

PRESS CONFERENCE BRIEFING

TUESDAY, 31st MAY 1983

1. Labour smears during election campaign
2. CBI Survey
3. Vote Conservative call from Professor Minford
4. Inflation forecasts by James Capel
5. London Chamber of Commerce
6. Enterprise Zones
7. Tories may sell power industries
8. Airbus A320
9. Education Vouchers
10. Leak of Policy document on co-operation between
NHS and Private Sector

SS/CR
31.5.83

1. Strikes under the Conservatives

"What a recipe for a great and glorious punch-up if the Tories should win. The chaos of the early seventies will be repeated with a vengeance" (Mr John Grant, Employment Under-Secretary, London, 11th April 1979).

In the first three full years of this Government, there were fewer industrial stoppages than in any year since 1950.

2. Scottish and Welsh Development Agencies

"Under the Tories the Scottish Development Agency would be deprived of funds and support and I believe it would die... Government assistance to industry would be withdrawn" (Mr John Smith, Trade Secretary, Scotsman, 20th April 1979).

Since 1975, when the SDA was established, there has been £401 million of expenditure. £275 million or 67 per cent of that has taken place since 1979. (Scottish Grand Committee report, 5th July 1982).

3. British Rail

"The Tories are committed to cut public expenditure, can they promise that their axe will not fall on the railways?" (Mr William Rodgers, Transport Secretary, 11th April 1979).

Since May 1979, a total of nearly £1,600 million has been invested in the railways, compared with £1,100 million under Labour.

4. Pensioners

"There can be no doubt that when Mrs. Thatcher talks about Tory cuts in public expenditure, the future level of pensions is an item high on her list" (Mr Hattersley, 19th April 1979).

The retirement pension will have risen in four years up to November 1982 from £19.50 to £32.85 for a single person and from £31.20 to £52.55 for a married couple. This increase of 68 per cent compares with a rise in prices over the same period of 61 per cent.

5. National Health Service. Labour also alleged that the Conservatives would destroy the NHS. "Yet it is under Labour rule that the NHS has deteriorated shamefully, morale among the staff has declined, industrial disputes have multiplied and some 100,000 more people are waiting for hospital treatment than when the last Conservative Government left office.

We have improved the resources directed to the NHS from £7,750m in 1978/79 to £15,500m in 1983/84, an increase of about 17 per cent more than the expected rise in prices over the same period.

6. "3. '[The European Community Budget] is not even mentioned among the public expenditure savings listed in the Tory Manifesto' (Mr Shore, Hayle, 14th April 1979).

As well as this statement being totally untrue, since 1979 we have achieved a rebate of over £2 billion in our net contribution to the Community Budget for the years 1980-82, amounting to almost three-quarters of our total net contributions.

7. "7. 'The Tories back a policy which would raise food prices by the equivalent of £90 a year on the average family budget' (Labour Manifesto, p. 33).

10 22

Under Labour, food prices more than doubled with an increase of nearly 120%.
Between May 1979 and March 1983, the Retail Food Price Index rose by 35%.

10. 13.50

Job Creation

8. "There is not a single part of the UK that would not suffer from the Conservative policy of cutting the jobs programme. They would turn

Scotland, Wales, Northern Ireland and many regions of England into deserts of unemployment" (Mr Callaghan, Glasgow, 9th April 1979).

The Conservatives have increased the number of places on the Youth Opportunities Programme fourfold and improved its training content. The new Youth Training Scheme will provide training for 460,000 16-17 year olds from autumn 1983. Total spending on Special Employment Measures amounted to £1½ billion in 1982-83, and will rise to £2 billion in 1983-84.

2. LABOUR'S LATEST LIES

9. Mr Angus Maude made the following statement on 26th April 1979:

"Yesterday, I drew public attention to twelve outright lies about Conservative policies told by Labour Ministers so far during this campaign [see *Daily Notes* No. 11, p. 171].

"I have now had drawn to my attention a Labour Party leaflet which is circulating in the North West. This leaflet repeats some of the lies and adds certain others—it reads in part, 'What the Tories have planned for you...'

- a. — Scrapping of the temporary employment measures and abolishing subsidies to industry.
- b. — Abolishing concessionary travel for pensioners and the disabled.
- (— Increasing prescription charges by 300 per cent.)
- c. — Imposing a charge for a visit to a doctor and a stay in hospital.
- d. — Reducing pensions and social security payments.
- e. — Means-testing the pensioners' Christmas Bonus.

- a. Over £600 million was spent on regional incentives in 1981-82.
- b. Totally untrue
- c. Totally untrue
- d. See number 4.
- e. Totally untrue.

FURTHER LABOUR SMEARS DURING THE 1979 ELECTION CAMPAIGN

1. "Conservative policies - like wrecking the Price Commission - would let prices rip". (James Callaghan, The Sun, 2nd May 1979).

Conservative policies have reduced inflation to its lowest level in fifteen years. Labour on the other hand more than doubled prices.

2. "Conservatives want big spending cuts. They would hit hardest at those most in need." (James Callaghan, The Sun, 2nd May 1979).

Since 1979 the Conservatives have raised pensions faster than the rise in prices. Supplementary Benefits have also been raised ahead of prices.

3. "Since the Tories have committed themselves to substantial increases in spending on defence and law and order, this would involve a cut of 16% on average in all other programmes." (Denis Healey, Labour Party Press Conference, 30th April 1979).

Conservatives have increased expenditure on Social Security from £16,437 million to £34,394 million in 1983/4. Resources going to the NHS have increased by 17% more than the expected rise in prices.

4. As examples of possible consequences of a reduction in public expenditure of £4,000 million per annum by the Conservatives, Labour said:

(a) "There would be no new roads built in Britain". (Labour Party Statement, 30th April 1979).

1581-2-3. Scheme completed earlier - Provision for 375 new motorways - 100 now down in next 3 years
Nearly 300 miles of new motorways and trunk roads have been opened since May 1979, including 43 by-passes.

(b) "There would be no new schools built either". (Ibid).

Although the DES have not yet come up with the exact figures this is totally untrue.

(c) "Expenditure on the arts would be reduced by half. Covent Garden and the National Theatre would be closed". (Ibid).

Central Government expenditure on the arts has increased by 52% since 1979/80. The National Theatre and Covent Garden are flourishing.

5. "The living standards of everyone would be reduced". (James Callaghan, Chatham, 30th April 1979).

Under Labour, real net take home pay fell for households at average earnings. Under us, it is expected to rise by 5-5½%.

6. "As to the Conservatives, on their own admission, they will be the 'dear food party'." (James Callaghan, Wandsworth, 23rd April 1979)

Under Labour food prices more than doubled with an increase of nearly 120%. Between May 1979 and March 1973, the retail food price index rose by 35%.

*£10 = 22
£10 - 13.50
£10 - 10p*

79-83

236 NEW PRIMARY
SCHOOL STARTED

16 SECONDARY
SCHOOL STARTS.

School Buildings

New Starts,

	Primary	Secondary
79/80	83	8
80/81	73	6
81/82	29	1
82/83 (provisional)	<u>51</u>	<u>1</u>
<u>Total</u>	236	16

Grand Total 79-83, all schools, 252

7. "Now they would give the oil to the multi national oil corporations". (James Callaghan, Glasgow, April 1979).

The 1964 Continental Shelf Act vested ownership of all UK North Sea oil assets in the British nation. (It was a Conservative Act). The Government has powers to control licensing, landing, development, depletion, flaring and many other actions of oil companies.

8. "But the most silly and dangerous aspects of Tory industrial policy is their threat to kill off Inmos". (Eric Varley, Press Conference, 25th April 1979).

Inmos is supported through the British Technology Group. The 1983 budget contained a £233 million technology package. In Scotland, as many people are employed in electronics as in steel, coal and shipbuilding combined.

JFLW/AL
11th May 1983.

CBI REPORT

(Tuesday, 31st May, 1983

The latest CBI industrial trends survey shows further signs that British industry is pulling out of the recession. But it expresses caution about the strength and durability of an upturn.

Line to take: This confirms our message of cautious optimism.

Background

1. 18 per cent more companies are optimistic that their volume of output will rise over the next four months than are pessimistic. Optimists have now outnumbered pessimists since February, but there are fewer this month than last.
2. Consumer spending remains the main stimulus to recovery.
3. Industrial production was up 1½ per cent in Q1 1982 on Q4 1982.
4. The East and West Midlands report an upturn, but are cautious about future prospects.

BUT

5. 85 per cent of companies think their stocks of finished goods are adequate or more than adequate. Only 9 per cent think they are too high - best figure since 1979.
6. CBI stresses that recovery is patchy and from a low base. Order books for Capital Goods sector remain weak.

RE/CR
31.5.83

'Vote Conservative' call certain to provoke criticism
Controversial forecasts support Thatcher's economic policies'.

(The Times Page 17)

Background

1. Professor Minford of the Liverpool Research Group yesterday backed Conservative economic policies and urged voters to vote Conservative. After outlining the Group's views on economic policies, he concludes in the Group's quarterly bulletin that "Only the Conservative Party has adopted all these policies, and therefore deserves unqualified support on the economic issues of the day."

2. The Liverpool forecasts suggest that the economy will grow and unemployment will fall which ever Party wins the election, but that inflation would average 2.3 per cent under the Conservatives, 13.1 per cent under Labour and 5.6 per cent under the Alliance. It also suggests that unemployment will be reduced through tax cuts and further curbs on union power.

3. The controversy centres on the fact that in 1982 the Cambridge Economic Policy Group which has influenced Labour Policy had its SSRC grant cut in favour of extra grant for the LRG and the City University. The LRG gets £65,000 in grant per year.

4. Michael Posner chairman of the SSRC said: "We finance Professor Minford for the interest and excellence of his scientific work. We hope that we support researchers of all political hues and we expect Social Scientists to express their views with vigour and openness".

KM/CR
31.5.83

INFLATION TO STAY AT 5 PER CENT THIS YEAR - JAMES CAPEL

(Times, 31 May 1983)

Line to take: This broadly fits with the Budget forecast which foresaw inflation at 4 per cent in May with some slight rise later in the year and into the first half of 1984 to perhaps about 6 per cent. We may now be doing better than forecast.

Background

1. The RPI scarcely rose at all between June and September 1982, meaning that as a matter of arithmetic there is likely to be a change in the annual rate over June-September 1983.
2. The Budget forecast took account of falls in the £, which have since been partly reversed. Other factors - weak commodity prices, UK pay moderation, productivity gains, cuts in NIS, cuts in profit margins by exporters, commitment to sound policies - also favourable.

31 May 1983

DH/JLS

LONDON CHAMBER OF COMMERCE

Do you agree with the London Chamber of Commerce that standards of living in the UK are threatened by a continuing decline in manufacturing industry and that improvements in the service sector are unlikely to make up the shortfall in employment or overseas earnings ?

Line to take:

- 1) This Government is committed to manufacturing industry.
- 2) Our policies are designed to make it more competitive, eg. cuts in NIS, interest rates etc.
- 3) Productivity has risen by 14% in the last 2 years.
- 4) At the same time we recognise that services are a major growth area.

(Daily Telegraph, 31st May 1983 page 2)

Allegation: West Midlands County Council claim the Enterprise Zone at Dudley has after two years, produced a net gain of only four jobs. Are Enterprise Zones a failure?

Line to take: No. The most recent report, published in April says they have attracted some 300 firms producing almost 3000 jobs. Enterprise Zones are too new to be able to draw firm conclusions as to whether or not they are a success but the early indicators are promising.

Background

1. The report says that Enterprise Zones have so far had the effect of increasing economic activity in unemployment blackspots. It covered the period to May 1982, but was published in April 1983.
2. A survey of Enterprise Zones in November 1982 showed that:
 - Vickers will employ 700 in the Newcastle EZ;
 - 700 jobs have been created at Trafford EZ;
 - 1000 jobs have been provided at Clydebank EZ;
 - 430 jobs have been provided in Hartlepoole ZE.

*Now 20,000 more firms than 2 years ago.
There is a net increase
since 1979*

RE/CR
31.5.83

TORIES MAY SELL POWER INDUSTRIES

(TIMES PAGE 1)

QUESTION: Are you going to sell the electricity and gas supply industries?

LINE TO TAKE: As Mr Lawson made clear yesterday, we have no plans at present to do so. The next step in the privatisation of the energy industries will be the privatisation of those aspects of the businesses which are outside the core supply business.

BACKGROUND: 1) Our Manifesto states "In the next Parliament we shall seek other means of increasing competition in and attracting private capital into the gas and electricity industries". This means:

- a) The sale of BGC's oil producing business (under the Oil and gas Enterprise Act)
- b) The introduction of private capital and genuine competition into gas appliance retailing.
- c) The development of more private electricity generation under the terms of the Energy Act 1983.
- d) (MMC is scrutinising efficiency of Area Electricity Boards. Future of Boards' appliance retailing will be considered in the light of MMC findings).

Airbus A 320

(The Times P 2. Tuesday 31st May)

Question The Airbus A 320 is awaiting the go ahead from its Government backers.

What is the British Government's position?

Suggested Answer The Government has indicated that launch aid is available for viable projects, as it has been for Rolls Royce and Westland. At present Airbus are carrying out a market survey which should be available in July 1983. The partners in Airbus will then consider it.

Background

1. British Aerospace will make the A 320's wings, and has a partnership share in Airbus Industries.
2. The A 320 is a completely new narrow bodied 150 seater.
3. Its main rival would be the Boeing 767.
4. The British Government could provide up to £400 m launch aid for the aircraft and the Rolls Royce engine (RJ 500) for it.

EDUCATION 'VOUCHERS'

Is there any possibility that education 'vouchers' will be introduced in the next Parliament? (Source: Denis Healey's concealed 'manifesto').

Line to take: There is no possibility that a national system of 'credits' or 'vouchers' will be introduced in the next Parliament. We remain open to the possibility of conducting local experiments with volunteer LEAs.

Background

1. Labour's research note on our 'real manifesto' cites speeches by Sir Keith Joseph and Sir Geoffrey Howe, as evidence of our intention to introduce vouchers.
2. In the 1982 Conference speech to which Labour refers, Sir Keith described 'vouchers' as only 'another possible means of increasing choice'. Sir Geoffrey, in his 1982 CPC Summer School speech, called vouchers merely 'one possibility'.
3. No Minister has ever committed himself or the Party to introducing 'vouchers' or 'credits'.

31st May, 1983

OL/JLS

PRESS CONFERENCE BRIEFING

'LEAK' OF POLICY DOCUMENT ON CO-OPERATION BETWEEN NHS AND PRIVATE SECTOR

Line to take: The charges made by Labour on basis of this policy are preposterous; they reveal Labour's dishonesty and desperation. Our policy to work to provide more and better treatment for all patients who need it - through NHS alone and through co-operation between NHS and private sector. Government policy to use independent sector "whenever it can contribute economically and effectively to the care of NHS patients."

Labour's charges ('The Real Manifesto')

1. "Contract out to private hospitals the treatment of NHS patients". Shows Labour's hypocrisy. Practice applied under Labour Governments too. Some 3,000 beds occupied by NHS patients (mostly long-stay convalescent, post-operative, terminal), 24,000 in-patients treated per year. Would Labour stop this and fill 3,000 NHS beds with long-stay patients?
2. "Pay private sector of medicine for the use of equipment by the NHS". Why not use under-used high technology equipment, where it exists, for benefit of NHS patients - for instance, BUPA whole body scanner in London Medical Centre? Would Labour stop this-risking patients?
3. "Subsidise treatment of private patients in NHS hospitals". Why not allow private patients to use underused NHS facilities? Document makes it clear charges would be levied but might be abated where private sector invests money in NHS or where local health authority considers more flexible approach "is of benefit to the NHS" (para. 11).
4. "Let private operators run geriatric ~~ward~~^{care} for the NHS". Totally exaggerated allegation. Document calls for 'scope for contracting with nursing homes for the care of elderly NHS patients' to be considered so as to

free NHS acute beds, and provide better comfort for those geriatric patients who are in "unsatisfactory" accommodation.

5. "Let private hospitals use NHS staff and equipment, sometimes free of charge". Labour's NHS Act 1977 allowed health authorities to make NHS facilities and services available where appropriate on appropriate terms. Examples where private sector might have free use could be in case of proposed new Kidney Stone Machine at St Thomas' Hospital being paid for by BUPA in return for 25% usage. Would Labour stop this?

6. "Sell off as much NHS land and property as possible". Document makes clear this is surplus land. Such sales raised £20m for NHS in 1981-2. Would Labour stop this?

31 May 1983

NT/TK