providing for the creation of local leasehold valuation tribunals to settle valuation disputes arising under the Act quickly and inexpensively; the tribunals came into operation on 31 March 1981;
- b. reducing the residence requirement from 5 years to 3;
- c. reducing the bar on making a second application to buy the freehold from 5 years to 3.

IMPROVEMENT AND REPAIR

23. The new home improvement grant system was brought fully into operation on 15 December 1980. The most important changes are as follows:-

- repair grants are now available for pre-1919 properties generally, (previously they were obtainable in cases of hardship in Housing Action or General Improvement Areas);
- a home improvement grant no longer has to be repaid if an owner-occupier moves within 5 years, provided he or she sells to another owner-occupier;
- to help the less well-off, people can now improve in stages if they wish instead of having to undertake a comprehensive improvement of their homes, and, again to help the less well-off, local authorities have discretion to allow improvement to a lower cost;
- tenants in both private and public sectors are now eligible for grants for the first time;

- higher eligible expense limits have been introduced for Greater London for the first time;
- higher rates of grant are now available for all substandard houses.

24. New rates of grant and eligible expense limits have been set and are now in force.

On grant rates:-

- grants of up to 75% are now available not only in Housing Action Areas, but also for houses outside those areas which are substandard, including those in need of major repairs;
- the grant rate in General Improvement Areas has been increased from 60% to 65%;
- grant rates can be increased by 15% when the applicant is in hardship.

On eligible expense limits:-

- all limits have been increased, with a higher increase in Greater London where building costs are higher;
- for full improvement grants, higher limits now apply "in priority cases" (defined as houses in Housing Action Areas or substandard houses anywhere): these limits are now £11,500 in Greater London and £8,500 elsewhere.

25. The Exchequer contribution payable towards environmental works has been increased from £50 per dwelling in Housing Act Areas and £200 per dwelling in General Improvement Areas to £400 per dwelling in both types of Area.

26. The Chancellor announced in his March 1982 Budget that the grant rate for intermediate and repairs grants would be increased to 90% in all cases where the grant application was made by 31 December 1982.

In addition the rate of Exchequer contribution for repairs grants is being increased from 90% to 95% in order to encourage authorities to promote repairs grants by reducing the call on their own funds. To pay for these changes and to encourage local authorities to make more improvement grants generally available an additional £90.0m being made available for expenditure on home improvement grants in Great Britain in 1982-83.

HOME INSULATION

27. From 1 May 1982 the thickness of loft insulation required is being increased from about 80mm to about 100mm to come into line with the new building regulations standard for thermal insulation to be introduced on 1 April 1982.

28. In August 1980 a new 90% rate of grant under the Homes Insulation Scheme was brought in for elderly people on low incomes up to a maximum grant payable of £90. For other claimants, the maximum grant payable was increased to £65. In December 1981 the 90% grant rate was extended to the severely disabled on low incomes and from 1 May 1982 the maximum grants payable are to be increased to £95 and £65 respectively.

29. Local authorities were allocated £24.6m for grants under the Scheme in 1981/82, an increase of 30% in real terms over the total amount allocated for grants in 1980/81. £27.85m, now to be supplemented by most of the further £10m (GB) announced in the Chancellor's March 1982 Budget, has been allocated for grants in 1982/83. If authorities consider extra funds will be required they may apply to the Department to increase the proportion of their single block capital allocation which they may spend on insulation grants.

RENT REBATES AND RENT ALLOWANCES

30. To help those on low incomes the Housing Act 1980 extended rent rebates and allowances to most council licensees, to tenants of co-operative housing associations, to hostel dwellers, to those sharing accommodation and to assured tenants. None of these groups was eligible previously.

31. The Government has also raised substantially the ceiling for the maximum weekly rent rebate or rent allowance payment from the previous figure of £23 (£25 in Greater London) to the present £30 (£35 in Greater London). The Government has published proposals in the Social Security and Housing Benefits Bill for combining and rationalising the housing benefits currently provided by local authorities (ie rent rebates, rent allowances and rate rebates), and those provided by the Department of Health and Social Security through the supplementary benefit system. This will save tenants having to make the difficult calculation as to whether they would be better off on rebates/allowances or on supplementary benefit.

HOUSING ASSOCIATIONS

31. The 1982/83 allocation to the Housing Corporation for distribution to housing associations is £556m, which will maintain the level of allocations in real terms to housing associations for the third successive year.

33. Housing associations are also now able to make a major contribution to low-cost home-ownership:-

- a. like local authorities they may carry out improvement for sale a £5m pilot programme was started in 1980/81 and by the end of January 1982 some 500 homes had been improved and sold under the scheme. It is anticipated that some 2,000 dwellings will be approved for improvement for sale during the 1981/82 financial year.
- b. housing associations may also build for shared-ownership sale. The Housing Corporation has issued a model scheme and a model lease. 125 schemes representing 1585 units have been approved so far during 1981/82 by the Corporation.
- c. the Corporation has also been allocated £3m this year for leasehold schemes for the elderly, a type of shared ownership. These schemes, in which 70% or 80% of the cost is met by the occupants, allow elderly owner occupiers to move into sheltered accommodation, releasing under-utilised family accommodation on to the housing market, and providing sheltered accommodation at much less cost to the public purse than the cost of similar rented accommodation. 11 schemes representing 241 units have been approved so far during 1981/82 by the Corporation and 45 units completed.
- d. the Housing Corporation has a similar power to that of local authorities to guarantee building society mortgages for housing association tenants exercising their right to buy their homes.

34. To simplify and speed up the processing of housing association schemes the Government has made fundamental changes to streamline procedures:-

- a. The "double scrutiny" of housing association development proposals by both the Department and the Housing Corporation ended on 1 April 1981. The Housing Corporation is now solely responsible for the approval of individual schemes.
- b. The procedures operated by the Housing Corporation for the supervision of associations and the control of their development projects has been simplified and streamlined.

This has enabled substantial economies to be made.

HOSTELS

35. In the Housing Act 1980 the Government introduced the first extensive reform of hostels legislation for many years. The Act:-

- a. for the first time provides a special grant of up to £6,750 (£9,000 in Greater London) for fire escapes for hostels plus a grant of up to £2,500 (£3,500 in Greater London) for associated repairs;
- b. improved the ability of local authorities to deal with overcrowding in hostels;
- c. increased penalties for bad management of hostels;
- d. extended rent rebates and rent allowances to those living in hostels who were not previously eligible for them.

In addition:-

- (i) bed-sitting room space standards have been increased in hostels for the elderly;
- (ii) lifts in hostels for the elderly and handicapped are in future to be eligible for Housing Association grant (previously there was no grant for a lift for a 2-storey hostel);
- (iii) to increase the availability of hostel accommodation, particularly in London, a special allocation of £12m has been made to the Housing Corporation for hostels in 1981/82, and the provision for 1982/83 has been increased to £18m;
- (iv) for the first time, local authorities have a duty, rather than a power, to ensure that large hostels and houses in multiple occupation (those with three or more storeys excluding basements and with a floor area in excess of 500 square metres) are provided with adequate means of escape from fire.

THE ELDERLY

36. The elderly will benefit from the more flexible system of home improvement grants such as:-

- a. the ability to improve in stages (eg to instal an inside WC or bath) instead of having to make a full scale improvement all at once;
- b. the ability to improve (at the local authority's discretion) to a lower cost;
- c. the general increases in home improvement grant limits, and the special rates of grant going up to 90% in hardship cases;
- d. the extension of repair grants to older properties (nearly a third of all pre-1919 houses are owned by elderly people).

37. The elderly will also be helped by the increase in maximum rent rebates and allowances (see paragraph 29).

38. A new grant rate of 90% for the cost of loft insulation has been introduced for elderly people on low incomes (see paragraph 26 above).

39. Standards for elderly persons' accommodation have been raised in three ways:-

- a. separate bedrooms and living rooms rather than bedsitters can now be provided;
- b. lifts can now be provided in sheltered accommodation and hostels of 2 or more storeys;
- c. space standards have been improved in hostel schemes for the elderly.

40. The option mortgage scheme has been extended to provide additional income to elderly non-taxpaying owner-occupiers who take out a loan on the security of their home to buy a life annuity.

41. In the Local Government Act 1980 local authorities were given the power to defer payment of rates by elderly owner occupiers.

42. The Government is supporting a wide range of initiatives to encourage greater provision of elderly persons' accommodation for outright purchase or for shared ownership. These were set out in detail in the Minister of Housing's speech, "Housing for the Elderly" on 11 November 1980.

THE DISABLED

43. The above provisions to help the elderly will also benefit the disabled.

44. In addition under the Housing Act rateable value limits for improvement grants no longer apply where the works are for making a dwelling suitable for a disabled person. Priority rates of grant of to 90% and higher eligible expense limits now apply to adaptations, under the home improvement grant system, needed for a disabled person, and the 90% Homes Insulation Scheme grants have been extended to the severely disabled on low incomes (see paragraph 26 above).

45. These and other initiatives taken for the benefit of disabled people were set out in the Minister for Housing and Construction's speech "Housing for the Disabled" at the RADAR Conference on 23 October 1981.

SERVICEMEN

46. To help servicemen buy a home whilst still in the services:-

- a. under the Housing Act servicemen have the right to buy a house and let it (without necessarily having lived in it) until they need to live in it themselves.

- b. Regular servicemen who exercise the "Right to Buy" may count time spent in service accommodation for calculating their entitlement to discount.

MOBILITY

47. The Housing Act aids mobility in the following 8 ways:-

- (1) by giving public sector tenants the right to buy their homes;
- (2) by the measures in the Act to help other first-time buyers - particularly shared-ownership, improvement for sale and home-steading;
- (3) by the introduction of shorthold tenancies for privately rented accommodation;
- (4) by making it easier for owner-occupiers to take in tenants;
- (5) by giving public sector tenants the right to take in lodgers and, with their landlords' consent, to sublet part of their home;
- (6) by the special encouragement given to local authorities to make properties available for up to one year to people moving into their area to take a job whilst they look for permanent accommodation;
- (7) by the publication of housing association and local authority allocation, transfer and exchange rules;
- (8) by the new powers of the Government under Section 46 to make a financial contribution to tenant mobility schemes.

48. The Government has also assisted mobility by empowering local authorities in the new general consent to sell empty dwellings at discounts to job movers. The discount can be up to 30%, which will help to even out house price differentials between various parts

of the country.

49. The Government worked closely with the local authority associations for England and Wales in developing proposals for the first ever National Mobility Scheme, which came into operation on 1 April 1981. The Scheme is open to the tenants and people high on waiting lists, of all participating local authorities, new town development corporations and housing associations, who need to move to a different area for work or family reasons. Other people with a pressing need to move can also apply. The Scheme operates at two levels, facilitating moves between districts in the same county and moves between districts in different counties. So far 97% of local authorities and all new town development corporations have agreed to participate, in the Scheme.

50. The Government has announced the launch of the Tenants Exchange Scheme, with effect from the beginning of April 1982. The Scheme will provide a national computer-based information service for tenants of local authorities, new town development corporations and housing associations who want to exchange homes with similar tenants in other parts of the country.

REFORM OF LOCAL AUTHORITY HOUSING FINANCE AND HOUSING PROJECT CONTROL

51. The Government introduced on 1 April 1981 a series of fundamental changes in the arrangements for local authority housing finance and project control in order to achieve substantially greater freedom of decision making by authorities themselves. The most important of these changes are:-

- a. Each authority has a single ceiling for all its capital investment with the freedom to use whatever proportion of its total allocation for housing purposes that it wishes.
- b. Each authority is now able for the first time to use its capital receipts, or a proportion of those receipts, whether housing or non-housing receipts, to add to its capital expenditure on housing - or indeed on other services.
- c. Mandatory minimum standards ("Parker Morris") and cost

ceilings (the "yardstick") for new housebuilding have been abolished. Each authority will be able to decide what standards and costs give best value for money.

- d. A new housing subsidy system came into effect on 1 April 1981. It is a deficit system and enables subsidy to be distributed more selectively in relation to housing need. In addition, following the abolition of the so-called "no profit rule", authorities can now budget for a credit balance within their Housing Revenue Account and have the freedom to use such a balance to finance their capital programmes or to repay housing debt, or to transfer it to the General Rate Fund.

1980 HOUSING ACT BOOKLETS

52. The following booklets explaining the 1980 Housing Act in Question and Answer form are available from the Department of the Environment, Local Council Offices, rent officers and housing aid centres.

"The Tenants' Charter" - new rights for council, new town and housing association tenants.

"The Right to Buy" - a guide for council, new town and housing association tenants.

"The Rent Acts and You" - a brief guide for landlords and tenants.

"Letting Rooms in Your Home" - a guide for resident landlords and their tenants.

"Letting Your Home or Retirement Home" - a guide for home-owners and servicemen who want to let their homes temporarily.

"Controlled Tenancies" - bringing them into the fair rent system.

"Regulated Tenancies" - fair rents and security of tenure explained.

"Shorthold Tenancies" (first revision) - a guide for private landlords and tenants.

"Service Charges in Flats" - a guide for landlords and tenants.

"Notice to Quit" - a brief guide for landlords and tenants.

"Housing Association Rents" - a guide for housing associations and their tenants.

"Home Improvement Grants" - a guide for home owners, landlords and tenants.

"Leasehold Reform" - a guide for leaseholders and landlords.

"Shared Ownership : how to become a home owner in stages" - a guide for potential owners.

"Wanting to Move?" - a guide for those wanting to rent or buy in another area.

53. HOUSING FILMS

The Department has released films entitled "A First Home" showing a wide range of low-cost home-ownership schemes that have already been carried out; "Housing for the Disabled", showing a variety of ways of meeting the housing needs of disabled people; and "Home Improvement", covering the new home improvement grant system, the role of private sector finance, Improvement for Sale, improvement with tenants in residence, and agency services.

These films have been made available to all local authorities, the housebuilding industry and other interested organisations throughout the country. Copies of the booklets accompanying the films and describing the schemes shown in the films in more detail, are available from the Department.

A further film setting out ways of dealing with difficult to let estates is being produced and will be available in June 1982.

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Liaison CHee
Dec. 81
(with PM 24/3)



NOTE OF LIAISON COMMITTEE MEETING ON 24 MARCH 1982

Present: Prime Minister
Lord President of the Council
Chairman of the Party
Secretary of State for Scotland
Chief Secretary
Mr Wakeham (Parliamentary Under Secretary of State for Industry)
Mr Stanley (Minister of State for Housing and Construction)
Mr Cropper (Conservative Research Department)
Prime Minister's Chief Press Secretary
Mr Lilley (Conservative Research Department)
Mr True (Conservative Research Department)
Mr Hutt (Conservative Research Department)
Mr Ward (Lord President of the Council's office)

Presentation of policies on law and order

The Committee considered a revised version of the paper on the presentation of policies on law and order. It was noted that the paper would be somewhat overtaken by forthcoming legislation to implement the recommendations of the Royal Commission. The paper should be circulated nonetheless, but should be supplemented as soon as possible by a separate note on the proposals embodied in forthcoming legislation. There should also be a supplementary note on the maximum sentencing powers available to courts, since a recent NOP poll suggested that the public did not fully appreciate the powers that were available. It was agreed that although law and order had proved a difficult issue the Government had an excellent record. The Prime Minister intended to touch on the issue, and its broader implications, in a forthcoming speech at Harrogate.



Presentation of housing policy

2. Introducing his paper, Mr Stanley commented that by the time of the next election perhaps as many as two million people would have benefitted directly from the Government's housing policies. They covered a very wide range; council house purchase, homesteading, shared ownership, the new Exchange Scheme and the Tenants Charter. He was promoting them vigorously. A campaign advertising the Right to Buy had started a few days earlier with advertisements in the press and a short TV film. New leaflets had been produced. The following week, he would be launching the Tenants Exchange Scheme which would similarly be accompanied by a press campaign and letters to all Members of Parliament. In April, subject of course to Parliamentary approval of the relevant Orders, he intended to make the best presentational use of the new rate of Improvement Grants announced in the Budget, and would be announcing the allocation to local authorities of funds in this respect.

3. The following points were made in discussion:

a) The Committee agreed that this was an excellent paper containing much very valuable material. The measures it described should be presented with the maximum possible effort. With the forthcoming local elections in mind, there would be great advantage in arranging a leaflet drop in every constituency, in a week to be decided while the election campaign was running, using the existing leaflet on the Right to Buy.

b) The new Improvement and Insulation Grants were a very worthwhile measure. It would however be desirable if Mr Stanley could examine whether staged payment arrangements could be extended to a wider category of people than those currently eligible.



c) Once the new rates of grant had been approved, and a leaflet was available, there should be another leaflet drop.

d) Conservative council leaders should be alerted to make early bids for funds available in connection with the above scheme. It was noted that Mr Stanley had referred to the scheme in his speech at the Local Government Conference but it would be worthwhile following it up.

e) There were a number of points on which it would be useful for Ministers to have defensive, or explanatory, material not presently contained in the paper. There should be material to explain that housing policy must not be seen in simplistic terms as a housing building effort; attention should be drawn to the number of council houses lying vacant; the cost of entry to home ownership was an area where there was a good story to tell, but there should be some material on the position of the existing owner-occupier who was feeling the effects of higher mortgages and domestic rates.

The paper should be revised, by Conservative Research Department, in the light of the Committee's discussion and the Committee would consider the revised version at its next meeting.

Other business

4. In reviewing likely presentational topics it was agreed that the reaction to the outcome of the Hillhead by-election would inevitably be the main media theme. In the event of a Jenkins victory the Party would need to deal swiftly and convincingly with the position. It was noted that next week would, on present information, see the beginning of industrial action by teachers. On the assumption that this materialised, it would be important for Ministers to have a speaking note on teachers pay [Secretary's note: the DES will issue such a note in the light of the outcome of the Burnham Committee's meeting]. It was noted that the Secretary of State for Education in a forthcoming speech intended to mention the current dispute, and the Prime Minister indicated that she too would seek an opportunity of making the Government position clear.

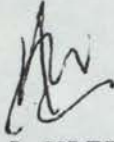
The forthcoming weekend's briefing note by Central Office would deal with defence, and especially Trident. Thereafter, a subsequent note would deal with law and order.



5. There would be advantage, in advance of the trade union conference season, in circulating guidance to Ministers on the Government's employment legislation and new training programme, both of which were bound to attract hostile reactions at conferences. It would be important for the Government's position to be well prepared. The Chairman of the Party undertook to speak to the Secretary of State for Employment about the preparation of such a paper. It was also agreed that there would be value in a paper taking a medium term view of the areas in which the Committee should concentrate its attention; the Chairman of the Party, in consultation with the Lord President of the Council, would arrange the preparation of such a paper.

Next meeting

6. The next meeting of the Committee would be held on 21 April probably at 10.30 am. The main items of business would be consideration of the revised paper on housing; the paper on social security which had already been commissioned; and the paper on the Committee's medium term business.


A WARD
26 March 1982

Distribution: Those present
Secretary of State for Employment

PRESENTATION OF POLICY: HANDLING THE BUDGET

The Treasury has devoted considerable trouble to ensuring as good as possible a reception to each Budget right from the start in 1979. One of the most important aspects of this is the briefing of the Party, particularly backbenchers. Although the techniques used are not in any way novel, an account of them may be of interest in itself and, perhaps more important, may suggest that similar exercises could be undertaken more often in relation to other matters.

The Budget obviously poses many special problems. It embraces several areas of economic policy, a multitude of specific decisions of interest to the country at large or to specialists in the City. The nature of the immediate response it secures is itself a major concern. The accompanying documents - Red Book, Public Spending White Paper and so on - are difficult to digest quickly or, a fortiori, to interpret politically. The politics of what is being done or proposed if often controversial or obscure unless guidance is offered at the same time. Clearly the Budget speech itself enables the Chancellor to do a good deal to set the scene. But it cannot achieve the instant enlightenment needed by, eg, the 50-60 MPs who broadcast this year on the same evening, or many of those who spoke in the Budget debates.

A standard Research Department Brief cannot be prepared in the normal way because of Budget secrecy. The standard official documents cannot be made political enough because of the conventions which, properly enough, determine how they should be written.

Those with very particular interests which they have been pressing on the Government will not normally be given the special treatment needed to reassure them in the welter of confusion which breaks out when the Chancellor sits down.

To get round all this, the following steps were taken:

- (1) The key points of the Budget were summarised in a one page note designed to help all those appearing on radio or TV.
- (2) A full political brief on the Budget was prepared by Treasury special advisers. This brief and the key points were made available to all those MPs going on radio or TV on Tuesday, and through the Whips' office in the usual way.
- (3) A special short note on the aspects of the Budget most relevant to Scotland was made available to all Scottish MPs directly after the Budget speech.
- (4) Briefing on policy towards the charities was made available on a restricted basis to a few senior backbenchers.
- (5) Special steps were taken to explain to Mr Grylls why his Study Group's proposals were not being adopted /including a personal letter from the Chancellor which was handed to him at the end of the speech.

It would be absurd to attribute the Budget's reception to these measures. But it is clear from the response that they were much welcomed, that they helped to ensure a clear consistent response from the Party, and that they may have removed unfounded anxieties about particular issues from a number of minds.

The lesson all this suggests is the advantages to be derived from an active rather than passive approach. Many backbenchers, perhaps the majority, are unlikely to collect let alone study the routine CRD brief which is typically made available in the Whips' office. If they are to be briefed quickly and well and in large numbers, some kind of direct "mail-shot" is essential. Provided it is not undertaken too often and is restricted to major issues, it could help improve the understanding and presentation of policy to a useful extent. Precisely how it is best undertaken is an important but secondary matter. Where Departments have the resources (in particular a special adviser), they may be able to do what is necessary themselves with the assistance of the Whips. In

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other circumstances Central Office may be able to deal with much of the logistics. In both cases consultation with the Whips' office is essential and invaluable.

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Evon Pol

PRIME MINISTER

LIAISON COMMITTEE : WEDNESDAY 24 MARCH

There are three items for discussion at the Liaison Committee tomorrow and I suggest that you take them in the following order:-

1) Housing Policy

If you take this first, this will allow Mr Stanley to get away as soon as the discussion is over. At his suggestion and with your approval, we are beginning this item with a very short video film showing the recent television advertisement on housing.

2) Law and Order

This paper has been revised in the light of the committee's earlier discussion. The Home Secretary will not be present, but Mr True will attend to pick up any further comments that are made. Subject to the committee's views, the next step is to issue the paper to Ministers.

3) Matters for decision

Mr Ingham's minute about major presentational issues coming up in the next couple of weeks is in the folder below.

You will also need to settle the date of the next meeting of the committee. You are tied up for the next two Wednesdays: on Wednesday of next week you will be preparing your statement to the House on the European Council meeting and on Wednesday 7 April you are due to be in Loughborough. The Wednesday after that, 14 April, is in Easter week, and there will be no

enthusiasm on the part of your colleagues for a meeting. This means that the next meeting that you can chair cannot be before Wednesday 21 April (assuming we keep to Wednesdays for these meetings, which seems to be convenient for all concerned). This is rather a long gap, and you may therefore like to invite Mr Pym to chair a meeting on either Wednesday 31 March or Wednesday 7 April. The only paper currently in preparation is the one on social services, though we shall almost certainly need another meeting to consider a revision of the paper on housing policy.

JW

23 March 1982

LIAISON COMMITTEE

MATTERS FOR DECISION

This week is dominated by the following issues:

- Law and Order, culminating with the Central Council speeches;
- Hillhead by-election (followed immediately on Friday by first anniversary of SDP founding); and
- Build-up to Euro-Council on Mandate (and 25th anniversary of signing of Rome Treaties - Thursday).

The weekend will be taken over by:

- Central Council coverage on three points - law and order; Hillhead follow-up; and economic progress.

Against this background it seems unlikely that any special arrangements will need to be made for weekend radio and TV unless it is felt necessary to explain our position on the European Budget in advance of the European Council.

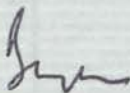
Next week we shall need a speaking note for Members of the Government on our position on the European Budget after the European Council.

It is also for consideration whether it would be desirable to have a speaking note for that weekend - ie. the weekend beginning April 3 - on the Government's attitude to trade unions and labour law. This date effectively sees the opening of the trade union conference season and the TUC will be holding its special conference on its campaign against the Employment Bill on Monday, April 5.

On that day the Prime Minister has agreed to give ITN (Glyn Matthias) a short(10-15 minute) interview.

Other Prime Ministerial speeches/broadcasts planned in the period immediately ahead are:

- April 7 - FCS speech, Loughborough;
- April 19 - IRN interview;
- April 22 - Civic Trust Dinner speech;
- April 26 - 'Panorama' 50-minute interview.



B. INGHAM
22 March 1982

3 half-day studies

PRIVATE AND CONFIDENTIAL

LIAISON COMMITTEE: DIARY TO EASTER

MARCH

- 24 TUC General Council; Labour Party National Executive.
- 25 HILLHEAD BY-ELECTION: FCO BI-CENTENARY LECTURE, LORD CARRINGTON: High Court action by Ronald Smith over daughter's inquest.
- 26 Home Secretary speech to Central Council; FIRST ANNIVERSARY, FOUNDING OF SDP: Deadline for De Lorean rescue; National Consumer Congress, Guildford (to 28).
- 27 PM'S CENTRAL COUNCIL SPEECH; Boat race.
- 28 ELECTION, EL SALVADOR; Clocks go forward.
- 29 EUROPEAN COUNCIL, BRUSSELS (Mandate, etc); followed by AG. and FISH COUNCILS; two tier motor cycle test starts.
- 30 NUJ Conference, Coventry.
- 31 SDP/Liberal Alliance deadline for seats share out; Conservative PPB.

APRIL

- 2 Derek Jameson, News of the World. }
- 3 Grand National; ACTT Conference (to 4th).
- 5 PRIME MINISTER'S ITN BROADCAST; TUC CONFERENCE ON CAMPAIGN AGAINST EMPLOYMENT BILL; EPEA (Engineers' & Managers' Assn) Conference, York (to 7th).
- 7 PM'S FCS SPEECH, Loughborough, NEDC.
- 8 EASTER RECESS (? to 19th).
- 9 Good Friday; Co-op Party Conference, Ayr (to 12).
- 10 NUT Conference, Scarborough (to 15); Labour Party Young Socialists Conference, Bridlington (to 12).
- 12 NAS Conference, Blackpool (to 16).

LIAISON COMMITTEE: DIARY FOR 1982 (AFTER EASTER)

APRIL

- 17 Association of Broadcasting Staff conference (to 19).
18 Banking, Insurance and Finance Union conference, Blackpool (to 21)
19 European Trades Union Confederation Congress, The Hague (to 23);
SCOTTISH TUC ANNUAL CONFERENCE, Perth (to 23); AMALGAMATED
UNION OF ENGINEERING WORKERS conference, Eastbourne (to 23).
20 SPAIN/GIBRALTAR BORDER OPENS: Negotiations begin.

22 PM'S CIVIC TRUST DINNER SPEECH.
23 INDEX OF RETAIL PRICES; PM's visit to British Aerospace, Weybridge.
25 SINAI WITHDRAWAL/MFO; USDAW conference, Eastbourne (to 28).
26 PM'S PANORAMA INTERVIEW.
27 UNEMPLOYMENT FIGURES;
Council of Europe, Strasbourg (to 30); AUEW Foundryworkers'
conference (to 30); NATKE conference, Guernsey (to 30).
28 TUC General Council; Labour Party Executive; B/Rail annual report.
30 PM'S VISIT TO BEDFORD (speech); Wales TUC, Llandudno (to May 2).

MAY

- 2 Launch of "Mail on Sunday"; CAA inquiry into LA air route.
3 Bank Holiday.
THIRD ANNIVERSARY OF GOVERNMENT.
4 Queen on Merseyside; Institute of Personnel Management
Conference (to 6).
5 Queen visits Manchester; NEDC; PM's reception for World Cup
teams; CAA inquiry into Laker's licence application.
6 LOCAL ELECTIONS.
8 EC Foreign Ministers' informal weekend.
10 CPSA conference, Brighton (to 14); SCPS conference, Southport
(to 14); TSSA conference, Bournemouth (to 14); Kissinger's
FCO Bicentenary lecture, Chatham House.
11 IRSF conference, Peebles (to 13); Christopher Ward, Express.
12 Colliery Managers' conference, Scarborough (to 14).
13 Pope visits Portugal; Assn. of First Division Civil Servants
conference.
14 PM'S SPEECH TO CONSERVATIVE SCOTTISH CONFERENCE.
15 FRANCO-BRITISH COUNCIL, EDINBURGH; APEX conference, Blackpool
(to 18).
16 SOGAT conference, Bournemouth (to 21).

MAY

- 17 Visit of French Prime Minister; NATO MINISTERIAL meeting (to 18); IPCS Conference, Bournemouth (to 20); National Union of Seamen Conference, Tenby (to 21).
- 18 Mugabe visits UK; ASLEF Conferences, London (to 26).
- 19 Western European Union Ministerial Council; Fire Brigades Union Conference, Bridlington (to 21).
- 20 OPEC, EQUADOR; Association of University Teachers' Conference, London (to 22).
- 21 INDEX OF RETAIL PRICES.
- 22 FA Cup Final; Amalgamated Society of Textile Workers' Conference, Leek; ASTMS Conference, Harrogate (to 24); National Union of Dyers, Bleachers & Textile Workers Conference (to 25).
- 23 GMWU Conference, Eastbourne (to 27); NUPE Conference, Scarborough (to 27); Union of Communication Workers (postmen) Conference, Bournemouth (to 28).
- 24 UCATT Conference, Gt Yarmouth (to 28); Prison Officers' Assn. Conference, Southport (to 28); AUEW/TASS Conference, Bournemouth (to 28).
- 25 UNEMPLOYMENT FIGURES.
- 26 PM'S CONSERVATIVE WOMEN'S CONFERENCE SPEECH; Queen opens Kielder Reservoir; TUC General Council.

END MAY

- POPE'S VISIT TO BRITAIN.
- 29 National Association of Teachers in Further Education, Newcastle-upon-Tyne (to 31).
- 31 Bank Holiday

JUNE (ROYAL BIRTH)

- Recess to June 6.
- 2 International Labour Organisation, Geneva (to 23).
- 3 SCOTTISH NATIONAL PARTY CONFERENCE (to 5).
- 4 ECONOMIC SUMMIT, PARIS; TUC Trades Councils Conference, Bournemouth (to 6).
- 6 CND rally in London; Bakery workers' union Confernece, Bridlington (to 9).
- 7 VISIT OF PRESIDENT REAGAN (to 9); NEDC; EEPTU Conference, Scarborough (to 11); POEU conference, Blackpool (to 11); Society of Post Office Executives Conference, Southport (to 11).
- 8 PRESIDENT REAGAN'S ADDRESS TO MEMBERS OF PARLIAMENT.
- 9 £1 and 20p coins introduced.
- 10 NATO SUMMIT, BONN; Educational Institute of Scotland Conference, Oban (to 12).
- 11 Mauritius General Election.
- 12 Trooping The Colour.

JUNE (continued)

- 13 Labour Women's Conference (to 15).
- 14 National European Union Parliamentary Assembly (to 17); National Union of Hosiery and Knitwear Workers Conference, Bournemouth (to 17); COHSE Conference, Bridlington (to 18); NALGO Conference, Brighton (to 18).
- 15 UN CONFERENCE ON DISARMAMENT, NEW YORK.
- 18 INDEX OF RETAIL PRICES.
- 21 Wimbledon Fortnight opens; NACODS Conference, Cardiff (to 25); ISTC Conference, Cardiff (to 25).
- 22 UNEMPLOYMENT FIGURES.
- 23 TUC General Council; Labour Party Executive.
- 27 NGA Conference, Eastbourne (to July 2).
- 28 EURO-COUNCIL, BRUSSELS (to 29); NUR Conference, Plymouth (to July 5).
- 29 Confederation of Shipbuilding and Engineering Unions, Llandudno (to July 2).
- 30 Assn. of District Councils' Conference (to July 2).

JULY

- 1 Princess of Wales stamps issued.
- 2 Prime Minister visits Montgomery, Brecon and Radnor.
- 3 PM AT GLOUCESTER/WEST MIDLANDS RALLY.
- 4 Blastfurnacemens' Conference, Blackpool (to 8).
- 5 NUM CONFERENCE, Inverness (to 8); Royal Show opens.
- 6 Eisteddfod, Llangollen.
- 7 Association of County Councils Conference; John Thompson, Sunday Telegraph.
- 12 BBC 60th Anniversary Thanksgiving Service.
- 14 Visit of UN Secretary General; Council of Local Education Authorities, Sheffield (to 16).
- 16 INDEX OF RETAIL PRICES; Prime Minister's Regional Tour.
- 22 PRIME MINISTER AT 1922 COMMITTEE.
- 26 PM GIVES ASHBY MEMORIAL LECTURE.
- 28 TUC General Council; Labour Party National Executive.
- 30 PRIME MINISTER, GUILD OF BRITISH NEWSPAPER EDITORS' DINNER, Hendon.

AUGUST

- 13 Recess.
- 25 TUC General Council; Labour Party National Executive.
- 30 Bank Holiday; Commonwealth Finance Ministers, London (to 31).

SEPTEMBER

Recess.

- Early Sept: Prime Minister visits Scotland and Balmoral.
- 6 TUC CONGRESS, Brighton (to 10).
- 16 PRIME MINISTER STARTS FAR EAST TOUR; Scottish Prison Officers' Assn. conference, Peterhead (to 17).
- 17 INDEX OF RETAIL PRICES.
- 20 LIBERAL PARTY ASSEMBLY, Bournemouth (to 25).
- 22 TUC General Council; Labour Party National Executive.
- 27 LABOUR PARTY CONFERENCE, Blackpool (to Oct 1).

OCTOBER

- 5 CONSERVATIVE PARTY CONFERENCE, Brighton (to 8).
- 8 PRIME MINISTER'S SPEECH TO PARTY CONFERENCE.
- 11 SDP CONFERENCE at Cardiff (to 12).
- 13 SDP CONFERENCE at Derby (to 14).
- 15 SDP CONFERENCE at Gt Yarmouth; INDEX OF RETAIL PRICES.
- 19 PLAID CYMRU CONFERENCE (to 21).
- 20 INTERNATIONAL MOTOR SHOW; Institute of Personnel Management conference, Harrogate.
- 24 Clocks go back.
- 27 TUC General Council; Labour Party National Executive.

NOVEMBER

- Early: Queen's speech.
- 12 INDEX OF RETAIL PRICES.
- 13 Lord Mayor's Show.
- 14 Remembrance Sunday.
- 15 PRIME MINISTER'S SPEECH, LORD MAYOR'S BANQUET.
- 16 Visit of Queen Beatrix of the Netherlands.
- 17 PRIME MINISTER'S SPEECH TO NORTH ATLANTIC ASSEMBLY, London.
- 24 TUC General Council; Labour Party National Executive.
- 26 St Andrews' Night Dinner, Glasgow.

DECEMBER

- 3 EURO-COUNCIL, COPENHAGEN (to 4).
- 8 PRIME MINISTER OPENS CONFERENCE ON INFORMATION TECHNOLOGY, Barbican.
- 15 Association of University Teachers' conference, Bradford (to 17).
- 17 INDEX OF RETAIL PRICES; PM's Regional Tour.
- 22 TUC General Council; Labour Party National Executive.

SECRET

3

REPORT TO THE LIAISON COMMITTEE
ON PRESENTATION OF
CONSERVATIVE POLICIES ON UPHOLDING THE LAW

Section I - Public Perceptions

For Conservatives the first priority is the maintenance of freedom under the law. It is natural that our party should emphasise its determination to enforce the law with firmness and impartiality. It is natural, too, that we should have devoted increased resources to the protection of the freedom of every individual to conduct his life without fear of interference by the criminal. These Conservative objectives meet the expectations of every citizen. It is not surprising that recorded opinion surveys reflect strong public support for our approach among supporters of all Parties.

For reference, this paper begins with a summary of public attitudes, as registered in recent opinion polls. (The main sources are Tracking Surveys; Gallup "Law and Order" August 1981; MORI, "Attitudes to Police", August 1981; ORC, December 1981; NOP, Police, November 1981; Marplan, January 1982; Gallup, December 1981).

1. Law and order is stated to be an important secondary issue, rather than a persistent determining factor, in voting intention. It does inevitably become exceptionally important at unforeseeable times of crisis (e.g. riots, aftermath of publicity given to peculiarly serious offence, or set of statistics).
2. It is likely that opinion polls may understate the potential concern caused by criminal activity. Each instance of private grief (e.g. a mugging or a burglary among family or friends) or private anxiety (e.g. the reading of an alarming report in a local newspaper) will raise law and order to a higher level of salience in the mind of the individual.
3. There are apparent differences in perception between Scotland and England and Wales. More people in England and Wales appear to regard further improvements in law and order as important.
4. The Conservative Party is seen as more likely than any other to be effective on this issue.
5. Policies for upholding the law are seen as far more important by Conservative supporters, or potential supporters, than those presently committed to the Labour Party. There is evidence, however, that law and order is seen as an influential second-rank issue by supporters of the Alliance, particularly those disposed to return to Conservative allegiance if circumstances change.
6. Most recent surveys demonstrate that somewhat more approve than disapprove of the Government's overall record. Approval on law and order is normally stronger than on any other issue, although margins of approval are less substantial than at times in the past.

7. Almost all people believe crime is increasing in the UK; the vast majority, even in the aftermath of the riots, saw this as a problem common to all countries. Provided it is not allowed to appear a plea of impotence, it would be right to emphasise these international trends.

8. The vast majority of the population (more than four in five) have confidence in the police. There is overwhelming support for the 'bobby on the beat'. Most see the Conservative Government as having supported the police. Some poll evidence (MORI August 1981, NOP November 1981) suggests that a significant proportion of the population (between a fifth and a quarter) have had their confidence in the police reduced in recent years. This is more marked among young people and, to some extent, middle class groups.

This may reflect the impact of insensitive behaviour by some young constables, and the 'dripfeed' effect of the excessive prominence given in the media to individual cases of presumed or actual wrongdoing by the police.

9. Coloured people - particularly youths - are seen as proportionately more likely to be involved in crime.

There is evidence that this is true in some areas; the point is not to be evaded.

10. After the riots particular attention was directed to the 'causes' of crime. Among the leading causes named as 'fairly important' in Gallup, August 1981, which had been regarded as equally, or almost as, important in earlier surveys, were: breakdown in respect for authority and law (91%), bad example set by parents (88%), laws too lenient (80%), violence in television entertainment (67%). The leading causes, which had seemed significantly less important before the riots, or where there was no previous evidence were: unemployment (90%), lack of discipline in schools (81%), media coverage of crime (75%), poverty (73%) and racial conflict (66%).

Clearly many of these perceived causes go far beyond Home Office areas of responsibility. Combatting them must be part of a more general Conservative reassertion of the need to respect authority and maintain order.

11. Direct experience of crime is limited. Most perceptions are second-hand.

In Gallup, August 1981, two-thirds of those questioned (more than in 1980) said there was no area in their locality where they would be afraid to walk at night. One-third expressed fears, however. (Polls do not reflect the fears which must be felt in some districts). In the same poll, almost two-thirds of those questioned said that neither they, nor those close to them, had been victims of crime in recent years.

Overwhelmingly, the most common experience was burglary - experienced or known of, as having happened to closest family and friends, by a quarter of those questioned. Burglary and mugging which are so disturbing to the public, should be the focus of special attention.

12. The majority of people believe that the individual is responsible entirely or in part for law-breaking, rather than that environmental factors in society are responsible. Even after the riots less than a fifth thought the environment

made people commit crime; only a fifth thought the environment partly to blame.

13. Very few people believe prison sentences as a whole to be too long; a significant majority think them too short for some crimes.
14. Reclamation/treatment is thought to be the first purpose of sentencing by a comparatively small number of people. A mixture of retribution and deterrence is supported by a significant majority.
15. A majority accept the idea of non-custodial sentences for petty offenders.
16. A majority say they would support the return of corporal punishment.
17. A majority see capital punishment as a deterrent. More than two-thirds of those questioned in Gallup, August 1981, would support it for murder of policemen or army personnel, for terrorist murder, for murder 'for the fun of it', and murder after rape.
18. The majority do not believe that capital punishment will be brought back. The Conservative Party is seen as by far the most likely to restore it; almost no-one believes either the Liberals or Social Democrats would do so.

Section 2 - Public Perceptions and Party Presentation

1. A number of recorded attitudes reflect broad support for the Conservative approach:
 - Conservatives are by far the leading party on this issue.
 - More people approve this aspect of the record than others.
 - There is strong support for the police, to whom we have given firm backing, in contrast to the luke-warm/hostile attitudes of other parties.
 - There is an emphatic anti-liberal majority supporting strong policies on serious crime.
 - There is recognition that problems are far-reaching and international, theoretically therefore not immediately susceptible to Government action.
 - There is more generally an emphasis on individual responsibility for crime, tempered by some concern over unemployment and depressed living standards in some areas.
 - There is acceptance of the idea of non-custodial sentences for petty offenders, together with an insistence on long sentences for serious crime.
2. All these attitudes are in line with Conservative policies.
3. In other areas, there is still some public disquiet:

- (i) There is less conviction than there has been in the past. although there is still a majority belief. that the Government's record has been successful.
- This year in England and Wales, the passage of the Criminal Justice Bill, a crucially important reform in the law, provides a clear opportunity for a campaign to demonstrate how, with this final measure, we have implemented all our Election promises. We can exploit it as an opportunity to make more widely known the details of our record. Among the main components of the Bill which should carry most public support are:-
 - the revision of law on the sentencing of young offenders
 - better regulations for compensating the victims of crime
 - the increase in parental responsibility for the wrong-doing of their children
 - the introduction of residential care orders
 - the extension of the use of community service orders, and the "short, sharp shock".
- (ii) There is a feeling that crime is still on the increase.
- The crime figures are worsening. Paradoxically, effective policing, which brings more crimes to notice, can contribute to this. But the existence of this sentiment means that we must stress the international scale of the problem, and set crime in a broader context of social discipline. Everyone in society has a duty to help the police, report crime, criticise and, in appropriate cases, punish infringements of proper standards by children and adults. The importance of this kind of constructive public involvement could be better emphasised in Government publicity. It would be damaging if the idea were to gain ground that the authorities alone had the responsibility of upholding the law. Even the so-called 'community policing' should not be conceived of as policing designed to win favour with a passive community; it should mean effective policing in the community with the active assistance of a public which recognises that the upholding of the law is in the general interest of all.
- (iii) There is concern about the prevalence of law-breaking among some young blacks.
- It is right to be candid about this problem. The Government must state clearly to members of the black community the dangers of any such trend, and our unwillingness to tolerate it. We must not allow a suspicion to grow that the law is applied less firmly to minority communities, any more than we can countenance prejudice against the minorities by any who enforce the law.
- (iv) There is some feeling that unemployment and social deprivation are factors contributing to crime.
- This sentiment will obviously be lessened by perceived economic recovery although high unemployment will remain a problem for some time. We must stress the widely recognised idea of individual responsibility for criminal action. No plea of deprivation can excuse crime.

- (v) There is widespread sentiment for capital and for corporal punishment. for which there is limited support in Parliament.
- We should set out some of the arguments against judicial corporal punishment. This may be possible during the passage of the Criminal Justice Bill.
- We should emphasise the Parliamentary position on capital punishment. Some of the complicating factors surrounding the reintroduction of capital punishment might be more heavily stressed.

Section 3 - The Record

Explaining our record effectively will be a most forceful response to criticism. There are differences, however, in the criminal justice systems in England and Wales, and in Scotland, which are reflected in differences in the record.

(i) In England

- A policy of support for the police has raised their strength, in London and throughout the country, to record levels. It has attracted high quality recruits, retained experienced officers, improved morale and equipment. We have given unique treatment to police pay, in direct contrast to the Labour Party. Training methods are constantly being improved; more 'bobbies' are back on the beat.
- Prison administration has been reformed; an independent inspectorate has been established. We have ended an era of neglect of the prisons; we have begun a major building programme, involving eight new prisons, the first for many years.
- The 'short, sharp shock' regime is operating in four detention centres.
- We have increased by almost a half the number of attendance centres.
- We have supported calls by the senior judiciary for heavy deterrent sentences for crimes of violence.
- We have widened the range of penalties available to the courts, removing artificial restrictions left over from earlier legislation.
- We are introducing a comprehensive reform of the law on young offenders.
- There will be tougher sanctions against parents of young offenders.
- We are introducing residential care orders.

- Compensation for the victims of crime is greatly improved.
- We have proved our determination to resist terrorism.

(ii) In Scotland

- Police strength has greatly increased; more special constables are being recruited.
- We have reformed criminal procedure, police powers, and penalties.
- Identification parade procedure has been overhauled.
- Police now have stop and search powers for offensive weapons.
- For the first time police have a limited legal power of detention.
- A ban on alcohol in football grounds has been introduced.
- A new offence of vandalism emphasises the gravity of this crime.
- There is better compensation for the victims of crime.
- Improvements are being made in Scottish prisons; prison officers are being allowed to buy their houses.

Section 4 - The Presentational Approach

1. Too many people are still insufficiently aware of this very positive record Ministers outside the Home Office, back-bench MP's, the Party organisation could all contribute more to the expression of these important themes.
2. The crime rate is seen to be rising. As recorded in the figures that is true. But this should not be allowed to promote a "they've done nothing" sentiment. The figures could be thought to reinforce the case for a Conservative Government that has proved its determination. The problem runs world-wide. The rise in crime makes it imperative to have a Government that will uphold the authority of law as a main priority. Having strengthened the police we expect them to deploy effectively against crime. How would Britain fare on this score under any other party?
3. We should be more aggressive about the shortcomings of our political rivals. No other Party is going to attack the Government for being too weak on this issue. No other Party is likely to offer a more authoritarian approach. But we could give pause to those who may be worried by the crime figures, or otherwise disenchanted, by explaining our policies better, and by asking what the alternative would be, criticising other Parties' supposed alternative strategies, impugning the poor record of our opponents, Labour and Social Democrat (when in Socialist office) and highlighting the dangers of the flagrant disrespect for the law of the far Left.

4. Presenting our policies is a delicate balancing act. Our pursuit of the firm but balanced policies outlined above has opened us to attack from two quarters - from those who see ever more severe penalties as the only deterrent to crime, as well as from those who believe, wrongly, that our policies recognise insufficiently the importance of the treatment and rehabilitation of offenders. Presentation is the more delicate for those Ministers departmentally responsible who answer for a criminal justice system which must be kept free from partisan taint. This makes it all the more important for Conservatives outside the Departments of State to contribute to political debate. Ministers have, however, clearly laid down lines of approach which are well in tune with public perceptions and aspirations:

- The Government places the highest priority on maintaining the rule of law.
- At a time of recession scarce resources have been made available for extra spending in this area.
- We are seeking more effective detection, deterrence, and sentencing of offenders.
- We have strongly supported the police in the proper performance of their duties and have significantly strengthened them.
- We are widening the range of penalties available to the courts.
- While developing alternatives to prison and the use of shorter sentences for lesser crimes, we insist on long, deterrent sentences for serious offences, and will provide places for all whom the Courts commit to custody.
- We are facing the problems in prisons with a resolution not seen for many years.
- We are paying particular attention to the disturbing incidence of crime amongst the young.
- If necessary we will consider further measures which may be needed to maintain the authority of the law.

5. Few of these themes are controversial. We have rightly balanced strongly supportive words and actions with condemnation of infringements by police. We have to be careful to explain that the policy of shorter sentences applies only to lesser offenders. The theme is that the first taste of prison is what deters.

6. The Conservative Party has rightly maintained the importance of respect for the authority of the law. Policies designed to promote discipline and self-discipline in society command widespread support. Our policies on law and order are critically important. But the law and order services are mainly concerned with limiting the damage that delinquency can inflict on society, and with deterring those who are disposed to crime.

There are many other Government Departments whose work is equally important in this respect. We need to restrict the growth of delinquency from

the beginning. We need to provide more people with that sense of responsibility that comes from having a tangible stake in society. As part of the theme of promoting a disciplined and responsible society, we must stress, alongside our 'Home Affairs' programme, policies such as:

- The development of better standards, greater parental involvement, and more effective discipline in schools (Potential delinquents can frequently be identified at an early age).
- The strengthening of family life and the restoration of a wider sense of parental responsibility for the development of their children.
- The rebuilding of inner city life; resistance to high rate rises which drive people and business out of cities, and positive measures to help the environment.
- The promotion of discipline in the workplace - to which our trade union reforms will make an important contribution.
- The widening of ownership in society, widening the sense of personal responsibility that comes through that ownership - through home ownership policies, employee share ownership, and incentives to invest in business.

By insisting on the maintenance of the authority of the law, we can reassure those whose first wish it is to preserve the stability of society and to enjoy that most basic freedom, to go about their business without fear of interference by those who defy the law. The traditional Conservative approach should highlight these themes. We should make it clear that the individual wrongdoer must in the general interest be held responsible for his actions. We should establish the equation between indiscipline and ultimate instability.

7. Conservatives remember that every crime has a victim, and what that victim suffers. We must remind people of the immense cost of crime. Cost, in financial terms - from the extra price on items in shops because of shoplifting, through to the immense expense of maintaining police, courts and prisons; cost, too, in personal terms - in individual fear and suffering. We have demonstrated the importance we attach to the victims of crime by the backing we have given to victims' support schemes, by improvements in criminal injuries compensation and by our insistence, in the Criminal Justice Bill, that compensation for victims should come first in sentencing, before any other call on the resources of an offender.

Crime is never glamorous, always harmful; we should counsel those who produce material for the media which tends to excuse or glorify crime of the danger of their actions.

8. We must make it clear that while we believe that the measures we have produced so far will help greatly in the fight against crime, we do not rule out further action should that seem necessary. We could cite, for instance, the review of the practice on selecting juries which has recently been under discussion, or some of the proposals of the Philips Committee on Criminal Procedure.

9. We must embrace the community more directly in the upholding of the law. The Home Secretary is stressing this theme in his remarks on policing. In crime prevention and crime detection a civilian population that is properly informed, interested and concerned about crime can be as effective as a large number of extra police - at far less cost. The principle that it is the citizen's duty to help - just as the Government tries to help - those impartial forces that uphold the law is essential to a free society. Without Government backing and without positive popular support the forces of law and order would be hamstrung. In Scotland, we have campaigned to recruit more special constables, so that the police, expensive crime-fighting weapons, can be left more free to concentrate on their most essential duties, and to try to raise the frequently inadequate clear-up rates for crime.

10. There is every reason to be proud of the Conservative record, every reason to expect that it is possible to extend once more the margin of approval of our performance. There will inevitably be moments of crisis and of public disquiet. The issue will be overshadowed by the great economic considerations. But, actively projected by the Party as a whole, our policies can continue to be an important, and distinctly Conservative, factor in binding to us our support.

22nd March, 1982



Enon Pd.
cc LPO.

File

10 DOWNING STREET

From the Principal Private Secretary

22 March 1982

Dear David,

Thank you for your letter of 15 March 1982 about ways in which the presentation of the Government's policies might be improved.

I am content with the draft Heads of Division notice which you sent with your letter.

I am sending a copy of this letter to David Heyhoe in the Lord President's Office.

Yours sincerely,

Alvi Khanna

David Edmonds Esq.,
Department of the Environment.

AK

SP



Mary
Mr. Whitmore

Have told
Ed Res: office
el.

Caxton House Tothill Street London SW1H 9NF
Telephone Direct Line 01-213.....6400 GTN 213
Switchboard 01-213 3000

Econ Pol

Caroline Stephens
Private Secretary
10 Downing Street
LONDON SW1

18 March 1982

el.
Dear Caroline

LIAISON COMMITTEE

My Secretary of State is, unfortunately, unable to attend the Liaison Committee on Wednesday 24 March. He has a long-standing commitment to make a speech to the CBI. He has asked that his apologies be passed to the Prime Minister.

Yours

Nicky Roche

MISS N ROCHE
Private Secretary



10 DOWNING STREET

2cc AH
cc LPO

Alan Rod

From the Principal Private Secretary

16 March 1982

Dear Henry,

You wrote to Mike Pattison on 12 March 1982 about Mr Stanley's suggestion that the Liaison Committee should see the new right to buy TV advertisement on a video when it meets to discuss his paper on the Presentation of Housing Policy.

I have consulted the Prime Minister about this and she agrees that it would be a good idea for the Committee to see the advertisement, even though the meeting has now been postponed until 24 March and the advertisement will therefore have already been shown publicly before the Committee meets.

Perhaps you would be kind enough to give me a telephone call about the practical arrangements for showing the advertisement.

I am sending a copy of this letter to Andrew Ward (Lord President's Office).

Yours sincerely,

Alwi Whinnery.

John Henry Esq.,
Department of the Environment.

AH



Clive Whitmore
Principal Private
Secretary to
The Prime Minister
No. 10 Downing St

at
M. Ingham ^{NO}
M. Latham ^{NO}
Any comments?

2 MARSHAM STREET
LONDON SW1P 3EB

My ref:

Econ Pol.

Your ref:

AKH
18 in

15 March 1982

Dear Clive

In your letter of 8 January 1982 you set out some practical ways in which the presentation of the Government's policies might be improved.

Following your letter we have considered in this Department how to achieve the various objectives which you set out. If you agree, we should now like to circulate a Heads of Division notice through the Department setting out guidelines for officials to follow. (At the same time we will promulgate the recent ruling on Written Answers.)

I should be grateful to know that you are content with the terms of the draft notice which is attached. I am copying this letter and the enclosure to David Heyhoe in the Lord President's Office.

[Handwritten signature]
D A Edmonds
Private Secretary

DRAFT HOD

Presentation of Government Policy

1. In order to achieve an effective presentation of policy issues, Departments have been asked generally to follow the guidelines set out in this HOD. The procedures described are designed to give better advance warning, and where necessary, briefing, to the Prime Minister and the Lord President.

(1) Both the Prime Minister and the Lord President need the opportunity to comment personally on Parliamentary statements and particularly important answers. This means that Divisions should aim to clear drafts as early as possible with the appropriate Minister in the Department. The Private Offices will, in future, have to clear drafts with the No.10 Private and Press Offices and the Lord President's Office, at the latest, early on the morning of the day before any announcement.

(2) Divisions should ensure that all draft statements and answers sent to No.10 and the Lord President are in future accompanied by brief background notes which identify the likely points of attack, and with suggestions on how these attacks can best be met. Before any announcement is made by the Department, either to Parliament or outside, it is essential for the lines of attack to have been anticipated and means of securing a positive response should have been devised.

(3) Divisions should as a matter of course identify issues that are likely to give rise to press interest and should ensure that the Information Directorate and the No.10 Press Office are put in the best position to meet the problems, and at the same time to exploit opportunities for positive and favourable presentations. If No.10 learn about a Departmental problem for the first time through a press inquiry, they are not best placed to handle it effectively.

(4) Divisions should pay particular attention to items which are positive and have clear presentational advantages which can be gained by careful advanced consideration.

There may be opportunity to give publicity to such items during Prime Minister's Questions or speeches. Divisions should also look out for positive material which may be of use to the No 10 Press Office. Such items should be cleared with the appropriate DOE Private Office and will then be put forward to No 10 through the Departmental Information Directorate. For maximum effect this material should be with the Information Directorate by 10.30 am on the day in question. Where a new issue arises, or becomes known of, late in the day, Information Directorate should be alerted immediately, and guidance provided not later than 3.30 pm.

(5) Parliamentary Branch are responsible for ensuring that copies of briefing on PQs, and other Parliamentary material, including briefing for Prime Minister's Questions are copied to the Information Directorate. The Private Offices will ensure that copies of the statements and briefing on adjournment debates are sent to the Information Directorate.

(6) Following a recent ruling by the Speaker, the Answer to a Written Parliamentary Question ^{or any associated press material} may not now in any circumstances be released before 3.30 pm on the day for which the Question stands on the Order Paper for reply. However, there is still scope for the earlier release of Written Answers in particular instances: for example, in order to announce a written reply before 3.30 pm on, say, a Wednesday, it would be necessary to ^{on Tuesday to be tabled on Monday and to Lord Gough the reply} arrange for an ordinary written question for reply until the next day. However, any Private Office wishing to follow this procedure must first seek approval from the Lord President's Office, from No 10 and from the Chief Whip. If approval is given, it is also essential to ensure that copies of the reply are placed in the Library and Table Office at the same time as the reply is given to the Member, and that the Member has it before it goes to press.

(7) It is also essential that the Chief Information Officer in DOE is kept informed of submissions to Ministers which are likely to lead to a public announcement, and of briefing prepared by Divisions in response to articles or comment in the Press. Copies of such material should be sent to Mrs Hewlett-Davies personally not necessarily for press

briefing purposes but in order to provide background intelligence. This is important even when Mrs Hewlett-Davies has to instruct the Press Office that no information on a subject has to be given to the Press.

HOUSING POLICY

The Owner-Occupier
Ruler - Mortgage.

Introduction

1. Our housing policies have benefited a substantial proportion of the electorate in very material way. 6 million public tenants have obtained new and valuable legal rights under our Tenants Charter, and by the end of this Parliament, probably half a million tenants (or one million if wives are included) will have become home-owners entirely because of the right to buy and the Government's other low-cost home-ownership schemes.

In housing we shall have brought tangible benefits to a larger number of the electorate than perhaps in any other area of policy.

The Facts

2. A detailed factual statement of the Government's housing record to date is set out fully in Annex A.

The key points to highlight are as follows:

- a) The right to buy has brought home-ownership to hundreds of thousands of council tenant families for whom otherwise it would have been impossible.
- b) We are not bringing home-ownership just to council tenants. Our other low-cost home-ownership schemes (building for sale, improvement for sale, homesteading, and shared ownership) represent the most far-reaching and comprehensive widening of home-ownership opportunities of any post-war Government. Two-thirds of all local authorities in England are now undertaking one or more of the low-cost home-ownership schemes.

- c) No other country to the best of our knowledge has developed shared-ownership on the lines now available in Britain whereby young couples can buy a part stake in the equity of a house or flat with the contractual right to buy the balance of the equity later - in several stages if need be. This brings home-ownership well within the capacity of those with below average incomes. Shared ownership purchases are being made now of as little as 25% of the equity initially.
- d) We have not ignored those who can only afford to rent - far from it.
- e) In the public sector, our Tenants Charter gives all council, new town and housing association tenants far and away the most important extension of their legal rights this century - security of tenure, the right to improve, access to improvement grants on the same basis as owner-occupiers, the right to take in lodgers, the right to sublet, the right to be consulted by the local authority.
- f) We have also made much the most important advances post-war in helping public tenants who want to move - with the launching of the National Mobility Scheme last April, and with the Tenants Exchange Scheme due to start on 1 April.
- g) In the private rented sector we have made it possible for the first time for more than 15 years to let a house or flat short-term with the certainty of being able to get it back - by introducing shorthold. We have made it possible to carry out newbuild for rent free from rent control for the first time for many years. We have made it much easier for home-owners to let their spare rooms, and for owners of retirement homes and for home-owners going abroad to let their house for a short period with a guaranteed right of repossession.

- h) We have extended rent allowances to a number of low income families who were previously excluded from them - eg certain hostel dwellers and those sharing accommodation.
- i) Hostel accommodation, which I have described as "the unswept corner of housing policy" and where there is ^{the} greatest single concentration of housing need, has been the subject of major improvements in legislation (in the 1980 Housing Act) and of a significant increase in expenditure.
- j) The home improvement grant system has been radically overhauled, and made usable for the first time by those with very little capital of their own. Improvement grants can now be paid to the low-income elderly and to the disabled at the rate of 90% of the cost of the work, and the same groups can now get a 90% rate of grant for home insulation. The 90% rate of grant has been temporarily extended to other groups in the Chancellor's Budget last week.
- k) Through our Priority Estates Project we are making a concerted, intensive, and long over-due, effort to help authorities tackle the immense problem of difficult to let and vandalised council estates, covering, on local authorities own estimates, $\frac{1}{2}$ million dwellings (or more than $\frac{1}{2}$ million electors).
- l) In no way therefore can it be sustained that the Government's housing policy is directed to helping just the better off and those who can afford to buy.

Government Publicity

3. To publicize our housing policy the Government has already taken the following initiatives:

- a) 15 booklets have been specially produced in Question and Answer form covering all the main areas in which we have made legislative changes. I sent the first booklets in the series, including the Right to Buy and the Tenants Charter, to all MPs in 1980 and I sent the entire set of 15 to all MPs last month with the Order Form. These booklets are free and are available from the Department, from all local authorities, rent officers and citizens advice bureaux.

The Committee will be interested to know the figures for the total number of certain individual booklets that have now been issued by the Department:

Tenants Charter	2,300,000
Right to Buy:	2,250,000
Home Improvement Grants:	1,110,000
Wanting to Move:	346,000
Service Charges:	261,000

- b) Three Films have been produced by the Department entitled:
"A First Home" (On low-cost home-ownership schemes for
first time buyers)

"Home Improvement"

"Housing for the Disabled"

All three are being widely shown throughout the country to local authorities, interest groups, the housebuilding industry and to local press, TV and radio.

An explanatory folder for distribution to all those attending the film showings accompanies each film.

A fourth film on the Government's initiatives to solve the problem of difficult to let and vandalised council estates is now being produced. I will be launching it in June.

- c) The Government is conducting newspaper and TV advertising of its housing policy.

The following media campaigns are currently taking place, or are scheduled for the very near future:

i) Newspaper campaign on the availability of rent and rate rebates - commenced on 28 February and will continue to 14 March.

ii) Newspaper campaign on the availability of the 15 housing booklets - 28 February to 7 March.

(iii) Newspaper campaign on the Tenants Exchange Scheme to coincide with the launch of the Scheme, commencing on 1 April.

(iv) TV and Newspaper campaign on the right to buy commencing on March 21 and will finish on April 11.

d) The regional media are also of great importance. 2 full presentations of our housing policies have been made to the Regional newspapers and TV by DOE Ministers and officials over the last 2 years. The regional media have also been shown all the Department's 3 housing films and have been invited to the regional presentations on low-cost home-ownership that Ministers have been holding with the House Builders Federation in every region of the country since last Autumn.

To stimulate the interest of the regional media further I have commissioned special regional briefs on the details of the low-cost home-ownership schemes now underway in each local authority area. These are now being prepared by the Department's Regional Offices for completion by March 26 and for circulation immediately thereafter.

e) Housing journalists, MPs and others

The factual brief on the Government's housing record at Annex A has been updated following the Chancellor's Budget and will be circulated.

Publicity Themes

Where housing is concerned, the key presentational need is not so much to get over the argument for our policies, but to get over the benefits that the policies are already bringing to millions of families. The presentational requirement is therefore rather different from that, say, on economic policy.

The argument for our housing policies is largely won. Few outside the Labour Party and the public housing lobby will deny the strength of the social case for selling council houses - and certainly not council tenants themselves. Even fewer will deny the value of our other low-cost home-ownership initiatives, and of our measures to encourage the private rented sector. And there is virtually unanimous support for the major initiatives we have taken on the Tenants Charter, the Mobility Schemes, on hostels and on home improvement. Even the attack on housing public expenditure reductions have proved relatively blunt, and will become progressively more blunt over the remainder of this Parliament if we can ensure a continuing rise in private sector housebuilding starts and in home improvement in 1982 and 1983.

If it is accepted that the key presentational need is to see that the very practical and valuable benefits of our housing policies are known and appreciated by the maximum possible number of electors, then the basic job is to translate the factual record of legislative changes and statistics into a message that is entirely comprehensible and relevant to the man in the street.

We need a thematic and personalised approach that rests on how the Government has provided positive and genuine solutions to a great number of practical, everyday, housing problems.

I suggest a basic approach through the media on the following lines :

Home-Ownership

It may not always seem like it, but there are plenty of things about which people in Britain agree.

One is that it's best to own your own home if you possibly can (90% of people under 30 say they would prefer to be home-owners).

It's not difficult to see why.

Home ownership means you don't have to pay rent for year after year with nothing to show for it at the end.

Home ownership gives you the financial security of having a valuable asset to fall back on.

It gives you greater job security too, by making it easier to move to other parts of the country.

And it gives greater security for your whole family by giving you something to pass on to your children.

Like the British people, the Government believes in home-ownership too. Not just in theory, but in practice. We are turning the dream of home-ownership into the reality of home-ownership for hundreds of thousands of families - the length and breadth of Britain.

Take Mr and Mrs A.

For years they've wanted to own their council house.

For years it's been just a pipe-dream. Now they've done the impossible.

They've become home-owners - because we gave them the legal right to buy their home.

But of course there's lots of young couples, and single people too, who want to buy rather than to rent, and who aren't council tenants. We've got schemes to help them as well.

Take Mr and Mrs B. They've just got married. They thought there was no way they could start their married life as home-owners. But now they've found they can. A major builder is building in their area one of the low-cost starter home Schemes that the Government is encouraging. They have found they can buy a flat for as little as £27 a week - after tax relief.

But for some, even the lowest-cost home is just too expensive. That's why the Government has been promoting shared ownership, under which you can part-own and part-rent your house or flat initially, and then buy your way into full home-ownership later on.

For example,

Mr and Mrs C found that the biggest mortgage they could afford was one of £10,000. But that just wasn't enough to buy a house or flat in their area. Through a housing association they've now bought a house by the shared ownership method. The house cost £20,000 so with their £10,000 mortgage they now own a half-share in the house. They can buy the other half share at any time they like in the future either in one go or in stages.

✓The same technique can be used to illustrate homesteading and/or the improvement for sale scheme⁷.

People want the satisfaction and security of home-ownership if at all possible. This Government has done more than any other in recent years to bring home-ownership within reach of more people.

Tenants

But we recognise of course that a great many people can't afford to buy, or perhaps don't want to, or perhaps have come to the time of life when it's just too late to buy.

We certainly haven't forgotten those who rent - far from it. We have in fact given council, new town and housing association tenants far and away the most significant and valuable extension of their legal rights this century.

Let's take Mr and Mrs D, who are council tenants.

Until now they have had no legal right to security of tenure in their own home. Today, thanks to the Government's Tenants Charter they have that security.

Before our Tenants Charter, if they wanted to take in a lodger, they had to get the Council's permission and it might well have been refused. Today, they have the legal right to take in a lodger, and the Council can't stop them.

Suppose they had wanted to improve their home - to put in central heating or change the front door - again the council might have said 'No'. They can't say 'No' now because under the Tenants Charter Mr and Mrs D have the legal right to make any reasonable improvement.

And suppose Mr and Mrs D had wanted to move to a council house or flat in another area? Almost certainly they would have found it very difficult to do so. This Government is now doing something which should have been done years ago. On April 1 we are launching the first national Tenants Exchange Scheme. Any council, new town or housing association tenant in England and Wales can register his exchange requirement. And from July, tenants will be able to go to their local council office and will find there a list of all the tenants in other parts of the country who are looking for a council house or flat in their area and with whom therefore they may be able to exchange.

That's just another way in which the Government is helping those who rent as well as those who want to buy.

Conclusion

Of course housing problems remain, but for millions of families, both those who want to buy and those who are tenants, the Government has made available the most significant new opportunities and new rights for a generation.

JOHN STANLEY

A SUMMARY OF HOUSING MEASURES SINCE MAY 1979
(Updated to March 1982)

This brief is designed to provide a summary of the key provisions of the Housing Act 1980 together with other measures the Government has taken in the Housing field since May 1979.

This brief is arranged as follows:-

The Government's low-cost home-ownership programme	paragraphs 1-7
Other measures to assist home-ownership	paragraphs 8-12
The Tenants Charter	paragraphs 13-14
The Priority Estates Project	paragraph 15
Shorthold	paragraph 16
Assured Tenancies	paragraph 17
Other Rent Act changes	paragraph 18
Service charges	paragraphs 19-21
Leasehold reform	paragraph-22
Improvement and repair	paragraphs 23-26
Home Insulation	paragraphs 27-29
Rent rebates and rent allowances	paragraphs 30-31
Housing Associations	paragraphs 32-34
Hostels	paragraph 35
The Elderly	paragraph 36-42
The Disabled	paragraphs 43-45
Servicemen	paragraph 46
Mobility	paragraphs 47-50
Reform of local authority housing finance	paragraph 51
1980 Housing Act booklets	paragraph 52
Housing Films	paragraph 53

THE GOVERNMENT'S LOW-COST HOME OWNERSHIP PROGRAMME

The Government is implementing a comprehensive and far reaching 7 point low-cost home-ownership programme as follows:-

1. The sale of council houses and flats

Council tenants, new town tenants and the tenants of non-charitable housing associations have been given the right to buy their houses or flats, and the right to a mortgage from their landlord or, in the case of housing associations, from the Housing Corporation.

If tenants are not able to afford to buy outright, they will, on payment of £100, have the right to a two year option to buy at the original price.

If they are still unable to buy at the end of the two-year option period, local authorities, new towns and non-charitable housing associations will be able to sell them their house or flat on a shared-ownership (part-owning and part-renting) basis - again at the original price.

The tenants of charitable housing associations do not have the right to buy, but these associations have been empowered to sell to their tenants voluntarily.

Co-ownership societies have also been given the power to sell to their members.

All local authorities (including county councils) have been given wider powers to sell houses and flats voluntarily. The general consents issued on 2 June 1981 enabled authorities:-

- a. to sell dwellings at a discount of up to 30% to sitting tenants who have not completed the 3 year right to buy qualifying period;
- b. to sell dwellings at right to buy discounts to sitting tenants who are excluded from the right to buy;

- c. to sell empty dwellings at discounts of up to 30% to any first-time buyer; to anyone with a firm offer of regular employment in the area; and to anyone having to leave tied accommodation, Armed forces married quarters, or a dwelling subject to slum clearance or redevelopment.

Since the Government was elected local authorities and new towns in Great Britain had completed the sale of almost $\frac{1}{4}$ million dwellings by 31 December 1981. In addition at 31 December 1981 nearly $\frac{1}{2}$ million tenants in Great Britain had applied to buy their homes under the right to buy.

2. The sale of land for starter homes

To encourage the release of publicly owned land for starter homes schemes, authorities have been able since 1 April 1981 to increase their individual Housing Investment Programme (HIP) allocations by the full amount of their receipts from land sales. In addition, as from 1 April 1981 housing subsidy will be withdrawn from local authority housing land that is kept vacant and not developed within 3 years from 8 August 1980 or from the date of purchase if later.

Between April 1980 and September 1981 a total of 1210 acres of land was sold to private housebuilders in England by local authorities.

3. Building for sale

Maximum encouragement is being given to partnership schemes between local authorities and private housebuilders whereby building for sale is carried out under licence on local authorities' own land. A total of 113 out of the 367 authorities in England are undertaking such schemes.

4. Improvement for sale

Under the 1980 Housing Act, powers have been taken to make a central Government grant available to both local authorities and housing associations who improve run-down dwellings for sale. The grant is paid on any difference, up to a maximum of £7,500 per dwelling

(£10,000 in Greater London), between the cost of providing the improved dwelling and its sale value after improvement. Experience so far suggests that this provides exceptional housing value for a relatively small amount of public expenditure. 80 local authorities are undertaking Improvement for Sale schemes and 51 housing associations also have had schemes approved.

5. Sale of unimproved homes (Homesteading)

Homesteading provides the lowest-cost route into home ownership of all. Pioneered by the GLC, sales of unimproved dwellings for homesteading have now been made by Skelmersdale New Town, and a number of local councils such as Corby, Newcastle, Peterborough and Portsmouth. 85 authorities are now undertaking home-steading schemes in the current year.

To encourage homesteading, powers have been taken whereby the Secretary of State can give an authority consent to waive the interest payments on the mortgages it grants for homesteading for up to 5 years. Such consents have been given to the GLC, the London Boroughs of Barnet, Ealing, Havering and Wandsworth, and the District Councils of Blackpool, Kingswood, South Lakeland, Tunbridge Wells and West Somerset.

6. Shared-ownership (part-owning and part-renting)

To bring home-ownership within reach of more people, local authorities, new towns and housing associations have been empowered to offer shared-ownership as an alternative to outright ownership in all the circumstances where they may be selling a dwelling - including sales of council houses, building for sale, improvement for sale and homesteading.

On 15 October 1980 comprehensive guidance was issued to each local authority and new town corporation on shared-ownership, including a Shared Ownership Model Scheme. Model clauses for inclusion in shared ownership leases have been agreed with the Building Societies Association to enable private sector mortgages to be provided for shared ownership purchasers and these were circulated to all authorities.

on 6 February 1981. Guidance for housing associations has been issued by the Housing Corporation.

In February 1982 the Department issued a new booklet "Shared Ownership how to become a home owner in stages". This is available free from local authorities and other public sector landlords and explains shared ownership in Question and Answer form. 37 authorities are undertaking shared ownership schemes.

7. Guarantees for Building Society Mortgages

To help make Building Society mortgages available to those buying the cheapest, and often therefore the most run-down dwellings, local authorities and the Housing Corporation were given a new power under the 1980 Housing Act to guarantee Building Society mortgages. Model forms of agreement were published in March 1981 (Circular 5/81). A number of authorities are now making use of these powers.

OTHER MEASURES TO ASSIST HOME-OWNERSHIP

8. The exemption ceiling for stamp duty that stood at £15,000 in May 1979 has now been raised again to £25,000 in the March 1982 Budget

9. The ceiling for local authority mortgage advances has been raised from £13,000 (£15,000 in Greater London) to £25,000 in Greater London or elsewhere.

10. First payments under the Homeloan scheme were made in December 1980 and some 5,000 families have benefitted up to 31 January 1982. Prospective purchasers, who have saved under the scheme for at least two years and who buy a house within the regional price limit set by the Government, will qualify for:-

a. a loan of £600, free of repayments of interest and capital for up to five years, and

b. a tax free cash bonus of up to £110.

11. The Housing Act has made it easier for housebuyers to switch between option mortgages and tax relief mortgages. The house

valuation limit under the option mortgage guarantee scheme has been raised from £14,000 to £20,000.

12. The Building Societies have agreed to continue the Support Lending Scheme in 1982/83, and have earmarked £350M for this. From December 1981, the priority categories of borrower, under the Scheme have been extended to include council, new town, and housing association tenants who are buying their homes, and purchasers of homes under the Improvement for Sale scheme.

THE TENANTS' CHARTER

13. In the Housing Act the Government introduced the first statutory charter of rights for tenants of local authorities, new towns and housing associations. The main rights are:-

- a. the right to buy;
- b. security of tenure, subject to the ability of the landlord to obtain repossession for certain specific reasons;
- c. the right of a widow, widower, or a resident member of the family to succeed to the tenancy;
- d. the right to take in lodgers;
- e. the right to sublet;
- f. the right to improve;
- g. the right to information about tenants' rights and obligations;
- h. the right to be consulted about matters affecting the tenancy.

14. To encourage tenants to take more direct responsibility for managing their own estates, powers were renewed in the 1980 Housing Act for the Secretary of State to approve agreements between local authorities and tenants' management co-operatives who are willing to take over the day to day management responsibility for their estates. 10 management co-operatives have so far been approved under the 1980 Act.

THE PRIORITY ESTATES PROJECT

15. The Government has launched, and is financing, a radical and

intensive drive to help local authorities tackle the serious problem of 'difficult to let' council estates, that now include, on authorities' own estimates, some 250,000 dwellings. It is doing this through its Priority Estates Project (PEP). Under this project, 3 actual difficult to let estates are being systematically upgraded—in Bolton, Hackney and Tulse Hill (Lambeth). In addition, the three independent consultants who are managing this project, and who are each tackling one of these estates themselves, are also providing an invaluable source of advice and practical experience to several local authorities with difficult to let problems. An interim report on the progress of PEP was published in 1981 and circulated to all local authorities. A film to demonstrate the various ways in which the difficult to let problem can be overcome is in the process of being produced by the Department and will be launched in June.

SHORTHOLD

16. Shorthold gives landlords the right to let for between 1-5 years with a guaranteed right of repossession, subject to the following safeguards for tenants:-

- a. existing statutory or protected tenancies cannot be converted into shortholds;
- b. tenants have security of tenure during the period of the tenancy plus a further year's security if the landlord does not give notice of repossession before the end of the shorthold period;
- c. For shortholds in Greater London a fair rent has to be registered. Outside Greater London the tenant has the right to apply for a fair rent, but a fair rent does not have to be fixed from the outset of the shorthold tenancy.

Up to the end of November 1981 the number of known rent registrations for shorthold tenancies was 5,128 (NB This is not the complete total of shorthold lettings because, for example, it does not include dwellings where a fair rent was already registered when the shorthold tenancy commenced.)

ASSURED TENANCIES

17. Under the 1980 Housing Act the Government created "assured tenancies", under which landlords approved by the Secretary of State can build for rent at freely negotiated (ie market) rents outside the provisions of the Rent Acts. Approval has been given for four bodies; the Abbey Housing Association Ltd, Wates Ltd, Rushey Development Co Ltd (a wholly owned subsidiary of Rush and Tompkins Ltd), and the Prudential Assurance Company Ltd. The Abbey Housing Association Ltd has already built and let property on assured tenancies in Tower Hamlets, and has other assured tenancies under construction or planned in Islington Southwark and Reading. The Chancellor announced in his March 1982 Budget that the 1982 Finance Bill would introduce capital allowances, at the rate of 75% in the first year, for expenditure on the construction of properties wholly for letting as assured tenancies.

OTHER RENT ACT CHANGES

18. In the Housing Act the Government has:-

- a. ended the system of controlled tenancies under which rents were pegged at 1956 levels; these tenancies have now been brought into the fair rent system;
- b. reduced the period between reviews of fair rents from 3 to 2 years, with a corresponding reduction in phasing instalments, in order to give greater protection of the value of fair rents against inflation;
- c. improved the rent registration procedures to avoid delays;
- d. extended the rights of temporarily absent owner occupiers, servicemen and the owners of retirement homes - and their successors if they die - to regain possession of their homes from tenants;
- e. made it easier for owner occupiers who sublet part of their homes to regain possession. (In addition resident landlords have been helped by the Finance Act 1980 which exempted from Capital Gains Tax the part of an owner occupier's home which is sublet providing it is not self-contained and the gain during the period of letting is

not more than £10,000 on the part of the house which is not let);

- f. extended the right of a deserted husband or wife to apply to the Court for the suspension of an order to possession;
- g. given widowers the same succession rights as widows;
- h. extended Rent Act protection to tenants of the Crown Estate Commissioners and the Duchies of Cornwall and of Lancaster.

SERVICE CHARGES

19. In the Housing Act, the Government has given tenants and long leaseholders of flats who pay service charges:-

- a. increased rights to obtain summaries of costs and to inspect the landlord's accounts;
- b. new rights to be consulted on major works, with a financial sanction against a landlord who fails to consult;
- c. new rights for tenants associations, and a simple procedure whereby associations can obtain recognition;
- d. a new right to challenge demands for advance payments which are unreasonable;
- e. a new right for tenants, who pay service charges as part of a fixed fair rent, to challenge a landlord's evidence on service costs before a fair rent is registered by the rent officer.

20. The Government has increased the maximum penalty for failure of landlords of flats to provide summaries of costs, or facilities for inspection of their accounts.

21. It has also increased the penalties for landlords failing to disclose their identity.

LEASEHOLD REFORM

22. In the Housing Act the Government has amended the Leasehold Reform Act 1967 to help long leaseholders of houses by:-

- a. providing for the creation of local leasehold valuation tribunals to settle valuation disputes arising under the Act quickly and inexpensively; the tribunals came into operation on 31 March 1981;
- b. reducing the residence requirement from 5 years to 3;
- c. reducing the bar on making a second application to buy the freehold from 5 years to 3.

IMPROVEMENT AND REPAIR

23. The new home improvement grant system was brought fully into operation on 15 December 1980. The most important changes are as follows:-

- repair grants are now available for pre-1919 properties generally, (previously they were obtainable in cases of hardship in Housing Action or General Improvement Areas);
- a home improvement grant no longer has to be repaid if an owner-occupier moves within 5 years, provided he or she sells to another owner-occupier;
- to help the less well-off, people can now improve in stages if they wish instead of having to undertake a comprehensive improvement of their homes, and, again to help the less well-off, local authorities have discretion to allow improvement to a lower cost;
- tenants in both private and public sectors are now eligible for grants for the first time;

- higher eligible expense limits have been introduced for Greater London for the first time;
- higher rates of grant are now available for all substandard houses.

24. New rates of grant and eligible expense limits have been set and are now in force.

On grant rates:-

- grants of up to 75% are now available not only in Housing Action Areas, but also for houses outside those areas which are substandard, including those in need of major repairs;
- the grant rate in General Improvement Areas has been increased from 60% to 65%;
- grant rates can be increased by 15% when the applicant is in hardship.

On eligible expense limits:-

- all limits have been increased, with a higher increase in Greater London where building costs are higher;
- for full improvement grants, higher limits now apply "in priority cases" (defined as houses in Housing Action Areas or substandard houses anywhere): these limits are now £11,500 in Greater London and £8,500 elsewhere.

25. The Exchequer contribution payable towards environmental works has been increased from £50 per dwelling in Housing Act Areas and £200 per dwelling in General Improvement Areas to £400 per dwelling in both types of Area.

26. The Chancellor announced in his March 1982 Budget that the grant rate for intermediate and repairs grants would be increased to 90% in all cases where the grant application was made by 31 December 1982.

In addition the rate of Exchequer contribution for repairs grants is being increased from 90% to 95% in order to encourage authorities to promote repairs grants by reducing the call on their own funds. To pay for these changes and to encourage local authorities to make more improvement grants generally available an additional £90.0m being made available for expenditure on home improvement grants in Great Britain in 1982-83.

HOME INSULATION

27. From 1 May 1982 the thickness of loft insulation required is being increased from about 80mm to about 100mm to come into line with the new building regulations standard for thermal insulation to be introduced on 1 April 1982.

28. In August 1980 a new 90% rate of grant under the Homes Insulation Scheme was brought in for elderly people on low incomes up to a maximum grant payable of £90. For other claimants, the maximum grant payable was increased to £65. In December 1981 the 90% grant rate was extended to the severely disabled on low incomes and from 1 May 1982 the maximum grants payable are to be increased to £95 and £65 respectively.

29. Local authorities were allocated £24.6m for grants under the Scheme in 1981/82, an increase of 30% in real terms over the total amount allocated for grants in 1980/81. £27.85m, now to be supplemented by most of the further £10m (GB) announced in the Chancellor's March 1982 Budget, has been allocated for grants in 1982/83. If authorities consider extra funds will be required they may apply to the Department to increase the proportion of their single block capital allocation which they may spend on insulation grants.

RENT REBATES AND RENT ALLOWANCES

30. To help those on low incomes the Housing Act 1980 extended rent rebates and allowances to most council licensees, to tenants of co-operative housing associations, to hostel dwellers, to those sharing accommodation and to assured tenants. None of these groups was eligible previously.

31. The Government has also raised substantially the ceiling for the maximum weekly rent rebate or rent allowance payment from the previous figure of £23 (£25 in Greater London) to the present £30 (£35 in Greater London). The Government has published proposals in the Social Security and Housing Benefits Bill for combining and rationalising the housing benefits currently provided by local authorities (ie rent rebates, rent allowances and rate rebates), and those provided by the Department of Health and Social Security through the supplementary benefit system. This will save tenants having to make the difficult calculation as to whether they would be better off on rebates/allowances or on supplementary benefit.

HOUSING ASSOCIATIONS

31. The 1982/83 allocation to the Housing Corporation for distribution to housing associations is £556m, which will maintain the level of allocations in real terms to housing associations for the third successive year.

33. Housing associations are also now able to make a major contribution to low-cost home-ownership:-

- a. like local authorities they may carry out improvement for sale a £5m pilot programme was started in 1980/81 and by the end of January 1982 some 500 homes had been improved and sold under the scheme. It is anticipated that some 2,000 dwellings will be approved for improvement for sale during the 1981/82 financial year.
- b. housing associations may also build for shared-ownership sale. The Housing Corporation has issued a model scheme and a model lease. 125 schemes representing 1585 units have been approved so far during 1981/82 by the Corporation.
- c. the Corporation has also been allocated £3m this year for leasehold schemes for the elderly, a type of shared ownership. These schemes, in which 70% or 80% of the cost is met by the occupants, allow elderly owner occupiers to move into sheltered accommodation, releasing under-utilised family accommodation on to the housing market, and providing sheltered accommodation at much less cost to the public purse than the cost of similar rented accommodation. 11 schemes representing 241 units have been approved so far during 1981/82 by the Corporation and 45 units completed.
- d. the Housing Corporation has a similar power to that of local authorities to guarantee building society mortgages for housing association tenants exercising their right to buy their homes.

34. To simplify and speed up the processing of housing association schemes the Government has made fundamental changes to streamline procedures:-

- a. The "double scrutiny" of housing association development proposals by both the Department and the Housing Corporation ended on 1 April 1981. The Housing Corporation is now solely responsible for the approval of individual schemes.
- b. The procedures operated by the Housing Corporation for the supervision of associations and the control of their development projects has been simplified and streamlined.

This has enabled substantial economies to be made.

HOSTELS

35. In the Housing Act 1980 the Government introduced the first extensive reform of hostels legislation for many years. The Act:-

- a. for the first time provides a special grant of up to £6,750 (£9,000 in Greater London) for fire escapes for hostels plus a grant of up to £2,500 (£3,500 in Greater London) for associated repairs;
- b. improved the ability of local authorities to deal with overcrowding in hostels;
- c. increased penalties for bad management of hostels;
- d. extended rent rebates and rent allowances to those living in hostels who were not previously eligible for them.

In addition:-

- (i) 'bed-sitting room space standards have been increased in hostels for the elderly;
- (ii) lifts in hostels for the elderly and handicapped are in future to be eligible for Housing Association grant (previously there was no grant for a lift for a 2-storey hostel);
- (iii) to increase the availability of hostel accommodation, particularly in London, a special allocation of £12m has been made to the Housing Corporation for hostels in 1981/82, and the provision for 1982/83 has been increased to £18m;
- (iv) for the first time, local authorities have a duty, rather than a power, to ensure that large hostels and houses in multiple occupation (those with three or more storeys excluding basements and with a floor area in excess of 500 square metres) are provided with adequate means of escape from fire.

THE ELDERLY

36. The elderly will benefit from the more flexible system of home improvement grants such as:-

- a. the ability to improve in stages (eg to instal an inside WC or bath) instead of having to make a full scale improvement all at once;
- b. the ability to improve (at the local authority's discretion) to a lower cost;
- c. the general increases in home improvement grant limits, and the special rates of grant going up to 90% in hardship cases;
- d. the extension of repair grants to older properties (nearly a third of all pre-1919 houses are owned by elderly people).

37. The elderly will also be helped by the increase in maximum rent rebates and allowances (see paragraph 29).

38. A new grant rate of 90% for the cost of loft insulation has been introduced for elderly people on low incomes (see paragraph 26 above).

39. Standards for elderly persons' accommodation have been raised in three ways:-

- a. separate bedrooms and living rooms rather than bedsitters can now be provided;
- b. lifts can now be provided in sheltered accommodation and hostels of 2 or more storeys;
- c. space standards have been improved in hostel schemes for the elderly.

40. The option mortgage scheme has been extended to provide additional income to elderly non-taxpaying owner-occupiers who take out a loan on the security of their home to buy a life annuity.

41. In the Local Government Act 1980 local authorities were given the power to defer payment of rates by elderly owner occupiers.

42. The Government is supporting a wide range of initiatives to encourage greater provision of elderly persons' accommodation for outright purchase or for shared ownership. These were set out in detail in the Minister of Housing's speech, "Housing for the Elderly" on 11 November 1980.

THE DISABLED

43. The above provisions to help the elderly will also benefit the disabled.

44. In addition under the Housing Act rateable value limits for improvement grants no longer apply where the works are for making a dwelling suitable for a disabled person. Priority rates of grant of to 90% and higher eligible expense limits now apply to adaptations, under the home improvement grant system, needed for a disabled person, and the 90% Homes Insulation Scheme grants have been extended to the severely disabled on low incomes (see paragraph 26 above).

45. These and other initiatives taken for the benefit of disabled people were set out in the Minister for Housing and Construction's speech "Housing for the Disabled" at the RADAR Conference on 23 October 1981.

SERVICEMEN

46. To help servicemen buy a home whilst still in the services:-

- a. under the Housing Act servicemen have the right to buy a house and let it (without necessarily having lived in it) until they need to live in it themselves.

- b. Regular servicemen who exercise the "Right to Buy" may count time spent in service accommodation for calculating their entitlement to discount.

MOBILITY

47. The Housing Act aids mobility in the following 8 ways:-

- (1) by giving public sector tenants the right to buy their homes;
- (2) by the measures in the Act to help other first-time buyers - particularly shared-ownership, improvement for sale and home-steading;
- (3) by the introduction of shorthold tenancies for privately rented accommodation;
- (4) by making it easier for owner-occupiers to take in tenants;
- (5) by giving public sector tenants the right to take in lodgers and, with their landlords' consent, to sublet part of their home;
- (6) by the special encouragement given to local authorities to make properties available for up to one year to people moving into their area to take a job whilst they look for permanent accommodation;
- (7) by the publication of housing association and local authority allocation, transfer and exchange rules;
- (8) by the new powers of the Government under Section 46 to make a financial contribution to tenant mobility schemes

48. The Government has also assisted mobility by empowering local authorities in the new general consent to sell empty dwellings at discounts to job movers. The discount can be up to 30%, which will help to even out house price differentials between various parts

of the country.

49. The Government worked closely with the local authority associations for England and Wales in developing proposals for the first ever National Mobility Scheme, which came into operation on 1 April 1981. The Scheme is open to the tenants and people high on waiting lists, of all participating local authorities, new town development corporations and housing associations, who need to move to a different area for work or family reasons. Other people with a pressing need to move can also apply. The Scheme operates at two levels, facilitating moves between districts in the same county and moves between districts in different counties. So far 97% of local authorities and all new town development corporations have agreed to participate, in the Scheme.

50. The Government has announced the launch of the Tenants Exchange Scheme, with effect from the beginning of April 1982. The Scheme will provide a national computer-based information service for tenants of local authorities, new town development corporations and housing associations who want to exchange homes with similar tenants in other parts of the country.

REFORM OF LOCAL AUTHORITY HOUSING FINANCE AND HOUSING PROJECT CONTROL

51. The Government introduced on 1 April 1981 a series of fundamental changes in the arrangements for local authority housing finance and project control in order to achieve substantially greater freedom of decision making by authorities themselves. The most important of these changes are:-

- a. Each authority has a single ceiling for all its capital investment with the freedom to use whatever proportion of its total allocation for housing purposes that it wishes.
- b. Each authority is now able for the first time to use its capital receipts, or a proportion of those receipts, whether housing or non-housing receipts, to add to its capital expenditure on housing - or indeed on other services.
- c. Mandatory minimum standards ("Parker Morris") and cost

ceilings (the "yardstick") for new housebuilding have been abolished. Each authority will be able to decide what standards and costs give best value for money.

- d. A new housing subsidy system came into effect on 1 April 1981. It is a deficit system and enables subsidy to be distributed more selectively in relation to housing need. In addition, following the abolition of the so-called "no profit rule", authorities can now budget for a credit balance within their Housing Revenue Account and have the freedom to use such a balance to finance their capital programmes or to repay housing debt, or to transfer it to the General Rate Fund.

1980 HOUSING ACT BOOKLETS

52. The following booklets explaining the 1980 Housing Act in Question and Answer form are available from the Department of the Environment, Local Council Offices, rent officers and housing aid centres.

"The Tenants' Charter" - new rights for council, new town and housing association tenants.

"The Right to Buy" - a guide for council, new town and housing association tenants.

"The Rent Acts and You" - a brief guide for landlords and tenants.

"Letting Rooms in Your Home" - a guide for resident landlords and their tenants.

"Letting Your Home or Retirement Home" - a guide for home-owners and servicemen who want to let their homes temporarily.

"Controlled Tenancies" - bringing them into the fair rent system.

"Regulated Tenancies" - fair rents and security of tenure explained.

"Shorthold Tenancies" (first revision) - a guide for private landlords and tenants.

"Service Charges in Flats" - a guide for landlords and tenants.

"Notice to Quit" - a brief guide for landlords and tenants.

"Housing Association Rents" - a guide for housing associations and their tenants.

"Home Improvement Grants" - a guide for home owners, landlords and tenants.

"Leasehold Reform" - a guide for leaseholders and landlords.

"Shared Ownership : how to become a home owner in stages" - a guide for potential owners.

"Wanting to Move?" - a guide for those wanting to rent or buy in another area.

53. HOUSING FILMS

The Department has released films entitled "A First Home" showing a wide range of low-cost home-ownership schemes that have already been carried out; "Housing for the Disabled", showing a variety of ways of meeting the housing needs of disabled people; and "Home Improvement", covering the new home improvement grant system, the role of private sector finance, Improvement for Sale, improvement with tenants in residence, and agency services.

These films have been made available to all local authorities, the housebuilding industry and other interested organisations throughout the country. Copies of the booklets accompanying the films and describing the schemes shown in the films in more detail, are available from the Department.

A further film setting out ways of dealing with difficult to let estates is being produced and will be available in June 1982.

Department of the Environment
2 Marsham Street
LONDON SW1P 3EB

March 1982



DEPARTMENT OF THE ENVIRONMENT

2 MARSHAM STREET

LONDON SW1P 3EB

01-212 7601

MINISTER FOR HOUSING AND CONSTRUCTION

12 March 1982

Prime Minister

Mike Pattison Esq
Private Secretary
10 Downing Street

This seems a good
idea. Shall we arrange
it? (The meeting will now
be on 24th March, not 17th)
JH

Dear Mike

Mr Stanley has asked whether the Prime
Minister would like the Liaison Committee at
its meeting next Wednesday March 17 to see
on a video the new (20 second) right to buy
TV advertisement that will be going out on
all channels from Monday 22 March.

The Liaison Committee will be considering
Mr Stanley's paper (to be circulated on
Monday) on the Presentation of Housing Policy
at its meeting next Wednesday.

Your sincerely
John Henry
JOHN HENRY
Private Secretary

Yes. ~~to~~
no.

2 MAR 1982

12 3 4 5 6 7 8 9 10 11 12





RW
15th

NOTE OF LIAISON COMMITTEE MEETING ON 10 MARCH 1982

Present: Prime Minister
Lord President of the Council
Chairman of the Party
Mr Cropper (Conservative Research Department)
Mr Ward (Lord President of the Council's Office)
Prime Minister's Chief Press Secretary

Budget Presentation

The Committee reviewed the reception which the Budget had received. It was noted that the Budget had been given a warm welcome by backbenchers and had generally enjoyed a good reception in the press. It had been accorded a modest welcome by the CBI. The need now was to assess how best to keep up budgetary presentation over the next week or so. The following points were made in discussion:

- a) The Budget had been so well received that there could be danger in over-selling it. It was to be anticipated that economic correspondents especially those of the quality Sunday newspapers, would soon take a longer, cooler, look at it.
- b) In the next few days it was likely that there would be helpful reductions in interest and mortgage rates, achievements which would largely speak for themselves. It was however important not to arouse excessive expectations on the interest rates front lest they were disappointed by international developments.



c) In general, the best approach to presentation seemed to be to emphasise particular components of the Budget, and especially measures such as the help to industrial costs which it had given. A very important element was the protection afforded to social security payments which was a most suitable subject for an early Central Office weekly briefing note. In this context it should be stressed that social security was essentially a transfer of income whose size must be determined by what people in work were prepared to pay to those less fortunate.

d) The Department of Industry had already been alerted to the importance of making maximum presentational use of the Budget's measures to help industry, and the Industry Secretary was taking a personal lead.

e) In general, the presentation should seek to set the Budget in the context of the fall in oil prices and interest rates, and as a Budget designed to nurture recovery by providing opportunities for industry, with the Government clearly in the lead, and supported by a united Party. Above all, the Budget should be presented as a responsible measure by a Government determined not to leave itself a legacy of inflation for its second term of office.

Other Business

2. The following points were made:

a) It was important that the briefing provided by the Liaison Committee should both be properly used and kept up-to-date. On the first point, there could be advantage in inviting particular Ministers to speak on particular themes which the Liaison Committee would identify. On the second, it was desirable to update the guidance already circulated on economic presentation by a supplementary note on the Budget. Mr Lilley should undertake this task, clearing his paper with the Chancellor of the Exchequer and then arranging for its early circulation by the Lord President of the Council. The Prime Minister would take an opportunity at a forthcoming Cabinet meeting to inform colleagues of the Committee's work and the purpose of the briefing material which the Committee would circulate.



b) The paper which the Committee had considered at its previous meeting, on the presentation of Conservative policies on law and order, was in process of revision in the light of the Committee's discussion. The revised version should be available early next week for the Committee's approval.

c) A paper should now be commissioned on the presentation of the Government's social security policies. The Chairman of the Party undertook to arrange, in consultation with the Secretary of State for Social Services, for such a paper to be prepared.

d) Once the social security paper had been dealt with, the next candidate might be guidance on presentation of defence policies in the light of the decision on Trident; although it was noted that the defence debate would not take place until after Easter.

AW

A WARD

Distribution: Those present

CONFIDENTIAL

Econ Pol

PRIME MINISTER

CABINET THURSDAY 11 MARCH:

LIAISON COMMITTEE

This is just to remind you that you wish to have a word with your Cabinet colleagues about the existence of the Liaison Committee and the purpose of the briefing papers which the Lord President has started to circulate, beginning with the one on economic policy.

tan

10 March 1982

CONFIDENTIAL



10 DOWNING STREET

Prime Minister.

This will not be a meeting of the full Liaison Committee but, as you agreed last week, a work with the Lord President and Paymaster General about the presentational follow-up to the Budget Statement.

Mr Ingham and Mr Cooper will also be present.

KH

9th 82

PRIME MINISTER

LIAISON COMMITTEE - DECISIONS REQUIRED

I set out below decisions required at a meeting of the Liaison Committee on March 10 - the day after the Budget. I attach at Annex I a diary to Easter, and at Annex II a list of leader writers/opinion formers whom Ministers might find it useful to influence.

This week will be dominated by the Budget and its reception, and any movement in interest and mortgage rates.

The Building Societies Association is meeting on Friday under pressure to cut the interest on mortgages by up to 1.5%.

It will be important to sell - and to sell hard - the Budget's promises especially as they affect industry.

In practice the media are likely to turn fairly quickly, once the measures have been digested, to their impact upon:

- The economy - are they likely to reinforce recovery?; and
- Politics; is this the turning point in the Government's fortunes? Whether SDP? Impact on Hillhead?

The two points are, of course, closely linked, and the Government will be engaged this week upon the twin exercises of talking up political and economic confidence, at a time when the Labour Party is racked by a new Trot-induced row, having ensured that the Budget measures themselves are properly understood.

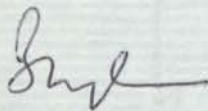
The opportunity to do this will be enhanced at the weekend if a movement in tax rates is complemented by a reduction in mortgage interest.

The Chancellor has a heavy media week with Budget Statement and Ministerial broadcast (Tuesday); BBC TV Question Time (Thurs); and the Jimmy Young Programme (Friday).

DECISIONS REQUIRED

It is against this background that the following decisions are required:

1. Topic for weekend - Budget; but what emphasis?
2. Speaking note - material already available; any need for short additional note giving a steer on where emphasis is to be put?
3. Organisation of major speech/radio/tv offensive for the weekend?
4. Who Ministerially should be in the lead at the weekend for broadcasts? Mr Jenkin and Mr Heseltine? (NB: we could create the opportunity in Sunderland for you to underline any movement in interest rates).
5. Mr Howell to take the lead on the London Transport strike on Wednesday March 10, especially on local radio and tv?



B. INGHAM

8 March 1982

LIAISON COMMITTEE: DIARY TO EASTERMARCH

- 3 NEDC; Queen opens Barbican conference centre; Mitterand in Israel.
- 4 BELFAST SOUTH BY-ELECTION; Liberal PPB.
- 9 BUDGET (Social Security uprating); Dail meets after election.
- 10 Labour PPB on Budget.
- 11 Liberals on Newsnight on Budget.
- 12 YOUR VISIT TO SUNDERLAND; YOUNG CONSERVATIVES CONFERENCE; BUILDING SOCIETIES ASSOCIATION CONSIDER MORTGAGE RATE.
- 13 CONSERVATIVE PARTY LOCAL GOVERNMENT CONFERENCE, London.
- 14 GLC London fares rally.
- 15 CHILD BENEFIT PAYMENT GOES MONTHLY.
- 16 Glasgow rape case private prosecution decision.
- 17 Sultan Qaboos' visit; Labour PPB.
- 18 TUC Women's Conference, Bournemouth (to 19).
- 19 SCHMIDT BILATERAL, CHEQUERS; INDEX OF RETAIL PRICES; DEADLINE FOR BR/ASLEF FLEXIBLE ROSTERING PROCEDURE.
- 21 LONDON TRANSPORT FARES RISE.
- 22 EC Foreign Affairs Council, Brussels; MRS GHANDI'S VISIT (to 24th).
- 23 UNEMPLOYMENT FIGURES.
- 24 TUC General Council; Labour Party National Executive.
- 25 ? HILLHEAD BY-ELECTION; FCO BI-CENTENARY LECTURE, LORD CARRINGTON.
- 26 DEADLINE FOR DE LOREAN RESCUE; FIRST ANNIVERSARY, FOUNDING OF SDP; National Consumer Congress, Guildford (to 28).
- 27 CENTRAL COUNCIL SPEECH; Boat Race.
- 28 ELECTION, EL SALVADOR; Clocks go forward.
- 29 EUROPEAN COUNCIL, BRUSSELS (Mandate etc) with AG. AND FISH COUNCILS (to 30); Two tier motor cycle test starts.
- 30 NUJ Conference, Coventry.
- 31 SDP/Liberal Alliance deadline for seats share out; Conservative PPB.

APRIL

- 1 Gas, electricity and dental charges up.
- 2 Derek Jameson, News of the World.
- 3 Grand National; ACTT conference (to 4th).
- 5 TUC CONFERENCE ON CAMPAIGN AGAINST EMPLOYMENT BILL; EPEA (Engineers' & Managers' Assn) conference, York (to 7th)
- 7 PM'S FCS SPEECH, Loughborough; NEDC.
- 8 EASTER RECESS (? to 19th).
- 9 Good Friday; Co-op Party conference, Ayr (to 12).
- 10 NUT conference, Scarborough (to 15); Labour Party Young Socialists conference, Bridlington (to 12).
- 12 NAS conference, Blackpool (to 16).

LEADER WRITERS/OPINION FORMERS

As a preliminary to agreeing approaches by Ministers, Liaison Committee asked for a note of leaderwriters/opinion formers. The list below is not exhaustive, but is intended to identify those who might be helpful. It goes without saying that contacts with Editors are invaluable.

FT: Sam Brittan; Anthony Harris.

Times: Peter Stothard; Adrian Hamilton; Ronnie Butt.

Sunday Times: Ronnie Butt; Sarah Hogg; Graham Serjeant.

Guardian: John Torode; Victor Keegan.

Telegraph: Andreas Whittam-Smith.

Sunday Telegraph: Ivan Fallon.

Mail: Robin Oakley; Patrick Sergeant.

Express: James McMillan; George Gale.

Sunday Express: John Junor.

Sunday Mirror: Woodrow Wyatt.

News of the World: Derek Jameson; Gordon Leak.

Sun: Kelvin Mackenzie; Peter Rose.

Economist: Andrew Neil.

Spectator: Ferdinand Mount.

2.
—.

Prime Minister.

Mr Whitmore

This is the part of the
main Committee's
papers to be considered.

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AJ

4 March 1982

Yeh
S'ni.

Dear Willie,

PRESENTATION

The Prime Minister has agreed that it will be helpful for Ministers to have some central guidance on the presentation of the Government's approach in major policy areas. This guidance is intended to provide Ministers with source material on which to base their own policy presentation; and on which they can draw in writing articles and speeches, and in deciding the emphasis to be put by their Departmental information staffs on particular policy initiatives.

The guidance will take the form of a series of papers dealing with specific policy areas. Each paper will re-state the Government's broad policy objectives, and its achievements; will illustrate the public perception of the Government's policies and successes; and will identify the main themes which Ministers should seek to emphasise. The papers will be distributed from my office and are for Ministers' personal use. They should not be given any wider circulation. Papers will be sent individually to all Ministers and to the Chief Whip.

.../...

The Rt Hon William Whitelaw CH MC MP
Home Secretary
Queen Anne's Gate
London SW1

... The first such paper is enclosed with this letter. It deals with the presentation of economic, employment and industrial policy. This paper will provide the basis on which those Ministers particularly concerned will approach the presentation of Budget decisions and which Ministers generally should use for speeches they may be called on to make in this policy context.

I am copying this letter, and enclosure, to all our Cabinet colleagues, to all Ministers in Departments, to the Chief Whip, and to the Prime Minister's Chief Press Secretary.

Jacobson

Francis

FRANCIS PYM

2

SECRET

ECONOMIC, EMPLOYMENT AND INDUSTRIAL POLICY AND ITS PRESENTATION

PART I - PERCEPTIONS AND PRESENTATION

Summary of Public Perceptions Versus the Facts and Policies (A fuller analysis is given in Part II).

1. Few voters have a clear view of the government's overall economic strategy, its objectives and how it is meant to work. On the other hand, the government's and Prime Minister's sense of purpose is widely recognised and respected. This underlying strength can only be exploited as the electorate's weak understanding of our goals is remedied and they see the first signs of progress towards them.
2. Misconceptions about unemployment are particularly damaging. About half the voters think the government is deliberately making unemployment high to curb union pay demands. Few voters could think of any government measures which were intended and likely to help cure unemployment - at least before the Employment Bill and Training Initiative.
3. Few people see inflation and unemployment as alternatives. In this their perceptions are closer to the government's view than to its critics'. Voters want both unemployment and reflation to be tackled simultaneously. Even fewer people perceive the connection between prices, money and borrowing - but they approve of measures to reduce government borrowing, even higher taxes.
4. Trades union reform is potentially the most popular and credible element of our policy. Not only does a large majority support steps in that direction, even some of those hostile to it believe union reforms will help reduce inflation and unemployment. It is important that the union measures do not become seen, jointly with unemployment, as an attack on the working class.
5. Nationalisation has long been unpopular but until recently privatisation was not recognised as an option and has not yet had time to acquire much positive electoral support. Some see privatisation as part of the sterile ding-dong between Labour and Conservative. They do not recognise that in fact no major industry was returned to private ownership between 1951 and 1981.
6. Investment is universally thought a 'good thing' of which there is too little. The substantial increase in investment by nationalised industries after five years of decline is not publicly appreciated. Most people think private investment is inadequate and falling. Few realise that private sector investment reached an all time record level in 1980 or that an increase is likely this year.
7. A majority probably think national output is falling despite the predominantly rising trend since last spring. The balance of payments is still widely believed to be an important measure of national well being but it is doubtful whether the majority recognise the size of the current surplus.
8. Too few are aware how closely our problems and solutions, are being mirrored abroad: that unemployment is now rising faster in Germany, that inflation is worse in the rest of Europe than in the UK and that many countries plagued with budgetary problems similar to ours are cutting even items of welfare spending like pensions and health which the British government has protected.

PRESENTATIONAL APPROACH

- (i) Presentation of our strategy was bound to be very difficult in the first phase of government. Many of the measures necessary were initially painful, their potential benefits lay in the future, and the causal relationship between the measures and their eventual benefits was not always initially obvious or easily explained.
- (ii) Now it is vital to convince people that we have a strategy and that it will in due course deliver the goods. Since many of our policies are now embodied in law or government actions, and some are showing their first fruits, it should become easier to 'sell' the strategy convincingly.
- (iii) Many of the misconceptions about our objectives have arisen to fill the vacuum left by failure to appreciate what government strategy is. As we succeed in presenting it effectively those illusions will be dispelled. But some are sufficiently deep-rooted to require a specific effort to dispel them.
- (iv) The Presentational Framework
 - (a) Our objective is to reverse the long term decline in:-
 - the relative living standards of the British people,
 - the value of our currency,
 - the competitiveness of our industry,
 - and, eventually, the number of viable jobs.
 - (b) This decline has come about because in the past British governments shrank from tackling fundamental long term problems and exacerbated them by:
 - subsidising resistance to change (directly and through a falling £)
 - short-lived consumer booms to purchase popularity at the expense of savings, investment in the future and the value of the £.
 - (c) We are tackling the fundamental long term problems of the British economy which other governments shrank from e.g.:
 - trades union immunities,
 - uncompetitive and overmanned nationalised industries,
 - the burden of borrowing and foreign debt,
 - inflation,
 - training,
 - obstacles to new business.
 - (d) The task of tackling these problems was made more difficult by the recession.
 - (e) The blame for much of the tragic rise in unemployment lies with
 - those who encouraged overmanning or resisted changes in working methods until enterprises were on the brink of collapse and faced with the grim choice between shedding large numbers of workers or losing them all in bankruptcy.

- those who, verbally or through previous bursts of inflationary spending, incited wage claims which could only have been financed by another round of accelerating inflation.

(f) The government is doing all it can to alleviate the short-term unemployment problem without aggravating the longer term problem and where possible (e.g the Training Initiative), to make a permanent contribution to employment prospects.

- YOPS, TOPS etc.

The government is planning to spend £4 billion on training by 1984 - not the mark of an 'uncaring' government.

(g) There are no simple, cheap, quick, safe ways of curing unemployment. If there were the government would have implemented them not only for humanitarian reasons but also from electoral self-interest.

(h) The most frequently canvassed 'easy' option is some sort of reflation (i.e. pumping more money into circulation). In the past this never produced more than a temporary alleviation of the problem - which on every occasion gave way to increased unemployment.

Nowadays those involved in foreign exchange markets, financial markets and in negotiating wages have learned that reflation begets inflation. As a result a reflationary package would, as soon as announced, almost certainly result in a foreign exchange crisis, devaluation, rising living costs and a wage explosion. This would abort any economic recovery before it had generated any new jobs and probably intensify the squeeze. That is why virtually every major government in the world has abandoned reflation as an option.

(i) The government believes that it will be possible permanently to reverse the trend in unemployment (which has been upward for two decades) and to bring unemployment down to levels reflecting normal job changes.

But a long term up trend can only be reversed by the sort of fundamental measures which the government is taking. These inevitably take a long time to work.

(j) The deliberate creation of unemployment plays no part in the government's strategy as our opponents allege. It would be politically suicidal as well as wicked.

The idea that unemployment is necessary to curb wage increases is the reverse of the truth. The reason the government wants wage increases to moderate is to stop people being priced out of jobs.

(k) The preconditions of curing unemployment and restoring prosperity are:

- curbing inflation and
- improving productivity and competitiveness.

- (l) The first unmistakeable signs of success on both inflation and productivity are becoming apparent.
- Inflation is down to half its last peak level and is expected to fall further. Many forecasters believe that for the first time since the war this government will bring inflation over the life of the parliament below the level experienced under its predecessor. We are on the path back to sound money.
 - Productivity per man rose last year at Japanese rates and evidence abounds of improvements in competitiveness, development of new products, changed attitudes at work, success in export markets.
- (m) The adjustment required in the private sector has been aggravated by the burden of the public sector which has been slower to adapt because of lack of competition and reliance on public funds. Hence:
- increasing emphasis on measures to bring more competition and private ownership into nationalised industries,
 - the support given to top class management in rationalising BSC, BL, BA etc.,
 - authorising sharply increased nationalised industry investment while reducing subsidies to sustain overmanning,
 - the slimming down of the civil service so that by 1984 it will be the lowest since 1948.
- (n) The government's aim is not, as often portrayed, the negative one of reducing the public sector, but the positive one of expanding the private sector. Every pound less spent by government is a pound more, freely spent by the private individual.
- (o) The measures which will help bring unemployment down in the long term will also:-
- improve living standards,
 - enable us to improve the quality of our social services,
 - increase people's freedom of choice,
 - reduce political interference in people's lives,
 - spread more widely the freedom and responsibility which come from private property ownership.

MAIN FALLACIES, MISUNDERSTANDINGS AND POSITIVE POINTS

Our communications effort needs, among other things, to concentrate on promoting the following positive points and dispelling the following fallacies and misconceptions.

CRD will produce succinct guidance notes on each point.

Positive Points

1. That we are the only party/government prepared to tackle the fundamental problems which have hamstrung the UK economy.
2. That inflation is now set on a decelerating trend after increasing in each previous Parliament.
3. That all our actions, not least the battle against inflation, are designed to create the conditions for a return to sustainable high employment and prosperity.

Fallacies

1. Reflation - that extra borrowing or more money can painlessly reduce unemployment without sparking off a worse cycle of inflation and unemployment.
2. That money spent on the unemployed could be used to create jobs with minimal cost to the budget.
3. That interest rates are set purely by world or US forces and not much affected by the PSBR.

Misunderstandings

1. That we are deliberately creating unemployment to curb wage increases.
2. That nationalised industry investment is being curbed and private sector investment depressed.
3. That privatisation is not a fresh approach but a regular feature of adversary politics.

PART II: THE VOTER'S PERCEPTIONS VERSUS THE FACTS

These notes mainly single out areas where perceptions are unfavourable to us, mistaken and need dispelling. Where appropriate we analyse

- first, perceptions of trends or developments in the relevant aspect of the economic situation e.g. what people think is happening to the level of unemployment.
- second, perceptions of the causes e.g. what causes unemployment.
- third, perceptions of the policies e.g. what people think government ought to do or is doing.

Alongside this we contrast the 'facts' or more rigorous interpretations of trends, causes and policies.

Polling data are drawn from a variety of CRD and published studies notably: "Public Understanding of Economic Affairs", Marplan May 81; "Survey on Unemployment," ORC, March 81; "Attitudes Towards Unions", MORI, Nov 81; Tracking Studies Jan 82.

UNEMPLOYMENT - Perceptions

Trends: Overwhelmingly (73%) expected unemployment to increase but fewer now expect a large increase.

A substantial minority believes high unemployment is here to stay (because of new technology).

Facts

Trends New technology may result in transitional unemployment from rapid change but should not automatically mean permanent loss of jobs. We could easily consume many times more than we now produce. So we should need as many workers as now until average output increases to several times its present level. Even in Japan the new technologies are barely compensating for other factors slowing down productivity growth.

In any case we need to adopt the new technologies to avoid losing jobs to our competitors.

- Perceptions (cont'd)

Causes World recession is most widely accepted as an important cause (52%) and most often considered the most important cause (17%).

But Government's Policies are not far behind (37% and 14%). Moreover, half the electorate think there is at least some truth in the allegation that Government is making unemployment rise on purpose to keep down wages or break the unions.

Only a small minority (7%) spontaneously blame unemployment on excessive wages (relative to productivity). When prompted, the majority accept there is at least some truth in this.

Very few people think there is a trade-off between unemployment and inflation. Indeed two-thirds accept that curbing inflation is a precondition of reducing unemployment. Generally people want unemployment and inflation to be tackled simultaneously.

Policies Reducing interest rates, reducing the retirement age and channelling more money into investment are each seen as cures for unemployment by nearly half the electorate.

Nearly a third mention reducing union power, cutting taxes, import controls, or wage moderation as possible remedies.

However, voters are very hazy about what the Government is doing to reduce unemployment. Cutting Government spending used to be most often mentioned (34%) but rarely thought effective; reducing union power was the only other widely recognised Tory policy (30% in 1981, probably higher since the new Employment Bill). Youth training and other special measures might now be gaining recognition as Government measures.

Nearly a third of voters could not think of any government policies to cure unemployment even when prompted.

The notion that it would cost less or little more to employ people than keep them on the dole is probably gaining ground.

Most (60%) believed the Government was not doing enough to help the unemployed before the latest initiatives.

- Facts (cont'd)

Causes The world recession is a useful label for the factors explaining the worldwide rise in unemployment though it provides no explanation.

The main underlying factor is that money rates of pay have risen more rapidly than money spending in most countries. If an individual firm's revenues rise 5% but its employees' wage rates rise 10%, almost inevitably the number of jobs will be cut. The same is true nationally. Britain's problem is particularly severe because of accelerating pay increases from 1977 onwards (9%, 13%, 16%, 21%). These rises were conceded by employers in the expectation that this government, like its predecessors, would pump in the extra money to pay for them - even though this government was committed to slow down the rise in money spending.

It is disappointing that although employees increasingly recognise the connection between pay and jobs at their own shop floor, few as yet place the blame for the nation's unemployment on the explosion of pay, in excess of productivity, between 1977 and 1980.

Policies To the extent that people price themselves back into jobs, by moderating pay and increasing productivity (which is beginning to happen) the government is not seen to be instrumental and can only claim indirect credit.

Emphasis has therefore to be placed on measures directly implemented by government:

- the training initiative which will guarantee a place or job for every school leaver by Christmas,
- measures to encourage new business: enterprise zones, small business programme, tax reliefs etc.
- measures to improve the working of the labour market: Young Worker Scheme, sale of Council houses, etc.

INFLATION - Perceptions

Trends The number expecting prices to rise sharply in the next year has halved. But most are pessimistic about inflation being reduced a lot. Most (75%) recall that inflation was lower when we were elected.

Causes Most people think inflation is caused by businesses putting up prices to increase profits or because of wage increases. Few perceive the connection between prices and money supply or borrowing. The exchange rate is more widely understood to affect prices.

Policies Direct controls of prices and/or wages seem the obvious cure to most people though their popularity has declined over the years. The Government's policy of reduced borrowing, though not recognised as anti-inflationary, is considered wise by a large majority (68%).

NATIONALISED INDUSTRIES - Perceptions

Developments The proportion of voters opposed to nationalisation has risen steadily since 1948 to a large majority. However, probably only a minority recognise how seriously the nationalised industries have exacerbated the nations financial and cost problems during the recession. Most of those who do see them as a burden (notably BSC and BL) probably expect them to remain so indefinitely.

Causes The large majority who dislike nationalisation attribute its failings largely to a lack of competition and only secondarily to the lack of profit motive.

Policies There is fairly widespread, if grudging, respect for the Government's backing to BL and BSC in their survival plans.

Although nationalisation is unpopular, privatisation is not correspondingly popular. Indeed it was not until recently seen as an option.

Particularly among SDP/Liberal inclined voters privatisation may be seen as a deplorable aspect of ding-dong politics.

- Facts

Trends For the first time since the war inflation could well be lower over this parliament than during its predecessor. This represents an historic change of trend back towards sound money.

Causes Where inflation is concerned people are more interested in results than causes.

Policies At present it is almost inconceivable that any attempt to introduce an incomes policy could result in a lower level of pay settlements than is taking place. It might well result in a 'norm', higher than the going rate, which would prove to be a floor rather than a ceiling. This is worth reiterating.

Facts

Developments The likely improvement in the finances of BSC and BL will probably come as welcome surprise.

Policies The alleged ding-dong battle between nationalisation and denationalisation has been all ding and no dong. No major business was denationalised between 1951 and 1980 although seven major businesses were nationalised. (Even the 'denationalisation' of steel in 1951 is a misnomer: the incoming government aborted its predecessor's planned, but incomplete, nationalisation).

The current privatisation programme represents the reversal of a thirty year 'ratchet effect'.

UNIONS/INDUSTRIAL RELATIONS - Perceptions

Trends The improvement in labour relations is probably not fully recognised. Pessimism about strikes remains high.

Causes Unemployment has been thought the main cause of industrial relations peace.

Policies The large majority favours Union reforms and before the latest Bill most people thought the government was not doing enough. That majority favouring reform has declined somewhat (13%) with, and probably due to, rising unemployment which has aroused suspicions that the working class (rather than oppressive union powers) are under attack.

PRIVATE INDUSTRY & COMMERCE

- Perceptions

Developments There is a widespread feeling within the private sector that they have born the brunt of the recession.

Cause This is often felt to have been aggravated by the burden of rising nationalised industry charges, energy prices, exchange rates, interest rates, local rates and cuts in public sector capital spending.

Facts

Trends The level of industrial disputes has been the lowest for 40 years.

Causes Recognition that the government will not intervene to bail out companies brought to their knees by strikes will prove a more enduring cause of industrial peace than unemployment.

The absence of Government intervention and '11th hour talks at No. 10' has depoliticised labour disputes and helped secure peaceful settlements especially in the public sector.

- Facts

Causes The government accepts that the public sector has been a burden on the private sector. That is because the natural response of public bodies to financial stringency is to pass on the problem by raising charges and cutting spendings on outside suppliers - rather than becoming more efficient and competitive as the private sector must.

Policies It is precisely because of this that the government favours the private sector and is extending competition, private ownership and financial discipline wherever possible. These are the only fundamental solutions.

Suggestions that in the short term government could alleviate the problem by intervening directly to improve efficiency or curb charges and rates ignore the fact that public corporations and local authorities are largely autonomous. However, we have been more successful than any previous government in using our limited authority to slim the nationalised industries (vide BL, BSC, BA) and the civil service. A major reform of local authority finance has been introduced to penalise overspending.

Interest rates, except in the very short term, are determined by two things - foreign interest rates (which are outside our control) and public borrowing. Our efforts to curb government borrowing have permitted a reduction of interest rates to the manifest benefit of industry.

No other party has any proposals to deal with the burden on excessively large public sector imposed on the private sector.

Of direct benefit to the private sector are the battery of measures to reduce unnecessary burdens on industry - form fillings, planning delays, IDCS, excessive employee protection etc., we have abolished pay, prices, dividends and exchange

controls. Stock relief and allowances on industrial buildings have been much increased. High technology is being encouraged by direct aid for Microprocessor Applications and training, the Product & Process Development Scheme, Robot applications, CAD/CAM awareness scheme etc.

SMALL BUSINESS - Perceptions

Developments Most people think far more businesses are closing down than starting up.

Policies The battery of pro-business measures is gaining increasing recognition from businessmen. Wider public perception is probably still low.

Policies All the above tend to be blamed on the government. Since the government is, nonetheless, generally still recognised as favouring the private sector in principle it is assumed, particularly outside the South East, to have lost touch with industry's problems.

Facts

Developments As many businesses are being formed as are closing down. This is probably unprecedented in a recession.

Policies Over 70 measures have been introduced either to remove obstacles and burdens or to improve the flow of finance to small business - existing firms as well as new firms.

INVESTMENT - Perceptions

Developments Investment is widely believed to be declining, particularly in the nationalised industries.

Causes The Government's cuts tends to be blamed for the supposed inadequacy of investment.

High interest rates, high taxes, trades union opposition and poor management also receive blame.

Policies A majority favours channelling government money into investment and encouraging new industries. It is widely believed that the UK government channels much less cash into new developments than do foreign governments.

- Facts

Developments Nationalised industry investment was cut in real terms by the Labour government every year from the 1976 cuts onwards. The fall was stopped in our first year and sharply reversed in the current year. The initially planned 15% increase in real terms in 1981/2 has since been augmented and will reverse all Healey's cuts 'at a stroke'.

Other public sector investment has been declining: largely because of cuts in housing, roads and schools. In housing and roads there has been a desirable switch from new building to renovation and maintenance - which happen not to be classified as investment. New schools are not needed because of declining numbers of pupils.

Private sector investment has been unusually buoyant during a recession of this severity. It reached an all time record in 1980 and a modest increase is likely this year. Company spending on new product development, which is generally not classified as investment in the published figures, seems to be rising strongly.

Causes The low level of UK profitability is the principal reason for lower investment in the UK than many of our competitors.

Policies Unlike its predecessors, this government is devoting an increasing share of public funds to new investment rather than to sustaining overmanning and outdated products or processes.

Government funds channelled into new industry probably represent a similar proportion of GDP to our competitors.

We are putting the emphasis on projects with potential technological spin off which make them unsuitable for purely private finance e.g. long term R&D, training (micros in schools), raising awareness (IT82); also securing the potential commercial spin off for the UK from existing public spending by more imaginative procurement policy.

PART III - BUDGET : PREPARING OPINION AND FOLLOW UP

Pre-Budget Preparation

- (i) Dampening Expectations It was felt that the response to the budget is bound to be more favourable the gloomier expectations were in advance. A couple of sobering speeches on the need to continue to curb borrowing would be valuable, particularly if delivered by non-economic ministers. The effect of lower oil prices on tax revenues could be emphasised (while reassuring industry that it will benefit overall from lower energy costs).
- (ii) Presenting Budget as the Middle Way It is useful if the Chancellor can present his chosen level of borrowing as the middle way. So it would help if the many calls for increased borrowing were balanced by a few cogent public appeals for all the fiscal leeway' to be used entirely to reduce borrowing.

MP's like Peter Lloyd, Archie Hamilton, Michael Brown, John Browne or Ray Whitney might be encouraged to oblige. Outside Parliament Brian Griffiths, Alan Budd or Tim Congden might voice similar opinions.

- (iii) The Budget Theme If the budget is to have a theme it would be valuable to prepare the ground for that theme in advance (saving the specific label for Budget day).

For example the ground could be (and to some extent is being) prepared for the theme of 'industry and jobs' by speeches emphasising that these must take priority over personal incomes if we are to nurse the recovery without sacrificing gains made against inflation.

(iv) Problems

- (a) The drop in the industrial production index is bound to be used as further evidence of the need for reflationary borrowing. It is important to head off this criticism by emphasising that, weather and special factors apart, the only factor depressing industry was additional destocking following the rise in interest rates. So we cannot risk another rise in interest rates which is what substantial borrowing must induce.

- (b) There are signs of a new bandwagon beginning to roll among opinion formers based on the idea that unemployment could be substantially reduced, without reflation, by some deft package of subsidies and incentives. This could be damaging as it appeals to the fiscally responsible commentator and thence to our supporters. The government has introduced what it believes to be the most cost effective measures of this type and there may be a few more to come. However, we need to keep people's minds concentrated on the facts:-

- that large scale unemployment will only be substantially alleviated by moderation in wages across the board;
- government cannot subsidise wages across the board (except by taxing them equally broadly).

POST-BUDGET FOLLOW THROUGH

- (i) Backbench support needs to be mobilised lest all the speeches be critical.
- (ii) Newspapers would probably welcome articles by ministers, say a couple of days after the budget, replying to the post budget comment.
- (iii) 29th March is the Anniversary of the declaration by 364 economists. Their principal assertions have been refuted by events. It would do no harm to celebrate their discomforture. The Times would be willing to take an article by a prominent economist if we suggest a name (Griffiths, Congden, ?)
- (iv) Local authority elections. Candidates will need briefing on the message in the light of the budget.



NOTE OF LIAISON COMMITTEE MEETING ON 3 MARCH 1982

Present: Prime Minister
Lord President of the Council
Home Secretary
Chairman of the Party
Secretary of State for Scotland
Chief Secretary
Secretary of State for Employment
Mr Wakeham (Parliamentary Under Secretary of State
for Industry)
Mr Cropper (Conservative Research Department)
Prime Minister's Chief Press Secretary
Mr Lilley (Conservative Research Department)
Mr True (Conservative Research Department)
Mr Ward (Lord President of the Council's Office)

Law and Order

The Home Secretary introduced his paper on the presentation of Conservative policies on law and order. He said that the Government had fulfilled its electoral commitments, especially those concerned with improving the size of the police force, so that in many ways there was little left to do in major policy terms. The problem was that despite all the Government's efforts, the public perception was of a rising crime rate generally, a phenomenon at which the police themselves were confused. It was not helpful that there were arguments within the police service as to the most effective methods of policing. As to the incidence of crime, the most numerous offences could be broadly categorised as burglaries outside London and muggings - to which it had to be accepted that young West Indians made a disproportionate contribution - inside London. Crime statistics for the Metropolitan Police area, which were about to be released, were very bad. As he saw the position, what was now needed was a new police strategy and a new presentation of it. He was hopeful that research work now in hand would have fruitful results. There were no simple answers; corporal punishment was a dead end; and the public had to understand the complexity of the issues.



2. The following points were made in discussion:

a) Law and order was likely to be a key political issue at the next election, in some parts of the country overshadowing all other issues.

b) The presentational handling of crimes committed by young West Indians would need careful treatment, since it was important to foster good race relations.

c) The expanding prison population represented a very dangerous situation; it was increasing at an alarming rate and when it reached the figure of 45,000 it would be necessary to re-open the army camps. There was a major conflict of views between the penal reform lobby on the one hand and the general attitudes of the public, the police and the Conservative Party, on the other on the question of sentencing policy.

d) In Scotland the position was slightly different in that although muggings and similar offences were on the increase, the immigrant population was small. But in Scotland too the police, who had before recent manpower increases tended to blame manpower shortages for rising crime, were casting around for other reasons; notably what they saw as excessive leniency in sentencing policy, and in the granting of bail.

e) There was a risk of a dangerous alliance of interests between extreme leftwing organisations, elements of the immigrant communities and criminals. Civil disorders, particularly in London and Liverpool, could by no means be discounted in 1982 or 1983. It would be necessary both to have the operational capability to control any such disorders, and presentationally to deal convincingly with the causes. A particular problem was the disposition of the Government's opponents to lay the blame solely at the door of unemployment.



f) There was some evidence of increasing reluctance on the part of juries to convict in circumstances where conviction appeared reasonable. It might be there was a reluctance on the part of juries containing a strong immigrant element to convict their own kind. This was bad for police morale. There were good grounds for seeking to change the rules on the composition of juries although this would be controversial both inside and outside Parliament and could not easily be contemplated until public opinion was strongly in favour of reform.

g) The Conservative Party was always seen as the natural Party of law and order; but no government had it within its power to bring about a disciplined and orderly society. The Government must not be put in the position of taking the blame for every problem that arose in the law and order field, and it was necessary to emphasise the many other factors which had a bearing on the issue. Discipline at home and in the schools was a major factor; and generally fostering a greater sense of individual responsibility was both traditional to Conservative philosophy and relevant to standards of public behaviour. The Government should therefore seek at every opportunity to widen the law and order debate; both by pointing to those of its social policies which were also relevant, eg education, and to the fact that ultimately the public itself had to bear a share of responsibility for the preservation of law and order.

h) Another issue which needed more emphasis than it had been given in the paper was the position of the victims of crime.

i) In presenting the Government's policies on law and order it was important to keep in the public mind the Conservative Party's traditional respect for individual liberty.



3. The Committee agreed that the paper was a valuable and comprehensive analysis of the issues raised in the presentation of Government policy on law and order; and that the Government could justly claim that with the measures it had taken to increase police effectiveness, and the introduction of the Criminal Justice Bill, it had fulfilled all its promises. But it had to be recognised that the trends in society were such that despite all the Government's efforts there could well be public perception of increasing crime. The public disappointment would be all the greater because of its identification of the Conservative Party with law and order. Presentationally it was important to stress all the positive steps the Government had taken. But it was equally important to stress the wider issues and to get over the message that a safe and orderly society could not be brought about by the Government alone and was the responsibility of every member of the public. The relevance of non-Home Office policies, eg those designed to promote better standards in schools, should constantly be stressed. At the same time it had to be recognised that in this field more than most particular problems were bound to arise unexpectedly which might cause great public concern, and to which the Government would have to respond as best it could.

4. It was agreed that the paper should be revised to take account of the points made in discussion. In particular it should highlight the Government's concern for the victims of crime. There should be some emphasis put on the virtue of personal ownership - a capital owning democracy - as a means of engendering a personal sense of responsibility. In the process of amendment, the first section of the paper should be revised so as to avoid giving the impression that the Government's presentational approach was based only on evidence from opinion polls, rather than on its deep concern for this issue. At an appropriate time there would be value in a major speech by the Prime Minister or the Home Secretary developing the themes set out in the paper and aimed in particular at widening the debate.



Economic presentation

5. The Committee considered a revised version of the paper on economic, employment and industrial policy presentation. The following points were made in discussion:

- a) The section on new industries should be expanded; Mr Wakeham would provide Mr Lilley with appropriate material.
- b) The paper should acknowledge that the private sector had indeed borne the brunt of the recession. More should be made of the point that to a large extent this was due to the demands of the public sector where the Government's efforts to achieve greater efficiency and economy should be highlighted. The closures of steel plants, for example, were tangible evidence of the Government's determination to slim down the public sector - which was the reverse side of the coin of unemployment - and the Government should not be shy about this. It should take as much credit as possible from its efforts to make the public sector face reality.
- c) The paper should now be revised to take account of these points, and to remedy certain errors of transposition. It should then be circulated as soon as possible to all Ministers in advance of the Budget. For this purpose, Section III should of course be detached, as appropriate only to the Liaison Committee.

Budget presentation

6. The Committee discussed measures to help presentation of the Budget. It was noted that the immediate follow up to the Budget announcement was primarily a matter for Treasury Ministers who had made appropriate arrangements. It would be valuable after the announcement to give a special Treasury briefing to selected back benchers; a personal briefing by the Chancellor had been arranged for Mr du Cann. It was important to present the Budget as a measure designed to help industry and thereby employment. It was noted that the Secretary of State for Industry was already preparing his presentation on these lines. Inevitably revalorisation of excise duties would be seen as offsetting any steps to index tax thresholds; this must not be allowed to distort press reporting, and the general public perception of overall Budget strategy. There had been much media comment on recent falls in oil prices; it was desirable to get over the message that these reductions were a benefit to industry which they could not expect to see duplicated in the Budget; industry could not have the same benefit twice.



7. It was agreed that there would be value in placing articles in the press by Ministers, with the aim of increasing public awareness of the Budget's purpose and its relevance to the economic strategy. It was also agreed that the anniversary of the letter by the 364 economists should be celebrated by an appropriate article by an economist sympathetic to Government policy; messrs Griffiths, Congdon and Harris were among the names mentioned. It was noted that Central Office had already arranged to give appropriate briefing material after the Budget to the Conservative candidate in Hillhead; it was further agreed that similar briefing would be required for all Conservative candidates in the local elections. It was noted that the Chancellor of the Exchequer was appearing on 'Question Time' in the week of the Budget; and it was agreed that whichever back bencher was to appear on 'Any Questions' should be properly briefed on Budget matters before the programme.

Other business

8. In considering topics for the weekend which the Government might wish to emphasise, it was agreed that Budget speculation would overshadow everything else. It was noted that the Central Office briefing note was to be based on the Prime Minister's recent speech to the EEF. It would be desirable for the note to set recent oil price reductions in their proper context, as good news for industry and world trade and virtually equivalent to a tax reduction for industry.

9. It would be necessary for the Prime Minister, the Lord President and the Chairman of the Party to meet at 11.00 am the day after the Budget to review presentational arrangements. The next full meeting of the Committee would be deferred until Wednesday 17 March at 11.00 am, when the main item of business would be Mr Stanley's paper on housing policy.

REPORT TO LIAISON COMMITTEEON PRESENTATION OFCONSERVATIVE POLICIES ON LAW AND ORDERSECTION 1 - Public Perceptions

A short summary of public attitudes, as can be discerned from opinion surveys, is attempted first. This is obviously based on surveys of all-Party opinion, and should be read as such; as is shown in para. 5 there is some groundswell of opinion in our own Party which is different from that among supporters of other Parties. (The main sources are Tracking Surveys; Gallup "Law and Order" August 1981; MORI, "Attitudes to Police", August 1981; ORC, December 1981; NOP, Police, November 1981; Marplan, January 1982; Gallup, December 1981.)

1. Law and order is generally an important secondary issue, rather than a persistent determining factor in voting intention. It does inevitably become exceptionally important at unforeseeable times of crisis (e.g. riots, aftermath of publicity given to peculiarly serious offence).
2. It is likely - even at normal times - that opinion polls may understate the potential 'negative' impact of criminal activity. Each instance of private grief (e.g. a mugging or a burglary among family and friends) or private anxiety (e.g. the reading of an alarming report in a local newspaper) may raise law and order to a higher level of salience on the individual level.
3. There are apparent differences in perception between Scotland and England and Wales. More people in England and Wales appear to regard further improvements in law and order as important.
4. The Conservative Party is seen as more likely than any other to be effective on this issue.
5. The problem of Law and Order is far more important to Conservative supporters, or potential supporters, than those presently committed to the Labour Party. There is evidence, however, that it is seen as an influential second-rank issue by supporters of the Alliance, particularly those disposed to return to Conservative allegiance if circumstances change.
6. Although Marplan, January 1982, showed a majority who thought the Government unsuccessful on law and order in 1981, the generally more reliable Gallup, December 1981, and other polls, demonstrate

- that somewhat more approve than disapprove of the overall record. Approval on law and order is normally stronger than on any other issue, although margins of approval are less substantial than at times in the past.
7. Almost all people believe crime is increasing in the UK; the vast majority, even in the aftermath of the riots, saw this as a problem common to all countries. It would be worthwhile to continue to emphasize this point, provided it is not allowed to appear a plea of impotence.
 8. The vast majority of the population (more than four in five) have confidence in the police. There is overwhelming support for the 'bobby on the beat'. Most see the Conservative Government as having supported the police. Some poll evidence (MORI August 1981, NOP November 1981) suggests that a significant proportion of the population (between a fifth and a quarter) have had their confidence in the police reduced in recent years. This is more marked among young people, and, to some extent, middle class groups. One cannot neglect the impact of insensitive behaviour by some young constables, and the 'dripfeed' effect of the excessive prominence given in the liberal media to individual cases of presumed or actual wrongdoing by the police.
 9. Coloured people - particularly youths - are seen as proportionately more likely to be involved in crime.
 10. After the riots particular attention was directed to the 'causes' of crime. Among the leading causes named as 'fairly important' or 'very important' in Gallup, August 1981, which had been regarded as equally, or almost as, important in earlier surveys, were: breakdown in respect for authority and law (91%), bad example set by parents (88%), laws too lenient (80%), violence in television entertainment (67%). The leading causes, which had seemed significantly less important before the riots, or where there was no previous evidence were: unemployment (90%), lack of discipline in schools (81%), media coverage of crime (75%), poverty (73%), and racial conflict (66%). Clearly many of these perceived causes go far beyond Home Office areas of responsibility. Combatting them must be part of a more general Conservative reassertion of the need to respect authority and maintain order.
 11. Direct experience of crime is limited. Most perceptions are second-hand. In Gallup, August 1981, two-thirds of those questioned (more than in 1980) said there was no area in their locality where they would be afraid to walk at night. One-third expressed fears, however. (Polls do not reflect evident fears which are felt in certain localities.) Again, last August, almost two-thirds of those questioned said that neither they, nor those close to them, had been victims of crime in recent years. Overwhelmingly, the most common experience was burglary - experienced or known of, as having happened to closest family

and friends, by a quarter of those questioned.

12. The majority of people believe that the individual is responsible entirely or in part for law-breaking, rather than that environmental factors in society are responsible. Even after the riots less than a fifth thought the environment made people commit crime; only a fifth thought the environment partly to blame.
13. Very few people believe prison sentences as a whole to be too long; a significant majority think them too short for some crimes.
14. Reclamation/treatment is thought to be the first purpose of sentencing by a comparatively small number of people. A mixture of retribution and deterrence is supported by a significant majority.
15. There is significant majority acceptance of the idea of non-custodial sentences for petty offenders.
16. A majority say they would support the return of corporal punishment.
17. A majority see capital punishment as a deterrent. More than two-thirds of those questioned in Gallup, August 1981, would support it for murder of policemen or army personnel, for terrorist murder, for murder 'for the fun of it', and murder after rape.
18. The majority do not believe that capital punishment will be brought back. The Conservative Party is seen as by far the most likely to restore it; almost no-one believes either the Liberals or Social Democrats would do so.

SECTION 2 - Public Perceptions and Party presentation

1. There is much that is encouraging in recorded attitudes:
 - Conservatives are by far the leading party on this issue.
 - There is more approval for this aspect of the record than others.
 - There is strong support for the police, to whom we have given firm backing.
 - There is an emphatic anti-liberal majority supporting strong policies on serious crime.
 - There is recognition that problems are far-reaching and international, theoretically therefore not immediately

susceptible to Government action.

- There is more generally an emphasis on individual responsibility for crime, tempered by some concern over unemployment and depressed living standards in some areas.
- There is acceptance of the idea of non-custodial sentences for petty offenders, together with an insistence on long sentences for serious crime.

2. All these attitudes are in line with the Conservative approach.

3. Some perceptions are less encouraging:

(i) There is less conviction than there has been in the past, though there is still a majority belief, that the Government's record has been successful.

- This should be fiercely countered. The Party cannot afford to lose a positive advantage on a 'Conservative' issue. This year in England and Wales, the passage of the Criminal Justice Bill, a crucially important reform in the law, provides a clear opportunity for a campaign to demonstrate how, with this final measure, we have fully implemented our Election promises. We can exploit it also as an opportunity to make more widely known the details of our record. Among the main components of the Bill which should carry most support are the revision of law on the sentencing of young offenders, better regulations for compensating the victims of crime, and the increase in parental responsibility for the wrong-doing of their children.

(ii) There is a feeling that crime is still on the increase.

- The crime figures are worsening. Paradoxically, effective policing, which becomes aware of more crimes, can contribute to this. But the existence of this sentiment means that we must stress the international scale of the problem, and set crime in its broader context of social discipline. There is a responsibility for everyone in society to help the police, report crime, criticise and, in appropriate cases, punish infringements of proper standards by children and adults. A national campaign along this line might be considered to emphasise these points, and deflect the idea that Government alone has the responsibility. Even 'community policing' should mean policing which has active community assistance, not policing designed to win favour with a passive community.

(iii) (There is concern about the prevalence of law-breaking among some young blacks.

- This implies that we should be candid about this problem and be seen to state clearly to members of the black community the dangers of any such trend, and our unwillingness to tolerate it. We must not allow a suspicion to grow that the law is applied less firmly to minority communities.

- (iv) There is some feeling that unemployment and social deprivation are factors contributing to crime.
- This sentiment will obviously be lessened by perceived economic recovery although high unemployment will remain a problem. In countering it therefore we must stress the popular theme of individual responsibility for criminal action. No plea of deprivation can excuse criminal activity. We should seek to emphasise also in any debates those perceived causes of crime which are more helpful to us.
- (v) There is widespread sentiment for capital and for corporal punishment, on which we cannot deliver. At times we will be forced to confront these issues in public.
- This implies that we should cause a coherent case against judicial corporal punishment to be developed, as may be possible during the passage of the Criminal Justice Bill.
 - It implies that we should emphasise the Parliamentary position on capital punishment. This argument must not become personalized. Some of the complicating factors surrounding the reintroduction of capital punishment might be more heavily stressed.

SECTION 3 - The Record

Marketing our record effectively will be the most forceful response to criticism. There are differences, however, in the criminal justice systems in England and Wales, and in Scotland.

(i) In England

- A policy of support for the police has raised the strength to record levels, attracted high quality recruits, retained experienced officers, improved morale and equipment. We have given unique treatment to their pay, in direct contrast to the Labour Party. Training methods are constantly being improved; more 'bobbies' are back on the beat.
- Prison administration has been reformed; we have ended an era of neglect of the prisons; there is a major building programme, involving eight new prisons, the first for many years.
- The 'short, sharp shock' regime is operating in detention centres.
- We have greatly increased the number of attendance centres.
- We have supported senior judicial calls for heavy deterrent sentences for crimes of violence.
- We have widened the range of penalties available to the courts.
- We are introducing a comprehensive reform of the law on young offenders.
- There will be tougher sanctions against parents of young offenders.

- We are introducing residential care orders.
- Compensation for the victims of crime is greatly improved.
- We have proved our determination to resist terrorism.

(ii) In Scotland

- Police strength has greatly increased; more special constables are being encouraged.
- A major reform of criminal procedure, police powers, and penalties.
- Identification parade procedure has been overhauled.
- Police now have stop and search powers for offensive weapons.
- For the first time police have a limited legal power of detention.
- A ban on alcohol in football grounds has been introduced.
- A new offence of vandalism emphasises the gravity of this crime.
- Better compensation for the victims of crime.
- Improvements are being made in Scottish prisons; prison officers are being allowed to buy their houses.

SECTION 4 - The Presentational Approach

1. Too many people are still insufficiently aware of this very positive record. Ministers outside the Home Office, back-bench MP's, the Party organisation could all contribute more to the selling of these important themes.
2. The crime rate is seen to be rising. As recorded in the figures that is true. But this should not be allowed to promote a "they've done nothing" sentiment. The figures can even be turned to our advantage. (This is a world-wide problem. But we are determined to uphold the authority of the law. The rise in crime makes it imperative to have a Conservative Government to tackle it. How would we fare under any other Party?)
3. As implied above, we can be more aggressive about our political rivals. No other Party in the field is going to criticise us for being too weak on this issue. No other Party is likely to take supporters away from us by offering a more positive approach. But we could give pause to those who may be disenchanted, by explaining our policies better, and by asking what the alternatives would be, caricaturing other Parties'

supposed alternative strategies, and impugning the poor record of our opponents, and the disrespect for the law on the far Left.

4. Presenting our policies is a delicate balancing act. Our pursuit of the firm but balanced policies outlined above has opened us to attack from two quarters - from those who see ever more severe penalties as the only deterrent to crime, as well as from those of a more liberal opinion who believe, wrongly, that our policies recognise insufficiently the importance of the treatment and rehabilitation of offenders. Presentation is the more delicate for those Ministers departmentally responsible who answer for the criminal justice system which must be kept free from partisan taint. This makes it all the more important for Conservatives outside the Departments of State to contribute to political debate. Ministers have, however, clearly laid down lines of approach which are well in tune with public perceptions and aspirations:
 - The Government places the highest priority on maintaining the rule of law.
 - At a time of recession scarce resources have been made available for extra spending in this area.
 - We are seeking more effective detection, deterrence, and sentencing of offenders.
 - We have strongly supported the police in the proper performance of their duties and have significantly strengthened them.
 - We are widening the range of penalties available to the courts.
 - While developing alternatives to prison and the use of shorter sentences for lesser crimes, we insist on long, deterrent sentences for the serious offences.
 - We are facing the problems in prisons with a resolution not seen for many years.
 - We are paying particular attention to the disturbing incidence of crime amongst the young.
5. Few of these themes are controversial. We must avoid being seen as uncritically the "police party", and have rightly balanced strongly supportive words and actions with condemnation of infringements by police. We have to be careful to explain that the policy of shorter sentences applies only to lesser offenders. The theme is that the first taste of prison is what deters.
6. The Conservative Party has rightly always maintained the

importance of respect for the authority of the law. Policies designed to promote discipline and self-discipline in society command widespread support. Our policies on law and order are critically important. But the law and order services are mainly concerned with limiting the damage that delinquency can inflict on society, and with deterring those who are disposed to crime.

There are many other Government Departments whose work is equally important in this respect. We need to restrict the growth of delinquency from an early age. We need to provide more people with the sense of responsibility that comes from having a tangible stake in society. Therefore as part of the theme of promoting a disciplined and responsible society, we must stress, alongside our law and order programme, policies such as: —

- The development of better standards and effective discipline in schools. Potential delinquents can frequently be identified at an early age.
- The strengthening of family life and the restoration of a wider sense of parental responsibility.
- The rebuilding of inner city life.
- The promotion of discipline in the workplace to which our trade union reforms can make such an important contribution.
- The widening of ownership in society — through housing policies, employee share ownership, and incentives to save.

By insisting on the maintenance of the authority of the law, we can reassure those whose great wish it is to preserve the stability of society and to enjoy that most basic freedom, to go about their business without fear of interference by those who defy the law. The traditional Conservative approach should highlight these themes. We should make it clear that the individual wrongdoer must in the general interest be held responsible for his actions. We should establish the equation between indiscipline and ultimate instability.

7. We must lay more emphasis on the immense cost of crime. Cost, in financial terms — from the extra price on items in shops because of shoplifting, through to the immense expense of maintaining police, courts and prisons; cost, too, in personal terms — in individual fear and suffering. In this connection we should further publicise the importance we attach to the victims of crime, the support we have given to victims' support schemes, improvements in criminal injuries compensation, and the insistence, in the Criminal Justice Bill, that compensation for victims should come first in sentencing, before any other call on the resources of an offender

8. We must embrace the community more directly in the upholding of the law. The Home Secretary is rightly stressing this theme in his remarks on policing. In crime prevention and crime detection a civilian population that is properly informed, interested and concerned about crime can be as effective as a large number of extra police at far less cost. The principle that it is the citizen's duty to help - just as the Government tries to help - those impartial forces that uphold the law is essential to a free society. Without Government backing and without positive - not apathetic - popular support the forces of law and order would be hamstrung. In this context it would be worthwhile also to consider developing - as has been done in Scotland - a campaign to recruit more special constables, so that the police, expensive crime-fighting weapons, can be left more free to concentrate on their most essential duties.

9. There is every reason to be proud of the Conservative record, every reason to expect that it is possible to extend once more the margin of approval of our performance. There will inevitably be moments of crisis and of public disquiet. The issue will always be overshadowed by the great economic considerations. But, actively projected by the Party as a whole, our policies can continue to be an important, and distinctly Conservative, factor in binding to us our support.

2.3. 1982

Grant

MR WHITMORE

I hope that the Prime Minister will excuse my attendance at the Liaison Committee on Wednesday for the first 15-20 minutes. As I am on my own, I shall have to brief the lobby. I will join the meeting as soon as possible thereafter.

I have only one paper (to which I have annexed the diaries). This is on the decisions to be taken, including the leaderwriters to be seen.

B. Ingham

B. INGHAM

1 March 1982

PRIME MINISTER

LIAISON COMMITTEE - DECISIONS REQUIRED

The last meeting of the Liaison Committee (February 24) asked me to prepare:

- (i) a list of points for decision (as a regular feature of the meetings); and
- (ii) a list of leader-writers/opinion forming journalists who might be briefed by Ministers on economic/industrial issues.

These lists are set out below:

Annex I sets out the issues to Easter; and Annex II the diary to the end of the year. Each of these Annexes is substantially the same as those considered on February 24.

POINTS FOR DECISION

Issues likely to be topical at the end of the week are:

Budget: Here Ministers are constrained; nor do we wish to encourage dissidents. Do we need to mobilise constructive Backbenchers for weekend articles/programmes?

Law and Order: It might be useful to distract attention at the weekend from the Budget, especially if the Home Office has prepared a note; the future of the cane, and how St Saviour's School settles down (or does not) could increase topicality.

Ireland: Speculation about new Republic Government meeting March 9; and implications for Northern Ireland; relevance of Belfast South by-election?

← Mortgages: Prospects for Building Societies' Association meeting March 12.

Industry: Times Newspapers; gas and electricity prices.

Points to be decided:

1. Topic for weekend?
2. How to get over topic - newspaper articles/radio/tv? Who?

3. Should Backbenchers be mobilised on Budget speculation?
4. How to follow up Budget? NB: Treasury Ministers should be given as clear a field as possible on radio and tv on Budget Day; other Ministers should ensure the implications for their public are fully explained to specialist media groups on Budget Day and subsequently.
Speaking note.
5. Should efforts be made to "talk down" mortgages in advance of BSA meetings?

LEADER WRITERS/OPINION FORMERS

As a preliminary to agreeing approaches by Ministers, Liaison Committee asked for a note of leaderwriters/opinion formers. The list below is not exhaustive, but is intended to identify those who might be helpful. It goes without saying that contacts with Editors are invaluable.

FT: Sam Brittan; Anthony Harris.

Times: Peter Stothard; Adrian Hamilton; Ronnie Butt.

Sunday Times: Ronnie Butt; Sarah Hogg; Graham Serjeant.

Guardian: John Torode; Victor Keegan.

Telegraph: Andreas Whittam-Smith.

Sunday Telegraph: Ivan Fallon.

Mail: Robin Oakley; Patrick Sergeant.

Express: James McMillan; George Gale.

Sunday Express: John Junor.

Sunday Mirror: Woodrow Wyatt.

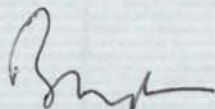
News of the World: Derek Jameson; Gordon Leak.

Sun: Kelvin Mackenzie; Peter Rose.

Economist: Andrew Neil.

Spectator: Ferdinand Mount.

There seems to be little prospect of effectively influencing the Observer (though William Keegan ought to be exposed to the idea); Mirror; People (though Nicholas Lloyd, the new Editor might be interested); and least of all the Daily Star which has its own distinctive approach to fact.



B. INGHAM

1 March 1982

LIAISON COMMITTEE: DIARY TO EASTERMARCH

- 3 NEDC; Queen opens Barbican conference centre;
Mitterand in Israel; Times Newspapers' deadline; Teachers pay
- 4 BELFAST SOUTH BY-ELECTION; Liberal PPB; Powerworkers' talks.
- 9 BUDGET (Social Security uprating); Dail meets after^{pay} talks.
election.
- 10 Labour PPB on Budget.
- 11 Liberals on Newsnight on Budget.
- 12 YOUR VISIT TO SUNDERLAND; YOUNG CONSERVATIVES CONFERENCE;
BUILDING SOCIETIES ASSOCIATION CONSIDER MORTGAGE RATE.
- 13 CONSERVATIVE PARTY LOCAL GOVERNMENT CONFERENCE, London.
- 14 GLC London fares rally.
- 15 CHILD BENEFIT PAYMENT GOES MONTHLY.
- 16 Glasgow rape case private prosecution decision.
- 17 Sultan Qaboos' visit; Labour PPB.
- 18 TUC Women's Conference, Bournemouth (to 19).
- 19 SCHMIDT BILATERAL, CHEQUERS; INDEX OF RETAIL PRICES;
DEADLINE FOR BR/ASLEF FLEXIBLE ROSTERING PROCEDURE.
- 21 LONDON TRANSPORT FARES RISE.
- 22 EC Foreign Affairs Council, Brussels; MRS GHANDI'S
VISIT (to 24th).
- 23 UNEMPLOYMENT FIGURES.
- 24 TUC General Council; Labour Party National Executive.
- 25 ? HILLHEAD BY-ELECTION; FCO BI-CENTENARY LECTURE,
LORD CARRINGTON.
- 26 DEADLINE FOR DE LOREAN RESCUE; FIRST ANNIVERSARY, FOUNDING
OF SDP; National Consumer Congress, Guildford (to 28).
- 27 CENTRAL COUNCIL SPEECH; Boat Race.
- 28 ELECTION, EL SALVADOR; Clocks go forward.
- 29 EUROPEAN COUNCIL, BRUSSELS (Mandate etc) with AG. AND
FISH COUNCILS (to 30); Two tier motor cycle test starts.
- 30 NUJ Conference, Coventry.
- 31 SDP/Liberal Alliance deadline for seats share out;
Conservative PPB.

APRIL

- 1 Gas, electricity and dental charges up.
- 3 Grand National; ACTT conference (to 4th).
- 5 TUC CONFERENCE ON CAMPAIGN AGAINST EMPLOYMENT BILL;
EPEA (Engineers' & Managers' Assn) conference, York (to 7th)
- 7 PM'S FCS SPEECH, Loughborough; NEDC.
- 8 EASTER RECESS (? to 19th).
- 9 Good Friday; Co-op Party conference, Ayr (to 12).
- 10 NUT conference, Scarborough (to 15); Labour Party Young
Socialists conference, Bridlington (to 12).
- 12 NAS conference, Blackpool (to 16).

LIAISON COMMITTEE: DIARY FOR 1982 (AFTER EASTER)APRIL

- 17 Association of Broadcasting Staff conference (to 19).
 18 Banking, Insurance and Finance Union conference, Blackpool, (to 21).
 19 European Trades Union Confederation Congress, The Hague (to 23); SCOTTISH TUC ANNUAL CONFERENCE, Perth (to 23); AMALGAMATED UNION OF ENGINEERING WORKERS conference, Eastbourne (to 23).
 20 SPAIN/GIBRALTAR BORDER OPENS: negotiations begin.
 21 AFGHANISTAN DAY.
 22 PM'S CIVIC TRUST DINNER SPEECH.
 23 INDEX OF RETAIL PRICES.
 25 SINAI WITHDRAWAL/MFO; USDAW conference, Eastbourne (to 28).
 26 PM'S PANORAMA INTERVIEW.
 27 UNEMPLOYMENT FIGURES.
 Council of Europe, Strasbourg (to 30); AUEW Foundryworkers' conference (to 30); NATKE conference, Guernsey (to 30).
 28 TUC General Council; Labour Party Executive.
 30 PM'S VISIT TO BEDFORD (speech); Wales, TUC, Llandudno (to May 2).

MAY

- 2 Launch of "Mail on Sunday",
 3 Bank Holiday.
 THIRD ANNIVERSARY OF GOVERNMENT.
 4 Queen on Merseyside; Institute of Personnel Management Conference (to 6).
 5 Queen visits Manchester; NEDC; PM's reception for World Cup teams.
 6 LOCAL ELECTIONS.
 8 EC Foreign Ministers' informal week-end.
 10 CPSA conference, Brighton (to 14); SCPS conference, Southport (to 14); TSSA conference, Bournemouth (to 14).
 11 IRSF conference, Peebles (to 13).
 12 Colliery Managers' conference, Scarborough (to 14).
 13 Assn. of First Division Civil Servants conference.
 14 PM'S SPEECH TO CONSERVATIVE SCOTTISH CONFERENCE.
 15 FRANCO-BRITISH COUNCIL, EDINBURGH; APEX conference, Blackpool (to 18).
 16 SOGAT conference, Bournemouth (to 21).

- MAY
- 17 Visit of French Prime Minister; NATO MINISTERIAL meeting (to 18); IPCS conference, Bournemouth (to 20); National Union of Seamen conference, Tenby (to 21).
- 18 Mugabe visits UK; ASLEF conferences, London (to 26).
- 19 Western European Union Ministerial Council; Fire Brigades Union conference, Bridlington (to 21).
- 20 OPEC, EQUADOR; Association of University Teachers' conference, London (to 22).
- 21 INDEX OF RETAIL PRICES.
- 22 FA Cup Final; Amalgamated Society of Textile Workers' conference, Leek; ASTMS conference, Harrogate (to 24); National Union of Dyers, Bleachers & Textile Workers Conference (to 25).
- 23 GMWU conference, Eastbourne (to 27); NUPE conference, Scarborough (to 27); Union of Communication Workers (postmen) conference, Bournemouth (to 28).
- 24 UCATT conference, Gt Yarmouth (to 28); Prison Officers' Assn. conference, Southport (to 28); AUEW/TASS conference, Bournemouth (to 28).
- 25 UNEMPLOYMENT FIGURES.
- 26 PM'S CONSERVATIVE WOMEN'S CONFERENCE SPEECH; Queen opens Kielder Reservoir; TUC General Council.
- END MAY
- POPE'S VISIT TO BRITAIN
- 29 National Association of Teachers in Further Education, Newcastle-upon-Tyne (to 31).
- 31 Bank Holiday.

JUNE (ROYAL BIRTH)

- Recess to June 6.
- 2 International Labour Organisation, Geneva (to 23).
- 3 SCOTTISH NATIONAL PARTY CONFERENCE (to 5).
- 4 ECONOMIC SUMMIT, PARIS (to 6); TUC Trades Councils conference, Bournemouth (to 6).
- 6 Bakery workers' union conference, Bridlington (to 9).
- 7 NEDC; EEPTU conference, Scarborough (to 11); POEU conference, Blackpool (to 11); Society of Post Office Executives conference, Southport (to 11).
- 8 VISIT OF PRESIDENT REAGAN (to 9).
- 9 £1 and 20p coins introduced.
- 10 NATO SUMMIT, BONN; Educational Institute of Scotland conference, Oban (to 12).
- 11 Mauritius General Election.
- 12 Trooping The Colour.
- 13 Labour Women's Conference (to 15).
- 14 Western European Union Parliamentary Assembly (to 17); National Union of Hosiery and Knitwear Workers conference, Bournemouth (to 17).

JUNE

- 14 COHSE conference, Bridlington (to 18); NALGO conference Brighton (to 18).
- 15 UN CONFERENCE ON DISARMAMENT, NEW YORK.
- 18 INDEX OF RETAIL PRICES.
- 21 Wimbledon Fortnight opens; NACODS conference, Cardiff (to 25); ISTC conference, Cardiff (to 25).
- 22 UNEMPLOYMENT FIGURES.
- 23 TUC General Council; Labour Party Executive.
- 27 NGA conference, Eastbourne (to July 2).
- 28 EURO-COUNCIL, BRUSSELS (to 29); NUR conference, Plymouth (to July 5).
- 29 Confederation of Shipbuilding and Engineering Unions, Llandudno (to July 2).
- 30 Assn. of District Councils' Conference (to July 2).

JULY

- 1 Princess of Wales stamps issued.
- 2 Prime Minister visits Montgomery, Brecon and Radnor.
- 3 PM AT GLOUCESTER/WEST MIDLANDS RALLY.
- 4 Blasfurnacemens' conference, Blackpool (to 8).
- 5 NUM CONFERENCE, Inverness (to 8); Royal Show opens.
- 6 Eisteddfod, Llangollen.
- 7 Association of County Councils conference.
- 14 Visit of UN Secretary General; Council of Local Education Authorities, Sheffield (to 16).
- 16 INDEX OF RETAIL PRICES; Prime Minister's Regional Tour.
- 22 PRIME MINISTER AT 1922 COMMITTEE.
- 26 PM gives ASHBY MEMORIAL LECTURE.
- 28 TUC General Council; Labour Party National Executive.
- 30 PRIME MINISTER, GUILD OF BRITISH NEWSPAPER EDITORS' DINNER, Hendon.

AUGUST

- 13 Recess.
- 25 TUC General Council; Labour Party National Executive.
- 30 Bank Holiday.

SEPTEMBER

Recess.

Early Sept: Prime Minister visits Scotland and Balmoral.

- 6 TUC CONGRESS, Brighton (to 10).
- 16 PRIME MINISTER STARTS FAR EAST TOUR; Scottish Prison Officers' Assn, conference, Peterhead (to 17).
- 17 INDEX OF RETAIL PRICES.
- 20 LIBERAL PARTY ASSEMBLY, Bournemouth (to 25).
- 22 TUC General Council; Labour Party National Executive.
- 27 LABOUR PARTY CONFERENCE, Blackpool (to Oct 1).

OCTOBER

- 5 CONSERVATIVE PARTY CONFERENCE, Brighton (to 8).
- 8 PRIME MINISTER'S SPEECH TO PARTY CONFERENCE.
- 11 SDP CONFERENCE at Cardiff (to 12).
- 13 SDP CONFERENCE at Derby (to 14).
- 15 SDP CONFERENCE at Gt Yarmouth; INDEX OF RETAIL PRICES.
- 19 PLAID CYMRU CONFERENCE (to 21).
- 20 INTERNATIONAL MOTOR SHOW; Institute of Personnel Management conference, Harrogate.
- 24 Clocks go back.
- 27 TUC General Council; Labour Party National Executive.

NOVEMBER

- Early: Queen's speech.
- 12 INDEX OF RETAIL PRICES.
- 13 Lord Mayor's Show.
- 14 Remembrance Sunday.
- 15 PRIME MINISTER'S SPEECH, LORD MAYOR'S BANQUET.
- 16 Visit of Queen Beatrix of the Netherlands.
- 17 PRIME MINISTER'S SPEECH TO NORTH ATLANTIC ASSEMBLY, London.
- 24 TUC General Council; Labour Party National Executive.
- 26 St Andrews' Night Dinner, Glasgow.

DECEMBER

- 3 EURO-COUNCIL, COPENHAGEN (to 4).
- 8 PRIME MINISTER OPENS CONFERENCE ON INFORMATION TECHNOLOGY, Barbican.
- 15 Association of University Teachers' conference, Bradford (to 17).
- 17 INDEX OF RETAIL PRICES; PM's Regional Tour.
- 22 TUC General Council; Labour Party National Executive.

LIAISON COMMITTEE - MAIN ISSUES TO EASTER

The main issues affecting presentation during the period to Easter may be summarised as follows:

- BUDGET: relevance to unemployment problem; how it reinforces recovery; extent to which it satisfies the various lobbies.
- ECONOMY: US interest rates; mortgage rates (meeting of BSA, March 12) unemployment and IRP figures; evidence of recovery.
- INDUSTRY: Rail rostering (deadline March 19); Times Newspapers; De Lorean (deadline March 26); gas/electricity charges up (April 1).
- LABOUR LAW: TUC conference to plan campaign against Employment Bill (April 5).
- PAY ROUND: Nurses, gas, electricity, Civil Servants with railways to come.
- LOCAL GOVERNMENT: Run up to local elections in May; cuts, rates and fares; teachers' unions' conferences (Easter).
- NATIONAL POLITICS: Hillhead by-election; First anniversary of founding of SDP (March 26); SDP/Liberal Alliance deadline for share out of seats (March 31).
- DEFENCE: Trident, its cost and its effect on conventional forces.
- NORTHERN IRELAND: New Republic Government; possibly White Paper on rolling devolution; Belfast South be-election (Thursday, March 4).
- EUROPE: European Council, Brussels (end March) - Mandate row.
- INTERNATIONAL: Patriation of Canadian constitution; Poland; Middle East; El Salvador elections (March 28).

The Prime Ministers' speaking engagements are:

- March 6-7 - Pete Murray Show (mostly personality stuff).
 March 13 - Conservative Party Local Government Conference.
 " 27 - Central Council.
 April 7 - FCS Speech.



Miss [unclear]

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MEETING NOTICE

The next meeting of the Liaison
Committee will be held at
No. Ten Downing Street on
Wednesday 3 March at 11.00 a.m.

1 March, 1982

cc S/S Scotland
Chief Secretary
S/S Employment

Mr Wakeham
(PUSS Industry)

Chairman of the Party
Mr P Cropper (Central
Office)

Mr Bernard Ingham
(Number Ten)

PRIVATE AND CONFIDENTIAL



10 DOWNING STREET

cc Mr Whitmore ✓
Lord President
Chairman of Party/Paymaster
General
Secretary of State for
Scotland
Chief Secretary
Secretary of State for
Employment
John Wakeham, PUSS, D/Industry
Peter Cropper, Conservative
Research Department.
Andrew Ward
Press Officers.

SUBJECT *ex 4/16*

PRIVATE AND CONFIDENTIAL



AMH
25/2

NOTE OF LIAISON COMMITTEE MEETING ON 24 FEBRUARY 1982

Present: ✓ Prime Minister
Lord President of the Council
Chairman of the Party
Secretary of State for Scotland
Chief Secretary
Secretary of State for Employment
Mr Wakeham (Parliamentary Under Secretary of State
for Industry)
Mr Cropper (Conservative Research Department)
Prime Minister's Chief Press Secretary
Mr Lilley (Conservative Research Department)
Mr Ward (Lord President of the Council's Office)

The Committee had before it a report on the presentation of economic, employment and industrial policy. The Committee warmly welcomed the report and agreed that it was a valuable and comprehensive analysis. In discussion the following detailed points were raised.

a) The report did not mention the position on the balance of payments, where there was a good story to tell.

b) The section in Part II on small businesses could with advantage be expanded. Small businessmen, more than most, were pre-occupied with their immediate worries - eg local authority rates - and tended to be insufficiently aware of the wider benefits accruing from the Government's strategy. It was important that the presentational approach in this policy area should be couched in language which small businessmen understood and was responsive to their anxieties.



c) The paper did not explicitly address the question of how to present the Government's approach to the private sector generally. It would be valuable to include in Part II a section headed "Policy for Industry and Commerce" which would re-state the key role of the private sector within Government economic strategy, and the way in which the strategy was designed to help. Important points under this heading would be counter-inflationary policy; the Government's measures to help reduce interest rates; and the steps the Government was taking to help clear the blockages which were inhibiting the private sector.

d) The general point was made that it was important, if the electorate was to understand the Government's strategy more clearly, to influence selected financial and political commentators in the Government's support; and that for this group of opinion makers an especially convincing presentation was required.

Mr Lilley was invited to amend the paper in the light of discussion and re-present it at the Committee's next meeting.

2. The Committee discussed how the paper might best be used. The following points were made in discussion:

a) It would be helpful to all Ministers to have copies of this, and subsequent such papers, to assist them both in setting the broader context within which to present Departmental policies, and in wider re-statement of Government policy. The papers would be particularly valuable as source material for Ministerial speeches. The Lord President of the Council would arrange for the final version of this first report, and subsequent reports, to be circulated to Ministers for this purpose.

b) The Prime Minister said she hoped to draw on the material presented in this paper in preparing her speech for the Central Council meeting in Harrogate.



c) It would be important to make an early start, drawing on the report, on establishing the presentational context in which the Budget would be set. Mr Ingham would draw up a list, for the next meeting of the Committee, of those leader writers and other correspondents with whom the material in the paper could be best deployed by individual Ministers. Thereafter Ministerial members of the Committee would each arrange to see a few selected correspondents to brief them on this basis.

d) At no stage should the existence of the Liaison Committee be made known and all references to this Committee must be deleted from material circulated to other Ministers.

3. The Committee considered Mr Ingham's diary of events. The Committee noted that the immediate presentational climate would inevitably be dominated by the Budget; and thereafter, a major interest would be the imminence of the trades union conference season. The Committee would therefore need at future meetings to decide the presentational themes which the Government and Party should stress in order to keep the initiative during the conference period. It would be valuable to have a major Ministerial speech on education in advance of the teachers' trades union conferences. Later, the Committee would wish to turn its attention to the themes which should be emphasised in the run up to the local elections on 6 May.

4. The Committee briefly discussed the themes for forthcoming Conservative Central Office briefing notes. It was noted that the current week's note would deal with gas prices. The subsequent note was envisaged as following the theme of the Prime Minister's speech to the EEF as part of the presentational preparation for the Budget.

5. The Prime Minister reported that she had spoken to Mr Stanley and commissioned the paper on housing which the Committee had, at its last meeting, wished to see prepared. The paper would be ready for the Committee in a fortnight. The Secretary of State for Scotland reported that work was well advanced on the paper on law and order commissioned at the Committee's previous meeting.

PRIVATE AND CONFIDENTIAL



6. The next meeting would be held at No. 10 at 11.00 am on Wednesday 3 March. The main business of the meeting would be firstly to finalise the report on the presentation of economic employment and industrial policy; and secondly to consider the first draft of the report on law and order.

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SECRET

REPORT TO LIAISON COMMITTEE
ON PRESENTATION OF
ECONOMIC, EMPLOYMENT AND INDUSTRIAL POLICY

PART I - PERCEPTIONS AND PRESENTATION

Summary of Public Perceptions Versus the Facts and Policies (A fuller analysis is given in Part II).

1. Few voters have a clear view of the government's overall economic strategy, its objectives and how it is meant to work. On the other hand, the government's and Prime Minister's sense of purpose is widely recognised and respected. This underlying strength can only be exploited as the electorate's weak understanding of our goals is remedied and they see the first signs of progress towards them.
2. Misconceptions about unemployment are particularly damaging. About half the voters think the government is deliberately making unemployment high to curb union pay demands. Few voters could think of any government measures which were intended and likely to help cure unemployment - at least before the Employment Bill and Training Initiative.
3. Few people see inflation and unemployment as alternatives. In this their perceptions are closer to the government's view than to its critics'. Voters want both unemployment and reflation to be tackled simultaneously. Even fewer people perceive the connection between prices, money and borrowing - but they approve of measures to reduce government borrowing, even higher taxes.
4. Trades union reform is potentially the most popular and credible element of our policy. Not only does a large majority support steps in that direction, even some of those hostile to it believe union reforms will help reduce inflation and unemployment. It is important that the union measures do not become seen, jointly with unemployment, as an attack on the working class.
5. Nationalisation has long been unpopular but until recently privatisation was not recognised as an option and has not yet had time to acquire much positive electoral support. Some see privatisation as part of the sterile ding-dong between Labour and Conservative. They do not recognise that in fact no major industry was returned to private ownership between 1951 and 1981.
6. Investment is universally thought a 'good thing' of which there is too little. The substantial increase in investment by nationalised industries after five years of decline is not publicly appreciated. Most people think private investment is inadequate and falling. Few realise that private sector investment reached an all time record level in 1980 or that an increase is likely this year.
7. A majority probably think national output is falling despite the predominantly rising trend since last spring.
8. Too few are aware how closely our problems and solutions, are being mirrored abroad: that unemployment is now rising faster in Germany than inflation is worse in the rest of Europe than in the UK and that many countries plagued with budgetary problems similar to ours are cutting even items of welfare spending like pensions and health which the British government has protected.

PRESENTATIONAL APPROACH

- (i) Presentation of our strategy was bound to be very difficult in the first phase of government. Many of the measures necessary were initially painful, their potential benefits lay in the future, and the causal relationship between the measures and their eventual benefits was not always initially obvious or easily explained.
- (ii) Now it is vital to convince people that we have a strategy and that it will in due course deliver the goods. Since many of our policies are now embodied in law or government actions, and some are showing their first fruits, it should become easier to 'sell' the strategy convincingly.
- (iii) Many of the misconceptions about our objectives have arisen to fill the vacuum left by failure to appreciate what government strategy is. As we succeed in presenting it effectively those illusions will be dispelled. But some are sufficiently deep-rooted to require a specific effort to dispel them.
- (iv) The Presentational Framework
 - (a) Our objective is to reverse the long term decline in:-
 - the relative living standards of the British people,
 - the value of our currency,
 - the competitiveness of our industry,
 - and, eventually, the number of viable jobs.
 - (b) This decline has come about because in the past British governments shrank from tackling fundamental long term problems and exacerbated them by:
 - subsidising resistance to change (directly and through a falling £)
 - short-lived consumer booms to purchase popularity at the expense of savings, investment in the future and the value of the £.
 - (c) We are tackling the fundamental long term problems of the British economy which other governments shrank from e.g.:
 - trades union immunities,
 - uncompetitive and overmanned nationalised industries,
 - the burden of borrowing and foreign debt,
 - inflation,
 - training,
 - obstacles to new business.
 - (d) The task of tackling these problems was made more difficult by the recession.
 - (e) The blame for much of the tragic rise in unemployment lies with
 - those who encouraged overmanning or resisted changes in working methods until enterprises were on the brink of collapse and faced with the grim choice between shedding large numbers of workers or losing them all in bankruptcy.

- those who, verbally or through previous bursts of inflationary spending, incited wage claims which could only have been financed by another round of accelerating inflation.

(f) The government is doing all it can to alleviate the short-term unemployment problem without aggravating the longer term problem and where possible (e.g the Training Initiative), to make a permanent contribution to employment prospects.

- YOPS, TOPS etc.

The government is planning to spend £4 billion on training by 1984 - not the mark of an 'uncaring' government.

(g) There are no simple, cheap, quick, safe ways of curing unemployment. If there were the government would have implemented them not only for humanitarian reasons but also from electoral self-interest.

(h) The most frequently canvassed 'easy' option is some sort of reflation (i.e. pumping more money into circulation). In the past this never produced more than a temporary alleviation of the problem - which on every occasion gave way to increased unemployment.

Nowadays those involved in foreign exchange markets, financial markets and in negotiating wages have learned that reflation begets inflation. As a result a reflationary package would, as soon as announced, almost certainly result in a foreign exchange crisis, devaluation, rising living costs and a wage explosion. This would abort any economic recovery before it had generated any new jobs and probably intensify the squeeze. That is why virtually every major government in the world has abandoned reflation as an option.

(i) The government believes that it will be possible permanently to reverse the trend in unemployment (which has been upward for two decades) and to bring unemployment down to levels reflecting normal job changes.

But a long term up trend can only be reversed by the sort of fundamental measures which the government is taking. These inevitably take a long time to work.

(j) The deliberate creation of unemployment plays no part in the government's strategy as our opponents allege. It would be politically suicidal as well as wicked.

The idea that unemployment is necessary to curb wage increases is the reverse of the truth. The reason the government wants wage increases to moderate is to stop people being priced out of jobs.

(k) The preconditions of curing unemployment and restoring prosperity are:

- curbing inflation and
- improving productivity and competitiveness.

- (l) The first unmistakable signs of success on both inflation and productivity are becoming apparent.
- Inflation is down to half its last peak level and is expected to fall further. Many forecasters believe that for the first time since the war this government will bring inflation over the life of the parliament below the level experienced under its predecessor. We are on the path back to sound money.
 - Productivity per man rose last year at Japanese rates and evidence abounds of improvements in competitiveness, development of new products, changed attitudes at work, success in export markets.
- (m) The adjustment required in the private sector has been aggravated by the burden of the public sector which has been slower to adapt because of lack of competition and reliance on public funds. Hence:
- increasing emphasis on measures to bring more competition and private ownership into nationalised industries,
 - the support given to top class management in rationalising BSC, BL, BA etc.,
 - the slimming down of the civil service so that by 1984 it will be the lowest since 1948.
- (n) The government's aim is not, as often portrayed, the negative one of reducing the public sector, but the positive one of expanding the private sector. Every pound less spent by government is a pound more spent by the private individual.
- (o) The measures which will help bring unemployment down in the long term will also:-
- improve living standards,
 - enable us to improve the quality of our social services,
 - increase people's freedom of choice,
 - reduce political interference in people's lives,
 - spread more widely the freedom and responsibility which come from private property ownership.

MAIN FALLACIES, MISUNDERSTANDINGS AND POSITIVE POINTS

Our communications effort needs, among other things, to concentrate on dispelling the following fallacies and misconceptions and promoting the following positive points.

CRD should produce succinct guidance notes on each point.

Fallacies

1. Reflation - that extra borrowing or more money can painlessly reduce unemployment without sparking off a worse cycle of inflation and unemployment.
2. That money spent on the unemployed could be used to create jobs with minimal cost to the budget.
3. That interest rates are set purely by world or US forces and not much affected by the PSBR.

Misunderstandings

1. That we are deliberately creating unemployment to curb wage increases.
2. That nationalised industry investment is being curbed and private sector investment depressed.
3. That privatisation is not a fresh approach but a regular feature of adversary politics.

Positive Points

1. That we are the only party/government prepared to tackle the fundamental problems which have hamstrung the UK economy.
2. That inflation is now set on a decelerating trend after increasing in each previous Parliament.
3. That all our actions, not least the battle against inflation, are designed to create the conditions for a return to sustainable high employment and prosperity.

PART II: THE VOTER'S PERCEPTIONS VERSUS THE FACTS

These notes mainly single out areas where perceptions are unfavourable to us, mistaken and need dispelling. Where appropriate we analyse

- first, perceptions of trends or developments in the relevant aspect of the economic situation e.g. what people think is happening to the level of unemployment.
- second, perceptions of the causes e.g. what causes unemployment.
- third, perceptions of the policies e.g. what people think government ought to do or is doing.

Alongside this we contrast the 'facts' or more rigorous interpretations of trends, causes and policies.

Polling data are drawn from a variety of CRD and published studies notably: "Public Understanding of Economic Affairs", Marplan May 81; "Survey on Unemployment," ORC, March 81; "Attitudes Towards Unions", MORI, Nov 81; Tracking Studies Jan 82.

UNEMPLOYMENT - Perceptions

Trends: Overwhelmingly (73%) expected to increase but fewer now expect large increase.

A substantial minority believe's high unemployment is here to stay (because of new technology).

Facts

Trends New technology may result in transitional unemployment from rapid change but should not automatically mean permanent loss of jobs. We could easily consume many time more than we now produce. So we should need as many workers as now until average output increases to several times its present level. Even in Japan the new technologies are barely compensating for other factors slowing down productivity growth.

In any case we need to adopt the new technologies to avoid losing jobs to our competitors.

UNEMPLOYMENT

- Perceptions (cont'd)

Causes World recession is most widely accepted as an important cause (52%) and most often considered the most important cause (17%).

But Government's Policies are not far behind (37% and 14%). Moreover, half the electorate think there is at least some truth in the allegation that Government is making unemployment rise on purpose to keep down wages or break the unions.

Only a small minority (7%) spontaneously blame unemployment on excessive wages (relative to productivity). When prompted, the majority accept there is at least some truth in this.

Very few people think there is a trade-off between unemployment and inflation. Indeed two-thirds accept that curbing inflation is a precondition of reducing unemployment. Generally people want unemployment and inflation to be tackled simultaneously.

Policies Reducing interest rates, reducing the retirement age and channelling more money into investment are each seen as cures for unemployment by nearly half the electorate.

Nearly a third mention reducing union power, cutting taxes, import controls, or wage moderation as possible remedies.

However, voters are very hazy about what the Government is doing to reduce unemployment. Cutting Government spending used to be most often mentioned (34%) but rarely thought effective; reducing union power was the only other widely recognised Tory policy (30% in 1981, probably higher since the new Employment Bill). Youth training and other special measures might now be gaining recognition as Government measures.

Nearly a third of voters could not think of any government policies to cure unemployment even when prompted.

The notion that it would cost less or little more to employ people than keep them on the dole is probably gaining ground.

Most (60%) believed the Government was not doing enough to help the unemployed before the latest initiatives.

- Facts (cont'd)

Causes The world recession is a useful label for the factors explaining the worldwide rise in unemployment though it provides no explanation.

The main underlying factor is that money rates of pay have risen more rapidly than money spending in most countries. If an individual firm's revenues rise 5% but its employees' wage rates rise 10%, almost inevitably the number of jobs will be cut. The same is true nationally. Britain's problem is particularly severe because of accelerating pay increases from 1977 onwards (9%, 13%, 16%, 21%). These rises were conceded by employers in the expectation that this government, like its predecessors, would pump in the extra money to pay for them - even though this government was committed to slow down the rise in money spending.

It is disappointing that although employees increasingly recognise the connection between pay and jobs at their own shop floor, few as yet place the blame for the nation's unemployment on the explosion of pay, in excess of productivity, between 1977 and 1980.

Policies To the extent that people price themselves back into jobs, by moderating pay and increasing productivity (which is beginning to happen) the government is not seen to be instrumental and can only claim indirect credit.

Emphasis has therefore to be placed on measures directly implemented by government

- the training initiative which will guarantee a place or job for every school leaver by Christmas,
- measures to encourage new business: enterprise zones, small business programme, tax reliefs etc.
- measures to improve the working of the labour market: Young Worker Scheme, sale of Council houses, etc.

INFLATION - Perceptions

Trends The number expecting prices to rise sharply in the next year has halved. But most are pessimistic about inflation being reduced a lot. Most (75%) recall that inflation was lower when we were elected.

Causes Most people think inflation is caused by businesses putting up prices to increase profits or because of wage increases. Few perceive the connection between prices and money supply or borrowing. The exchange rate is more widely understood to affect prices.

Policies Direct controls of prices and/or wages seem the obvious cure to most people though their popularity has declined over the years. The Government's policy of reduced borrowing, though not recognised as anti-inflationary, is considered wise by a large majority (68%).

NATIONALISED INDUSTRIES - Perceptions

Developments The proportion of voters opposed to nationalisation has risen steadily since 1948 to a large majority. However, probably only a minority recognise how seriously the nationalised industries have exacerbated the nations financial and cost problems during the recession. Most of those who do see them as a burden (notably BSC and BL) probably expect them to remain so indefinitely.

Causes The large majority who dislike nationalisation attribute its failings largely to a lack of competition and only secondarily to the lack of profit motive.

Policies There is fairly widespread, if grudging, respect for the Government's backing to BL and BSC in their survival plans.

Although nationalisation is unpopular, privatisation is not correspondingly popular. Indeed it was not until recently seen as an option.

Particularly among SDP/Liberal inclined voters privatisation may be seen as a deplorable aspect of ding-dong politics.

- Facts

Trends For the first time since the war inflation could well be lower over this parliament than during its predecessor. This represents an historic change of trend back towards sound money.

Causes Where inflation is concerned people are more interested in results than causes.

Policies At present it is almost inconceivable that any attempt to introduce an incomes policy could result in a lower level of pay settlements than is taking place. It might well result in a 'norm', higher than the going rate, which would prove to be a floor rather than a ceiling. This is worth reiterating.

Facts

Developments The likely improvement in the finances of BSC and BL will probably come as welcome surprise.

Policies The alleged ding-dong battle between nationalisation and denationalisation has been all ding and no dong. No major business was denationalised between 1951 and 1980 although seven major businesses were nationalised. (Even the 'denationalisation' of steel in 1951 is a misnomer: the incoming government aborted its predecessor's planned, but incomplete, nationalisation).

The current privatisation programme represents the reversal of a thirty year 'ratchet effect'.

UNIONS/INDUSTRIAL RELATIONS - Perceptions

Trends The improvement in labour relations is probably not fully recognised. Pessimism about strikes remains high.

Causes Unemployment has been thought the main cause of industrial relations peace.

Policies The large majority favours Union reforms and before the latest Bill most people thought the government was not doing enough. That majority favouring reform has declined somewhat (13%) with, and probably due to, rising unemployment which has aroused suspicions that the working class (rather than oppressive union powers) are under attack.

SMALL BUSINESS - Perceptions

Developments Most people think far more businesses are closing down than starting up.

Policies The battery of pro-business measures is gaining increasing recognition from businessmen. Wider public perception is probably still low.

Facts

Trends The level of industrial disputes has been the lowest for 40 years.

Causes Recognition that the government will not intervene to bail out companies brought to their knees by strikes will prove a more enduring cause of industrial peace than unemployment.

The absence of Government intervention and '11th hour talks at No. 10' has depoliticised labour disputes and helped secure peaceful settlements especially in the public sector.

Facts

Developments As many businesses are being formed as are closing down. This is probably unprecedented in a recession.

INVESTMENT - Perceptions

Developments Investment is widely believed to be declining, particularly in the nationalised industries.

Causes The Government's cuts tends to be blamed for the supposed inadequacy of investment.

High interest rates, high taxes, trades union opposition and poor management also receive blame.

Policies A majority favours channelling government money into investment.

- Facts

Developments Nationalised industry investment was cut in real terms by the Labour government every year from the 1976 cuts onwards. The fall was stopped in our first year and sharply reversed in the current year. The initially planned 15% increase in real terms in 1981/2 has since been augmented and will reverse all Healey's cuts 'at a stroke'.

Other public sector investment has been declining: largely because of cuts in housing, roads and schools. In housing and roads there has been a desirable switch from new building to renovation and maintenance - which happen not to be classified as investment. New schools are not needed because of declining numbers of pupils.

Private sector investment has been unusually buoyant during a recession of this severity. It reached an all time record in 1980 and a modest increase is likely this year. Company spending on new product development, which is generally not classified as investment in the published figures, seems to be rising strongly.

Policies Unlike its predecessors, this government is determined to devote government funds to new investment rather than to maintaining overmanning - and preferably to the new technologies and new industries.

PART III - BUDGET : PREPARING OPINION AND FOLLOW UP

Pre-Budget Preparation

- (i) Dampening Expectations It was felt that the response to the budget is bound to be more favourable the gloomier expectations were in advance. A couple of sobering speeches on the need to continue to curb borrowing would be valuable, particularly if delivered by non-economic ministers. The effect of lower oil prices on tax revenues could be emphasised (while reassuring industry that it will benefit overall from lower energy costs).
- (ii) Presenting Budget as the Middle Way It is useful if the Chancellor can present his chosen level of borrowing as the middle way. So it would help if the many calls for increased borrowing were balanced by a few cogent public appeals for all the fiscal leeway' to be used entirely to reduce borrowing.

MP's like Peter Lloyd, Archie Hamilton, Michael Brown, John Browne or Ray Whitney might be encouraged to oblige. Outside Parliament Brian Griffiths, Alan Budd or Tim Congden might voice similar opinions.

- (iii) The Budget Theme If the budget is to have a theme it would be valuable to prepare the ground for that theme in advance (saving the specific label for Budget day).

For example the ground could be (and to some extent is being) prepared for the theme of 'industry and jobs' by speeches emphasising that these must take priority over personal incomes if we are to nurse the recovery without sacrificing gains made against inflation.

(iv) Problems

- (a) The drop in the industrial production index is bound to be used as further evidence of the need for reflationary borrowing. It is important to head off this criticism by emphasising that, weather and special factors apart, the only factor depressing industry was additional destocking following the rise in interest rates. So we cannot risk another rise in interest rates which is what substantial borrowing must induce.
- (b) There are signs of a new bandwagon beginning to roll among opinion formers based on the idea that unemployment could be substantially reduced, without reflation, by some deft package of subsidies and incentives. This could be damaging as it appeals to the fiscally responsible commentator and thence to our supporters. The government has introduced what it believes to be the most cost effective measures of this type and there may be a few more to come. However, we need to keep people's minds concentrated on the facts:-
- that large scale unemployment will only be substantially alleviated by moderation in wages across the board;
 - government cannot subsidise wages across the board (except by taxing them equally broadly).

POST-BUDGET FOLLOW THROUGH

- (i) Backbench support needs to be mobilised lest all the speeches be critical.
- (ii) Newspapers would probably welcome articles by ministers, say a couple of days after the budget, replying to the post budget comment.
- (iii) 29th March is the Anniversary of the declaration by 364 economists. Their principal assertions have been refuted by events. It would do no harm to celebrate their discomforture. The Times would be willing to take an article by a prominent economist if we suggest a name (Griffiths, Congden, ?)
- (iv) Local authority elections. Candidates will need briefing on the message in the light of the budget.

PRIME MINISTER

LIAISON COMMITTEE - DIARY OF EVENTS, 1982

Liaison Committee, meeting on February 10, 1982, commissioned an annual diary of events in order to facilitate a longer term look at the presentation of Government policy.

I attach at:

- Annex I: a summary of the main presentational considerations to Easter;
- Annex II: a diary for the rest of this year from March 1.

The Committee may feel that the diary should be rolled forward for each meeting. The diary does not pretend to be - nor can it be - exhaustive. It is, however, much fuller for the next two months to enable the Committee to take a more detailed look at the period immediately ahead. Each rolling forward would, of course, fill in the detail for the two months immediately ahead.

Prime Ministerial speaking engagements are underlined. Major events appear in capitals.

B. INGHAM

22 February 1982

LIAISON COMMITTEE - MAIN ISSUES TO EASTER

The main issues affecting presentation during the period to Easter may be summarised as follows:

- BUDGET: relevance to unemployment problem; how it reinforces recovery; extent to which it satisfies the various lobbies.
- ECONOMY: US interest rates; mortgage rates (meeting of BSA, March 12) unemployment and IRP figures; evidence of recovery.
- INDUSTRY: Rail rostering (deadline March 19); Times Newspapers; De Lorean (deadline March 26); gas/electricity charges up (April 1).
- LABOUR LAW: TUC conference to plan campaign against Employment Bill (April 5).
- PAY ROUND: Nurses, gas, electricity, Civil Servants with railways to come.
- LOCAL GOVERNMENT: Run up to local elections in May; cuts, rates and fares; teachers' unions' conferences (Easter).
- NATIONAL POLITICS: Hillhead by-election; First anniversary of founding of SDP (March 26); SDP/Liberal Alliance deadline for share out of seats (March 31).
- DEFENCE: Trident, its cost and its effect on conventional forces.
- NORTHERN IRELAND: New Republic Government; possibly White Paper on rolling devolution; Belfast South by-election (March 4).
- EUROPE: European Council, Brussels (end March) - Mandate row.
- INTERNATIONAL: Patriation of Canadian constitution; Poland; Middle East; El Salvador elections (March 28).

The Prime Ministers's speaking engagements are:

- March 13 - Conservative Party Local Government Conference.
" 27 - Central Council.
April 7 - FCS Speech.

LIAISON COMMITTEE: DIARY TO EASTER

MARCH

- 3 NEDC; Queen opens Barbican conference centre; Mitterand in Israel,
- 4 BELFAST SOUTH BY-ELECTION; Liberal PPB.
- 9 BUDGET (Social Security uprating); Dail meets after election.
- 10 Labour PPB on Budget.
- 11 Liberals on Newsnight on Budget.
- 12 YOUR VISIT TO SUNDERLAND; YOUNG CONSERVATIVES CONFERENCE; BUILDING SOCIETIES ASSOCIATION CONSIDER MORTGAGE RATE.
- 13 CONSERVATIVE PARTY LOCAL GOVERNMENT CONFERENCE, London.
- 14 GLC London fares rally.
- 15 CHILD BENEFIT PAYMENT GOES MONTHLY.
- 16 Glasgow rape case private prosecution decision.
- 17 Sultan Qaboos' visit; Labour PPB.
- 18 TUC Women's Conference, Bournemouth (to 19).
- 19 SCHMIDT BILATERAL, CHEQUERS; INDEX OF RETAIL PRICES; DEADLINE FOR BR/ASLEF FLEXIBLE ROSTERING PROCEDURE.
- 21 LONDON TRANSPORT FARES RISE.
- 22 EC Foreign Affairs Council, Brussels; MRS GHANDI'S VISIT (to 24th).
- 23 UNEMPLOYMENT FIGURES.
- 24 TUC General Council; Labour Party National Executive.
- 25 ? HILLHEAD BY-ELECTION; FCO BI-CENTENARY LECTURE, LORD CARRINGTON.
- 26 DEADLINE FOR DE LOREAN RESCUE; FIRST ANNIVERSARY, FOUNDING OF SDP; National Consumer Congress, Guildford (to 28).
- 27 CENTRAL COUNCIL SPEECH; Boat Race.
- 28 ELECTION, EL SALVADOR; Clocks go forward.
- 29 EUROPEAN COUNCIL, BRUSSELS (Mandate etc) with AG, AND FISH COUNCILS (to 30); Two tier motor cycle test starts.
- 30 NUJ Conference, Coventry.
- 31 SDP/Liberal Alliance deadline for seats share out; Conservative PPB.

APRIL

- 1 Gas, electricity and dental charges up.
- 3 Grand National; ACTT conference (to 4th).
- 5 TUC CONFERENCE ON CAMPAIGN AGAINST EMPLOYMENT BILL; EPEA (Engineers' & Managers' Assn) conference, York (to 7th)
- 7 PM'S FCS SPEECH, Loughborough; NEDC.
- 8 EASTER RECESS (? to 19th).
- 9 Good Friday; Co-op Party conference, Ayr (to 12).
- 10 NUT conference, Scarborough (to 15); Labour Party Young Socialists conference, Bridlington (to 12).
- 12 NAS conference, Blackpool (to 16).

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LIAISON COMMITTEE: DIARY FOR 1982 (AFTER EASTER)

APRIL

- 17 Association of Broadcasting Staff conference (to 19).
18 Banking, Insurance and Finance Union conference, Blackpool, (to 21).
19 European Trades Union Confederation Congress, The Hague (to 23); SCOTTISH TUC ANNUAL CONFERENCE, Perth (to 23); AMALGAMATED UNION OF ENGINEERING WORKERS conference, Eastbourne (to 23).
20 SPAIN/GIBRALTAR BORDER OPENS: negotiations begin.
21 AFGHANISTAN DAY.
22 PM'S CIVIC TRUST DINNER SPEECH.
23 INDEX OF RETAIL PRICES.
25 SINAI WITHDRAWAL/MFO; USDAW conference, Eastbourne (to 28).
26 PM'S PANORAMA INTERVIEW.
27 UNEMPLOYMENT FIGURES.
Council of Europe, Strasbourg (to 30); AUEW Foundryworkers' conference (to 30); NATKE conference, Guernsey (to 30).
28 TUC General Council; Labour Party Executive.
30 PM'S VISIT TO BEDFORD (speech); Wales, TUC, Llandudno (to May 2).

MAY

- 2 Launch of "Mail on Sunday".
3 Bank Holiday.
THIRD ANNIVERSARY OF GOVERNMENT.
4 Queen on Merseyside; Institute of Personnel Management Conference (to 6).
5 Queen visits Manchester; NEDC; PM's reception for World Cup teams.
6 LOCAL ELECTIONS.
8 EC Foreign Ministers' informal week-end.
10 CPSA conference, Brighton (to 14); SCPS conference, Southport (to 14); TSSA conference, Bournemouth (to 14).
11 IRSF conference, Peebles (to 13).
12 Colliery Managers' conference, Scarborough (to 14).
13 Assn. of First Division Civil Servants conference.
14 PM'S SPEECH TO CONSERVATIVE SCOTTISH CONFERENCE.
15 FRANCO-BRITISH COUNCIL, EDINBURGH; APEX conference, Blackpool (to 18).
16 SOGAT conference, Bournemouth (to 21).

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MAY

- 17 Visit of French Prime Minister; NATO MINISTERIAL meeting (to 18); IPCS conference, Bournemouth (to 20); National Union of Seamen conference, Tenby (to 21).
- 18 Mugabe visits UK; ASLEF conferences, London (to 26).
- 19 Western European Union Ministerial Council; Fire Brigades Union conference, Bridlington (to 21).
- 20 OPEC, EQUADOR; Association of University Teachers' conference, London (to 22).
- 21 INDEX OF RETAIL PRICES.
- 22 FA Cup Final; Amalgamated Society of Textile Workers' conference, Leek; ASTMS conference, Harrogate (to 24); National Union of Dyers, Bleachers & Textile Workers Conference (to 25).
- 23 GMWU conference, Eastbourne (to 27); NUPE conference, Scarborough (to 27); Union of Communication Workers (postmen) conference, Bournemouth (to 28).
- 24 UCATT conference, Gt Yarmouth (to 28); Prison Officers' Assn. conference, Southport (to 28); AUEW/TASS conference, Bournemouth (to 28).
- 25 UNEMPLOYMENT FIGURES.
- 26 PM'S CONSERVATIVE WOMEN'S CONFERENCE SPEECH; Queen opens Kielder Reservoir; TUC General Council.

END MAY

- POPE'S VISIT TO BRITAIN
- 29 National Association of Teachers in Further Education, Newcastle-upon-Tyne (to 31).
- 31 Bank Holiday.

JUNE (ROYAL BIRTH)

- Recess to June 6.
- 2 International Labour Organisation, Geneva (to 23).
- 3 SCOTTISH NATIONAL PARTY CONFERENCE (to 5).
- 4 ~~EUROPEAN COUNCIL, BRUSSELS (to 6)~~; TUC Trades Councils conference, Bournemouth (to 6).
Economic Summit PARIS
- 6 Bakery workers' union conference, Bridlington (to 9).
- 7 NEDC; EEPTU conference, Scarborough (to 11); POEU conference, Blackpool (to 11); Society of Post Office Executives conference, Southport (to 11).
- 8 VISIT OF PRESIDENT REAGAN (to 9).
- 9 £1 and 20p coins introduced.
- 10 NATO SUMMIT, BONN; Educational Institute of Scotland conference, Oban (to 12).
- 11 Mauritius General Election.
- 12 Trooping The Colour.
- 13 Labour Women's Conference (to 15).
- 14 Western European Union Parliamentary Assembly (to 17); National Union of Hosiery and Knitwear Workers conference, Bournemouth (to 17).

PRIVATE AND CONFIDENTIAL

-4-

JUNE

- 14 COHSE conference, Bridlington (to 18); NALGO conference Brighton (to 18).
- 15 UN CONFERENCE ON DISARMAMENT, NEW YORK.
- 18 INDEX OF RETAIL PRICES.
- 21 Wimbledon Fortnight opens; NACODS conference, Cardiff (to 25); ISTC conference, Cardiff (to 25).
- 22 UNEMPLOYMENT FIGURES.
- 23 TUC General Council; Labour Party Executive.
- 27 NGA conference, Eastbourne (to July 2).
- 28 EURO-COUNCIL, BRUSSELS (to 29); NUR conference, Plymouth (to July 5).
- 29 Confederation of Shipbuilding and Engineering Unions, Llandudno (to July 2).
- 30 Assn. of District Councils' Conference (to July 2).

JULY

- 1 Princess of Wales stamps issued.
- 2 Prime Minister visits Montgomery, Brecon and Radnor.
- 3 PM AT GLOUCESTER/WEST MIDLANDS RALLY.
- 4 Blasfurnacemens' conference, Blackpool (to 8).
- 5 NUM CONFERENCE, Inverness (to 8); Royal Show opens.
- 6 Eisteddfod, Llangollen.
- 7 Association of County Councils conference.
- 14 Visit of UN Secretary General; Council of Local Education Authorities, Sheffield (to 16).
- 16 INDEX OF RETAIL PRICES; Prime Minister's Regional Tour.
- 22 PRIME MINISTER AT 1922 COMMITTEE.
- 26 PM gives ASHBY MEMORIAL LECTURE.
- 28 TUC General Council; Labour Party National Executive.
- 30 PRIME MINISTER, GUILD OF BRITISH NEWSPAPER EDITORS' DINNER, Hendon.

AUGUST

- 13 Recess.
- 25 TUC General Council; Labour Party National Executive.
- 30 Bank Holiday.

SEPTEMBER

Recess.

Early Sept: Prime Minister visits Scotland and Balmoral.

- 6 TUC CONGRESS, Brighton (to 10).
- 16 PRIME MINISTER STARTS FAR EAST TOUR; Scottish Prison Officers' Assn. conference, Peterhead (to 17).
- 17 INDEX OF RETAIL PRICES.
- 20 LIBERAL PARTY ASSEMBLY, Bournemouth (to 25).
- 22 TUC General Council; Labour Party National Executive.
- 27 LABOUR PARTY CONFERENCE, Blackpool (to Oct 1).

OCTOBER

- 5 CONSERVATIVE PARTY CONFERENCE, Brighton (to 8).
- 8 PRIME MINISTER'S SPEECH TO PARTY CONFERENCE.
- 11 SDP CONFERENCE at Cardiff (to 12).
- 13 SDP CONFERENCE at Derby (to 14).
- 15 SDP CONFERENCE at Gt Yarmouth; INDEX OF RETAIL PRICES.
- 19 PLAID CYMRU CONFERENCE (to 21).
- 20 INTERNATIONAL MOTOR SHOW; Institute of Personnel Management conference, Harrogate.
- 24 Clocks go back.
- 27 TUC General Council; Labour Party National Executive.

NOVEMBER

- Early: Queen's speech.
- 12 INDEX OF RETAIL PRICES.
- 13 Lord Mayor's Show.
- 14 Remembrance Sunday.
- 15 PRIME MINISTER'S SPEECH, LORD MAYOR'S BANQUET.
- 16 Visit of Queen Beatrix of the Netherlands.
- 17 PRIME MINISTER'S SPEECH TO NORTH ATLANTIC ASSEMBLY, London.
- 24 TUC General Council; Labour Party National Executive.
- 26 St Andrews' Night Dinner, Glasgow.

DECEMBER

- 3 EURO-COUNCIL, COPENHAGEN (to 4).
- 8 PRIME MINISTER OPENS CONFERENCE ON INFORMATION TECHNOLOGY, Barbican.
- 15 Association of University Teachers' conference, Bradford (to 17).
- 17 INDEX OF RETAIL PRICES; PM's Regional Tour.
- 22 TUC General Council; Labour Party National Executive.



84

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

21 February 1980

The Rt Hon William Whitelaw CH MC MP
Home Secretary
The Home Office
Queen Anne's Gate
London
SW1

Dear Willie,

MINISTERIAL RADIO AND TELEVISION APPEARANCES

I have been examining with the Chief Press Secretary at Number 10 and Departmental Heads of Information the difficult presentational questions posed by 'confrontation' programmes on radio and television. This note sets out our conclusions and I hope that, as a Government, we can agree to accept them as guidelines for the future. It would therefore be helpful if you would circulate this note to your Ministerial team.

First, I should explain what we mean by confrontation programmes. Essentially, they are those programmes in which Ministers are invited to have a discussion with their 'shadows' or other party opponents, with or without an invited audience.

Over the last ten years or more, Governments have generally been against participation in such programmes. There are a number of reasons for this:

- they raise the status of the opponent and give him a platform he might not otherwise obtain;
- heated argument, which these programmes often produce, is not usually the best way of getting over the Government's policy; and
- confrontation, combined with audience participation, especially on television, is calculated more to entertain than enlighten.

The general disposition against such programmes is felt to have served Governments reasonably well. There are, however, counter-arguments. These are notably that:

- Ministers are in a strong position to win most discussions, and arguments tested in debate are likely to be found more persuasive;
- the audiences offered by radio and television are wider and more useful than those offered by other media; and
- a refusal to participate may leave the field to the Opposition, though this need not necessarily result.

/Our

The Rt Hon William Whitelaw CH MC MP (contd.) 21.2.80

Our objective, against this background, must be to secure the greatest advantage for the Government, and I agree with Chief Information Officers that some basic guidelines are required if this is to be achieved.

Accordingly, we are agreed that:

- there is little to be said for taking part in studio audience participation programmes and, as a general rule, members of the Government should not accept invitations to do so;
- A | - it is a long-standing convention that Ministers do not take part in the BBC radio 'Any Questions?' programme and this should be maintained; this programme should be left to Backbenchers;
- Z | - some Ministers have already appeared on the BBC TV 'Question Time' programme and some have doubted the value of doing so; Ministers and their Chief Information Officers should examine very rigorously what advantage is likely to accrue to the Government from participation;
- phone-in programmes, whether involving direct discussion with the caller or answering queries posed by callers and put by a host - eg the Jimmy Young Show - are a different kettle of fish; these can provide Ministers with a useful means of scoring points and the Jimmy Young Show is felt to be particularly useful;
- as a general rule, Ministers should not confront Opposition spokesmen; it is, however, felt that there may be advantage for junior Ministers in arguing the Government's case in local radio or regional television political discussion programmes;
- there is a strong prejudice against 'fly on the wall' radio and television techniques; this includes a recent proposal by BBC Radio's 'Inside Parliament' to tape Ministerial briefing prior to an Oral Answer and the Minister's subsequent reaction; and against intercutting - ie the dissection of an interview and its edited interleaving with extracts from interviews with other people. This is seldom, if ever, helpful or balanced and should be avoided.

These guidelines do not, of course, absolve Chief Information Officers from securing the best possible deal for their Ministers. But they will be used by the Chief Press Secretary in co-ordinating day-to-day operations. He must, of course, be consulted as set out in 'Questions of Procedure for Ministers'.

I am copying this letter to Cabinet colleagues, Norman Fowler, Paul Channon and Sir Robert Armstrong.

Yours ever, Angus

ANGUS MAUDE

DRAFT REPLY TO SIR IAN TRETHOWAN, DIRECTOR-GENERAL, BBC

Thank you for your letter of July 20 about the practice of Ministers not to appear on BBC Radio's "Any Questions?", even though they do appear on BBC TV's "Question Time".

I am not aware that "Any Questions?" panels are hampered by the absence of Ministers. We have always regarded this programme as the preserve of Backbenchers who invariably give as good as they get.

I would be very reluctant indeed to upset the existing order which I think serves all those concerned, including Backbenchers, pretty well.



10 DOWNING STREET

Prime Minister.

At the meeting of the
Liaison Committee on 10th February
it was agreed to commission
a paper on 'a Capital Owning
Democracy', with particular emphasis
on housing; and you said
that you would speak to
John Stanley about it.

JWH

18.11.52



cc Cabinet
Questions of Procedure
Pt 2
HLL

10 DOWNING STREET

From the Private Secretary

MR. WRIGHT
CABINET OFFICE

Presentation of Economic Policy: Questions of Procedure

The Prime Minister read with interest Sir Robert Armstrong's minute to me of 26 January, together with a note from Mr. Ingham of 27 January (copied to yourself).

The Prime Minister believes that the relevant paragraphs in "Questions of Procedure for Ministers" need redrafting. She thinks that the general tone of these paragraphs is restrictive, "so much so that one is quite surprised to find encouragement at the end of paragraph 105(d)ii."

We have had a go here at redrafting so as to meet the Prime Minister's wishes. It seemed to us that paragraphs 101-105(c) did not need any change; nor do paragraphs 106-107. We concentrated our attention on paragraph 105(d), and suggest the following:

"(d) The broadcasting authorities invite whom they please, including Ministers, to be interviewed on radio and television. Ministers should generally respond positively to requests, subject to their being satisfied that they will be given an adequate opportunity to explain Government policy and measures or to correct a misunderstanding. This applies to invitations to give interviews for both news bulletins and magazine and feature programmes.

In the interests of effective co-ordination of the Government's presentational effort, Ministers should ensure that No. 10 Press Office is informed of their intentions. This will enable them to deploy their broadcasting to best advantage and to avoid duplication with colleagues. The Chief Press Secretary is available to advise and help Ministers to secure their overall objective of propounding Government policies."

I should be grateful if you would let me have advice on what the next step should be.

MS

17 February 1982

JL

Michael Schol - Erg

Privy Council Office,

Whitehall,

London, SW1A 2AT

→ Clive ✓

Miss [unclear] ✓

L
S. [unclear]

With the Compliments

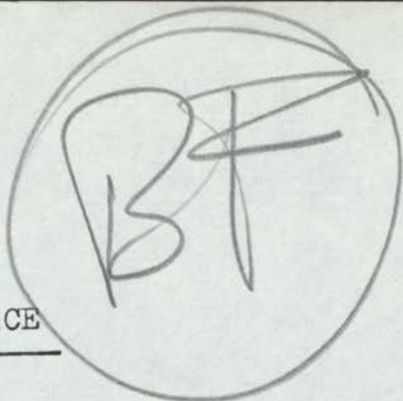
of the

Private Secretary

to the

Lord President of the Council

B/E.



MEETING NOTICE

The next meeting of the Liaison
Committee will be held at
No Ten Downing Street on
Wednesday 24 February at 11.00 a.m.

15 February 1982

cc S/S Scotland
Chief Secretary
S/S Employment

Chairman of the Party
Mr P Cropper (Central
Office)

Mr Wakeham
(PUSS Industry)

Mr Bernard Ingham
(Number Ten)

MR SCHOLAR

cc Cabinet
Questions of Proc
PCC

PRESENTATION: PROCEDURE FOR MINISTERS

You asked me to have a shot at a re-draft of the above to make the existing guidance more positive.

I do not believe paras 101 to 105(c) inclusive require attention or for that matter paras 106 to 107.

We need therefore to concentrate our attention on para 105(d) which the Prime Minister identified as requiring particular treatment. I do not accept that the present wording is - or intended to be - restrictive but it might be expressed more positively and the suggested revision below seeks to do that. I think the best way of doing this is to end the distinctive treatment of news and magazine and feature programmes and to offer general advice which is more in line with current practice in any case.

The suggested re-draft is:

"(d) The broadcasting authorities invite whom they please, including Ministers, to be interviewed on radio and television. Ministers should generally respond positively to requests, subject to their being satisfied that they will be given an adequate opportunity to explain Government policy and measures or to correct a misunderstanding. This applies to invitations to give interviews for both news bulletins and magazine and feature programmes.

"In the interests of effective co-ordination of the Government's presentational effort, Ministers should ensure that No 10 Press Office is informed of their intentions. This will enable them to deploy their broadcasting to best advantage and to avoid duplication with colleagues. The Chief Press Secretary is available to advise and help Ministers to secure their overall objective of propounding Government policies."

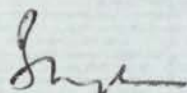
The suggested re-draft offers more positive encouragement while at the same time safeguarding No 10's essential co-ordinating function. We could soon be in potentially serious trouble if we

were not informed of Ministers' activities. There is a distinction to be drawn between news and magazine and feature programmes but not in terms of Ministers' approach which should be uniformly positive. The distinction is catered for by the proviso that they should be satisfied that they have an adequate opportunity to explain policy and by the requirement to inform No 10 to avoid duplication.

Although Departments at present feel under less compulsion to let us know of Ministerial news broadcasts, we really do need to know of them - especially on Tuesdays and Thursdays when the Prime Minister is answering Questions.

I believe the suggested re-draft will accentuate the positive while preserving co-ordination.

If it is accepted, I shall have to re-instruct Heads of Information. This in itself could be useful in emphasising the need to respond positively to requests for interviews.



B. INGHAM

15 February 1982



JKH
16/2

NOTE OF LIAISON COMMITTEE MEETING ON 10 FEBRUARY 1982

Present: Prime Minister
Lord President of the Council
Chairman of the Party
Secretary of State for Scotland
Chief Secretary
Secretary of State for Employment
Mr Wakeham (Parliamentary Under Secretary of State
for Industry)
Mr Cropper (Conservative Research Department)
Prime Minister's Chief Press Secretary
Mr Ward (Lord President of the Council's Office)

It was agreed that the Committee's main focus must be on the long term and that it should commission work on specific policy areas likely to be of special political importance. The aim, in each case, should be the production of a paper for the Committee which would set out the public perception, the facts, and the policies; and illustrate the best presentational approach. Each paper should especially focus on the likely developments over the next year. It was important that the Government and the Party machines worked closely together in this exercise both in the preparation of the material and in its subsequent deployment.

2. The exercise must concentrate on those policy issues most relevant to the run up to an election. At the same time it had to be recognised that many such issues had significance in the short term as well as the long term. The areas selected for study were as follows:

a) The economy; with the broad theme of industrial and employment strategy. It would be important to construct the right presentational approach in advance of the 1982 Budget so that eventual Budget decisions could be presented in a broad strategic context. The Secretary of State for Employment was invited to convene a group to prepare this paper which would also comprise the Chief Secretary to the Treasury and the Parliamentary Under Secretary of State for Industry (Mr Wakeham). They would be supported by the Conservative Central Office (Mr Lilley). This paper should be available within two weeks.



b) Law and order. The paper should address the theme in its broadest terms including inner city problems. The Prime Minister would speak to the Home Secretary with a view to commissioning a paper. The work should be undertaken by a group comprising the Secretary of State for Scotland, a Home Office Minister, a Ministerial representative of the Department of the Environment, and possibly a Law Officer (perhaps Mr Fraser) with support from Conservative Central Office (Mr True). This paper should be available within three weeks.

c) The broad theme of a Capital Owning Democracy with particular emphasis on housing. The Prime Minister would speak to Mr Stanley in the first instance. This paper too should be commissioned immediately.

Further studies, to be commissioned later, would address:

d) The role of the Social Services; where it would be important in presentational terms to re-define the broader policy aims.

e) Education, with particular emphasis on the relevance of the educational curriculum to employment and vocational training.

f) Defence, with particular emphasis on nuclear aspects and the unilateralist lobby.

g) Overseas affairs, including the European Community.

h) Scotland, embracing all relevant policy issues.

3. A number of other points were also discussed and the following decisions taken:

a) It was important for Ministers generally to achieve a higher level of visibility in the media, and Chief Information Officers must be encouraged to devote greater efforts in this direction. The Prime Minister herself would attend an early meeting of MIO to this end.



b) As well as seeking to set the tone for general political discussion, the Government must in particular anticipate major outside events likely to generate political comment, eg trade union conferences. To assist in this process there should be prepared both a fortnightly and an annual calendar of all such events. (Secretary's note: the mechanics will be discussed by Mr Ingham and Mr Cropper.)

c) The Committee would wish regularly to discuss the theme to be selected for Central Office's weekly briefing note. To some extent this would depend on the turn of outside events but there would be occasions when the Committee would wish itself to initiate the theme. It would be valuable now to commission a briefing note on the subject of rates, where there were important facts to present; this was to be prepared on a contingency basis for the Committee's consideration.

d) Although in the past the Committee had not circulated papers in advance, because of the sensitivity of its proceedings, the major work now in hand made it necessary for members to have time to consider papers in advance of meetings. Great care must be taken to preserve their confidentiality and the Party Chairman would distribute them personally. As business got under way it would probably be desirable for the Prime Minister and the Lord President of the Council to agree an agenda in advance of each meeting.

4. The next meeting would be held on Wednesday 24th February at 11.00 am in No. 10. The main item of business would be consideration of the paper to be prepared on industrial and employment strategy.

AW

ANDREW WARD
Lord President of the Council's Office

12 February 1982

PRIME MINISTER

LIAISON COMMITTEE

You are to chair the first meeting of the Liaison Committee, since the decision to reactivate it, at 11.00 am tomorrow. The Committee's membership is at Annex II.

2. The Committee met for a time during the first half of last year under the Lord President's chairmanship. Its objective is to take a longer term view of the presentation of Government policy, leaving more immediate issues to be handled by my co-ordination of Departments, operating under the broad remit given by the Liaison Committee and according to the guidance I derive from my daily meetings with you.

3. It would be useful at this first meeting to decide what is meant by longer term and how frequently you propose to chair the meeting (and how much you wish to leave to the Lord President). Your consideration will be influenced by your decision to have both the Lord President and the Paymaster General at your Monday and Friday media meetings.

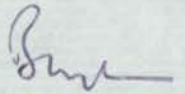
4. Against this background I suggest:

i You should set time aside to look at the year ahead. If you agree, you will need to commission papers so that there can be effective consideration. You may well feel that, given the state of the political calendar, it would be sensible to have the first such review of the year ahead in July immediately before the Recess or in September before you go abroad. I would suggest that both the CCO and I might usefully be invited to prepare papers from our different standpoints.

ii Given the attendance of the Lord President and the Paymaster General at Monday and Friday media meetings, you might aim to hold quarterly meetings, with the next soon after Easter. A July review of the year ahead would fall naturally into that sequence. You could then leave it to the Lord President to call meetings within each quarter as he feels necessary.

5. If this is accepted, the objective of tomorrow's meeting should be to look ahead to Easter.

6. Annex I sets the scene for this period and identifies the action required.


B. INGHAM

9 February, 1982.

HIGHLIGHTS TO EASTER

The period up to Easter is likely to be dominated by the following issues:

1. BUDGET - The extent to which it is seen to be relevant to (still rising) unemployment and to which it satisfies the various lobbies.
2. ECONOMIC BACKGROUND - US economy and interest rates; movements in UK economic indicators - the extent to which your policies can be seen to be succeeding.
3. PAY/PRODUCTIVITY - Progress of rail dispute and of pay round - notably nurses, gas, electricity, civil servants.
4. LOCAL GOVERNMENT - Rates; cuts; elections; council house sales; and, in London, transport: the need to place responsibility where it lies.
5. NATIONAL POLITICS - Hillhead; SDP/Liberal Alliance; Labour's march Left.
6. NORTHERN IRELAND - Plans for devolution; Republic moves after election.
7. EC BUDGET/CAP/UK CONTRIBUTIONS reform - The Mandate: culminating in March Euro-Council.
8. INTERNATIONAL AFFAIRS - Poland; East-West and Euro-Atlantic relations; Middle East - Sinai withdrawal; MFO; Visit of Mrs Gandhi for Festival of India.
9. IMAGE - Need for Government and yourself to present a more caring face to the world; and to give people hope.

The following questions flow from this agenda:

1. How do you wish to prepare the ground for the Budget; what line should we all be taking?
2. Is the overall economic line still cautious optimism - underlining individual items of good news as evidence of steady improvement, though with unemployment lagging?
3. How do you wish to influence the atmosphere before local elections; how do you place responsibility locally where it lies?
4. How should we approach Hillhead and play the Alliance?
5. How should we prepare the ground for the Brussels Euro-Council, end March?
6. Is the overall presentation of our international role satisfactory?
7. How can you present a more caring face to the world?

Your opportunities for major speeches outside Parliament up to Easter are:

- 23 February - Engineering Employers' Federation dinner
- 8 March - Finchley AGM
- 13 March - Local Government conference, Kensington (where you are scheduled to say only a few words)
- 27 March - Central Council, Harrogate

LIAISON COMMITTEE - MEMBERSHIP

Lord President

Chairman of the Party

Secretary of State for Scotland

Chief Secretary

Secretary of State for Employment

John Wakeham, Parliamentary Under Secretary,
Department of Industry

Peter Cropper, Head of Conservative Research
Department

Bernard Ingham, Chief Press Secretary

Andrew Ward (Lord President's Office) -
secretary

copy to Mr. Ingham.



Mr Whitmore

cc Lord President

LIAISON COMMITTEE - 10 FEBRUARY 1982

The following notes may be helpful to the Prime Minister in preparation for tomorrow's meeting of the re-activated Liaison Committee.

2. The Committee last met before the Summer Recess. Present membership is shown at Annex A, and is unchanged except for the Party Chairman and the head of Research Department.

Procedure

3. Because of the sensitivity of its proceedings, it was not generally the practice of the Committee to circulate minutes or papers. No agenda has been issued for this meeting. As the Committee's work gathers momentum, however, it may be that it will be more helpful for papers to be circulated, in appropriate cases, in advance of meetings.

Terms of Reference

4. The Committee's terms of reference are:

'to give guidance to Members of Parliament and others on the interpretation of Government policy and to take such action as in their opinion is necessary to sustain public confidence in the Government'.

...



The Committee has interpreted its terms of reference broadly. At its meetings prior to the Summer Recess, the Committee had begun to focus on specific policy areas where it was felt a long term presentational approach was desirable. One of the primary concerns of this first meeting of the re-activated Committee might therefore be to carry this process forward vigorously, and possible alternative approaches are outlined in paragraph 5 below. In addition, the Committee is now to include in its remit the orchestration of particular policy initiatives in appropriate cases; and this aspect of the Committee's work is discussed in paragraph 6 below.

Longer Term Presentational Issues

5. In its earlier meetings the Committee had agreed that as the Government entered the second half of its term of office, the Committee's first priority should be to identify those policy areas likely to be of key political importance in the period approaching an election. Naturally the primary initiative in this process was one for Conservative Central Office, but the translation of the Committee's views into actual presentational strategy requires a significant contribution from the Whitehall machine; it is for this reason that the Committee's secretariat comprises a Civil Service Assistant Secretary as well as Research Department. If this view of the long term presentation task is accepted as remaining the Committee's first priority there are alternative approaches and it will be necessary for the Committee to take a view on them.

... / a)



a) One approach might comprise a review of individual Departmental presentational efforts, successes and difficulties; of foreseen policy developments in the next 18-24 months; and of the presentational style and emphasis which the responsible Department might be recommended to adopt. Such an approach would have the advantage of leaving primary presentational responsibility where it properly belongs, ie in the hands of the responsible Minister and his information staffs with as much assistance as possible from Research Department - while ensuring that Departmental efforts were consistent with the broader views of the Committee. It would be helpful in encouraging individual Ministers to give proper consideration to presentational issues. On the other hand, such is the number of Departments and the variety of their business that this approach would tend to produce rather more a series of snapshots than a coherent presentational framework for Government as a whole. The magnitude of the task entailed in reviewing every Department's activities in this way would also mean that it would take a long time to complete the process and it would be difficult to ensure a proper continuity of emphasis.

b) A different approach would be the construction of a research-based presentational strategy in which the main emphasis would be on those policy issues identified by Conservative Central Office polling as likely to be of primary importance in electoral terms. The aim would be to identify those policy areas where the Government was getting insufficient credit for its achievements; was



attracting criticism because its policies were not properly understood; or where Government policies were perceived in polling to be less attractive than those of Opposition Parties. (An example of such a presentational exercise is that currently in hand under the Lord President's auspices on the EC where Community membership was found to be unpopular among the electorate because its advantages were not clearly perceived; to which the Government has responded by seeking to emphasise in a number of ways the positive benefits and to dispel myths.) If an approach of this kind were felt to be more useful, the first step would necessarily be a study by Conservative Central Office of those policy areas most in need of attention. It would then be the task of the joint Secretariat to offer creative ideas to the Committee to assist it in formulating a presentational strategy in each case, to be discussed with and implemented by the responsible Whitehall Department (with assistance from Research Department).

Short Term Orchestration

6. It could simply be left to the responsible Minister preparing a policy initiative to seek the advice and assistance of the Liaison Committee when he thought it appropriate. On this basis, the main function of the Committee might be to ensure that all the interested parties had been either enlisted in support, or their criticisms fully anticipated. The Committee would be well placed to arrange for speeches by other Ministers aimed at first preparing the ground, and then actively supporting the policy initiative when it was announced by the responsible Minister. Specific Research Department weekly briefing notes could be used in this process. But were the Committee to decide to proceed



on the lines indicated in paragraph 5(b) above, it might wish to adopt a more positive approach and identify particular policy initiatives bearing most closely on its longer term presentational strategy; and actively move to ensure that the short term presentation of Departmental policy was conducted in such a way as to make the best possible contribution to longer term planning. The Chief Press Secretary at No. 10 would have a major part to play here.

7. If the Committee decides to proceed broadly on these lines, it will be necessary for other Cabinet Ministers to be made aware of the Committee's existence, role, and the approach it intends to adopt to both long and short term presentational issues. The Prime Minister might wish to make such a statement in Cabinet.

Aw

ANDREW WARD
Lord President of the Council's Office

9 February 1982

Lord President of the Council

Chairman of the Party

Secretary of State for Scotland

Chief Secretary

Secretary of State for Employment

Mr Wakeham (Parliamentary Under Secretary for Industry)

Mr Cropper (Conservative Research Department)

Prime Minister's Chief Press Secretary

Andrew Ward (Lord President of the Council's Office)



Cabinet
Minister
Questions
of
Procedure

10 DOWNING STREET

Bernard

Would you like to have a
go at a redraft? (sorry to
have held this up).

To preserve the niceties
sh^{dnt} I then propose y^r
draft to Rob^r Armstrong?

MCS 5/2



cc. attached copy.

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 7AT

3 February 1982

Exec Pat

PRIVATE AND CONFIDENTIAL

MW.
S n 82

Dear George,

As you know our Liaison Committee has not met since the summer of last year, because of the Parliamentary recess followed by Ministerial changes in the autumn.

Recently I discussed with the Prime Minister, together with the Chancellor of the Exchequer, the Chief Secretary and the Paymaster General the various issues involved in getting the Government's message across and it was decided that the Liaison Committee should be re-activated. The membership will be as before, that is as shown in the annex to this letter, and the Prime Minister has expressed a wish to chair meetings herself sometimes because of the importance she attaches to the Committee's work. As before, the main task of the Committee will be to concentrate on longer term presentational issues leaving those of a more immediate nature, to be handled, as now, by the Prime Minister's Chief Press Secretary and the responsible Departments. But the Prime Minister has asked that the Committee should also seek to orchestrate the Government's presentation of particular policy initiatives in appropriate cases.

It is envisaged that the Committee will normally meet every Wednesday at 11.00 am in my office. The initial meeting will be on 17 February 1981. I am copying this letter to the other members.

Handwritten signature

Handwritten signature

FRANCIS PYM

The Rt Hon George Younger MP

Lord President of the Council

Chairman of the Party

Secretary of State for Scotland

Chief Secretary

Secretary of State for Employment

Mr Wakeham (Parliamentary Under Secretary for Industry)

Mr Cropper (Conservative Research Department)

Prime Minister's Chief Press Secretary

Andrew Ward



15 FEB 1992

1. *Cy L to Ingham.*

Prime Minister.



Agree that:-

- a. the Paymaster General should attend Monday's and Friday's media meetings

PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

1 February 1982

(Mr Ingham and I have some ideas for sharpening the format of these occasions and cutting down the attendance which we would like to discuss with you.);

- b. the idea of appointing a junior Minister should be dropped;

- c. the membership of the Liaison Committee should be as at XI below;

- d. you should mention the new arrangements at an early Cabinet meeting?

That was to attend meetings of Information Officers

I do not think full implementation will be complete yet

Dear Michael,

Thank you for sending me a copy of your letter of 20 January to John Kerr.

In the light of the decision recorded in your letter to re-activate the Lord President's Liaison Committee on presentation, the Lord President met the Paymaster General on Monday, with Mr Ingham and yourself present, to discuss the way ahead. They also discussed, as requested by the Prime Minister, the idea of appointing a junior Minister to work closely with the Prime Minister's Chief Press Secretary.

It was agreed that, as envisaged, the Liaison Committee would contribute most by concentrating on longer-term presentational issues, leaving those of a more immediate nature to be handled, as now, by the Prime Minister's Chief Press Secretary and the responsible Departments in each case. It was suggested, however, that, in order to take fully into account the relationship between the short and longer-term and also to strengthen the important link between Party and Government, the Paymaster General should attend the Prime Minister's media briefings on each Monday and Friday. If this proposal is accepted, the Lord President and Paymaster General consider that, subject to the Prime Minister's views, the idea of appointing a junior Minister need not be pursued. Could you please let me know whether the Prime Minister is content to proceed in this way?

.../..

M C Scholar Esq
Private Secretary
10 Downing Street
LONDON

On membership the Lord President sees value in leaving the previous composition of the Committee unchanged. It would thus comprise, on the lines of your letter:

X | Lord President (Chairman)
Chairman of Party
Secretary of State for Scotland
Chief Secretary
Secretary of State for Employment
Mr Wakeham (Parliamentary Under Secretary for Industry
and formerly a Whip)
Mr Cropper (Conservative Research Department)
Prime Minister's Chief Press Secretary

Could you please let me know whether the Prime Minister agrees, please?

The Lord President believes that, subject to the Prime Minister's views on the proposals set out in this letter, it would be helpful if the reactivation of the Committee and the need for the co-operation of Departmental Ministers when called upon could be brought to the attention of colleagues. This might most suitably be done by a brief statement by the Prime Minister at a future Cabinet meeting, rather than by circulation of any paper - which has not been and is not planned to be a feature of the Committee's business. Finally, you may like to note that the Lord President proposes to arrange for the Committee to meet weekly in his office at 11.00 am on Wednesday.

I am sending a copy of this letter to Keith Long (Paymaster General's office) and to Mr Ingham.

*Yours ever,
David.*

D C R HEYHOE
Private Secretary

21 FEB 1982



RECEIVED

Strategy



~~Bernard~~

~~Why you read
When talk to
Chris one?~~

10 DOWNING STREET

~~JUL 29/11~~

~~Chris~~

ML.

22:52

This is a draft letter from

D Heyhoe to me, as a follow-up to
the Getting the Government's Message Across
meeting.

The LP & PMG put forward the idea
of the latter attending the media meetings.
Although I didn't much care for it I
did not discourage it actively. Bernard
spoke of "restricting" the media mtg
in some way - making it look forward
more to the week's events than react to
the day's news.

Before I tell D Heyhoe that he

Can write in these or similar terms
shd we discuss with Bernard?

MCS 28/1

CONFIDENTIAL

DRAFT LETTER FROM D HEYHOE TO M SCHOLAR

Thank you for sending me a copy of your letter of 20 January to John Kerr.

In the light of the decision recorded in your letter to re-activate the Lord President's Liaison Committee on presentation, the Lord President met the Paymaster General on Monday, with Mr Ingham and yourself present, to discuss the way ahead. They also discussed, as requested by the Prime Minister, the idea of appointing a junior Minister to work closely with the Prime Minister's Chief Press Secretary.

It was agreed that, as envisaged, the Liaison Committee would contribute most by concentrating on longer-term presentational issues, leaving those of a more immediate nature to be handled, as now, by the Prime Minister's Chief Press Secretary and the responsible Departments in each case. It was suggested, however, that, in order to take fully into account the relationship between the short and longer-term and also to strengthen the important link between Party and Government, the Paymaster General should attend the Prime Minister's media briefings on each Monday and Friday. If this proposal is accepted, the Lord President and Paymaster General consider that, subject to the Prime Minister's views, the idea of appointing a junior Minister need not be pursued. Could you please let me know whether the Prime Minister is content to proceed in this way?

Handwritten notes:
This is the letter
that I will send
subject to any comments
you have. You may like
to show it to Bernard
as well.

Handwritten initials:
DH
23/1

CONFIDENTIAL

On membership the Lord President sees value in leaving the previous composition of the Committee unchanged. It would thus comprise, on the lines of your letter:

Lord President (Chairman)
Chairman of Party
Secretary of State for Scotland
Chief Secretary
Secretary of State for Employment
Mr Wakeham (Parliamentary Under Secretary for Industry
and formerly a Whip)
Mr Cropper (Conservative Research Department)
Prime Minister's Chief Press Secretary

Could you please let me know whether the Prime Minister agrees, please?

The Lord President believes that, subject to the Prime Minister's views on the proposals set out in this letter, it would be helpful if the reactivation of the Committee and the need for the co-operation of Departmental Ministers when called upon could be brought to the attention of colleagues. This might most suitably be done by a brief statement by the Prime Minister at a future Cabinet meeting, rather than by circulation of any paper - which has not been and is not planned to be a feature

.../...

CONFIDENTIAL

of the Committee's business. Finally, you may like to note that the Lord President proposes to arrange for the Committee to meet weekly in his office at 11.00 am on Wednesday.

I am sending a copy of this letter to Keith Long (Paymaster General's office) and to ^{Sam} Mr Ingham.

CONFIDENTIAL

PRESENTATION OF ECONOMIC POLICY: QUESTION OF PROCEDURE

You asked me for comments on Sir Robert Armstrong's minute of January ^{26th} 2 on the above.

There are two aspects to this:

1. 'Question of Procedure of Ministers' (with which Sir Robert deals); and
2. Supplementary Guidance.

First, Procedure of Ministers. As Sir Robert says, there is nothing in this to discourage Ministers from participating. Indeed, the whole tenor is positive rather than negative. And I can assure you that the attitude of myself and No 10 Press Office is positive - and much more positive than ⁱⁿ previous Governments I have known!

So far as the distinction between news bulletins and magazine programmes is concerned, we expect Ministers (as does "Questions of Procedure of Ministers") to take every opportunity to hammer home news announcements, policy developments, measures, statements, reacting to events etc. But Sir Robert does not state positively enough the need for coordination with No 10 on magazine programmes. How can No 10 Press Office fulfil its co-ordinating function on a basis of ignorance?

How can we ensure that the Government's point of view gets over, in ignorance of the voices being raised on its behalf? How can we prevent 2 or 3 or 4 Ministers appearing counter-productively in one programme without knowing who has been asked? And how can we ensure that the right format is obtained - ie one which gives the Minister the best chance of getting over the Government's point of view? In short, I stress the importance of clearance of all bar radio and tv news appearances with No 10.

*He does
back
the continuation
of this consultation
and co-ordination
by demand
MUS*

*No-one is disputing this
MUS*

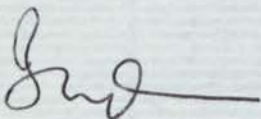
Second, Supplementary Guidance. Angus Maude's letter to the Home Secretary, copied to Cabinet colleagues and others of February 21, 1980, (see Annex I, please ignore marginal notes) may well be the reason for any feeling that Ministers are discouraged from making radio and tv appearances. In fact that is not the intention. As the letter suggests the balance is a fairly fine one, but experience is against heated confrontation, especially in front of invited audiences.

I have already undertaken to raise the whole issue of the differentiation (which cannot be defended in logic) between radio "Any Questions?" and TV's "Question Time"; I will report as soon as possible.

Third, at risk of appearing negative, I must register my utter and absolute opposition to 'fly on the wall' radio and tv techniques, which Angus Maude's letter deals with. If anyone has any doubt, just pause and think about the consequences of the BBC's series on the police, featuring (devastatingly) Thames Valley Police.

Conclusion

I believe the tradition, rules and practices are essentially positive. I cannot sustain the argument that rules are always interpreted positively. But I can work to achieve positive interpretation. I had another go at my meeting of Chief Information Officers on Monday.



B. INGHAM

27 January 1982

We ought to redraft.
The general tone is restrictive so much so that we are in luck. Submitted to final management at the end of 195 (a) 11.

cc Cabinet Questions of Procedure (1)
Prime Minister

Ref. A07241
MR SCHOLAR

CONFIDENTIAL

Please see Bernard Ingham's note on this.
You will shortly be receiving a letter from Francis Pym on the other issues raised at the 20 Jan meeting.
Agree that Questions of Procedure


Presentation of Economic Policy: Questions of Procedure

Does not need amendment on this score? Mus 24

In your letter of 20th January to John Kerr, recording the discussion which the Prime Minister had with a number of her colleagues about the presentation of economic policy, you said that the Prime Minister wished to make sure that the relevant paragraphs in "Questions of Procedure for Ministers" about TV and radio appearances did not discourage such appearances. You subsequently minuted Mr Wright asking for advice on this.

2. I attach a copy of the relevant paragraphs of "Questions of Procedure" (paragraphs 101 to 107). The category of broadcast into which any appearances designed to improve the presentation of Government policy would fall is that described in paragraph 105d, notably interviews for news bulletins and magazine and feature programmes. There is nothing in the instructions given in this paragraph which need discourage Ministers. Indeed, the instructions given both for appearances on news bulletins or on magazine programmes contain sentences encouraging Ministers to take every opportunity that presents itself to appear in such programmes. I do not think that the requirements that Ministers invited to appear on magazine and feature programmes should consult the Chief Press Secretary in No 10 is unreasonable: it gives Mr Ingham a chance both to encourage appearances and to coordinate them.

3. The only other general requirement in Questions of Procedure which affects Ministerial appearances is that which instructs Ministers to take care about how they refer to subjects which are the responsibility of other Ministers. This is particularly relevant to any consideration of improving the presentation of economic policy. But it is a requirement which must remain in order to ensure the proper coordination of Government policy, and it should not be an inhibiting



CONFIDENTIAL

requirement for non-Treasury Ministers who will in any case need guidance from the Treasury on what it is appropriate for them to say. The reactivation of the Lord President's Liaison Committee should provide a method of dealing with this requirement.

RA

ROBERT ARMSTRONG

26th January 1982

CONFIDENTIAL

proof copies of White Papers to be made available to the Lobby and the Upper Gallery shortly before copies are laid in the Vote Office. Chief Information Officers should also arrange through the Chief Press Secretary at No. 10, where appropriate, for their Ministers to be invited to brief the Lobby on White Papers.

Speeches

101. Ministers cannot speak publicly only for themselves. In all cases they speak as Ministers: and the principle of collective responsibility applies. They should keep within the ambit of approved Government policy and should not anticipate decisions not yet made public. Ministers should exercise special care in referring to subjects which are the responsibility of other Ministers. Any Minister who intends to make a speech which deals with, or makes observations which bear upon, matters which fall within another Minister's responsibilities, should invariably consult that Minister.

102. The Prime Minister should always be consulted before any mention is made of matters which either affect the conduct of the Government as a whole or are of a constitutional character. The Foreign and Commonwealth Secretary should always be consulted before any mention is made of matters affecting foreign and Commonwealth affairs, relations with foreign and Commonwealth countries and the political aspects of the affairs of dependent territories. Ministers wishing to refer to economic and defence policy should in all cases first consult the Chancellor of the Exchequer and the Secretary of State for Defence respectively. Ministers wishing to discuss or refer to Northern Ireland should in all cases first consult the Secretary of State for Northern Ireland.

103. Ministers should use official machinery for distributing texts of Ministerial speeches only when such speeches are made on official occasions. Speeches made in a Party political context should be distributed through the Party machinery.

Broadcasts

104. The provisions of paragraphs 101 and 102 apply to Ministerial broadcasts as well.

105. Radio and television broadcasts by Ministers are of four types: Party political; Budget; special broadcasts by Ministers; and interviews with Ministers for news or feature programmes:

- (a) Party political broadcasts on radio and television within the Government's quota are arranged through the Chief Whip acting on behalf of the Prime Minister.
- (b) Budget broadcasts (by the Chancellor of the Exchequer and a member of the Opposition in reply) constitute a special series of Party political broadcasts. These are arranged through the usual channels and agreed by the Chancellor of the Exchequer.
- (c) The broadcasting authorities may provide opportunities within the regular framework of their programmes for Ministers to give factual explanations of legislation or policies approved by Parliament, or to seek the co-operation of the public in matters where there is a general consensus of opinion. The Opposition have no automatic right of reply.

The British Broadcasting Corporation (BBC) may also provide the Prime Minister or a senior Cabinet Minister designated by her with

an opportunity to broadcast to the nation to explain events of prime national or international importance or to seek public co-operation over such events. These are traditionally known as "Ministerial" broadcasts. The Opposition have the right to make an equivalent broadcast in reply. In this event the BBC will arrange as soon as possible for a broadcast discussion of the issues involved. A member of the Cabinet, a senior member of the Opposition, and, if they so desire, representatives of third parties with appreciable electoral support would be invited to participate.

The Independent Broadcasting Authority (IBA) is not obliged to relay either type of special broadcast, but if they transmit a "Ministerial" broadcast they must also take any Opposition reply and arrange a third stage, the discussion programme.

Proposals for a special broadcast of either type should be referred as soon as possible to the Chief Press Secretary at No. 10. The Leader of the House of Commons and the Chief Whip should also be consulted. No approach should be made to the BBC or to the IBA for a broadcast of either type without the approval of the Prime Minister.

(d) The broadcasting authorities are free to invite whom they please, including Ministers, to be interviewed on radio and television. These broadcast interviews fall into the two following categories:

(i) Interviews for news bulletins. Each Minister has discretion to decide whether to accept an invitation to be interviewed for an item in a news bulletin. But the Minister should consider whether the proposed interview will provide an opportunity either to explain Government policy or to clear up a misunderstanding. Ministers should be ready to accept any such opportunity that occurs.

(ii) Magazine and feature programmes. All requests for Ministers to appear on such a programme, whether on the radio or television, should be referred to the Chief Press Secretary at No. 10, with the Minister's own recommendation as to what reply should be given to the authority making the request. Although Independent Television Network's "News at Ten" is primarily a news bulletin, the extended interviews which it sometimes offers to Ministers place it in this category and in such cases, or if there is a doubt, the Chief Press Secretary at No. 10 should be consulted. In general Ministers should be readily available to propound their policies in such programmes.

106. Ministers invited to broadcast on radio and television in a private and not a Ministerial capacity should seek the Prime Minister's approval before accepting. Ministers invited to make broadcasts outside the United Kingdom should consult the Foreign and Commonwealth Secretary and any other Minister who may be concerned with the subject of the broadcast. They should then seek the permission of the Prime Minister. Ministers invited to broadcast while on a visit to another country should seek the advice of Her Majesty's Representative in that country.

107. Ministers should not accept payment for official broadcasts on radio or television, either on their own or on their Department's account or with a view to donating the fee to charity.

Press articles

108. Ministers are precluded from the practice of journalism including the contribution of regular weekly or fortnightly articles to local newspapers in their constituencies.

109. Ministers invited to contribute to a book, journal or newspaper (including a local newspaper in their constituency), for the purpose of supplementing other means of informing the public about the work of their Department are not debarred from making such a contribution, provided that publication will not be at variance with their obligations to Parliament and their duty to observe the principle of collective Ministerial responsibility. Such contributions should however be made sparingly. In cases of doubt, and in all cases where a Minister is contemplating the contribution of an article going beyond the strict confines of his or her Departmental responsibility, the Prime Minister should be consulted, preferably before work has begun and in any case before any commitment to publish is entered into. In all cases where an article contains material which falls within the Departmental responsibility of another Minister, that Minister must be consulted. Ministers should not accept payment for such writings.

110. It is not in general desirable for Ministers to engage in controversy in the correspondence columns of either the home or the overseas Press. Ministers are not debarred from writing letters to newspapers; but the Prime Minister's authority should be obtained beforehand.

Books

111. Ministers may not, while in office, write and publish a book on their Ministerial experience.

Party publications

112. The rule in paragraph 108 does not debar Ministers from contributing to the publications of the political organisations with which they are associated. However, in all cases where an article contains material which falls within the Departmental responsibility of another Minister, that Minister must be consulted. Payment should not be accepted for such articles.

Interviews

113. In deciding whether to grant an interview to individual Press representatives Ministers will bear in mind the need to avoid allegations of favouritism. They may also consider that their own interests will be best protected if they are accompanied by a member of the Information Branch of their Department at such interviews.

114. Ministers are sometimes asked to give interviews to historians or ^{to} other persons engaged in academic research, or to fill in questionnaires at their request. Ministers should bear in mind the possibility that their views may be reported in a manner incompatible with their responsibilities and duties as members of the Government. Careful consideration should therefore be given to such invitations before they are accepted; in cases of doubt, the Prime Minister should be consulted.

or in market
question
surveys.

Royal Commissions

115. The Prime Minister should be consulted if any Minister is invited to address a Royal Commission or Committee of Enquiry.

CONFIDENTIAL

file

BK

Com Pol
Strategy

MR. WRIGHT

In my letter to John Kerr of 20 January about the Prime Minister's meeting on how to improve the presentation of Government economic policy I recorded the Prime Minister's wish to have a look again at the paragraphs in "Questions of Procedure for Ministers" which deal with Ministers' radio and television appearances.

I would be grateful if you could arrange for advice to be put to the Prime Minister on this point.

MICHAEL SCHOLAR

22 January 1982

CONFIDENTIAL

subject

cc Ingham
Duguid
Verker

BK



10 DOWNING STREET

cc LPO
P60
CSO
CO

20 January 1982

R

From the Private Secretary

cc Master set.

cc Cabinet
Presiding
Rt 2

Dear John,

The Prime Minister discussed this morning with the Chancellor, the Lord President, the Chief Secretary and the Paymaster General, the Chancellor's minute to her of 23 December on how to improve the presentation of economic policy.

It was decided to reactivate the Lord President's Liaison Committee on the longer-term co-ordination of the presentation of Government policy. This Committee might normally consist of the Lord President, the Paymaster General, the Chief Secretary, the Secretary of State for Employment and a representative of the Whips' office together with the Prime Minister's Chief Press Secretary; it would be for consideration whether there should also be a representative of the Conservative Research Department. It would be important for the Committee to meet regularly and look ahead to identify the message on which it was desired to concentrate attention over the coming week or weeks. The Committee would give careful attention to the need for close liaison with the Party. The Prime Minister would at regular intervals chair the Committee, so as to keep in close touch with its work. One of the tasks of the Committee would be to orchestrate the Government's presentation of a particular policy initiative: for example, if it were decided to put the emphasis for a particular week on our good trade performance, it would be necessary to ensure that there was not simply one speech by, say, the Secretary of State for Trade, but a continuing and sustained effort to get this message across, built around the Secretary of State's speech. Similarly, if it were, for example, desired to concentrate on the Government's policy of returning ownership of assets to the people, there should be a concerted effort - comprehending council house sales, the distribution of British Aerospace shares to its workforce, and the growth of share ownership schemes, together with other suitable candidates for this list. The reactivation of this Committee was not of course a substitute for a convincing presentation of individual policies by the responsible Departments. Departments had to be very careful to ensure that their presentation of their policies was clear and persuasive. Too much of the material currently produced lacked imagination as well as clarity; there was often little conviction in these presentations. The Committee should be able to help by subjecting to close scrutiny individual Departments' material.

Leon
Younger
Tobin?
Winkham
Dwyer
Bennett
Kendall

/ The Prime Minister

CONFIDENTIAL

HL

The Prime Minister said that it was also important to secure as much exposure as possible for Ministers on TV and radio, subject to an appropriate format being negotiated on each occasion. She would have a look at the relevant paragraphs in "Questions of Procedure for Ministers" to make sure that what was said here did not appear to be discouraging to such appearances. The Prime Minister said that she would like loose-leafed Briefing Notes for Government Ministers, which had been used during previous administrations, to be revived. She was also considering the possibility of detailing a junior Minister to work closely with her Chief Press Secretary. The Lord President was asked to consider this suggestion and to let the Prime Minister have his views both on this matter and on the membership of his Co-ordinating Committee.

I am sending copies of this letter to David Heyhoe (Lord President's Office), Keith Long (Paymaster General's Office), Terry Mathews (Chief Secretary's Office) and David Wright (Cabinet Office).

Yours sincerely,

Michael Scholwr

John Kerr, Esq.,
HM Treasury

CONFIDENTIAL

SUBJECT

at Harlow



10 DOWNING STREET

cc Cabinet

AG

Chs

Co

Bernard Ingham

cc. Pallant: PMS Questions -
H/c: July 79

From the Principal Private Secretary

8 January 1982

RESTRICTED

Dear Private Secretary,

The Prime Minister is anxious to improve the presentation of the Government's policies. I am therefore writing, on her instructions, to suggest some practical ways in which this might be achieved.

The Prime Minister and the Lord President both like to have the opportunity personally to comment on Parliamentary statements and particularly important Answers. But to do this they need time, and Departments should accordingly aim to get drafts to the No 10 Private and Press Offices and to the Lord President's Office early on the morning of the day before the announcement.

Second, Departments should ensure that when draft statements and Answers are sent to No 10 and the Lord President they are accompanied by background notes which identify the likely points of attack and suggest how those attacks can best be met. It is essential that before any Department makes an announcement, the lines of attack should have been anticipated and a means of securing the most positive presentation should have been devised.

Third - and at a more routine level -, Departments should as a matter of course identify issues which are likely to give rise to problems with the media and should ensure that their Press Offices and the No 10 Press Office are put in the best position to meet the problems and at the same time to exploit any opportunities for presenting matters in a positive and favourable light. For maximum effect, guidance should reach the No 10 Press Office by 10.45 am and 3.45 pm each day. If No 10 learn about a departmental problem for the first time through a press inquiry, we are not best placed to handle it to the Government's advantage.

Finally, it goes without saying that Departments should pay particular attention to items of good news and should see that they are put over with vigour. The Prime Minister is herself ready to give publicity to items of good news, for example, at Question Time and in speeches. She also wants Departments to give her Press Office positive material it can draw on on a day-to-day basis. (I should, however, caution Departments about the practice of early

release of Written Answers. In the light of recent exchanges in the House, new guidance will be circulated shortly).

I should be grateful if you could ensure that the above points are borne constantly in mind in your Department. If there is one aspect of them I would single out for particular mention, it is the importance of giving departmental Press Offices and the No 10 Press Office as much notice of proposed announcements as possible: good presentation needs time for preparation.

I am sending copies of this letter to the Private Secretaries to all members of the Cabinet, the Attorney General and the Chief Whip and to Sir Robert Armstrong.

Yours sincerely,

Alwi Whitman.

BTF
19/11

File

SAW.

30 December, 1981

There is to be a meeting on Wednesday, 20 January at 9.30 to discuss the Chancellor's minute of December 23 on getting the Government's economic message across. The Chancellor of the Exchequer, the Lord President and the Chief Secretary will be attending and I am copying this letter to their respective offices.

CAROLINE STEPHENS

Miss Shirley Oxenbury,
Chairman's Office

c.c- Mr. Ingham



10 DOWNING STREET

From the Principal Private Secretary

24 December, 1981.

BF

Presentation of Government Policies

Bernard Ingham and I have been discussing ways and means of improving the Government's presentation of its policies, and we think that there are a number of practical changes which, if made, might help us to do rather better than we have been recently. I attach a draft "Dear Private Secretary" letter setting out these changes, which is I think self-explanatory.

I have shown the draft letter to the Prime Minister, and she thinks that it would be helpful to issue it. She would, however, like to know, before it goes out, that the Lord President is content with it.

C. A. WHITMORE

David Heyhoe, Esq.,
Lord President's Office.

CONFIDENTIAL

BF

~~CONFIDENTIAL~~ Resubmitted

DRAFT Dear Private Secretary Letter

The Prime Minister is anxious to improve the presentation of the Government's policies. I am therefore writing, on her instructions, to suggest some practical ways in which this might be achieved.

The Prime Minister and the Lord President both like to have the opportunity personally to comment on Parliamentary statements and particularly important Answers. But to do this they need time, and Departments should accordingly aim to get drafts to the No. 10 Private and Press Offices and to the Lord President's Office early on the morning of the day before the announcement.

Second, Departments should ensure that when draft statements and Answers are sent to No. 10 and the Lord President they are accompanied by background notes which identify the likely points of attack and suggest how those attacks can best be met. It is essential that before any Department makes an announcement, the lines of attack should have been anticipated and a means of securing the most positive presentation should have been devised.

Third - and at a more routine level -, Departments should as a matter of course identify issues which are likely to give rise to problems with the media and should ensure that their Press Offices (and the No. 10 Press Office) are put in the best position to meet the problems and at the same time to exploit any opportunities for presenting matters in a positive and favourable light. For maximum effect, guidance should reach ^{the} No. 10 Press Office by 10.45 a.m. and 3.45 p.m. each day. If No. 10 learn about a Departmental problem for the first time through a press enquiry, we are not best placed to handle it to the Government's advantage.

Finally, it goes without saying that Departments should pay particular attention to items of good news and should see that they are put over with vigour. The Prime Minister is herself ready to give publicity to items of good news, for example, at Question Time and in speeches. She also wants

~~CONFIDENTIAL~~

/Departments

CONFIDENTIAL

- 2 -

Departments to give her Press Office positive material it can draw on on a day-to-day basis. ↗

I should be grateful if you could ensure that the above points are borne constantly in mind in your Department. If there is one aspect of them I would single out for particular mention, it is the importance of giving Departmental Press Offices and the No. 10 Press Office as much notice of proposed announcements as possible: good presentation needs time for preparation.

I am sending copies of this letter to the Private Secretaries to all members of the Cabinet, ^{the Attorney General} and to the Chief Whip and to Sir Robert Armstrong.

The British Sunday

(I should, however, caution departments about the promise of early release of written answers. In the light of recent exchanges in the House, new judgements will be considered shortly.)

CONFIDENTIAL

be Ingham
Verker

File

PERSONAL AND CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

24 December 1981

Dear John,

Getting the Government's Economic Message Across

The Prime Minister was grateful for the Chancellor's minute of 23 December. She agrees that it would be useful to have a discussion on the issues raised in the Chancellor's minute, and we will be setting up such a meeting early in January.

I am sending copies of this letter to David Heyhoe (Lord President's Office), Keith Long (Paymaster General's Office) and David Wright (Cabinet Office).

Yours sincerely,

Michael Scholar

John Kerr, Esq.,
HM Treasury.

PERSONAL AND CONFIDENTIAL

file

ds.

MR. INGHAM

Getting the Government's Economic Message Across

I put your minute of 23 December on this subject into the Prime Minister.

As you will have seen, she has agreed to a meeting to discuss these issues.

W/SR

pp M. Scholar

24 December 1981

ds.



ANNEX 2
Prime Minister (2)

As you agreed,

PERSONAL AND CONFIDENTIAL

We are setting up

MR. WHITMORE

mk

a meeting in this
after Christmas, when
you can consider these points.

Getting the Government's Economic Message Across

PLS 24/12

The Chancellor of the Exchequer has sent me a copy of his minute of 23rd December.

2. On machinery, it seems to me that organisation and co-ordination of the work proposed by the Chancellor of the Exchequer ought really to be done from the Lord President's Office, so long as he continues to carry the responsibilities he now has for Government information. In organisation terms the link between the Lord President's Office, with his responsibilities in relation to the House of Commons, and Ministerial responsibility for Government information makes good sense. But if it is felt that this work requires a more positive and continuous input from a Cabinet Minister than the Lord President has time to give it, it could well be transferred to the Chancellor of the Duchy of Lancaster. This might mean, however, some overall increase in the staff of the two offices.

3. On the substance of the matter, the Chancellor of the Exchequer's minute is very much in terms of Ministerial speeches and of the provision of background papers to Ministers, backbenchers and the Party. I still wonder whether more than this may be needed. Ministerial speeches do not, so far as I am aware, make great impact in the broadcasting media, particularly in television. What seems to me to be required there is greater capacity and greater readiness for Ministerial spokesmen to appear on current affairs programmes, comment on economic events and relate them to the Government's message day by day. I wonder whether there would be anything to be said for asking two or three Ministers - the Secretary of State for Employment, the Secretary of State for Energy and the Economic Secretary, Treasury - to be ready to respond to invitations to appear on current affairs programmes whenever invited, and to keep themselves briefed so as to be able to comment appropriately when they appeared.

RA

MR SCHOLAR

This minute reveals increasing dissatisfaction with the co-ordination of economic policy. This is not surprising since a number of Cabinet Ministers wish to change that policy. But the Chancellor has always put too much of the blame for policy failure on policy presentation.

There is no way in which the Government will get over a convincing economic message unless it speaks determinedly with one voice. All the rest - inhouse improvements and action outside Government etc, are sheer delusion unless Ministers row together. And the Prime Minister should be told this - as I have told her. The worst enemies of this Government are not to be found within the Civil Service but in Cabinet and Government and on the Backbenches.

Having said that I have the following additional comments to make:

paras 2 & 3 - Good, but preferably get yourself a united Government first;

para 4 - Excellent, but tell me who in Treasury can speak, let alone write, in four letter words;

para 5 - This is Mr Pym's territory, and there is a genuine point about Departments giving No. 10 chance to highlight important speeches; the trouble is that Ministers all too often do not inform their Inf. Divisions of speeches they are making, whatever the platform, so that they may stir up interest.

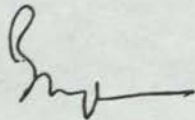
para 6 - Of course, but again Mr Pym's territory.

para 7 - Mr Pym's territory again. I am depressed beyond all (and see Para 8) that Mr Pym has run down the well established system of circulating through his office "PMG's notes". We still get a number out through that medium on economic policy but there is a yawning gap on wider Govt. policy.

para 9 - I am sure that the co-ordination of presentation of Government policy must remain in No. 10. The problem which the Chancellor may be trying to identify is the balance on economic policy between No. 10, and Treasury. But the basic responsibility must lie in Treasury.

para 9 - The reference to the deployment of the Government's Information Services is gratuitous so long as Ministers of the Government cut the Government to pieces.

para 10 - In view of these remarks I hope you will ask me to prepare a paper for the proposed talks in the New Year, and preferably invite me to attend.



B. INGHAM

23 December 1981



Prime Minister

I showed this to

Bernard. His comments
are attached.

Agree to a meeting

to discuss these issues?

Ms 23/12

Treasury Chambers, Parliament Street, SWIP 3AG
01-233 3000

PRIME MINISTER

Yes MS

GETTING THE GOVERNMENT'S ECONOMIC MESSAGE ACROSS

We have discussed how to improve the presentation of economic policy. I report below on changes which are being introduced in arrangements within the Treasury, and suggest some which require action Government-wide.

In-house improvements

2. Within the Treasury, we have set up regular arrangements designed to spot trends in opinion, and to consider appropriate responses whether by way of speeches or otherwise. This work is supervised by Jock Bruce-Gardyne, who holds review meetings twice a week with advisers and officials.

3. In addition to this, I am seeking to establish improved co-ordination, and planning, of contacts with responsible people in both the Press and Television. We are also increasing our effort to involve business and industry in support of our policies, through contacts with people like the CBI, the BIM, and the Institute of Directors. In addition we are seeking to maintain and improve contacts with academic organisations such as the Universities and Business Schools. In both these areas we seek not so much a "political" input, but something which should be educative and explanatory.

4. Finally, I am concerned to simplify the language of public statements on economic issues: the message must be so expressed as to be readily understood by a wide audience. A review of the Budget publications, FSBR, PEWP, etc. is in hand, with a view to making them less forbidding to the lay reader; and I am examining



whether there is scope for a leaflet at Budget-time which would help to explain key aspects in simple terms.

Government-wide Action

5. I regard it as crucial that we secure the more effective involvement of non-economic Ministers in the presentation of our economic policy. On economic issues your speeches are of course fully reported as are some of mine and other Treasury Ministers, and we secure some useful television and radio appearances; but efforts by others, e.g. the Lord Chancellor's occasional, and very valuable, contributions, get little publicity. This is no doubt a disincentive to such efforts. Yet for others to do more, and be seen to do so, to expound the Government's economic policy would demonstrate that the policy is not just that of the Treasury but that of Cabinet as a whole, and would make the message more persuasive.

6. If you agree, you might wish to raise the point in Cabinet soon after the Christmas break. You might urge non-economic Ministers to make it their business fairly regularly to make speeches, setting their Departmental interests squarely in the framework of our wider economic policy, and their support for it. You and I might follow this up with specific requests to individual senior colleagues, e.g. the Home Secretary and the Foreign Secretary. (I have already spoken informally to Peter Carrington, who was receptive.)

7. Material for such speeches must of course be available to our colleagues. That is one reason why I have arranged for the circulation to all Cabinet colleagues of the briefing prepared for your First Order Questions: my letter of 23 November to the Home Secretary. I also envisage the circulation of short succinct notes on particular aspects of our economic policy (and



analogies abroad), key developments and new economic statistics. Some of this material might be regularly produced in "fact card" form. And I am considering designating Treasury contact points for help with particular speech drafts. It would be useful if we could also revive the practice of advance clearance of economic speeches: had we had advance warning of the Lord Chancellor's speeches this autumn we might have been able to ensure, by tipping off economic correspondents, that Fleet Street paid them the attention they deserved.

Action outside Government

8. I believe that we need also to improve the flow of information to our backbenchers and the Party at large, perhaps by making greater use of the system of "PMG notes". I should like to see more, and speedier, identification of potential causes for concern on the backbenches and in the Party, with a view to the speedy issue of guidance notes, and not just to Ministers. We should also try to find ways of mobilising backbenchers in the selling of policy - for example, the Business Opportunities Programme.

9. You may wish to consider whether the organisation and co-ordination of this work should be done from No.10, from Francis Pym's office, from Cecil Parkinson's office, or even from the Treasury, though I suspect it would be best that it should not appear a Treasury exercise. Improved links with the Party machine might be valuable, and Peter Cropper's new appointment could prove helpful. It is also for consideration whether Whitehall's information forces are ideally deployed for the proper presentation of the overall economic message.

10. I would welcome a talk with you about these issues. You might wish to include Francis Pym and Cecil Parkinson, to whom I am sending copies of this minute. A copy also goes to Sir Robert Armstrong.

(G.H.)

23 December 1981

