

LEADER'S CONSULTATIVE COMMITTEE

Minutes of the 185th Meeting held at 5.00 p.m.
on Monday, 16th January 1978, in the Leader's
Room at the House of Commons.

Present: Mrs. Thatcher (in the Chair)

Mr. Whitelaw, Sir Keith Joseph,
Lord Carrington, Lord Thorneycroft,
Sir Geoffrey Howe, Mr. Prior,
Mr. Pym, Sir Ian Gilmour,
Mr. Peyton, Mr. Davies, Mr. Neave,
Mr. Heseltine, Mr. St. John Stevas,
Mr. Maude, Mr. Edwards, Mr. Nott,
Mrs. Oppenheim, Mr. King,
Mr. Taylor.

Mr. Atkins.

In attendance: Sir Michael Havers, Mr. Howell,
Mr. Hurd, Mr. Lawson, Mr. Lamont,
Mr. Stanley, Mr. Patten, Mr. Ridley,
Mr. Hoosen, Miss Bulloch, Mr. Cropper.

Apologies: Lord Hailsham, Mr. Jenkin.

1. "More Wealth for All" LCC(77)166

The discussion of this paper, begun at the previous meeting, was continued. It was agreed that further time was needed to consider revisions made to the draft following the previous discussion. A new foreword had also been added.

The original intention had been to publish the proposals before the Meade Committee's Report appeared. This was expected to include proposals for a wealth tax, and for highly complex changes in indirect taxes. It was agreed that we should now postpone publication until there had been time to consider, and comment on, the Meade proposals. We should also consider further whether the need to secure the survival of companies from one generation to the next had been adequately provided for (apart from family firms that would be safeguarded by the consanguinity proposals).

We should avoid entering into detailed commitments in the run-up to the Election. Nevertheless, our capital tax proposals should be presented in a high-key manner as part of our major strategy to encourage and enable every man to become a capitalist.

The paper, revised and updated to take account of the Meade Report, should be published before this year's Finance Bill. The revised draft should be circulated before the weekend preceding its next discussion by the LCC.

2. Immigration

Mr. Whitelaw reported on the story of alleged new Party proposals on immigration which had been widely reported at the weekend, and which was without foundation. He had so far been unable to trace the source. The damage the false report had done was most regrettable. He had asked Mr. Speed to refute the report on The World This Weekend on Sunday, and to make clear that no such firm proposals had been put to him, or to the LCC. This had not, unfortunately, succeeded in killing the story and we should have to continue to refute it.

It was agreed that we should take care to speak with a united voice on our approach to the subject. Our present position had been set out by Mr. Whitelaw in his reply to the debate at the Party Conference in October: copies of the speech would be circulated to colleagues.

3. European Assembly Elections Bill, LCC(77)167

The options for procedure set out in Mr. Howell's and Mr. Hurd's paper were discussed. It was noted that the Government's original intentions for timing of the Bill and elections had collapsed. An autumn European election would only now be possible if the 26 weeks period assumed by the Government to follow Royal Assent was shortened. It was reported that the Boundary Commission work on constituencies had in fact already been completed and was ready for publication although the Government had earlier claimed that the Commission had no authority to undertake this work until Royal Assent to the Bill had been given.

Our interest lay in securing the passage of the Bill as soon as possible. It was therefore agreed that we should take Option 2(a), and move an amendment requiring the Boundary Commission to produce its work immediately after Royal Assent.

4. British Steel Corporation, LCC(77)168

There was a discussion on Mr. Lamont's paper. No immediate decisions were required but it had been agreed that we should consider the present position in the industry and political pressures arising from it in readiness for an early debate.

The Report of the Select Committee had been helpful and had made many of the points that we had been making ourselves. The Government would have to take some difficult decisions on closures. It was agreed that, while we should not become committed to detailed decisions while in Opposition, we should make clear our view that:

(i) losses of £500 million a year could not be allowed to continue;

(ii) our concern was to safeguard the remaining jobs in the steel industry, and the two million or more jobs in steel using industries; this could not be done unless essential pruning was carried out;

(iii) the discrepancy in manning levels between steel in this country and abroad - in Japan, the USA and Italy for example - was too great to be sustainable.

The meeting closed at 6.40 p.m.