

## The Conservative Party Manifesto:

# 'The Next Moves Forward'

**FOREWORD by The Rt. Hon. Margaret Thatcher**

In the last eight years our country has changed — changed for the better.

We have discovered a new strength and a new pride. We have fostered a new spirit of enterprise. We have risen to fresh challenges at home and abroad. Once again, our economy is strong. Our industries are flourishing. Unemployment is falling.

Founded on this new prosperity, we are building a better Health Service and providing more care for those in need. Living standards are higher than ever before. Our people have the protection of a stronger defence and more police.

Britain has come right by her own efforts. We trusted in the character and talents of our people. The British instinct is for choice and independence. Given the opportunities provided by Conservative policies, many more families now enjoy the pride of ownership — of homes, of shares and of pensions.

Together we are building One Nation of free, prosperous and responsible families and people. A Conservative dream is at last becoming a reality.

This Manifesto points the way forward.

**THE BRITISH REVIVAL**

This manifesto sets out our vision for the Britain of the 1990s and beyond, a future based on the aspirations of millions of individuals and their families — their hopes, their needs, their security. For the first time in a generation this country looks forward to an era of real prosperity and fulfilment.

A vast change separates the Britain of today from the Britain of the late 1970s. Is it really only such a short time ago that inflation rose to an annual rate of 27 per cent? That the leader of the Transport and General Workers' Union was widely seen as the most powerful man in the land? That a minority Labour Government, staggering from crisis to crisis on borrowed money, was nonetheless maintained in power by the Liberal Party in return for the paper concession of a Lib-Lab pact? And that Labour's much-vaunted pay pact with the unions collapsed in the industrial anarchy of the "winter of discontent", in which the dead went unburied, rubbish piled up in the streets, and the country was gripped by a creeping paralysis which Labour was powerless to cure?

It seems in retrospect to be the history of another country. Yet these things happened and people had to accept them as an unavoidable part of everyday life.

**REVERSING THE DECLINE**

Remember the conventional wisdom of the day. The British people were "ungovernable". We were in the grip of an incurable "British disease". Britain was heading for "irreversible decline".

Well, the people were *not* ungovernable, the disease was *not* incurable, and the decline *has* been reversed.

Britain today is in the seventh successive year of steady economic growth. We have moved from the bottom to the top of the growth league of major European countries.

In Britain today, inflation has reached its lowest levels for almost twenty years.

In Britain today, the number of strikes has dropped to the lowest levels for 50 years.

In Britain today, far from being in debt to the IMF, we have built up our net overseas assets to their highest level since the Second World War — higher than France, Germany and the United States, second only to Japan.

In Britain today, living standards are higher than ever before in our history.

But these are bald statistics. What matters is the feel of the country — the new enthusiasm for enterprise, the new spirit that Britain can make it, that we can prosper with the best. Investment in British industry is rising strongly. Our services sector, employing almost two-thirds of our workforce, generates a vast surplus of foreign earnings. And our manufacturers are travelling the globe with a new confidence born of the knowledge that Britain is internationally competitive again.

**THE WORLD STAGE**

This national revival is not confined to increased economic strength. Britain is also playing a major part on the international stage. From the White House through Europe to the Kremlin, our voice is heard on arms control, on East-West issues, on human rights, on the Middle East and on African affairs.

With the Conservative Government, Britain has played a strong and responsible role internationally. We have defended civilised values by fighting terrorism relentlessly. We have secured our national interests, as when we liberated the Falklands. We have been ready to settle long-standing issues like Hong Kong where we reached an agreement to safeguard the way of life of the people.

Time and again we have shown that we possess the essential requirements of successful diplomacy:

we stand firm on principles yet are ready to negotiate and prepared to take decisive action.

**FOUNDED IN STRENGTH**

The ability to act internationally does not come without effort. It must be founded on a strong economy and a robust defence. This Government took the necessary steps to build up both. Success has followed.

Prudent financial policies have made Britain one of the world's largest creditors. Today we are able to shape world efforts to sustain trade and promote international monetary co-operation.

We gave a lead in Nato and installed Cruise missiles. Today, as a result, the Soviet Union is at last prepared to negotiate to remove its own missiles targeted against us.

This Government is modernising our own independent deterrent. Today Britain retains an independent influence in arms control negotiations between the superpowers.

By such steadfastness, we have not only rebuilt our economy and re-established our world reputation; we have also regained our national self-respect. But restoring a country's greatness is not easy. The new Conservative policies met bitter resistance every step of the way.

**REMEMBER ....**

The year-long coal strike, with its violence and intimidation on a massive scale. It failed and mining productivity has since soared.

The battle we have had to fight to ensure that Britain paid no more than its fair share of the European Community Budget. We now get automatic rebates — this year, over £1.3 billion.

The doubling of the oil price which confronted the new Government with a world-wide recession — and, more recently, an equally dramatic fall in the oil price which halved government oil revenues and in earlier times would have threatened a collapse of confidence in the pound. Both these oil "shocks" were successfully withstood by prudent policies which have produced a sustained growth of prosperity.

And let us not forget the challenge of the Falklands War.

How many of the alternative governments on offer would have stood firm, overcome, or even survived such difficulties? Does anyone suppose that the Labour Party would have resisted, let alone defeated, the violence and intimidation in the coal strike? Or that the Liberals or the Social Democrats would have fought so hard for our rebate from the European Community? Or that *any* of the Opposition parties would have persevered through all these difficulties to break the back of inflation and restore honest money?

**A STRONG AND STABLE GOVERNMENT**

How has it been done? All these improvements in the wealth and standing of our country have only been possible because we have had a strong government with sound policies and a decisive majority in Parliament. A weak government with uncertain policies would not have known how to withstand the pressures upon it; a government without a good overall majority in Parliament would not have been allowed to do so; and a strong government with unsound policies would have been a positive force for disaster.

In this election, only the Conservative Party is offering strong, decisive and united government.

**THE NEXT MOVES FORWARD**

The next Conservative Government will build on the achievements of the past eight years with a full programme of positive reform. We will continue:

- to pursue policies of sound financial management, the conquest of inflation, the promotion of enterprise and the growth of employment;
- to spread the ownership of homes, shares, pensions and savings ever more widely to give families greater financial independence;
- to give people greater choice and responsibility over their own lives in important areas such as housing and education;
- to improve the well-being of the people through better health care, and to safeguard the living standards of those who have to depend on the community;
- to improve the quality of life by conserving the best of our heritage and our countryside, and by fostering provision for the arts and sport;
- to exercise strong leadership where government needs to be strong — in protecting the nation against potential aggression and the citizen against lawlessness.

We intended to press on with the radical Conservative reform which we embarked upon in 1979, and which has already revived the spirit of our people and restored the reputation of our country.

**WIDER OWNERSHIP AND GREATER OPPORTUNITY**

Conservatives aim to extend as widely as possible the opportunity to own property and build up capital, to exercise real choice in education, and to develop economic independence and security.

Our goal is a capital-owning democracy of people and families who exercise power over their own lives in the most direct way. They would take the important decisions — as tenants, home-owners, parents, employees, and trade unionists — rather than having them taken for them.

Of course, it is not possible to give people independence. That is something we must all achieve by

by our own efforts. But what this Conservative Government *has* done is to make it easier for people to acquire independence for themselves:

- by introducing the right to buy council houses;
- by returning nationalised industries to the people in ways that encourage the widest possible spread of ownership;
- by making it easier to buy shares in British industry through employee share schemes and Personal Equity Plans.

These opportunities — all too often introduced in the teeth of fierce resistance from the Opposition parties — have achieved spectacular results. There has been a surge of home-ownership, share-ownership, and self reliance.

And because these first-time shareholders and home-owners are more independent, they develop a more independent outlook. They are no longer content that some of the most important decision in their lives — what school their children attend, for example, or whether or not to go on strike — should be taken by officialdom or trade union bosses. People want to decide such things for themselves.

In this way the scope of individual responsibility is widened, the family is strengthened, and voluntary bodies flourish. State power is checked and opportunities are spread throughout society. Ownership and independence cease to be the privileges of a few and become the birthright of all.

In this way One Nation is finally reached — not by a single people being conscripted into an organised socialist programme but by millions of people building their own lives in their own way.

## BETTER HOUSING FOR ALL

### Home Ownership

Nowhere has the spread of ownership been more significant than in housing. Buying their own home is the first step most people take towards building up capital to hand down to their children and grandchildren. It gives people a stake in society — something to conserve. It is the foundation stone of a capital-owning democracy.

A home should be a source of pride and independence to the family living in it, regardless of whether it is owned or rented. We will ensure that every family in the land has an opportunity to make it so.

Home-ownership has been the great success story of housing policy in the last eight years. One million council tenants have become home-owners and another one and a half million more families have become home-owners for the first time.

Two out of every three homes are now owned by the people who live in them. This is a very high proportion, one of the largest in the world. We are determined to make it larger still.

Some people are still deterred by the costs and complications of house purchase. That is why we must look for new ways to make house-buying simpler and easier. Our abolition of the conveyancing monopoly has already made it cheaper.

We will keep the present system of mortgage tax relief.

We will target improvement grants to where they are most needed — the least well-off. To meet the special needs of old people, we will ensure that all local authorities have powers to give improvement grants, where necessary, for properties where elderly people move in with relatives. We will extend the 30 per cent housing association grant to help schemes for old people.

### A right to rent

Most problems in housing now arise in the rented sector. Controls, although well-meant, have dramatically reduced the private rented accommodation to a mere 8 per cent of the housing market.

This restricts housing choice and hinders the economy. People looking for work cannot easily move to a different area to do so. Those who find work may not be able to find rented accommodation nearby. Those who would prefer to rent rather than buy are forced to become reluctant owner-occupiers or to swell the queue for council houses. Some may even become temporarily homeless.

And it is not only these people and their families who suffer from the shortages of homes for rent. The economy as a whole is damaged when workers cannot move to fill jobs because there are no homes to rent in the neighbourhood.

This must be remedied. We have already taken some modest steps in this direction by making it easier to part-own or part-rent homes through shared ownership; by bringing in and widening the scheme for assured tenancies; by our system of shortholds; and by providing a new 30 per cent housing association grant to build hostels for young workers. We have also directly tackled the problem of homelessness through new grants to housing associations and other measures.

More must now be done. The next Conservative Government, having already implemented the right to buy, will increase practical opportunities to rent.

We must attract new private investment into rented housing — both from large institutions such as building societies and housing associations as well as from small private landlords. To do this we intend, in particular, to build on two initiatives we have already taken.

First, to encourage more investment by institutions, we will extend the system of *assured tenancies*. This will permit new lettings in which rents and the period of lease will be freely agreed between tenants and landlords. The tenant will have security of tenure and will renegotiate the rent at the end of the lease, with provision for arbitration if necessary.

Second, to encourage new lettings by smaller landlords, we will develop the system of *shorthold*. The

rents of landlords will be limited to a reasonable rate of return, and the tenant's security of tenure will be limited to the term of the lease, which would not be less than six months. This will bring back into use many of the 550,000 private dwellings which now stand empty because of controls, as well as making the provision of new rented housing a more attractive investment.

And we will revise the *housing benefit* system to ensure that it prevents landlords from increasing rents to unreasonable levels at the taxpayer's expense.

All existing private and housing association tenants will continue to have their present protection in respect of rents and security of tenure.

We will strengthen the law against harassment and unlawful eviction.

## Rights for Council Tenants

Many council estates built in the Sixties and Seventies are badly designed, vulnerable to crime and vandalism, and in bad repair. In many areas, rent arrears are high. In all, over 110,000 council dwellings stand empty. Yet it is often difficult for tenants to move. If they are ever to enjoy the prospect of independence, municipal monopoly must be replaced by choice in renting.

We will give groups of tenants the right to form tenant co-operatives, owning and running their management and budget for themselves. They will also have the right to ask other institutions to take over their housing. Tenants who wish to remain with the local authority will be able to do so.

We will give each council house tenant individually the right to transfer the ownership of his or her house to a housing association or other independent, approved landlord.

In some areas more may be necessary. The success of Estate Action and Housing Action Areas shows how a carefully targeted approach can transform the area of poor housing and give people there new hope. Our Urban Development Corporations have been successful in restoring derelict industrial areas. We believe that a similar approach could be adopted for housing in some places. We will take powers to create Housing Action Trusts — initially as a pilot scheme — to take over such housing, renovate it, and pass it on to different tenures and ownerships, including housing associations, tenant co-operatives, owner-occupiers or approved private landlords.

We will reform the structure of local authority housing accounts so that public funds are directed at the problems of repair and renovation; maintenance and management are improved; resources are directed to the areas where the problems are greatest; rent arrears are reduced; and fewer houses are left empty.

*Housing is the biggest single investment that most people make — whether in money or in time, skill and effort. In the last eight years, as a result of our policies, we have seen a dramatic increase in home-ownership. In the next five years, we will complement that with policies designed to improve the supply and condition of the rented housing stock.*

## A CAPITAL-OWNING DEMOCRACY

### Share ownership

Home-ownership leads naturally to other forms of financial provision for the future — notably to pensions and share-ownership. Half of the working population are in occupational pension schemes, but in 1979 only seven per cent of the population held shares.

People were deterred by the sheer unfamiliarity of owning shares. Young people were reluctant to save for a retirement which seemed far away. And most tax incentives encouraged saving through institutions rather than directly.

With a Conservative Government, all that has been changing. We were determined to make share-ownership available to the whole nation. *Just as with cars, television sets, washing machines and foreign holidays, it would no longer be a privilege for the few; it would become the expectation of the many.* We achieved this historic transformation in three ways:

First, we introduced major tax incentives for employee share-ownership. Seven out of the last eight budgets have included measures to encourage people to purchase shares in the company in which they work.

Second, starting this year, we brought in Personal Equity Plans, which enable people to invest in British industry entirely free of tax.

Third, we embarked on a major programme of privatisation, insisting that small investors and employees of the privatised companies should have a fair chance to join in the buying.

The results have been dramatic, and the direct consequence of government policy. Share ownership has trebled. Almost one in five of the adult population now owns shares directly. And the figure will continue to rise. Of this total, the majority are first-time shareholders and most of them own shares in either privatised companies or the TSB group. One-and-a-half million people hold shares in the companies where they work.

After eight years of Conservative Government, Britain is now in the forefront of a world-wide revolution in extending ownership. One in every five British adults now owns shares compared to one in ten Frenchmen, and one in twenty Japanese. Only the Americans, where a quarter of the people are shareholders, remains ahead — and the gap is narrowing.

This is the first stage of a profound and progressive social transformation — popular capitalism. Owning a direct stake in industry not only enhances personal independence; it also gives a heightened

sense of involvement and pride in British business. More realistic attitudes to profit and investment take root. And the foundations of British economic achievement are further strengthened.

We will press on with the encouragement of popular capitalism. In the next Parliament:

We will continue to extend share-ownership as we have done with home-ownership.

We will re-introduce our proposed tax incentives for profit-related pay.

We will privatise more state industries in ways that increase share-ownership, both for the employees and for the public at large.

## RAISING STANDARDS IN EDUCATION

Parents want schools to provide their children with the knowledge, training and character that will fit them for today's world. They want them to be taught basic educational skills. They want schools that will encourage moral values: honesty, hard work and responsibility. And they should have the right to choose those schools which do these things for their children.

### Raising Standards in our Schools

How can all this best be done? Resources obviously matter. This Government has provided more resources for pupils than ever before. With the Conservatives:

- Spending per primary school pupil has risen by 17 per cent after allowing for inflation and per secondary pupil by 20 per cent under our Government.
- There are more teachers in proportion to pupils than ever before.
- British schools are world leaders in the use of computers in the classroom.

But money alone is not enough. Increased resources have not produced uniformly higher standards. Parents and employers are rightly concerned that not enough children master the basic skills, that some of what is taught seems irrelevant to a good education, and that standards of personal discipline and aspirations are too low. In certain cases education is used for political indoctrination and sexual propaganda. The time has now come for school reform.

### Four Major Reforms

First, we will establish a National Core Curriculum.

It is vital to ensure that all pupils between the ages of 5 to 16 study a basic range of subjects — including maths, English, and science. In each of these basic subjects syllabuses will be published and attainment levels set so that the progress of pupils can be assessed at around ages 7, 11 and 14, and in preparation for the GCSE at 16. Parents, teachers and pupils will then know how well each child is doing. We will consult widely among those concerned in establishing the curriculum.

Second, within five years governing bodies and head teachers of all secondary schools and many primary schools will be given control of their own budgets.

They know best the needs of their schools. With this independence, they will manage their resources and decide their priorities, covering the cost of books, equipment, maintenance and staff. Several pilot schemes for financial devolution to schools have already proved their worth, such as those in Cambridgeshire and Solihull.

Third, we will increase parental choice.

The most consistent pressure for high standards of schools comes from parents. They have a powerful incentive to ensure that their children receive a good education. We have already done much through the 1980 and 1986 Education Acts so that parents can make their voice heard. But parents still need better opportunities to send their children to the school of their choice. That would be the best guarantee of higher standards. To achieve this:

We will ensure that Local Education Authorities (LEAs) set school budgets in line with the number of pupils who will be attending each school.

Schools will be required to enrol children up to the school's agreed physical capacity instead of artificially restricting pupil numbers, as can happen today. Popular schools, which have earned parent support by offering good education, will then be able to expand beyond present pupil numbers.

These steps will compel schools to respond to the views of parents. But there must also be variety of educational provision so that parents can better compare one school with another.

We will therefore support the co-existence of a variety of schools — comprehensive, grammar, secondary modern, voluntary controlled and aided, independent, sixth form and tertiary colleges — as well as the reasonable rights of schools to retain their sixth forms, all of which will give parents greater choice and lead to higher standards.

We will establish a pilot network of City Technology Colleges. Already two have been announced and support for more has been pledged by industrial sponsors.

We will expand the Assisted Places Scheme to 35,000. This highly successful scheme has enabled 25,000 talented children from less-well-off backgrounds to gain places at the 230 independent schools currently in the scheme.

We will continue to defend the right to independent education as part of a free society. It is under threat from all the other parties.

Fourth, we will allow state schools to opt out of LEA control.

If, in a particular school, parents and governing bodies wish to become independent of the LEA, they will be given the choice to do so. Those schools which opt out of LEA control will receive a full grant direct from the Department of Education and Science. They would become independent charitable trusts.

In the area covered by the Inner London Education Authority, where entire borough councils wish to become independent of the LEA, they will be able to submit proposals to the Secretary of State requesting permission to take over the provision of education within their boundaries.

### Village Schools

We recognise the important contribution made by small rural primary schools to education and to the community life of our villages.

We will ensure, therefore, that the future of these schools is judged by wider factors than merely the number of pupils attending them.

### Pre-School Education

Eighty per cent of all three- and four-year-olds in this country attend nursery classes, reception classes or playgroups. Formal nursery education is not necessarily the most appropriate experience for children. Diversity of provision is desirable. LEAs should look to support the voluntary sector alongside their own provision.

### A Better Career for Teachers

We recognise the importance of teachers and wish to enhance their professional status. The Government has provided a record amount of money to increase their pay by an average 16.4 per cent this year — 25 per cent over 18 months. Our new pay award will encourage able young people to enter the career of teaching and reward the many good teachers already in the profession.

The Burnham negotiating machinery finally broke down and has been temporarily replaced by an Interim Advisory Committee. The Government wants an effective and permanent machinery for settling teachers' pay, in which the interests of all parties will be recognised.

The Government will produce a Green Paper setting out the various alternatives and will enter into wide consultations with a view to establishing a new and effective machinery.

### HIGHER AND FURTHER EDUCATION

The British system of higher education is among the best in the world. It ranges from universities to further education colleges providing skills and qualifications. We recognise the value of research and scholarship for their own sake. At the same time, we must meet the nation's demand for highly qualified manpower to compete in international markets.

Building on our achievements since 1979 — 157,000 more full-time and part-time students — we want to expand higher education opportunities still further. By 1990, we plan to increase student numbers by a further 50,000 and to raise the proportion of 18-year-olds in higher education.

We will replace the University Grants Committee with an independent statutory body on the lines recommended by the Croom Committee. The new body will be called the Universities Funding Council (UFC) and will have broadly equal numbers of academic and non-academic members with a chairman who has substantial experience outside the academic world. The primary responsibility of the UFC will be the allocation of funds to individual universities under new contractual agreements.

Polytechnics are today strong, successful and mature institutions. They are complementary to the universities. Their present structure, under local authorities, is inappropriate for an expanding national role.

As part of our policy to delegate power and responsibility, we will legislate to convert the polytechnics and other mainly higher education colleges in England to free-standing corporate bodies under boards of governors.

We will set up a new Polytechnics and Colleges Funding Council independent of central Government, in place of local authority control.

As part of our aim to widen access to higher education we have begun a review of student support which is the most generous in the western world. We need to modernise this system which has not changed for 25 years. The purpose of the review is to improve the overall prospects of students so that more are encouraged to enter higher education. No final conclusions have been reached, but we believe that top-up loans to supplement grants are one way, among others, of bringing in new finance to help students and relieve pressure on their parents.

We will take care to ensure that the best aspects of the present system are retained in any new proposals which we bring forward.

### TRADE UNIONS

It is not only in relation to government, however, that people's right to choice and independence must be safeguarded and extended. Great social institutions can sometimes become too powerful and cease to represent their members, denying them any control over the decisions taken in their name and even forcing them to act against their own interests. That was the case with trade unions before 1979.

Since then, Conservative reforms have redressed the balance between the individual and his union, preventing coercion of the majority by activists and militants. These highly successful and popular measures have encouraged democracy within the unions, restrained the abuses of secondary action and picketing, reversed the growth of closed shops, restored the rights of redress against unions acting unlawfully, and removed the immunity of unions that call a strike without a fair ballot.

The result has been a transformation of shop-floor relations, allowing management and workforce to co-operate to improve working practices and introduce new technology to mutual gain. In the next Parliament we will protect the rights of individual trade union members.

We will introduce legislation to:

- empower individual members to stop their unions calling them out on strike without first holding a secret ballot of members;
- protect individual members from disciplinary action if they refuse to join a strike they disagree with;
- ensure that all members of trade union governing bodies are elected by secret ballot at least once every five years;
- make independently supervised postal ballots compulsory for such elections;
- limit further abuse of the closed shop by providing protection against unfair dismissal for all non-union employees, and removing any legal immunity from industrial action to establish or enforce a closed shop;
- provide new safeguards on the use of union funds;
- establish a new trade union commissioner with the power to help individual trade unionists to enforce their fundamental rights.

## BUILDING PROSPERITY AND EMPLOYMENT

Since this Government took office in 1979, we have restored honest money and established a stable economic framework in which business can flourish. We have been careful not to spend money before we earned it. We have brought the nation back to living within its means. We have massively rebuilt our international assets. We have refused to be drawn into an auction of pledges for higher spending that the country simply could not afford. We have balanced the books. We have paid our way.

The results of been dramatic:

- Despite the coal strike and the collapse of the oil price, Britain has moved from being bottom to the top of the growth league of major European countries.
- Inflation has reached its lowest levels for almost 20 years.
- The basic rate of income tax has been cut from 33 pence to 27 pence, four taxes have been abolished, and almost a million and a half people have been taken out of the income tax altogether.
- Over a million extra jobs have been created since 1983 — more than in the rest of the European Community put together.
- Unemployment, a problem throughout Europe, is now firmly on a downward trend — with youth unemployment in this country below the European average.
- We have rebuilt our net overseas assets to some £110 billion from a mere £12 billion when we first took office. This will provide substantial foreign earnings in the years ahead and a cushion, should oil revenues fall.

While the Opposition parties cling to the failed policies of the past, our strategy has become widely accepted abroad. Socialist Spain as well as Christian Democratic Germany, Social Democratic Sweden as well as France, Labour New Zealand and Conservative Canada, all accept that governments must reduce their borrowing, curb state spending, reduce taxation, privatise state firms and do away with unnecessary controls. What we began in 1979 is today common international practice.

## STABLE PRICES

Our greatest economic challenge on entering office was to defeat inflation. Rampant inflation under the Labour Government, when money lost a quarter of its value in a single year, had reduced our economy to "the sick man of Europe".

Nothing erodes a country's competitive edge faster than inflation. Nothing so undermines personal thrift and independence as to see the value of a lifetime's savings eaten away in retirement through spiralling prices. And nothing threatens the social fabric of a nation more than the conflicts and divisiveness which inflation creates.

Our success in the battle against inflation has been the key to Britain's economic revival. It required firm control of public expenditure, a substantial reduction in government borrowing, curbing the growth of money in circulation, maintaining financial discipline, stimulating competition and moderating trade union power.

The Opposition parties opposed nearly every aspect of this strategy. If even some of their policies were implemented today, higher borrowing and higher spending would once again unleash inflation.

*There is no better yardstick of a party's fitness to govern than its attitude to inflation. Nothing is so politically immoral as a party that ignores that yardstick.*

The Conservative Government will continue to put the conquest of inflation as our first objective. We will not be content until we have stable prices, with inflation eradicated altogether.

## LOWER TAXES

We are the only Party that believes in lower taxation.

As the Party determined to achieve growing prosperity we recognise that it is people who create wealth, not governments. Lower taxation, coupled with lower inflation, makes everyone better off. It encourages people to work harder, to be inventive and to take risks. It promotes a climate of enterprise and initiative.

Lower tax on earnings enables people to build up savings to give them financial security in later life.

Lower taxation, by increasing take-home pay without adding to industry's costs, improves competitiveness and helps with jobs. And tax relief for charitable donations encourages more people to give — and to give more generously.

There is a strong moral case for reducing taxation. High taxes deprive people of their independence and make their choices for them. The desire to do better for one's family is one of the strongest motives in human nature. As a party committed to the family and opposed to the over-powerful State, we want people to keep more of what they earn, and to have more freedom of choice about what they do for themselves, their families and for others less fortunate.

Governments should trust people to spend their own money sensibly and decently; high taxation prevents them doing so.

That is why we have:

- cut the basic rate from 33 pence to 27 pence in the £, and increased the personal allowances (the starting point for paying tax) by 2 per cent more than inflation.

*If Labour's tax regime were still in force, the family man on average earnings would today be paying more than £500 per year in extra income tax: a headmaster married to a nurse would be paying more than £1,300 extra;*

- reduced sharply the absurd top rates of tax inherited from Labour which were causing so many of our most talented people to work abroad;
- increased greatly the tax relief for charitable donations. Giving to charities has doubled since we first took office;
- abolished four taxes completely: the national insurance surcharge — the tax which Labour put on jobs — the investment income surcharge, the development land tax and the lifetime gifts tax;
- reformed and simplified corporation tax, and cut its rate to the lowest of any major industrial country;
- cut the small business corporation tax rate by more than a third, and extended it to many more small businesses;
- reformed and reduced capital taxes as well as slashing stamp duty.

*In every case where taxes have been reformed and reduced there has been an increase in the amount of tax collected.*

Labour totally fail to understand the benefits this brings to everyone. Today they openly threaten to raise taxation. To fulfil their plans, they would have to raise taxes substantially. Indeed, all the Opposition parties — Labour, Liberals and SDP — would raise taxation. We believe that it is precisely the wrong thing to do.

It will be our aim to do the opposite.

In the next Parliament:

We aim to reduce the burden of taxation.

In particular, we will cut income tax still further and reduce the basic rate to 25 pence in the £ as soon as we prudently can.

We will continue the process of tax reform.

## SPENDING WE CAN AFFORD

Over the past eight years we have managed the nation's finances with care. Even allowing for inflation, this has enabled us to spend substantially more on the Health Service (up by 31 per cent), defence (up by 23 per cent), roads (up by 17 per cent), education per pupil (up by 18 per cent), the police and the battle against crime (up by 47 per cent), the disabled and long-term sick (up by 72 per cent), and government training schemes (up by 120 per cent).

How have we been able to do this without running into the financial crises which Labour's spending policies invariably set off?

First, we have been prudent with the nation's money. We have slashed public borrowing and sought savings in government expenditure wherever they could sensibly be found.

Second, we are engaged in steadily reducing the share of the nation's income taken by the State. This means that more will be left for families and for business to invest — the only safe route to higher growth in the economy.

Third, we have constantly improved the efficiency of the public services, ensuring that we get more value for every pound spent.

For the next Parliament:

Our aim is the ensure that public expenditure takes a steadily smaller share of our national income.

Within that objective, we will continue to spend more on our priorities. We have set out our plans for further increased spending in these areas over the next three years.

## CREATING NEW JOBS

High unemployment is one of the most intractable problems facing all Western industrial countries.

We understand the anxiety and stress which unemployment can cause. For almost a year unemployment in the United Kingdom has fallen faster than among any of our major competitors in Europe, and faster than at any time since 1973. It is falling because of the growth and enterprise we have achieved, assisted by the unemployment and training programmes we have developed.

Since we were last re-elected in 1983, the number of jobs has risen by over 1 million – more than in the rest of the European Community put together. This Government has established the conditions in which business can prosper and create new jobs. This has not just been achieved through the revitalisation of traditional industries. We have encouraged growth in those crucial areas of new enterprise which provide the foundation for the jobs of the future – self-employment, small firms, the creation of new enterprise, the expanding service sector – particularly tourism and leisure – and new technology.

*Self-employment* is the seedcorn of the new enterprises of tomorrow. Without sufficient people to start new businesses, the future of our whole economy is in jeopardy. Today we have the highest number of self-employed for over 60 years. One worker in ten is now his own boss – or her own boss, since a quarter of the self-employed are women. Indeed, the eighties have seen almost three-quarters of a million people become self-employed. More and more of our young people today seek self-employment as a worthwhile career. It is particularly encouraging that almost half of the growth in self-employment since 1983 has been in the Northern part of our country.

*Small firms*, along with all businesses, have benefitted from our management of the economy. Since this Government took office, the number of registered businesses has shown a net increase of more than 500 a week – and the number has increased in every region of the country.

## HELPING UNEMPLOYED PEOPLE INTO JOBS

As well as creating a climate in which business could employ more people, we have developed programmes to help those out of work.

The *Youth Training Scheme (YTS)* caters for school-leavers aged 16 and 17 who wish to participate in training and work experience. Every trainee is given the opportunity of working towards a recognised qualification.

The new *Job Training Scheme (JTS)*, which started in April this year, will offer a chance to any person over 18 who has been unemployed for six months or more, who wants to work and train with an employer for a recognised qualification. This year it will help nearly a quarter of a million people.

Under our *Community Programme*, each year over 300,000 people who have been out of work for some time gain valuable experience working on community projects. They have a reference to show potential employers.

We will improve the *Community Programme* to make it full-time and better able to help those with families. We shall pay those working on the programme an allowance giving a premium over and above their social security payments.

Under the *Enterprise Allowance Scheme*, 230,000 unemployed people have started to work for themselves. Many of them have now become employers themselves.

*JobClubs* were first opened in 1985 to help the unemployed help themselves back into jobs. Over 1,000 have been established. At present two-thirds of those leaving *JobClubs* go into employment.

The *JobClubs* programme has been a great success. We aim to expand it.

Our economic success means that we can now do more to help those out of work.

Although youth unemployment has declined in the last year, it still remains a problem. Far too many of our youngsters leave school with an education that has failed to prepare them for the world of work. At the same time, by maintaining high starting wages comparable to those of fully trained craftsmen, trade unions have kept many of them out of work.

In 1983 we introduced the first *Youth Training Scheme*. It is now a national two-year programme aimed at giving young people qualifications for work.

### The First Guarantee

We will now guarantee a place on the *Youth Training Scheme* to every school-leaver under 18 who is not going directly into a job.

As a result, none of these school-leavers need to be unemployed. They can remain at school, move to college, get a job, or receive a guaranteed training. *YTS* will serve as a bridge between school and work.

We will take steps to ensure that those under 18 who deliberately choose to remain unemployed are not eligible for benefit. We will, of course, continue to protect other young people, such as those who suffer from disabilities.

### The Second Guarantee

There are still too many young people without the right qualifications for employment in today's world.

Within a year we aim to guarantee a place, either on the *Job Training Scheme* or on the *Enterprise Allowance Scheme* or in a *JobClub*, for everyone aged between 18 and 25 years who has been unemployed for between six and twelve months.

## The Third Guarantee

In addition to these major programmes we have taken one further important step.

*Restart* is a programme we have set up for interviewing and counselling the long-term unemployed to help them into a job or training. Everyone who has been unemployed for more than one year has already given an interview.

We will guarantee to provide the *Restart* service in the future at six-monthly intervals, to all those who have been unemployed for more than six months.

Over the next five years we will aim, through the *Restart* interviews, to offer everyone who is under 50, and who has been unemployed for more than two years, a place in the *Job Training Scheme* or in the new *Community Programme*, in a *JobClub* or in the *Enterprise Allowance Scheme*.

## Regional Assistance

Money spent on earlier programmes attracting firms to regions has sometimes created very few jobs. Our new system of regional assistance, introduced in 1984, ensures that aid is directly targeted towards the creation of new jobs. New activities in the service sector from which so many of the jobs comes have also been made eligible for assistance. Under the new policy, offers of assistance have already been made which should secure almost 300,000 jobs. We will continue to ensure that assistance is directed where it is most needed.

## THE EMPLOYMENT AND TRAINING SERVICE

We will take further steps to provide a comprehensive service to the unemployment. We will consult the *Manpower Services Commission* about transferring *JobCentres* to the *Department of Employment* so that they can work more closely with *Unemployment Benefit Offices*.

The *Manpower Services Commission* would then become primarily a training agency. It is employers who are best equipped to assess their training needs.

We will increase employer representation on the *Commission* and its advisory bodies.

More jobs are being created by business and industry. Nothing would destroy whole industries more effectively than a return to the overmanning and restrictive practices of the 1970s. Our policies form a practical and realistic approach to help people back into work. We will build on prosperity to create more employment.

## A FRAMEWORK FOR BUSINESS AND INDUSTRY

British business is in a healthier state than it has been for a generation. Output has been rising steadily for six years. Productivity has increased at a rate second only to Japan. Company profitability is at its highest for over twenty years. Industry has a confidence in the future that would have been unthinkable seven years ago.

Moreover, setting new records has not been confined to the private sector. Since 1983 productivity in the coal industry has risen by over 50 per cent. *British Steel* has more than doubled its productivity since 1979 and made a profit last year for the first time in over ten years. *British Rail* will cost the taxpayer 25 per cent less in subsidy this year than in 1983 and without any major route closures.

*The Conservative Government has created a framework in which once again enterprise can flourish – by cutting red tape, by denationalising state-owned companies, by removing unnecessary restrictions, by abolishing exchange control, by enabling the City of London to become the foremost financial centre in the world, by keeping down prices through extending competition, and by ensuring access to open trade so that British exporters and consumers can both benefit.*

## PRIVATISATION

Over a third of the companies and industries which used to be owned by the State have been returned to free enterprise. Productivity and profitability have soared in the newly privatised companies.

● In 1980 *Jaguar* made 14,000 cars a year, losing well over £3,000 on each car sold. Now the company is hard put to keep up with overseas demand and last year sold over 40,000 cars, making a pre-tax profit of over £120 million.

● Since the *National Freight Consortium* was sold to management and staff in 1982, pre-tax profits have increased sevenfold.

● *British Aerospace*, *Cable & Wireless*, *Amersham International* and *Associated British Ports* have all strikingly increased their profits.

It is no mystery why privatisation has succeeded. The overwhelming majority of employees have become shareholders in the newly privatised companies. They want their companies to succeed. Their companies have been released from the detailed controls of Whitehall, and given more freedom to manage their own affairs. And they have been exposed to the full commercial disciplines of the customer. Even former monopolies now face increased competition.

We will continue the successful programme of privatisation.

In particular, after the privatisation of the *British Airports Authority*, we will return to the public the *Water Authorities*, leaving certain functions to a new *National Rivers Authority*.

Following the success of gas privatisation, with the benefits it brought to employees and millions of consumers, we will bring forward proposals for privatising the electricity industry subject to proper regulation.



## COMPETITION

Competition forces the economy to respond to the needs of the consumer. It promotes efficiency, holds down costs, drives companies to innovate and ensures that customers get the best possible value for money. Accordingly, this Government has:

- deregulated long-distance coach services — creating over 700 new services with improved quality and lower fares;
- removed the monopoly on conveyancing of houses in England and Wales;
- removed the opticians' monopoly, making it easier and cheaper to buy spectacles;
- relaxed advertising controls on accountants, solicitors, stockbrokers and vets, and permitted greater fee competition for architects and surveyors;
- increased competition on air routes within the UK and between certain European countries, which has resulted in cheaper fares, a more responsive service and greater choice of carriers for the passenger;
- deregulated telecommunications, so that customers can now choose between suppliers when buying telephones and private exchanges, and business can choose between two alternative telecommunications networks;
- suspended the Post Office monopoly of time-sensitive and valuable mail, stimulating a dramatic increase in the number of private courier companies.

We will continue this approach.

But competition must be supplemented by legal protection for consumers. Those who make their living from their ideas and creations also require protection against theft.

We will introduce further measures to impose tighter controls on pyramid selling.

We will introduce measures to reform the law on copyright, design and performance protection.

## THE CITY

The City of London is the world's leading market place in foreign exchange, international bank lending and international insurance. It is a major source of funds for British companies. The financial services sector as a whole accounts for nearly 6 per cent of our national income, generates a net £7 billion per year to our balance of payments, and employs over one million people.

Like other sections of British industry, however, the City was held back by restrictive practices until they were swept away in last year's "big bang". This has brought nearer the day when shares can be bought and sold over the counter in every high street. We have also given building societies greater freedom to make a wider range of services available to the average family.

At the same time, the Conservative Government has introduced a legal framework to protect investors and consumers:

- The Companies Acts of 1980 and 1981 strengthened the powers of investigators and increased the courts' power to disqualify directors for misconduct in the City as elsewhere.
- The Insolvency Act of 1985 made it easier to disqualify directors who had been guilty of unlawful trading.
- And now the Financial Services Act of 1986 provides the first comprehensive system of investor protection we have had in this country. It also contains stringent new powers to investigate insider dealing which was first made a criminal offence by the Conservative Government in 1980.

The Conservative Party is the party of law and order. That applies just as much to City fraud as to street crime.

Parliament has just approved our proposals for establishing a Serious Fraud Office to improve the work of investigating and prosecuting the worst cases of fraud and for streamlining court procedure. After the election, we will reintroduce our proposals to reform the outdated rules on evidence, as recommended by the Roskill Committee.

## TRADE

Britain exports 30 per cent of all that it produces. If this country is to remain a key trading nation, industry must remain competitive. That is one reason why the Conservative Government attaches great value to maintaining an open multinational trading system. Another is that increased trade is a major way of encouraging growth and prosperity in the Third World. There is little point in demanding more aid for these countries and then refusing them the opportunity to trade.

We will continue to fight for free and fair trade in international negotiations and resist the growth of protectionism.

We will press for international rules of fair trading to be extended to international investment, trade in services and the protection of intellectual property such as patents, trade-marks and copyright.

We will continue to exert pressure on countries such as Japan to open up their markets and provide the same freedom to trade for our exporters as they expect us to provide for theirs.

*As well as creating the commercial and legal framework in which industry can flourish, the Government must also ensure that the practical services on which industry and the citizen rely — transport, energy, research and development, and an efficient civil service — are provided to a high standard.*

## EFFICIENT TRANSPORT

The Conservative Government is proud of a record that has:

- modernised the transport system by investing over £10 billion in the nation's motorways, roads, airports, seaports and railways;
- since 1979 completed over 680 miles of motorway and trunk roads, and 67 by-passes;
- secured greater efficiency by privatising British Airways, the National Freight Corporation, Sealink and Associated British Ports;
- increased competition by deregulating long-distance coach services and abolishing local bus licensing.

These measures have laid the foundations of an efficient and more flexible transport system. We will develop it further along these lines. We are now returning the nationalised bus companies to the private sector — in many cases to management buy-outs. We are also privatising the former British Airports Authority — the world's leading international airports group.

We are committed to a major capital investment programme through:

new investment to build an extra 450 miles of motorway and trunk roads to 1989/90;

British Rail's plans to invest £500 million a year over the next three years;

private sector financing, construction and operation of the Dartford Bridge and the Channel Tunnel.

## ENERGY

Britain is the only major Western industrial country that is a net exporter of energy. This owes much to North Sea oil so successfully developed by free enterprise. But it is an advantage that will not last indefinitely.

Coal will continue to meet much of the steadily rising demand for electricity. Renewable sources of energy can make some contribution to the nation's energy needs, which is why government-sponsored research has been increased. Nevertheless, to reject, as our opponents do, the contribution of nuclear energy to supplying reliable, low-cost electricity, and to depend on coal alone, would be short-sighted and irresponsible.

The world's resources of fossil fuels will come under increasing strain during the 21st century; so may the global environment if the build-up of carbon dioxide — the so-called "greenhouse effect" — significantly raises temperatures and changes climates.

After the most careful and painstaking independent assessment of the safety case for a new pressurised water reactor at Sizewell, therefore, the Government has decided to proceed with the next phase of our nuclear programme. It is vital that we continue to give the highest priority to safety. Our nuclear industry has a record of safety and technical excellence second to none.

We intend to go on playing a leading role in the task of developing abundant, low-cost supplies of nuclear electricity, and managing the associated waste products.

## SCIENCE AND R & D

Government support for research and development amounts to more than £4½ billion per year. It is larger as a share of our national income than that of the United States, Japan or Germany. A country of our size cannot afford to do everything. These resources need to be better targeted. The task of government is to support basic research and to contribute where business cannot realistically be expected to carry all the risks.

We will ensure that government spending is firmly directed towards areas of high national priority, by extending the role of the Advisory Council on Applied Research and Development, drawing on the full range of advice from the academic community and from business.

## THE CIVIL SERVICE

We have long had in this country a professional and dedicated public service which is the envy of the world. We are now building on those traditional qualities which can too easily be taken for granted — with new strengths and skills: a greater readiness to adapt efficiently to change, including technological change, to manage the public service more effectively, and to see that the taxpayer gets value for money. The size of the Civil Service at under 600,000 people today is the smallest since the war. This is already saving the taxpayer £1 billion a year.

We will press on with long-term management reforms in order to improve public services and reduce their cost.

## AGRICULTURE AND THE RURAL ECONOMY

### Farming

Britain's farmers serve the nation well. They produce 80 per cent of the food we grow compared with 60 per cent only 10 years ago. They have made us into the world's sixth largest exporter of cereals when we had been a net importer for decades before. They look after 80 per cent of the British countryside. And consumer food prices have risen less than the cost of living, unlike the Labour years.

But farmers world-wide are under pressure because of rising surpluses and the huge costs of disposing of them. It is just as much in the farmers' interest as in the consumers' and taxpayers' that this over-production be stopped and a radical overhaul of the Common Agricultural Policy achieved. Farmers need a more sustained environment in which to plan ahead.

We will continue:

to play a leading part in European Community negotiations to reform the CAP;

to strive for even-handed and fair treatment between Member States and between the different regions of the UK;  
to work for an early devaluation of the Green Pound, especially in relation to beef;  
to uphold the interests of the efficient family farm;  
to reduce costs and tackle surpluses, by bringing supply and demand in the Community into better balance by a combination of measures including price restraint;  
to reduce the role for intervention.

At home we will continue:  
to promote competitiveness and innovation in British farming and horticulture;  
to give particular assistance to farmers in the Less Favoured Areas, recently extended, where farming is difficult;  
to encourage better marketing of agricultural and horticultural products and to ensure that the consumer has as much information about the contents of food as is necessary to make sensible choices.

*We will not introduce rating on agricultural land and will oppose two-tier pricing in the CAP, which would greatly disadvantage our farmers and benefit their competitors.*

### The rural economy

Farming is, and will remain, the major industry in the countryside, and food production will continue to be the farmer's basic purpose. The higher production resulting from greater efficiency and modern techniques initially means more land coming out of agriculture. A new balance of policies has to be struck, with less support for expanding production of commodities already in over-supply, and more support for diversifying into other activities.

We have recognised the new needs of the countryside and rural economies in two ways. First, we now place more emphasis on support for the environment and the beauty of the countryside; we now give grants to plant hedgerows, not dig them up. Second, we encourage alternative uses of land and more diverse job opportunities to maintain thriving communities in the rural economy.

We will, therefore:  
emphasise environmental protection and promotion of non-farming rural businesses in the planning system;

continue to support the Development Commission in developing rural enterprises;  
extend the Environmentally Sensitive Areas scheme which makes conservation a more integral part of farming;  
introduce new schemes to assist diversification of new enterprises on farms;  
introduce a new Farm Woodland Scheme to assist alternative land use.

### The UK fishing industry

Our fishing industry supplies two-thirds of the fish we eat. It is an important source of jobs and income in many areas.

The Government's success in further improving the Common Fisheries Policy has meant that international policies has been made more effective; and increasingly stringent conservation measures have secured the future for our fleets.

We will introduce legislation to ensure that UK quotas are reserved for UK fishermen. We are pledged to measures to enable our fishermen to take full advantage of all their opportunities and to improve and modernise their boats.

### Animal welfare

The Conservatives have a proud record over the years of promoting animal welfare. Most of the legislation was either initiated by Conservative governments or introduced as Private Members' measures by Conservative MPs when the Conservatives were in office.

Since 1979 we have:

- set up the Farm Animal Welfare Council which advises the Government on the welfare of farm animals. We will continue to care for them with the advice and guidance of the Farm Animal Welfare Council.
- honoured our commitment to replace the 1876 legislation with the Animals (Scientific Procedures) Act 1986 — the most effective in Europe. It imposes tight new controls on the use of animals for experiments. The number of experiments has declined in each of the last nine years, and we expect that decline to continue.

## BETTER HEALTH, BETTER CARE

### Achievements in Health

The health of the British people is steadily improving. Quite simply, we live longer. Life expectancy has increased and infant mortality has declined.

Over the last eight years the Government has spent more on the Health Service than any previous government, Labour or Conservative. In 1979, the outgoing Labour Government planned to spend less than £8 billion on the nation's health. This year, the Conservative government will spend nearly £21 billion. After allowing for inflation, that is an increase of almost a third. This extra money

has been spent wisely and well. The Health Service today is treating more patients than ever before in its history.

Money is important, but the success of the NHS depends still more on the dedication of the people working in it. There are over 75,000 more doctors, dentists and nurses than in 1978. These extra staff have enabled the NHS to treat 6 million more patient cases — in-patients, day cases, out-patients — than when we took office. Sometimes they work in very difficult conditions. That is why the Government has reduced nurses' basic hours from 40 to 37½ hours per week and increased their pay by 30 per cent after allowing for inflation. We will continue to improve the Health Service.

### Future tasks for the health service

Our policies rest on six principles:

*First, we will give greater emphasis to the prevention of avoidable illness and the promotion of good health — to make the NHS more truly a health service and not merely a sickness service.*

Much progress has been made in the past eight years.

- The improvement of the maternity services has helped to reduce by a third the death rate among babies in the weeks around birth.
- The expansion of vaccination and immunisation has prevented illness and death among children.
- Screening for cervical cancer has been improved and death rates from the disease have fallen by almost ten per cent in the past decade.
- We have already embarked on a major campaign to tackle the problem of coronary heart disease.
- To fight AIDS, the Government has undertaken the biggest health education campaign ever seen in this country — one much admired abroad — and is fully supporting the Medical Research Council in a special programme of research towards treatments and vaccines.

These are welcome advances.

In the next Parliament, we will build on this work by:

- completing the network of computerised 'call and recall' systems for cervical cancer screening and extending them to younger women;
- developing a national programme for breast cancer screening;
- backing the newly established and powerful Health Education Authority.

*Second, we will continue to show our support for the million people working in the NHS, of whom half are nurses.*

Nurses wanted the assurance that, without recourse to strike action, they would receive fair treatment over pay. That is why we set up the independent Nurses' Pay Review Body. After the latest award, we will have increased nurses' pay by 30 per cent since 1979, after allowing for inflation. That compares to the severe reduction of more than 20 per cent, which they suffered under the last Labour Government.

Nurses also want a training and career structure which reinforces their professionalism, rewards experience, and offers opportunities for managerial responsibility without being removed to a distant desk. We share those views, and will seek to further them. We are particularly keen to attract experienced nurses back into the profession, and to encourage others to take up nursing as a new career.

Hospital doctors and consultants, too, are a vital part of the Health Service. We have already increased the number of consultant posts and we will continue to work for improvements in the medical career structure.

The NHS could not function without ancillary services. Some of these — cleaning, catering, and laundry — have been put out to competitive tender to enable health authorities to select the best and most effective way of providing these services. Savings are now approaching £100 million a year and they have gone directly and immediately into better patient care.

We have undertaken consultation on the improvement of primary care. Our aim is to develop the strength and flexibility of the services provided by GPs, dentists, pharmacists, opticians and nurses who work in the community.

There are particular problems affecting health care in inner cities. Doctors and nurses there take on a particularly tough and difficult job. We shall continue to look for new ways of helping them and improving health care, especially primary care in the inner cities.

*Our third principle is to modernise the whole framework of the health service — its hospitals, its clinics, its equipment.*

In the face of economic collapse, the last Labour Government cut the hospital building programme by a third. This Government has embarked on the biggest building programme ever. It will cost £3 billion. In seven years we have already carried through over 200 major building projects from start to finish.

We will complete some 125 further major new building schemes in the next three years, and get many more under way.

New hospitals, too, are being built in areas lacking the provision they need. Old and inefficient Victorian building are being replaced with purpose-built modern hospitals. Much modern medicine and surgery is better carried out in the new larger hospitals, equipped with new medical technology. Wherever possible, however, small old hospitals have found a new role as community hospitals staffed by local GPs.

*Fourth, elderly, disabled, mentally ill and mentally handicapped people should be cared for within the community whenever this is right for them.*

In the past some people who should have been cared for in other ways have remained in hospitals, sometimes for years. That is changing. The number of children in long-stay hospitals for the mentally handicapped has fallen by almost three-quarters. The number of adults in long-stay mental handicap and mental illness hospitals has fallen by around 11,000.

This changing pattern has already brought a better life to many thousands of people. It has the potential to do so for many thousands more. But we need to examine carefully various alternatives to discover what is now best for patients. We have set in hand the first ever full scale review of community care.

We will develop our policies in the light of its findings.

*Our fifth principle is to strengthen management.*

The NHS is a large and complex organisation. It needs good management. It is not a business, but it must be run in a business-like way.

The reduction of waste and inefficiency has released hundreds of millions of pounds for better patient care. The sale of property which the NHS no longer needs — for example, because of new hospital developments — is currently raising £200 million a year for better health care.

We will continue to ensure that the Health Service is as efficient as possible.

But good management is not just a matter of efficiency. We value enterprise in the public service just as much as in the private sector. We will continue to encourage district and regional managers to devise new ways of providing better patient care.

*Finally, the ultimate purpose of the Health Service is to serve the patient: that principle is the heart of the Government's policy.*

The time some patients have to wait for treatment is the most widespread concern in the NHS. The Government has given priority to reducing waiting lists and times. We have set up a special £50 million two-year programme. This year it will give treatment to over 100,000 people who are waiting for operations. We have set targets for more hip operations for old people, and more bone marrow transplants for children.

Putting patients first was the theme of our consultative document on primary care. We want the patient to have more information about services available from family doctors so that they can make a more informed choice.

## **SOCIAL SECURITY — A FAIR DEAL FOR THOSE IN NEED**

We are spending about £46 billion this year on social security benefits — over £800 a year for every man, woman and child in the country. Expenditure on pensions and other benefits has risen by £13 billion on top of inflation, since we came into office. Most of this, an extra £9 billion, has gone to provide better standards of help and support to more elderly people, families with children, disabled people and those suffering long-term illness. The other £4 billion has gone to help the unemployed. But we have done more than provide extra resources — massive as the increase has been.

For the first time for 40 years the Government has undertaken an overall review of the social security system. The review showed a social security system which was too complex and which too often did not provide help for those most in need. The 1986 Social Security Act tackled these problems and reformed the position so that the system is simpler to understand and to run. It will be fairer in the way it directs help to those who need it most. And it will be a system in which people can look forward to independence and security in retirement.

Our policies for social security have four main aims.

*First, to ensure that those in retirement have a secure standard of living through state provision and their own pensions and savings.*

This Government has honoured its pledge to the pensioner and more than maintained the buying power of the state pension. Total spending on state pensions and benefits for elderly people has risen by 29 per cent after allowing for inflation.

We will continue to maintain the value of the state retirement pension.

But retired people value their independence. They do not want to rely on the State alone for their income nor, increasingly, are they doing so. We share Beveridge's original goal of a good basic pension from the State, together with a second income from occupational and personal pensions and savings.

Pensioners have benefited from our success against inflation. Almost three-quarters of all pensioners have savings. Their income from these has grown by over seven per cent on average every year since 1979. Income from savings fell by 3½ per cent every year under the last Labour Government, eaten away by inflation.

Occupational pensions, pensioners' savings, social security benefits and the state retirement pension have all increased. The total increase in income for the average pensioner is more than double that achieved during the last Labour Government.

We are now offering new opportunities for people to obtain additional pensions from their jobs or their own savings. We have already improved the treatment of those now retiring early and of the pension rights of people changing jobs.

We wish to encourage the ten million employees who do not yet have their own occupational pension scheme to have a pension of their own. Every employee should have the right to take out a personal pension, fully portable from job to job. That is why we are extending favourable tax treatment from employers' schemes to personal pensions.

As a result of these reforms, millions more people will have the opportunity to take out additional pensions of their own. In the next Parliament:

We will reintroduce measures to give substantial tax incentives to personal pensions, and to enable members of occupational schemes to make additional voluntary contributions to a pension plan that is completely separate from their employers' schemes. These measures will further increase choice for millions of employees.

*Second, to bring more help to low income families.*

Child benefit will continue to be paid as now, and direct to the mother. Families on income support — which replaces supplementary benefit — will benefit from the new family premium. In addition, we will introduce the new family credit which will benefit twice as many low income families in work as family income supplement. The new system will also help tackle both the unemployment and poverty traps.

*Third, to improve the framework of benefits for disabled people.*

Spending on benefits for disabled people and those suffering long-term sickness has been increased by 72 per cent after inflation to £6 billion. The amount spent on mobility allowances has been doubled, invalid care allowance extended, the new severe disablement allowance introduced and the invalidity trap abolished. The introduction of the new disablement premiums will bring an extra £50 million per year to disabled people.

We are carrying out a major new survey of the needs of disabled people. This will be completed next year.

*Fourth, to reform the tangled web of income-related benefits which has grown up piecemeal over forty years.*

For the first time all the income-related benefits will be calculated in the same way. Where people are working, the amount of benefit they get will depend on their pay after tax and national insurance contributions. Thus people will not be made worse off by taking a job and will not lose money when their gross pay rises.

The new rules, which come into effect in April next year, will be easier for claimants to understand and staff to run. In addition, our programme of computerisation — the biggest programme ever in this country — will help staff to deliver benefits to all who are entitled to them quickly, accurately and courteously.

Success in social policy depends on growth in national prosperity. Labour's economic failure led to damaging cuts in health care and benefits. Our increasing economic strength means that resources for care have grown and are growing — with programmes better managed, better adapted to changing demands, and better directed to those most in need.

## **FREEDOM, LAW AND RESPONSIBILITY**

Conservatives have always believed that a fundamental purpose of government is to protect the security of the citizen under the rule of law. There can be no half-heartedness, no opting out, in the fight against crime and violence: all of us, not just the Government or the police, share a responsibility to make safer our streets and homes.

### **The fight against crime**

We do not underestimate the challenge. Crime has been rising steadily over the years; not just in Britain, but in most other countries, too. The origins of crime lie deep in society: in families where parents do not support or control their children; in schools where discipline is poor; and in the wider world where violence is glamourised and traditional values are under attack.

Government alone cannot tackle such deep-rooted problems easily or quickly. But Government must give a lead: by backing, not attacking the police; by providing a tough legal framework for sentencing; by building the prisons in which to take those who pose a threat to society — and by keeping out of prison those who do not; and by encouraging local communities to prevent crime and to help the police detect it. All this we have done; and we will intensify these efforts.

● The manpower available to the police has been increased by 16,500 since 1979.

● We have given the police more powers to avert public disorder.

● We have encouraged tougher sentences for violent criminals. The maximum penalties for trafficking in hard drugs and for attempted rape have been raised to life imprisonment. The courts have been empowered to strip drug traffickers of their profits.

● We have brought forward a number of reforms to help tackle child abuse and make it more likely that offenders will be successfully prosecuted.

● We have embarked on the biggest prison building and modernisation programme this century, and increased staff numbers by almost a fifth.

### **Care for the innocent**

At the same time we have extended protection for innocent people and for the victims of crime.

● We have strengthened the safeguards against any abuse of police power by setting up an independent Police Complaints Authority, providing for the tape-recording of police interviews and setting down clear rules on the proper treatment of the individual citizen.



- We have given special priority to helping the victims of crime. Police treatment of rape victims has been made more sensitive. More criminals now pay compensation to their victims. We are providing more money to help local Victim Support Schemes.
- We have launched a determined drive to improve the administration of justice by providing for time limits by which the cases of those held in custody must be heard. 58 more Circuit Judges have been appointed, and 43 court building projects have been completed.

### Better justice

The challenge before us remains great; but much has been done. The great majority of those who commit serious crimes of violence are brought to book. There are more police, better equipped to fight crime. Those who commit serious crimes can now expect much tougher punishment.

Early in the new Parliament the Criminal Justice Bill will have to be reintroduced. It will: enable child victims of physical and sexual abuse to give evidence by a live video link in order to reduce the anguish which they would otherwise face; raise to life imprisonment the penalty for carrying firearms while committing a crime; tackle, by providing for reference to the Court of Appeal, the problem of lenient sentences which undermine public confidence in the criminal justice system; give victims of crime a statutory right to compensation under the Criminal Injuries Compensation Scheme; build on our previous measures stripping drug traffickers of the proceeds of their crimes and extend the same approach to other serious crimes.

We have already signed an extradition treaty with the United States which will make it more difficult for terrorists to escape British justice: now we will reform our own law on extradition so as to make still more effective the international war against crime.

### Building on strength

We will continue to put a high priority on the fight against crime, so that the citizen can feel safe on the street or in his home. We will:

- increase the number of police further to ensure a stronger police presence on our streets, to combat crime and to protect the public;
- strengthen the law dealing with the sale and possession of offensive weapons;
- maintain the operational independence of the police and resist pressure from the Opposition parties to politicise the police by letting local authorities decide policing priorities;
- continue our present prison building programme and achieve more professional and efficient working practices in the prison service;
- institute a thorough review of the workings of the parole system.

Our approach in all these cases is strongly supported by the general public. We will go further in drawing on that support by promoting crime prevention. Already more than 29,000 Neighbourhood Watch Schemes have sprung up since the last Election. We are committed to the success of this popular anti-crime movement.

We will build on the support of the public by establishing a national organisation to promote the best practices in local crime prevention initiatives.

We will seek ways to strengthen the special constabulary.

### Tackling drug abuse

We have taken the battle against drugs into every corner of the globe where production or trafficking flourishes. We have more than doubled the number of customs specialist drugs investigators. We have strengthened the effectiveness of the police in the fight against drug abuse. Traffickers can now be sentenced to life imprisonment. They also stand to lose all the wealth generated by their evil trade under the most far-reaching asset seizure provisions anywhere in the world.

We have funded about 200 new drug treatment facilities. Our prevention campaign, targeted on youngsters at risk, is encouraging a strong resistance to hard drugs amongst teenagers.

The battle against drugs can and must be won. Already there are some signs that the heroin problem may have passed its peak. The cocaine explosion has never happened. It need never happen.

We will continue to make the defeat of the drug trade a key priority.

### Immigration and race relations

Immigration for settlement is now at its lowest level since control of Commonwealth immigration first began in 1962. Firm but fair immigration controls are essential for harmonious and improving community relations.

We will tighten the existing law to ensure that control over settlement becomes even more effective.

We now require visas for visitors from the Indian sub-continent, Nigeria and Ghana, but to protect genuine travellers and to guard against bogus visitors seeking to settle here illegally. We are tackling the problem of those who fraudulently pose as refugees and who seek to exploit Britain's long tradition of giving refuge to the victims of persecution.

We want to see members of the ethnic minorities assuming positions of leadership alongside their fellow citizens and accepting their full share of responsibility. Racial discrimination is an injustice and can have no place in a tolerant and civilised society. We are particularly concerned about racial attacks. They require effective and sympathetic attention from the police, and we have ensured that increasingly they receive it.

Progress towards better community relations must be on a basis of equality. Reverse discrimination is itself an injustice and if it were to be introduced, it would undermine the achievement and example of those who had risen on their merits.

Immigrant communities have already shown that it is possible to play an active and influential role in the mainstream of British life without losing one's distinctive cultural traditions. We also want to see all ethnic minorities participating fully in British culture. They will suffer permanent disadvantage if they remain in linguistic and cultural ghettos.

### Reforming the law

Since the last election the Government has made a number of important reforms of family law. These cover the law of maintenance and distribution of property following divorce, measures to prevent the abduction of children and the law of illegitimacy.

Particular laws which are not enforced or which are full of obvious anomalies risk bringing the law itself into disrepute. Changing tastes also require the reform of out-dated laws which govern personal habits and behaviour: such reform should, where possible, be on the basis of a wide consensus.

The present laws on Sunday trading and licensing contain innumerable anomalies. They are frequently flouted.

We will, therefore, look for an acceptable way forward to bring sense and consistency to the law on Sunday trading.

And we will liberalise the laws on liquor licensing hours so as to increase consumer choice, but we will also keep a sensible limit on late-night opening.

We have already extended absent voting rights to new categories of electors. In particular, we have enfranchised British citizens who have lived abroad for less than 5 years.

We propose to extend this eligibility.

### Northern Ireland

The British people have shown their commitment to the people of Northern Ireland in the common fight against terrorism, and in helping improve the economic and social situation in the Province. We resolutely support the security forces in their outstanding service to the whole community.

We were determined that terrorism will not succeed; that the vital principles of democracy will be upheld; and that the people of Northern Ireland themselves should determine their constitutional position.

We will maintain, against Socialist opposition, for as long as necessary the special powers which the police need throughout the UK to prevent terrorism and bring terrorists to justice.

There will be no change in the present status of Northern Ireland as part of the United Kingdom unless the people of Northern Ireland so wish it.

That is at the heart of the Anglo-Irish Agreement, which was signed with the Republic of Ireland in 1985. The Agreement offers reassurance to both sides of the community that their identities and interests will be respected, and that any change in the status of Northern Ireland would only come about with the consent of a majority of the people of the Province. It commits both governments to work together in the fight against terrorism.

We will continue to work within the Province for a developed government in which both communities can have confidence and will feel able to participate.

### LOCAL GOVERNMENT AND INNER CITIES

The Conservative view of local government is that local people should look after the interests of the local community which they were elected to serve, maintaining and improving essential services at a price people can afford. That is an honourable tradition of public service, still upheld by councillors in most local authorities.

But the abuses of left-wing Labour councils have shocked the nation. The Labour Party leadership pretends that this is a problem in only a few London boroughs. The truth is that the far Left control town halls in many of our cities.

The extremists have gained power in these areas partly because too few ratepayers have an interest in voting for responsible councillors pursuing sensible policies. Many people benefit from local services yet make little or no contribution towards them: this throws too heavy a burden on too few shoulders.

There is much else wrong with the present system of domestic rates. They seem unfair and arbitrary. And companies are left with little protection against huge rate rises levied by councils controlled by Labour, Liberals and Social Democrats, which drive them out of business and destroy jobs.

We have acted to protect ratepayers' interests in a number of ways. The wasteful and unnecessary tier of the GLC and metropolitan counties has been eliminated – to the substantial benefit of rate-payers. Our rate-capping legislation – so bitterly opposed by the Labour, SDP and Liberal parties in Parliament – has protected ratepayers from huge rate increases. This year alone, twenty councils will be

rate-capped — nineteen of them Labour and one controlled by the Liberals and the SDP — saving rate-payers several hundred million pounds.

We will now tackle the roots of the problem. We will reform local government finance to strengthen local democracy and accountability.

Local electors must be able to decide the level of service they want and how much they are prepared to pay for it.

We will legislate in the first Session of the new Parliament to abolish the unfair domestic rating system and replace rates with a fairer Community Charge.

This will be a fixed rate charge for local services paid by those over the age of 18, except the mentally ill and elderly people living in homes and hospitals. The less-well-off and students will not have to pay the full charge — but everyone will be aware of the costs as well as the benefits of the local services. This should encourage people to take a greater interest in the policies of their local council and getting value for money. Business rate-payers will pay a Unified Business Rate at a standard rate pegged to inflation.

We will require local authorities to put out to tender a range of services, including refuse collection, the cleaning of streets and buildings, vehicle maintenance, catering and ground maintenance.

Ratepayers expect councils to provide their services as efficiently as possible. Yet some local authorities steadfastly oppose private sector companies tendering for services even though they could provide them more cheaply and more effectively. The independent Audit Commission has estimated that some £500 million a year could be saved if all councils followed the practices of the best — sums which could be used to lower rates or improve services.

The Widdicombe Report into the conduct of local authority business painted a disturbing picture of the breakdown of democratic processes in a number of councils. We will take action to strengthen democratic processes in local authorities.

### Inner cities

The regeneration of the inner cities must be tackled. The growth in our national prosperity in recent years has been founded on a rebirth of enterprise. But in many of our inner cities the conditions for enterprise and pride of ownership have been systematically extinguished by Socialist councils. For the sake of those living in our inner cities we must remove the barriers against private investment, jobs and prosperity which such councils have erected.

We are setting up five new Urban Development Corporations which will have the powers, resources, and management structure to reclaim and redevelop great tracts of derelict land: these new Corporations will follow the model successfully applied in London Docklands and on Merseyside.

Our Unified Business Rate will ensure that companies and jobs are not driven out of inner city areas by the high rates of profligate councils.

We have roughly doubled the resources to reclaim derelict land. We will improve procedures to accelerate the process of bringing vacant and under-used public sector land back into productive use.

We will build on the experience of Urban Development Corporations by creating new mini-UDCs. These will operate on a smaller scale in areas where there is clear economic potential, but where the local authorities are failing to tackle the problem.

Our Urban Programme provides a range of grants to help industry and local councils undertake projects that will improve the environment and encourage new investment.

We are helping to lead local action through our five City Action Teams, sixteen Inner City Task Forces and the Inner City Partnerships. All of them draw on government assistance and work with local business and local people to promote enterprise, employment and training.

Great cities are built on the enterprise and vitality of the individuals who live there. Our aim is to create a climate which encourage and harnesses that energy in the interest of all.

## A BETTER SOCIETY

### Planning and the environment

Conservatives are by instinct conservationists — committed to preserve all that is best of our country's past. We are determined to maintain our national heritage of countryside and architecture. Since taking office we have:

- more than doubled the area of specially protected Green Belt: we will continue to defend it against unsuitable development;
- established new arrangements, backed with public funds, to make farming more sensitive to wildlife and to conservation;
- completed the work of listing pre-war buildings which receive legal protection and extended such protection to the best post-war buildings;
- established a new, powerful Pollution Inspectorate;
- passed new laws on the control of pesticides and implemented new controls on the pollution of water;
- put in hand plans for cleaning up Britain's beaches, costing over £300 million over the next four years;
- more than doubled spending after allowing for inflation on countryside and nature conservation since 1979;
- set in hand the establishment of the new Norfolk Broads Authority — a major environmental initiative;

- established a huge programme, costing £4,000 million, to clean up the environment of the Mersey Basin by the early years of the next century.

We are determined to maintain the Green Belt. We will protect the countryside for its own sake and conserve its wildlife, while allowing for those small scale and well planned developments which are needed to provide jobs and keep country areas thriving.

Wherever possible we want to encourage large-scale developments to take place on unused and neglected land in our towns and cities rather than in the countryside. We want to improve on our performance in 1986 when nearly half of all new development took place on reused land.

### A practical agenda

Only the Conservatives have a serious costed agenda for further environmental action for another five years of Government. We will:

- continue our £600 million programme of modifying power stations, to combat acid rain;
- adopt improved standards, in concert with Europe, for reducing pollution from cars. We have already reduced tax on lead-free petrol and will encourage its wider use;
- introduce new laws on air pollution and dangerous wastes;
- double the funding for Environmentally Sensitive Areas;
- introduce new laws giving extra protection to the landscape of our National Parks;
- encourage more small woodlands in lowland areas through new grants;
- legislate to safeguard common land on the basis of the Common Land Forum, and continue to protect public access to the countryside through footpaths;
- support scientifically justified, international action to protect the atmosphere and the sea from damage from pollutants;
- establish a National Rivers Authority to take over responsibilities for ensuring strict safeguards against the pollution of rivers and water courses and to pursue sound conservation policies. The water supply and sewage functions of the water authorities will be transferred to the private sector;
- set up safe facilities for disposing of radioactive waste from power stations, hospitals and other sources: we have asked UK NIREX to come forward with proposals for deep disposal.

### The arts

Our international reputation in the arts has never been higher. Tourists flock to this country to enjoy the highest standard of theatre, music, artistic excellence and our museums. Art centres have nearly doubled in number since 1979. Attendances at theatres, concerts, cinemas and historic houses have all risen significantly.

Under the Conservatives, spending on the arts has risen by 15 per cent since 1979 after allowing for inflation. Over the same period, the Arts Council grant has risen from £61 million to nearly £139 million. And schemes like the Business Sponsorship Incentive Scheme have pushed the value of such sponsorship from £½ million to £25 million over the last decade.

In future years:

We will maintain government support for the arts and continue to encourage private support.

We will make it a major objective to ensure that excellence in the arts is available in all parts of the country.

We will continue to safeguard our heritage, particularly through the National Heritage Memorial Fund, created by this Government in 1980 to assist the preservation, maintenance and acquisition of items of outstanding merit which might otherwise be lost to the nation.

We will encourage our great national museums and galleries to make the national treasures which they house more widely accessible.

### Sport

We have increased funding for the Sports Council from £15 million in 1978/79 to £37 million in 1987/88.

We will continue to work with the Council and through our funding of the Sports Council National Centres, we will encourage the pursuit of excellence in our sports.

We want to encourage competitive sports through schools and clubs and we strongly oppose any attempts to ban competitive sports in schools.

We will continue to encourage schools and colleges to open their facilities for community use wherever possible to co-operate with other owners to achieve public access to sport premises.

Football hooliganism has tarnished the good name of British sportsmanship. We have acted to control the sale of alcohol at sports grounds. We have enhanced police powers to stop and search at football grounds and we have encouraged tougher sentencing of hooligans.

### Broadcasting

Our objectives for broadcasting are to provide consumers with a wider range of programmes, to encourage independent producers, and to preserve the high standards which we have traditionally enjoyed in British broadcasting.

Vital decisions will need to be made in the next Parliament. We have already published proposals for a less regulated and more diverse radio system. We shall follow a policy of more competition, variety and

innovation in our domestic networks and encourage the export of British programmes to international audiences and markets. The development of the broadcasting industry will be allowed to occur, wherever possible, commercially.

We will therefore introduce a major new Broadcasting Bill in the new Parliament. It will enable the broadcasters to take full advantage of the opportunities presented by technological advances and to broaden the choice of viewing and listening.

The broadcasters owe it to the lively talent in the independent sector to take more programmes from them.

We will ensure that at least 25 per cent of programmes broadcast on both ITV and BBC will be supplied by independent producers as soon as possible.

The responsibility for enforcing broadcasting standards must rest with the broadcasting authorities. The present Broadcasting Complaints Commission has a relatively narrow remit. But there is deep public concern over the display of sex and violence on television. We will therefore bring forward proposals for stronger and more effective arrangements to reflect that concern.

We will remove the current exemption enjoyed by broadcasters under the Obscene Publications Act 1959.

## BRITAIN AND THE WORLD

Britain is once again giving a lead in world affairs. We are forthright in support of freedom and justice. We stand up vigorously for Britain's interests abroad. Our voice is heard with respect on the crucial issues of war and peace, of finance and trade.

### Defending the nation

The first duty of government is the defence of the realm and the preservation of peace. Nuclear weapons are vital to that task. In the 40 years since 1945, more than 10 million people have died in wars around the globe. But there has been peace in Europe.

Conventional weapons did not succeed in deterring war. But nuclear weapons have prevented, not only nuclear war, but conventional war in Europe as well. A strong defence policy has proved to be the most effective peace policy.

Labour's policy is to give up Britain's independent nuclear deterrent without asking anything in return. The Labour Party would require the United States to withdraw its nuclear weapons from our soil and to close down Nato nuclear bases in Britain. It would remove Britain altogether from the protection of the United States' nuclear umbrella.

That policy would abandon the defence policy followed by every British government, Labour or Conservative since the Second World War. It would expose us to nuclear blackmail from the vast Soviet armoury, to which we would have no reply. It would inflict damage, perhaps fatal damage, on the Atlantic Alliance on which we and Western Europe depend for our security. It would strike at our relations with our most important ally, weakening the American commitment to Europe's defences. It would, in short, be the biggest victory for the Soviet Union in 40 years.

The defence policy of the Liberals and Social Democrats is muddled and confused. They would cancel Trident and they have no clear idea of what to put in its place. Their suggested replacements are much more expensive than Trident, which costs only 3p in every £ of defence spending. None would be available in time. None would provide equal security.

The Liberal and SDP defence policy would be one-sided disarmament by default or inadvertence. The only difference between it and Labour policy is a matter of timing. Labour would scrap Britain's deterrent immediately upon entering office. The Liberals and Social Democrats would allow it to wither on the vine.

Only the Conservative Party stands by the defence policy which every post-war government has seen to be necessary and which has kept the peace of Europe for more than a generation. We are not prepared to take risks with Britain's security.

We will stand fully by our obligations to our European and American allies in Nato.

We will retain our independent nuclear deterrent and modernise it with Trident. Because of improvements in Soviet defences we need a greater capability of Trident to retain the necessary deterrence which Polaris gives. No amount of money spent on conventional defence would ever buy us the same degree of deterrence.

We will continue to increase the effectiveness of our conventional forces, to provide them with the most modern equipment and to obtain better value for money from the defence budget. We have already increased defence spending by more than 20 per cent in real terms since 1979 and restored the pay and conditions of our servicemen.

But we also want to see a world in which there are fewer nuclear weapons. That is why Britain is at the forefront of arms control negotiations.

We will strive with our allies to achieve balanced and verifiable agreements for:  
the elimination of medium-range nuclear missiles in Europe and preferably world-wide;  
agreed constraints on shorter-range missiles;  
a 50 per cent cut in strategic nuclear missiles;  
and a world-wide ban on chemical weapons.

Western strength and resolution are essential to achieve these aims. That is why the Conservative Government deployed Cruise missiles. All the Opposition parties – Labour, Liberals and SDP – voted against deployment in the House of Commons. Yet it was the deployment of Cruise and Pershing missiles which brought the Soviet Union back to the negotiating table. We can look forward to an agreement this year which will, for the first time, reduce the numbers of nuclear weapons.

With the Conservatives Britain is also taking the lead in working towards greater trust and confidence between East and West, and to encourage changes in the East, where disillusion with totalitarian Socialism grows inexorably. The Prime Minister's historic visit to Moscow was a major contribution to this. We shall welcome any move by the Soviet Union towards respect for basic human rights. But we must not lower our guard. Strong defence is still the surest foundation for building peace.

### Europe grows in strength

This Government has taken Britain from the sidelines into the mainstream of Europe. But being good Europeans does not prevent us from standing up for British interests. The agreement we negotiated on the Community Budget has saved Britain £4,500 million since 1984.

We will continue to work for strict controls on the Community Budget.

Britain has led the way in establishing a genuine common market, with more trade and services moving freely across national boundaries.

We will campaign for the opening of the market in financial and other services and the extension of cheaper air fares in Europe.

We will also continue to work with our European partners to defend our own trading interests and press for freer trade among all nations.

All of this will help safeguard existing jobs and create new ones.

We will continue to play a responsible leading role in the development of the Community, while safeguarding our essential national interests.

### Firm against terrorism and aggression

Britain has stood at the forefront in the fight against international terrorism. No democracy has a better record than Britain in standing up to the terrorists, who threaten the most basic values of civilised life.

We will seek the support of other democratic nations for the provisions of the European Convention on the Suppression of Terrorism.

We stood up to aggression in the Falklands and would do so again, if necessary. We want normal relations with Argentina. We have made numerous proposals to that end. But we stand by our pledges to the Islanders. We will not negotiate on the sovereignty of the Falklands.

### The wider world

When other countries are prepared to act in good faith, the Conservative Government has shown the will and the diplomatic skill to find solutions to age-old conflicts and misunderstandings. Our record of tackling longstanding problems in Hong Kong, Zimbabwe, and Gibraltar demonstrates our determination to seek peaceful and imaginative settlements of difficult international disputes. We have played a prominent part in bringing Israel and the moderate Arab states closer to peace negotiations in the framework of an international conference.

We believe that the issues of Southern Africa, too, will be tackled best by dialogue, not violence. We want to see an end to apartheid in South Africa. But trade and economic sanctions would only serve to entrench apartheid, increase the risk of bloodshed, and inflict severe hardship on black South Africans without bringing a settlement any nearer. Negotiations between the leaders of the South African people are the best way to resolve the problems of that unhappy country.

### Overseas aid

We have the sixth largest aid programme in the western world, and the third largest in Europe, spending about £1,300 million each year. Britain pioneered the reform of Europe's food aid policy, to make it more rapid and effective. We have substantially increased our support for the disaster, famine and refugee relief activities of voluntary agencies, as well as for their long-term development work. We have led the way in giving help to the people of Ethiopia, ravaged by famine. Our "Aid and Trade Provision" funds have helped win good development contracts for British firms worth over £2 billion since 1979.

We will maintain our substantial aid programme and direct it ever more effectively.

We will bring more young people from Commonwealth and other countries to train and study in Britain.

We ourselves have made positive and practical proposals for international action to help some of the poorest and most indebted countries of sub-Saharan Africa.

Labour's proposal of selective import controls would damage developing countries, open the door to protectionism, and harm those poorest countries which most need our help. It would also be bad for Britain. The best contribution Britain can make to developing countries is to champion open trade and free enterprise abroad and to practise them at home.

## CONSERVATIVE MANIFESTO

### A fateful choice

For decades there was basic agreement between political parties on defence and foreign policy. That agreement was firmly in the national interest. It has been torn up by our opponents.

Labour's policy would mean not a secure Britain, but a neutralist Britain. And eventually — for there can be no trifling with Soviet power — a frightened and fellow-travelling Britain. The Liberals and Social Democrats would take us more slowly down that same disastrous road.

This election matters more for our safety and freedom than any election since the Second World War.

### CONCLUSION: THE WAY FORWARD

The proposals outlined in this manifesto are the extension of policies which have already proved outstandingly successful.

Today Britain is a stable and well-governed country which exercises great influence in the world.

We seek the support of the British people to make the achievement truly secure, to build upon it and to extend its benefits to all.

No previous government with eight years of office to its credit has ever presented the electorate with such a full programme of radical reform.

No other party, presenting its manifesto proposals to the nation, has been able to support them with such a solid record of achievement.

We commend them with confidence to the British people.