

SEAL CULLING IN SCOTLAND

GUIDANCE NOTE

SEALS

The question of killing seals is one on which feelings tend to run high - there are those who say that it is wrong to kill such creatures in any circumstances, and there are those who see seals as yet one more hazard affecting their livelihood.

CANADIAN/EC ACTION

There has been particular and widespread concern about the Canadian hunt of harp and hooded seals and the method of killing, by clubbing to death. Allied to this has been a measure of uncertainty about the precise size and population dynamics of the hooded seal, and to a lesser extent, the harp seal. It is these factors which have led the EC - the UK and her partners - to propose a ban on the import of pelts from harp and hooded seal pups.

GREY SEAL MANAGEMENT IN SCOTLAND

In Scotland the main question has been the killing of grey seals. There is no doubt that the grey seal population in Scottish waters is increasing - probably at 3 - 4 per cent a year. For example, in 1963 when action was recommended by the Consultative Committee on Grey Seals and Fisheries to reduce the grey seal population by a quarter there were some 29,000 seals. In 1977 when there was a plan to reduce their numbers by about  $\frac{1}{3}$  there were 50,000. Now there are over 70,000.

The main question is whether reducing the grey seal population would have a significant effect on the quantities and catches of fish on which our fishermen depend for a living. This Government has attached a good deal of importance to seeking to ensure that any management plan, (eg to contain seal numbers) is scientifically based. We have, therefore, held regular meetings with fisheries and conservation interests. We have also commissioned a three-year research programme with the Sea Mammal Research Unit of the Natural Environment Research Council. This is designed to get more detailed information on seal diet, the extent of seal movement, and the impact of seals on local fisheries. It is the Government's intention that the results and methodology of the research will be made available to the fisheries and conservation interests for discussion before any decisions are taken.

In the meantime an annual pup hunt is authorized to let a limited number of largely Orkney and other island-based people take grey seal pups. A quota is set in the light of scientific advice which will enable the local population to rise. Licences to kill seal pups contain conditions, eg that they be shot by a specified kind of gun. The Orkney operation is witnessed by DAFS Fisheries Inspectors with facilities offered to the SSPCA and, in 1982 for the first time, to a representative of certain conservation bodies. All were satisfied that the operation was carried out humanely. Comparisons with the Canadian hunt are misleading.

CONCLUSION

There is no question of the Government allowing the grey seal population to be put at risk nor of allowing culling or the management of the seal population to be conducted in an inhumane way. We shall make available scientific evidence and hope that practical and informed discussion will ensue leading to a scientific and logical management plan.

Conservative Research Department

26.5.'83

Printed and Published by Conservative Central Office  
32 Smith Square, London S.W.1.



EFFECT OF NEW STATUTORY SICK PAY SCHEME ON EMPLOYERS

Question

Will small businesses be out of pocket because they will have to pay National Insurance Contributions on the sick pay benefit they pay to their employees ?

Suggested Answer

All those consulted accepted and welcomed the principle underlying the new statutory sick pay scheme - namely that sick pay should be brought into tax.

Contrary to the assertion now being made, there was never any intention to impose a hidden tax on employers. The April 1980 Green Paper stated specifically that the employer would deduct and remit tax and national insurance contributions from sick pay. The employers who already operate some form of sick pay scheme will not suffer any further burden from having to pay NI contributions, and in many cases will be better off. For the small businesses which did not previously operate their own scheme, the maximum loss that could arise is under £5.00 for each week of sickness absence, or less when the fact that that money is tax-deductible for the business is taken into account. The administrative cost of setting up a special system of employee-only contributions would certainly outweigh the £3- £5 gain if employers NI contributions were exempted.

Background

Nearly 90% of all employees are already covered by some form of occupational sick pay scheme. This was payable in addition to State sickness benefits, resulting in over half the workforce - who received full pay from the employers when sick - earning more when sick than at work, and in unnecessary duplication of effort between State and employer

The Government fully responded to the wishes of employers on how they should be compensated by providing that the full amount of sick pay could be deducted by employers from their monthly NI and PAYE contributions.

Conservative Research Department

26.5.83

ISRAEL

Question

What is the attitude of the Conservative Party towards Israel's right to secure borders?

Suggested Answer

In the words of the Prime Minister:

"The fundamental principle of Israeli policy is the security of the state of Israel. We - and not just Britain but all the members of the European Community - are equally committed to that principle. Our resolve that Israel should live in security and peace will not weaken. It is indispensable to our approach to the problems of the area" (London, 15th December 1981).

The Foreign Secretary stated more recently that Israel:

"has a right to live in peace and security behind recognised borders. This is what all concerned on the Arab side have to accept. This is what we constantly press them to accept" (Speech to Jewish leaders of the Commonwealth, 30th November 1982).

Background

See also Question of Policy No. 168

Question

Will the Conservative Party, if returned to power, return the British Embassy from Tel Aviv to Jerusalem?

Suggested Answer

The Government has no plans to do this. The status of Jerusalem has been in question for many years. It would not be appropriate to move the British Embassy, until the status of Jerusalem has been settled by international agreement.



OFFICIAL SECRETSQuestion

Would you support the abolition of section 2 of the Official Secrets Act and its replacement by a Freedom of Information Act?

Answer

We do in principle favour fresh legislation to replace section 2 of the Official Secrets Act. However there is no general agreement either in Parliament or the country as a whole about what should replace it. We are not in favour of creating a statutory right of access to official papers and records through a freedom of information act because:

- i) it would erode and undermine our traditional parliamentary system, damaging the twin principles of ministerial responsibility (under the Crown) and ministerial accountability to Parliament.
- ii) it would put at risk the confidentiality that must be preserved by ministers and the civil servants who work for them if good government is to be provided;
- iii) it would involve the courts in highly controversial matters in ways that would almost certainly create severe constitutional problems for both Parliament and the judiciary;
- iv) it would mean an increase in bureaucracy, a profusion of new record offices and a substantial additional burden on public funds.

In our view, the scrutiny and analysis of official information is best conducted in Parliament. Members of Parliament are now able to carry out that task much more effectively than ever before as a result of the establishment under this Government of a new, comprehensive Select Committee System, through which the actions of all the principal government departments are kept under constant scrutiny.

Background

1. Section 2 of the Official Secrets Act covers all official information, whatever its nature. In 1972 the Franks Committee recommended its replacement by new legislation which would protect a more limited range of information.

2. In 1979 the Government introduced a Protection of Official Information Bill, based broadly on the Franks Report. It would have protected information relating to: defence, essential national interests in foreign affairs, security, intelligence and a number of specific matters concerned with protection of the realm. The Bill obtained a Second Reading in the Lords but attracted considerable criticism in Parliament and the press, particularly because of the blanket protection given to information relating to security and intelligence (issues which were then very much in the public mind as a result of the Blunt scandal). It was eventually decided that the Bill should be withdrawn.
3. In the absence of general agreement on the character of fresh legislation, the Government has concentrated on making the conduct of administration more open and accountable by providing an enormous body of information to Parliament. It has set new standards of frankness and openness in its dealings with the House. As Mr Barney Hayhoe has said:  
  
    'The Government's record on providing information has been extremely good ... The development of the Select Committee system has been carried through in tune and in harmony with our parliamentary traditions. It buttresses rather than undermines the principle of ministerial accountability. It reinforces parliament and makes parliamentary scrutiny more effective' (Hansard, 6th February 1981, Col.555).
4. In February 1981 a Labour M.P. introduced a Freedom of Information Bill, but it failed to secure a Second Reading.

Conservative Research Department

27.5.83

Printed and Published by Conservative Central Office  
32, Smith Square, London SW1



SPASTICS

Question A What will we do on handicap prevention?

Suggested answer

The Government recognises the importance of prevention and health education to combat handicap. This year the Government are giving over £9 million to the Health Education Council. The Government has sought agreements with the tobacco industry on publicising the health hazards involved in smoking, particularly in pregnancy, on restraining the more obtrusive forms of cigarette advertising and on the establishment of the Health Promotion Research Trust. Extra resources have also been made available by the Government to Action on Smoking and Health. The Government will continue to emphasise the importance of prevention and health education.

Question B What will we do about providing resources and monitoring the implementation of the 1981 Education Act so far as the disabled is concerned and ensuring handicapped children receive their legal right to education up to 19?

Suggested answer

See Question of Policy No

Question C What is our Party's view on a comprehensive income and allowance and how would such a scheme be financed? Would our Party end the discrimination against married women on ICA and HNCIP?

Suggested answer

This Government has an outstanding record of support for the disabled and handicapped. Expenditure on cash benefits to the disabled is 21 per cent higher than under Labour in real terms. We certainly want to see the system of administration of benefits and allowances simplified; but a comprehensive cash benefit for the disabled would be extremely expensive.

The Government recognises the household duties test is much resented. The Conservative Government promised and has put into effect, a review to find ways of

overcoming this problem including a study of practice abroad. We are still waiting for the outcome of the official report. Although we are determined to find a solution those who press for an immediate change have to recognise the cost of abolishing it is £275m. It would cost a further £60m net to extend Invalid Care Allowance to married women. We have already extended the benefit to non-relatives benefitting some 2,000 non-relatives and we would like to extend it to married women when resources allow.

Question D What is our Party's view of the future of the disabled quota scheme? How could it be effectively enforced? Do we believe that positive incentives to employers might help disabled people in finding employment?

Suggested answer

Following a review of the statutory quota scheme by the Manpower Services Commission which is responsible for its operation, the Government announced its decision to retain the scheme for the time being. However the MSC was asked at the same time to consider within the framework of the existing legislation the suggestions put forward by the Select Committee on Employment and others for improving the effectiveness of the existing scheme.

Background

The Statutory Quota scheme was established by the 1944 Disabled Person (Employment) Act. It has been regulated by the Manpower Services Commission since 1976. The Act requires employers with over 20 employees to employ at least 3 per cent of registered disabled people.

Question E What is our Party's view on more resources and effective implementation of the CSDP Act?

Suggested answer

We have always supported the principles of the Chronically Sick and Disabled Pensions Act 1970. However it is up to local authorities to assess priorities within their statutory functions and with the resources available to determine the level of services accordingly.

Question F What is our Party's view on anti-discrimination legislation? How do we think further integration could be promoted?

Suggested answer

The Minister for Social Security (with special responsibility for the disabled) Mr Hugh Rossi during a Parliamentary debate on the Disablement (Prohibition of



Unjustifiable Discrimination Bill) defined Government policy as having "no truck with discrimination, but concentrates on the promotion and integration of disabled people. That approach acknowledges that serious problems still exist and that, while public awareness of the problem is increasing, there is still much to be done through education and persuasion so that people may be judged by their abilities, rather than by their disabilities.

I believe that our approach builds on the fundamental goals of the IYDP (International Year of Disabled People), which were to promote integration and participation. That has been, and will continue to be, the cornerstone of Government policy" (Hansard, 11th February 1983, Col 1281).

Question G Would we support moves to end the financial burden of VAT on charities?

Suggested answer

The Government has given a great deal of consideration to granting charities VAT relief on their purchases. The Government firmly believes in providing support for the voluntary sector in general, and charities in particular; and the greatest care has been taken to see whether or not a practical way forward on this issue could be found. But the Government's conclusions are that a VAT refund scheme would be expensive to operate and indiscriminate in its effects. After exhaustive study the obstacles have been shown to be insuperable.

Conservative Research Department

25 May 1983

CAMDEN GROUP OF AMNESTY INTERNATIONAL

QUESTIONNAIRE ON 'POLITICAL KILLINGS BY GOVERNMENTS'

Question 1

Do you know what Britain provides in the way of military, security or police (MSP) training and equipment to governments responsible for political killings? Do you know whether these transfers are used by repressive security forces to increase their capacity for murder?

Suggested Answer

It is not the practice of the Government to provide information on individual arms contracts. Accordingly, it is not possible to answer such questions. However, I am naturally strongly opposed to political killings. All arms sales require export licences. A licence would not be issued for the export of equipment to countries with bad records on human rights in cases where in the Government's view such equipment was likely to be used for internal repression.

Question 2

Do you agree that (i) the responsibility for equipment and training provided to repressive regimes should be subject to parliamentary control? (ii) MPs should be told what equipment and training Britain is providing, and to which governments; and that Parliament must decide on the basis of full information, what may be exported and to which countries and security agencies?

Suggested Answer

I am perfectly satisfied with the existing arrangements.

Question 3

If elected on 9th June, will you be prepared to take action in Parliament to press for full parliamentary control over MSP transfers to repressive regimes?

Suggested Answer

See previous answer.

Background

We support the sale of arms abroad unless there are compelling reasons for not doing so. Apart from the obvious commercial benefits, the supply of arms (and other forms of military assistance) is often an important element in promoting security and regional stability. It helps sustain existing political friendships and create new ones. It is relevant that the Soviet Union is only too



ready to use arms supply to gain influence to our disadvantage. At the same time, we do not allow the indiscriminate export of arms. All sales require export licences. These are judged against various criteria, including the possibility of the use of arms for internal repression in countries with poor human rights records.

PROFESSIONAL ASSOCIATION OF TEACHERS

Questions for Parliamentary Candidates

Question 1

What objections are there to the proposition that a trade union should be required to ballot its members before embarking upon industrial action.

Suggested Answer

This issue was discussed at length in the Government's Green Paper on Trade Union Reform. As that document acknowledged, such a requirement does present some practical difficulties. However, we feel very strongly that it is extremely important that employees who are asked to take part in strike action, are fully consulted beforehand by union leaders. For that reason we make clear in our Manifesto that we intend to curb the legal immunity of unions to call strikes without the prior approval of those concerned through a fair and secret ballot.

Question 2

What measures do you propose which would mean teachers and their employers working together in such a way as to make disruption of schools a thing of the past.

Suggested Answer

Conservatives have always taken the view that disruption of schools will become a 'thing of the past' only when teachers are both regarded by their employers as, and regard themselves as, members of a profession. We shall do our utmost to ensure that this attitude is adopted wherever it is now absent.

Question 3

Would you support the view that the teaching profession should take responsibility for its own condition? If not, why not? If yes, would you support the creation of a General Teaching Council?

Suggested Answer

The Conservative Party fully supports the view that teachers, like the members of any other profession, should take responsibility for their own condition. To take such responsibility is one of the duties - and joys - of being a professional. The idea of a General Teaching Council deserves very serious consideration. We shall want to consult widely on this issue after the election.

Question 4

Are you prepared to recognise and listen to organisations holding views with which you disagree?

Suggested Answer

Yes, as long as they are not engaged in the subversion of lawful authority.



MENCAP QUESTIONNAIRE

1. Question

Will your Party commit itself to make the provision of better services for mentally handicapped people in education, in health and personal social services in employment and housing an officially declared priority?

Suggested Answer

It has been - and will continue to be - our priority to provide better quality health services. We do not believe that is necessarily only achieved by increasing levels of expenditure even though Health Service spending has been increased by over 17 per cent between 1978-9 and 1983-4. Ministers have made the provision of care for mentally handicapped and mentally ill people a specific priority.

2. Question

If the answer is in the affirmative how will the financial resources be provided to translate this intention into reality?

Suggested Answer

It is not sufficient simply to declare that more resources should be provided. It is essential to build the strong wealth-creating industrial and commercial base that makes spending possible. To do this we intend to continue the successful economic policies of the last four years, policies which have made it possible to increase Health Service resources significantly and at the same time to control inflation.

3. Question

Will your Party advocate that relevant authorities should be under a statutory duty to provide these services, without cost to the client, and support the passing of appropriate legislation where this is necessary?

Suggested Answer

No. Our policy is to encourage the greatest flexibility in the provision of services - and to provide them in a manner which best suits each individual in need. Rigid statutory frameworks are not the best way to achieve this. We are seeking to promote closer partnership between statutory, voluntary and family support. We have made more flexible the regulations under which resources can be transferred from the Health Service to local authority budgets to care for individuals in the community.

MENCAP QUESTIONNAIRE

4. Question

Will your Party commit itself to the introduction of a general disability payment which would provide all disabled and handicapped people by right with a basic income to compensate them for the additional expenses they have on account of their special needs, replacing the present confusing, complicated and often unfair system of allowances and concessions?

Suggested Answer

This Government has an outstanding record of support for the disabled and handicapped. Expenditure on cash benefits for the disabled and long-term sick has been raised by 21 per cent in real terms. We certainly want to see the system of administration of benefits and allowances simplified. But a coherent cash benefit for the disabled as has been suggested would cost between £3 and £4 billion. Resources on that scale are not available.

Question

Will your Party commit itself to either exempt organisations like MENCAP from Value Added Tax as for instance, local authorities are exempted, or introduce other measures which would relieve these organisations from this burden?

Suggested Answer

The Government has given a great deal of consideration to granting charities VAT relief on their purchases. The Government firmly believes in providing support for the voluntary sector in general, and charities in particular, and the greatest care has been taken to see whether or not a practical way forward on this issue could be found. But the Government's conclusions are that a VAT refund scheme would be expensive to operate and indiscriminate in its effects. After exhaustive study the obstacles have been shown to be insuperable.

6. Question

Will your Party appoint a (Shadow) Minister with the sole responsibility for Disablement and a seat in the (Shadow) Cabinet?

Suggested Answer

No. The Minister of State at the DHSS responsible for the disabled (Hugh Rossi) has had an outstanding record of success in supporting the disabled. To create a new Cabinet Minister with a Department to serve him would simply increase bureaucracy and reduce resources available for care and support.



MENCAP QUESTIONNAIRE7. Question

Will your Party press for immediate improvements in the provision of pre-school facilities for children with mental handicap (answer also question 2 above)?

Suggested Answer

The Conservative Party has no plans to alter pre-school provision for children with mental handicap.

8. Question

Will your Party commit itself to putting into effect the Warnock Report proposals for better Teacher Training Programmes by providing the necessary funds?

Suggested Answer

The Conservative Government has implemented the most important recommendations of the Warnock Report in its 1981 Education Act. We are also committed to ensuring that adequate training is given to those teachers who will be dealing with handicapped children. However, any claim for special funding must be balanced against the many other pressing calls on scarce resources.

9. Question

Will your Party commit itself to provide the financial resources to fully implement the 1981 Education Act?

Suggested Answer

We are, not surprisingly, committed to the successful implementation of our own 1981 Education Act. We believe, however, that particular decisions about the funding required for such implementation are best left to Local Authorities.

10. Question

Will your Party commit itself to make special funds available to help children and adults with profound and multiple handicap (special care)?

Suggested Answer

We are certainly concerned about the particular problems referred to in this question and will consider the best means of providing assistance in these cases.

11. Question

Will your Party commit itself to direct local education authorities to fulfil their statutory duty to provide full time education to all pupils who request it until at least they reach the age of 19?

MENCAP QUESTIONNAIRESuggested Answer

The Conservative Party does, of course, wish to see Local Education Authorities fulfilling their statutory duties in this, as in all other respects. However, under section 99 of the 1944 Education Act the Secretary of State is not empowered to issue a directive except where he is satisfied that a particular LEA is failing in its duties.

12. Question

Will your Party commit itself to mandatory legislation to provide free further education courses for mentally handicapped young people from the age of 19 if this is requested?

Suggested Answer

The Conservative Party understands that mentally handicapped people may well benefit from education beyond the age of 19. But we believe that it is for Local Education Authorities to decide how and at what cost such education should be provided.

13. Question

Will your Party commit itself to impose a statutory duty on local authorities to provide in Adult Training Centres for mentally handicapped people full time education by the supply of suitably qualified teachers?

Suggested Answer

No. Local Education Authorities are at liberty to provide for full-time education for handicapped people in Adult Training Centres, if they so wish; and the Conservative Party believes that LEAs should cooperate with the social services to provide proper facilities for such handicapped adults. But we do not believe that this is a matter for legislation.

14. Question

Will your Party commit itself to special programmes and schemes which would offer mentally handicapped young people equal opportunities for employment?

Suggested Answer

If a mentally handicapped person is registered as 'disabled', he will qualify to be included in the 3% quote under the 1944 Disabled Persons Employment Act.

A mentally handicapped person may also benefit from the Sheltered employment provided by the Government in Remploy factories or in Sheltered workshops funded through rate support grants to local authorities.



MENCAP QUESTIONNAIRE15. Question

All Parties seem to agree that long-stay hospitals are unsuitable for mentally handicapped people and in particular for children and young people to live in. Will your Party commit itself to shift these people into the community within 2 years as far as those under 20 years of age are concerned, and those remaining, within the shortest possible time thereafter?

Suggested Answer

We do believe that it is right to encourage a shift from hospital to local community care and to provide support services necessary to give mentally handicapped people the chance of reaching their full potential. We launched a major initiative to get long-stay children out of hospitals into smaller homelike accommodation in 1981. We are pressing health authorities to make progress with this.

16. Question

If the answer is in the affirmative, will your Party vigorously press for a co-ordinated programme to enable health, local social services and voluntary organisations to carry out this transfer with speed and provide the necessary capital and revenue funds?

Suggested Answer

We made £3 million available in 1983-4 (and plan similar provision to 1985-6) to help health authorities with special problems to move children needing health care out of hospitals. The response has been good. A development team is available on request to advise authorities on their plans for children.

17. Question

Will your Party commit itself to abolish without delay the household duties test for married women in order to qualify for the non contributory invalidity pension?

Suggested Answer

Q of P already available.

18. Question

Will your Party commit itself to extending the Invalid Care Allowance to all married and cohabiting women?

Suggested Answer

Q of P already available.

MENCAP QUESTIONNAIRE

19. Question

The present system of Social Security benefits is unsatisfactory (see question 4 above) and one of its shortcomings is the low take-up rate. Even if claimants were aware of their rights - many are not - wrong and misleading advice is frequently given by DHSS staff. How will your Party overcome this deficiency?

Suggested Answer

The Conservative Government has vigorously campaigned to improve levels of take-up benefits. Take-up of attendance allowance and mobility allowance has notably improved. We welcome that trend. Naturally we are working to improve the efficiency of staff service to the public. But ultimately the quality of such service depends on the individual member of staff himself. Over a longer period we intend to implement our social security operational strategy which will invest in the application of advanced new technology to the service of the public through local offices. This will not only provide immediate access to accurate information; by releasing staff from unnecessary paperwork it will free them to spend more time on the humanside of the job. It will mean more satisfying jobs for staff, more satisfactory service to the public.

20. Question

Many Housing Association Schemes for small hostels in the community in which all major capital and revenue costs can be met from standard sources, cannot be put into effect because of a refusal by Local Authority or Health Authority to guarantee the comparatively small amount of topping up finance required. Will your Party support the automatic topping up by whatever system is most appropriate of hostel schemes which had received Department of the Environment approval?

Suggested Answer

The resources of individual local authorities will determine their ability to contribute to these schemes. We are reluctant to introduce further mandatory obligations for councils, believing that they must be in the best position to determine local priorities.

Conservative Research Department

26.5.83

Printed and Published by Conservative Central Office  
32 Smith Square, London SW1



ALL-PARTY DISABLEMENT FORUM

Education

1. Question

Will you press for central Government funds to help LEA's implement the Act properly (eg. for teacher training, access facilities, support services)?

Suggested Answer

We are, not surprisingly, committed to the successful implementation of our own 1981 Education Act. We believe, however, that particular decisions about the funding required for such implementation are best left to Local Authorities.

2. Question

Will you press for legislation on further education to ensure provision for disabled school leavers?

Suggested Answer

The Conservative Party understands that disabled school-leavers may well benefit from further education. But we believe that it is for Local Education Authorities to decide how and at what cost such education should be provided.

3. Question

When the Youth Training Scheme starts in September, will you use your influence to ensure that disabled young people receive adequate training opportunities?

Suggested Answer

I shall certainly attempt to ensure that the Youth Training scheme provides such opportunities for disabled young people as are compatible with the successful working of the scheme in general.

4. Question

Will you press for extension of the NCIP payment to young people continuing their education in ordinary schools, as well as schools with special facilities?

Suggested Answer

The Conservative Government has protected and raised the level of the Non-Contributory Invalidity Pension. To extend the NCIP to young

people continuing their education in ordinary schools, would require considerable additional expenditure of taxpayers' money. Conservatives do not at present have any plans to introduce such an extension.



HOUSING

Disabled people are far more dependent than others on council housing, which has suffered heavy cuts in recent years.

Question 1.

If elected, will you use your influence as an MP to ensure that as many new homes as possible, both council and private, are built to 'mobility' standards, i.e. with basic design features needed by many disabled people?

Suggested Answer

Yes. We believe that there is need for continued public sector provision for people with special needs, including the elderly and the disabled, but we also emphasise the need to build for sale to the many disabled people who want to buy.

Question 2.

If elected, will you use your influence as an MP to ensure that the needs of disabled people are taken into account in the development of housing policy both locally and nationally?

Suggested Answer

Yes.

Question 3.

Will you encourage co-operation between housing and social service agencies over adaptations to existing housing and the provision of alternatives to institutions?

Suggested Answer

Yes.

ACCESS

The Government is considering incorporating the BSI Code of Practice into building regulations.

Question 1.

Will you support the fewest possible exclusions from Building Regulations?

Suggested Answer

Yes.

Question 2.

Will you use your influence, on building owners, both public and private, to adapt existing premises?

Suggested Answer

Yes.

Conservative Research Department

26.5.'83

Printed and Published by Conservative Central Office  
32 Smith Square, London S.W.1.



MOBILITY

1. Does the panel think that the Mobility Allowance (£18.30 per week, to very severely disabled people who are "unable or virtually unable to walk") should be paid at a sufficiently high rate to enable this group to both buy and run a small car?

No - the Mobility Allowance is paid to over ¼ million people. To increase the allowance to enable the recipients to buy and run a small car would be prohibitively expensive.

2. The medical criteria giving entitlement to Mobility Allowance are very tightly-drawn. If elected, do you believe that these should be broadened in scope allowing 'borderline' cases to definitely be awarded Mobility Allowance, and will you work towards this?

Where there are any criteria there will always be borderline cases, Conservatives believe that criteria are necessary so as to ensure the maximum help available is concentrated on those most in need.

ATTENDANCE ALLOWANCE

3. Since May 3, 1979 the criteria for Attendance Allowance have not been amended, made harder for people to qualify, but figures show that the number of awards made has decreased sharply. If elected, will you support a more liberal interpretation of the Attendance Allowance Act?

The facts presented in this question are wrong. In fact the figures show since 1979 there has been a steady increase in the number of recipients from 279,000 in May 1979 to 364,000 in March 1982, the latest date for which figures are available.

SOCIAL SECURITY

4. In 1980, the link between pensions and other long-term benefits with the rise in earnings was broken. Invalidity Pension was cut in value by 5%. All parties support a 'disablement costs allowance' in principle, yet none have produced detailed proposals.

Are you committed to maintain the value of all benefits?

During the 1979 General Election the Conservatives pledged price protection for pensions and linked long-term benefits over the Parliament. That pledge has been redeemed. We are pledging in the Manifesto to protect retirement pensions and linked benefits against price increases in the next Parliament.

Will you press to restore the 'earnings link'?

The problem of linking pensions to earnings or prices whichever is the greater is that the system leads to a 'ratchet' effect whereby benefits in the long-run increase faster than either earnings or prices. This would place a growing burden on the working population, particularly at a time of high unemployment.

Will you support the immediate restoration of the 5% cut in invalidity pension?

We are committed to restoring the 5% abatement on invalidity pension when it is brought into tax.

Will you press for a Green Paper on a Disablement Costs Allowance during the first year of the new Parliament?

This Government has an outstanding record of support for the disabled and handicapped. Expenditure on cash benefits for the disabled and long-term sick has been raised by 21 per cent in real terms. We certainly want to see the system of administration of benefits and allowances simplified. But a comprehensive cash benefit for the disabled could cost between £3 and £4 billion per annum. Resources on that scale are not available.

Will you press for the abolition of the extra 'household duties test'?

We recognise the resentment caused by the household duties test. Both the Housewives Non-contributory Invalidity Pension and the Non-contributory Invalidity Pension are presently being reviewed. We are still waiting for the outcome of the officials' report. However those who press for immediate change have to face the fact that the cost of abolishing the test completely would be £275 million.

Will you support legislation making non-contributory benefits (NCIP and HNCIP), now only 60% of the value of contributory benefits, equal in value?

See above.

Will you support legislation to abolish charges for home helps and other vital services?

Our policy is to encourage the greatest flexibility in the provision of services - and to provide them in a manner which best suits each individual in need. Rigid statutory frameworks are not the best way to achieve this.

In Sunderland, the home help service is free; what is your attitude to charges for this service?

It is up to local authorities who supply this service to decide whether or not charges are necessary.



Will you take up cases where the council is falling to meet needs under the Chronically Sick and Disabled Persons Act 1970 with the Secretary of State for Social Services?

We have always supported the principle of the Chronically Sick and Disabled Persons Act 1970. However it is up to local authorities to assess priorities within their statutory functions and with the resources available to determine the level of services accordingly.

Would you support the earmarking of part of the RSG for services to and for disabled people?

RSG is a general grant from Central Government to local authorities - it is up to local authorities discretion to decide their own local spending priority.

EMPLOYMENT

Do you believe that any Quota Scheme should remain statutory and enforced in order to be effective?

Following a review of the statutory quota scheme by the Manpower Services Commission which is responsible for the operation, the Secretary of State for Employment announced in July 1982 that the Government has decided to retain the scheme for the time being. There are no plans to seek any changes in the basic legislation.

Do you believe that the proposed alternative, a Code of Practice, should be backed by law if it is to be effective?

The Code of Practice was originally suggested in the report of the Manpower Services Commission's review. The Government in spite of its decision to retain the Quota Scheme for the time being, has asked the Commission to continue its work on drafting a code in consultation with interested bodies.

Will you use your contacts with local employers to encourage them to employ more disabled people, and to put into effect their policies on the employment of disabled people?

Up to the candidate to answer.

## GOVERNMENT ASSISTANCE TO EXPORTERS

### Question

Is it true we give less to our exporters than other Governments?

### Suggested answer

This is not true. In addition to the extensive facilities provided by the Export Credits Guarantee Department and spin-off benefits to exporters from the Government's overseas aid programme, the Government spends directly about £80 million a year to assist UK exporters - that is £1 for every £1,000 of exports of goods and services. This is spent on the official export services provided by the Department of Trade, together with the Commercial departments in UK embassies and High Commissions and Consulates overseas, which are administered by the British Overseas Trade Board. They include a wide range of market advice and specific services designed to help exporters however big or small.

### Background

In 1982, the British Overseas Trade Board was reorganised in order to give the BOTB a stronger market orientation; to establish specialist divisions; to establish a network of regional offices within the UK and to concentrate in one place the export promotion staff of the Department of Trade, including a new export policy division.

The Export Credit Guarantee Department provides substantial help to Britain's exporters. In 1981 a rapid matching facility was set up to match exceptionally soft terms of credit provided by overseas competitors. In 1981-2, record levels of payments were made by the ECGD, of £303 million.

### Other help to exporters

Aid and Trade provision provides a top-up source of funds when British companies are in competition with foreign groups offering aid is part of their financial package. Allocations from this source have increased from £25 million in 1977-9 (of which £12 million was disbursed) to £66 million in 1983-4.

Protection of Trading Interests Act 1980 protects British companies and individuals against attempts by overseas countries to implement their domestic legislation and regulations outside their own territories.



## STANDARDS

### Question

What have we done to raise the standards of British goods?

### Suggested answer

The main way of ensuring high quality products is to allow the maximum of competition between manufacturers and suppliers. We are fortunate in this country in living in a relatively free economy; Labour would jeopardise competition by introducing import controls and by large scale nationalisation. We have strengthened the Government's powers to control monopolies by giving greater powers to the Monopolies and Mergers Commission to investigate practices which limit competition, and we have argued against international protectionism.

We have taken other steps aimed to improve the quality and competitiveness of British goods in domestic and international markets. Our National Quality Campaign is intended to encourage manufacturers to improve quality. In 1982, we published a policy document on "Standards, Quality and International Competitiveness." We are giving industries 'pump priming' support to industrial certification schemes. We have introduced additional safeguards to prevent substandard and dangerous goods being imported.

### Background

1. The Competition Act 1980 strengthened powers of the MMC to investigate practices which restrict or limit competition in the public and private sectors. The Commission now has powers to investigate anti-competitive practices of single firms and to investigate nationalised industries.
2. The White Paper (Cmd 8621, June 1982) on 'Standards, Quality and International Competitiveness'; proposed closer co-operation with the British Standards Institution in the drawing up of internationally respected standards and the encouragement of certification schemes including possibly an associated national mark.
3. Dangerous goods example: In January 1983, a prohibition notice was served prohibiting the sale of electronic rice cookers made in Taiwan. The Government has made it clear that it is undertaking further action to tighten up on the sale of unsafe goods.

## TRADE WITH JAPAN

### Question

What have we actually done to reduce our trade deficit with Japan?

### Suggested answer

Britain is running a substantial deficit on visible trade with Japan. This was £1.97 billion in 1982. Ideally the right course would be to correct the position by increasing British exports to Japan and Britain along with other EEC countries has been conducting negotiations with the Japanese authorities. These have centred upon the dismantling of import barriers by Japan. A number of steps have been taken by the Japanese to lower tariffs (eg. on some food products, tobacco and agricultural machinery) and to remove some non-tariff barriers. In March 1983 the Japanese Government agreed to abolish many certification and testing requirements for imports.

The Government is well aware of the problems that are being caused by excessive import penetration by Japanese products. Voluntary arrangements have been made to restrict imports of cars, video tape recorders, shoes and other items.

### Background

#### VISIBLE TRADE WITH JAPAN

	UK Exports	UK Imports	Visible Balance
1978	£542 million	£1,283 million	£741 million
1979	£606 million	£1,488 million	£882 million
1980	£596 million	£1,709 million	£1,113 million
1981	£618 million	£2,203 million	£1,585 million
1982	£685 million	£2,650 million	£1,965 million

[Source: Department of Trade]



## IMPORT CONTROLS

### Question

Would general import controls save jobs?

### Suggested answer

No. In the very short term they might give some protection in particular industries, but they would do nothing to eradicate the root cause of Britain's unemployment: a lack of competitiveness caused by low productivity and relatively high wage and price inflation. They would prop up declining industries at the expense of growth industries; reduce incentives for management and labour to contain costs; they would raise prices and lower consumption in the longer term, that would destroy jobs, not protect them. We cannot raise quality and keep tight control over costs by opting out of the world market. There is also a very serious danger that import controls would produce immediate retaliation - thus leading to severe loss of jobs in our expanding industries.

### Background

1. The Labour Party's Manifesto promises "direct action" on imports. Labour politicians have argued against this on the basis that import controls would destroy jobs. Mr Callaghan has said that import controls would: "benefit some home industries at the expense of the livelihood of everyone working in exports. We would be robbing Peter to pay Paul" (Woolwich, 30th January 1976).
2. We export 30 per cent of our total output of goods and services. The jobs dependent on the provision of these would be jeopardised by import controls.
3. Low quality: Classic examples of over protected economies are the Soviet Bloc economies. The result; bad service, shortages, queues and lack of choice.

RATING REFORM

Question

Why aren't the Conservatives abolishing domestic rates ?

Suggested Answer

We have examined all the possible alternatives to the domestic rates more thoroughly than any previous Government. Because of the profound implications of such a change, we have conducted the widest possible process of consultation. These consultations revealed that there was no general consensus in favour of any one particular alternative, and that little agreement existed about how the present rating system might be altered. What did emerge from the consultations was a greater support for the retention of domestic rates, provided that there was protection for ratepayers against the excessive demands of some unreasonable councils.

We have therefore announced that we shall immediately introduce legislation to curb excessive and irresponsible rate increases by high spending councils, and to provide a general scheme of limitation on rate increases for all local authorities, to be used if necessary.

Background

In December 1981 the Government published a Green Paper "Alternatives to Domestic Rates" (Cmnd. 8449) which discussed domestic rates and the main alternatives, local income tax, local sales tax, and poll tax, as well as other questions. Widespread consultation took place until the end of March 1982. Ministers interviewed Conservative Members of Parliament, who in turn sought comment from their constituency associations, and the Party Chairman also conducted a separate consultation within the Party.

Other questions

1. Isn't the rating system very unfair ?

Of course there are many anomalies in the rating system, but it would be irresponsible to change to a new tax with serious, if different, flaws. Whatever its failings the rating system is cheap to administer, easy to collect, difficult to avoid



and certain of yield. In any case some of the unfairnesses of rates are met by rebates and grant paid out of other taxes. The incorporation of rate rebates in the new housing benefit means that more people will be eligible for help with their rate bills.

Since 1979, Government pressure has successfully reduced the level of rate increases year by year. Average rate increases for each year are as follows:

1980/1 over 1979/80	23%
1981/2 over 1980/1	20%
1982/3 over 1981/2	13%
1983/4 over 1982/3	6½%

This goes to show that firm action to bring local government spending under control is likely to benefit local taxpayers, whatever the tax, in a way which would not be possible by just changing the system. Irresponsible Labour authorities would be just as likely to abuse any new system as they have abused the existing one.

## 2. What about Local Income Tax ?

The major disadvantage is that it could not be introduced before the 1990s. There would be problems of tax evasion. The various methods of administration would be costly. Inland Revenue estimated for the Layfield Committee that LIT might involve up to 13,000 additional civil servants and cost £110m p.a. (at 1981-2 prices) to administer. To replace the domestic rates entirely by a local income tax would mean an increase in the basic rate of about 6p in the £.

## 3. What about Local Sales Tax ?

The main weakness is the tax's poor visibility and accountability which would not act as a deterrent to high spending. There is considerable sensitivity about about the burden this tax would place on shopkeepers as unpaid tax-gatherers. There would be problems of cross-border shopping which could lead to uncertainty of yield even at county level. The replacement of domestic rates by a local sales tax would produce a combined sales tax/VAT rate of about 22 per cent.

## 4. What about Poll Tax ?

This tax would only be suitable for use in combination with other taxes. If it was not set at a level which would produce

a low yield it would be regressive for low income taxpayers and would probably require a rebate system. It has very serious problems of enforcement and might require the compilation of a separate register.

5. What about the transfer of education costs ?

Education would still have to be paid for. The Government has examined the option of a block grant for education but takes the view that it is important to preserve the freedom of local authorities to determine their own priorities within their budgets.



EUROPEAN MONETARY SYSTEM

Question

Why doesn't, and when will, the Government join the EMS?

Suggested Answer

The UK is a founder-member of the EMS and participates fully in its negotiations but we do not participate in the exchange rate mechanism (ERM). The question of Sterling's participation in the ERM is kept under review. The £ sterling will join the ERM as soon as the time is right, which will be when market conditions are conducive to greater exchange rate stability.

Background Note

The Government is committed to the aims of the EMS, and in particular the achievement of greater exchange rate stability within the EC. Premature attempts to hold sterling ready against other EC countries could create enormous pressures in the domestic money markets of the UK and our partners. After enjoying a relatively tranquil two years from its inception in 1979, the EMS has in the last two years encountered more difficult conditions with major realignments taking place in October 1981, February and June 1982 and 21 March 1983. Since the EMS was established Sterling has appreciated by 2 per cent against the deutschmark, by 33 per cent against both the French franc and the Italian Lira. Two particular difficulties arise in the case of sterling's participation: first the pound tends to rise and fall in line with oil prices whereas Continental currencies show the reverse tendency; second, both sterling and the deutschmark play large roles in international finance and the scope for capital movements between them is very large. These factors mean that the judgement on participation must be carefully weighed if sterling's membership is to prove to be a success.



A NEW BRETTON WOODS

Question

Why doesn't the Government call a new Bretton Woods to reform the world economy?

Suggested Answer

We certainly agree that there is a need to achieve greater stability in international financial relationships. It is just not possible, however, to revert to a system of fixed exchange rates similar to that established by the Bretton Woods conference in 1944. This system collapsed in the early 1970s because of the volatility of currencies. For the same reason, it would be unworkable today.

The Chancellor of the Exchequer has taken a more realistic approach and has played a major role in persuading other nations that the essential requirement is for major countries to pursue sound financial policies. That is the way to secure lower rates of inflation and greater exchange rate stability. Existing institutions have coped, with the IMF playing a key role, and are evolving to meet changing needs. There is no alternative to a pragmatic step by step approach of building on the existing international institutions and ensuring their effectiveness.

Background Note

The call for a new Bretton Woods seems to encompass a variety of ideas, ranging from a return to fixed exchange rates to a system for alleviating the debt problems of third world countries. Concern has centred though on exchange rate instability and in other countries has emanated principally from France, Japan, New Zealand (Mr Muldoon) and the EC (Mr Thorn).



LOANS TO ARGENTINA

Question

Why is the Government allowing British banks to be involved in loans to Argentina?

Suggested Answer

British banks are responsible for their own commercial decisions on these matters. The loans by international banks are linked with the IMF package for Argentina. This involves tough conditions to make Argentina restore sense to her economy so that she can continue to pay her debts which include debts to this country. If Argentina defaulted on her existing debts because she was precluded from raising new loans, this could have wider effects on international trade and thus on employment here. It would not stop the Argentinians buying arms - indeed it might make it easier for them to do so.

Background Note

A group of international banks, including British banks, agreed at the end of last year to provide Argentina with a bridging loan of \$1.1 billion. Negotiations on a medium term loan of \$1.5 billion are still in progress. Over 200 banks in the principal financial centres are involved. Lloyds Bank International has for many years been one of the major foreign banks involved in lending to Argentina. It was therefore asked to join the lead management group of international banks arranging these loans. Other banks, including other British banks, were asked to participate on the basis of their existing exposure to Argentina.

An IMF standby facility for Argentina of 1.5 billion SDR was agreed in January. Drawings are contingent on tight budgetary policies and much lower levels of foreign borrowing.



NORTH SEA OIL

Question

Why has the Government wasted North Sea oil money on paying unemployment benefit?

Suggested Answer

North Sea revenues have risen and so has the cost of unemployment benefit. But there isn't a connection between the two in the way the question suggests.

North Sea oil has contributed some £20½ billion to tax revenues over the life of the Government. This has been used to keep borrowing down without vast increases in other taxes. Public sector borrowing in this country is now among the lowest in the industrial world in relation to the size of the economy. That is an essential step towards a strong and growing British economy in which more jobs will be created. In particular it has helped to bring interest rates down. If we had not got North Sea revenues industry would be burdened by far higher taxes and/or interest rates. So far from being wasted, the oil revenue has contributed to putting the public sector finances on a sound basis.

Of course with rising unemployment, payments for unemployment benefit have increased. But there is no short or simple way of getting people back to work. That depends on competitiveness - including particularly pay and productivity - not on anything the Government can do by itself.

The prospects now are for growing output in 1983 and into 1984. And the prospects for sustainable growth and more jobs are better than they have been for so many years.

Background Note

Total tax revenues from the North Sea in 1983-84 are expected to amount to about 6 per cent of government revenue (£8 billion out of £128½ billion). Total North Sea tax revenue over the life of the Government is put at about £20½ billion.



PRIVATISATION

Question

Why has the Government privatised at the taxpayers expense, by selling shares in good public companies on the cheap?

Suggested Answer

Privatisation benefits the tax payer. The privatisation programme has produced receipts of £2 billion which would otherwise have had to be found elsewhere. Share sales have not been made "on the cheap". No reason to believe other sales methods would have yielded more money overall. It is not easy to price issues especially when companies' shares have not previously been traded. In particular, cannot accurately anticipate movements in market during period of offer for sale. Independent expert advice on selling price always taken before every sale.

Cash benefits of privatisation are very welcome. But the benefits go wider than that. The organisations concerned will after privatisation be fully subject to the operation of market forces - which provide by far the best incentive to improved efficiency and better allocation of resources. The resulting improved performance will be of lasting benefit to the taxpayer, customers, and to the economy as a whole.

Background Note

Government often criticised for underpricing share issues. Heavy oversubscription for British Aerospace, Cable and Wireless, Amersham International, Associated British Ports, followed by large increases in prices when shares first traded. In contrast, about 75% of Britoil shares left with subunderwriters and large discount when first traded.

WAR LOAN AND UNDATED STOCK

Question

Will the Government redeem War Loan?

Suggested Answer

The Government examined this problem when it came into office. They have been unable to identify any means of repaying this stock - or any other undated stock - which would not be very costly. Repayment would also be grossly unfair as between those who had recently sold their holdings, after concluding, in the light of statements repeated by successive Governments that no further action could be taken, and those who had recently bought holdings.

Background Note

1.  $3\frac{1}{2}$  per cent War Loan is the largest undated stock outstanding at £1,909 million. The total amount of undated stock (including War Loan) is £3,256 million.
2. The War Loan Stock was originally offered as 5% War Loan 1929-47 in 1917. In 1932 holders were given the option of having the stock redeemed at par or converting it to  $3\frac{1}{2}$ % War Loan (those who agreed to convert were given a cash bonus of £1 per £100 stock held). The prospectus clearly stated the earliest date at which it could be redeemed was 1 December 1952 but it was also clear that the Government did not have to exercise its option to redeem then, and does not have to do so at any specified time. Redemption would also be a breach of the contractual terms on which the stock was offered.



BLACK ECONOMY

Question

Will the Government be clamping down on the Black Economy?

Suggested Answer

The tax authorities are constantly improving their techniques and procedures for dealing with the black economy. This has led to considerably improved results in recovering taxes that had been evaded, with interest and penalties: the yield has trebled in the space of four years. It is important that the dishonest taxpayer should not gain at the expense of the honest taxpayer. But methods of investigation must not infringe the rights of the citizen.

Background Note

Both Customs and Excise and Inland Revenue take action against the Black Economy. Although the overall number of staff in the Revenue has decreased, the number employed full-time on investigation work has increased. For example there are now 10 Special Offices (4 in May 1979) and the redeployment of the 400 staff was specifically to counter tax evasion in the black economy.

KEITH REPORT

Question

What is the Government going to do about tax snooping in the light of the Keith Report?

Suggested Answer

A major theme running through Part I of the Keith Report is that, while the Revenue departments need adequate powers to help ensure that all pay their fair share of taxes, their powers, including those to visit business premises and to ask for information, should be subject to enhanced statutory safeguards and judicial checks and there are a number of recommendations to this effect. The Report is a lengthy document : when the rest of the Report is received towards the end of the year, the Government will consider it very carefully and listen to views before coming to any conclusions.

Background Note

The Keith Committee on Enforcement Powers of the Revenue Departments was set up in 1980 in fulfilment of a Manifesto pledge. That in turn was prompted by concern, especially among small traders, about the powers associated with VAT; about the more recent Inland Revenue powers to search premises; and about the Revenue's new techniques of "in depth" investigation of business accounts. The Committee was asked to consider whether the enforcement powers are suited to their purposes having regard both to the need to ensure compliance with the law and the avoid excessive burdens upon taxpayers.

The first part of the Report was published on 23 March. The second part should be ready later this year.



VAT ANOMALIES

Question

What is the Government going to do about the anomalies in VAT coverage, such as on house repairs, women's products etc, etc?

Suggested Answer

VAT was designed as a broad-based tax charged on a wide range of goods and services. As such it has always applied to many necessities as well as luxuries. Nevertheless a substantial range of broad reliefs is operated, which apply for the most part to items which are the subject of significant and continuing expenditure by ordinary families. As a result, only a little over 50% of all consumer expenditure is subject to standard rate VAT, and in general terms the tax does not bear more hardly on the less well-off.

Despite these wide reliefs, it is often claimed that anomalies exist in the coverage of VAT. Wherever you draw the line, there will be problems of definition at the margin. Topical examples include demands for relief for house repair and maintenance costs, women's sanitary items and theatre tickets. However, the cost of conceding such demands could be large (in the case of building repairs and maintenance, for instance, it could be up to £475m a year); and VAT is not a suitable instrument for fine adjustment to reflect every aspect of the Government's social and other non-fiscal policies.

Background Note

Existing reliefs from VAT include zero-rating or exemption for most food, the purchase or renting of domestic accommodation, building construction and alteration, fuel and power, public transport, medical treatment, education, young children's clothing, and books and newspapers.



Pressures for additional VAT reliefs are inevitable, and when existing reliefs are extensive it is natural that those urging concessions should see analogies with reliefs operated elsewhere and claim the offending particular taxation to be anomalous. However, such concessions could indicate a higher standard rate; could seriously diminish the tax base; and the introduction of significant new reliefs would conflict with the Government's efforts to simplify the tax and reduce the costs of operating it, for the benefit of business and the tax authorities alike.

No very significant changes have been made in the coverage of or the reliefs from VAT since the tax was first brought into operation in 1973. The present Government unified the previous higher (12½%) and standard (8%) rates at a single 15% standard rate in June 1979. The tax is expected to yield £15½bn in revenue in 1983-4.

In a recent Report to the Council of Ministers on the derogations from the Sixth VAT Directive, the Commission discussed the possible eventual abolition in the European Community of most VAT zero-rating (the Sixth Directive itself prohibits more than marginal adjustments to existing VAT reliefs). No formal proposals to this effect have been made. Even if they were, change could only come about if the formal proposal was unanimously agreed by the Council. Domestic legislation would also be required. The Government has always made it clear that it sees the UK's zero-rates as an integral part of our VAT system.



VAT: ZERO-RATING

Question

What is the Government to do about the EC's determination to eliminate zero-rating?

Suggested Answer

We have made it clear that zero rates are an integral part of our VAT system. The recent report by the Commission recommending phasing out of zero rates is not a formal proposal to that effect and even if it were, it would require the unanimous approval of all Member States before it could be put into effect. We cannot therefore be forced to make changes.

Background Note

The Sixth VAT Directive required a review of derogations, including zero rates every five years. The suggestion to phase out zero rates was made by the Commission in that context. They have, however, also queried the legality of some of the zero rates under the Sixth Directive. That is separate from the proposed phasing out of derogations and is the subject of bi-lateral discussions. Comment on this aspect should only be offered in response to specific questions.

[The doubts expressed by the Commission about the legality of some of our zero rates is a separate issue. We consider that they rest on a limited and impractical interpretation of the Sixth Directive and we have impressed this upon the Commission and will continue to do so.]

VAT ON CHARITIES

Question

Why won't the Government relieve charities of the need to pay VAT on purchases?

Suggested Answer

Such relief would be highly complex and expensive in terms of numbers to administer and control, since it would involve at least 100,000, and probably more, charities; costly (running into tens of millions of pounds); indiscriminate (since it would benefit, often disproportionately, bodies with very limited or controversial aims); and a cost-ineffective way of using scarce resources to help charities. In each of the last four Budgets there have been important direct tax measures to help charities, and the level of cash grants has been steadily increased.

Background Note

The main charities have campaigned hard in each of the last three years for relief from VAT on their non-business purchases of goods and services. The Government has looked exhaustively and sympathetically at the possible ways of achieving this, but has concluded that the difficulties really are insurmountable, and that it is better and more effective to give help to charities in other ways, as it has done.



FREEPORTS

Question

How many freeports are there likely to be, and how are they going to be selected?

Suggested Answer

In his Budget Speech the Chancellor of the Exchequer announced that freeports would be established at a few locations on an experimental basis. The enabling legislation was planned for the Finance Bill but fell victim to the General Election. However the Government remains firmly committed to introducing it in the next Parliament and are currently considering the criteria under which the selection process will be conducted.

Freeports, operating within a perimeter fence under customs control, could have marketing and presentational advantages as well as providing opportunities for economies of scale and simplification of official procedures. However, the Working Party on Freeports chaired by the Economic Secretary to the Treasury found that tariff benefits could not be offered to traders in a freeport in conformity with Community rules.

TAX BURDENQuestion

Why has the Government increased the tax burden when it promised to reduce it?

Suggested Answer

Income tax thresholds are 6 per cent higher in real terms than in 1978/79; basic rate of tax is down from 33 per cent to 30 per cent; and the absurdly burdensome higher tax rates we inherited have also been cut - top rate is down from 83 per cent to 60 per cent. Average rates of income tax are lower than in 1978/79 for all on three-quarters average earnings and above. NIC increases have been necessary to finance increased outlay on benefits: average rates of tax and NIC combined are higher than 1978/79 for those on about two and a quarter average earnings and below. But the most important thing for the taxpayer is what is left to spend: real net income (after tax, NIC and child benefit where relevant) is higher than 1978/79 for instance, by 5% for those on average earnings.

Compare this with the performance of the last Government: thresholds fell in real terms during the life of that Government by 20 per cent for a single taxpayer, and by 5 per cent for a married man; the basic rate increased from 30 per cent to 33 per cent (35 per cent at its peak); higher rates reached 83 per cent, compared with 60 per cent under this Government; and under Labour income after tax and NIC fell in real terms for many taxpayers on average earnings and even below - for single people by 3% and for couples without children by 1%; it rose for a couple with 2 children by a mere  $\frac{1}{2}$ %.

In addition, we have made large reductions in the taxes which affect business. Our cut in Labour's tax on jobs (the NIS) from  $3\frac{1}{2}$ % to 1% has saved industry nearly £2 billion in a full year.



## Background Notes

1. Figures quoted assume that earnings have risen in line with the increase in average earnings; assume earnings and price increases for 1983/84 consistent with those underlying the PSBR; and assume for taxpayers with children that child benefit is treated as a "credit" against income tax (and NIC). Average rates of income tax are higher than 1978/79 for low earning taxpayers even though tax thresholds are up in real terms, and basic rate is down: this is partly because earnings have increased in real terms slightly faster than tax thresholds, but mostly because the lower rate band (of £750 at 25 per cent) introduced by the last administration has been abolished. Details of average rates of income (income tax plus NIC) and of real net income are set out below.

	<u>Change in real net income after income tax, NIC, and child benefit</u>	
	<u>Increase +/Decrease -</u>	
<u>Single</u>	<u>1983/84 on 1978/79</u>	<u>1978/79 on 1973/74</u>
$\frac{1}{2}$	2.9	- 1.1
$\frac{3}{4}$	4.4	- 2.2
1	5.3	- 2.9
2	7.1	- 4.1
<u>Married</u>		
$\frac{1}{2}$	2.5	2.4
$\frac{3}{4}$	4.0	0.3
1	4.9	- 0.8
2	7.1	- 2.5
<u>Married plus 2 Children</u>		
[ $\frac{1}{2}$	3.9	4.3]
$\frac{3}{4}$	4.8	2.0
1	5.5	0.5
2	7.2	- 1.5

\* ie child benefit exceeds income tax due

In practice, means-tested benefits (FIS, rent and rate rebates) would also affect real net income at this earnings level.



INCOME TAX: UP BY 7p IN THE £ ?Question

Has not the Government increased tax so much that it would need 7p off the basic rate for a married man on average earnings before he paid the same tax in real terms as under Labour in 1978-79?

Suggested Answer

The comparison asked for here is misleading: it expresses an increase in total taxation in terms of an increase in a single tax, income tax, so it is not surprising that the resultant figure is large. The tax burden on a married man on average earnings in fact rose more under the Labour administration than under this Government, and real take-home pay is now higher at all levels of earnings than under the previous Government.

Background Note

The increases in tax burdens (income tax, NICs and indirect taxes net of child benefit as a proportion of gross earnings) under this Government and under Labour are as follows:

	<u>Single</u>	<u>Married</u>	<u>Married +2</u>
75% of average earnings			
last administration	3.3	1.9	0.9
this administration	3.1	0.9	2.2
100% of average earnings			
last administration	3.5	2.5	1.8
this administration	2.5	1.5	2.1

The main reason why real tax payments have gone up more under this Government than under the last is that real gross earnings are projected to rise more under this Government - 7 $\frac{1}{2}$ % in real terms compared with 2 $\frac{1}{2}$ % under Labour. The result of this has been to push up real tax payments under this Government faster than tax burdens.



HIGHER RATE TAX CUTS AND THE FINANCE BILLQuestion

What has happened to the cuts in higher rate tax proposed in the Budget?

Suggested Answer

In the Budget, the Government proposed to increase the level of income above which people paid higher rates of tax from the present £12,800 to £14,600. Further increases in the higher rate bands were also proposed. But these had to be given up to secure the necessary Labour co-operation in getting through essential Finance Bill measures, such as those to help small businesses and charities. The Opposition's action would mean nearly a million people overall would be on higher rates of tax. And these are not all "rich" people, but anybody paying tax on £12,800 or more - middle managers and professional people. In his speech on the Finance Bill, the Chief Secretary to the Treasury undertook that, on returning to office, the Government would introduce a new Finance Bill to give effect to the Budget proposals. So in practice, the Opposition's action will have no effect, because the changes to the Budget proposals could not take effect until the end of July; by which time the new legislation will have been passed restoring the position.

Background Note

1. Not increasing the higher rate threshold would mean about 300,000 taxpayers would be pulled into higher rates of tax.
2. The married man on twice average earnings will pay £2.36 a week more tax thanks to the Opposition's action in not permitting the increase in the higher rate threshold.

INVESTMENT INCOME SURCHARGEQuestion

When is the Government going to abolish Investment Income Surcharge?

Suggested Answer

The Government need no persuading of the faults of this tax. They have reduced the burden of the surcharge since coming to office. The threshold they inherited of £1,700 (£2,500 for the elderly) has been raised to £6,250 this year. The Government wanted to go further, but the Opposition refused to allow the increase from £6,250 to £7,100 proposed in the Budget. The Opposition's action would mean another 45,000 people having to pay the Surcharge, and in total 250,000 people would be hit by increased payments. But the Government is pledged, on re-election, to introduce immediately a Finance Bill to give effect to the increase. So in practice the Opposition's action will have no effect, because the changes to the Budget proposals could not take effect until the end of July, by which time the new legislation will have been passed restoring the position.

Background Note

The total yield of Investment Income Surcharge for 1983/84 is expected to be about £250 million. Objections to it come frequently from the retired, living on savings, and from those just the wrong side of the divider between earned and unearned income. But the amount of revenue at stake makes it difficult to abolish in one jump.



TAX CREDIT SCHEME

Question

Will the government implement a tax credit scheme?

Suggested Answer

The last Conservative Government put forward proposals in 1972 for a tax credit scheme. Over the last decade progress has been made towards fulfilling the objectives of that scheme - to bring together the tax and social security systems into one system, which was more rational, simple, and cheaper to run. In particular, child benefit has been introduced, and we have brought unemployment benefit into tax.

The Government will continue to pursue these objectives as and when resources permit. The constraint is cost. A scheme on the scale of the 1972 one would now cost between £6 billion and £10 billion a year. The scheme recently published by the Liberal Party would cost about £20 billion and would, as they admit, require a basic rate of 44%.

Background Note

The 1979 Manifesto spoke of moving "toward the fulfilment of our original tax credit proposals as and when resources become available". The distinction between the objectives of the 1972 scheme and the scheme itself are important. The 1972 Green Paper estimates staff savings of some 10,000 to 15,000. But many of these savings have already been achieved in other ways, eg by giving tax relief at source for life assurance premiums and now for mortgage interest. This means the administrative savings available are fewer, while the cost of the 1972 scheme would now be very high.

MORTGAGE INTEREST RELIEF

Question

Will the Government retain Mortgage Interest Relief and increase it in future as inflation rises?

Suggested Answer

The Government have made it clear that they intend to retain tax relief for mortgage interest. It was intended to increase the limit on loans qualifying for relief from £25,000 to £30,000 this year, but this had to be given up to secure the necessary Labour co-operation in getting essential Finance Bill clauses through. The Chief Secretary to the Treasury made it absolutely clear in Parliament that, when the Government is re-elected, a further Finance Bill will immediately be introduced which will set the limit for 1983-84 at the £30,000 proposed by the Chancellor in the Budget. The Government will keep the limit under review in future years.

Background Note

1. The total cost of Mortgage Interest Relief for 1983-84 is about £2½ billion (including cost of relief for people previously within the Option Mortgage Scheme).
2. About 150,000 people <sup>would</sup> gain from the proposed increase in the limit to £30,000. About one quarter of first-time buyers in London with new building society mortgages have mortgages over £25,000.



MORTGAGE INTEREST RELIEF AT SOURCE

Question

What does the new scheme for giving mortgage interest relief at source mean?

Suggested Answer

The new scheme for giving mortgage interest relief at source is essentially an administrative change in the method of giving relief. Nobody should be worse off as a result; it does not reduce the relief to which taxpayers are entitled. The scheme will save staff in the Inland Revenue - about 1,000 by 1984. It will also help borrowers by ensuring that when interest rates change they will get the right amount of tax relief at once.

Background Note

Under the new scheme for mortgage interest relief at source, most borrowers will get their basic rate tax relief by a reduction in their mortgage payments rather than through PAYE or tax assessments. This will largely avoid for the future the problem many borrowers are having this year with the recovery of excess relief given through PAYE last year. Higher rate relief will continue to be given through PAYE or tax assessments and people outside the new scheme will continue to get their full relief in the same way.

TAXATION OF HUSBAND AND WIFE

Question

What is the Government going to do to follow up its Green Paper on the Taxation of Husband and Wife in order to make it fairer?

Suggested Answer

A wide range of views has been expressed in response to the Green Paper. Any major change could have important effects on the tax position of all taxpayers, married and single. The Government will publish a consultative document which will give the public an opportunity to assess the detailed implications of such a change.

Background Note

The Green Paper on the Taxation of Husband and Wife was published in 1980. It set out the areas where the present system was criticised on the grounds that it discriminates against married women, and set out the implications of schemes for reform which would tax husband and wife independently. Most of the responses to the Green Paper favoured a move to independent taxation. But there was a wide range of views on the form that independent taxation should take, and a widespread recognition that any fundamental reform would have major distributional effects - some people would gain, but others would lose - and that it would in any event be some years before a change of this magnitude could be implemented. The Government will issue a consultative document setting out the major implications of the various suggestions for reform, so that the public can assess the advantages and disadvantages of a change from the present system.



BENEFITS IN KIND

Question

Will the Government continue to increase tax on benefits in kind?

Suggested Answer

It must be right in principle for remuneration in kind to be taxed exactly the same as remuneration in cash. This is difficult to achieve, but we have taken and will continue to take steps to avoid distortion in favour of benefits. Those who are paid in money have to pay more tax if payment in kind is inadequately taxed. Cars are a special problem - the scales have long fallen far short of the true value of having a car available for private use. They can only be increased gradually towards more realistic levels. When cars are required solely for the purpose of carrying out a business or trade they are not, of course, benefits in kind and hence do not come within the tax net.

Background Note

Some benefits in kind - accommodation, vouchers, season tickets and credit cards - are chargeable to tax for all employees. The rest are chargeable only in the hands of directors and of employees earning £8500 a year or more. Most benefits are charged on the basis of "cost to the employer" but cars (and petrol) are chargeable according to scales. The petrol scale is optional - no employee has to have free petrol if he does not want to pay tax on the benefit. The car scales, although they have been regularly increased in recent years are still modest by any yardstick: the average 1600cc company car will cost its driver £2.77 a week in tax in 1984-85 (£2.45 a week in 1983-84).



COMMUTERS' FARES AND THE COST OF TRAVEL TO WORK

Question

Will the Government introduce tax relief on commuters' fares and the cost of travel to work.

Suggested Answer

The cost of travelling from home to work has always been a personal expense which depends on the individual's own choice of where he lives. The Royal Commission on Taxation concluded in 1955 that relief would not be justified and it would be wrong to allow relief for one type of personal expense while denying it for others (such as the cost of looking after children so that parents can go to work). Such special reliefs erode the tax base and make it more difficult to achieve the central aims of a simpler tax system with higher thresholds and lower rates.

Background Notes

The cost to the Exchequer of allowing relief for travel to work would be in the region of £m1,200 a year. It would also be administratively difficult and costly to ascertain each taxpayer's costs and to allow relief and would make it more difficult to reduce (further) the size of the Civil Service.



FEES FOR PRIVATE EDUCATION

Question

Will the Government introduce tax relief on fees for private education?

Suggested Answer

We want to encourage private education, but a general tax relief would conflict with another important aim of ours: to have a wide tax base, so that tax rates can be as low as possible.

Background Note

Such a relief would cost many millions of pounds in lost revenue. It would add to the Inland Revenue's cost of administration and make it more difficult to reduce (further) the size of the Civil Service.

BUSINESS EXPANSION SCHEME

Question

Will there be a gap between the proposed ending of the Government's Business Start-Up Scheme and the start of the wider Business Expansion Scheme.

Suggested Answer

The Business Start-Up Scheme was replaced by the Business Expansion Scheme in the 1983 Finance Act. Applications previously made under the Start-Up Scheme will now relate to the Expansion Scheme, which has a wider coverage.

Background Note

The Business Start-Up Scheme was introduced in 1981 to run for 3 years until 1984. It offers very generous income tax relief to individuals for new genuinely additional equity investment in start-up companies with which they are not otherwise connected. The 1983 Finance Act brought in a major extension of the Scheme, to be known as the Business Expansion Scheme. The new Scheme is being extended to cover a wide range of established unquoted companies, and not just start-ups as at present. The annual limit which an individual can invest with tax relief is being doubled, from £20,000 to £40,000, and many other of the present rules are being relaxed. The new Scheme will take effect from 6 April 1983 (when it will replace the present Scheme) and will run to April 1987.



TAX TREATMENT OF HOLIDAY LETTINGS

Question

What action is the Government taking on the tax treatment of holiday lettings?

Suggested Answer

During the Finance Bill debates, the Financial Secretary to the Treasury announced that, at a suitable opportunity, the Government intend to change the law to provide certain capital gains tax reliefs for people carrying on a business of furnished holiday lettings, and to treat their income as earned income for tax purposes.

Background Note

Ministers have received a number of representations from holiday flat proprietors about the possible implications of a recent decision in the courts. In particular, the proprietors have objected that the income might be treated as investment income for tax purposes and be negligible for CGT rollover and retirement relief.

INDEX LINKED PENSIONS

Question

Why are civil servants still getting index-linked pensions?

Suggested Answer

The Government has never said that it intended to abolish index linking of pensions, which by the way are enjoyed by numerous other groups besides civil servants - for example teachers, doctors, nurses, police, armed forces, local government employees, employees of nationalised industries, and MPs - and in addition their widows. The main thing is to ensure that employees make a proper contribution to the costs of these pension benefits - the costs of index linking should not be met by taxpayers generally.

A start has been made in increasing the pensions contributions for the armed forces, police and recently the firemen, who are groups who have particularly good benefits because of their early retiring age. The Government's proposal that the civil servants pension scheme should be changed from non-contributory to fully contributory has been widely welcomed.

With the rapid fall in the rate of inflation, the difference in pension uprating arrangements between the private and public sectors is much less marked now than it has been in the past. Many private sector schemes will be able to increase pensions by at least as much as the prices index. This is one of the many advantages resulting from the Government's success in controlling inflation.

Background Note

No mention of index linked pensions in the 1979 Manifesto, but guidance to candidates emphasised the need to get contributions



right. The misapprehension that civil servants do not at present contribute to their pensions is now much less widespread following the Scott and Megaw Reports, and the full statement of Government policy on 22 October 1982.



ABORTION

Question

What is your view on abortion?

Suggested Guidance

The policy of the Conservative Party is to leave this issue to be decided by MPs (and hence candidates) according to their own consciences whenever proposals to reform the law are made.

Background Note

1 Abortion was legalised by the Abortion Act 1967 in a Private Member's Bill introduced by Mr David Steel. The Act came into force in April 1968. Since then the number of abortions performed has been over 2 million.

2 The present law only allows abortion subject to strict legal safeguards requiring a second medical opinion and the operation to be carried out in premises licensed for the purpose before 28 weeks of the pregnancy have passed.

3 Abortion is only legal:

- (i) when continuation of the pregnancy would involve risk to the life of the pregnant woman, or of injury to the physical or mental health of the pregnant woman, or any existing children of her family greater than if the pregnancy were terminated;
- (ii) when there is substantial risk that if the child were born it would suffer from such physical or mental abnormalities as to be seriously handicapped.

4 The law has not been changed under the present Government. New statistical forms have been introduced, but these have made no change in practice or law. Pro-abortion campaigners contend that these forms are defective because social circumstances are not set out as a ground for abortion. Social circumstances have never been a ground in themselves because they are only relevant in deciding whether the potential risk to the mental health of the patient justifies abortion.

5 The Government intend to ensure that the present law is enforced strictly and fairly unless and until, on a free vote, Parliament decides to amend it.

Labour Policy

The Labour Party has allowed freedom of conscience on abortion. Labour's Campaign Document "New Hope for Britain" preserves this position. Labour is pledged to "improve NHS facilities for family planning and abortion". Labour will also "remove barriers to the implementation of the existing right of choice for women in the termination of a pregnancy". ("New Hope for Britain" para. 86)



BENEFITS IN KIND

Question

Will the Government continue to increase tax on benefits in kind?

Answer

Wherever possible the Government prefers to see people paid in cash - it increases their freedom of choice and is generally more efficient. In an ideal tax system remuneration in kind would be taxed equally with remuneration in cash. In some cases this happens already, but where it does not steps will be taken to avoid distortion in favour of benefits. Cars are a special problem - the scales have long fallen far short of the true value of having a car available for private use. They can only be increased gradually towards more realistic levels.

BACKGROUND NOTES

Some benefits in kind - accommodation, vouchers, season tickets and credit cards - are chargeable to tax for all employees. The rest are chargeable only in the hands of directors and of employees earning £8500 a year or more. Most benefits are charged on the basis of "cost to the employer" but cars (and petrol) are chargeable according to scales. The petrol scale is optional - no employee has to have free petrol if he does not want to pay tax on the benefit. The car scales, although they have been regularly increased in recent years are still modest by any yardstick: the average 1600cc company car will cost its driver £2.77 a week in tax in 1984-85 (£2.45 a week in 1983-84).



EARLY RETIREMENT

Question

Does the Conservative Party propose to do anything to reduce retirement age?

Suggested answer

Any change in pension age is exceedingly expensive. To reduce male retirement age to 60, for instance, would involve at least £2,500 million net extra annual cost to central Government funds.

The Conservative Party is committed to give men and women wider personal choice. As a long-term objective our aim should be to make possible a more flexible approach to retirement. But no change could be contemplated without consideration of its costs.

Background

1 The Government White Paper, "Growing Older", published in 1981, emphasised the Conservative belief that people want and deserve a greater opportunity to choose for themselves the time of their retirement. It also confirmed the view that in the longer term developments in this field should bring about equal treatment for men and women.

2 The Social Services Select Committee report, "Age of Retirement", published in November 1982, recommended gradual progress to a common qualifying age of 63 for full state pension, together with a system which in time would allow early retirement on a reduced pension at age 60 for men and women, or the chance to earn a higher pension by continuing work to 65. The estimated cost would be £500 million.

3 The Government has not yet replied to the SSSC Report and is still studying its implications. Clearly under this proposal while there would be advantages for men and greater flexibility for all, women would have to work longer to achieve full pension.

4 The Government took important initiatives in the 1983 Budget to introduce greater flexibility into the treatment of men between 60 and 65:

- (a) to allow all men over 60 on supplementary benefit to qualify immediately for the higher long-term rate.  
(Benefits: 80,000 men)
- (b) to award national insurance credits automatically to men over 60 thus relieving them of the need to register as unemployed while preserving their future benefit position
- (c) to extend the Job Release Scheme for a further year and apply it (from October 1983) to part-time as well as full-time work.



Labour Policy

Labour is pledged in "New Hope for Britain" to "make progress towards our aim of a common pension age of 60". Michael Foot pledged in his 12-point plan for pensioners:

"We shall begin the progressive reduction of men's retirement age to 60".

Full implementation of this Labour pledge would cost £2½ billion at 1981 benefit levels.

## EARNINGS RULE

### Question

Why has the Government done nothing to abolish the Earnings rule for pensioners?

### Suggested answer

During the world recession and in a time of high unemployment the Government has had to choose its priorities in adjusting taxes and benefits for the elderly. We have made significant improvements in provision for the elderly. It remains our ultimate objective to abolish the earnings rule, and we have raised the allowed earnings limit. But we have not been able to phase it out as quickly as we would have hoped.

### Background

1 The 1979 Manifesto gave a specific pledge:

"It is wrong to discourage people who wish to work after retirement age, and we will phase out the "earnings rule" during the next Parliament." (p.23)

2 The Government has acted to raise the earnings rule limit to £57 per week from £45 per week in November 1978. (Defensive note: this increase is substantially lower than the rate of inflation over the same period.)

3 The earnings rule affects about 100,000 pensioners. Official estimates are that its abolition would add some £140 million to public expenditure. With tax effects the net cost to public funds would be about £55 million.

### Other parties' policies

4 Abolition of the earnings rule was not included in Michael Foot's comprehensive 12-point plan for pensioners. Nor was it mentioned as a commitment in "New Hope for Britain". It can be concluded that Labour propose no action.

5 Abolition of the earnings rule was included in the budget changes pressed for by the Alliance parties in 1983.



EUTHANASIA

Question

Would you oppose legislation providing for voluntary euthanasia?

Suggested Answer

Unless the candidate has very strong views to the contrary, we recommend an answer on the following lines:

"Yes. Quite apart from the difficult moral and religious issues involved, we think it would be impossible to devise legal provisions which would avoid abuse and provide cast-iron safeguards."

Background

The Government has no intention of proposing any legislation to legalise euthanasia in any circumstances.

FEMALE CIRCUMCISION

Question

What is the Conservative Party attitude to female circumcision?

Suggested Reply

The Conservative Party believes that this operation ought to be illegal in this country.

Background

1 This is an operation which mutilates the sexual organs of a woman and is carried out for non-medical cultural reasons in parts of Africa and Asia. There is some evidence that one or two operations were carried out by doctors in private practice in London about a year ago but there have been no recent cases reported.

2 It can be argued strongly that the operation is illegal under our existing law. However, the Government did not oppose a Private Members Bill which sought to put the matter beyond doubt. The Government has been tabling amendments to the Bill to make sure that it did not adversely affect any legitimate operations that have to be carried out for medical reasons.

3 No doubt the law will be clarified by a Bill in the next Parliament.



FLUORIDISATION OF WATER

Question

What is your view on the adding of fluoride to water supplies?

Suggested Answer

I believe that decisions on the adding of small quantities of fluoride to water should always be taken with full respect to the view of the public in the area. Under present law recommendations are made by Health Authorities and Water Authorities. Fluoride does help prevent tooth decay. It is not dangerous - indeed it is naturally present in water. But I understand some people's reservations.

I do not think Parliament should intervene except to clarify any points in the law. Any legislation to require fluoridisation in the future should be on a free vote.

Background

- 1 The Government has no proposals to change the law on this subject to require fluoridisation because of the differences in public opinion on the acceptability of adding any substance to water supplies. Current litigation in Scotland may, however, require some intervention to clarify any doubts that arise about the legal powers of Water Authorities.
- 2 Successive Governments have recognised that the addition of small quantities of fluoride to water can help prevent tooth decay. This view has been officially underlined by the Royal College of Physicians in their Report: "Fluoride, Teeth and Health" (January 1976).
- 3 As a matter of public health it was decided by the previous Conservative Government in 1973 that health authorities should have the initiative in these decisions.
- 4 Fluoride is a natural constituent of water. In some areas of Britain it is already present in water to the extent considered necessary to combat dental decay.
- 5 Fluoride is now contained in 95 per cent of all toothpaste.



FRAUD AND ABUSE

Question

Isn't the emphasis placed by the Government on the vindictive pursuit of alleged social security fraud by the worst-off in our community out of all proportion to the benefits received?

Suggested Reply

No. We clearly committed ourselves to the pursuit of social security fraud in the last Manifesto. We have had considerable success and will maintain that commitment in the future. No-one should turn a blind-eye to lawbreaking by whoever it is committed. And fraud is perpetrated at the expense of - and is as bitterly resented by - other social security beneficiaries just as much as the rest of the community.

Background

1 The 1979 Conservative Manifesto stated: "We shall act more vigorously against fraud and abuse." This commitment has been put into effect. Specialist Claims Control Teams have been set up which go into local offices and investigate areas of claims where experience has shown fraud is likely to take place. The emphasis is to stop fraudulent claims and recover the money rather than to prosecute. Not one case of improper conduct or harassment by investigating officers (who are subject to a strict code of conduct) has been substantiated.

2 Considerable savings have been achieved:

	<u>Savings</u>	<u>Prosecutions</u>
1980/1	£68m	30,116
1981/2	£96.1m	25,654
1982/3	£106m (est)	not known

3 Operation Major in Oxford aroused considerable criticism in 1982. This was a combined DHSS/Thames Valley Police operation. It arose when 300 claims for bed and breakfast s.b. payments were made concerning two houses in Oxford which could sleep only 90 people. 179 convictions were obtained. The operation saved £450,000 which would have been paid out if the fraud had been allowed to continue for a full year.



HEALTH SERVICE CHARGES

Question

Why has the Government imposed increased charges for health care?

Suggested Reply

We have devoted greatly increased resources to health care. We believe that it is reasonable that those people who can afford to should make a modest contribution to the costs of their care and so to the overall resources available for spending on health. The only alternative source of revenue for the NHS would be increased taxation or National Insurance Contributions. In fact, the increased charges have only financed a tiny proportion of the growth in NHS finances under this Government.

We increased charges sharply during our first years of office because the last Labour Government had allowed them to fall to an unrealistically low level. The latest increase in charges, however, is simply in line with increased costs overall.

There are very wide exemptions for anyone who cannot afford to pay. All pensioners, all children, all nursing mothers and everyone on low income is exempt from prescription charges so that 70 per cent of all medicines dispensed by chemists are free of all charges. The categories of exemption are only a little more restricted for dental and optical charges. Anyone on low income gets all treatment and all services absolutely free of charge and will continue to do so.

Background

1 The principle of charges was introduced into the Health Service by Hugh Gaitskell in the 1950 Budget.

2 Charges accounted for 3.4 per cent of the finance provided for the NHS in 1982-3 (against 2.1 per cent in 1978-9). The present flat rate charge of £1.40 per item (against 20p per item under Labour) represents only about a third of the average total cost of a prescription.

3 Exempted categories are: Children under 16; women of 60 and over; men of 65 and over; pregnant women and nursing mothers for the first year after childbirth; housebound people; war or service disablement pensioners (for prescriptions relating to their disablement); people on supplementary benefit or family income supplement, together with their dependants; other people on low incomes only a little above this level whether or not they are in work.

4 Prescription charges are not a deterrent to people seeking medical help. In 1978 there were 307.1 million prescription items dispensed. In 1982 the figure was 311.3 million.



## HEALTH SERVICE 'CUTS'

### Question

Why are 'cuts' being made in the Health Service in any locality (Guidance for candidates puzzled by the difference between the Government's claim to be increasing spending on the NHS and local campaigning alleging that cut-backs are being imposed.)

### Suggested Reply

The Government has greatly increased spending on the NHS nationally by over 16 per cent ahead of the RPI during our period of office, which represents  $7\frac{1}{2}$  per cent real growth in services after allowing for higher price increases in the health field. This is more than adequate to cover the extra costs of caring for a rising number of elderly people and for medical advance.

The service still has to evolve to match changes in the pattern of population as in the provision of medical services. This will lead - as it always has in the past - to the closure of older hospitals and their replacement by newer ones. Some places have a surplus of facilities for some services and a shortage in others so that for example, funds can be released by closing surplus beds in acute surgical wards and devoted to improving services for the mentally ill or the aged. There always have been closures of hospitals in the NHS and there always will be as the service develops but no single closure is any evidence of a 'cut'.

Almost all District Health Authorities have had, and continue to receive, increases in real terms in their resources. (Candidates would be well advised to get the actual cash figures for their Districts.) In some cases this increase in resources is less than the District would like or less than they expected when plans were drawn up a few years ago based on quite unrealistic forecasts of growth. But it is quite wrong to refer to any gap between actual growth and false hopes or expectations as a Government 'cut'. Yet many health interests make this claim in local debates.

We expect Health Authorities to make 'efficiency savings' of  $\frac{1}{2}$  per cent each year as a contribution to the financing of new developments. Again, these savings are not a 'cut' - but a modest contribution to the growth of priority services, achieved by cutting back on wasteful spending to release resources for patient care. The Chairman of Regional Health Authorities have all agreed that this annual target is a realistic figure for improvement in efficiency. In fact, it is a very modest improvement to expect in a service with a  $\pounds 15\frac{1}{2}$  billion budget. Many Health Authorities could do better than this and should devote all extra savings to their local patient services.

### Background

1 The last Labour Government regularly faced similar charges that hospital closures indicated cutbacks in spending. In Labour's case this charge was strengthened by the cutback of one-third in NHS capital spending made by the Labour Government of 1974-9. In 1976 Mr Albert Spenswick of COHSE told the Labour Party Conference:



5 Estimated figures for 1982/3 are that the cost of prescription dispensed in England was £1,262 million. Only £106 million (about 8 per cent of this) was recovered through prescription charges and season tickets.

6 Dental charges in 1982/3 raised £141 million, around 28 per cent of the total cost of dental services (£536 million)

7 Optical charges in 1982/3 raised £41 million, 27.2 per cent of the cost excluding arrears payments to opticians. Estimated figures for 1983/4 are £51 million (30.4 per cent of the cost.)

#### Labour Policy

8 Labour are pledged in "New Hope for Britain" to "phase out health charges" - something no Labour Government has ever done despite pledges in the past.

HEATING AND FUEL COSTS

Question

What will you do to help with the problem of fuel bills?

Suggested reply

This Government has made major improvements in help to those in need with the payment of fuel bills. We will continue to concentrate help on the most needy. The system of fuel help is presently being examined by the Social Security Advisory Committee. We will consider any suggestions that the Committee makes.

Background

1. In 1982/83 the Government spent about £325 million on help with <sup>fuel</sup> bills for poorer users. This compares with only £124 million in 1978/79.
2. The level of supplementary benefit heating additions were raised to their highest ever level in real terms in November 1980. They have been price protected since. (Basic rate ordinary addition at November 1982 was £1.90; Higher rate £4.65).
3. The lower rate of heating addition is now paid automatically to supplementary benefit householders with children under 5, or pensioners over 70. Higher rate addition is payable automatically to the severely disabled.
4. The Government has introduced a fairer and more consistent policy on estate rate heating additions to provide extra help for tenants of estates with special heating problems.

Labour Policy

"New Hope for Britain" (para 75) pledged to "reduce energy costs for pensioners both through support for conservation and by introducing new fuel allowances". What those fuel allowances would be has not been specified.



## HOSPITAL CLOSURES

### Question

Don't the closures of so many small local hospitals prove that the Government is cutting health services at a time when demand is growing?

### Suggested answer

✓ All the figures demonstrate that there has been a substantial increase in spending on health in real terms under this Government - and a consequent growth in services. No Government has ever spent more on health. No Government has ever provided better services.<sup>7</sup>

As part of this expansion in services the Government has in hand a major programme of hospital building - in all 136 new hospital projects are under way involving capital spending of £1,100 million. Some hospital closures are inevitable even in a service which is receiving such substantial increases in resources. The pattern of population and medical practices change. Old hospitals are constantly being replaced by new ones. Some places also have too many beds in certain services and the resources need to be released to develop other neglected areas of the NHS.

The Government has no bias against small hospitals. They are no longer planning the giant 1000-bed hospitals that used to be fashionable. Smaller units frequently work better. But hospitals need to be up-to-date. And they need to be fully used. All closures need ministerial approval; Conservative ministers have stepped in to save a number of small centres of excellence in response to justified public support. Tadworth Court was the latest and best-known example.

### Labour Record

1 Labour's record between 1974 and 1979 shows that hospital closures will occur in an evolving service. This was clearly stated by Labour's Secretary of State for Social Services, Mr David Ennals, who declared:

"Do not believe those who try and suggest that closures are evidence that the Government is starving the health service of funds. The reverse is in fact the case. ... The price of keeping surplus hospitals is a lower standard of care than we could get by concentrating our hospital services to give a more efficient service to patients." (Press Release, 24th January 1978)

2 The Government increased capital spending by 15 per cent in real terms in the period 1978-9 to 1982-3. In contrast, capital spending was cut back under the last Labour Government; between 1973-4 and 1978-9 it was reduced in real terms by 35 per cent.



HOUSEHOLD DUTIES TEST: NON-CONTRIBUTORY INVALIDITY PENSION (NCIP)  
AND MARRIED WOMEN

Question

Why are married women forced to go through the indignity of a household duties test before qualifying for non-contributory invalidity pension?

Suggested Answer

It was the last Labour Government that first imposed the household duties test. I recognise that there is a good deal of anger on this subject. But NCIP is designed as a benefit for those incapable of work through incapacity. Those who would normally work have to take a medical examination as to their ability to go out to work. The Labour Government introduced the parallel medical test on household duties to see if married women who might normally do housework were able to do it.

This Conservative Government promised, and put into effect, a review to find ways of overcoming this problem, including a study of practice abroad. We are still waiting for the outcome of the officials' report.

We are determined to find a solution. But those who press for an immediate change have to face the fact that the cost of abolishing the test completely would be £275 million.

Background

1 NCIP is a non-contributory benefit for people who have been unable to work for a least 28 weeks. It is payable after medical examination. Married women qualify for NCIP only if they are also unable to do housework. This requires a doctor asking a woman to attempt to perform ordinary household duties in his presence.

2 The NCIP rate (November 1982) is £19.70 per week. There are additions for wife (subject to earnings) and children. The pension is paid to 180,000 people at an annual cost of £140 m.

3 Paying NCIP to married women without the household duties test would cost an extra £275m. It would thus treble the total cost of paying this benefit. There would also be a significant staff cost (200 - 250 extra staff at DHSS would be needed).

Labour Policy

Labour introduced the household duties test. They are pledged in "New Hope for Britain" to abolish the test (cost £275m) and also to "bring up the non-contributory invalidity pension to the level of the flat-rate contributory invalidity benefit". (i.e., from £19.70 to £31.45 per week). (Cost: £60m; even without counting potential extra recipients if household duties test was abolished.)



HOUSING BENEFIT

Question

Hasn't the Government's new housing benefit scheme caused extra hardship to those in need?

Answer

There will be some people who are on average around 40p per week worse off under the new scheme. But they are the relatively better off rebate recipients. Over 1 $\frac{1}{4}$  million people (notably pensioners) will be better off by an average of £1 per week. And no one on supplementary benefit will get any less assistance with rent and rates.

Background

1. Previously help with rents and rates could either be received by housing additions to supplementary benefit payments from the DHSS or from rebate and allowance schemes run by local authorities. It was not always easy for applicants to decide which scheme to apply for; the wrong choice could lead to loss of full benefit entitlement. The Government has merged the two schemes into one. Local authorities are responsible for its operation. The unified system of Housing Benefits will be simpler to administer and simpler to understand.
2. The new scheme has been brought in in two phases, the second being due for completion in April 1983. There may be some extra manpower cost to local authorities. But the DHSS will save 2,400 staff. The estimated annual administrative savings of £10 million will be ploughed back as extra benefit payments.
3. From April 1983 it is estimated about 6 $\frac{3}{4}$  million people will receive housing benefits. 400,000 previous recipients of rebates or allowances will not be eligible under the new scheme. Another 1.9 million are slightly worse off. The rest will break even (3 $\frac{1}{2}$  million) or gain (1.3 million).



INVALID CARE ALLOWANCE

Question

Why does the Government discriminate against married women by refusing them invalid care allowance?

Suggested reply

Invalid care allowance was designed to help compensate for loss of pay in cases where the main breadwinner of a family was forced to stay at home to care for a severely disabled person who is receiving the attendance allowance. That is why it was originally set up to be paid to men or single women of working age. Conservatives recognise the enormous value of the care that is provided by married women to disabled relatives. But although we have been able to make some improvements in invalid care allowances it is not possible to meet every request for improvements or extensions of benefits.

Background

- 1 Invalid care allowance (ICA) is paid to men and single women of working age who stay at home to care for someone on attendance allowance. The current (November 1982) rate is £19.70 a week. There are additions for wife and children.
- 2 The cost of extending ICA to married women would be £60 million.
- 3 This Government allowed carers who were not relatives of the person on attendance allowance to receive ICA from July 1981. In November 1982 the earnings rule limit on what a person receiving ICA is allowed to earn was doubled from £6 to £12 a week.
- 4 8,000 people receive ICA by order book. Total cost is £8 million.

Labour Policy

Labour have repeatedly committed themselves to extend ICA to married women.



INVALIDITY BENEFIT ABATEMENT

Question

Why has the Government attacked the disabled by abating invalidity benefit by 5 per cent? Will you give a pledge to restore that abatement?

Suggested Reply

Invalidity benefit was abated by just 5 per cent in 1980 in lieu of income tax. It is a benefit which replaces earnings. It is therefore reasonable that it should be brought into taxation as soon as the administrative changes can be made. We have already restored the 5 per cent abatement of the invalidity allowance made at the same time. The Chancellor has promised that the invalidity benefit abatement will be restored when the benefit is taxed. But this would not in fact benefit the majority of recipients because they have incomes above the tax threshold.

Background

1 Invalidity benefit is a contributory benefit for sick people unable to work. It takes over from sickness benefit after it has been in payment for 6 months. The basic weekly rate (November 1982) is £31.45 per week. Invalidity benefit is paid to over 600,000 people at an annual cost of £1,600 million.

2 Invalidity benefit and invalidity allowance were abated by 5 per cent in November 1980. Abatement of invalidity allowance was restored in November 1981. The cost of restoring the abatement of invalidity benefit is estimated to be £60m.

Labour policy

Labour is pledged to restore the 5 per cent abatement.



## KIDNEY MACHINES

### Question

Why are people dying for lack of kidney machines?

### Suggested Answer

The Government has made action to help those suffering from treatable kidney failure a priority. This is a case where medical advance has raced ahead of planning and resources. But the numbers being treated have steadily increased. We are specifically urging health authorities to make dialysis services a priority area. Unnecessary alarm has been caused by alarmist and unjustified suggestions that in a number of cases patients suitable for dialysis have been refused treatment and have died. Of course, there is a need for more organ donors, more transplants and more dialysis equipment. This is being - and will be - provided as quickly as possible.

### Background

#### Dialysis

1 Renal dialysis is a method of containing a clinical problem and prolonging life. It does not offer a cure. Kidney transplants are the only way of freeing those with renal problems of dependency on kidney machines.

2 It is estimated that the number of cases of potentially treatable kidney failure is 45 per million total population. In the UK this means some 2,500 cases a year. It is for the clinical judgement of the consultant to decide on whether a patient could and should be treated.

3 The running cost of dialysis is expensive. For routine hospital dialysis the cost is over £12,000 per year. For home dialysis around £9,000 per year. At the end of 1981 there were about 5000 patients on dialysis in the UK. A few years ago, fewer patients over 50 were accepted for treatment. Now more than one-third of the patients accepted for treatment are over 50, and this is still increasing.

#### Transplants

4 The number of kidney transplants in the UK passed 1000 for the first time in 1982. This record figure still falls short of demand. The waiting list for a kidney has now reached 2,263. The problem is not lack of money but lack of donors.

5 The number of donors for the kidney transplant programme fell back sharply as a result of a Panorama programme on brain death in October 1980 which caused public alarm. The Government has acted to allay this disquiet and issued a revised Code of Practice on organ transplantation in March 1983. As the Minister for Health, Mr Kenneth Clarke, stated:

"There is not the slightest chance when the code is followed that organs will be removed for transplantation from someone who is not dead in every sensible meaning of the term. It is a tragedy that fears of that kind have cost us hundreds of operations that might have returned patients to happy and full lives." (Press Release 10/3/83)



6 Since 1972 there have been over 7000 successful kidney transplants. Each transplant helps two people - the person receiving the kidney and the one for whom a kidney machine thus becomes available. The Government is making every effort to encourage the wider carrying of kidney donor cards.

## MOBILITY ALLOWANCE

### Question

Would a Conservative Government continue to refuse mobility allowance to people over 75?

### Suggested Reply

The mobility allowance age limits were imposed by previous Governments. The allowance has to be claimed before the 66th birthday and continues up to the age of 75. This Government phased in payments to some of the older age groups quicker than had been planned. But, looking to the future, the numbers of people over 75 will grow fast. Regrettably the cost of paying a continuing mobility allowance to the over-75s who naturally suffer most from walking problems would be prohibitive. Even on today's figures the cost would be over £450 million.

The Government has an outstanding record on mobility assistance. We have increased it by 83 per cent (far ahead of prices) since coming into office. We have also made it tax-free. No Government has ever remotely matched our record of help for the disabled; total cash payments to the disabled have risen by 21 per cent in real terms since 1979.

### Background

1 Mobility allowance is paid out to people unable or virtually unable to walk because of physical disablement. The rate (November 1982) is £18.30 per week (against (£10.00 when the Government took office). The allowance is paid to 255,000 people at an annual cost of £240 million.

### Labour Policy

Even Labour has not pledged to make mobility allowance payable to all those over 75 who become eligible by reason of incapacity. "New Hope for Britain" pledges to "continue to pay mobility allowance to existing recipients as they reach the age of 75." No existing recipient will reach the age of 75 until 1989.



## NHS CHARGES FOR OVERSEAS VISITORS

### Question

Why has the Government imposed NHS charges for overseas visitors?

### Suggested Reply

We believe it is reasonable to impose a charge for the use of the NHS on most visitors from countries which charge British people on visits there.

### Background

1 The Government has introduced a scheme to charge overseas visitors for hospital treatment in this country if the visitors come from countries who charge British people when they need treatment on visits there. We do not charge anyone from a country which gives free treatment to our citizens.

2 No charges are made for emergency out-patient treatment or for infectious diseases. Anyone coming here for a reasonable length of time, including students enrolled on courses which will last for more than six months, is exempt.

3 Most of the people who will be charged will be tourists and businessmen from countries such as the USA, Australia and the Arab states. We expect them to insure for health costs when they are here as British visitors have to do when they go there. The level of charges is equivalent to that levied on British private patients in NHS hospitals. The money raised is a small addition to the finances of our NHS.

4 The extra administrative cost is trivial as most patients are merely asked one additional question amongst all the other questions about name, address, age and so on that all patients have always been asked on admission to hospital.

5 Relatives and friends of patients can never be liable for charges.

6 The old system in the NHS was haphazard and varied from hospital to hospital. There was some evidence that hospitals tended to charge patients with foreign names and accents and there was some suspicion of racial bias in its effect. The Government removed that suspicion by insisting that the same simple questions should be asked of all patients. Our instructions expressly tell staff not to ask for passports from patients except in the case of an EEC national who has only to prove citizenship to claim exemption.

7 Various groups such as one called "No Pass Laws for Health" have issued inaccurate leaflets on the scheme trying to claim that the new system discriminates against immigrants. In fact, the new system eliminates the slight risk of racial bias that the old system carried.



"The NHS ..... is more in danger, more in fear for its very existence than ever before. Our fears lie in two directions. On the one hand, the entire Service - some 1m employees, 2,500 hospitals and 400,000 beds - faces a very severe cut back in its expenditure allocation, so severe that it has now spread beyond the mere elimination of the unnecessary but desirable to the closing of wards and hospitals and reduction in outpatient facilities and patients' access to care."

(Blackpool 29th September 1976)

2 Labour's Secretary of State for Social Services, Mr David Ennals, replied to charges saying that local closures meant national spending cuts by saying:

"Do not believe those who try and suggest that closures are evidence that the Government is starving the health service of funds. The reverse is in fact the case."

(Press Release, 24th January 1978)

3 Spending on the NHS in GB has been raised from £7 $\frac{3}{4}$  billion in 1978-9 to an estimated £15 $\frac{1}{2}$  billion in 1983-4.

4 The Conservative Government has in train a £1100 million capital spending programme for the building of new hospitals. Under this programme 140 major new hospital capital schemes are being designed or constructed.



## OCCUPATIONAL PENSIONS

### Question

What would a Conservative Government do to right some of the injustices felt by "early leavers"?

### Suggested Reply

The main thing that any Government must try to do for any pensioner is to limit the rate of inflation which erodes the value of the pension and destroys any accumulated savings. Occupational pension schemes are personal to an employee and his employer. In principle Government should only step in to regulate them where there are clear injustices.

These days, however, more and more people are changing jobs. It is not satisfactory for early leavers to have markedly inferior pensions in prospect than those who stay in one job. This Government asked the pensions industry to seek voluntary agreement on ways of improving the situation of early leavers. But if no suitable voluntary solution were found and legislation did prove to be necessary a Conservative Government would certainly take that step. We are also committed to legislate to see that members of occupational pension schemes receive fuller information about all matters concerning their individual pension scheme.

### Background

- 1 11.6 million employees are members of occupational pension schemes. There are an estimated 3.9 million occupational pensioners. The average payment under pension in 1981 was £27.00 per week.
- 2 When an employee changes jobs having contributed to an occupational pension scheme his pension rights are usually "frozen" until he reaches retirement age. This lack of revaluation in view of inflation means the pension he receives may bear little relation to his final salary and will be far behind the pensions of those who remain in the same job until retirement. This limits mobility of labour.
- 3 It has to be recognised that current premiums and benefits in occupational schemes are calculated on the basis that a percentage of early leavers will occur. Altering the rules could therefore affect the premiums and/or benefits of those who continued in the same employment.
- 4 In June 1981 the Occupational Pensions Board (OPB) recommended that pensions should be revalued annually in line with earnings up to a ceiling of 5 per cent.
- 5 A proposal from the National Association of Pension Funds to establish a "central fund" to manage the pension rights of early leavers would require important primary legislation. The proposal will be considered further at the special conference called by Mr Fowler, to consider the problems of "early leavers" which he announced on May 7th.



## Labour Policy

Labour pledged in "New Hope for Britain" to legislate to "more adequately protect occupational pensions from the effects of inflation than they are at present; protect the position of early leavers; and extend to members of schemes rights to participation and to greater information". But Labour's financial policy, detailed in the 1982 Conference Statement on the Financial Institutions would direct some of the resources of pension funds into a state-controlled National Investment Bank to follow Labour's investment priorities, it would also give trade unions a 50 per cent dominating membership of the "controlling bodies" of pension schemes. Such proposals should be deeply worrying to those with occupational pensions who are seeking the best financial return on the money invested for them.



## PENSIONS, METHOD OF CALCULATING

### Question

Isn't the new method of calculating pensions that will be brought into effect if the Government wins the Election simply a device for clawing-back money from pensioners without admitting it?

### Suggested Answer

What the Government is proposing is to go back to the historic or actual method of calculating pensions that was used before 1976. Labour changed the method then to one of guesswork about what the future rate of price increases would be in order to save money at pensioners' expense.

Labour's method has been wrong five times in the last seven years, causing uncertainty and confusion about where pensioners stand. Our method, basing the uprating on price increases that have actually taken place, will bring back certainty and stability in fixing pensions. It will ensure that pensions will automatically increase in line with prices because any price rises "missed" in the period between the announcement and the implementation of an uprating will inevitably be picked up in the reckoning for the uprating the next year.

While prices continue to rise Conservative Governments will afford pensioners full protection against their effects. Under this Government pensions have been raised faster than prices (by 68.5 per cent between November 1978 and November 1982 against a rise in prices of 61 per cent.

We believe finally that the main priority for pensioners is to have a Government determined to carry on the fight against inflation. Price rises are the cause of all the fear and anxiety pensioners have suffered these last few years.

### Background

1 In 1976, the Labour Government seeing that pensioners were due for a 21.2 per cent uprating to keep pensions in line with prices under the historic method, changed over to a system of uprating pensions and other long-term benefits by "forecasting" future inflation. The uprating for 1976 was set at 15 per cent, thus saving the Government £500 million (around £1,000 million in today's money) at the expense of pensioners. That money due was lost for ever and was never made up.

2 The forecasting method was based on assumptions about future inflation. Those assumptions were wrong in 1976, 1978, 1980, 1981 and 1982. Out of seven occasions the forecast has been right only twice - in 1977 and 1979. Some years the forecast was too low, the money had to be made up the following year, and pensioners in the interim felt hard done by. Other years the forecast was too high, an adjustment was made in the next year to bring the sum back into line, and pensioners, seeing this as a "clawback", again felt hard done by.



3 Under the historic method from 1983 a calculation will be made in every June (the latest month that can be chosen if all benefits are to be paid in November) of the actual increase in the RPI in the preceding 12 months from May to May. The pension, as now, will be paid in November.

4 At the time of the Budget it was forecast that inflation in May would be around 4 per cent, in November around 6 per cent. But in 1982 the inflation forecast was 2.7 per cent too high. So had the forecasting method with adjustment been applied pensioners would have received only 6-2.7 percent, ie 3.3 per cent. They are thus likely to receive more under the historic method than would have been the case had the Government held to the forecast method with adjustment.

5 Pensions have risen faster (68.5 per cent from November 1978 to November 1982) than prices (61 per cent from November 1978 to November 1982) under this Government. The change proposed in the Budget will mean that will still be the case.

#### Labour Policy

Labour is pledged to uprate pensions in November 1983 faster than the Government proposes; "New Hope for Britain" states they will be uprated "by the full amount necessary to protect their real value against the rise in inflation" to November 1983 (ie around 6 per cent).



PENSIONS, DATE OF UPDATING

Question

Why do pensioners have to wait for so long for their money after the Budget announcement of the pension increase in the spring?

Suggested Answer

The Government would very much like to reduce the time between the updating announcement and the date pensioners receive it. In fact this year (1983) we are reducing it to just over five months - much less than the seven or eight months of recent years. The problem is that supplementary pensions have to be calculated according to the personal needs and resources of each individual pensioner. That does take time.

It would be possible to reduce the time below five months for the payment of most benefits. But that could only be done if pensioners were prepared to have their money paid directly into a bank or post office account on a monthly basis. Most have shown in the past they don't want this.

So there are problems. But the Government will continue to look to see whether new technology can help in reducing this gap further.

Background

1. Pensions are presently paid by millions of individual order books with weekly vouchers cashable across a Post Office desk. These cover several months. Books with the updated figure for November have therefore to be printed and distributed from a date beginning several months in advance.
2. The traditional November date for updating pensions and benefits is chosen to give the extra money just before the expensive Christmas season.

*Mainline*



SELF-CERTIFICATION OF SICKNESS

Question

Hasn't the new system of self-certification of sickness encouraged malingerers who no longer have to have a doctor's certificate?

Suggested Answer

No. Claims for sickness in the six months after the introduction of the new scheme fell by some 20% below the same period for the previous year. People can no longer shelter behind easily granted doctors' certificates. And doctors have more time to treat patients with more serious complaints.

Background

1 As from 14th June 1982, it has no longer been necessary for an employee to produce a doctor's certificate for the first seven days' absence from work during illness. Employees have to present to employees with a "self-certificate" - a signed statement by the claimant that he was sick and an indication of the nature of the illness. Control of absenteeism is primarily a task for employers. But after seven days an employee will still have to produce a free doctor's statement. And in cases where four "self-certificates" have been presented in a year an employer can advise the DHSS which will ask the employee to see a gp next time he is sick for four days or more.

2 Before self-certification some 3 million doctor's certificates a year were issued for spells lasting for less than a week. Doctors had complained that in many cases of short illness patients did not need to visit a gp. Self-certification has reduced the number of unnecessary consultations, and, probably, the drugs bill.



## STATUTORY SICK PAY

### Question

Why has the Government, which promised to help small businesses, brought in a new sick pay scheme involving extra paper work?

### Suggested Answer

The new system will mean considerable savings in Whitehall. It will be possible to save about 3,000 civil servants. This will involve some extra paper work for employers. But we took employer's comments closely into account in laying down procedures. Paper work has been kept as simple as possible. We have kept it to the minimum consistent with checking that only proper deductions are made from PAYE contributions. We have produced record cards free of charge. Local social security offices can advise anyone who is not clear at first what is entailed.

The new system is fairer to everyone. It will end the state of affairs where someone could be better off absent sick receiving a tax-free benefit than being at work.

And employers will be no worse off. The new sick pay scheme does not go on top of ordinary wages. It is part of them. We agreed with employers that they should be able to recoup the entire cost of any sick pay paid by deducting the amount from their next monthly cheque to the Inland Revenue for PAYE and national insurance contributions. Many employers have paid ordinary wages during sickness. They will now be better off because of the deduction they will be able to make from their PAYE contributions.

The Government will take close note of comments on the scheme and will keep it under constant review.

### Background

1 As from 6th April 1983, all employers will be obliged to pay their employees a minimum wage for the first eight-weeks' absence due to illness (except for the first three days) in each tax year. After eight weeks the employee will receive sickness benefit from the DHSS.

2 Employers recoup Statutory Sick Pay disbursed by 100 per cent self-deduction from their monthly remittances to the Inland Revenue.

3 An employee who does not get his SSP can refer to adjudicating authorities. There are penalties for employers who delay payment. SSP sets minimum rates: the Government cannot oblige employers to pay full wages during illness. The standard SSP rate for those earning over £65 per week will be £40.25. That compares with the £40.45 rate of sickness benefit for a married couple.

4 The change will mean a reduction of 3,000 civil servants who no longer have to calculate and pay our sickness benefit. The saving to the PSBR will be up to £90 million.



5 By introducing sickness pay in place of the previous benefit for the first eight weeks, the new system will bring the majority of payments during sickness into tax. It will thus end the anomaly whereby over half the workforce got more when sick than when at work. It will also reduce duplication of work and cost between the State and employers both paying for short periods of sickness.



TOBACCO ADVERTISINGQuestion

What restrictions would a Conservative Government impose on tobacco advertising?

Suggested Answer

The Government has stepped up efforts to draw attention to the dangers of smoking to health. But I would not support legislation to prevent such advertising. I believe that persuasion and voluntary agreement is better than compulsion. In a free society individuals should be left to make up their own minds about smoking on the basis of the full facts as they are known.

Background

1 Cigarette advertising on television was banned in 1965. Voluntary agreements with the tobacco industry on stricter advertising codes have been reached in 1971, 1977, 1980 and 1982 (three times out of four under Conservative Governments).

2 Under the 1980 voluntary agreement expenditure by tobacco companies on cigarette poster advertising was controlled for the first time, together with other restrictions on the advertising and promotion of cigarettes.

3 Under the 1982 voluntary agreement the industry will make further reductions in the amount spent on poster and cinema advertising. It bans video and new aerial means of advertising cigarettes. It provides for clearer and more universal presentation of the Government's health warning.

4 The Government's main effort has been in health education on smoking. The Health Education Council was given an extra £2 million in 1982/3 specifically for anti-smoking campaigns (such as "Beat Nick-O'Teen" aimed at children).

5 The banning of smoking in public places continues to spread. This is best achieved by voluntary means rather than by the criminal law. There is no evidence that a total ban on advertising on sports sponsorship would reduce consumption. (Some evidence - from Norway - even appears to disprove that assertion.)

Key Statistics

Smoking is estimated to account for at least 50,000 early deaths each year and 50 million lost working days. Sales of cigarettes have declined every year since 1973. They are down by almost a fifth since 1978. In 1982 sales were 102,000 million. Tax revenue (including VAT) is about £4,000 million a year.



INDUSTRY

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- 76 New Technology : Government support
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Question:

What are the advantages of privatising British Telecom?

Suggested Answer:

First, it will free BT from the web of Government control and interference so that it can compete far more effectively in the rapidly growing market for telecommunications. It will enable BT to become a major force in information technology. It will therefore help create many more jobs.

Second, together with the measures already taken to liberalise telecommunications, privatisation will mean greater competition and will give the customer wider choice and better service.

In particular, privatisation will allow BT to raise capital for investment from the market rather than, as at present, from the taxpayer or from the customer through higher charges. And to make sure that the customers benefit, the Government has accepted the recommendations made by Professor Littlechild that after privatisation, BT plc will be obliged for five years to keep any increase in its prices for domestic rentals, local calls and other services of particular concern, taken together, below the rate of inflation (as measured by the retail prices index).

Privatisation will therefore help the customer by providing a wider choice through competition, will help keep charges down, will help create jobs as BT wins new business and will help the taxpayer as BT looks to the capital markets instead of the Government for its finance.

Question:

Will rural areas suffer from privatisation of British Telecom?

Suggested Answer:

No. British Telecom's licence will oblige it to provide services throughout the UK including remote and rural services. And BT have publicly accepted a continuing responsibility to remote and rural areas. In fact, the Telecommunications Bill introduced in the last session of Parliament specifically mentioned rural services and imposed a paramount duty on the Secretary of State to ensure that these services are maintained - for the first time in telecommunications legislation.

Nor is there any reason for prices to go up in rural areas compared to urban areas. In fact, the evidence suggests that services in rural areas probably cost less. In any case, BT will be prohibited by its licence from unfairly discriminating against rural customers.

Nor are there any grounds for fearing that installation costs might shoot up in rural areas. In fact, the consumer's position will be strengthened. In future if the consumer thinks he is being charged an unreasonable amount, he will be able to complain to the Director of the Office of Telecommunications who, if the complaint is justified, will be able to order BT to reduce the charge to a reasonable amount. There is no comparable right under existing legislation.



Question:

Will the privatisation of British Telecom mean a loss of jobs?

Suggested Answer:

On the contrary, it should help employment. When British Telecom is privatised, it will have greater commercial and managerial freedom and will therefore be far better placed, than if nationalised, to meet the increasing demand in telecommunication.

In the United States, where telecommunications companies are in the private sector, employment in these companies has been growing at about 6% a year.

Job opportunities are already being created as a result of the Government's programme of liberalisation. The introduction of competition in the supply of terminal equipment has led to the creation of new sales staff within BT and also new jobs in manufacturing, retailing and service sales. The Government had licenced a new public network, Mercury, to compete with BT and it is also generating new jobs - not only by itself, but also in BT as it introduces new services to compete with Mercury. In the near future, the new competing cellular radio networks will generate thousands of new jobs.



Question:

Will privatisation of British Telecom put pensions at risk?

Suggested Answer:

As far as existing pension obligations are concerned, these will be fully honoured. As far as the future is concerned, the substantial protection enjoyed by BT's pensioners and its employees under the trust arrangements will remain unchanged.

Background Note:

1. The trustees of the British Telecom pension fund have the duty of providing pensions to the BT pensioners and of holding contributions in trust. The benefits paid to pensioners are governed by the pension fund trust deed. Under rules established by this trust deed, BT's pensioners are entitled to periodic increases in their pensions in line with those enjoyed by most civil servants. The trust deed prohibits changes which would reduce the benefits of any person already entitled to the receipt of a pension. So it would not be open to the successor company, even if it wished, to reduce this entitlement.
2. BT's current employees are generally members of the pension scheme by virtue of their contracts of employment. As they retire, they benefit from the scheme's rules relating to its pensioners. Any change in those rules relating to employees retiring in the future would require the agreement of all the trustees including those nominated by the trade unions. All trustees are required by law to act in the best interests of the trust's beneficiaries. So while the Government cannot offer guarantees about the future - any more than it could if BT were to remain a nationalised industry - there is substantial protection for BT'S employees under the trust arrangements. When BT is turned into a public limited company, this protection will be preserved in full.
3. As regards the pre-1969 pension fund deficiency, this is at present the responsibility of BT who are obliged to make it good by 1992 by means of payment made under a deed of covenant. Under the Telecommunications Bill, the obligation is to be handed on to the successor company (BT plc). Part of the deficiency might be liquidated out of the proceeds from a sale of shares. However, the important point is that the deficiency will be made good in full in one way or another and by BT plc unless alternative arrangements are made.



Question:

Will loss-making public call boxes be withdrawn under privatisation?

Suggested Answer:

No. The Secretary of State and the Director of the Office of Telecommunications will be placed under a duty to ensure that public call boxes are provided throughout the UK to satisfy all reasonable demands for them. The duty remains whether or not the kiosks make a loss. This is the first time that the provision of public call boxes has been made a specific duty in law.

Background:

1. This does not mean that no boxes will ever be withdrawn. Each case is judged on its own merits.
2. There are currently around 76,000 public call boxes. 32 were closed in 1979-80, 30 in 1980-81 and 63 in 1981-82.

Question:

Will the emergency 999 services continue after the privatisation of British Telecom?

Suggested Answer:

Yes. The Secretary of State and the Director of the Office of Telecommunications will have a paramount duty placed on them to ensure that the emergency services are provided. BT's licence will require it to continue to provide the 999 service free of charge thus preserving an advantage which consumers in several other European countries do not have. As well as BT, other public telecommunications operators such as Hull, Mercury and the radio telephone companies will also be required to provide access to an emergency service.



Question:

Are there plans to close down rural sub-Post Offices?

Suggested Answer:

No. The Government recognised the importance of sub-Post Offices to rural life and is firmly committed to the maintenance of the sub-Post Office network.

Of course, some changes have taken place to take account of retirements and movements of population. But the number of closures during this Government has been less than half the number of closures during the period of the last Labour Government.

The Government has announced a fund of up to £2 million to compensate for any loss of DHSS business. This fund reflects the Government's commitment to maintain an adequate sub-Post Office network.

Background:

The Post Office is currently carrying out a review of sub-Post Offices. The review team has made an appraisal of sub-Post Offices in urban areas only. The rural network is not being reviewed, not are there plans to do so. Rumours of large-scale closures are without foundation.

Question:

Why do we not ban foreign imports of steel?

Suggested Answer:

In fact, Britain has a lower proportion of its market for steel taken by imports than other European countries. In the UK, the figure is 27%, in France 35% and in Germany 43%.

As regards imports from other EEC members, these accounted for 17-18% of the UK market in 1981 and 1982. However, before 1980, the year of the thirteen week strike, the figure was 12-14%. The strike lost the UK a significant slice of its market to imports from Europe.

As regards imports from countries outside the EEC, to shut these out would only invite retaliation. We need to remember that we are net steel exporters only to many of the Third World markets. So overall Britain could end up being a net loser.

What is more, there are fourteen times as many people employed in the steel using industries as in the steel industry. If these industries had to buy uncompetitive steel, it would only damage exports and employment.

However, action is being taken by the Community through voluntary restraint arrangements with other countries, and where necessary additional action has been taken. For example, anti-dumping duties have been imposed on steel imports from Spain and Brazil. Quotas have been set up against steel imports from Czechoslovakia and Bulgaria. The Community's aim is to reduce the amount that is imported into the EEC to 12½% below the 1980 levels.



Question:

Is the Government committed to a future for the British Steel Corporation?

Suggested Answer:

Yes. The Government's objective has been to bring the Corporation to economic viability. The BSC has rationalised its activities to a greater extent probably than any other enterprise in the country. The External Finance Limit (EFL) has been halved from £1,121 million in 1980-81 to £575 million in 1982-83. The Corporation is now on target for obtaining viability in 1984-85.

Because of improved competitiveness in the steel industry, and because of the increase in steel production expected by BSC in 1983, the Government has asked the Corporation to prepare its plan for the next three years on the basis that steel-making will continue at all five major integrated sites: Port Talbot, Llanwern, Scunthorpe, Ravenscraig and Teeside. This is a clear sign of the Government's commitment to the steel industry.

Steel production in the first three months of 1983 was up 38% compared with the previous three months.

Question:

What is the position on the Westland 30?

Suggested Answer:

In September 1982 it was announced that agreement had been reached to provide Westland Helicopters Ltd with launch aid of £41 million towards a project to develop improved versions of the Westland 30 civil helicopter. There would be a levy on sales to provide a fair return to the taxpayer. This is in line with the Government's philosophy to provide launch aid for projects which are viable and have a good rate of return. Having looked at this proposal, the Government came to the conclusion that the project meets these criteria. This is a good example of partnership between the Government and the private sector which will help Westland diversify into the civil market.



Question:

What is the position on the EH101 Helicopter Project?

Suggested Answer:

The EH101 programme aims to bring together companies, industry departments and defence ministries in the UK and Italy to produce a helicopter with both civil and defence versions. The UK company is Westland. The British Government believes that international joint ventures like the EH101 should make good commercial sense in view of the high costs involved in launching major aerospace projects. The British and Italian industry departments have agreed that financial assistance should be provided so long as the companies meet national criteria for financial support for commercially viable projects and so long as the Ministries of Defence give the go ahead for the naval version. The hope is that we should be able to go ahead with the EH101 helicopter project later this year if the Italians are ready by then.

Conservative Research Department  
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18.5.83

Question:

What is the position on the A320?

Suggested Answer:

The Government have indicated that launch aid is available for viable projects, as they have shown in the case of Rolls Royce and the Westland 30.

The present situation is that Airbus Industries are testing the markets for launching the A320 with a derivative engine (the CFM 56-4). That market appraisal will not be available until July 1983 and it will then have to be considered by the partners in Airbus Industries.

Background:

The background to the A320 is that Airbus Industries, the European airliner manufacturing consortium, in which British Aerospace has a partnership share has been considering a programme for the next generation of aircraft to enter service from the late 1980s. What has emerged as the front runner is a completely new narrow-bodied 150 seat aircraft designated the A320. The Government need to be satisfied that the A320 is a viable project and that the time is right to launch it. No decision has yet been taken by Airbus Industries nor by British Aerospace. Both the German and the UK Governments are united in this approach. It requires the most careful consideration because launch aid for the aircraft and the Rolls Royce engine could involve the Government providing up to £400 million of launch aid.



Question:

What are the Government's views on regional policy?

Suggested Answer:

We are committed to a regional policy. But we want it to be effective. In particular, we want to make sure that the policies are economical and effective in creating jobs. But we do not propose any sudden changes in regional policy.

To help the regions, we want to co-ordinate the actions of central government so that we can provide the best help possible to the development Areas. We have set up Enterprise Zones in order to encourage the economy of particularly depressed areas. We intend also to establish certain experimental "Freeports" as duty-free trading zones.

In addition we want to encourage regional economies to diversify by encouraging companies there to make the fullest use of the Government's many schemes for innovation.

Background:

1. When this Government took office, regional aid was widely diffused: 44 per cent of the working population lived in assisted areas. The Government therefore concentrated regional aid on the areas of greatest need to help them more effectively and has reduced to 27 per cent the proportion of the working population now in assisted areas.

2. The latest figures, showing the net increase in the number of firms by region (for the years 1980 and 1981) show that, taking the two years together, there was a net increase in the number of firms in every region - the SOUTH EAST, EAST ANGLIA, THE SOUTH WEST, THE WEST MIDLANDS, THE EAST MIDLANDS, YORKSHIRE AND HUMBERSIDE, THE NORTH, WALES, SCOTLAND AND NORTHERN IRELAND - except for the North West where there was a small net reduction. But in the North West, there was a net increase in the number of firms of 900 in the last year for which information is available, 1981.

Question:

Why have there been so many bankruptcies?

Suggested Answer:

Every year, new companies are established and existing companies go out of business. The threat of bankruptcy was bound to become worse when - as happened between 1975 and 1980 - British manufacturing industry lost 50 per cent of its competitiveness; and when there is a deep world recession. This is why the Government's policies have been directed at increasing productivity and competitiveness. In the last two years, productivity has increased by 14 per cent and we have won back about a half of the competitiveness lost between 1975 and 1980.

What is more, a large number of new firms have been started - many more than those going out of business. In the three years 1980, 1981 and 1982 there was overall a net increase of 19,800 in the number of firms in the UK.



Question:

Can the Government give a commitment not to close further shipbuilding yards?

Suggested Answer:

The Government has made it clear that it wants to see a viable United Kingdom shipbuilding industry with a long-term future. At present, the world shipbuilding industry is suffering from vast over-capacity. To help British Shipbuilding, the Government has already provided some £700 million into the industry through public dividend capital and through the Intervention Fund and for redundancies.

But because of the continuing difficulties, the Government has said that it will look carefully and sympathetically at proposals put forward by the Chairman of British Shipbuilders, Sir Robert Atkinson, for extra help in the light of the deterioration of the market. In the meantime, the Government will give careful consideration to specific requests for help on a case by case basis within the framework of international rules.

Background:

1. The Government is providing levels of capital expenditure four times higher than the level prevailing when Labour left office. Investment under the previous Labour Government was scarcely enough to meet the necessary requirements for health and safety and vital maintenance. This year we have approved £90 million of capital expenditure. This compares favourably with the levels of investment in the Japanese industry - around £1,400 per man is going into British Shipbuilders compared with £800-900 per man in Japan. This also includes the development at Barrow of facilities to build nuclear submarines which, at about £200 million spread over several years would be the largest single investment ever undertaken by the Corporation.

The Government has demonstrated its commitment to the industry. But even with Government help, the size and shape of the industry depends ultimately upon its competitiveness and ability to deliver ships on time at the right price. There is considerable room for improvement still. BS productivity has still not reached the levels before nationalisation.

2. British Shipbuilders has just won two major orders. There is an order from Mexico for two ships of 45,700 deadweight tonnes. The contract price of the two ships totals over £41 million. They will be built by Sunderland Shipbuilders (a BS subsidiary) and will provide work for 1,200 over two years. The second order is from Ethiopia for two large cargo liners with a contract price of £12.1 million each. They will be built by Austin & Pickersgill. They will provide work for 640 man years.

Question:

What is the position on Rolls Royce and the collaborative engine (formerly the RJ500)?

Suggested Answer:

In March 1983 a five-nation agreement to develop a new jet engine was signed by Rolls Royce, Pratt and Whitney, the Japanese Aero Engine Corporation, Motoren-and-Turbinen Union and Fiat Aviazione. The agreement will only become effective when it has been approved by the boards of the companies concerned and by their respective governments as necessary. In the case of the British Government, this will depend on the project looking commercially viable.



Question:

Why have the Government put so much money into BL (British Leyland)?

Suggested Answer:

In order to get BL back to economic viability. This is already happening. BL's trading losses, even at a time of great economic difficulty, have been reduced from £294 million in 1980 to £126 million in 1982. BL is now on target to break even, before interest, in 1983 and to break even, after interest, in 1984.

Some divisions of BL are already trading profitably, notably Jaguar and Unipart. The Government's objective is for substantial parts of BL to become private sector companies by the end of a full Parliament.

BL have demonstrated what it can achieve. The company has successfully launched the Metro and the Maestro. In 1982, the sale of BL cars to European Community countries was up by a third. And Jaguar more than doubled its sales to the USA last year.

In the first three months of 1983, when car sales reached record levels, imports took a lower share of the market - thanks in part to the recapture of the domestic market by BL's successful new models. Higher car production means more orders for the components and steel industry.

Question:

What is the Government doing to help the textile industry?

Suggested Answer:

The Government has given particular support to the industry by adopting a tough and successful negotiating line over the recent (third) Multi-fibre Agreement. The new agreements extend the protection of the UK textile and clothing industries against low-cost imports for a further four years and at a tougher level than before. For the most sensitive textile and clothing products, the annual rate of growth in the quotas between 1983 and 1986 will be substantially below 1% per annum for the UK - far lower than the growth rates negotiated under the second MFA under the last Labour Government.

The Government has also given help to the textile, clothing and footwear industries of around £120 million since taking office (through Regional Development Grants and under the Science and Technology Act) with an additional sum of around £95 million paid out under the Temporary Short Working Compensation Scheme.

The best way the Government can help the textile and clothing industry is by successfully managing the economy. Some governments have chosen to subsidise their textile industries. This Government has concentrated on reducing the rate of inflation. The British textile industry, operating in a low inflation country, is now better placed than the French textile industry operating in a high inflation country.



Question:

What has the Government done to help small firms?

Suggested Answer:

The Government has introduced 108 measures which help existing small firms and which encourage the establishment of new firms.

We have improved incentives by reducing the burdens and rates of Corporation Tax, Capital Transfer Tax and VAT. We have established a new Enterprise Allowance in the form of a grant to help unemployed people who want to set up in business.

We have stimulated the flow of finance to small firms, in particular through the Loan Guarantee Scheme. During the period 1981 to 1983, over £300 million has been advanced under this scheme; nearly 10,000 firms have benefitted; and it is estimated that this has provided between 20,000 and 40,000 new jobs. The Government has also introduced a new Business Expansion Scheme - a major extension of the Business Start-up Scheme - to allow individuals to invest up to £40,000 a year in the shares of unquoted companies with the benefits of income tax relief.

The Government has taken measures to improve the supply of premises for small firms. The rate of building of new premises for small businesses has probably trebled during the life of this Government.

The Government has reduced the bureaucratic burdens placed on small businesses, removed restrictions which made small firms reluctant to take on new employees and taken steps to make it easier for small businesses to tender for Government contracts.

The Government has also improved the services and advice available to small firms - for instance, through the Small Firms Service.

It is a sign of the popularity of many of these measures that in many cases the demand for the schemes introduced has been very high exceeding sometimes the Government's highest expectations.



Question:

What is the Government doing to encourage new technology?

Suggested Answer:

We have increased support for the new technologies from £50 million in 1978-79 to £200 million in 1983-84.

We have provided some £80 million for a National Space Programme because Britain has a successful space industry. We are making 11 communications satellites.

We have provided £55 million for companies making fibre optic cable and laser equipment. This was a British invention. We must keep our lead.

We are providing £70 million to equip British factories with the latest robots and advanced manufacturing systems and to ensure that these are made in Britain.

We have provided £130 million to help small engineering firms buy the advanced machine tools they need to take advantage of the economic upturn.

We have launched the largest collaborative research programme since the war - £350 million over 5 years - involving companies, universities and Government in designing and developing the next generation of computers.

We have allocated £25 million to put Britain among the leaders in the development and commercial exploitation of biotechnology.

Thanks to this Government's initiatives, every secondary school now has at least one microcomputer as a result of our scheme. Already 10,000 of our primary schools have them as well. Colleges of Further Education will be receiving new British computer controlled machine tools. An extra £100 million over the next three years has been allocated for Information Technology training at universities and polytechnics. We are setting up a national network of Information Technology centres to train unqualified and unemployed youngsters in the computer and electronic skills. Already there are 55 operating with 1,500 trainees. By the end of the year there will be 150 with over 5,000 trainees.

We are financing the development of a wide range of high technology aids for the disabled, the elderly and for children with learning difficulties and physical handicaps.



Question:

Why does a Government committed to private enterprise spend so much money in support of State industries?

Suggested Answer:

The Department of Industry has deliberately shifted its expenditure towards the private sector. Three years ago, out of every £10 of the Department of Industry's expenditure, £7 went to the public sector. It has fallen to less than £4 out of every £10. Three years ago, out of every £10 of the Department's budget, only £3 went to private enterprise. This year it has risen to almost £6 out of every £10. This reflects the Government's determination to shift spending away from the casualties of the past to the industries of the future and to the new products and processes which can help established companies become competitive. This is where the new jobs will come from.

EDUCATION

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Government Expenditure on Education

Question:

Why has this Government cut expenditure on schools?

Suggested Answer:

1. The quality of education does not depend on money alone; good teaching matters much more.
2. We now spend more, in real terms, per pupil per year than every before.

Background:

Due to falling birth rates, the number of children in school fell from 8.3 million in 1979 to 7.6 million in 1983 - a drop of 700,000 or 8.5%. Over the same period, the schools budget has risen by £5,000 million in cash terms and has fallen by only 3.5% in real terms. (It was £4,000 million in 1979/80, and is £9,000 million in 1983/4.)

The net effect of the small decrease in real terms of the total schools expenditure, and the much greater decrease in the number of children, has been a rise in real terms, of the money spent per child. In 1982/3 we spent on average £926 per child per year. That is an increase in real terms of 4.5% over the 1979 figure.

Vouchers

Question:

Would you support the introduction of an educational "voucher" scheme?

Suggested Answer:

An educational "voucher" or "credit" scheme is only one of the methods by which parental influence and choice could be increased. The Conservative Party has always been in favour of such an increase in parental influence and choice; several different means of achieving this end are therefore being considered. But no final conclusion has yet been reached, and we would not in any case wish to introduce radical changes without widespread consultation, followed, if appropriate, by pilot projects conducted by volunteer LEAs.

Background:

The fundamental idea of a "voucher" or "credit" scheme is that every parent with a child of school age would be issued with a "voucher" or "credit" equal to the cost of the child's education in a maintained school. This "voucher" or "credit" would then be taken to the maintained school of the parent's choice, and would act as payment for the education there provided. The aim of the system is to make them more responsive to parental demand. The implications and difficulties of the scheme are being carefully studied.

It would be possible, in theory, to extend the system to the independent sector; but special schools would clearly have to be excluded, and nursery and further education are not being considered at this stage.



Student Loans

Question:

Does the Conservative Party intend to replace the student grant by a loan?

Suggested Answer:

The Government has at present no intention of replacing any part of the student grant by a loan. We do, however, remain interested in examining the whole system of student support, and in finding means of widening access to higher education without excessive cost to the taxpayer. We believe that student loans might have some part to play in this. But we would introduce any reform only after widespread consultation; the first step would have to be the issuing of a consultative paper.

Background:

There has been considerable discussion within the Party and the Government about the possibility of replacing some part of the student grant by a loan. It has never been suggested that the whole of the grant should be replaced; and it has always been recognised that any loan system would have to contain proper safeguards to ensure that low earners were not penalised. However, ministers have decided that - under present circumstances - it would be imprudent to introduce any form of loans-scheme whatsoever. The intention is to publish the consultative paper to which the answer refers in the next Parliament.

Parental Contribution to Student Grant

Question:

Does the Conservative Party intend to remove or reduce the "parental contribution" that many parents have to make towards the cost of their children's higher education?

Suggested Answer:

We recognise that the present arrangements for assessing the level of student grants are in some respects unsatisfactory. But we do not at present have any intention of removing, or substantially reducing the "parental contribution", mainly because of the cost to the taxpayer of making such a move.

Background:

The awards given to students pursuing degree courses at universities, polytechnics, and colleges have two components: i. the fees for the course, which are paid without reference to the income of the student or his parents; ii. a maintenance grant, which is subject to an assessment of parental income (and a deduction of a "parental contribution") if the student is under 25 years of age and has not been self-supporting for three years or more. Some students find themselves in difficulty because their parents cannot or will not give them this notional "parental contribution". As a result, students with prosperous parents are sometimes less well provided for than those with less prosperous parents; but it should be noted that the official OPCS survey carried out in 1974/5 revealed only 30% of the relevant students as losing by more than £100.

The "parental contribution" has been part of the present awards system since its inception in 1962. The assessment of parental income is updated from time to time, to allow for inflation and changes in earning. This updating process fell behind in the first two years of the present Government but is now again roughly in step with inflation.



Thompson Report on Youth Services

Question:

What action does the Conservative Party intend to take in the light of the Thompson Report on the Youth Services?

Suggested Answer:

The Government has consulted widely on the main recommendations of the Report. Consultations ended on March 31; and we have since been considering what action should be taken. This consideration has been interrupted by the election, and no decision can now be made until the beginning of the next Parliament. But the Government has already implemented two recommendations made in the Report: the National Youth Bureau is to be reviewed, and the remit of INSTEP (In-Service Training and Education Panel) has been extended to cover the professional endorsement of initial courses for Youth and Community Workers.

Background:

At present, the Youth Service is almost entirely voluntary, consisting of organisation such as the Scouts, Boys Brigade, and the Youth Clubs. The DES gives small grants to about 60% to these organisations, but only to cover the cost of their Headquarters; and the LEAs, though given the power to provide aid (by Sections 41 and 53 of the 1944 Education Act), have no duty to do so. Since this situation was considered unsatisfactory by many of those concerned with the Service, the Government set up a Review Group in 1981. This group reported in October 1982, making a range of recommendations including i. legislation to strengthen the powers and duties of the LEAs; and ii. greater involvement of the LEAs in the Service. Mr William Shelton, Parliamentary Under-Secretary of State responsible for Youth, circulated the recommendations amongst interested parties, and asked for their comments by 31 March 1983.



Grants for 16-19 Year Olds

Question:

Does the Conservative Party, like the Labour Party and the Alliance, intend to pay allowances to those young people who remain in full-time education after the age of 16?

Suggested Answer:

Many pupils are happy to remain in full-time education beyond the age of 16, without any grants; (indeed, over the last two years the proportion of pupils remaining in such education has increased significantly). Moreover, these pupils often derive long-term financial benefits from so doing. We therefore see no need to spend hundreds of millions of pounds of taxpayers' money on providing them with grants.

Background:

Over the past two years, 10% more pupils have remained in school past the age of 16, and over 20% more have attached full-time education. LEAs already have power to give educational maintenance allowances to those remaining in school and discretionary grants to those in further education. Nevertheless, support for some form of "education benefit" is increasing. The Child Poverty Action Group produced a well publicised report, arguing for a flat rate non-means-tested allowance of £25 a week for all 16-18 year olds in full-time education; they estimated that this would cost £500 million net, allowing for a 10% increase in participation. Both the Labour and Social Democrat Parties have produced detailed schemes which depend on wider reforms of the social security system and in which the education benefit is linked to present supplementary benefit levels. Most of the professional organisations in education as well as the TUC are in favour of some form of education benefit.



Legal Basis of Further Education

Question:

How and when does the Conservative Party intend to put Further Education on a firm legal footing?

Suggested Answer:

The problems posed by the law of Further Education are exceedingly complicated; and, whilst we we recognise that the present arrangements have suffered as a basis for Further Education over many years. It would be imprudent to take any steps before due consideration has been given. We would hope to make a statement early in the new Parliament.

Background:

In June 1981, the DES and the Local Authority Associations published a review entitled The Legal Basis of Further Education. This review pointed out that Local Authorities are probably presently acting beyond their powers, because - under Section 41-46 of the 1944 Education Act - each LEA must receive approval for its scheme of Further Education from the Secretary of State, and very few of these schemes have been kept up to date since they were first approved in the 1950s. It is hoped that this problem might be overcome without the need for legislation; but no decision has yet been taken; and, in the meanwhile, the Government has been subjected to a series of questions from Baroness David in the House of Lords (3 August, 21 October, 20 January). On each occasion we have promised a statement "soon".

Adult Education

Question:

What will Conservatives do about adult education and about ACACE (the Advisory Council for Adult and Continuing Education).

Suggested Answer:

ACACE recently reported to the Secretary of State for Education and Science on proposals into and development of adult and continuing education. We were in the process of assessing the report when the election was called, and will return to it afterwards. Without pre-empting the outcome of consultations, it is clear that the Conservatives are keen to see practical developments in the field of adult education.

Background:

ACACE was re-appointed for the second term in 1980 by Mr Mark Carlisle, then Secretary of State for Education. He said that at that time it would almost certainly be the last three year term and ACACE themselves agree that there is now very little that a purely advisory body can do. The Council comes to the end of its term in October of this year, and its members have proposed that it be replaced by a new "national development body", with powers to spend money on developing new projects in Adult Education.



De La Salle College

Question:

Why did the Conservatives close the De La Salle Teacher Training College?

Suggested Answer:

We did not. We withdrew our allocation of initial teacher training place - this may imply closure. Due to the rapid fall in recent years in the number of school children, there is now a considerable surplus of training places. Some colleges had to cease providing places. There were no easy choices. For a whole variety of very good reasons, including regional considerations, De La Salle was selected to be one of those to cease initial teacher training.

Background:

There is a High Court case pending upon this matter, brought by the Church authorities, and candidates must therefore be very careful not to enter into detailed discussion for fear of trespassing upon issues which may come before the court. The emphasis must be upon the simple facts that fewer newly trained teachers are required in the coming years, that teacher training therefore had to be cut back, and that this applied not only to the Church colleges, but to all training in the public sector: of the ten institutions suffering cuts, nine were non-religious - including Huddersfield and North East London Polytechnics, and Durham and North Cheshire Colleges.



Corporal Punishment

Question:

What is the Conservative view on corporal punishment in schools?

What is the Conservative response to the European Court ruling on corporal punishment?

Suggested Answer:

We do not propose to remove corporal punishment from schools in England and Wales. We propose to consult widely following the European Court ruling, in order to devise a method whereby corporal punishment can be retained in schools, whilst making it possible for parents to "opt out" if they so wish.

Background:

The Government's position on corporal punishment in schools in England and Wales is that it should remain an option, amongst other punishments, open to a head teacher to use according to his or her own judgement and discretion, in agreement with the governors. Use of such punishment by other members of staff could be also authorised by the head teacher. However, recent rulings from the European Court require (although the full implications are still be studied) that a parent should be entitled on behalf of the child, to opt out of any form of corporal punishment, the head teacher substituting some other form of punishment. We propose, therefore, to consult widely about the best method of meeting the wishes of parents without removing corporal punishment for those who continue to accept it as a necessary sanction for good order and behaviour in schools. In Scotland it has already been decided to phase out the use of corporal punishment in schools by July 1984.



Nursery Education

Question:

What will the Conservatives do to increase the provision of nursery education?

Suggested Answer:

In 1979, 18% of 3 and 4 year olds received some form of nursery education; under the Conservative Government, that figure has increased to 22%. We shall continue to encourage local authorities to provide flexible, low-cost nursery education where it is appropriate. But we still take the view that provision for children in this age group is primarily the responsibility of parents either acting alone or in partnership or in association with voluntary organisations. In line with these views, we have significantly increased levels of grants to voluntary organisations such as the National Childminding Association, PPA and the Toy Libraries Association. And the Secretary of State for Social Services also announced last year that a grant of £2 million per annum would be given to such organisation in support of projects to support families with young children in need. We shall continue to seek new means of supporting and encouraging voluntary work of this kind.

Background:

The Plowden Committee recommended in 1967 that nursery education should be available mostly on a part-time basis to children over the age of 3 and estimated that some 15% of these children would require full-time educational provision. Neither Labour nor Conservative Governments have expanded nursery education as fast as they might have wished, due to expenditure constraints. But as the above answer shows, we can claim a modest expansion and there is much that the voluntary organisations can do to improve the day-care services with the use of little or no public resources. There are at present 2.8 million children under the age of 5, and some 500,000 (or 18%) of these attend playgroups.



Teachers' Pay

Question:

What is the Conservative attitude towards the Houghton Report and towards subsequent attempts to ensure that teachers' pay is comparable with that of other professions?

Suggested Answer:

The Houghton award was implemented in 1974, and the Clegg award in 1979. There is no further "pay comparability exercise" in prospect. We hope that any future review of the basis of teachers' pay will take account of knowledge, experience and supply and demand, and will seek to reward quality.

Background:

The Houghton Committee was established in 1974 by the then Labour Government, following the teachers' claims that their salaries had fallen behind those of other comparable professions. The result of the Houghton comparability exercise was a substantial pay increase for teachers backdated to May 1974. After the "winter of discontent" in 1978/79, the Clegg Committee was also asked to report on teachers' pay, and its terms of reference were roughly the same as those of the Houghton Committee. Clegg made another substantial pay award to teachers, which was implemented by the Conservative Government in May 1979. As a result of these two awards, together with subsequent settlements, teachers' pay rose by 53.8% between 1979/80 and 1982/3.



Overseas Students

Question:

Does the Conservative Party intend to make life easier for overseas students?

Suggested Answer:

The Government believes that the taxpayer should not be asked to shoulder the burden of a huge open-ended subsidy for overseas students, costing (as it did by 1980) £150 million per annum. The Labour Government had started to increase fees for overseas students and had considered a quota system to limit numbers. In 1980, we raised fees for overseas students to economic levels. But we have always recognised the advantages that can flow from the presence here of students from countries with particular ties to Britain. That is why, in 1983, we announced an increased programme of planned support which will bring an additional 5,000 students each year to add to the nearly 15,000 we previously supported. This has been widely accepted. Other students are free to come and are welcome here, but must pay their way.

Background:

The fees are set for overseas students in 1983/4 and are as follows:

Universities	Art Courses	£2,900
	Science Courses	£3,800
	Clinical Medical Courses	£7,000
Polytechnics	Advanced Courses	£3,180
	Non-advanced Courses	£1,750

In 1981 over 13,000 students and trainees, including over 9,000 students, were supported here under the British Government Aid Programme at a cost of £36 million. In addition, £3 million is available annually for up to 1,500 awards to outstanding overseas research students, under the Overseas Research Students Award Scheme. And the Foreign Secretary's new programme, announced in February, will provide £46 million extra over the next three years - enough to cover 5,000 - 6,000 additional scholarships and awards each year.

NORTH SEA OIL REVENUES AND EMPLOYMENTQuestion

Why not use North Sea oil revenues to create jobs?

Suggested Answer

Spending by Government does not create jobs - quite the reverse. The upward drift of Government spending and borrowing in Britain since the war has been accompanied by rising inflation and rising unemployment. Revenues from the North Sea, which now contribute 6 per cent to General Government receipts, have been used to reduce the public sector borrowing requirement. This has been central to the Government's economic strategy. It has meant lower inflation, lower interest rates, and the very real prospect of sustainable recovery from the world recession.

When Opposition parties promise to direct NS revenues to other uses, what they are really saying is that they will increase Government spending. Conservatives understand that that is a recipe for rising inflation, rising unemployment, and a return to the economic instability which was so characteristic of our economy until 1979.

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18.5.'83



DEPLETION POLICY IN THE NORTH SEAQuestion

Shouldn't the Government act to cut NS production, so that our reserves last as long as possible?

Suggested answer

No. The Government agrees with the conclusion of the all-party Commons Select Committee on Energy (HoC Paper 307, 7 May 1982) which has endorsed this policy:

'We do not believe that a convincing case has yet been made out for formal intervention by Government to restrain production...We regard it as futile, and probably self-defeating, for Government to substitute its own judgement for that of the oil companies in an attempt to override the technical, political and economic uncertainties with the aim of bringing about a desired production profile in the North Sea' (para 84).

Background

Successive Governments have understood that companies undertaking huge and risky investment in the North Sea need assurances that arbitrary restrictions on output will not be imposed once fields finally come on stream. Most recently, this Government stated that no cuts in production will be imposed before 1985 at the earliest.

Neither will new field development be delayed. Indeed, quite the reverse. Recent changes in the tax regime are specifically designed to encourage development now, so that new fields will be coming on stream to bolster output towards the end of the decade. This will be essential to extend our period of self-sufficiency.

More generally, the Government believes that, provided it is assured of good oilfield practice, it can safely leave decisions about production levels to the technical and commercial judgement of the companies.

PRICE OF NORTH SEA OILQuestion

Does the Government control the price of N S oil?

Suggested answer

No. The price of oil is established in the market place. The British National Oil Corporation trades a major part of the oil produced, but it has to agree a price which satisfies both its suppliers and its customers. It therefore follows rather than leads the market.

When the World price of oil is rising, BNOC comes under considerable pressure from its suppliers to adjust its price. Conversely, when the price is falling, pressure on BNOC comes from its customers. When the market is volatile, the Corporation can delay establishing a price, and set it retrospectively when conditions become clearer. This force for stability is a very useful asset. But BNOC cannot defy market forces, and no useful purpose would be served by attempts in this direction.

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18.5.'83



BRITOILQuestion

Why did the Government sell Britoil?

Suggested answer

Because there is no sensible reason for State involvement in the production of North Sea oil. This sort of operation is much better carried out by private enterprise.

Background

Britoil was formed from the exploration and production arm of the British National Oil Corporation (BNOC). 51 per cent of its shares were sold by tender in November 1982. It is now thriving in the private sector.

The offer was fully underwritten at the minimum tender price of 215p per share. Proceeds from the sale benefited the taxpayer by £625 million. This was the biggest new issue in the history of the Stock Exchange.

Within days of the underwriting, the oil market was hit by a period of uncertainty which persisted until quite recently. As a result, a large number of shares were left with the underwriters, and the share price fell some way. This prompted allegations that the flotation had 'flopped'. Since then, however, the price has recovered to within a few pence of the original minimum tender price, and commentators have been forced to revise their opinion.

Small investors will enjoy a bonus of one free share for every ten which they still hold three years after the date of flotation. Under special arrangements made by Government for small employees, 92 per cent of them bought around 500,000 shares between them.

ONSHORE OIL DEVELOPMENT

Question

What is the Government policy towards onshore oil development?

Suggested answer

The Government is determined that this development should be carried out with sensitivity to the need to protect the environment. Within this constraint, it wants to see our onshore oil resources fully developed.

Background

Before an oil company can prospect for oil onshore, three separate consents are needed:

1. A licence from the Department of Energy
2. Planning permission from the local planning authority.
3. The consent of the owners and occupiers of the land directly affected.

This ensures that the need for the successful development of Britain's onshore oil is balanced by an equally important need to minimise environmental impact and preserve the quality of life in the locations affected.

Within this framework, the last three years have seen a higher level of oil activity onshore than ever before.

Since the Government took office, 132 onshore licences have been awarded, and 39 exploration wells and 29 appraisal/development wells have been drilled. At 1 April 1983, 200 onshore licences were current, covering large areas of Southern England, the Midlands, the North West, Yorkshire, Humberside and the Midland Valley of Scotland.



PETROL PRICES IN RURAL AREAS

Question

Why doesn't the Government act to bring down the price of petrol in rural areas?

Suggested answer

Petrol stations in rural areas generally have relatively low turnover. Their retail margins therefore need to be higher, to cover their costs. Any attempt at price control would simply drive them out of business.

Reports into the extent of free competition in rural areas were commissioned in 1979 and 1980. Both gave the oil companies a clean bill of health. The Director General of Fair Trading is keeping the situation under review.

STANDING CHARGES FOR GAS AND ELECTRICITYQuestion

What is the Government doing about standing charges?

Suggested answer

Two things. First, to help small consumers, it has persuaded the gas and electricity industries that they should not exceed half anyone's total bill. The Gas Corporation and most Area Electricity Boards have agreed. Standing charges should not therefore dominate the bills of small consumers from now on.

Secondly, the Government asked the industries to commission independent consultants to check whether the level of standing charges is justified. There will be no increase in them at least until the results of these studies are fully evaluated and acted upon.

Background

The level of standing charges used to provoke outrage among small consumers. For example, a consumer using units worth say £1 would often find that the standing charge added another £10 to the bill. Under the new rule, applied by BGC and most Area Electricity Boards, the bill would be just £2. (The South East Electricity Board has a less generous scheme - despite advocacy of the straight-forward 50:50 rule by the Electricity Council).

The principle of standing charges is fair. Some of the cost of supplying customers is independent of the amount of fuel used. But, the industries are now showing welcome sensitivity to the needs of small consumers. About 3 million benefit, half of them pensioners. And the studies will show whether the level of standing charges generally should or could be reduced.

Straight abolition would add 15 per cent on average to the cost of units of gas and electricity. This would hit those poor consumers who, because of illness, poor housing, young children, etc, use relatively large amounts of gas or electricity.



ADVERTISING BY GAS AND ELECTRICITY INDUSTRIES

Question

Why do the State-owned gas and electricity monopolies spend so much on advertising?

Suggested answer

In 1981-2, the electricity industry spent £22 million on advertising and the gas industry spent £23 million. The Government shares the concern of consumers and the public at large about this level of expenditure. The industries have been asked by Ministers to look at the need to reduce it.

DOMESTIC GAS PRICESQuestion

Why do gas prices keep on rising when the Gas Corporation makes such large profits?

Suggested answer

When this Government came to power, British Gas was losing money on gas sales to the home as a result of the previous Government's policy of holding down prices artificially. The Corporation's profits were coming mainly from industry, which was paying significantly more than the householder even though it costs more to supply gas to the home. The damage that this was doing to industry and to the energy market generally was such that British Gas and the Government agreed that corrective action was needed in order to bring gas prices to the home up to a more realistic level. In order to help consumers adjust, it was decided to spread the necessary increases over a three year period. The increase in October 1982 was the last stage in this process, and there is no reason why prices should rise by more than about the rate of inflation this year.

Background

In 1979, Labour's Price Commission reported that domestic gas was 30 per cent underpriced, and that the domestic side of the Corporation's business was sliding into deficit. There was no question of the Government recouping this underpricing in one step. Instead, gas prices rose by 10 per cent ahead of inflation in each of 1980, 1981 and 1982.

In spite of the recent increases, gas is and will remain, a relatively cheap fuel for the household consumers. After allowing for inflation, the price is still roughly the same as it was in 1970 - the era of cheap energy, and gas is still the cheapest domestic fuel.



WYTCH FARM

Question

Why is the Government forcing BGC to sell its interest in the onshore oil field, Wytch Farm?

Suggested answer

It is entirely anomolous for a State owned gas utility to be in the business of producing oil. The Corporation has therefore been directed to dispose of its 50 per cent interest in this field.

Background

The bid from the Dorset Group of companies was the best received after exhaustive testing of the market. The Corporation is now negotiating on the basis of it.

BGC has said publicly that it values its stake in the field at £450 million. The Government has made it clear that this valuation is unrealistic. Independent consultants, Wood Mackenzie, recently put the value between £141 million and £213 million.

GAS SHOWROOMS

Question

What is the Government's attitude to BGC's showrooms?

Suggested answer

In 1980, the Monopolies and Mergers Commission reported that BGC's monopoly position in appliance retailing had acted against the public interest.

Powers exist under the Oil and Gas (Enterprise) Act for the Corporation to be required to dispose of its appliance retailing business. Work is going ahead on the development of a safety regime which will ensure that, should privatisation go ahead, gas installation and safety standards are fully maintained.

The Government has made clear to BGC its intention to ensure free and fair competition in gas appliance retailing.



GAS CORPORATION'S OFFSHORE OIL ASSETS

Question

Why is the Government making BGC sell its offshore oil assets?

Suggested answer

There is no justification for a state-owned gas utility operating in the oil industry. This is best left to the private sector. BGC's job is to supply gas.

BGC has therefore been directed under the Oil and Gas (Enterprise) Act 1982 to carry out preparatory work for disposal of its interests in six North Sea oil fields.

Background

The Corporation's offshore oil assets are being formed into new subsidiaries. These will be transferred to the Secretary of State for Energy, prior to disposal. A decision will be taken on the timing and method of disposal in the light of market conditions nearer the time.

GAS GATHERING PIPELINEQuestion

Why did the Government not go ahead with the proposed gas gathering pipeline?

Suggested answer

Early in the life of the Government, it considered a proposal for an integrated pipeline system to collect associated gas in the North North Sea. This was to be a utility mainly owned and financed by the private sector. Negotiations were held, but it transpired that the private sector was not prepared to invest at an adequate level. Instead, the companies are making their own arrangements to bring associated gas ashore.

Background

It has always been made clear to companies applying to produce oil from new fields that approval would not be given unless they stated clearly how associated gas would be brought ashore. (Flaring of the gas requires Government approval, and has been reduced by nearly 40 per cent under this Government, while the oil produced in association with gas has increased by over 20 per cent).

Since the decision not to go ahead with the integrated pipeline was taken in 1981, the companies have come forward with their own gas gathering arrangements. Shell/Esso's FLAGS line and its associated Western leg are now onstream. The North leg will soon be onstream also. Other proposals include the feeding of gas from N Alwyn into the Frigg pipeline, and a new line from Fulmar which will be well placed to collect gas from fields along its route.

The landfall for these pipelines is at St Fergus in Scotland. This terminal handles, in total, about a quarter of the gas consumed in Britain.



PIT CLOSURES

Question

How many pits does the Government intend to close?

Suggested answer

At the moment, the National Coal Board is producing too much coal at prices people are not prepared to pay. Stocks of unsold coal are very high, and losses are running at around £1½ million per day. Among the reasons is the industry's legacy of old and hopelessly uneconomic pits. The Government has agreed with the industry a very sensible objective - to bring output into line with profitable production. After the taxpayer's very heavy investment (£4½ billion since 1974) he is entitled to expect as much. The way in which the NCB moves towards its objective is a matter for management, but closure of old pits and concentration on the productive pits like the new one at Selby would seem a sensible course. This indeed was the philosophy of the 1974 Plan for Coal, to which the NUM gave full blessing.

Background

Plan for Coal envisaged that investment would have reached £3½ billion by now - in fact, it has reached £4½ billion. More per tonnes of output is invested in Britain than in any other country in the EEC.

Plan for Coal envisaged new capacity of 42 million tonnes by 1984-5. New capacity already brought on stream since 1984-5 already totals 16 million tonnes, and another 27 million tonnes is on the way.

But

Plan for Coal envisaged productivity up by 4 per cent every year. The industry will only achieve 4 per cent improvement over a decade.

Plan for Coal envisaged old capacity closed at 3-4 million tonnes per year. Under Labour, only 1-2 million tonnes per year was closed - since then, only 2-3 million tonnes per year.



CHAIRMANSHIP OF NBCQuestion

Why did the Government choose Mr Ian MacGregor as next Chairman of the NCB?

Suggested answer

Because he is the best man for the job.

Background

Mr MacGregor is a Scotsman who was sent to Washington by the Government during the war to deal with certain aspects of the purchase of arms from the United States. After the war he decided to make his business career there, which he did with conspicuous success, notably with the Amax Corporation.

His first act on becoming Chairman of Amax in 1969 was to take it into the coal mining business: by the time he retired from the Chairmanship of Amax in 1977 he had built it up into the third largest coal mining company in the United States. This experience in winning markets for coal will be available when he takes over the Chairmanship of the NCB in September.

The last Labour Government appointed Mr MacGregor Deputy Chairman of BL in 1977. In 1980, he became full time Chairman of BSC. Since then he has led BSC with vigour and determination through a period of intense difficulty for the steel industry both at home and abroad. Last year, for the first time ever, BSC's productivity came close to the best level of its European competitors.

Mr MacGregor's experience in building up and running a successful coal mining business and the outstanding leadership he has provided at BSC have demonstrated that he is admirably equipped to become full-time Chairman of the Coal Board. He has agreed to accept a three-year appointment starting on 1 September.

There has been much comment on the £1½ million which has been paid to Lazard Freres, the New York based investment bank, to compensate them for the loss of Mr MacGregor's services for three years from September 1983. (Two thirds of that fee will be refundable on a pro-rata basis if Mr MacGregor does not complete the full three year term). This figure has to be considered in the light of the NCB's current losses which are running at around £1½ million per day.

Mr MacGregor's salary will be the same as that of the retiring Chairman, Mr Norman Siddall. He will also pursue the same objectives, which are designed to tackle the industry's fundamental problems, and bring capacity into line with profitable demand. This is a commonsense objective, and one designed to ensure that coal enjoys a viable future.



COAL FIRING SCHEME

Question

What is the Government doing to help reduce coal stocks?

Suggested answer

The only long-term way to do that is for the industry to cut its costs. The NCB management is well aware of this, and proceeding accordingly. Only by producing coal at the right price can markets be secured.

In the short-term, the Government is promoting coal sales to industrial consumers through its Coal Firing Scheme. Under this scheme, £50 million is available in grants to help industry switch from oil and gas-fired boilers and other equipment to coal. This scheme should generate extra markets for around 2 million tonnes of coal per year. The capital investment stimulated by the scheme will help UK boiler manufacturers with recovery from recession. It will also help the firms concerned cut their fuel bills since coal is considerably cheaper than oil.

Background

The scheme was introduced in March 1981, broadened a year later, and extended subsequently until December 1983. Since November 1982, another scheme has provided exchange rate risk cover for loans for conversion, up to a total of £15 million, from the European Coal and Steel Community. Once the risk of adverse exchange rate movement is covered, these loans are available on very good terms to firms converting to coal.

ICI and Ford UK are among the major firms bringing forward coal-firing projects under the scheme. The projects on which grants have been made and accepted to date involve sales of over 650,000 tonnes of coal per year.



BELVOIRQuestion

Will the NCB be allowed to mine in the Vale of Belvoir?

Suggested answer

Mining will not be allowed to spoil the Vale. The NCB will, subject to planning permission, be allowed to tap the NE Leicestershire coalfield only to the extent that proper consideration is given to the environment.

Background

The North East Leicestershire coalfield is as yet untapped. It represents a massive new source of coal, and is in fact the largest unworked coalfield in Europe. Its development would provide jobs for miners displaced by colliery closures in North West Leicestershire and South Nottinghamshire. The need for this coal at some time in the future, and the importance of the development for jobs, has had to be weighed against the impact which such a development would have upon the environment.

A local public enquiry was held in 1979 into the NCB's application to construct mines at Hose, Saltby and Asfordby in Leicestershire. Having considered the Inspector's report, the Secretary of State for the Environment refused planning permission for the proposals as set out in the original application. He made it clear that a future application would need to pay more attention to environmental considerations, and that the proposed development at the Hose site was environmentally unacceptable.

In June 1982 the NCB submitted a new application to Leicestershire County Council for a mine at Asfordby outside the Vale itself. This showed a substantial reduction on the earlier application in the amount of land required for spoil disposal. The Secretary of State decided not to call in this application. He did, however, make it clear that before any other applications were made in respect of the NE Leicestershire coalfield, a long-term strategy for waste disposal should be agreed. He stressed that the NCB would be expected to minimise the environmental impact of mining in the area, and, in particular, the amount of land taken out of agricultural use at any one time.

The Leicestershire County Council has said that it will give planning permission for the Asfordby development. The NCB also needs investment approval from the Government for the project. An independent commercial evaluation of the proposal is now under way.



ELECTRICITY SHOWROOMS

Question

What is the Government's attitude to the showrooms run by the Area Electricity Boards?

Suggested answer

Electricity Board's showrooms operate in competition with private sector retailers. They do not exercise purchasing power over appliance manufacturers in the way the Gas Corporation's showrooms do.

Nevertheless, the MMC report published in March 1983 into the London Electricity Board did conclude that, by running its retailing activities at a loss, the Board had acted in an anti-competitive manner.

The Government is pursuing the MMC's criticisms with the LEB and the Electricity Council. An MMC study is now underway into the efficiency of the Yorkshire Electricity Board, and another, into the South Wales Board, will follow it. These references are under the Competition Act 1980, which gives powers for the MMC to scrutinise the efficiency of the nationalised industries. They are the first in a series, and investigations into other Boards' operations will follow. The Government will want to consider the findings, particularly as they relate to appliance retailing, in the light of its commitment to promoting free and fair competition where possible, and reducing the level of State ownership of industry.

WHY NUCLEAR POWER?

Question

Why is the Government supporting the development of nuclear power?

Suggested answer

Because nuclear power offers a secure, clean, economic and safe contribution to our electricity needs:-

secure - it reduces our dependence on oil and coal.

clean - nuclear power stations do not produce the sort of emission which makes other power stations so unpleasant.

economic - for future years, nuclear power offers the cheapest electricity available, and the only effective competition with coal. This competition will help to keep the general level of prices of fuel for power stations down.

safe - the safety regime under which they operate in Britain has secured 25 years of operation without any occasion on which a civil nuclear power station in Britain has posed a threat to the public.

Background

The CEGB calculates that, adopting a 5 per cent discount rate, over their whole lifetimes, electricity produced by three possible future power station choices would cost:-

Coal - 3.88p per kilowatt-hour

Advance gas cooled reactor - 3.15p per kilowatt-hour

Sizewell B pressurised water reactor - 2.61p per kilowatt-hour.



NUCLEAR POWER ORDERING WORLDWIDE

Question

Is it true that the ordering of new nuclear power plant is grinding to a halt worldwide?

Suggested answer

It certainly isn't true in France, where 39 per cent of electricity is already generated in nuclear plant, and 27 more PWRs are presently under construction. As a result, France has some of the cheapest electricity in the world.

In W Germany, 9 plants are under construction and 13 more are planned. In Switerland, completion of their fifth plant now being planned will bring nuclear contribution to 35 per cent by 1990. Italy has recently announced plans to start building three new nuclear power stations in less than two years.

In the US, recession has led to the cancellation of some nuclear power stations under construction. However, some 20 stations now being built will come on stream by the end of 1984, and a further 40 are at an advanced stage of construction.

Background

In Britain, we have 3 power stations under construction, and an inquiry is underway into proposals to build another one. 13½ per cent of our electricity is met by nuclear power, compared with 15 per cent in Germany, 15½ per cent in Japan, 26 per cent in Belgium, 29 per cent in Switzerland, 34 per cent in Finland, 37 per cent in Sweden, and, as mentioned above, 39 per cent in France.

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18.5.83



THE PWR

Question

Is the Pressurised Water Reactor safe?

Suggested answer

Yes. Indeed, the PWR is the most common type of nuclear power station in operation worldwide. Even the cautious Swiss have adopted it. The main conclusion of a review by the independent Nuclear Installations Inspectorate (NII) of the generic safety issues relating to the PWR was that there was no fundamental reason for regarding safety as an obstacle to the selection of this type of reactor for commercial power generation in the UK. The Electrical Power Engineers Association, whose members would work in a British PWR station, has concluded that the PWR: "cannot be opposed on the grounds of its safety implications for the staff who will be involved in its commissioning and operation" (Guardian, 5th January 1982).

Background

It remains to be seen whether the CEBG's specific proposal for a British PWR at Sizewell will satisfy the NII and the inspector at the Sizewell inquiry on safety grounds. It certainly will not go ahead unless it does.

The US Three Mile Island accident did occur at a PWR station. However:

- No-one was hurt.
- There was no significant release of radiation.
- The Commission of Inquiry (Kemeny Commission) into the accident concluded that faults in the system of licensing and regulating US nuclear plants were largely responsible for its seriousness. The improvements suggested would bring the UK system much closer to the one we have enjoyed in the UK for the last 25 years.

All Britain's nuclear-powered submarines are in fact powered by pressurised water reactors. Thus, the technology is not new to this country.

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FINANCIAL ASSISTANCE TO SIZEWELL OBJECTORS

Question

Why doesn't the Government provide financial assistance to the objectors at the Sizewell Inquiry?

Suggested Answer

The Government is satisfied that the existing arrangements have ensured a full, fair and thorough inquiry. The independent Nuclear Installations Inspectorate has spent around £12 million to date establishing the safety case for the PWR. Detailed reports from the Inspectorate are made available to the public. To fund Sizewell objectors would set a precedent which would have led to future calls on the taxpayers' money.

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SAFETY OF NUCLEAR POWER STATIONS

Question

Is it dangerous to live near a nuclear power station?

Suggested answer

No. And it is certainly cleaner than living near any other kind of power station.

Background

Vast resources are devoted to avoiding a major accident. 281 reactors operate in 24 countries; here in the UK, taking the number of reactors times the number of years each has operated, we have clocked up 300 reactor-years of experience. There has never been a major accident which damaged local people in this period. Particularly in Britain, nuclear power stations are designed with safety in depth, and very closely regulated indeed. Emergency plans of course exist and are regularly rehearsed to cover the very remote possibility of an accident endangering local people.

The routine release of radiation from nuclear power plants is easily measured and very small. The environment in which we live is permeated by natural radiation. The present extra level due to the nuclear programme is as dangerous to the individual as the smoking of two cigarettes in his or her lifetime.

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THE 1957 FIRE AT WINDSCALEQuestion

What is the significance of recent press reports that people have died as a result of the accident at Windscale?

Suggested answer

The fire in 1957 at the Windscale plant was the most serious accident which has ever occurred in a nuclear plant in Britain. The plant was not a civil nuclear power station - it was designed to manufacture plutonium for defence purposes. Nevertheless, the accident stimulated a complete overhaul of the system in the UK for ensuring nuclear safety. This system which emerged is the envy of other countries. As a result, the safety record of our civil nuclear energy industry is second to none.

Background

The Windscale fire led to the release of radioactive chemicals, particularly iodine. As a result, all the milk produced in the area for a period after the accident was disposed of, to prevent iodine deposited on pasture finding its way into human beings. The atmosphere in which we live is, of course, permeated by natural radiation. The release during the accident added slightly to this level in the local area over a period of time. The effect of this small amount of extra radiation on people in the area is impossible to detect directly, so scientists have to rely on theoretical estimates.

Every year, 120,000 people die from cancer in the United Kingdom. We do not know why. But, scientists predict from theoretical calculations that 300-500 of these are caused by natural radiation. Using the same sort of calculations, they think that a further 0.5 deaths per year have occurred because of the fire. Of the theoretical deaths due to natural radiation, 15 to 25 per year are due to cancer of the thyroid. This was the most likely disease to result from the accident, and scientists have put an upper limit of 0.33 per year on the number of resulting additional deaths due to this disease. But these are only calculations. There has been no increase in the level of thyroid cancer actually detected in the North West.

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NUCLEAR WASTE

Question

Won't the waste from nuclear power stations leave a dangerous legacy for future generations?

Suggested answer

One of the advantages of nuclear power is that it produces only small amounts of waste for a given amount of electricity. None the less, much of this small volume is highly radioactive. It is managed with the greatest care, in a manner which ensures that the risks to human beings, and to the environment generally, are reduced, effectively, to zero.

Background

Highly active waste extracted from spent fuel from nuclear power stations is stored in solution in high integrity stainless steel tanks at the British Nuclear Fuels Ltd plant at Sellafield. A commercial process developed by BNFL's partners in France will be in use soon in the UK to convert this waste into glass. In this form, it will still be highly radioactive, but much easier to store safely over long periods. It will be kept for another 50 years or so on the Sellafield site, until the worst of the activity has decayed. It will then be disposed of in permanent store, in such a way that the chances of it ever being assimilated by humans will be effectively zero.

Any process for producing large amounts of energy carries with it possible risks for future generations. It is sometimes argued, for example, that the release of sulphur dioxide from the burning of coal at power stations has contributed to the slowly rising acidity of rainfall in the Northern hemisphere. It is also suggested that the carbon dioxide generated when coal, oil or gas is burnt will accumulate in the upper atmosphere, and give rise to a greenhouse effect. Conversely, the non-availability of affordable energy poses other obvious dangers, both for this and future generations. The Government approaches these problems in a balanced and sensible way.

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TRANSPORT OF NUCLEAR FUEL

Question

Is the transport of fuel to Sellafield a dangerous operation?

Suggested answer

Every precaution is taken to ensure that it is not. Spent fuel is transported in steel flasks up to 12 inches thick. Internationally agreed safety standards govern the operation. Transportation flasks are subjected to simulated accidents which test resistance to fire and to impact. They have been proved safe.

Over 12 thousands tonnes of nuclear fuel has been transported from CEBG power stations to Sellafield since 1962 without any serious incident.

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18.5.83

NUCLEAR POWER AND WEAPONS PROLIFERATION

Question

Won't the spread of nuclear power mean the spread of nuclear weapons?

Suggested answer

Every conceivable step is taken to ensure that it does not.

Background

States party to the Non-Proliferation Treaty (NPT) undertake not to provide nuclear materials or equipment to non-nuclear weapons states unless they are covered by safeguards monitored by the International Atomic Energy Agency (IAEA). Most countries not party to the NPT nevertheless have all their nuclear facilities under safeguards (India, Pakistan, Israel and S Africa are the only exceptions). Under this system, the States account for all nuclear materials handled by their civil nuclear programme, to assure the IAEA that none has been diverted for other purposes.

All the principal exporters of nuclear materials and technology belong to the Nuclear Suppliers Group. They observe guidelines specifically designed to cover the export of sensitive nuclear items and technology.

The use of civil nuclear power stations to produce materials for bombs is by no means the easiest or the cheapest way for a country wanting to develop the latter to proceed. Nevertheless, the comprehensive system of international agreements reduces the likelihood even further.

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PLUTONIUM

Question

Is the plutonium in Britain's civil nuclear power programme used for weapons?

Suggested answer

No. No plutonium recovered from our civil nuclear programme has ever been used for military purposes. The Government is committed to ensuring that this continues to be the case.

Background

As a State which already has nuclear weapons, we do not need to submit to the safeguards imposed on non-weapon States under the Nuclear Proliferation Treaty. However, we choose so to do, to set an example, and to underline the fact that the plutonium from our civil programme is used exclusively for civil purposes. It will fuel the civil fast reactors which will be needed in the next century.

In the early period of our civil nuclear programme, plutonium was exported to the US in return for enriched uranium which was used as part of our defence programme. However, all the plutonium exported was used in the US for civil purposes. There have been no such exports since 1975.

In 1979, the United Kingdom Atomic Energy Authority announced a fast reactor research programme with the USA under which experimental fuel pins manufactured in the UK and the USA are undergoing a range of tests in support of fast reactor safety. These tests include irradiation in the Prototype Fast Reactor (PFR) at Dounreay and testing in Transient Reactor Test Facility at Idaho Falls, USA. So far 6 kgs of plutonium contained in PFR fuel pins have been sent to the USA under this continuing civil research programme. The movement of pins between the UK and the USA is planned to ensure that there will have been no net export of plutonium from the UK by the end of the programme. All the material involved is subject to the relevant safeguards agreements with IAEA and Euratom.

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FAST REACTOR

Question

Where does the Government stand on the development of the Fast Reactor?

Suggested answer

We are committed to a substantial development programme based on Dounreay, in Scotland.

Background

The fast reactor is able to produce electricity from uranium and plutonium extracted from the spent fuel of today's nuclear power programme. At the moment, electricity produced in this way would be uneconomic. However, as uranium ore becomes scarcer, the tapping of our reserves of fast reactor fuel, stored for the purpose, will become an economic proposition.

Like other Governments involved in this sort of development, we believe that series ordering of fast reactors will begin in the earlier part of the next century. This is a somewhat longer timescale than previously envisaged, and our development programme is now in the process of redesign around it.

The Government has received advice from the Chairman of the United Kingdom Atomic Energy Authority on the possibility of international collaboration on fast reactor development. This advice is being considered.

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COMBINED HEAT AND POWER

Question

What is the Government doing to promote combined heat and power?

Suggested answer

Combined heat and power projects in industry are relatively widespread. When firms generate their own electricity, it often makes commercial sense for them to use the waste heat as well. However, industry often felt in the past that the electricity supply industry was less than fair in its dealings with private generators, and less than enthusiastic about promoting CHP. The Energy Act (1983) addresses these disincentives. First, it ensures that private electricity generators have access to stand-by supplies, buy-back facilities and to the national grid as a common carrier, on fair terms. This makes investment in generating plant more attractive than it was. Secondly, the Act confers on the electricity industry a clear duty to promote economic CHP schemes.

Another use of CHP would be to take the waste heat from power stations and pipe it as hot water into people's homes. This is referred to as district heating. The principle of utilising heat which otherwise would have gone to waste is very attractive. However, a considerable investment would be needed, and it is essential that the economics of any such scheme are very fully evaluated.

Background

A preliminary study under Sir Walter Marshall reported in 1979. Following on from that, the Government commissioned consultants W S Atkins and Partners to undertake a programme of work to test the economic and practical feasibility in nine inner city areas where the local authorities had expressed an interest. The consultants have now reported, and their conclusions are being analysed, with a view to determining the best way forward.

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OIL AND GAS FROM COALQuestion

What is the Government doing to develop the production of oil and gas from coal?

Suggested answer

Coal is likely to become an important feedstock for the manufacture of oil and gas in the future, when natural oil and gas supplies diminish. The precise point at which these processes become economic will depend upon how prices of natural oil and gas on the one hand, and coal on the other, move in the years ahead. This is hard to foresee, but perceptions worldwide have recently changed, and the date at which these technologies are expected to come into their own has receded further into the future. The Government's objective is to ensure that technology developed in Britain is technically sound and likely to achieve commercial success in markets worldwide. The heavy investment in the coal industry since 1979 is specifically designed to build a low-cost, highly efficient industry to meet future coal needs.

Background

The National Coal Board has developed a small-scale oil-from-coal process in the Coal Research Establishment at Stoke Orchard. The Government has financed over half of the costs involved, through payments of £560,000 since 1979.

In May 1981, the Government announced its willingness to contribute up to £5 million towards the cost of a 25 tonne per day pilot plant, subject to substantial private sector participation. Moreover, the Government has made available a further £300,000 towards the cost of a three month proving run at Stoke Orchard. However, private sector funding was not, in the event forthcoming. The potential partners drew attention to the results of the proving run which pointed to the need for a more modest scale for the next step. The Government sets great store by the need for private sector participation, to ensure that this important development proceeds in a way which is both technically and commercially sound.

Agreement has now been reached with the NCB to proceed to a 2½ tonnes per day project, subject again to private sector participation, and to substantial EC support, a contribution from the NCB and arrangements for project management acceptable to all concerned. The Department of Energy contribution would be around 10 per cent (£2-3 million), and it is possible that the project could attract regional aid.



The manufacture of synthetic natural gas is likely to be commercial earlier than coal liquefaction. The British Gas Corporation is carrying out a development programme which will cost £300 million over 20 years, and which will enable it to produce SNG from oil or coal when there is need to augment natural gas supply. A demonstration slagging gasifier based on coal has been built at BGC's Westfield Development Centre, Fife, and a prototype plant to make SNG from oil, built at Killingholme on Humberside, began operating in 1982. These developments are well up at the forefront of SNG technology worldwide.

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18.5.83

SEVERN BARRAGE

Question

Is the Government going ahead with the proposed Severn Barrage?

Suggested answer

Such a barrage could make a significant contribution to our electricity needs in the next century, and offer a valuable complement to coal-fired and nuclear power stations. However, it would require a massive investment, and could not be countenanced unless it offered an acceptable economic return. In addition, careful detailed appraisal is needed of its likely impact on the environment.

The project was first evaluated by the Bondi Committee, which reported in 1981. Their recommended option was a barrage from Brean Down to Lavernock point. The Government recently announced a more detailed study, to be jointly funded with a private sector consortium, into the technical and economic viability of such a barrage, built and operated by the private sector.

Background

The consortium involved in the latest study comprises; Sir Robert McAlpine & Sons, GEC Power Engineering, Taylor Woodrow Construction, Northern Engineering Industries and Balfour Beatty. The study will cost £500,000 over two years, with a Government contribution of one half. Private sector involvement at this early stage will ensure that the commercial implications of the project are realistically evaluated.

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18.5.83



THE RENEWABLES

Question

Why doesn't the Government do more to promote renewable sources of energy?

Suggested answer

Expenditure on R & D in this area this year will be £14 million, four times that in the last year of the Labour Government.

To make the best use of this money, it is being concentrated on those projects with most potential. Overall, the renewable energy technologies are being supported at a level consistent with their current state of development and their potential for the future.

Background

Over £6 million has been committed to the windpower project on the Orkneys, about £1½ million has been spent on the geothermal aquifer at Southampton, and £9 million has been spent on exploitation of geothermal hot, dry rocks by the Camborne School of Mines. An announcement has also been made recently of the next step to be taken on the evaluation of a possible tidal barrage on the Severn estuary.

Work on options which seem to involve a longer time scale (wave power, solar energy) is being given less emphasis, although options are being kept open, should a break-through occur.

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18, 5, 83



ENERGY CONSERVATION - EEO

Question

Why does the Government not do more to promote the conservation of energy?

Suggested answer

It is already doing a great deal. Government spending (in addition to that of the local authorities, health authorities and nationalised energy industries) is running at £100 million per year. It is aimed both at improving the Government's own energy efficiency and helping other consumers to do the same. In addition, of course, consumers themselves invest heavily every year, to cut their energy bills. The results are showing. Energy efficiency in Britain is improving at a rate which is quite respectable in relation to that achieved in other countries. In its most recent study, the International Energy Agency has concluded:

"The United Kingdom's record of achievement in reducing energy and oil consumption in recent years reflects a high level of success in policy measures adopted thus far".

It is, of course, important, to ensure that the Government's conservation programme is co-ordinated and cost-effective. That is why it was made the subject of a recent Rayner scrutiny. As a result, the Government is pressing towards the creation of an Energy Efficiency Office within the Department of Energy.

Background

1. The EEO's objectives will be:
  - to promote the energy conservation industry;
  - to help consumers, through advice and information, to respond sensibly to energy price signals.
2. The energy consumed per unit of GDP in Britain has fallen by around 20 per cent since 1973. This is a very creditable performance.
3. Both Labour and the Alliance promise major increases in expenditure on conservation. That, along with their other irresponsible policies, would mean major increases in inflation and unemployment too.



INVESTMENT IN CONSERVATION VERSUS SUPPLY

Question

Wouldn't more investment in conservation save the need to invest in new nuclear power stations?

Suggested answer

No. Investment in conservation often makes very good sense for consumers. But, it does not directly affect the amount of generating capacity which the electricity industry needs to cover peak demand on the coldest days in winter. In particular, the greatest scope for saving energy is in the heating of buildings, an application for which electricity is relatively little used.

In any case, today's investment in new power stations is not designed primarily to add to capacity. Instead, new, efficient stations are being built to replace old plant which is coming to the end of its useful life. The object of this replacement is to bring down costs - it also results in more efficient use of fuel in power stations, and so has implications for conservation.

Background

A paper available from Department of Energy, "**Investment in Energy Use and Energy Supply**", presents a comprehensive analysis of the very complex relationships between the two. It concludes that the savings in supply investment following from investment in conservation are highly uncertain, but certainly much less than is popularly imagined.

When this debate first started, analysis was hampered by a serious lack of data. Work carried out in these early stages by the Energy Policy Unit of Department of Energy has since been leaked to the press. It has been seized upon by anti-nuclear pressure groups to support their case. The work was a preliminary and tentative attempt, based on doubtful data. It was considered within the Department to be superficial and inadequate, and at best only a starting point for the subsequent thorough analysis which was later published.



CONSERVATION AND JOBS

Question

Is there any substance in the report by the Association for the Conservation of Energy last February that a £25 billion investment in domestic conservation over 10 years could create 150,000 new jobs?

Suggested answer

Suggested answer

No. It fails to answer three vital questions.

- where this large amount of money would come from?
- why need it be public sector investment? Why not let the people who would benefit invest themselves?
- even if the money was available, why is conservation better than any other projects which could be dreamt up to create jobs?

Background

In fact, this is simply a proposal to reflate the economy, with conservation thrown in to make it seem more respectable. The Government does not believe that spending taxpayers' money, or adding to Government borrowing, create jobs. Quite the reverse.

On matters of detail, the report is open to technical criticism. The potential for energy saving from loft insulation is overstated, and the costs are understated. The proposals for double glazing are not, on the paper's own admission, cost-effective. Very large grants would be needed to reduce, as the paper suggests, all pay-back periods to two years. On this formula, the least cost-effective conservation measures would attract the biggest grants. An average grant of 75 per cent would be needed - hardly a proper use of public funds.

The Association for Conservation of Energy is an association formed by the suppliers of conservation products.

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CONSERVATION IN INDUSTRY

Question

What is the Government doing to help industry become more energy efficient?

Suggested answer

It is already doing a good deal. (see below). In particular, the Armitage Norton Report was commissioned by the Government, specifically to identify barriers to industrial investment in energy conservation. An extended summary of its conclusions was published in May 1982.

The Report concluded:

"it would be difficult to justify giving Government grants on a large scale for the generality of conservation investments, given that many projects with payback periods larger than those generally judged acceptable would be financially viable in their own right, and that the sums of money required to promote any substantial redirection of industrial investment would be enormous".

The Report did, however, suggest ways in which present schemes to help industry could be improved, and point to future developments of policy in this area which would be helpful. This has been very valuable input to the thinking on this subject.

Background

Measures already available to help industry invest in conservation are:

- The Energy Survey Scheme - 60,000 applicants have been reimbursed to date of part of the cost of surveys of their premises by energy consultants. 2,000 applicants have been helped with extended surveys.
- The Energy Conservation Demonstration Projects Scheme provides financial assistance to firms which need to demonstrate the effectiveness of new ways of saving energy. Once the benefits are established, the Department of Energy helps publicise them, so that other firms will put the new systems or products to equally effective use.
- Government information disseminated through publications, courses and seminars, and through the network of Regional Energy Conservation Officers.

CONSERVATION IN HOMES

Question

What is the Government doing to help people save energy in their homes?

Suggested answer

The most cost-effective measures for energy conservation in the home involve the insulation of lofts and hot water tanks. Grants of 66 per cent of eligible costs up to a total of £69 are available under the Homes Insulation Scheme. Of the 1,644,000 grants awarded under this scheme so far, around 1,400,000 have been awarded under this Government. That is in addition to the 1,300,000 dwellings insulated since the second quarter of 1979 by the local authorities.

The level of grant has been increased by this Government. (Under Labour, the maximum was £50). In addition, the scheme has been extended to tenants, including those of local authorities. Higher grants - 90 per cent of eligible costs up to a maximum of £95-have been made available to the elderly and severely disabled on low incomes.

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HELP WITH DOMESTIC FUEL BILLSQuestion

What is the Government doing to provide help with fuel bills?

Suggested answer

It is spending more than ever before, in real terms, to help with heating additions to supplementary benefit. Enhanced grants are available under the Homes Insulation Scheme to help the elderly and severely disabled on low incomes, insulate their homes. They need pay only 10 per cent of the costs. Improved codes of practice on gas and electricity disconnections have been introduced, to avoid unnecessary hardship in cases of genuine need. And, standing charges on most gas and electricity bills have been limited to no more than the charge for units of fuel used.

Background

Heating additions. - Expenditure is now £325 million per annum, compared with £124 million in 1978-9. 2½ million people benefit, 1½ million of them pensioners. The basic heating addition to supplementary benefit is now £1.90 per week; a higher rate of £4.65 per week is available for people with particularly heavy heating needs.

Homes Insulation Scheme. Grants of 90 per cent of eligible costs, up to a total of £95, are available to the elderly or severely disabled on benefits, towards the cost of approved home insulation.

Disconnections. The great majority of consumers pay their bills promptly. Less than half of one per cent a year need to be disconnected, and most of these are reconnected within a few days. Clearly, this type of sanction is essential to prevent deliberate non-payment.

Under the code of practice, categories of consumers most at risk are identified. These people are either protected directly - pensioner households, for example, are not disconnected in winter months - or advised of the welfare agencies whose job it is to help them. Every consumer threatened with disconnection is contacted with an offer of a repayment arrangement which will help them clear their debt, and, where it is safe and practical, slot meters are provided. Disconnections have, in fact, fallen dramatically in the last two years (electricity disconnections by 23 per cent, gas disconnections by over 30 per cent).



Standing charges. Action has been taken to limit these for small consumers of gas and electricity. There was widespread concern over the fact that these could often amount to more than the cost of fuel actually consumed. Now, following a suggestion from the Secretary of State for Energy, the Gas Corporation and most Area Electricity Boards limit the standing charge to no more than half of anyone's total bill. About 3 million consumers, half of them pensioners, will benefit.



INDUSTRIAL ENERGY PRICESQuestion

Why does British industry pay more for energy than competitors abroad?

Suggested answer

This is not the case for the great majority of industrial consumers. The latest comparison of prices here and on the Continent, published by the CBI last February, shows that prices in the UK compare well. This is due to measures taken in the last three years, worth in total around £500 million, designed particularly to help the energy-intensive industries.

Background

Some industrial gas consumers - those whose supply contracts allow for interruptions in periods of peak demand - pay prices lower than their Continental competitors. Prices on firm supply contracts are well in line with others in Europe. Overall, industrial gas prices have risen by only 3 per cent since March 1981, and are now fixed until October 1983. Few other countries enjoy such price stability.

Electricity tariffs for the majority of industrial firms are also in line with most others in Europe. France has much lower electricity prices than every other European country. This is in part because of its large and expanding nuclear power programme. In Germany, on the other hand, published tariffs are higher than here in Britain across the board. UK electricity prices will not rise at all this year. Few other countries are in a similar position. Tariffs in France, for example, rose by 8 per cent on 1 April, and will rise by a further 5 per cent later this year.

Large electricity consumers are, of course, those most concerned with its cost. Many of these are able to make use of the new contracted customer load scheme (CCL), which reflects the lower cost of supplying large consumers who are able and willing to moderate their demand to meet the needs of the supply industry. These consumers pay prices up to 40 per cent below average.

Industrial energy prices have risen more slowly under this Government than in the last one. Over the four years 1974-8, industrial gas prices rose by 240 per cent, industrial electricity prices by 94 per cent. Over the four years 1978-82, these respective increases were 99 per cent and 73 per cent.

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TAX BURDEN

Question

Why has the Government increased the tax burden when it promised to reduce it?

Suggested Answer

Income tax thresholds are 6 per cent higher in real terms than in 1978/79; basic rate of tax is down from 33 per cent to 30 per cent; and the absurdly burdensome higher tax rates we inherited have also been cut - top rate is down from 83 per cent to 60 per cent. Average rates of income tax are lower than in 1978/79 for all on three-quarters average earnings and above. NIC increases have been necessary to finance increased outlay on benefits: average rates of tax and NIC combined are higher than 1978/79 for those on about two and a quarter average earnings and below. But the most important thing for the taxpayer is what is left to spend: real net income (after tax, NIC and child benefit where relevant) is higher than 1978/79 for instance, by 5% for those on average earnings.

Compare this with the performance of the last Government: thresholds fell in real terms during the life of that Government by 20 per cent for a single taxpayer, and by 5 per cent for a married man; the basic rate increased from 30 per cent to 33 per cent (35 per cent at its peak); higher rates reached 83 per cent, compared with 60 per cent under this Government; and under Labour income after tax and NIC fell in real terms for many taxpayers on average earnings and even below - for single people by 3% and for couples without children by 1%; it rose for a couple with 2 children by a mere  $\frac{1}{2}$ %.

In addition, we have made large reductions in the taxes which affect business. Our cut in Labour's tax on jobs (the NIS) from  $3\frac{1}{2}$ % to 1% has saved industry nearly £2 billion in a full year.



## Background Notes

1. Figures quoted assume that earnings have risen in line with the increase in average earnings; assume earnings and price increases for 1983/84 consistent with those underlying the PSBR; and assume for taxpayers with children that child benefit is treated as a "credit" against income tax (and NIC). Average rates of income tax are higher than 1978/79 for low earning taxpayers even though tax thresholds are up in real terms, and basic rate is down: this is partly because earnings have increased in real terms slightly faster than tax thresholds, but mostly because the lower rate band (of £750 at 25 per cent) introduced by the last administration has been abolished. Details of average rates of income (income tax plus NIC) and of real net income are set out below.

	<u>Change in real net income after income tax, NIC, and child benefit</u>	
	<u>Increase +/Decrease -</u>	
	<u>1983/84 on 1978/79</u>	<u>1978/79 on 1973/74</u>
<u>Single</u>		
$\frac{1}{2}$	2.9	- 1.1
$\frac{3}{4}$	4.4	- 2.2
1	5.3	- 2.9
2	7.1	- 4.1
<u>Married</u>		
$\frac{1}{2}$	2.5	2.4
$\frac{3}{4}$	4.0	0.3
1	4.9	- 0.8
2	7.1	- 2.5
<u>Married plus 2 Children</u>		
[ $\frac{1}{2}$	3.9	4.3]
$\frac{3}{4}$	4.8	2.0
1	5.5	0.5
2	7.2	- 1.5

\* ie child benefit exceeds income tax due

In practice, means-tested benefits (FIS, rent and rate rebates) would also affect real net income at this earnings level.



CHILD BENEFIT/ONE PARENT-BENEFIT

Question

Will you maintain the value of child benefit/one-parent benefit?

Suggested reply

Under this Government we have proved the importance we place on helping families with children. In the 1983 Budget the Chancellor announced that the value of child benefit/one-parent benefit would be raised to its highest ever level in real terms. The Conservative Party strongly believes in the principle of supporting families with children.

Background

1. Child benefit and one-parent benefit are non-contributory, non means-tested, and tax-free. Child benefit is paid to over 7 million families with 12.8 million children; one-parent benefit goes to over  $\frac{1}{2}$  million families with 810,000 children.
2. Child benefit and one-parent benefit have been raised in the 1983 Budget to their highest-ever levels in real terms as from November 1983.
3. Child benefit has been increased from £4 in April 1979 to a proposed £6.50 in November 1983. One-parent benefit has gone up from £2.00 in 1979 to a proposed £4.05 in November 1983.
4. There is absolutely no truth in the Labour smear that Conservatives plan to abolish child benefits to use resources for spending on other benefits. The story was first given wide currency in a speech to a May Day Rally by the Chairman of the Labour Party in Scotland.

Labour Policy

5. Labour is committed in New Hope for Britain (page 17) to increase child benefit "by £2.00 a week, make it index-linked, and subsequently improve it in real terms, as resources allow". The cost of the first stage of this commitment would be £1050 million.

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18.5.83



RATESWhat are the Conservatives doing about the Rates?

Our top priority is to contain local government expenditure and so minimise the extra burden falling on ratepayers. At this difficult time of world recession, we have been equally concerned to help the industrial and commercial ratepayer as well as the domestic. The Government's success in reducing inflation has meant that average rate increases have fallen steadily in the past 4 years.

Average rate increases for each year are as follows:

1980/1 over 1979/80	23%
1981/2 over 1980/1	20%
1982/3 over 1981/2	13%
1983/4 over 1982/3	6½%

This year but for 18 Labour authorities, it would have been 0%.

We are not prepared to allow these high spending Labour authorities to cause such distress and damage to industrial, commercial and domestic ratepayers.

We have therefore announced that we shall immediately introduce legislation to curb excessive and irresponsible rate increases by high spending councils, and to provide a general scheme of limitation on rate increases for all local authorities, to be used if necessary.

Why aren't you abolishing the domestic rates?

We conducted the most thorough examination and widest possible consultation on possible alternatives. It was clear that no alternatives could be introduced at any early date, that they would all involve extra costs, and that there was no general agreement on any particular alternative. Because of the need to take early action to help the ratepayer, we therefore decided to put forward our proposals to curb excessive increases.

Isn't the rating system very unfair?

Of course there are many anomalies in the rating system, but it would be irresponsible to change to a new tax with serious, if different, flaws. Whatever its failings the rating system is cheap to administer, easy to collect, difficult to avoid and certain to yield. In any case some of the unfairnesses or rates are met by rebates and grant paid out of other taxes. The incorporation of rate rebates in the new housing benefit means that more people will be eligible for help with their rate bills.



What about Local Income Tax?

To replace the domestic rates entirely by a local income tax would mean an increase in the basic rate of about 6p in the £. In addition, a local income tax could not be introduced before the 1990s. There would be problems of tax evasion. The various methods of administration would be costly. Inland Revenue estimated for the Layfield Committee that LIT might involve up to 13,000 additional civil servants and cost £110m p.a. (at 1981-2 prices) to administer.

What about Poll Tax?

This tax would only be suitable for use in combination with other taxes. If it was not set at a level which would produce a low yield it would be regressive for low income taxpayers and would probably require a rebate system. It has very serious problems of enforcement and might require the compilation of a separate register.

What about Local Sales Tax?

The replacement of domestic rates by a local sales tax would produce a combined sales tax/VAT rate of about 23%. The tax would also have poor accountability which would not act as a deterrent to high spending. There is considerable sensitivity about the burden this tax would place on shopkeepers as unpaid tax-gatherers. There would be problems of cross-border shopping which could lead to uncertainty of yield even at county level.

What about the transfer of education costs?

Education would still have to be paid for. To meet the total cost would require about 5p on the basic rate of income tax. The Government has examined the option of a block grant for education but takes the view that it is important to preserve the freedom of local authorities to determine their own priorities within their budgets.

What about industrial rates?

Rapid rises in industrial rates have limited industry and cost us jobs. Industry is benefiting from the reduction in rate increases we have achieved and will benefit from the future legislation we will introduce to curb excessive rate increases. In addition, we will require local authorities to consult local representatives of industry and commerce before setting their rates. We will give more businesses the right to pay by instalments; and we will still stop the rating of empty industrial property.



THE GLC AND THE METROPOLITAN COUNTIES

Question

Why does the Conservative Party wish to abolish the Metropolitan Counties and the GLC?

Answer

The Metropolitan counties and the GLC, established by previous Conservative Governments, have been abused by Labour politicians and experience has shown the need for change. They have come to be seen by the public as remote, expensive, wasteful in manpower and contribute disproportionately to the problems of overspending. They account for two-thirds of this year's local government overspending.

Background this year:

GLC	53%, i.e. £300 million
Metropolitan Counties	6.5%, i.e. £72 million

It is estimated that as a result of abolition savings could rise eventually to £120 million per annum, and that as many as 9,000 fewer staff could be needed. The transitional cost of abolition in the first year (redundancy payments) might be between £20 million and £70 million.

As many functions as possible will be passed to the Boroughs.

There should be no need for joint Boards for highways or traffic in the Metropolitan Counties. These matters can be co-ordinated by the regional office of the Department of Transport. In London some GLC roads can be passed to the Secretary of State as part of the Trunk network. London Transport will be reorganised as a London Transport Executive, responsible to the Secretary of State, not the GLC, and will be converted into a Metropolitan Transport Authority.

Joint Boards will be needed for Police and Fire and in the Metropolitan Counties a joint but small operation may be required for waste disposal and trading standards. In inner London, ILEA will be replaced by a joint Board acting on behalf of the Inner London Boroughs.

Consultation will be necessary to determine the best way of replacing the Arts functions of the GLC, which primarily involve the administration of the South Bank Arts complex, including the National Theatre, and several historic houses for which the GLC is responsible.



FUTURE OF THE FALKLAND ISLANDS

Question

What is the Conservative Party's position towards the future of the Falkland Islands ?

Suggested Answer

Conservative policy is to secure the Islands' defence and deter further aggression and "to create conditions in which the islanders can live happy, prosperous and free lives under a Government of their choosing" (the Prime Minister, Hansard, 26 January 1983, col.995). We are working for the economic development and rehabilitation of the Islands, and are committed to spending £45 million in the coming five years to implement the main recommendations of the Shackleton Report. Possibilities for the Islands' future constitution are being explored with the Islanders.

We are prepared to normalise relations with Argentina when they have declared a definitive cessation of hostilities and renounced the further use of force, which they have not yet done. Neither have they abandoned their position that negotiations should lead directly towards the transfer of sovereignty over the Islands and their dependencies to Argentina. The Prime Minister has said that this is totally unacceptable and that:

"There can be no question of negotiations on Sovereignty for the Falkland Islands. It would be a betrayal of those who fought and died." (Hansard, 28 November 1982, col.704-5).

In commenting on what has been referred to as the policy of "Fortress Falklands", the Prime Minister has said

"If the Falklands are at present a fortress it is purely and simply a state of affairs caused by the Argentine aggression .... and by our determination that that aggression will not be repeated."  
(Hansard, 26 January 1983, col.995).



OVERSEAS AID

Question

What is the Conservative Party's policy towards aid to the Third World?

Suggested Answer

1. The Conservative Party is very much aware of the importance that overseas assistance plays in the economic development of the poor countries of the Third World. The Conservative Party supports the principle that the object of British and European Community aid must be to enable the poorer countries to develop their own economies; this is the most effective way to relieve suffering and reduce their dependence on food aid.
2. The Conservative Party supports the provision of food aid for famine relief in genuine emergencies. But food aid which goes to provide free imports to the recipient countries or to support particular projects through 'food-for-work' or supplementary feeding schemes can make things worse, by undermining agriculture in the Third World. We would therefore like to see greater emphasis on aid for agriculture and less on food aid.
3. The Conservative Party does not believe that it would be in the interests of either the developing or industrialised countries to uproot or to modify fundamentally the existing international economic and financial system. The present system has served the world remarkably well over the last thirty-five years. The Conservative Party believes that it should be adapted and strengthened in the light of changing circumstances.
4. The Conservative Party believes that greater weight should be given to commercial, industrial and political considerations alongside our basic developmental objectives. We shall continue to back the Aid and Trade Provision (ATP) which supports British bids for contracts and therefore jobs, and which has a clear development aspect.
5. As a Member of the European Community, Britain has been able to secure generous aid for many Third World countries, including 34 belonging to the Commonwealth, under the Community's revised Lomé Convention. This convention, which is due to be ratified in 1985, makes £3200 million available in aid. India, which does not belong to the Lomé Convention, is the largest beneficiary of aid to non-associated countries.

Background

The Conservative Government has emphasised the importance of aid to the poorest countries. 68% of our bilateral aid goes to these countries compared with Labour's figure of 60% in 1978.

In 1982, 17.5 per cent of British aid was channelled through the European Community. The Community and its Member States provide more than a third of all aid given by developed countries to the Third World, and almost half the aid to the poorest countries.



## OVERSEAS AID cont.

Despite being the 6th richest member of the 'big-seven', Britain was third in order of aid donors in terms of percentage of GNP. In 1981 the figures were as follows:

(2)	France	0.73
(1)	West Germany	0.46
(6)	U.K.	0.44
(4)	Canada	0.43
(5)	Japan	0.28
(3)	U.S.A.	0.20
(7)	Italy	0.19

OECD average 0.35

(Figures in brackets indicate the ordering in terms of GNP per capita).

Despite the recession Britain's aid contribution has stood up well. In 1983/4 the provision is £1.057 billion (net); this is a 9.8% increase over 1982/3.

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18.5.83

UNITED NATIONS ASSOCIATION

Questionnaire to Parliamentary Candidates on  
Overseas Aid

Candidates who receive this questionnaire may find the following answers helpful.

Question 1

Do you believe that the next Government should increase UK spending on official aid to reach the UN target of 0.7% of Gross National Product?

Suggested Answer

The Conservative Government believes that the quality of aid matters as much as its quantity. When economic circumstances permit, we will move towards the UN target of 0.7% of GNP. In 1981, only France and Western Germany, of the seven major economies of the world, gave a higher proportion of aid than the UK.

Question 2

Do you believe that British aid should be concentrated more on helping the poorest people in the poorest countries, and should not be tied to British commercial interests?

Suggested Answer

In 1978 Labour gave 60% of our total bilateral aid to the poorest countries. In 1981 the Conservative Government gave 68%.

Question 3

Do you support proposals for stabilising prices of commodities exported by Third World countries, and for pegging them to the costs of their imports?

Suggested Answer

The Conservative Party takes the view that stable commodity pricing assists both the industrialised world and the primary producer in the Third World. For this reason we support the aims and principles of STABEX, (the EEC scheme which provides support for commodity producers when prices fall below agreed level)

Question 4

Do you support reform of the international monetary system

- a) to increase the flow of funds to developing countries,
- b) to reschedule debts and liberalise lending conditions,
- c) to give developing countries more say in the affairs of the International Monetary Fund?



Suggested Answer

The economic policies pursued by this country and other Western nations which have reduced inflation and increased efficiency, will also assist the Third World's financial stability. Britain has been a leading country in the move to increase the funds of the World Bank. We do not believe the International Monetary system requires fundamental reform and reconstruction, but it must be made more efficient.

Question 5

Do you believe that the Government should compel UK based multinational companies to abide by international codes of conduct governing their activities in Third World countries?

Suggested Answer

The Conservative Government never advocates the breaking of any legitimate code. However, it is important to ensure that codes of practice do not restrict trade and, therefore, development.

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CRUISE MISSILES AND THE DUAL KEY

Question

What is the policy of the Conservative Party towards a 'dual key' for United States cruise missiles?

Suggested Answer

The Conservative Party is fully satisfied with the existing arrangements for the control of cruise missiles which have applied for other American nuclear weapons, based in the United Kingdom, for over thirty years, and which have been reaffirmed by successive Governments of both parties. These arrangements apply to US F111 aircraft and Poseidon submarines already based in this country and were considered sufficient in respect of these systems by previous Labour Governments.

The arrangements have recently been reviewed in the light of the planned deployment of Cruise missiles, and the UK and US Governments are satisfied that they are effective. As the Prime Minister has said: "The arrangements will apply to United States Cruise missiles based in the United Kingdom whether on or off bases. The effect of the understandings and the arrangements for implementing them is that no nuclear weapon would be fired or launched from British territory without the agreement of the British Prime Minister" (Hansard, 12 May 1983, WA Column 435).

The United States has for many years been a close ally and friend whose forces have helped to defend this country. She made available to Britain the Polaris system which forms our independent strategic nuclear deterrent, completely under the control of the British Prime Minister. Our relationship is one of mutual trust. We consider a 'dual key' arrangement to be quite unnecessary, as well as very expensive.

Background

Mr Heseltine has said that:

"All dual key control systems are based on the ownership and operation of the weapon system involved. The cost to the United Kingdom of providing a force of 160 ground-launched cruise missiles over a period of 10 years has been estimated by the Ministry of Defence to be in the order of £1 billion" (Hansard, 1st March 1983, col. 117).

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18.5.83



FIELD SPORTS

Guidance Note

For Conservatives this is a matter of conscience and a Conservative Government would allow a free vote on any Private Members' Bill introduced for the purpose of prohibiting field sports. A Conservative Government would not initiate legislation to prevent people from taking part in sporting and other activities which they enjoyed unless it could be shown that these activities were harmful or involved more cruelty than other methods of control.

A Royal Commission under the Chairmanship of Mr J Scott-Henderson was appointed in June 1949 to consider the whole question of field sports. This Commission reported in June 1951 (Cmd 8266).

The Royal Commission accepted the need for controlling the numbers of foxes, stag and deer, and came to the general conclusion that hunting was certainly no more cruel than other methods of control. The Scott-Henderson Commission came to the same conclusion about hare coursing where this was carried out for the express purpose of controlling the hare population pointing out that coursing was probably less cruel than shooting. But the Commission was critical of hare coursing carried out solely for sport in places where hares were far more numerous than if their numbers were controlled by other methods.

Otters and badgers are protected throughout Great Britain.

The farming argument for the hunting of foxes with hounds is not well known. In the uplands and moors, it is the only safe method of controlling the fox population where sheep, dogs and walkers know no boundaries or restrictions. Poisoning and shooting are therefore not appropriate, as means of control.

Labour would override the conscience of the individual, and interfere grossly with his liberty. Their manifesto states: 'hare coursing, fox hunting and all forms of hunting with dogs, will be made illegal'.

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18.5.83

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THE SERPELL REPORT

Question

Following the recommendations of the Serpell Report, does the Government plan widespread closures of the railway network?

Suggested Answer

No. We have no programme of major closures, and Serpell did not recommend any. The network maps in the Serpell Report are emphatically not closure proposals. They were no more than broad illustrations. They certainly do not constitute Government Policy. Our aim is to secure improved productivity and efficiency in the railways industry, as recommended by the Serpell Report itself, in order to give a better and more secure future to those working on the railways.

Background

The Serpell enquiry was appointed in 1982 in response to requests by Sir Peter Parker, Chairman of British Rail and against a background of soaring levels of support from the taxpayer who in 1982 contributed as much to BR's revenues as the traveller. The enquiry was asked to:

'Examine the finances of the railway and associated operations in the light of all relevant considerations and to report on options for alternative policies and their related objections designed to secure improved financial results in an efficiently run railway in Great Britain over the next twenty years'.

Most of the Majority Report, (the Report was published on 10th January, 1983, and contained two reports, a Majority Report and a Minority Report signed by one member of the Committee, Mr Goldstein) was concerned with identifying scope for cost savings in British Rail. It identified scope for annual cost savings by 1986 of £220 million within the existing network. In considering future options, the Majority Report illustrated with network maps the probable consequences of a variety of different levels of public support. Serpell made clear that these maps were only illustrations, not recommendations, and amongst the options one was for increased investment in a slightly reduced network.

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19.5.83

Printed and Published by Conservative Central Office,  
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NATIONAL ASSOCIATION OF TEACHERS IN HIGHER AND FURTHER EDUCATIONQuestionnaire to Parliamentary Candidates

Candidates who receive this questionnaire may find the following answers helpful.

Question 1.

The National Advisory Body for Local Authority Higher Education has had a significant impact on the relations between central government and LEAs and between the public sector of higher education and the university. What is your view of the role of the NAB with respect to AFE and the relation between the public and university sectors of higher education?

Suggested Answer

I regard the creation of the National Advisory Body for Local Authority Higher Education as one of the achievements of this Government; it is a significant step towards the rationalisation and improvement of higher education in the public sector. I have every confidence that the NAB will succeed in ensuring that AFE and HE provision in the public sector more closely meets the needs of its consumers and of the nation in general. I believe that it will be necessary for any future government to investigate the relations between the NAB and the UGC, with a view to ensuring increased co-operation between the public and university sectors of higher education.

Question 2.

The Manpower Services Commission is playing an increasing role in the education and training of young people. What is your view on the role of the MSC with respect to NAFE; and the protection of the range of student choice for the 16-19 age group?

Suggested Answer

I take the view that the influence of the MSC on NAFE has been beneficial, and will continue to be so. The Youth Training Scheme, in particular, will provide many young people with the opportunity to combine a measure of work experience with a certain amount of NAFE directly relevant to their needs; and I believe that these young people will benefit greatly from such opportunities.

Question 3.

Financial support for students at all levels is a critical factor for their continuance in education. What is your attitude to student support for (a) the 16-19 age group (b) the 18+ age group (c) mature students?

Suggested Answer

It will be necessary in due course to examine the whole system, in order to determine whether there is some way of widening access to further and higher education without excessive cost to the taxpayer.

The problem of support for pupils and students between the ages of 16 and 19 is more complicated. Whilst I recognise that there is an argu-



ment for providing such pupils and students with support, it should be noted that many of them are ready to remain in full time education beyond the age of 16 without any grants; indeed, over the last two years, the proportion of young people remaining in such education has increased significantly (10% more pupils have remained in school past the age of 16 and about 25% more have attended full-time further education). Moreover, these young people often derive long-term financial benefit from post-16 education. I am therefore unconvinced of the need to spend hundreds of millions of pounds of taxpayers' money on providing them with grants.

Question 4.

Continuing education is an area of growing concern among all parties. What is your attitude to continuing education opportunities in the light of the MSC's Adult Training Strategy, the Open Tech, PICKUP and the NAB and UGC working parties on this area?

Suggested Answer

I believe that continuing education is of extreme importance: I fully support the MSC's Adult Training Strategy, the development of the Open Tech, PICKUP and the current work of the NAB and the UGC in this area.

Question 5.

Education and training of the post-school population has become an increasingly controversial issue but has become established as an important element in overall government economic and employment policies. What is your view of the place of post-school education and training within the priorities of an incoming government?

Suggested Answer

Any incoming government should regard the development and improvement of post-school education and training as one of its most urgent priorities.

Question 6.

Public expenditure is a major element in economic planning and the development of employment policy. What is your view of the role of the public sector and public expenditure in general in the economy and in the regeneration of economic performance and employment opportunities?

Suggested Answer

Whilst I recognise that the public sector (often supported by public expenditure), has an important role to play in the economy of the nation, I believe that it is impossible to sustain proper public services in the absence of a thriving wealth-creating private sector.



Fisheries - Aid to the Industry

Question

What financial aid has the Conservative Government given to the UK fishing industry, and what aid will be given to help it in the future?

Suggested Answer

1. Since the signing of the Treaty of Accession to the EEC in 1972, aid has been given to the industry by both Labour and Conservative Governments to help it through difficult times, not least the loss of fishing opportunities near Iceland. However, the records of the two Governments are vastly different. Total aid in cash terms for the Labour Government 1974-79 was only £14.9 million (less than in the last year of this Conservative Government alone); under the Conservatives aid to the industry since 1979 now totals £57.2 million.
2. Now that there is a new Common Fisheries Policy for the European Community as agreed in the Treaty of Accession, aid will be forthcoming from Community Funds. These have already been announced and included the following:  
  
Vessel building and Grants  
Laying up Grants  
Joint Ventures  
Development of Aquaculture  
Artificial Reefs  
Exploratory Voyages
3. A discussion paper has been produced by the Government on the best ways of using the UK share of the £140 million of financial support currently available from the EEC for community fishing fleets and restructuring the industry.

FISHING INDUSTRY

Question

What has the Government done for the fishing Industry and what about its future under the Conservatives?

Suggested Answer

"We are the first Government to have succeeded in negotiating a revised and comprehensive Community fisheries policy. The agreement provides British fishermen with quotas of fish better than they have enjoyed since the loss of fishing in Icelandic waters and a preference within coastal waters greater than that which has been enjoyed in the history of the fishing industry, and we have provided them with substantial subsidies. We are now discussing with them the future restructuring of our fishing fleet to take advantage of the opportunities that will be available for the rest of this century.

The Sea Fish Industry Authority has been established with objectives which place particular emphasis on the improvement of marketing".

(Peter Walker, Hansard, 3rd May 1983, Col.55)

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19.5.83

Printed and Published by Conservative Central Office,  
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RAPE

Question

Why has the Government done nothing to end the scandal of rapists receiving such light sentences?

Suggested Answer

Rape is a crime of extreme gravity, and carries a maximum sentence of life imprisonment. However, it is for the judiciary to impose sentences which Parliament makes available. In this context, the Criminal Justice Act 1982 has made it possible for the courts to send young offenders (under 17) convicted of rape to prison, while in Scotland they are detained at Her Majesty's pleasure.

Lord Hailsham, the Lord Chancellor, has given instructions to all circuit administration that under no circumstances is a rape charge to be listed except before one of the judges authorized to try murders, or before a judge approved by the presiding judge of the circuit.

Background

1. Lord Lane, the Lord Chief Justice, has stressed that the reason for jailing rapists is to mark the gravity of the crime. He said "Rape is always a serious crime and, other than in wholly exceptional cases, it calls for an immediate custodial sentence".
2. The Home Office has issued revised guidance on the investigation of rape to all police forces in England and Wales. This emphasises the importance of tact and understanding throughout, the anonymity of victims, and properly conducted medical examinations.

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19.5.83

Printed and Published by Conservative Central Office,  
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CAPITAL AND CORPORAL PUNISHMENTQuestion

Why has the Government not introduced a referendum on the use of either capital or corporal punishment as proper deterrents to crime?

Suggested Answer (unless candidates have strong views to the contrary)

Under our constitution it is Parliament that decides whether to change the law. In the course of the last Parliament the House of Commons has twice, on a "free vote", voted decisively against the restoration of capital punishment. No referendum result could bind future Parliaments.

Question

Why have the Government not reintroduced Capital Punishment when they know that a majority of the country want it?

Suggested Answer

The Government believe that an issue such as the return of capital punishment cannot be decided on a 3-line whip, as it is properly a matter for the conscience of each individual M.P. The Government have provided two opportunities for 'free' votes on the subject during this Parliament.

Background

Two free votes on the reintroduction of capital punishment have taken place during this Parliament. The results of these votes were:

19th July 1979:	Votes for	Votes against
Reintroduction of the death penalty	243	362
11th May 1982:		
Reintroduction of the death penalty		
For murder	195	357
For terrorism involving loss of life	208	332
For murder by firearms or explosives	176	343
For murder of prison or police officer	208	332
For murder in the course of robbery or burglary with offensive weapons	151	331



CORPORAL PUNISHMENT FOR YOUNG HOOLIGANS

Question

Why haven't the Government reintroduced corporal punishment to deal with young hooligans and vandals?

Suggested Answer (unless candidates have strong views to the contrary)

Corporal punishment can be effective when administered sensibly by a parent or teacher almost immediately after the commission of the offence. But with judicial corporal punishment there would inevitably be a considerable delay before the sentence could be carried out; and, in addition it would be less effective because it would be administered by someone with whom the offender had no relationship.

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CAMPAIGN FOR NUCLEAR DISARMAMENT

Questionnaire to Parliamentary Candidates

The policy of CND is wholly alien to that of the Conservative Party. Some candidates may therefore be reluctant to answer this questionnaire. They are, however, advised to complete it in order to prevent CND making misleading claims. In the absence of replies from Conservative candidates, they might well try to boast about the unexpectedly encouraging response they have received (omitting all reference to the actual number of Conservative replies sent in).

Question 1

If elected will you seek an opportunity to vote in the House of Commons against the deployment of cruise missiles in Britain?

Suggested Answer

No.

Question 2

Would you vote against cruise missiles even if it meant defying your Party Whip?

Suggested Answer

No.

Question 3

If elected will you seek an opportunity to vote in the House of Commons against the Trident programme?

Suggested Answer

No.

Question 4

Would you vote against Trident even if it meant defying your Party Whip?

Suggested Answer

No.

Question 5

Do you believe that American nuclear weapons should continue to be based in Britain?

Suggested Answer

Yes.



Question 6

Do you believe that the possession of nuclear weapons of any kind by Britain is necessary for the defence of this country?

Suggested Answer

Yes.

Question 7

Do you believe that Britain should insist on the adoption by NATO of a 'no first use' policy on nuclear weapons?

Suggested Answer

No, to do so would weaken deterrence. I support NATO's much more comprehensive pledge never to be the first to use any of its weapons, nuclear or conventional, in Europe, except in response to attack.

Question 8

Will your election address contain a statement of your views on the nuclear weapons issue?

Suggested Answer

For candidates to decide, but a statement along the following might be issued:

"Nuclear warfare would be horrific. We must do all that we can to ensure that nuclear weapons are never used. That is why our security policy is based on the two planks of deterrence and balanced disarmament by negotiation."

Question 9

Should Britain freeze the production, testing and deployment of nuclear weapons either unilaterally or by agreement with other governments?

Suggested Answer

Not unilaterally; and in any negotiations for a general agreement it would be vital to ensure Britain's interests were safeguarded. Britain has possessed her own nuclear weapons since the 1950s. They have successfully contributed to NATO's strategy of deterrence and provided an ultimate guarantee of our national security. I believe that, taking account of the reality of today's world, we should continue to have an independent deterrent of last resort.

Question 10

Should battlefield nuclear weapons be scrapped?

Suggested Answer

NATO is currently reviewing its holdings of these weapons with a view to ensuring that their number is held at the minimum consistent with effective deterrence. 1000 of these warheads have been withdrawn by NATO since 1979.

Question 11

Should the next Government close down Britain's nuclear factories and research establishments (Aldermaston, Burghfield, etc)?

Suggested Answer

No.

Question 12

Do you believe that civil defence preparations can do anything significant to mitigate the effects of a nuclear attack on this country?

Suggested Answer

Yes. But the central aim of the Government's policy is to prevent nuclear war from ever breaking out by deterring any potential aggressor.

Question 13

Do you think there should be an overall cut in Britain's defence expenditure?

Suggested Answer

No.

Question 14

Should Britain remain a member of NATO?

Suggested Answer

Yes.

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LAW AND ORDER: CRIMEQuestion

"After all the promises in 1979 that the Conservative Government would act to reduce crime, why have the crime figures continued to rise? What are they going to do about it?" (or, "Why have they failed?" Etc. etc.)

Suggested Answers

Rising crime cannot be tackled overnight. The reasons behind the increase are complex, and the solution to the problem has involved several different approaches, centred upon the basic principles of responsibility, crime prevention and the role of the policeman on the beat, a more suitable range of sentences for the offender, and rationalisation of police powers.

In May 1979, the numbers of policemen were well below establishment levels; there was dissatisfaction over pay; and police tended to operate from panda cars. The Government tackled this by firstly implementing in full the Edmund-Davies pay award (which the Labour Party had held back) with a subsequent increase in recruitment, and secondly ensuring that these extra policemen were so deployed that men could be returned to the beat.

The Criminal Justice Act 1982 fulfilled a number of important manifesto pledges. It granted courts stronger and more flexible sentencing powers, and it made the payment of compensation to victims a priority over payment of fines. It was recognised that juvenile crime was a major problem; the Act made parents more responsible for the offences of children under the age of 17, the 'short, sharp shock' regime was extended, and the variety of sentences for young offenders available to the courts was increased. The Act came into force during April/May 1982. Other measures include an extension of the Criminal Injuries Compensation Scheme and an increase in the number of detention centres to which young hooligans can be sent to deprive them of their prime leisure time.

The Police and Criminal Evidence Bill, which a new Conservative Government would re-introduce, proposed to modernise police powers (to help them catch offenders more easily) and to establish a statutory framework for consultation between the police and the committees they serve. A more effective police force would be balanced by better arrangements for crime prevention. In Scotland new police powers to stop and search for offensive weapons were introduced under the Criminal Justice (Scotland) Act 1980.



There have been considerable moves in this direction. The Government have recognised that crime prevention involves more than simple police advice - it is important to create "an environment hostile to the criminal". Areas focussed upon include layout of housing estates, street lighting, home protection such as window locks, education of children, and an emphasis upon the responsibility of parents.

BACKGROUND

1. Police numbers up from 111,493 to 120,946 - an increase of 9,453.
2. More police back on the beat - for example, 1,550 in London, 650 in Manchester.
3. The Criminal Injuries Compensation Scheme has been extended to cover cases of violence within the family.
4. There are now nearly 120 attendance centres for young offenders.
5. The 'Sus' law has been scrapped, and the Criminal Attempts Act 1981 introduced to clarify the law dealing with attempts to commit an offence.
6. Community Service Orders are now available for 16 year olds.
7. Residential Care Orders have been produced.

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19.5.'83

Printed and Published by Conservative Central Office,  
32 Smith Square, London SW1



NATIONAL INSURANCE CONTRIBUTIONS

Question Why has the Government increased National Insurance Contributions so much?

Answer Because the numbers receiving the principle benefits have risen.

The increase in the number of pensioners between 1978-79 and 1983-84 is expected to be 565,000. The pension will have risen, by the next uprating in November, by slightly more than prices. The total cost of the pension, is estimated to rise from £7.6bn in 1978-79 to £14.7bn in 1983-84.

The rise in the number of unemployed has also increased spending. Expenditure on unemployment benefit is expected to rise from £0.6bn in 1978-79 to £1.9bn in 1983-84.

Thus the National Insurance Fund has needed increases in contributions, to cover expenditure rising from £11.0bn in 1978-79 to £20.8bn in 1983-84. [If the £11.0bn figure were merely indexed, the total would have been only about £19bn.] Of <sup>the</sup> £9.8bn increase in expenditure, £7.1bn (over 70%) is due to retirement pensions.

Conservative Research Department

19.5.83

Printed and Published by Conservative Central Office,  
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ANIMAL WELFARE

Questionnaires to Parliamentary Candidates

Guidance Note

Candidates will have already received a number of questionnaires on Animal Welfare from various organisations and bodies. The following guidance note on how to answer these questionnaires is based on the most important one from the General Election Co-ordinating Committee for Animal Protection and therefore should be used for all others that are received. The GECP, chaired by Lord Houghton, contains representatives of all the major animal welfare groups, including the RSPCA.

Question 1 - Factory Farming and Transport

(a) a ban on the export of live food animals for immediate slaughter and/or further fattening. This to be replaced by a carcass only trade.

Suggested Answer

The transport and export of farm animals are now much more closely controlled as a result of the revision in July 1981 of the Export Animals Protection Order of 1964. Under the tougher regulations, a consignment of farm animals cannot be exported without a licence from the Ministry of Agriculture, and officials conduct both a veterinary inspection and supervise the loading of each consignment of live food animals. The Government at the same time, introduced a code of practice for the care and feeding of farm animals in approved export lairages. Also, two Codes of Practice have now been issued concerning the conveyance of live poultry and the sea transport of farm animals.

Since the last election all Cows and Ewes that have calved or lambed within 48 hours are now banned from export. (June 1979 as per Election Manifesto).

The European Community under directives 77/489 and 81/389 also lays down provisions to protect the welfare of animals during international transport, including the requirement for food and water.

(b) regulations are required to ensure that all food animals are slaughtered with effective pre-slaughter stunning and as near to the point of production as possible.

Suggested Answer

All food animals except those used by ethnic minorities for religious reasons, are required under existing regulations to be stunned effectively before slaughter, unless /...



an instantaneous method of slaughter is used.

As far as those slaughtered under religious procedures, the Government's policy was clearly stated by the Parliamentary Secretary at the Ministry of Agriculture, Mrs Ferner as:

"Whenever Parliament has considered this question it has always taken the view that, in the interests of religious tolerance and because it considered the evidence on suffering which may arise from different slaughter methods is inconclusive, certain religious slaughter methods should be permitted subject to the avoidance of unnecessary suffering. I have no immediate plans to seek amendments to relevant legislations, but I shall be considering carefully any recommendations which the Farm Animal Welfare Council may make following its current review of the welfare of animals at the place of slaughter."  
(Hansard, 20th December 1982, Col. 339).

It is in the interests of farmers and traders to minimise transport costs by avoiding unnecessarily long journeys.

(c) the phasing out of the battery cage in a period of five years

Suggested answer

Intensive farming systems have enabled farmers to produce food for the consumer at reasonable prices. To return to farming methods of the last century, such as 'free-range', would put up the price of all eggs immediately and cost the industry enormous sums in capital investment, let alone the collapse of many profitable enterprises. It has been estimated that to return to 'free-range' egg production, an area equivalent to the size of Berkshire would be needed to satisfy present consumer demand.

However, on the international front, the Government have argued for progress on a European directive governing minimum standards for laying hens in battery cages, and draft directive to increase cage sizes and maintain standards have already been published. It is essential that progress is made in this area in unison with the rest of the Community, not on our own.

(d) an end to the practice of weaning piglets under 21 days of age and of rearing them in cages

Suggested answer

The practice of weaning piglets under 21 days of age is similar to mothers who after initially breast-feeding their child to enable immunities to be passed on in the colostrum, use re-constituted milk in bottles for feeding purposes after a few days.

However, it is debatable that the farmer can more quickly dry off their sows, thereby enabling the breeding cycle to start again more quickly than when the piglets are left on the sow for a longer period. Paragraph 44 of the new Pig's Code specifically recommends against weaning at less than three weeks.

The rearing of pigs has traditionally been indoors where fattening can be better controlled ie the environment and rationing. To let them loose in fields, besides



the cost in land and fencing, would lenthen the fattening period thereby considerably increasing food prices in the long term.

- (e) a ban on the use of tethers and gestation stalls for dry sows

Suggested Answer

The industry uses farrowing crates principally as an aid to the reduction of piglet mortality. Dry sow stalls allow the individual feeding and management of pregnant sows whilst preventing any aggression which may lead to injury and abortion. Tethers are incorporated in some crates and stalls to increase slightly the freedom of movement. Paragraph 48 of the new Pig's Code strongly recommends alternative systems.

- (f) a ban on the use of veal crates with immediate effect

Suggested Answer

Under this Government capital grants are not paid on works which would conflict with the requirements of the Cattle Code. The present Code (December 1982), by the Farm Animal Welfare Council (FAWC), includes a number of relevant requirements which have the effect of greatly limiting, if not absolutely discouraging, the production of veal in crates.

Question 2 - Experiments on living animals

- (a) an immediate ban on the use of animals where an alternative non-animal method exists

Suggested Answer

The Government White Paper (Cmnd 8883) 'Scientific Procedures on Living Animals' sets out that all work will require specific authorization, and procedures will only be permissable if certain criteria are satisfied. Included within this is that a procedure involving an animal will only be acceptable if no other scientifically satisfactory method, not involving the use of an animal, is reasonable and practically

Continued over .....



available. In certain cases, this may not be possible. The Government has a duty to safeguard the community from avoidable harm and to enable science to continue to make progress in alleviating suffering and in saving life - and that duty obliges the Government to permit the use of animals in research and testing where no alternative is possible.

(b) phasing out of the LD-50 test (Lethal Dose 50%) within 5 years

Suggested answer

The Government are advised by the D.H.S.S. that they cannot abandon the LD-50 test for the testing of medicines because it is obligatory on the UK as on all member states of the European Community, to determine the LD-50 value, where possible. This commitment is laid down in European Community Directive 73/318. Other countries outside the Community also require it. The Home Office has taken steps to draw to the attention of all licensees the recommendation that those who carry out the LD-50 procedure should bear in mind that for evaluation purposes a degree of precision which calls for a large number of animals is not always necessary, and that where practicable, a 'limit' test should be used in preference to an LD-50.

(c) a ban on procedures specifically designed to induce pain and distress (physiological and psychological)

Suggested answer

The White Paper 'Scientific Procedures on Living Animals' lays down that procedures performed upon animals may only be performed for strictly defined purposes. If a procedure falls within an accepted category of purpose, further controls apply to pain and distress. Article 9 of the European Convention upon which the White Paper is based provides that any procedure under which an animal may experience severe pain which is likely to endure may be permitted if it is specifically authorised and is of exceptional importance for meeting the essential needs of man or animal. This is the minimum requirement; the White Paper stresses that if an animal is at any time found to be suffering severe pain that is likely to endure, it should at once be painlessly killed. Moreover, a new system of control would ensure that in no procedure would the level of pain be permitted to exceed what is unavoidable to achieve the intended results. A total ban is not in the interests of either man or animal, for reasons mentioned in 2 (a).

(d) a ban on all procedures concerned with cosmetics, tobacco and alcohol research

Suggested answer

The White Paper places procedures concerned with such research into a special category. Licencing of such procedures would be referred to an Animal Procedures Committee and extremely strict criteria would apply before approval could be given. A total ban would not be possible unless it was practicable always to use tests not involving animals. At present, this is not so; manufacturers have a duty to ensure that, as far as possible, their products are safe for consumer use and consequently some testing involving animals is inevitable.



Question 3 - Bloodsports and Wildlife

- (a) a ban on all hunting and coursing with hounds

Suggested answer

This should not be a political issue but a matter for individual conscience.

- (b) a ban on performing animal acts

Suggested answer

The welfare of performing animals is provided for in the 1911 Act which protects animals against cruelty or neglect. In addition the training and exhibition of performing animals are subject to further safeguards under the Performing Animals (Regulations) Act 1925, which established a system of registration of all trainers and exhibitors of performing animals. Under the 1925 Act officers of local authorities and the police have power to enter and inspect at all reasonable times premises where animals are being trained or exhibited, and in the event of it being shown that the training or exhibition of any such animal is accompanied by cruelty, a magistrates' court may prohibit or restrict the training or exhibition, and suspend or cancel the registration granted under the Act. The Government has no reason to believe that these powers are inadequate to safeguard the welfare of performing animals in this country.

To ban performing animal acts, given that the welfare of these animals is rigorously protected, would unnecessarily end the enjoyment that traditional entertainment, such as circuses, gives to many - especially children.

- (c) a ban on all snares

Suggested answer

The law on the use of snares prohibits their use except under licence, against a variety of animals such as birds, deer, badgers and others, and the use of self-locking snares against any animal is totally prohibited, except under licence. In addition, the law requires that any snares set in position must be inspected at least once a day.

A total ban on snares is not practicable for a number of reasons. Snares are, for instance, needed where other methods of pest control are ineffective or impracticable. In these circumstances they may, in fact, prove to be more humane than those other methods. And if snares were to be banned, this would undoubtedly encourage the illegal use of dangerous alternatives such as toxic chemicals or spring traps.

- (d) a ban on the importation of all seal and whale products

Suggested answer

- (i) Seals: The Government responded swiftly in conjunction with other member states



of the EEC to the widespread feeling of disquiet expressed in 1982/83 about the methods used to cull seals, in particular in Canada. Controls on the importation of seal skins, that were agreed with the British Fur Trade Association came into effect on 1st March 1983. Subsequently, the Environment Council of the European Community adopted a directive, to apply from 1st October 1983, to prohibit commercial imports of fur skins and skin products of harp and hooded seal pups. The Community-wide action has ensured that there will be no Norwegian cull of seal pups this year, and any Canadian cull will be minimal.

From the 1st January 1981, all seal skin products sold in this country have had to be marked as such, thus allowing consumers to make their own choice about the purchase of these products. This is the best possible way of allowing consumer choice to continue and should with the strong public feeling towards the culling of seals see a considerable reduction if not cessation of imports of seal skins including those of adult seals. Of necessity, culling of seals has taken place in Scotland in recent years under the authority of the Secretary of State. Population expansion has led to increased resistance of disease in the herds and damage to fish stocks.

(ii) Whales: In 1979, the Government took the initiative in the European Community to ban the importation of all whale products. Agreement was finally reached between Member States, and the ban came into effect on 1st January 1982.

On the world scene, the Government has played a leading role in the work of the International Whaling Commission and since the election in 1979, has put considerable pressure on hunting nations to cease operations. In 1982, as a result of this and other country's pressure, the Commission agreed to a ban on commercial whaling throughout the world, except for certain ethnic minorities such as Eskimos. Four of the main hunting nations have lodged objections to this decision, but the Government will be trying to persuade them to withdraw these objections so that the decisions become fully effective.

Question 4 - Companion animals

(a) the establishment of Government-funded spaying and neutering clinics for both cats and dogs

Suggested answer

This would be a very expensive provision. Facilities exist anyway; veterinary surgeons perform a large number of these operations annually, at a relatively low cost to the pet-owner. Such a proposal would require those who do not own pets to subsidise, through tax, clinics which could be of no benefit to them at all.

(b) a dog warden scheme which in itself would be educative and which would liaise closely with local animal rescue and welfare centres

Suggested answer

This too would be expensive. However, there is concern about the behaviour of animals,



especially dogs, in areas such as public parks, and the potential threat of disease to children that this entails. A scheme of dog wardens might well be valuable in large cities where facilities for exercising dogs are limited. Any scheme of this nature would have to be run locally.

- (c) a ban on the sale of pet animals in street markets

Suggested answer

The Pet Animals Act 1951 has been amended recently to ban sales of pet animals in street markets.

- (d) regulations are required to ensure that horses, ponies and other equine are provided with adequate food and water, and have adequate stabling or shelter during inclement weather

Suggested answer

- i) The Protection of Animals Act 1911 covers the treatment of animals and their protection against cruelty and neglect. Any person may initiate proceedings under the Act where there is any reason to believe that unnecessary suffering is being or has been caused.
- ii) It is not in the interests of any horse owner to neglect to provide such facilities for their animals. Neglect would lead to deteriorating condition in the animal, and consequent decline in value.

Conservative Research Department  
32, Smith Square, LONDON SW1

19.5.83

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INCLUDED TODAY:-

- NB      65      Steel : Private Sector and the BSC
- 150      EEC and Food Prices - TO FOLLOW
- 151      Royal College of Nursing
- 152      Animal Welfare
- 153      Firemen's Pensions
- 154      Privatisation of Royal Ordnance Factories

Conservative Research Department

20.5.83

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Private Sector and the BSC

Question:

Why has the Government supported the British Steel Corporation at the expense of the Private Sector?

Suggested Answer:

This is not true. Certainly the Government has supported British Steel in order to help it rationalise at a time of massive world over-capacity. In fact, British Steel has rationalised its activities to a greater extent probably than any other enterprise in the country.

But although there has been a substantial reduction in employment in the steel industry, the fall in employment in the private sector has been less than in BSC. The private sector has kept broadly the same market share that it had in 1979.

At the same time, the Government has helped existing private sector steel companies to rationalise also and to consolidate for the future. The Government has therefore allocated £50 million for the private sector to support rationalisation proposals from individual private companies. Of this £50 million, over £31 million has already been given or earmarked for specific projects. Other proposals are under active consideration. This is helping to bring about a healthier steel industry with a future.

Steel production in the first three months of 1983 was up 38% compared with the previous three months.

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20.5.83

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Question - Royal College of Nursing

The deferment of the operative date of the 1982 pay award is affecting the pensions of staff who retired last year.

What are the Conservatives going to do about it?

Suggested answer

The deplorable industrial action called by Trade Unions in the Health Service in 1982 disrupted pay negotiations for all employees. But the RCN itself was unwilling to conclude agreement. It rejected the initial Government offers on pay after consulting its members through a ballot.

For these reasons it was not possible to conclude a settlement on pay by April 1982, the normal settlement date. The eventual settlement agreed was for an average of 12.3 per cent payable from 23 August 1982. This settlement date was agreed by the Whitley Council after negotiation involving the RCN within the financial framework set for them. It is not for the Government to seek to undo a freely negotiated agreement of whose implications the parties were aware.

Conservative Research Department  
32 Smith Square, London SW1

19 May 1983

Printed and Published by Conservative Central Office,  
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FIREMENS' PENSIONSQuestion

"What is the Conservative Party's policy on Firemen's pensions?"

Suggested Answer

Firemen's pensions will remain fully index-linked. It is right, however, that the contributions that firemen make to their pension scheme should be more broadly in line with other public services such as the police force, and with the armed services, which all operate early retirement.

Background

1. On 20th April 1983, the Home Secretary announced that the Firemen's pension contribution rate will rise from 6¼% to 8¾% from 1st May 1983, and then to 10¾% from 1st November 1983.
2. The 6¾% rate had applied since 1972, since when the value of the pension scheme in relation to pay had increased by over 60%.
3. Policemen's pension contributions were increased by 4% last year to 11%.
4. 10¾% contributions represents 28.3% of the cost of the pension scheme, which is less than the third which public servants generally pay.
5. The Fire Brigades Union recommended industrial action against the proposed increases, and convened a delegates' conference on 26th April to ratify a strike campaign; at the conference, a substantial majority voted against taking industrial action.
6. The evaluation of pension schemes is undertaken by the Government Actuary. He considered that an increase from 6¾% to 11% would be fully justified; the Home Office, taking into account the relationship between the armed services, police and fire service schemes, felt that 10¾% was more appropriate. The Local Authority Associations, representing local authorities who employ firemen, accepted that an increase of 4% was justified.



PRIVATISATION OF ROYAL

ORDNANCE FACTORIES

Question

What is the Government's policy towards the Royal Ordnance Factories?

Suggested Answer

The Government decided last year that the Royal Ordnance Factories (ROFs) should operate in a more commercial environment under the Companies Act. This will require legislation and it is the Government's intention to introduce this when the Parliamentary timetable allows. Initially, Government ownership will continue but with the intention in due course of involving private capital directly - either through sale to the private sector, joint venture or flotation of shares. The Government believes that these arrangements will enable the Royal Ordnance Factories to function more competitively. Provided that the ROFs continue to provide excellent products, they can look forward to a prosperous future.

Background Note

The Royal Ordnance Factories employed 19,700 employees in 1982. The latest forecast of the value of sales by the 11 factories in 1982-83 is £448 million, of which £192 million was for sales abroad. The latter figure represents 8% of UK defence sales.

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20.5.83

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INCLUDED TODAY:-

- 39 Please Insert Question of Policy No. 39 - New National Health Service Charges dated 21.5.83.
- 150 Please Insert Question of Policy No 150 - The EEC and Food Prices dated 21.5.83.
- 40 Please Replace Question of Policy No. 40 with Question of Policy No. 40 dated 21.5.83.
- 49 Please Replace Question of Policy No. 49 with Question of Policy No. 49 dated 21.5.83.
- 
- 155 Education : Independent Schools Information Service  
156 : Islamic Voluntary Aided Schools  
157 : Association of University Teachers  
Questionnaire
- 158 Sales of Butter to Russia : EEC
- 159 Farm Tenancies
- 160 Pig Industry
- 161 EEC Price Review
- 162 Importation of UHT Milk
- 163 Glue Sniffing
- 164 Civil Service and Pensioners' Allowance Group Questionnaire
- 165 Death Grant
- 166 Dog Licences
- 167 Home Office Matters : Immigration



NEW HEALTH SERVICE CHARGES?Question

Will a Conservative Government impose new health service charges?

Suggested Reply

We have no intention of introducing any system of charges for visits to the doctor or treatment in hospital.

We have no immediate or developed proposals for any further charges and any changes in the present system will only be considered if they result in a fairer contribution to rising spending on health services from those that can afford it.

Background: International Practice

1 In France the Socialist Government has introduced 20 Francs per day subsistence charge for hospital inpatients (exemptions in maternity, industrial injury, war veteran cases). There is a scheme of assistance for the poor.

2 In Germany an inpatient contribution of 5 D-Marks per day is payable for hospital treatment (except for maternity and childrens' cases) for up to 14 days per year.

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21.5.83

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THE EEC AND FOOD PRICES

Question

What effect has the Common Agricultural Policy had on food prices in Britain?

Suggested Answer

The rise in food prices cannot be attributed mainly to the effects of the Common Agricultural Policy. Inflation, stemming mainly from the rise in oil prices and the Labour Government's policies, caused prices to double in the period 1974-9.

'Food prices have risen by about 110 per cent (since 1974) 10 per cent of which is entirely due to CAP prices.'

John Silkin, then Minister of Agriculture, Hansard, 3rd April 1979, Col.1168).

A third of the food we consume is imported because we cannot grow or produce it in our climate. Therefore we cannot influence the price of these products: in 1975 the world shortage of sugar led to record prices. Many of the largest price increases affected commodities not covered by the CAP. Weather conditions also pay a large part in determining food prices.

Conservative Record

Under this Government, food prices have gone up less than the rise in the Retail Price Index (RPI) thereby helping to reduce inflation. Food is the largest item in consumer expenditure at approximately 20%.

Food prices increase since May 1979	35.0% (March figures)
RPI over the same period	51.0% (March figures)

The increase between April 1982 and April 1983 was only 0.7%, the lowest since 1964 and equivalent to the rise in food prices in approximately every ten days during the last Labour Government.

If the percentage attributable to the CAP under Labour still holds good today, the CAP would have only put up prices since the last election by 3.2%.

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21.5.83

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## HEALTH SERVICE 'CUTS'

### Question

Why are 'cuts' being made in the Health Service in any locality (Guidance for candidates puzzled by the difference between the Government's claim to be increasing spending on the NHS and local campaigning alleging that cut-backs are being imposed.)

### Suggested Reply

The Government has greatly increased spending on the NHS nationally by over 16 per cent ahead of the RPI during our period of office, which represents  $7\frac{1}{2}$  per cent real growth in services after allowing for higher price increases in the health field. This is more than adequate to cover the extra costs of caring for a rising number of elderly people and for medical advance.

The service still has to evolve to match changes in the pattern of population as in the provision of medical services. This will lead - as it always has in the past - to the closure of older hospitals and their replacement by newer ones. Some places have a surplus of facilities for some services and a shortage in others so that for example, funds can be released by closing surplus beds in acute surgical wards and devoted to improving services for the mentally ill or the aged. There always have been closures of hospitals in the NHS and there always will be as the service develops but no single closure is any evidence of a 'cut'.

Almost all District Health Authorities have had, and continue to receive, increases in real terms in their resources. (Candidates would be well advised to get the actual cash figures for their Districts.) In some cases this increase in resources is less than the District would like or less than they expected when plans were drawn up a few years ago based on quite unrealistic forecasts of growth. But it is quite wrong to refer to any gap between actual growth and false hopes or expectations as a Government 'cut'. Yet many health interests make this claim in local debates.

We expect Health Authorities to make 'efficiency savings' of  $\frac{1}{2}$  per cent each year as a contribution to the financing of new developments. Again, these savings are not a 'cut' - but a modest contribution to the growth of priority services, achieved by cutting back on wasteful spending to release resources for patient care. The Chairman of Regional Health Authorities have all agreed that this annual target is a realistic figure for improvement in efficiency. In fact, it is a very modest improvement to expect in a service with a £15 $\frac{1}{2}$  billion budget. Many Health Authorities could do better than this and should devote all extra savings to their local patient services.

### Background

1 The last Labour Government regularly faced similar charges that hospital closures indicated cutbacks in spending. In Labour's case this charge was strengthened by the cutback of one-third in NHS capital spending made by the Labour Government of 1974-9. In 1976 Mr Albert Spenswick of COHSE told the Labour Party Conference:

PTO:



"The NHS ..... is more in danger, more in fear for its very existence than ever before. Our fears lie in two directions. On the one hand, the entire Service - some 1m employees, 2,500 hospitals and 400,000 beds - faces a very severe cut back in its expenditure allocation, so severe that it has now spread beyond the mere elimination of the unnecessary but desirable to the closing of wards and hospitals and reduction in outpatient facilities and patients' access to care."

(Blackpool 29th September 1976)

2 Labour's Secretary of State for Social Services, Mr David Ennals, replied to charges saying that local closures meant national spending cuts by saying:

"Do not believe those who try and suggest that closures are evidence that the Government is starving the health service of funds. The reverse is in fact the case!"

(Press Release, 24th January 1978)

3 Spending on the NHS in GB has been raised from £7½ billion in 1978-9 to an estimated £15½ billion in 1983-4.

4 The Conservative Government has in train a £1100 million capital spending programme for the building of new hospitals. Under this programme 140 major new hospital capital schemes are being designed or constructed.

5 Estimated figures for 1982/3 are that the cost of prescriptions dispensed in England was £1,262 million. Only £106 million (about 8 per cent of this) was recovered through prescription charges and season tickets.

6 Dental charges in 1982/3 raised £141 million, around 28 per cent of the total cost of dental services (£536 million)

7 Optical charges in 1982/3 raised £41 million, 27.2 per cent of the cost excluding arrears payments to opticians. Estimated figures for 1983/4 are £51 million (30.4 per cent of the cost.)

#### Labour Policy

8 Labour are pledged in "New Hope for Britain" to "phase out health charges" - something no Labour Government has ever done despite pledges in the past.

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21.5.83

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## NHS CHARGES FOR OVERSEAS VISITORS

### Question

Why has the Government imposed NHS charges for overseas visitors?

### Suggested Reply

We believe it is reasonable to impose a charge for the use of the NHS on most visitors from countries which charge British people on visits there.

### Background

1 The Government has introduced a scheme to charge overseas visitors for hospital treatment in this country if the visitors come from countries who charge British people when they need treatment on visits there. We do not charge anyone from a country which gives free treatment to our citizens.

2 No charges are made for emergency out-patient treatment or for infectious diseases. Anyone coming here for a reasonable length of time, including students enrolled on courses which will last for more than six months, is exempt.

3 Most of the people who will be charged will be tourists and businessmen from countries such as the USA, Australia and the Arab states. We expect them to insure for health costs when they are here as British visitors have to do when they go there. The level of charges is equivalent to that levied on British private patients in NHS hospitals. The money raised is a small addition to the finances of our NHS.

4 The extra administrative cost is trivial as most patients are merely asked one additional question amongst all the other questions about name, address, age and so on that all patients have always been asked on admission to hospital.

5 Relatives and friends of patients can never be liable for charges.

6 The old system in the NHS was haphazard and varied from hospital to hospital. There was some evidence that hospitals tended to charge patients with foreign names and accents and there was some suspicion of racial bias in its effect. The Government removed that suspicion by insisting that the same simple questions should be asked of all patients. Our instructions expressly tell staff not to ask for passports from patients except in the case of an EEC national who has only to prove citizenship to claim exemption.

7 Various groups such as one called "No Pass Laws for Health" have issued inaccurate leaflets on the scheme trying to claim that the new system discriminates against immigrants. In fact, the new system eliminates the slight risk of racial bias that the old system carried.

Conservative Research Department

21.5.83



ISLAMIC VOLUNTARY AIDED SCHOOLS

Question

What is the Conservative Party policy towards the establishment of Islamic voluntary-aided schools?

Suggested Answer

We have consistently sought to promote variety in education; and we have always regarded the voluntary aided system as one of the most important means of achieving such variety. We will continue to defend this principle in the face of the sustained campaign by the Labour Party to overthrow it. We see no reason whatever why Islamic voluntary aided schools should not be set up alongside those run by other religions, though we would wish to ensure that those schools, like other voluntary-aided institutions, follow the established English curriculums using English as the medium of teaching.

Our views have been clearly set out by Dr Boyson who has said:

'This Government continues to support the voluntary schools, be they Catholic, Church of England, Jewish or any other religious denomination. As long as these voluntary schools provide a high standard of education, which they do, and as long as the parents wish to send their children to them, as they do, then we shall see to it that the voluntary schools continue and prosper, in spite of opposition to them from political quarters' (London, 21st May 1982).

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20.5.83

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AGRICULTURE

Sales of Butter to Russia

Question

Why does the European Community sell Butter to Russia at subsidised prices?

Suggested Answer

- 1        Conservatives are opposed to the export of subsidised butter to Russia.
- 2        However, the decision to accept tenders for export butter is in the hands of a Management Committee - composed of national representatives - on a majority voting system. And it is impossible to control the final destination of butter sold by tender. Moreover, since most butter traded on the international market is subject to long-term supply contracts, Russia is often the only buyer of surplus EEC butter. The United States is now producing surpluses in the dairy sector, and this means that EEC butter sales are being conducted in a buyer's market.
- 3        The cheapest way for the taxpayer of disposing of a particular quantity of surplus butter is to sell it. Large quantities are sold at subsidised prices to the armed forces, charitable organisations, schools and colleges, hospitals, and to the food industry. A general subsidy of about 14p a pound operates on all butter sales in Denmark, Ireland, Luxembourg, and the United Kingdom. It is, however, approximately 6 times more expensive to subsidise its sale inside the EEC than to sell it on the world market.
- 4        Conservatives have consistently pressed for Community consumers to be given priority in the disposal of surplus butter, and have sought to restrict sales to Russia to an absolute minimum.

Conservative Research Department

20.5.83

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AGRICULTURE - FARM TENANCIES

Question

Will a Conservative Government legislate to change the Agricultural (Miscellaneous Provisions) Act 1976, that provides for the succession of tenants?

Suggested Answer

Yes, we shall legislate along the lines of the agreement between the National Farmers' Union and the Country Landowners' Association at an early opportunity.

Background

- 1 Labour brought in the Agricultural (Miscellaneous Provisions) Act 1976, which introduced tenancy succession for farm tenants for three generations. As a result, landlords have been reluctant to re-let farms for fear of not being able to regain the freehold for a very large number of years. In preference, they have tended to take the land in hand and managed the farm themselves. This together with higher taxation led to a shortage of tenancies for young and enterprising farmers with limited capital to enter farming.
- 2 In 1981 the NFU and the CLA came to an agreement after long and difficult negotiations that would basically introduce one-life tenancies and at the same time change the criteria on which farm rents are assessed with more emphasis, for example, being put on the earning capacity of land.
- 3 These proposals will encourage landlords to re-let farms rather than taking them in hand. This highly desirable development has also been assisted by the measures taken by this government to reduce the burden of taxation on landlords and farmers. We have introduced Capital Tax relief of 30%, and increased the relief on gains of up to £100,00 made on the disposal of a farm on retirement.



AGRICULTURE - THE PIG INDUSTRY

Question: What has the Government done to help the pig industry?

Suggested answer

1. Present Situation

Undoubtedly, the cause of the crisis is over production, resulting from good prices at the beginning of 1982. Pig farmers can expand rapidly because of the short gestation and fattening period compared with their main meat producing competitors in beef and lamb. Also, a major problem is the relativity of cereal and livestock prices.

Lastly, it is essential that any measure to help Pig producers must not upset the competitiveness within the meat sector.

2. Measures taken by the Government

The Government has acted quickly and decisively on the recommendations put to them by the Industry and National Farmers' Union.

(a) Cereal Prices

The EEC price will, for the second year in succession, give a bigger increase in support prices to livestock producers than to cereal producers (3.8 per cent to 3 per cent).

(b) Private Storage

A new private storage aid scheme was introduced from 1 February 1983 for fresh pigmeat with rates of aid the same as for last year but with contract storage periods of 4, 5, 6, and 7 months.

The uptake in the UK of these facilities offered in recent years has never been more than 2 per cent even though the UK pig herd represents about 10 per cent of the Community herd. However, in the last few months, the uptake has gone up to 6 per cent.

(c) Export refunds

Following pressure from the United Kingdom Government, the European Commission increased the export refund on - live pigs

- pigmeat carcasses and cuts

to all destinations on 18 April 1983.

On carcasses and main cuts, the changes represented an increase of 60 per cent. It is hoped that these increases will encourage further exports to third countries, as it is estimated to be worth about £90 a tonne.

(d) Veterinary inspection costs

"I have also decided to relieve the meat industry of the cost of veterinary inspections in those plants which are eligible to produce meat for export, by meeting these from public funds with off setting savings in other areas of Government expenditure."

(Peter Walker, Hansard, 21 April 1983, Col 401)

P. T. O.

(e) Incorporation Scheme

This scheme was agreed at the recent Price Fixing on 17 May 1983. The industry will benefit " . . . from a decision of the Community to make available 2-3 million tonnes of cereals in a way particularly designed to assist in lowering feed costs of the pig and poultry industries."

(Peter Walker, London, 17 May 1983)

It is essential that this scheme does not put in jeopardy the balance that exists between the various meat sectors of the industry ie Beef and Sheepmeat versus pigs and poultry.

Conservative Research Department

18 May 1983



AGRICULTURE - EEC Price Review

Guidance Note

1. General

Agreement was reached on 17 May 1983 in the Council of Agricultural Ministers on the agricultural support prices appertaining to the marketing year 1983-84, on changes in Green currencies used in intra-community trade and other related matters. The marketing years of most products start on 1 April each year and therefore old prices have been used to carry over the regimes till that date.

The delay in the agreement was caused by disagreement between Germany and France on changes in Green currencies and demands from Italy for special financial aid in view of their high rate of inflation.

The agreement is virtually the same as that proposed by the European Commission at the beginning of the year and which Britain alone supported from the start. It is therefore a success for commonsense in view of the budgetary problems that would be caused by greater increases being agreed in Common Agricultural Policy Expenditure, and for Peter Walker, Minister of Agriculture who has been pressing for restraint since the last election.

2. The Agreement

(a) Agricultural Support Prices

Average support prices ie target, intervention etc will increase by 4.2% over the coming 12 months. Livestock price increases will on the whole be higher than crop, in particular cereals prices. The average increase in prices is half that appertaining to current average EEC inflation.

(b) Special measures of importance to the UK

(i) Butter Subsidy. The special UK butter subsidy is to be increased by 1.7p per lb from 12.6p to 14.3p per lb. The Butter Subsidy has been increased by the Conservative Government since the last election by 163%. The increase will nulify the increase agreed in the price of butter and is worth £84 million in a full year.

(ii) School Milk Subsidy. This will now be worth 12.4p per pint giving the industry approximately £16 million over a full year totally financed by the community.

(iii) Pigs. Assurances have been given of speedy improvements in the Private Storage Payments and a special grant has been agreed for more than £6.2 million to be used to improve the Pig Processing Industry. The Industry will also benefit from the decision of the Council to make available 2 to 3 million tonnes of cereals in a way particularly designed to assist in lowering feed costs.

(iv) Poultry. The incorporation scheme outlined above includes aid to the British Poultry sector in order to lower feed costs.

P.T.O.



(v) Beef and Sheepmeat schemes. These will continue as at present.

3. Food Prices are influenced by a wide variety of different factors, including the weather. They will only rise slightly as a result of this EEC review (probably by less than one halfpenny in the pound). Total food subsidies to the UK now come to about £300 million per annum.

Summary

"This must be the first time for many years when there has been no increase in the overall level of common prices as compared with the original Commission proposals and where the cost of the final package has not been allowed to increase. This is very much due to the insistence of the British Government.

At the end of four years of negotiations, the Conservative Government can claim that the proportion of the Common Agricultural Policy benefiting British agriculture has more than doubled and the increase in the price of food over this past year to the British housewife is the lowest for twenty years."

(Peter Walker, London, 17 May 1983)

Conservative Research Department

18 May 1983

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IMPORTATION OF UHT MILK

Question

Will a Conservative Government allow in Ultra Heat Treated Milk (UHT) from the Continent and will it affect the traditional door step delivery of milk?

Suggested Answer

The protection of public health and hygiene is our overriding concern. Until we are satisfied that UHT conforms to our long-standing regulations, it will not be allowed into the United Kingdom. When UHT meets our standards, it will be allowed in in accordance with Community Law.

It is unlikely that our doorstep delivery system will disappear for a number of reasons:

- a) British consumers prefer the whole milk that we have traditionally drunk: at the moment about 1% of the liquid market is supplied by UHT milk.
- b) The cost of transporting UHT from the continent will mean that it will have to be sold at a price not very different from the price of our own milk.

The differential in any case is very small (France 19.1p per pint, Netherlands 19.9p per pint, Denmark 20.5p per pint, United Kingdom 21p per pint).

- c) The convenience of doorstep delivery to the housewife.

Background

- 1 The issue of UHT milk and cream imports arose in 1977 when John Silkin, the then Minister of Agriculture allowed in UHT cream. Since, then, the Commission and France in particular, has been pressing for the UK to amend its law free trade in UHT milk.
- 2 In 1982, Britain was taken to the European Court under Article 30 of the Treaty of Rome for making imports subject to measures equivalent to quantitative restriction. In fact, the main reason that there are no imports is that all dairies have to be licensed by their local authority for health reasons.

P. T. O.



- 2 -

- 3        The Judgement of the Court was delivered on the 8th February 1983, and was mainly against our existing laws. Peter Walker, Minister of Agriculture immediately issued a ban on all imports in the interests of consumer health and to allow the Government time to make changes in our present legislation after careful consultation with the Commission in Brussels.
- 4        On 10th May 1983, the Importation of Milk Act 1983 was debated in the House of Commons and received its Royal Assent before the dissolution of Parliament on the 13th May. The Act is an enabling Act which gives powers to spell out, through regulations, details of a control system and to amend existing legislation as to dealers' licences so that it does not produce results contrary to the Treaty of Rome.
- 5        The possibilities for the control of imports are as follows
- the laying down of objective conditions as to the quality of milk BEFORE treatment and the method of treating and packing UHT Milk.
  - requesting importers to produce certificates issued by their competent domestic authorities.

The French would find both these requirements difficult to comply with.

Conservative Research Department

20.5.83

Printed and Published by Conservative Central Office  
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GLUE SNIFFING

Question: What is the Government's Policy on Glue Sniffing?

Suggested answer

The Government shares a widely held concern on the growing practice of solvent abuse in the United Kingdom. After very careful consideration of the many ideas urged upon the Government as to the best means of combating the abuse, the Government remains of the view that the primary response to the problem should remain one of education and persuasion. However although the Government is not convinced that legislation is the answer, it has recently consulted a wide variety of organizations, voluntary bodies, manufacturers and retailers with a view of seeing what further steps can be usefully taken

Background

1. Solvent abuse, although commonly called 'glue sniffing' is not a problem confined to glues. There are a number of solvent-based products many of them in everyday household use, which are used to achieve intoxication or hallucinations.
2. The practice of solvent misuse has been known in North America for some time but over the last four or five years has been experienced in different parts of the UK. It is mainly confined to those between 9 and 16 and the over-whelming majority of those who indulge in fact do so very spasmodically.
3. Action already taken by the Government:
  - 1) DHSS co-sponsored a symposium in November 1981 at Guy's Hospital in London which was organized by the National Poisons Information Services and attended by doctors, care professionals, manufacturers and Government representatives. Papers from the symposium have been published in the journal 'Human Toxicology' in July 1982.
  - 2) A training film is being prepared for professionals and possibly parent-teacher groups. The film will be available with discussion notes in 1983
  - 3) The Parliamentary Under Secretary of State for Health and Social Security in April 1982 (Mr Geoffrey Finsberg) has given a commitment in principle to sponsor a book for professionals and to possibly fund studies into the problem. He also initiated the consultation of retailers and voluntary bodies.
  - 4) The Solvent Abuse Scotland Act 1983 has just been given the Royal Assent. As the title suggests this Act is restricted to Scotland. The Act was strongly supported by the Government. The Act will amend the Social Work (Scotland) Act 1968 to add solvent abuse to the conditions indicating the need for a compulsory care order.

Conservative Research Department

20 May 1983