

# **Changing Britain for good**

**The Liberal Democrat  
Manifesto 1992**



**Be warned:  
this manifesto  
may not be what  
you expect**

**This manifesto does not promise good times just around the corner. It does not avoid difficult questions out of fear of unpopularity. It simply tells the truth; the truth about what Liberal Democrats believe has to be done in order for Britain to succeed.**

**If you want Britain to stay the same then you probably won't like this manifesto. But if you want real change, if you long for a better future for yourself, your family, your community and your country, then read on.**

Britain has a clear choice at this election. We can stay much as we are, in the same old muddle, with difficult decisions postponed.

Our failure to adjust to the modern world will then become ever more serious. We will lag further behind in creating and sharing wealth. More and more people will lose their jobs and homes. Our environment will go on deteriorating. Our public services, already second rate, will become even worse.

We shall fail to get the best out of the European Community, because our leaders will continue to be afraid to tell us that shared success in the Community means sharing sovereignty too.

Our system of politics will continue to foster confrontation and short-term thinking, and exclude ordinary citizens from the business of government.

*This manifesto offers a different choice for Britain.*

Liberal Democrats do *not* believe that our country's under-performance has to be accepted. Another forty years of failed government is *not* inevitable. Britain has many advantages: a wealth of natural resources; a long history of engagement with the rest of the world; a mature and inventive people who value tolerance and freedom.

But Britain will only succeed when its political leaders start treating voters as informed citizens with shared concerns, not as ignorant consumers to be manipulated. Now is the time for change.

That is why in this manifesto we set out a clear analysis of Britain's problems and our proposals for putting them right. Above all, Liberal Democrats will trust our fellow citizens with the truth.

So this manifesto is different from others you may read.

We do not shrink from the real choices for our country.

We are not afraid to say what needs to be said.

We are not afraid to do what needs to be done.

And we are clear that if we want to make a *modern* Britain, we must first *change* Britain.

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## **What Liberal Democrats stand for**

Liberal Democrats put people first. We aim to create a society in which all men and women can realise their full potential and shape their own successes.

We believe that if we could liberate this wealth of talent we would transform our economy and create a shared society of which we should all be proud.

Liberal Democrats know that this cannot be achieved without fundamental reform.

We must change our political system to give the citizen more power and the government less; our economic system to confer power on consumers and to provide employees with a share in the wealth they create; our public services to guarantee choice and dignity to each of us; and our education system to equip us better for the modern world.

Liberal Democrats recognise the importance of the things we own in private but we also know the value of what we hold in common. We believe that people are at their best as members of communities, where they care about each other and for those less fortunate than themselves. So our policies are designed to strengthen communities, tackle crime and poverty, build up the common wealth and improve the shared quality of life.

In the economic sphere we know that the free market is the best guarantee of responsiveness to choice and change. But we believe the market should be our servant not our master. So we see the role of government as crucial in making the market work properly, by creating the conditions for success, promoting competition, breaking up monopolies and spreading information. And government has to be ready to make the investments which private

enterprise will not, whether in transport, education or public works.

Liberal Democrats know that we have a duty, not only to each other but to the generations which follow us, to protect the environment. We believe that this is best achieved not by making people poorer or less free but by building true environmental costs into the market so as to reward those who conserve and penalise those who pollute.

Liberal Democrats are uncompromisingly internationalist. We know that there is a limit to what Britain can achieve alone and we are committed to building in the wider world the sort of society we strive for at home, founded on mutual cooperation, political liberty and shared prosperity. We have long been committed Europeans, believing that Britain can only be secure, successful and environmentally safe if we play our full part in building a more united and democratic Europe.

Globally, Liberal Democrats will work to strengthen international cooperation. We reject outdated notions of national sovereignty, believing that they now stand in the way of common action to deal with the scourges of disease and hunger, the deterioration of the Earth's environment and the continuing dangers of the post-Cold War world.

We believe that all government, whether local, national, or increasingly European, should be bound by the rights of the individual and should be fully accountable.

Because Liberal Democrats alone understand that we shall not change Britain's future unless and until we change Britain's electoral system, we are committed to electoral and constitutional reform. We shall not rest until the government of Britain fully belongs to the citizens it is there to serve.



# **Britain's balance sheet**



**I**n drawing up this manifesto, we have begun from where Britain is today. Like any good auditor, we have been realistic about national achievements and failures, about opportunities and problems. The result is a balance sheet which shows our country's strengths and weaknesses.

Despite some points of promise and potential, Britain's balance sheet shows how much still needs to be done. The following pages reveal the extent to which, in the economy, in the environment, in education, and in local services, successive British governments have failed to realise the opportunities of the past decades. Although there are bright spots, the general picture is one of relative decline in relation to other advanced democracies.

Forty years of failure are the result not only of misjudged policies from both Conservative and Labour Governments. Even more crucially, they are the product of an outdated political system which has consistently sacrificed the long term to the short term and abandoned principles for expediency.

# The Economic Balance Sheet

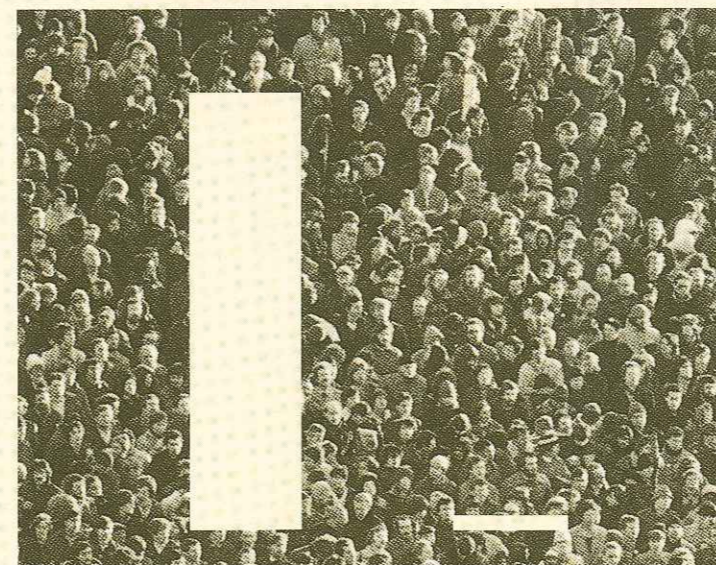


## UK exports



But imports have grown even more, to £113,770 million. The balance of trade has been negative since 1982, and in 1989 hit a record £24 billion.

## Industrial relations



1979  
29 million

1991  
1 million

### Positives

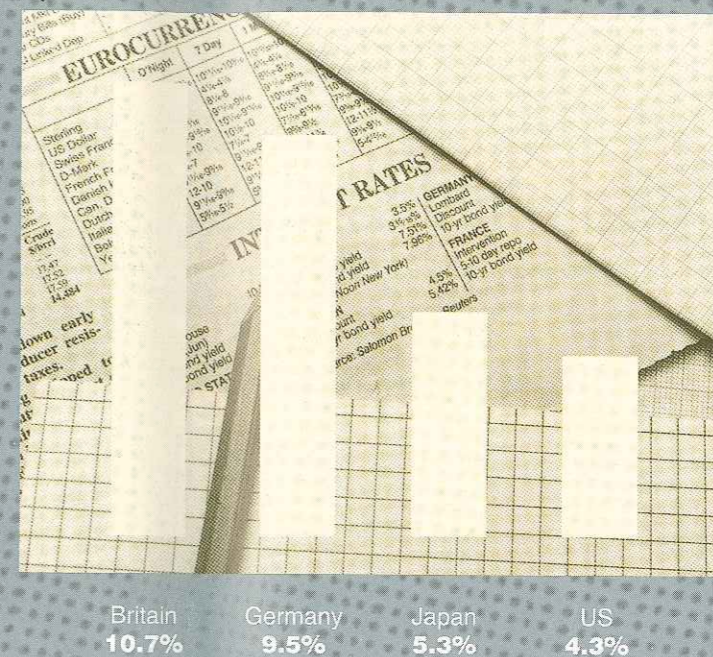
- 1 In some ways, British industry is thriving. In 1991, UK exports climbed to a record level of £103,804 million.
- 2 Industrial relations have improved markedly since the 1970s. Trade unions have become more responsible and democratic. Days lost through strikes fell from more than 29 million in 1979 to under a million in the year to October 1991.

- 3 The excessively high income-tax rates inherited from the last Labour Government have been brought down - from a top rate of 83% in 1979 to 40% in 1992.

**Negatives**

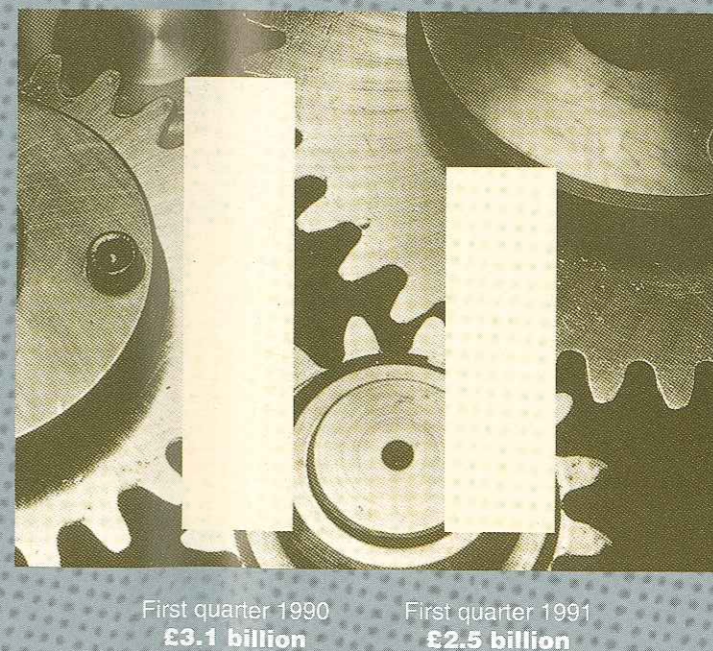
- 1 Unemployment has been the most obvious cost of the current recession. The latest figures show 2,604,100 out of work. The number unemployed for more than six months has doubled in the past year.
- 2 The recession is biting deeply into industry. Business bankruptcies have jumped from 28,935 in 1990 to 47,777 in 1991.
- 3 High interest rates are throttling the chances of economic recovery. British three-month rates stood at 10.7% in February, compared to 9.5% in Germany, 5.3% in Japan and 4.3% in the US.
- 4 Britain is failing to invest for the long term. Investment in manufacturing industry fell from £3.1 billion in the first quarter of 1990 to £2.5 billion in the last quarter of 1991.
- 5 This failure to invest for the long term can be seen also in innovation, the development of new ideas and products. In 1984-88 only 3.4% of patents granted in the US to other nationals went to Britons (3.7% in 1979-83). By comparison, France had grown from 3.3% to 3.4%, and Japan managed 18.8% (against 12.9% in the earlier period).
- 6 Britain's record of economic growth is very poor. The UK economy contracted by 2.2% in 1991 – the biggest annual fall since the 1930s – while Italy's grew by 1.3% and Germany's by 1.9%.
- 7 Conservative management of the economy has stoked the biggest credit boom in Britain's history. Average personal debt as a proportion of disposable household income mushroomed from 57% in 1980 to 114% in 1990.
- 8 **Conservative taxation policies may have reduced high marginal income-tax rates, but it was the rich who benefited, not the country as a whole. From the beginning to the end of the 1980s, take-home pay rose by 41.4% for those on 1½ times the national average, by 37% for those on the national average and by only 32% for those on half the average.**

**Interest rates**



**Short-term management of the economy has meant that governments manipulate interest rates to ensure reelection, rather than with the long term interests of the economy in mind. Interest rates fell before each of the last two general elections, only to rise again afterwards.**

**Investment in industry**



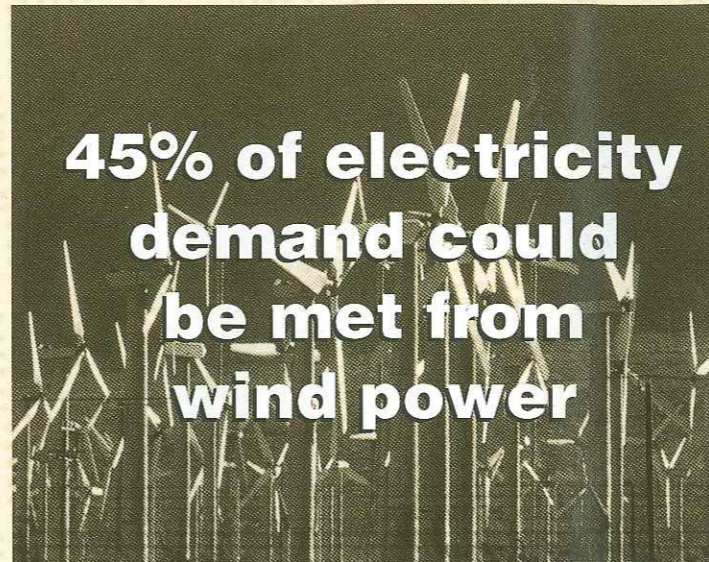
**This decline is not just a feature of the current recession. From 1979 to 1983 the annual level of manufacturing investment fell by 33%. It recovered to its 1979 level only in 1988.**

# The Environmental Balance Sheet



**In fact the amount of electricity produced by renewable sources in the UK has steadily declined over the past five years. While France produces almost 20% of its energy from renewable sources the UK manages only 1.3%.**

## Renewable energy generation



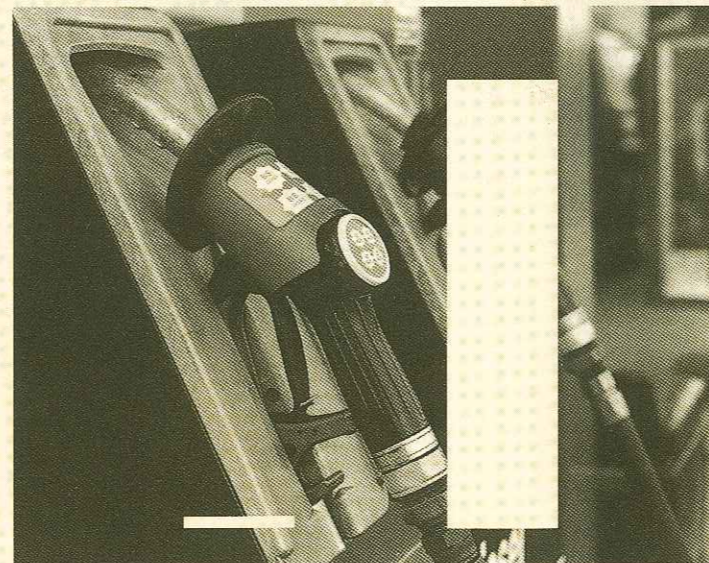
## Positives

**1 Britain has a massive advantage in natural resources that give it the potential to be at the forefront of renewable energy generation. Government estimates show that up to 45% of electricity demand could be met from wind power.**

**2** Government action can significantly affect standards of environmental protection. The market share of unleaded petrol rose from 1.1% to 43.0% between August 1988 and November 1991, due to widening tax differentials.

**3** Britain has a positive record on protecting its countryside. More of our land is protected in National Parks than any other EC member, and one more has recently been announced, in the New Forest.

## Unleaded petrol



**As in so many environmental matters, Britain was late in introducing tax differentials for unleaded fuel. In 1989, sales of unleaded fuel in Germany were more than double those in the UK.**

August 1988  
1.1%

November 1991  
43.0%

**Negatives**

**1** In too many ways Britain unfortunately deserves its nickname of The Dirty Man of Europe. Carbon dioxide emissions – the main source of global warming – increased in the UK from 525 million tonnes in 1986 to 530 million in 1989.

**2** The UK produces more sulphur dioxide, the main cause of acid rain, than any other EC member, but is only now beginning to install pollution-control devices to power stations. Germany started in 1984.

**3** Prosecutions for water pollution more than doubled between 1981 and 1988, while an additional 40 beaches were found not to be complying with EC standards in 1990 – making a total of 20% of all British beaches.

**4** **The Government has failed to invest in the development of renewable energy sources – despite the fact that they avoid the pollution problems associated with coal, oil and gas. Currently, just over £20 million is spent annually on renewable energy research and development, compared to more than £200 million a year on nuclear power.**

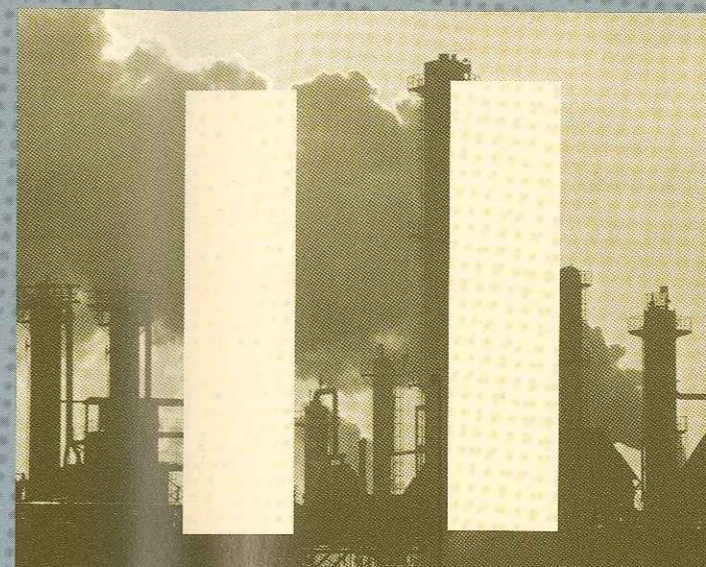
**5** Even worse, the Government has cut the budget of the Energy Efficiency Office, while investment in energy conservation would save money *and* reduce pollution. The 1990-91 level of funding, a meagre £23 million, is lower than it was four years before.

**6** Pollution from road transport has risen from 884 million tonnes of nitrogen oxides in 1980 to 1,298 million tonnes in 1989.

**7** At the same time, the proportion of freight carried on the railways between 1980 and 1990 dropped from 9% to 7%, while the proportion using road transport rose to 83%.

**8** Rail transport is placed at a disadvantage in Britain. Levels of government support for the railways fell throughout the 1980s, from £1262 million in 1980-81 to £462 million in 1990-91.

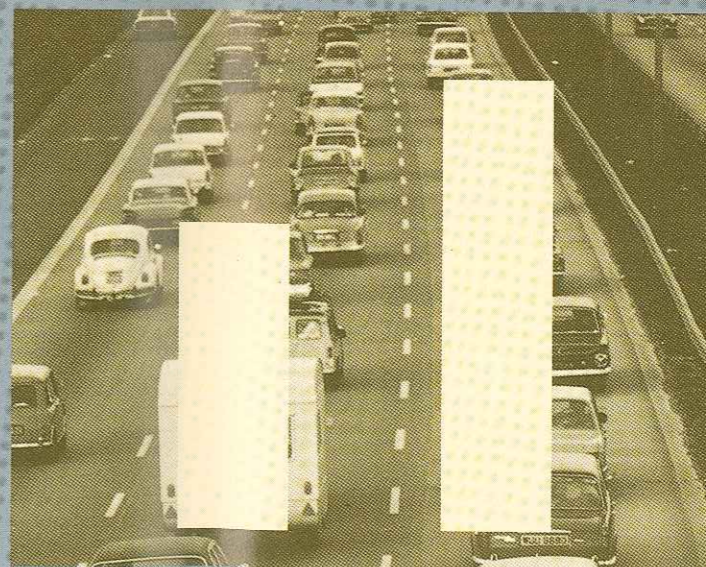
**Carbon dioxide emissions**



1986 525m tonnes      1989 530m tonnes

**The UN estimates that a reduction in carbon dioxide emissions of 20% by 2005 will be necessary to avoid potentially disastrous effects of global warming. Yet the Government has committed Britain merely to stabilise emissions by 2005 – well behind the majority of EC countries.**

**Road transport pollution**



1980 884m tonnes      1989 1,298m tonnes

**Congestion on the roads costs an estimated £15 billion a year, yet the Government continues to do nothing to curb the rate of growth of car use - estimated at 142% between 1990 and 2005.**

# The Educational Balance Sheet



**The retention rate, however is very bad. More than half of the country's qualified teachers have left the profession.**

## Number of teachers



1986  
**176,228**

1991  
**193,516**

## Pupil-teacher ratios



1980-1981  
**18.2**

1990-1991  
**16.9**

**In recent years, the pupil-teacher ratio has turned up once again - from 16.9 in 1990 to 17.2 in 1991.**

## Positives

**1 In some ways educational standards are improving. The number of teachers in nursery and primary education grew from 176,228 in 1986 to 193,516 in 1991.**

**2** Similarly, pupil-teacher ratios fell from 18.2 in 1980-81 to 16.9 in 1990-91.

**3** Some of the Government's changes have been for the better. The idea of Local Management of Schools has, in some places, produced school management of imagination and quality.

**Negatives**

**1** Overall, government funding of education is inadequate. The proportion of Britain's gross domestic product devoted to education fell from 5.6% in 1981-82 to 5.0% in 1990-91.

**2** The number of secondary school teachers fell from 224,618 in 1986 to 198,030 in 1991.

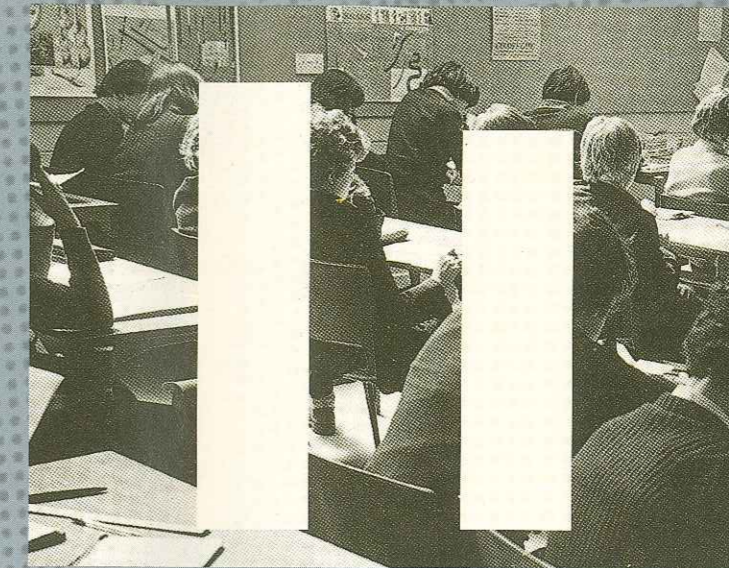
**3** There has been a serious decline in the number of people qualifying as teachers, down from 25,000 in 1980 to 18,500 in 1988. The Government is planning further cuts in teacher-training facilities.

**4** British children lose out in critical areas of education. The proportion of children in pre-compulsory education in 1987-88 was a mere 3.6%, compared to 13.5% in Germany, 17.0% in Belgium and 18.4% in France.

**5** Compared to our competitors, not enough of our young people stay on to post-compulsory education. The proportion of 16-18 year olds in full-time education or training was 35% in Britain in 1988, compared to 47% in Germany, 66% in France and 79% in the USA.

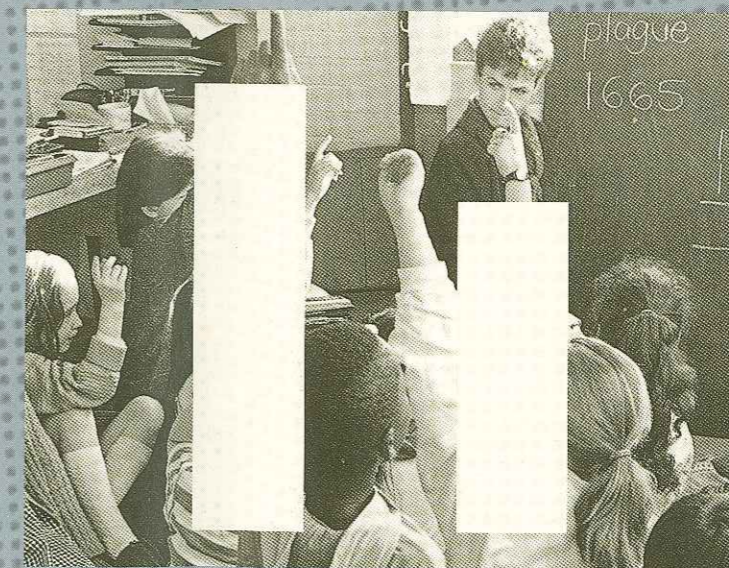
**6** Investment in scientific research and development has fallen from 0.35% to 0.28% of GDP (while in Germany it stands at 0.40%), not only affecting our higher education system but creating a knock-on effect throughout the British economy.

**Funding**



In the same year, France invested 5.7% of GDP, the US 6.7% and Ireland 7.1%.

**Fall in teachers qualifying**



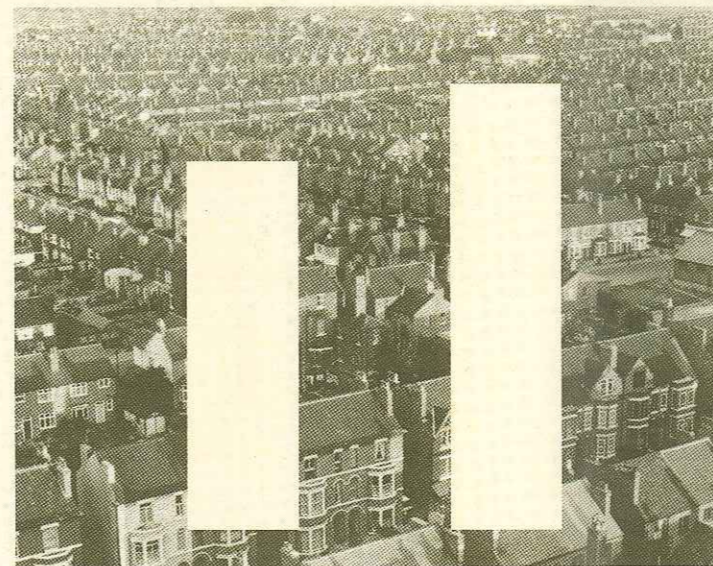
The Government has been quite happy to invest when it suits its own ideological ends. Pupils in opted-out schools are funded at an average of four times the level of LEA pupils.

# The Social Balance Sheet



**Government help has been directed to home owners at the expense of others. Investment in local authority housing has collapsed and no help is available to the private rented sector.**

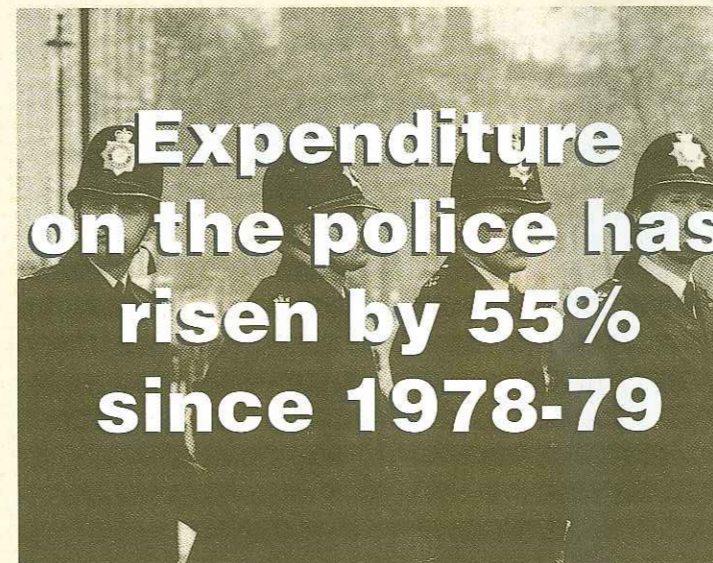
## Home ownership



1981  
55.8%

1991  
67.3%

## Police



**Insufficient effort, though, has been devoted to making sure policemen are on the beat. A more visible police presence in communities is essential to combat both crime and the fear of crime.**

## Positives

**1 Overall, British standards of health are improving. Life expectancy for men rose from 70.8 years in 1981 to 73.2 years in 1991, and for women from 76.8 to 78.8 years.**

**2 Home ownership in Britain rose from 55.8% of households in 1981 to 67.3% in 1991.**

**3 The size of the police establishment has increased by 15% since 1978-79. Expenditure on the police rose by 55% in real terms over the same period, and police pay showed a 29% real rise.**



**Negatives**

**1** While the NHS hospital sector's real purchasing power grew by 15.6% between 1980-81 and 1990-91, expenditure requirements (due to demographic change and the rising costs of medical technology) in fact increased by 21.3%.

**2** The total number of people waiting for NHS treatment in the UK rose to more than one million in March 1990. 25% of inpatients wait for longer than a year for treatment.

**3** The number of sight tests has fallen by 21% since the introduction of charges in 1988.

**4** The Government has withdrawn funding for new house building, and refused to allow councils to spend the receipts they have gained from new home owners. As a result, the amount of local authority housing built has fallen from more than 65,300 homes in 1979 to a mere 8,600 in 1990.

**5** The number of people accepted by local authorities as homeless rose from 70,000 in 1979 to almost 170,000 in 1990 - and this does not include the single homeless.

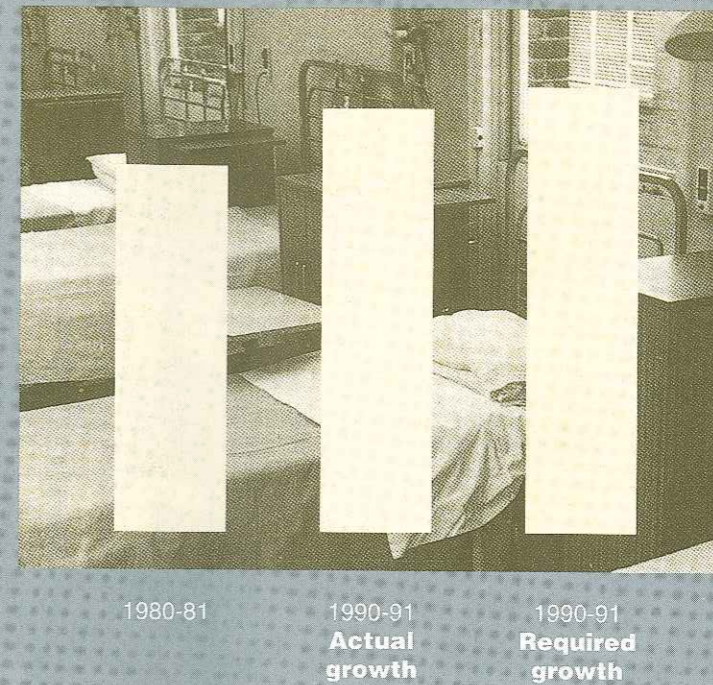
**6** With the massive expansion of mortgage lending and the subsequent use of interest rates to bring down inflation, the number of mortgages over 12 months in arrears rose from 59,690 in June 1991 to 91,740 by the end of the year. The number of properties repossessed rose by 74% over the 1990 figure to 75,540 in 1991.

**7** Outcomes have failed disastrously to match the input of additional resources to law and order. Recorded rates of notified crime have increased year on year by 5.5% on average, and by a massive 16% in 1990-91.

**8** At the same time, crime clear-up rates have declined to 32%.

**9** Britain has proportionately the largest prison population of any Community country - and we also have more prisoners serving life sentences than the rest of the EC combined.

**NHS funding**



The cumulative shortfall in the hospital and community health services sector in England alone now stands at £4.44 billion.

**Prison population**



Not only is imprisonment of doubtful value for many offenders, it is also extremely expensive. Better value for money would result from less use of custody for many classes of offender.