

ECONOMIC RECONSTRUCTION GROUP

Minutes of the meeting held at 10.00 a.m.
on Thursday, 10th June, 1976, at the
House of Commons.

Present: Sir Geoffrey Howe, MP (Chairman)
 Mr. Gilmour, MP
 Mr. Howell, MP
 Mr. Prior, MP
 Mr. Griffiths
 Mr. Ridley (Secretaries)
 Mr. Cardona

Apologies: Mr. Biffen, MP
 Sir Keith Joseph, MP
 Mr. Nott, MP
 Mrs. Oppenheim, MP
 Sir Leonard Neal

A. The Price Code

The following points were agreed:

- (1) Food prices were politically more important than other prices. The possibility of abolishing overall price control while introducing a code of practice, voluntarily agreed with the food manufacturers, should be examined.
- (2) It was important for the party to be ready to make a public statement on the Consultative Document on the Price Code.

B. Mr. Ridley's paper on Reviving the Private Sector

1. Mr. Ridley's paper (PG/10/76/23) was discussed. It was agreed that it could form the basis of a document to be presented to the Industry conference in early July, but the drafting presentation would need to be very different.
2. Paragraphs 5. and 6. of the paper were correct, but their analysis should not, perhaps, be used in public. The potential for growth in national income and wages over a long period arising from restraint over a short period should be stressed, and the distinction between profits and wages ignored in order to stress the eventual increase in gross remuneration.
3. Paragraphs 10.(a), (b) and (c) were correct. 10.(d) was very important, but caution should be exercised over the point made in it about use of the banking system. The recommendation in 10.(f) was difficult to implement; this highlighted the need to develop our policies for the labour market.

C. The next meeting

The next meeting of the Group would be at 10.00 a.m. on Thursday, 17th June. A number of basic institutional questions would be discussed.