

LEADER'S CONSULTATIVE COMMITTEE

126TH MEETING

3.00-6.00 pm, Monday, 19th July 1976, in the  
Leader's Room at the House of Commons.

POLICY DISCUSSION AGENDA

- ✓ 1. Interim Report: Employment Policy,  
(LCC/76/122) - previously circulated.
- ✓ 2. Regional Policy - A New Approach,  
(LCC/76/134) - attached.
- 3. Nationalised Industries, (LCC/76/132) -  
attached.
- 4. Policy Recommendations of the Smaller  
Businesses Policy Group, (LCC/76/133)  
- attached.

Also, if time allows, otherwise for subsequent  
discussion:

- 5. Transport Policy - A Summary, (LCC/76/138)  
- attached.
- 6. Welsh Policy Group Report, (LCC/76/137) -  
attached.
- 7. Report of the Price Code Alternatives  
Policy Group, (LCC/76/139) - attached.



HOUSE OF COMMONS  
LONDON SW1A 0AA

SECRET

7th July 1976

*Add to  
Labour Policy  
Pres for  
discussion at Shadow*

*John Sim*

RE: EMPLOYMENT POLICY : INTERIM REPORT

I must confess to some misgivings about your paper. In general, I see it as a prescription for preserving, and indeed extending the powers of the Bureaucracy to interfere in industry.

I have the following particular points which you might care to bear in mind.

1. Putting together an Annual Report involves a great deal of hard work and meetings between people who are not easily brought together. To encourage Government Departments, whose skill at composition is of a very low order, to interfere would, in my view, be self defeating and a source of great irritation.
2. A.C.A.S. is a very young and as yet unproven organisation. The Unions, having brought it to birth, seem to show little regard for their own creature. I hope we won't be seen to place much reliance upon it.
3. We have, I think, to be very careful lest the fact that we do not seek a confrontation begins to appear as a determination to avoid one at any cost.
4. While I understand the difficulties, I hope we won't be too ready to abandon our earlier ideas on Union elections and benefits for strikers' families.
5. It would, I think, be absolutely wrong for us to confer upon pickets the right to stop traffic no matter what notional concession we could get in return.

I am copying this to Margaret Thatcher and Keith Joseph.

*John Prior*  
*John*

The Rt. Hon. James Prior, M.P.

LEADER'S CONSULTATIVE COMMITTEE

Minutes of the 126th Meeting held on Monday,  
19th July, 1976 in the Leader's Room at 3.00 p.m.

Present: Mrs. Thatcher (in the Chair)

Mr. Whitelaw, Sir Keith Joseph,  
Lord Carrington, Lord Hailsham,  
Mr. Maudling, Sir Geoffrey Howe,  
Mr. Prior, Mr. Pym, Mr. Gilmour,  
Mr. Jenkin, Mr. St. John Stevas,  
Mr. Heseltine, Mr. Raison,  
Mr. Maude, Mr. Enoch Smith,  
Mr. Edwards, Mr. Neave,  
Mrs. Oppenheim, Mr. Biffen,  
Lord Thorneycroft.

In attendance: Mr. Higgins, Mr. Mitchell, Mr. N. Ridley,  
Mr. Butler, Mr. Stanley,  
Mr. Patten, Mr. Douglas,  
Mr. Ridley, Mr. Nicholson,  
Mr. Gilbert (item 1),  
Mr. Jones (items 2, 3 & 4)

Apologies: Mr. Peyton, Mr. Atkins

1. EMPLOYMENT (LCC/76/122)

Mr. Prior introduced the paper and there was a discussion after which the proposals were agreed subject to the following points:

- (i) Closed Shop. We had to recognise that outlawing the closed shop had been attempted. It had proved ineffective as a means of ensuring that individuals who did not want to join a union would not as a result lose their jobs. We should ensure that closed shops did not apply to existing employees, and that individuals who objected on grounds of conscience to belonging to a union should be able to obtain compensation up to and including reinstatement, if they were dismissed for failing to join a union. In any event, we should ensure that there was a proper independent appeals machinery for dealing with those excluded or expelled from union membership where a closed shop operated. We should draw public attention to iniquitous closed shop agreements, particularly in the public sector where those dismissed would have little or no opportunity of obtaining alternative employment.
- (ii) Postal Ballots. In addition, we would consider paying postage for election addresses of candidates in union elections. We needed to ensure against ballot rigging.

- (iii) Supplementary Benefit to Strikers Families. The suggestion that supplementary and other short term benefits should be taxed as earned income merited further study, but there were doubts as to its practicability and the extent to which it would deal with the problem.
- (iv) Picketing. The proposal in Paragraph 3 on page 5 was not agreed. There seemed to be no reason why the present law should not stand provided it was effectively enforced.
- (v) Employee Participation. We should await the Bullock Report and especially any minority report before committing ourselves to a detailed approach on the question of employee participation in the control of a company whether through a two-tier or unitary board. In the meantime we would press for all possible consultation with employees, through works councils and other wise.

## 2. REGIONAL POLICY (LCC/76/134)

Mr. Heseltine introduced the paper. It was agreed that this subject required further consideration and Mr. Heseltine was invited to discuss it with Mr. Raicon's group on environmental planning.

## 3. NATIONALISED INDUSTRIES (LCC/76/132)

Mr. Nicholas Ridley introduced the paper and there was a discussion. The proposals were noted and the following points were agreed:

(i) We should not commit ourselves to de-nationalise only the National Bus Company. Our de-nationalisation programme was designed to start with selling off the Felixstowe Docks, nationalised aircraft and shipbuilding companies and other companies taken over by the NEB, but all these were subject to the need to find buyers at a reasonable price (as agreed in the discussion on industrial policy of LCC/76/114).

(ii) The proposals to break up the nationalised industries into smaller units, more amenable to disposal, and to remove statutory monopolies in 1 (b) (i) on page 1 was perhaps the most fertile area of approach and these should be further examined.

## 4. SMALLER BUSINESSES (LCC/76/133)

Mr. David Mitchell introduced the paper. The proposals were generally agreed subject to the following points:

(i) With regard to paragraph 2 (ii) the proposal to set up proprietary companies should be discussed with the Earl of Limerick.

- (ii) Planning controls in general should be relaxed. There should be consultation with Mr. Raison's group and further research to establish ways in which this could be done.
- (iii) The proposals in Section 4 on rates and local government were endorsed: we were opposed to local income tax.
- (iv) On Government overheads, we would not publish detailed proposals but would emphasise our intention to make a determined effort to reduce the number and length of all forms. The CBI or some other organisation might be asked to carry out further research on this subject, for example, to examine whether sample analyses would be a helpful substitute.
- (v) The minimum level for compulsory VAT registration should be raised to take account of inflation. We would ensure that our European MPs took full account of these intentions with regard to harmonising the starting rates of VAT in the EEC.
- (vi) With regard to taxation, the proposals in Paragraph 7 (x), 7 (xi) and 7 (xv) would be discussed with the taxation study group. Small firms should be exempt from price and profit limitations.
- (vii) We would examine the European position and EEC proposals on non-discrimination regarding Government purchases from small firms.

The meeting closed at 6.15 p.m.

Conservative Research Department,  
24 Old Queen Street, London S.W.1.

DJN/RME  
6.8.76