



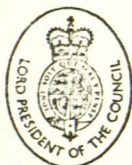
NOTE OF LIAISON COMMITTEE MEETING ON 10 MARCH 1982

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