

Daily Notes

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LABOUR'S BRITAIN

It is well known that Labour propose a massive expansion of public expenditure. But their Manifesto contains something even more dangerous than the promise to spend recklessly. It contains the most extreme set of Left-wing measures ever put before the British people.

Labour threaten a system of economic planning almost on an Eastern European scale. A new National Planning Council would try to plan profits, earnings, rents and benefits. All leading companies would be forced to negotiate Agreed Development Plans with a new Department of Economic and Industrial Planning, armed with sweeping new powers over industry. A National Investment Bank would attempt to direct private and government investment, and a new Price Commission would be established. In addition, Labour propose massive nationalisation in electronics, pharmaceuticals, health equipment, ports, road haulage, oil, telecommunications, building materials and tenanted land.

Labour's philosophy of state control extends to their social policies. They propose an annual wealth tax, the crippling of private medicine, the abolition of independent schools, the removal of council tenants' 'right to buy', and political control of the police.

In foreign affairs, Labour's isolationist mentality is apparent. They would take Britain out of the European Community without a referendum. And they would betray our NATO allies by indulging in 'unilateral disarmament'.

In short, what the Manifesto proposes is a quasi-totalitarian state, encroaching increasingly on the freedom of citizens, destroying the economy by reckless overspending, and rendering itself defenceless.

**Conservative
Research
Department**



NOTES ON LABOUR'S MANIFESTO

CONTENTS

	Page
1. <i>The Press on the Manifesto</i>	15
2. <i>Public Spending</i>	15
3. <i>Bad News for Labour</i>	16
4. <i>The Economy: Compulsion and Controls</i>	16
(i) Economic and Industrial Planning	16
(ii) Nationalisation	17
(iii) Direction of Investment	18
(iv) Regional Development Plans	18
(v) Price Controls	19
(vi) Devaluation	19
(vii) Exchange Controls	20
(viii) Import Controls	20
(ix) Multinationals	21
(x) National Economic Assessment	21
5. <i>The Right Tune</i>	22
6. <i>Soaking the Rich</i>	22
(i) Personal Taxation	22
(ii) Wealth Taxes for All	22
7. <i>Attacks on Freedom</i>	23
(i) Uniformity in Education	23
(ii) Municipalised Housing	24
(iii) Attacks on Private Health	24
(iv) Control of the Police	25
8. <i>Leaving the European Community</i>	26
9. <i>Defence and Disarmament</i>	28

MIXED METAPHOR

'Labour's policy of withdrawal is the only way forward'

(Mr Eric Heffer, Labour's spokesman on Europe,
quoted in the *Yorkshire Post*, 18th May 1983)

1. THE PRESS ON THE MANIFESTO

17th May 1983

'Left Standing'	<i>Birmingham Post</i>
'A loser's manifesto'	<i>Financial Times</i>
'Most radical manifesto since '45'	<i>Morning Star</i>
'Britain in Bondage'	<i>Daily Mail</i>
'When New Hope is No Hope'	<i>Times</i>
'Ghost manifesto'	<i>Yorkshire Post</i>

2. PUBLIC SPENDING

'Our proposals add up to a considerable increase in public spending'
(p.8).

The Treasury have estimated that Labour's proposals would cost taxpayers and ratepayers an additional £39 billion a year over five years, as well as £47 billion in one-off expenditure—they would have to raise the equivalent of £700 from every man, woman and child in Britain.

Labour's social security plans alone would cost £28 billion a year. They would have to spend some £21 billion on reimbursing shareholders for firms taken over by the State. Their plans to municipalise private rented housing could cost more than £20 billion. Even their 'modest proposals' to change education would involve spending more than £2 billion on capital projects, and an extra £1 billion a year to cover recurrent costs.

The principal aim of this spending is to create jobs. Labour hope to reduce unemployment to below a million within a few years. But there is no evidence that the policy would work. In 1981, President Mitterrand gave France a reflationary programme very similar to that proposed by Labour. His policies led immediately to disaster: spiralling interest rates and a rapidly worsening trade deficit forced him to introduce a four month wage and price freeze, followed (in March 1983) by an austerity package that included higher taxes, higher energy prices, a curb on public spending and strict exchange controls. This example has reaffirmed the determination of most other Western nations to avoid extravagant public spending.

Labour's failure to learn from the French experience need be no cause for surprise. If they were capable of learning such lessons, they would

have profited from their own experience. Every Labour Government has promised to reduce unemployment, and every Labour Government has achieved the opposite. The last Labour Government increased public spending by £20 billion in its first two years in office. The result was an economic crisis and a doubling of unemployment. As **Mr Callaghan** told the Labour Party Conference some years ago:

'We used to think that you could just spend your way out of recession and increase employment by cutting taxes and boosting government borrowing. I tell you in all candour that that option no longer exists; and that in so far as it ever did exist, it worked by injecting inflation into the economy. And each time that has happened the average level of unemployment has risen. High inflation followed by higher unemployment. That is the history of the last twenty years.' (Blackpool, 28th September 1976).

3. BAD NEWS FOR LABOUR

The independent Henley Centre for Forecasting has prepared a computer projection of the results that would flow from Labour's economic policies. The figures make grim reading:

	1983	1984	1985	1986	1987
Real GDP (p.c.).....	2.1	3.6	2.6	1.1	1.0
RPI (p.c.).....	6.8	10.2	14.0	15.1	13.3
Unemployment (million).....	3.0	2.9	2.7	2.7	2.8
PSBR (£bn).....	16	20	22	23	24
Balance of payments (£bn).....	-0.2	-3.1	-4.5	-1.6	-0.4
Interest rates (p.c.).....	8	12	17	16	14
Effective exchange rate (trade-weighted).....	73	68	61	58	55

(Daily Telegraph, 18th May 1983)

4. THE ECONOMY: COMPULSION AND CONTROLS

(i) Economic and Industrial Planning

'We will . . . develop a new five-year national plan to co-ordinate expansion and public spending with plans for individual industries and regions. We will create a powerful new Department of Economic and Industrial Planning (DEIP) . . . Involve the trade unions and management in planning at every level with a new, tripartite National Planning Council . . . establish a National Investment Bank . . . (and) set up a Securities Commission to regulate the institutions and markets of the City' (p. 11).

Every Labour Manifesto since the war has promised 'planning', culminating in the Wilson Government's 1965 National Plan, co-ordinated by the Department of Economic Affairs (which was wound up after four years). Yet between 1964 and 1970, adult unemployment rose by 67 per cent and prices by 30 per cent; industrial production went up at an annual rate of only 2.4 per cent against projections of 5-6 per cent; and the balance of payments deficit rose from £695 million to £1420 million. Planning agreements with major companies and nationalised industries were included in Labour's 1974 industrial strategy. The results were not encouraging. Under 'Plan for Coal', successive Governments more than met their investment commitments but the unions did not deliver on productivity and pit closures. In its dealings with the Chrysler Corporation in 1975, Labour was simply outwitted. 'Planning' is, in fact, a recipe for disaster. Bureaucrats, not businessmen, would take investment decisions. The DEIP would undermine Treasury control of public spending. The NIB would direct capital into unworthy and unprofitable projects to satisfy political demands. Efforts to regulate the City would be merely ineffective. Finance is an international business, and watertight controls are as hard to apply as they are to devise. Even countries like China and Hungary have jettisoned 'planning'; for the Labour Party to prescribe it yet again represents the triumph of hope over experience.

(ii) Nationalisation

'We will . . . return to public ownership the public assets and rights hived off by the Tories, with compensation of no more than that received when the assets were denationalised. We will establish a significant public stake in electronics, pharmaceuticals, health equipment and building materials; and also in other important sectors, as required in the national interest' (p. 12).

The Labour Party has learnt nothing and forgotten nothing. Experience shows that nationalisation is a recipe for inefficiency, unprofitability and unemployment. Productivity in ports, steel, coal and rail has consistently fallen below average. Since 1972, the average real rate of return on investment in all nationalised industries has been zero. Ports, steel, coal, shipbuilding and the motor industry have all undergone massive job-shedding since nationalisation. It is not even popular. Opinion polls show massive majorities against it. This is not surprising. Nationalised monopolies are not bound by any commercial disciplines. They are not accountable to shareholders, bankers or customers. They cannot go bankrupt. They are frequently subsidised by the taxpayer. The management is constantly bullied by monopoly trade unions. Only exposure to market forces can restore efficiency and profitability to the public sector.

Since experience shows the pressures of the market place cannot effectively be simulated, it follows that *privatisation* is the only sensible and realistic policy. Yet Labour now plan to confiscate the assets of successful household names like Beechams, GEC, Glaxo, Plessey, Barratt and Taylor Woodrow. The cost would be in excess of £10 billion.

They also plan to confiscate the assets of 90,000 people who have bought shares in denationalised firms. Further, they plan to nationalise 'one or more' of the major clearing banks if they do not comply with Labour's investment plans. The cost would be high; the market value of Barclays, for example, is in excess of £1½ billion. The result would be a massive withdrawal of funds, leading to total confusion in the financial markets.

(iii) Direction of Investment

'We will see that our financial and monetary policies support expansion. We will make sure that public borrowing is financed, through the financial institutions and national savings, without disruptive or damaging changes in interest rates' (p. 10).

Labour clearly hope to beguile investors into lending to the Government at low rates of interest, despite pursuing policies that would lead to accelerating inflation. If persuasion failed they would—by blackmail, threats or an outright takeover—force pensions funds and insurance companies to comply with their wishes. They would, in other words, borrow people's savings at whatever rate of interest suited a Labour Government. The funds would then be channelled via a 'National Investment Bank' into projects chosen by the Government for their political importance, rather than the rate of return they offered.

(iv) Regional Development Plans

'We will . . . develop regional development plans, with plans also being drawn up at local level by local authorities. Regional development agencies will be established, extending our present commitment to a Northern Development Agency to other English regions in need of them. These agencies will have similar powers and resources to those in Scotland and Wales. We will also consider using new regional job subsidies' (p.12).

These proposals would reverse the Government's attempts to ensure that regional assistance is aimed only at those most in need and restore the blunderbuss approach of the last Labour Government. The 1974-9 administration so diffused effort that 44 per cent of the workforce were in 'assisted areas' by the time they left office, compared to only 27 per cent now. The proposals also mean further proliferation of bureaucracy. There are already four regional development organisations in England. Moreover, the Government has recently increased their grants for promotional and advisory work, and has acted to ensure that English development organisations are treated on equal terms to their Scottish and Welsh counterparts. The commitment to a Development Agency for the North, where Labour hold large numbers of seats, is the politics of the Pork Barrel. The proposed regional jobs subsidy would be similar to the Regional Employment Premium, which Labour set up in the 1960s and abolished in a matter of weeks in December 1976.

(v) Price Controls

'We will use direct measures of price restraint, such as cutting VAT, and subsidies on basic products . . . Stop using public sector charges . . . as a backdoor way of raising taxes . . . Buy our food where it is cheaper, on world markets . . . Give powers to a new Price Commission to investigate companies, monitor price increases and order price freezes and reductions . . . Take full account of these measures in the national economic assessment' (p.10).

Labour's answer to inflation is temporarily to disguise the symptoms. Similar cosmetics were applied in 1974, enabling Mr Healey to claim, for electoral purposes, that Labour had reduced inflation to 8.4 per cent. Less than a year later it was at 26.9 per cent. The outcome would be no different this time. The effect of a cut in VAT would be strictly 'one-off'. If EEC withdrawal made possible a cut in food prices, which is unlikely, that too would be 'one-off'. Any attempt to restrain public sector prices would also be doomed to failure. Artificial controls hold down supply, force up demand and eventually put an intolerable burden on the taxpayer. Most of the nationalised industry price increases under this Government were due to years of artificial price restraint under Labour. The old Price Commission, set up by Labour but abolished by this Government, had little effect on inflation anyway. It simply eroded profitability and jobs. Yet again, Labour is merely trying to escape from the only logical accompaniment to their reflationary plans: an incomes policy.

(vi) Devaluation

'We must ensure that our trade and balance of payments contribute to our expansion. This means maintaining the pound at a realistic and competitive rate' (p.10).

Devaluation is import control by other means, since it pushes up the price of imports but lowers the price of exports. Labour's proposal to 'maintain the pound at a realistic and competitive rate' is a modified and rogue version of Mr Shore's earlier (November 1982) suggestion that the pound would have to be devalued by 30 per cent over two years. The abandonment of that plan reflects opposition from the Left wing of the Labour Party, which realises that devaluation can only have a lasting effect on competitiveness if other costs are tightly controlled. That meant an incomes policy, which Mr Shore was prepared to accept but they were not. Yet devaluation is in fact a traditional Labour remedy for underlying problems. In 1949, they devalued by 30 per cent; in 1967 by 14 per cent; and in 1976 their attempt to engineer a controlled devaluation led to a run on the pound and the eventual calling in of the IMF. There is no reason to suppose that Mr Shore would be able to 'manage' the exchange rate this time either. A spendthrift Labour Government, committed to rising inflation as a virtual act of policy, would quickly lead to a collapse of confidence in the markets. The pound would not be 'realistic and competitive' but in free-fall.

(vii) Exchange Controls

'Exchange controls . . . will be reintroduced. They will help to counter currency speculation and to make available – to industry and government in Britain – the large capital resources that are now flowing overseas' (p.10).

This is the *wrong diagnosis*. It assumes that it is currency moves by British private individuals and institutions which dominate the foreign exchanges. In fact such transactions are only part of the picture. More important are the day-to-day transactions of importing and exporting companies who, by 'leading and lagging' (delaying or accelerating the payment of debts in international trade), can effect very large changes in the demand for sterling. The exchange controls which were abolished in 1979 were largely aimed only at private individuals and institutions, and so were no answer to 'leading and lagging' or other strong market pressures, as the run on the pound in 1976 showed. Exchange controls that operated in the way Labour require would mean making sterling unconvertible and imposing state regulation on the financing of international trade along almost East European lines. This would severely hamper our foreign trade. It is also the *wrong prescription*. The Wilson Committee pointed out that UK investment was constrained not by a shortage of finance but a lack of profitable opportunities. Labour obviously hope to force investors to divert money into unprofitable projects at home. It is also wrong to assume that all investment at home is a good thing and all investment abroad a bad thing. Investment abroad generates income which flows back into Britain and so improves our standard of living.

(viii) Import Controls

'We must be prepared to act on imports directly...to safeguard key industries...to check the growth of imports should they threaten our exports and thus our plan for expansion (and)...introduce back-up import controls, using tariffs and quotas, if these prove necessary, to achieve our objective of trade balance' (p.10).

Governments reacted to the slump of the 1980s with tariffs and quotas. World trade plummeted. **Mr. Foot** has himself admitted that import controls in the 1930s 'led to retaliation and deepened the nature of the slump' (*Hansard*, 29th January 1976, Col. 802). Shadow Chancellor **Mr Peter Shore** also said, when in office, that 'the British Government see no attraction in the imposition of import controls' (Tokyo, 18th September 1975). This apparent *volte-face* by the leaders of the Labour Party reflects, yet again, their capitulation to Left-wing policies. An open trading system is in the interests of all trading nations, but particularly Britain since we export more of our output (a third) than most other industrialised countries. Protectionist measures would inevitably lead to retaliation against our exports. Thus they would, at best, only temporarily prop up some jobs in declining industries at the expense of expanding export industries. Moreover, the exclusion of foreign goods would raise prices and limit choice for British companies and consumers. It is also hard to see how import controls can be squared with Labour's promise to withdraw from the EEC 'in an amicable and orderly way'.

(ix) Multinationals

'We will . . . monitor clearly the activities of multinational companies through a Foreign Investment Unit. All UK-based multinationals will have to operate within clearly laid-down guidelines' (p.12).

Multinationals are the new bogeymen of the Labour movement. These proposals for controlling their activities would simply deter investment from abroad. The Foreign Investment Unit would act as yet another disincentive to companies thinking of locating here, along with Labour's commitments to pull out of the EEC and to reintroduce exchange controls. It would deny Britain the new jobs, new products, new technology and new management that foreign investment has already brought to Britain. Since 1979, foreign investors have launched over 600 projects in the UK, creating over 60,000 jobs. Such investment is expected to continue to create 10-15,000 jobs a year. Controls on multinationals would also damage our exports. 30 per cent of British exports go to overseas associates of British companies and restricting those links would severely hamper our trade.

(x) The National Economic Assessment

'At the heart of our programme is Labour's new partnership with the trade unions . . . Our starting point in government will be to discuss and agree with the trade unions a national economic assessment . . . We will not, however, return to the old policies of government-imposed wage restraint' (p.9).

The National Economic Assessment (NEA) is not a 'partnership' at all. It is a squalid deal between the trade unions and the Labour Party to carve up the economic and political spoils of Britain. It is a re-run of the 1964 Declaration of Intent, the 1974 Social Contract and the 1979 Concordat, with the difference that this time the Labour Party has conceded all the unions' demands but secured nothing in return. No union leader regards the NEA as a pay policy, despite the fact that Labour's reflationary policies would provoke an explosion in wage demands, and Mr Peter Shore has acknowledged that pay restraint is crucial to the success of Labour's plans. There need be no doubt about the outcome. Under the 'Social Contract', wage inflation reached 30 per cent and price inflation nearly 27 per cent. Subsequent pay restraint ended in the 'Winter of Discontent', which exposed as a sham Labour's alleged 'special relationship' with the unions. Yet **Mr Foot** has said: 'A new Social Contract is what the country is crying out for' (*The Times*, 16th March 1982).

5. THE RIGHT TUNE

'A Welsh Labour candidate, Mr Ray Powell, 53, seeking re-election as MP for Ogmore, is to serenade voters with a specially written song based on the old favourite tune of "Maggie". Mr Powell, a former member of the Treorchy Male Voice Choir, will play his tape recording through a loudspeaker as he tours the constituency' (*Yorkshire Post*, 17th May 1983).

6. SOAKING THE RICH

(i) Personal Taxation

'We shall reform taxation so that the rich pay their full share . . . We intend also to bring down the starting point of the highest rates of tax and to remove the present ceiling on earnings related NIC' (p.17).

Labour make no secret of their intention to remove incentives from middle and upper income groups. Their insistence on wrecking the tax concessions in the 1983 Finance Bill for the medium and higher paid and for home purchasers gives a foretaste of what is in store.

Labour never learn from their own mistakes. In 1973, Mr Healey promised 'howls of anguish' from the rich if a Labour government was elected. Three years later, he had to admit: 'There is one major problem of which I am deeply conscious and that is the incentive problem for middle management' (*Weekend World*, LWT, 4th January 1976), and ' . . . the rates of income tax are too high at every level of earnings from the poorest to the highest paid' (BBC Radio, 21st October 1976).

In fact, the last Labour Government imposed more and heavier taxes on everybody, even the lower paid. Tax per household rose from £389 in 1973-4 to £939 in 1978-9, and over 2 million extra people were brought into the tax net. Their plans for massive spending would ensure the same would happen again.

(ii) Wealth Taxes for All

'We shall reverse most of the Tories' concessions on Capital Transfer Tax and introduce a new annual tax on net personal wealth' (p.17).

Labour's doctrinaire obsession with wealth can be seen in their policies for capital taxation. Under the last Labour Government, Capital Transfer Tax was imposed on all estates of more than £25,000, damaging the interests of small businesses, farms and forestry. Since 1979, we have raised the thresholds; but now Labour threaten to lower them again. A person who inherits a modest semi-detached house will be penalised by the tax.

Labour promised a wealth tax in their 1974 manifesto, and continued to work on the proposal despite opposition from a Parliamentary Select

Committee which they had themselves set up to examine the question. But in the end, Labour had to abandon its plans because of the administrative costs involved. Similar difficulties still exist. Administrative costs would be substantial, whereas revenue yield could be only £600-£800 million; in addition, a wealth tax would drive successful entrepreneurs and businessmen to emigrate, thereby depriving Britain of many of her most talented citizens.

7. ATTACKS ON FREEDOM

(i) Uniformity in Education

'We will . . . repeal the Education Act 1979 and prohibit all forms of academic selection . . . abolish the Assisted Places Scheme . . . withdraw charitable status . . . and integrate private schools within the local authority sector'. (p. 20).

Labour have always been proponents of what they call 'equality' in education. By this, they mean not that every child has an equal right to an education suited to his or her needs, but rather that every child should be given the same sort of education, regardless of need, aptitude or parental performance. Hence their unshakeable opposition to our 1979 Education Act, which permitted local authorities to retain good grammar schools where they existed: academic 'selection' being a procedure whereby different pupils are allotted to different schools, is anathema to Labour.

But Labour are intent on measures far more radical than the abolition of the remaining grammar schools.

Abolition of Independent Schools. The Labour Party has for many years proposed ending the charitable status of independent and Church schools.

This policy is indefensible, since the provision of education at no profit to the schools in question is clearly a charitable enterprise. Evidently the proposals hide a weasel purpose; their stated aim is 'to abolish all private schooling' (*Labour's Programme 1982*).

It is worth noting that no democratic country has abolished independent schools; and it is unlikely that such an abolition would be compatible either with the United Nations declaration of Human Rights, or with the European Convention.

The cost to the taxpayer of Labour's plans to end fee-paying education would be over £500 million per annum, in addition to capital costs (for new maintained school-buildings) of almost £1,500 million.

Abolition of the Assisted Places Scheme. The Assisted Places Scheme is part of the package of measures introduced under the 1980 Education Act to strengthen and extend parental choice of school; to try to meet more closely the needs of each child; and thereby to raise standards.

The largest single group to benefit has been children of one-parent families; and the next largest category has been those whose parents are unemployed.

By abolishing the scheme, Labour would make it impossible for more than 10,000 children from low income families to receive a first-rate

education in academic sixth-forms—at a saving of only £30 million. In doing so, Labour take no account of the suffering and dislocation that would be inflicted on those children already in the scheme.

This is another dismal example of the interests of the country being sacrificed on the altar of Socialist dogma.

(ii) Municipalised Housing

'Labour will . . . end enforced council house sales, empower public landlords to repurchase homes sold under the Tories on first resale and . . . encourage councils to provide a unified house-purchase service, including estate agency, surveying, conveyancing and mortgage lending' (p.23).

Labour are determined to increase enormously the State's housing stock. It proposes to do this in two ways: by stopping council tenants from buying their homes, and by municipalising private rented housing.

The removal of the Right to Buy will mean that council tenants who have the misfortune to live in Labour-controlled areas will be denied the opportunity of buying their homes. Even with the Right to Buy in operation, Labour councils have done their utmost to deny this right to the people they claim to represent. They have refused to supply tenants with application forms; refused to carry out repairs to the homes of those in the process of buying; imposed unreasonable covenants on sales; and circulated incorrect information about the level of service charges. Some Labour councils have huge empires of council housing already, and in areas like the East End of London there is virtually no owner-occupied housing at all.

Such private rented housing as exists would be taken into state ownership by a Labour Government. The two million dwellings that are privately rented, and which provide a housing option which cannot be supplied by councils, would be taken over by municipal commissars. The housing which this Government has opened up to short-term tenants through the shorthold scheme would be subjected to Rent Act controls which have already ossified the rest of the private rented sector. The fear of a possible Labour Government has already deterred many landlords with empty property from letting their homes.

This Labour policy will result in the aggrandisement of the council housing empire, but will provide no extra homes. It will destroy choice and increase the number of people in thrall to local authorities.

(iii) Attacks on Private Health

'We shall remove private practice from the NHS and take into the NHS those parts of the profit-making private sector which can be put to good use. We shall also stop public subsidies to the private sector and prevent it expanding further' (p.20).

This is a familiar theme: Labour attempted to phase out private beds from NHS hospitals when they were last in Government. But now Labour intend to go further. Their threat to stop 'subsidizing' private health care

presumably means that they will abolish the tax relief that we have given for employer-employee medical insurance schemes. Labour's Manifesto reflects this by forbidding any further expansion of the growing private sector. The inference is that no new private hospital, no new nursing home could be opened under a Labour Government.

These attacks on private health have only one point: to further Labour's goal of social uniformity. The removal of pay beds will not benefit the NHS in any practical way. On the contrary, it will remove over £50 million of NHS revenue.

Labour attempt to make their policy sound attractive by talking about 'free health-care for all'. No one should be deceived by this slogan. The 'principle that adequate health care should be provided for all, regardless of ability to pay' is, as **Mrs Thatcher** has confirmed, the foundation of health care in a civilised society. The attempt to prevent people from spending their own money is quite another thing: it is a restriction rather than a provision—a restriction that would be utterly at odds with our tradition of personal freedom.

Some four million people are now covered by private medical insurance; the rights of all these people are threatened by Labour. Labour show no understanding of the real nature of the private sector, which provides a whole range of services from modern high-technology hospitals to nursing homes for the elderly. The vast majority of beds in the private sector are not, as Labour suggests, in hospitals for a rich elite: they are the 20,000 beds available in nursing homes for retired people. The existence of these facilities provides a vital service to tens of thousands of families; it relieves the NHS of pressure that would otherwise fall upon it.

(iv) Control of the Police

'We aim to create elected police authorities in all parts of the country, including London, with statutory responsibility for the determination of police policy within their areas' (p.27).

The Labour Party has not so far expanded on this statement, but it can be assumed that this dangerous proposal, which will leave the police wide open to political control, stems from the Labour-controlled GLC Police Committee. This is an extremely Left-wing group which, though it has no statutory responsibility for matters of policing, has taken upon itself the development of Labour's plans. Over the last two years, the GLC Police Committee has spent its annual grants budget of £400,000, either on their own publications which are hostile to the police, or on 'Monitoring Committees', self-appointed groups which deliberately collect only information which supports the GLC's point of view.

The GLC Committee proposes that all police forces, including London, should be controlled by fully elected police authorities. These authorities should have control over police policy, and should have the power to appoint all senior officers down to the rank of inspector.

Public confidence in the police springs fundamentally from the knowledge that they apply the law impartially. Under the guise of

'increased accountability', these proposals would make the application of the law subject to the political opinion of police authorities – a step which would destroy public confidence and make the job of the police extremely difficult; exactly the reverse of Labour's supposed intention. The GLC proposal for a political police authority to appoint all senior officers down to the rank of inspector underlines this. In areas where political control is always the same, promotion may become more likely if the officer shares the authorities' political stand-point than if he proves to be a competent police officer. Such promotions cannot be in the best interests of the community.

In recent months, there have been considerable improvements in consultation procedures between the police and the community. Labour authorities have refused to co-operate with these on a number of occasions. This is consistent with their general attitude to policing, which places far greater emphasis on the rights of criminals than it does on the victims or proper support for the police to tackle crime.

8. LEAVING THE EUROPEAN COMMUNITY

'The next Labour Government, committed to radical, socialist policies . . . is bound to find continued membership a most serious obstacle to the fulfilment of those policies . . . withdrawal from the Community is the right policy for Britain' (p.33).

The isolation of Britain. Labour's plans for withdrawal from the EEC would alienate our closest allies in Western Europe while pleasing no-one but the Soviet Union. As **Mr Eric Heffer**, Labour's spokesman on Europe, has conceded: 'The EEC is very unlikely to accept a bilateral free trade agreement' (London, February 1983) and membership of EFTA would be equally incompatible with Labour's policies. What Labour are advocating is Britain's isolation from the main international trading blocs—putting in jeopardy the 31 per cent of our output that is sold on the export market for the sake of Labour's economic experiments.

Loss of Jobs and Investment. Mr Duffy and Mr Hattersley have conceded that withdrawal from the Community would inevitably cause more unemployment in Britain. The CBI estimate that the 42 per cent of our exports (45 per cent in the first quarter of 1983)—which go to the Community, provide employment for over two million British workers, and jobs would inevitably be lost by the reimposition of tariffs against our goods.

In addition, withdrawal would put at risk the investments made by many American and Japanese firms that have come to Britain over the past ten years with the objective of supplying the Community market of 270 million consumers.

Agricultural Policy. The alleged inflationary effects of the Common Agricultural Policy are as nothing compared with the inflation which would result from Labour's economic policies. The CAP has, at most, increased food prices by 12 per cent causing a 2 per cent rise in the Retail

Price Index over a ten year period. World market prices for most agricultural commodities have risen faster than CAP guarantee prices over the past five years.

Labour have also to explain how they would finance the return to a deficiency payments system, which is also proposed in their manifesto. At present rates of production and return, the cost is currently estimated at £2.5 billion a year.

British Socialism and the EEC. The Socialist Government in France has found EEC membership to be one of the lesser problems obstructing the fulfilment of its policies. Every major Socialist Party in Western Europe supports the European Community, as do the Italian Communists. The truth is that Labour's programme is more extreme and isolationist than anything previously contemplated by Western European Socialists. Labour's programme is also based on defeatism and a lack of belief in our country's ability to compete.

Men of Principle? The Common Market issue hardly shows Labour's leaders off in their best light. Drawing a curtain across the regular changes of position adopted by leading luminaries such as Mr Denis Healey, three striking quotes should be recalled. In 1974 **Mr Tony Benn**, one of the most vociferous anti-Marketees, pledged to his constituents, on the question of the Referendum, that he would 'accept the verdict of the British people whatever it is' (29th December 1974). He went still further the day after the result became known: 'I have always said the Referendum would be binding. There can be no going back' (*The Times*, 7th June 1975).

But at least Mr Benn has always known what he wants. **Mr Roy Hattersley**, on the other hand, had this to say on BBC 'Election Call' on 16th May 1983: 'I've tried to argue the facts from both sides . . . I'll tell you again that on balance I think we're probably better in than out but that doesn't seem to me to begin to be a reason for abandoning the Labour Party'.

9. DEFENCE AND DISARMAMENT

'Labour's commitment is to establish a non-nuclear defence policy for this country. This means the rejection of any fresh nuclear forces or weapons on British soil or in British waters, and the removal of all existing nuclear bases and weapons' (p. 36).

Labour's proposals would undermine the membership of NATO. But, less than two years ago, **Mr Healey** said:

'It is the stability of the military balance between NATO and the Warsaw powers which has kept Europe at peace for over 30 years when 20 million people have been killed in war outside Europe. NATO's nuclear strategy is an essential part of that balance. To threaten to upset that balance by refusing to let American base any part of her nuclear weapons in Britain would make war more likely, not less' (Oxford, 11th August 1981).

We therefore have the authority of the deputy leader of the Labour Party, for saying that Labour are committed to a policy which would make war more likely!

'We will therefore not permit the siting of Cruise missiles in this country' (p.36).

Since 1977, the Soviet Union has deployed 351 SS20 missiles, each with three warheads. About two-thirds are aimed at Western Europe. There are at present no comparable United States intermediate range missiles in Europe. If Cruise missiles are not to be deployed under any circumstances, what incentive is there for the Russians to get rid of their SS20's?

The present Labour leadership likes to give the impression that the Labour Party never supported the Cruise missile programme, either in Government or in Opposition. This, however, is quite incorrect. Mr William Rodgers, then Labour's spokesman on defence, supported the decision in Parliament in January 1980 soon after it was taken.

'The next Labour Government will cancel the Trident programme . . . We will propose that Britain's Polaris forces be included in the nuclear disarmament negotiations in which Britain must take part. We will, after consultation, carry through in the lifetime of the next Parliament our non-nuclear defence policy'. (p.36).

Labour's policy would deprive Britain of any independent deterrent within five years, even though all previous governments, Labour and Conservative, have regarded such a deterrent as a vital contribution to NATO strategy and an ultimate guarantee of our national security.

It makes no sense to propose including Polaris in the nuclear disarmament negotiations and then, in the next breath, to say that you will carry through a non-nuclear defence policy (i.e., get rid of Polaris) by the end of the next Parliament.

'Labour will reduce the proportion of the nation's resources devoted to defence so that the burden we bear will be brought into line with that of the other major European NATO countries'. (p.37).

Mr Heseltine has suggested three ways of meeting Labour's target:

- (i) 'Disband one of the three Services. If we had no navy at all that would achieve nearly but not quite Labour's targets for defence cuts.
- (ii) ' . . . cut our forces in Germany by half and dispose of all our aircraft carriers and cut the destroyer/frigate force by half and cut the RAF's offensive capability by half.
- (iii) 'Abandon all R & D on military aircraft and reduce army home forces by half and cut RAF strike, attack and reconnaissance by one third and dispose of the submarine fleet and amphibious forces together with massive reductions in training, support, communications and maintenance' (South Mimms, 16th April 1983).