

LEADER'S CONSULTATIVE COMMITTEE

Minutes of the 115th Meeting held at 5.00 p.m. on Monday, 14th June 1976, in the Leader's Room at the House of Commons.

- Present: Mrs. Thatcher (in the Chair)
- Mr. Whitelaw, Sir Keith Joseph,
Lord Carrington, Lord Hailsham,
Mr. Maudling, Sir Geoffrey Howe,
Mr. Prior, Mr. Pym, Mr. Gilmour,
Mr. Peyton, Mr. St. John-Stevas,
Mr. Heseltine, Mr. Raison,
Mr. Maude, Mr. Buchanan-Smith,
Mr. Edwards, Mr. Neave, Mrs. Oppenheim,
Mr. Biffen, Lord Thorneycroft.
- Mr. Atkins.
- In attendance: Mr. Butler, Mr. Stanley, Mr. Patten,
Mr. Ridley, Mr. Nicholson.
- Apologies: Mr. Jenkin.

1. Industrial Policy (Paper by Mr. Heseltine)

Discussion was continued of Mr. Heseltine's paper on Industrial Policy Recommendations, LOC/76/114. The following points were agreed:

(i) We would not repeal Sections 7 and 8 of the Industry Act 1972, but we would restore the safeguards regarding expenditure under Section 8 and we would ensure that safeguards were provided regarding expenditure under Section 7. These powers would be subject to much more direct Parliamentary scrutiny, whether they were exercised by the Minister or by any other authority on his behalf.

(ii) We would abolish the NEB in its present form but retain an administrative mechanism for selling back existing NEB shareholdings where possible and administering those which could not immediately be sold back. This would have no innovating powers of its own. Similarly, we would remove the powers of the Scottish and Welsh Development Agencies to buy into profitable companies. We would retain these agencies with similar titles, for carrying out their other functions such as administering industrial estates and aid to small businesses and improving the environment.

(iii) Planning agreements. We should say that planning agreements had no place in our policy, and that we preferred more general discussions with industry as a whole, while the Government should keep "at arm's length" and not become involved in detailed regulation.

(iv) Sections (c) and (d) on prohibition orders and disclosure provisions were agreed, as was Section 3 on the Aircraft and Shipbuilding Bill.

(v) Sector agreements. If asked about our attitude to the carrying out of sectoral appraisals we should say that we would examine with interest the conclusions put forward as a result of these exercises, but obviously could not be committed to the proposals which might arise as a result of these appraisals.

(vi) Inflation accounting. This passage was agreed. We could not be committed at this stage to accept any particular system of inflation accounting but we recognised the need to make some provision for prudent commercial accounting.

(vii) There would be substantial savings on the Government's proposed £225 million NEB budget.

(viii) In putting forward our policy we would concentrate on arguing how we would restore prosperity and efficiency to industry, and not seek to get involved in detailed arguments.

2. Tameside Education Authority

Mr. St. John Stevas reported that the Secretary of State was proposing to exercise his power to override the measures taken over comprehensive education by the Conservative controlled Tameside Education Authority. He was meeting the Councillors the following day to discuss their proposal to go to law against the Secretary of State on the grounds that he had acted unreasonably.

There was a discussion and it was agreed that:

(i) We could not advise the Councillors whether to proceed with their appeal or not, as we had not examined the legal opinions on the matter (which were understood to have indicated that the Secretary of State's action was likely to be upheld).

(ii) If the Council decided to appeal we would support it.

The meeting closed at 6.24 p.m.

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