

LEADER'S CONSULTATIVE COMMITTEE

Minutes of the 173rd Meeting held at 4.45 p.m.
on Wednesday, 27th July 1977, in the Leader's
Room at the House of Commons.

- Present: Mrs. Thatcher (in the Chair)
- Mr. Whitelaw, Sir Keith Joseph,
Lord Carrington, Lord Hailsham,
Lord Thorneycroft, Mr. Prior,
Mr. Pym, Sir Ian Gilmour, Mr. Jenkin,
Mr. Peyton, Mr. Davies,
Mr. St. John Stevas, Mr. Maude,
Mr. Edwards, Mr. Nott, Mrs. Oppenheim,
Mr. King, Mr. Taylor.
- Mr. Atkins.
- In attendance: Sir Michael Havers, Mr. Howell,
Mr. Fowler, Mr. Mitchell, Mr. Patten,
Mr. Hooson, Miss Bulloch,
Mr. Nicholson, Mr. Hopkinson.
- Apologies: Sir Geoffrey Howe, Mr. Heseltine.

1. Parliamentary Business

Lord Hailsham reported on the position regarding our amendment to the Criminal Law Bill which enables courts to sentence young offenders aged between 16 and 31 to terms of imprisonment between 6 months and 2 years. It was agreed that we would vote to keep our amendment in the Bill, but we would not prevent the rest of the Bill from passing if these efforts were not successful.

It was agreed that we would vote to keep the Lords' amendments to the Coal Industry Bill designed to prevent the National Coal Board from extending its operations.

2. Foreign Affairs

Mr. Davies reported on our attitude to the Rhodesian question. It was agreed that we would continue to press for the Government to adopt our own proposals, which included a permanent British mission in Salisbury with a view to proposing a method of consultation of the Rhodesian people, so long as a security in the interim was satisfactorily answered.

Mr. Davies also reported on the outcome of the elections in Spain. It was agreed that the Spanish application to join the EEC required a positive response from the member countries and that it was desirable for Spain also to join NATO. We should express our pleasure at the successful restoration of democracy in Spain, and make it clear that Spain would be welcome as a member of the EEC.

3. Education

Mr. St. John Stevas reported on certain lines he wished to take in forthcoming speeches. The following points were agreed:

(i) We should criticise the omission from the Government's Green Paper of any proposals for increasing parental influence and choice, especially within the maintained sector.

(ii) We should also criticise the Green Paper for omitting to suggest that parents should receive information about school prospectuses and examination results of CSE and O'levels should be published.

(iii) We should point to the absence of proposals to help gifted children in comprehensive schools. In particular we favoured the adoption of an assisted places scheme, by which parents of gifted children applied for a grant, in place of the former system of financing direct grant schools. It was important to establish continuity in this field and avoid dangers of a future Labour Government sweeping away our reforms.

(iv) Mr. St. John Stevas would prepare a paper for the LCC on the public expenditure implications of moving to the new system outlined in (iii), and the Research Department would assist.

(v) We should make it clear that the proposals in (iii) apply to England and Wales only, and not to Scotland where there was a different system.

4. Small Businesses Paper

There was a discussion of the Smaller Businesses Policy Document (LCC(77)159) and it was agreed that we were committed in 'The Right Approach' to publish "a detailed programme for the revival of smaller businesses" and that it was desirable to produce this in September. There would be liaison with the Small Businesses Bureau and the Research Department on the publicity arrangements for the publication of the document. It was important to have an attractive title for the paper. Mrs. Thatcher or Sir Keith Joseph would write a preface.

It was also agreed that Mr. Mitchell would redraft the paper in conjunction with Mr. Howell in the light of the discussion. The following were among the comments made on the draft in discussion:

(i) It would be desirable to indicate the importance of small businesses in Northern Ireland, Wales and other regions.

(ii) There was a lack of positive and firm recommendations in the paper which would encourage those interested in small businesses, and attention should be given to strengthening it in this respect.

(iii) The paper should stress the importance of small businesses in providing job opportunities and promotion for employees, and good industrial relations. We should indicate that the expansion of small businesses is probably the best way of creating new jobs.

(iv) With regard to the suggestion that the clearing banks might provide special credit facilities for expansion of smaller businesses, we should indicate in the paper that we were aware that the problem of finance existed.

(v) We would consult with those responsible for research and policy making for Scotland with regard to certain anomalies between Scotland on the one hand and England and Wales on the other.

(vi) It might be appropriate to append a list of the recommendations of the Bolton Committee and an indication of the number of these that we had carried out.

(vii) We had to be cautious about making recommendations to improve the position of the self-employed, and this aspect would be covered later in the paper rather than at the opening as in the present draft.

(viii) Mr. Rossi would be consulted over references to the planning system on page 7. Perhaps a reference could be made to the destruction of smaller businesses in certain city centres (for example, Birmingham) as a result of redevelopment and rate increases.

(ix) With regard to the four points on page 7, number 2 would be omitted, number 3 sharpened up after reference to Mr. Rossi and in number 4 we would make reference to our other policy statements.

(x) On page 9 we would leave out point 1 on rating but keep the remaining two points.

(xi) We would re-word point 1 on direct labour on page 9 to indicate that direct labour departments would only be established as separate trading services where they already existed: we were not suggesting they should be encouraged or expanded.

(xii) With regard to tax, we would refer to our commitments to reduce direct taxation and corporation tax.

5. Future Meetings

It was agreed that there would be a meeting of the Shadow Cabinet to discuss the redrafted Small Businesses Document and a draft of the Economic Policy Document in the last week of August.

The meeting closed at 7.00 p.m.