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Part A

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~~6/3/82~~ 6/8/81  
~~8/9/82~~ 27/4/82



PO -CH /GH/0022



PART A

Chancellor's (Howe) Papers:

POLICY WORK PUBLIC  
OPINION AND THE 1983  
GENERAL ELECTION

Dispose Directions: 25 Year

*D. Huber*

24/7/85



COPY GH.

The Rt. Hon. Mrs. Margaret Thatcher, M.P.,  
Prime Minister,  
10 Downing Street,  
London, S.W.1.

6th August 1981.

*(It will, I.g., be  
v. helpful if they can  
(especially + check  
I can) make their  
own presentation  
re future of \**

*had a suggestion re  
- certainly on logical idea.  
I, with no anything  
re the Tim Bell might say,  
at an early stage > have  
from GH.*

I only bother you with this letter just before you go on holiday in case you should think that the contents justify some working up in preparation for your return.

My perception is that we have not yet effectively enough persuaded the country that the rise in unemployment is largely due to the level of unit labour costs and that the prospects for employment in the future depend mainly upon recovering competitiveness, particularly in these same unit labour costs.

My suggestion is that you should authorise an approach to Tim Bell - the best presenter known to me of a case - about the best way we should intensify our efforts. My hope is that you will give him free rein to propose what should be presented, by whom, by what methods, on what occasion and with what follow-up.

The subject lends itself to visual aids: possibly to an intellectual confrontation: possibly to trade union participation: on no part of this have I opinions worth having. But Tim Bell would.

Tim would require an intellectual background.

He would need to have the distinction drawn between the impact of the £ on the one hand, and the impact of rising unit labour costs over recent years, and particularly in 1980, on the other. You used some of the key figures very effectively yourself in the recent censure debate.

He would need to be careful not to exonerate management, which ranges from brilliant to poor: bad design, weak marketing, sloppy production control have been, and are, important factors - but the confidence and the scope of management, and the profits they need for expansion, have all been hammered over recent years by much trade union short-sightedness.

We would need to identify for him the remorseless rise of the wages share and the consequent fall of the profit share of company income - and the effect this has



had on labour costs, competitiveness and management scope, and therefore the effect on jobs.

(Please note that the raw statistics do not show profits being raided by labour costs in the way that we know has in fact happened: Department of Industry statisticians have however explained why it is still true that profits have been raided by earnings, in an answer prepared at my request to a question from Mickey Grylls).

He will need to be given our unit labour costs in comparison with those of our competitors.

It seems to me that we would want to stress that management defects need to be reduced as well as excessive unit labour costs, but we can surely explain that the defects of management cannot be cured overnight - marketing and design and development failings take time to correct - whereas unit labour cost excesses can be cured overnight, or can at least be prevented from getting overnight even worse.

We surely should not flinch from the fact that we stressed unemployment under Labour as one of our election themes. How could we be expected to have known that the £ would rise so sharply: that there would be another oil hike: and that, above all, there would be the job-annihilating pay increases of 1980. To add that massacre of jobs, on top of those already destroyed by the increase in unit labour costs of previous years, was the responsibility of the trade unions, who were warned by us - and who are now leading the complaints.

It is my hope that if Tim Bell were given the material he would be able to suggest how best to present it to secure interest, understanding and follow-up. Provided that we do not flinch from management's role, and our own part where relevant, we have an impeccable case.

In putting the argument for a new presentation to John Hoskyns there has, however, been revealed a difference of emphasis. He accepts the main thesis, but he argues that our stress should be on keeping future pay settlements moderate, while I would prefer to stress reduction in unit labour costs. He argues that reducing unit labour costs will involve higher productivity, which will increase unemployment over and above that which is already spontaneously emerging. I argue that only to the extent that, for instance, Merseyside or Glasgow proclaim themselves convincingly as areas of sustained low unit labour costs would employers be attracted to them. I note this disagreement for what it is worth: the two purposes of moderated settlements and lower unit labour costs are of course mutually consistent.



Lastly, I turn to an aspect which is right outside my detailed knowledge, but I get the impression that very few television interviewers and very few news presenters show any interest in, or understanding of, cause and effect in connection with unemployment. This has often been deplored by us, but surely we should try to do something about it. My necessarily - because I am so ignorant in this area - feeble suggestion is that we should seek the advice of those who do have interest and do have understanding, such as Robin Day - and there may be others - on how an increase in interest and understanding could be achieved among other interviewers and presenters. Efforts would have to be made one by one, and any gain in interest and understanding would be worth having. I know that Aims has given study to this subject, and might be able to give us some analysis.

I am sending this to you unpolished in order to reach you before you go off. I am copying to Geoffrey Howe, Norman Tebbit, Ian Gow and John Hoskyns, to each of whom I have to varying extents exposed the ideas for what they are worth.



Faint, illegible text, possibly bleed-through from the reverse side of the page.

Another block of faint, illegible text, likely bleed-through.



Private & Confidential.

The Rt.Hon. Sir Geoffrey Howe, Q.C., M.P. <sup>ps/p</sup>



Ps/CST.

*with the  
compliments of*

The Rt.Hon. Sir Keith Joseph, Bt., M.P.

CST.  
A. P. ...  
no ...

HOUSE OF COMMONS  
LONDON SW1A 0AA



From: The Rt.Hon. Sir Keith Joseph, Bt., M.P.



cc P. J. EST. SENT 1/11.  
M. R. D. H. Y.

Private & Confidential.

25th August 1981.

The Rt.Hon. Mrs. Margaret Thatcher, M.P.,  
Prime Minister,  
10 Downing Street,  
London, S.W.1.

Dear Prime Minister,

Further to my letter of 6th August I have now, as you suggested, seen Antony Jay. He thinks that the economic relationships between unit labour costs and competitiveness on the one hand and jobs on the other could be presented effectively.

He thinks that we should not reject the idea of devoting a concentrated short series of PPBs (he has recently, as you probably know, been approached for his possible help by Alan Howarth) to a presentation of the causes and cure of unemployment.

He believes that by putting the arguments in terms of the problem that faces all UK governments we could gain in effectiveness: and he suggests that the short series could be (a) collected into a single videotape film which you could introduce, if you wished, as a separate follow-up and (b) could be referred to by all of us when being interviewed as an analysis that must be taken into account.

He says that the cost would be a minimum of £2,000 per minute shown and would rise according to the amount, if any, and type of animated cartoon used.

He is, as you know, very strongly in sympathy with our analysis and our purposes.

I have seen Geoffrey Howe's minute to you of August 11th. He will not be aware that you authorised me to make some enquiries but of Antony Jay for this particular possibility rather than Tim Bell.

I suggest that you and Geoffrey may like to discuss the idea with Antony Jay. He would need the sort of material mentioned in my letter if we were to ask him to embark.

Because I only saw Antony Jay on the eve of my departure on holiday I am asking my secretary to sign this letter to you. Copies go to Geoffrey, Norman Tebbit, Ian Gow and John Hoskyns.

Yours sincerely,

J. Keith Joseph

JS



From: The Rt.Hon. Sir Keith Joseph, Bt., M.P.



Private & Confidential.

4th September 1981.

The Rt.Hon. Sir Geoffrey Howe, Q.C., M.P.,  
11 Downing Street,  
London, S.W.1.

*Geoffrey*

I have now spoken to Tim Bell, who is keen to help. I have told him that I have also spoken to Antony Jay, and am telling Antony that I have spoken to Tim Bell.

They are now both awaiting the material which you said you would mobilise. I have given them both the name of Peter Cropper as the link.

Would Peter please send me a copy of the material also - and perhaps to John Hoskyns too.

I don't know whether you have yet seen Bill Robinson's <sup>attached</sup> paper dated August 1981 on "The Manufacturing Recession and Structural Change". I suggest that the four pages of this paper should be included in the material, and that pages 3 and 4 - unless your advisers disagree with them - may help those concerned understand the relationship between exchange rates and unit labour costs in their presentation task.

Both Antony Jay and Tim Bell realise that at this stage we are asking only for ideas on how they would set about advising us on the best way to bring the realities home more effectively to larger numbers of the public, and in addition how to change the level of understanding on which interviews are based.

At this stage we do not have to consider whether it is on the party or the government account that we would be functioning.

I am copying this letter to the Prime Minister and to Norman Tebbit, Ian Gow and John Hoskyns.

*Keith Joseph*



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*Chris. C. ...  
R. J. ... P1 ...  
PJ 28.7*

*Ch OR.  
PWP*

*C  
You may wish to raise at  
prayers. I agree strongly  
with it! PJ 30.9*

CHANCELLOR (OR)

cc Mr Ridley

PRESENTATION OF ECONOMIC FACTS

I have forwarded to Tony Jay and Tim Bell copies of the material put up by EB, together with your speech on Pay of 26 June, and the article Keith Joseph sent us from the LBS Bulletin about 'The Manufacturing Recession and Structural Change'. I thought that was rather interesting.

x | I note that the presentation of pay issues came under discussion at the PM's meeting to consider the CPRS paper on Pay. (See Tim Lankester's record of 22 September). A Mr Cleese was mentioned as a possible programme presenter. I believe he may be an associate of Tony Jay.

It also reaches me through the IDT grapevine that meetings have been held by Bernard Ingham at No 10 and that there is a debate going on as to whether the IBA would be likely to approve the sort of programmes that are under discussion.

x | It looks as if there will be a need for co-ordination fairly soon.



P J CROPPER  
24 September 1981



From: A. RIDLEY  
5 January 1982

PERSONAL AND CONFIDENTIAL

*prop.*

I.12 (other)

CHANCELLOR

*Assumed  
with S/A*

cc: Chief Secretary  
Economic Secretary  
Financial Secretary  
Minister of State (L)  
Minister of State (C)  
Mr. Cropper  
Mr. Harris

MEETING NO.11 2.30 P.M. WEDNESDAY 6 JANUARY

.... I attach an outline agenda which, I trust, adequately reflects the comments you made to me on Monday. Its aim is only to provide a skeleton or framework for discussion. Clearly the more thought which can be devoted to these rough headings by Wednesday afternoon the better. This applies particularly to item 6, the personal identification of priorities, on which it might be helpful if ideas could be noted on paper (if only for handing round at the meeting).

2. There could well be further major topics people want to raise. If so you will doubtless want to be warned in advance, by Wednesday morning at latest.

3. The SDP paper will be circulated separately, probably only on Tuesday evening, alas.

*M*

A. RIDLEY

FLAGE |





OUTLINE AGENDA NO.11

WEDNESDAY 6 JANUARY 2.30 - 6.00

TOWARDS 1984

Prospects

1. Are we content with the objective prospects to 1984 (at least on a Conservative MTFPS-type estimate) for

- output and living standards
- unemployment
- inflation
- investment and company health
- other key economic variables?

← PAY

Shows its purpose

If we are not, do we think there is much to be done to improve matters?

Perceptions of the Government's economic performance

2. All the evidence available - and certainly the opinion polls - shows that a large majority of the public are very critical of the Government's economic record. What should be done? Possible responses include:

- (a) Breaking popular (and often totally new) ground. The Enterprise Zone idea is one example.
- (b) Demonstrating more competence/energy/understanding/compassion in areas of legitimate disapproval

This can be approached in several ways:

- the experimental scheme - of Small Business Loan Guarantee Scheme or the newly announced trials with the local enterprise allowance.
- stealing clothes, if only symbolically. Thus if our critics say the young unemployed should be insulating pensioners' houses find a (cheap) way of letting them do so.

- (c) Destroying or lowering unrealistic expectations

Obvious tasks include:



- more modest hopes and benchmarks for economic progress generally;
- deflating the attractions of at least the grosser forms of reflation

(d) Passing the buck

The Government is being held responsible for far too much. Labour managed to pin more blame on the world economy in 1975-9 than we have done since. The unions are greatly distancing themselves from their "winter of discontent" image. These are developments which can and should be reversed.

Major interest groups

3. Could or should we wish to "do" more to help some of the most important interest groups? This line of inquiry depends on a number of specific questions in each case. At all times one must consider distinctly and separately action designed to garner political support and to achieve an economic impact.

(a) Industry (big)

- What risks of major disenchantment in, or criticism from e.g. CBI?
- Are there certain measures they seek which would be a sine qua non for continued support of the Government - e.g. NIS, action on rates and energy costs, exchange rate, etc?
- Any SDP dangers likely now or in the future?

(b) Small Business

Can and should we do much more? If so what should the broad priorities be? [This is not the occasion for a detailed discussion of measures.] We might ask how far the greatest popularity and economic impact could derive from fiscal changes, or rather from other measures such as less regulation etc.

(c) Socially concerned Jobless, Charities, etc.

We've probably done well with charities, but could we do better? "Social" lobbies - e.g. CPAG, Oxfam, Youth Art etc. - are probably mainly critical of Government policy. Avoidably?



#### Relationships with political parties

4. The main topic is undoubtedly the SDP, which is dealt with separately. However it may also be worth discussing the Labour and Liberal parties in their own right.

- Wiser olump

#### Tax Philosophy

5. The Chevening discussion will offer an opportunity for discussion of the Budget strategy. If time permits it may be worth discussing taxation more philosophically. Thus the FST has discussed in his minute of 22 December about what line to take in four areas

- black economy - curb, exploit or neglect?
- self-employed - more help for the entrepreneur -  
cf. the IOB proposals
- poverty and unemployment traps - do we attach high priority to the obvious solution of higher thresholds
- perks - what principle should inspire our practice.

Mr. Cropper has also touched on the "trap" problem and other issues in his minute of 4 January, only his solution is a series of finely graduated income tax bands.

#### Sticking to real priorities at a busy period

6. Finally, a more mundane issue. The recent enlargement of the Department coincides with a very tight Budget time-table and a political situation which probably demands more Ministerial time and effort than hitherto. In these circumstances the need to decide on the topics and activities which are of high priority and to accord them the time and effort needed becomes particularly acute. It may even call for some changes in working arrangements, at least over the next few months.

As a first step it would clearly help if each person present could consider the issues in his own area which call for such priority.



I.12

CHANCELLOR

cc Chief Secretary  
Financial Secretary  
Economic Secretary  
Minister of State (C)  
Minister of State (L)  
Mr Cropper  
Mr Harris  
Mr I Stewart MP  
Mr P Brookes MP  
Mr P Marland MP

THE SDP

Here is the long-promised paper for your meeting on Wednesday 6 January, or at least a first draft. The material Robin Harris<sup>and</sup> I have assembled and boiled down is as yet rather extensive. Ideally we would have wanted to edit it down a great deal; and to offer many more concrete and pointed conclusions both for Treasury Ministers and your colleagues.

2. In brief, I would observe that the SDP are

- an obvious threat to all parties; as much to the Liberals as to Labour;
- their success reflects not so much their virtues as the structural crisis of Labour, and the combined picture of failure and poor style offered by us;
- Conservative-type policies remain popular for the most part. If we could get back those who remain sympathetic to them, then our political problems would be solved;
- the SDP have many vulnerable points: their leaders' records; odd policy ideas, which as yet are scarcely appreciated at all by the country at large or their supporters, embracing as they (probably) do an untenably wide spectrum of opinion;
- their internal tensions are mirrored by substantial differences of view with the Liberals both in terms of policy and the management of the realities of an alliance.





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Whatever else can be said, I am convinced that it is high time we spent more time and energy on the SDP; on monitoring what it is and does; on modifying our policies and image; and developed a coherent approach.

3. We should also not forget that areas of agreement between Conservatives and SDP could open new possibilities for us, particularly in areas where threats of Labour repeal have previously inhibited us (eg Rent control).

A handwritten signature in black ink, appearing to be the name 'Adam Ridley' in a cursive style.

ADAM RIDLEY



THE POLITICAL HANDLING OF THE SDPI THE SOCIAL DEMOCRATIC PARTY: STRUCTURE, SIZE AND GROWTH

The nature of the SDP is necessarily obscure at this stage, given the absence of its exposure in elections, its newness and the unusually hypothetical nature of most opinion polling about it. This uncertainty is increased still further by the widespread ignorance of its policies and what it stands for. However it is already possible to piece together a picture of the hard core of the party; its supporters and their views; and its image. This picture suggests a number of important conclusions. Much, too, is known in general terms about the timetable over the next year or so, during which the SDP will be completing its metamorphosis into a proper political party with a constitution, leadership and organisation. These developments are both important in themselves and because they will determine the evolution of the alliance with the Liberals. While the distribution of constituencies between the two parties can be and is being worked out now, the vital process of adopting an agreed platform and working out a common strategy must, unavoidably, hang fire till later in 1982 if that platform and strategy is to be widely supported and legitimated by appropriate formal processes.

(i) THE COLLECTIVE LEADERSHIP

The parliamentary leaders of the SDP are all well-known. At least while the period of collective leadership continues, a number of tensions and differences between them are to be expected. Whether these will continue after a leader is appointed and if so to what degree and in what form is an interesting question.

The most important divergences can be summarised as follows.

David Owen manifests "woolly radicalism" combined with a taste for decentralisation and indeed for the social market economy approach. His personal ambition and his present uneasy position as parliamentary leader of the SDP all suggest that in due course he could give hostages to fortune.



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Shirley Williams' views remain those of a largely unreconstructed and strongly egalitarian mainstream Labour supporter of the 1964-66 vintage.

Bill Rodgers, like Williams, is probably at heart a non-coercive planner and a corporatist who, when pressed, will still be inclined to favour centralisation and controls. His views on, for example, incomes policy seem to differ widely both from Owen's and from Horam's. His deepest personal commitment appears to be against the unilateralism of the Left - and, perhaps, for Europe. Liberal nuclear attitudes must continue to make him ever more uneasy unless they are reversed.

Roy Jenkins is perhaps the most elusive of the four because his language, ideas and recent record link him least to the last Labour Government. In general he appears (or reveals himself in private) to be a little sterner, more financially orthodox and right wing than his colleagues; more interested in macro than micro issues (as always); notably less keen to cast off monetary discipline; and very cautious about tax matters where (Layard apart) he has said next to nothing. Jenkins has so far managed to stop the SDP's becoming committed to many explicitly socialist policies. Perhaps this is because Horam (a Jenkins clone in such matters?) is official SDP spokesman on economic matters in the Commons. However now that Williams is back in Parliament and the bidding between proponents of ever more reflationary packages has gathered momentum, his task in exercising restraint from outside will become more difficult.

As far as the leadership itself goes, all the evidence suggests that Roy Jenkins is both the most widely supported and that he will be elected if an MP when the choice is made. However it is not totally inconceivable that there should be no suitable by-election opportunities between now and the leadership contest next autumn. If he were not in Parliament by then, it is interesting to speculate on what might happen. Whatever else, it could cause the new party much trouble.

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## (ii) MEMBERS OF PARLIAMENT

Though less well publicised, and as yet little researched, there are also important potential divisions among the MPs who have joined the SDP. To the extent that the disintegration of the Labour Party continues and there are more defectors,

these will be magnified. In time the Parliamentary SDP could well find itself embracing much of the wide spectrum of opinion to be found in the Labour party and, perhaps, the traditions and habits of disputatiousness that Labour has developed over the last 20 years. For example, O'Halloran, Dunn and Grant were not regarded as being on the right of the old Labour party at all by the usual criteria. Cunningham's convictions on devolution will lie uneasily alongside the SDP pledges on decentralised government and the Liberals' federalism. As the Left continue to tighten their grip on constituencies and as re-selection proceeds - threatening even "soft" Left-wingers like Renée Short - the Leftward shift of the balance within the SDP from new defectors can only increase. Thus it is not improbable that tension within the leadership could spill over into divisions between centrists and socialists in the parliamentary party, particularly if there continue to be no significant Conservative defections. Such tensions are likely to be magnified still further if, as one suspects, many of the SDP's activists in the country are aghast at the thought of associating themselves with the old Labour machine men in any form or guise.

## (iii) COUNCILLORS

Local councillors have already proved a fertile recruiting ground for the SDP. This is understandable. Resentment against the Conservative government's rhetoric and policies combined with the appalling record of many Labour-controlled authorities (above all the GLC) and the continuing and accelerating defections resulting from the progress of the Labour Left at selection and re-selection committees, have allowed the SDP to make important gains.

The "band-wagon" effect of the Warrington and Croydon NW results have been clearly seen in local government by-elections.





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The "New Statesman" keeps a running total of SDP successes: 24 council by-election victories so far. The Alliance has won two thirds of those by-elections/<sup>it has</sup> recently fought, and obtained 46% of the votes then cast. Local government successes and the branch organisation which such successes both require and themselves strengthen must already be giving the SDP a solid structure around which to campaign at the next general election.

On the other hand, successes may have their bad sides, too. First, they may be an occasion for growing strife with the Liberals which may emerge at any or all of constituency, regional and national levels. Second, where the SDP obtain control - as they have now done through Labour defections in Islington - they will begin to acquire a record. Local government being what it is, that is almost bound to be a bad one. It certainly will be in Islington.

So far there have been few defections to the SDP by Conservative councillors. But it is interesting that about half of known recent Conservative defectors seem to be councillors.

(iv) PARTY MEMBERS: PRELIMINARY OBSERVATIONS

(a) Numbers

The SDP's total national membership was recently reported to be about 70,000 and growing by about 1,000 a week. Local government successes, like the rate of recruitment, rose dramatically following Warrington and Croydon (and no doubt will be shown to have done so after Crosby too). It is predicted that membership may reach 100,000 in the New Year.

Compared with the Labour party's pathetic plight that is obviously a major achievement. Comparison with the Conservative Party puts these numbers in a different perspective. There are about 1½ million Conservative Party members. Their annual subscription is, of course, ridiculously low (£1.80 compared with £11 for the SDP). But Conservatives still have the important advantages of

- i. a much larger membership;

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- ii. many more trained workers and seasoned supporters;
- iii. at least in principle, an existing branch and constituency structure;
- iv. a strong element of local funding and support whereas the SDP is almost entirely a creation of Westminster politics - so far.

One must, however, note that numbers are only part of the story. Many of the SDP members will probably be enthusiastic and highly motivated, and willing to put in an exceptional effort for a campaign or two.

(b) Social Background

/See  
Annex/

Weekend World commissioned a poll from ORC for their programme on 29 November 1981 analysing SDP membership. This confirmed what anecdotal evidence would suggest:

- i. SDP members are more than twice as likely to be men than women: and this applies to former Tory and former Labour supporters equally.
- ii. Almost 60% of them are "professionals" as opposed to other workers and pensioners. (According to Social Trends they only form 6% of the population at large.)

We would, of course, expect this, considering the very high subscription and the well known tendency of this social class to join things and participate in political and other social activities; but so high a level of participation is most striking.

(v) ELECTORAL SUPPORT

(a) General

There is no obvious reason to believe that the upsurge of support for the SDP shown in Parliamentary and local government by-elections and in opinion polls is not sustainable. At no point



under any previous post-war Government has any third Party developed a comparable lead in the opinion polls. Recent evidence suggests (as of 7 December 1981) that 51% of the electorate would vote either Liberal or Social Democratic (38% Social Democratic, 13½% Liberal, 26% Conservative and 21% Labour). Previous upsurges of support for Liberals as in August 1973 were never this high. Nor did the polls show on such occasions evidence of nationwide support reaching the level attained in particularly favourable by-elections.

(b) Social Background

The polls suggest that, as with SDP members, support for the Party is appreciably higher among men than women in the country at large. In contrast support for the Liberals is higher among women than men. Much more significant, support for the SDP is broadly equally distributed among the three social-economic classes used for polling and has in each case been increasing fairly evenly since April 1981. Conservative support has fallen sharpest since April among the top group (professional and clerical). Support for Labour has fallen sharpest at the bottom (manual workers). Liberal support has not changed to any great extent. The same picture of Social Democrat advance across a broad spectrum is repeated when analysis is applied by age groups - though the SDP are strongest in the 25-34 years old category and appreciably weaker among those over 65. The rate of SDP advance and level of support is slightly higher among home owners than council tenants.

(c) Political Background

More important is the political background of SDP members and their supporters, about which the November 1981 Weekend World poll contains a number of interesting and important pointers.

(1) Previous Party allegiance Of the 90% of members who had voted in the 1979 general election, 24% had voted Conservative, 33% Labour and 32% Liberal. This pattern suggests that the SDP are in some sense disproportionately attractive to Liberal voters. It is easy to infer from it that the Liberals with their small/  
share of the national vote

are perhaps even more vulnerable to the charms of the SDP than other major parties. /The same phenomenon can be discerned in the attitudes of ordinary voters.7

(2) Previous Party membership Nearly three quarters had not been members of other parties. Of the 28% who had, previous party allegiance was as follows:

Labour	15%
Conservative	7%
Liberal	5%
Other	1%
<hr/>	
Total	28%

This confirms, as one would suspect, that it is Labour who are most vulnerable to loss of activists (not least given the well-known fact that their true membership is now so small) - but the Liberals, too, do badly, given that they too do not have a very large membership. The high proportion with no previous party allegiance is striking and as expected, but difficult to interpret. It could mean that the SDP will as a party be naive and vulnerable to disappointed expectations; or that it will bring a new flair and enthusiasm to political life.

A fuller summary of the ORC poll is in Table 1 at the back of this paper.



supporters in the country come from a wide spectrum. Study of the more "Tory" defectors has suggested to ORC that around a third of SDP's supporters should be sensitive to arguments which might induce them to return to their former loyalties.

(d) Special Groups

i. Trade Unions

The most significant advance of the SDP among special groups has been among trade unionists. As of November 1981 more than a third of trade union members surveyed expressed support for the SDP. That is a higher percentage than for the Labour Party. It represents a 15% rise (in fact a near-doubling) between April and November. Among non-trade union members, <sup>the increase</sup> over the same period was under 10% of the national vote.

This pattern of support has a very direct and obvious connection with SDP interest in the political levy. Should there be a change from the system of "contracting in" to the levy, the implications of this could clearly be profound (see below). In spite of threats made by Frank Chapple and his Electricians Union, there seems, however, little likelihood of even the most right wing unions and their leaders allying themselves with the SDP in the very short term. <sup>"Affiliation" has so far been excluded for any corporate body.</sup> However one cannot rest on such assessments while the present Labour unrest lasts. If the TUC decided to distance themselves from Labour at some stage this year, individual unions and leaders might be expected to behave very differently. The increasingly populist, anti-union tone of SDP pronouncements and policy proposals (even from Williams who has no record of true conviction on this score), mean, however, that there could be real obstacles to co-operation between trade union leaders and the SDP this side of the election, particularly at the level of the TUC, and/or in an overt form.

ii. Intellectuals

It is easy enough to see that the SDP have a powerful appeal to journalists and opinion formers. More important, perhaps, are the people who stand behind them: the intellectuals and academics





who are another significant special group into which the SDP seem to have made important inroads. A list of some of the most well-known was published by the Sunday Times on 6 December. The burgeoning of SDP policy groups, the fluidity of policy itself, the ostentatious willingness of, particularly, Jenkins (and, in less sophisticated style, Owen) to welcome and partially endorse ideas from such as Professors Meade and Layard - all are, of course, deeply attractive to this group. As we have learnt, academics and intellectuals can be fair weather friends, particularly when high (even romantic) and often rather narrowly focussed hopes are compromised by the political process or founder on the rocks of reality. The parallels with Labour in 1962-64 are striking.

The roster of SDP economists is already familiar: Matthews, Meade, Miller, Reddaway, et al.

The importance of radical lawyers among SDP active supporters in policy formation is also notable - a point discussed again below.

(e) Geographical Distribution

The latest evidence suggests that SDP support is very evenly spread geographically. When national support was averaging some 30%, they seemed weakest (20%) in Scotland, though they have picked up a lot of ground since April there.\* But they are strong (31.4% and 31% respectively) in the north and north east; so there is little to suggest that Labour are justified in trying to portray the SDP as a southern and south eastern phenomenon alone.

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\* Even so, it appears that there <sup>has been</sup> a very serious debate as to whether the SDP should have any significant or separate presence in Scotland. So much so that it appears to be being contemplated that some kind of deal might be set up with the SNP (or its saner elements), who might act as SDP sub-contractors, at least for the coming election. Such ideas make it clearer why the SDP show such enthusiasm for devolution, and a special deal for Scotland within a new constitutional framework. They may judge, inter alia, that an SDP-backed devolution proposal would get sufficient support to be implemented (a) because of its "wrapping paper"; and/or (b) as part of a much wider package of constitutional reform including PR and a new House of Lords.



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(vi) ORGANISATION AND FINANCES

The SDP headquarters in Cowley Street have been acquired relatively cheaply (£100,000 down and £12,000 a year rent) on a short lease which expires in 1985. But it is well-staffed<sup>(24 "professionals")</sup> and must therefore be costly to run. From it nearly all the Party's administrative, publicity and policy development work is done. In the country the SDP has deliberately avoided setting up constituency associations so far and chosen a wider "area" structure, based on about 200 large, convenient units. In London, for example, it seems to be the boroughs.

The basis of organisation at present elsewhere appears to be the 32 bargaining teams set up to work out with the Liberals the share-out between the Parties of seats at the next General Election. This process is going on in each case under the close scrutiny of the central Parties and disputes will come before a national joint negotiating committee - the Liberals in it led by Steel, the SDP by Rodgers. Deliberations are expected to continue to the end of March.

Alongside these negotiations others are continuing between the two Alliance Parties in preparation for the local elections in May. These are proceeding smoothly so far on a local basis by formal and informal means up and down the country. Liberal sensitivities are being carefully catered for. In some districts (like Sheffield) negotiations are under way for a joint manifesto. At Leeds separate manifestos and a joint policy statement will be presented.

Policy groups within the SDP are at work on:

- Citizens' rights
- Administrative law
- The constitution
- Open Government
- Trade union reform (under Tom Bradley MP)



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- Economic policy (chaired by Jenkins)
- Industry, social security and taxation
- Inner cities
- Industrial democracy
- The Third World

There may be others of which we know nothing. The policy groups are to report by next Easter. By next summer their conclusions are to be reported to the "Council for Social Democracy". However, the membership may wish to have a say before that; and what might happen thereafter is certainly obscure. A constitutional conference is being called in April 1982 which is to decide upon the system of electing the SDP's leader and the rest of the Party's organisational structure. It may well have to deal with the more legalistic aspects of policy-making as well. It would be natural if this occasion were to be the scene of pressure at the least to discuss policy with the membership before it was endorsed; and also of pressures from the membership to have a major say (Labour-style) in voting on what is or is not to become firm policy.

Two joint commissions, which have yet to meet, have also been set up with the Liberals - on Employment and Industrial Recovery and a Commission on/<sup>the</sup> Constitution - the former with Rodgers and Owen, Wainwright and Pardoe as the key figures, the latter with Steel; Beith, Owen and Jenkins (and our (once) own Vernon Bogdanor, unfortunately). The reason for the constitutional commission is obvious. But the other is distinctly odd on the face of it, unless it is to be an umbrella for the consideration of economic policy generally.

Financially, as organisationally, the SDP have so far looked mainly to central rather than local initiative. One should note in particular the well-documented approaches of David Sainsbury and others to the City and industry for funds.

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Proportional representation and the SDP's offer to "de-politicise" politics and establish a stable environment in which industry can plan ahead will have an obvious appeal in such quarters. Only the Institute of Directors has clearly warned the business community of the dangers of subscribing to the SDP. So far it appears, not that major donors are switching from the Conservative Party to the SDP, but rather that they are also giving to the SDP as a "safe" option. The SDP have called in an American firm of fund raisers. They and the Liberals (under Pardoe) are working separately. The only joint fund raising is for the two joint policy commissions (above).

(vii) PUBLICITY AND "IMAGE"

The SDP are well aware of the need to maintain and project an untarnished image. Mike Thomas MP, who was responsible for organising the SDP's launch and now runs their publicity, has said that he believes that political advertising is valuable. His admiration for the efforts of Saatchi & Saatchi is well established. Their task has been made easy so far because opinion poll evidence confirms that they have appeared "all things to all men". That is something their opponents will have to stop.

As recently as last September, a poll suggested that 47% of the electorate considered themselves right (rather than left) of centre and only 27% on the Left; the SDP were thought to be:

On the left by 26%  
 On the right by 24%  
 Middle 8%  
 (Don't know 42%)

This suggests that

- a) most people would be less inclined to support the SDP if they were thought to be on the Left;
- b) the SDP have benefitted from a fog of confusion about their policies;





c) many people (particularly the "don't knows") may well support the SDP for reasons that have little to do with conventional policy issues.

Further study would allow us to say a good deal more about both the Party's PR strategy and its present and future image.

## II SDP POLICY

### 1. Macro-Economic Policy

Not surprisingly a wide variety of partially overlapping views have been expressed by a variety of SDP figures. This atmosphere of confusion will doubtless last a long time yet - perhaps even until an election manifesto and/or concordat with the Liberals has been negotiated. A number of broad themes are clear, however: "judicious" reflation with a gross increase of £5 bn and a net PSBR cost of £2-3 bn; more public investment; incomes policy; tax reform; an industrial strategy; EMS; major help for the unemployed and better training; and Layardism. The following brief evokes the span of ideas put forward.

#### (a) "Reflation" Packages

##### (i) Jenkins (Warrington 7.7.81)

An alternative to Government policy which is neither a spend-thrift nor a siege economy solution:

(a) Expand public sector investment (eg BR, BT, NCB), renewal of drainage and water systems; cost £500m. A modest suggestion - perhaps derived directly from recent NI evidence to the TCSC.7

(b) Expand public spending on housing improvement, employing the unemployed at wage above benefit level; cost under £250 m.

(c) Expand part-time work in social services at cost of £200 m. Cf Third Report of Select Committee on Social Services 1980-81, Recs 18, 19.7

(d) Employment subsidy (£70 pw) to private sector employers



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taking on unemployed workers; cost £400 m.

(e) Crash training and work experience programme for 16-18 year olds; cost £300 m. Probably largely overtaken by Tebbit.<sup>7</sup>

(f) Competitive exchange rate policy involving lower interest rates and a North Sea oil depletion policy coupled with wage restraint to prevent competitiveness gain being eroded.

- Net PSBR cost: about £2-3 bn.

(ii) SDP Economic Policy Discussion Paper for its Conference (September 1981), Author John Horam

(a) A "balanced" economic policy involving limited expansion through stimulus to demand.

(b) Make a considered attempt to bring down sterling exchange rate, and perhaps join EMS.

(c) Lessen burden of tax on lowest incomes and increase child benefit.

(iii) Parliamentary Leader of SDP (Owen). Censure Debate 28.10.81 (Col 906 et seq)

(a) Reduce NIS to give stimulus to demand.

(b) Help industry by changing energy pricing policy and protecting from excessive rate rises.

(c) Increase capital spending in public (and private) sectors to increase demand and provide jobs in "Warrington" package.

(d) While retaining decentralised market bargaining over pay, seek to follow an "incomes strategy" ("Layard" plan being studied - could be one element in this).

(iv) Economic Spokesman (Horam) 30.10.81 (at Conference of Institute of Purchasing and Supply)



- (a) Fiscal package worth £5 bn in 1981-82 prices, with £3 bn estimated impact on PSBR.
- (b) To include some new elements: not only a cut in NIS & extra public sector investment<sup>but</sup> some "trimming" of public sector prices, cut in VAT.
- (c) Relax but not abandon monetary targets.
- (d) Package in two instalments, second dependent on "satisfactory course" of pay settlements in intervening months.
- (v) Economic Spokesman (Horam) in Economic Debate 4.11.81 (beginning Col 63)

Success with economy requires juggling with linked policies not relying on just monetarism alone. SDP would (as before):

- (a) stimulate internal demand with two-stage fiscal package; and
- (b) this to include Jenkins' "Warrington" measures. But in addition
- (c) open social partner debate over incomes;
- (d) work to bring down exchange rate;
- (e) join EMS.

(Jenkins also went on record at meeting 12.11.81 in favour of joining EMS.)

- (vi) Williams (Crosby) Programme
- (a) Lower interest rates - first priority.
- (b) Keep pound stable.
- (c) Extra public sector investment /£2.3 billion.
- (d) Cut in NIS /by half, assumed £1½ bn.
- (e) Training schemes /no costing but say £1½ bn.



(f) Home helps and nursery staff /£1½ bn/.

Total cost est: £5 bn (approx)

Alleged PSBR impact: £1-1½ bn

There is an increasingly obvious family relationship between all these packages, the proposals of the "CLARE" group of economists produced under Robin Matthews' guidance and the recipe of the Hopkins-Reddaway-Miller group a few weeks ago.

(vii) For Comparison: Liberals

The Liberal reflationary package does not appear very different from those above, as judged by the Liberal Programme, Aug 1981:

- More public sector investment in infrastructure
- Incomes policy
- Expanded housing schemes
- Join EMS

Wainwright (Hansard, 26.11.81, Col 1058) also called for:

- Two points off interest rates
- Six cents off sterling

Comment These prescriptions are notably silent about monetary policy; the implications of EMS membership and its compatibility with reflation and lower interest rates; and any view about the absolute size of the PSBR. On the latter the idea seems to be to add the £3 bn net to whatever number you first thought of, regardless of its size.

(b) Incomes Policy

Jenkins backed Meade pay commission: arbitration where settlements not voluntarily agreed, back-up by weakening a striker's position through dealing with his benefits; the criterion for judgement of arbitrator would be what is most likely to obtain fuller employment in the business or sector (3.2.81, speech to Institute of Fiscal Studies; reiterated on Weekend World 29.11.81).





Jenkins and Williams advocate an "inflation tax" designed to tax employers paying over a given rate of hourly earnings (the Layard scheme) and distribute the money raised in an NIS cut.

Horam, Rodgers and Jenkins recognise that a policy preferably agreed with the unions (after a joint "economic assessment" with TUC and CBI: Rodgers) might need to be backed up statutorily.

Williams and Owen want an incomes policy which is "decentralised" and flexible.

On public sector pay, Jenkins wants a Public Sector Pay Review Body.

The Liberals also want an incomes policy, preferably voluntary but with possible statutory back-up. Since Pardoe's departure their policy has become much vaguer.

#### Comment

How Meade's scheme would fit in with Layard's is unclear. Why should a voluntary incomes policy which could last be available to the SDP when even the last Labour Government failed to secure one?

Why should new devices - Meade or Layard in the private sector or a new pay review board in the public sector - be able to relieve effectively the underlying political strains of pay bargaining? Eg Union militancy and power?

We should remember that incomes policies are in principle seen as fair and so are popular; and that the widespread belief that the public sector has "got away with it" may incline the electorate to be more favourable to such proposals than otherwise. The SDP's enthusiasm for incomes policies is a striking example of a very general trait: the SDP's adoption of old, tried and failed policies while posing as something entirely new on the political scene.

#### (c) Training

The Government's latest proposals insofar as they seek to improve



standards and achieve a more flexible apprenticeship system are in line with SDP pronouncements in their policy documents on industrial relations. However, Williams has called them a "cheap, cosmetic" exercise (Guardian 15.12.81). She wants a higher allowance and better monitoring of standards. Her Crosby address included several detailed proposals which she will doubtless criticise us for not implementing. It is also possible that she may revive the idea of an educational maintenance allowance (EMA) for the over-16s in school - though this could well be both unpopular and expensive.

Comment

Our own proposals - except insofar as the unions refuse to co-operate because of the allegedly low allowance - should constitute a radical enough initiative to satisfy most of the "training" lobby most of the time. But we cannot rely on this indefinitely.

(d) Trade Union Reform

This is an area in which the SDP look like moving far - perhaps in part to outflank us - and where they have special reasons to seek changes to break the political and financial power of the union-labour axis. This is doubtless why they have called for:

(i) Reform of Political Levy

Rodgers has repeatedly called for "contracting in" (D Telegraph 15.5.81) or for individual trade unionists to be able to choose to which Party their levy should go (SDP Conference 7.10.81). /This idea may be one of the basic "citizens' rights" which the relevant policy group will recommend in due course. See below.7

(ii) Secret Ballots

Williams' reaction at Crosby was that the Tebbit proposals did not go far enough because they did not impose secret ballots (presumably for union elections) (D Telegraph 25.11.81).

The SDP discussion paper also favoured compulsory secret ballots



for union elections. (It also envisages making public funds available for union mergers.) Jenkins is, however, very cautious on legislating on any aspect of industrial relations (Weekend World 29.11.81).

(iii) Closed Shop

Williams at Crosby agreed with our proposals on the closed shop. Their Discussion Paper did, too, calling for "respect for individual rights of conscience".

(iv) Participation

The Discussion Paper attached great importance to an "Industrial Democracy Act"; Rodgers called for industrial democracy in his SDP Conference speech. Jenkins has called for worker (not just trade union nominated) directors on boards. /Industrial democracy, too, could be a basic citizens' or workers' "right" - wherever x% of a firm's labour force votes for it.<sup>7</sup> It should be recalled that Williams was the Minister charged with sorting out the confusion over Bullock, together with, inter alia, Dell.

(v) Picketing

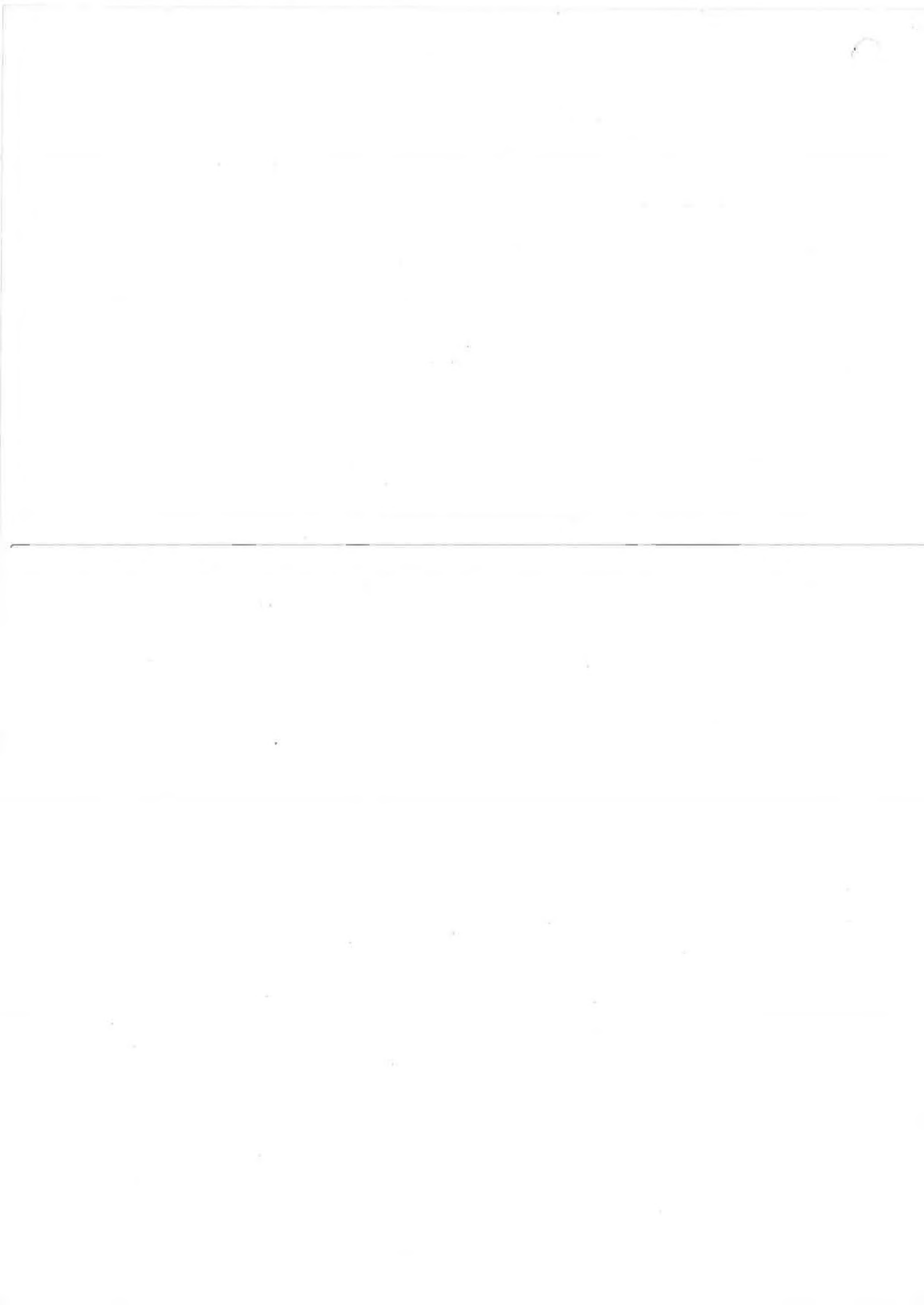
The Discussion Paper considered removing "unreasonable" restrictions on the right to picket - a rather odd and unexpected possibility.

(vi) Immunities

Williams described the area of trade union immunities as a "minefield".

Comment

Apart from (v) and (vi) (and apart from Williams' own appearance on the Grunwick picket line), the SDP may well have found a persuasive popular stance on trade union reform - calling for more "democracy" (ballots and participation) and opposing the deeply objectionable system of the political levy. We shall learn a good deal more shortly as the Tebbit bill is debated.



(e) Industry

There is tension between Horam's commitment to diminishing private and public sector monopolies (Discussion Document) and specific proposals made by Rodgers which are of the old "industrial strategy", comprising:

- Major role for NEB in picking winners.
- New financial institutions and backing for co-operatives.  
/The latter could become much more important if the Co-operative Party's rift with Labour grows.7
- No more nationalisation (but no denationalisation?).
- More public sector investment /SDP Conference speech7.
- North Sea Investment Fund (suggested by Horam in Discussion Paper), but not much heard of recently.

Comment

Again, as over incomes policy, it appears that in practice the SDP are doing little more than reproduce industrial policies of the Wilson-Callaghan era.

(f) Job Creation

Jenkins adopted the Layard scheme of subsidising employers (£70) to give jobs to the "long term unemployed" - subsidy to be topped up by employer to "going" wage rate (Warrington, 7.7.81).

Williams more vaguely claimed at Crosby that "a million extra unemployed" cost £3½ bn and that the SDP would spend this money starting jobs rather than ending them, illustrating this idea with proposals for building insulation and 60,000 more home helps and nursery assistants. Since she undertook a substantial OECD research project on training a year or two ago, and since both Layard and the Policy Studies Institute (PSI) have close links with the SDP, there is every likelihood of a steady flow of more specific proposals in this area.

Comment

Objections to the Layard scheme in its original form are such that





since Warrington the SDP have been carefully vague about how it would operate. The principal ones are: high "dead-weight" effect (ie few net new jobs created); lack of ceiling on pay under the scheme would not help price people into jobs in any but the very short term; second round effects on wage levels and so unemployment levels are ignored.

However, one must note that the issue is also linked (and was by Williams) with the "Len Murray" issue of: why not pay the per capita revenue cost of the unemployed to create jobs? Objections to this centre on under-estimate of cost of such "job creation" and acceptable allowance or wage levels for beneficiaries. But they are ineffective, and the argument is a very seductive one to the public at large.

#### (g) Taxation

The SDP are politically vulnerable on taxation - at least as long as we are able to achieve a record in Government which allows us to exploit their weaknesses. There have been some odd and probably very foolish ideas about North Sea oil revenues. Williams' Crosby address said,

"North Sea oil revenues shouldn't be used to cut taxes. They should be used to build Britain's industrial future."

If taken at face value this implies both massive extra spending on industry (or higher tax expenditures) and a major increase, ceteris paribus, in the revenue to be raised by other taxes.

There is the wealth tax proposal from Williams amongst others, which Jenkins has reluctantly endorsed in the following words:

"I have no objection in principle, at all, to some form of capital taxation which is sometimes called a wealth tax."

There is the proposal to cut back mortgage interest relief which surfaced at the SDP conferences, where it got a predictably rough reception. Part of the significance of this idea is that it could well be one aspect of the common desire to reform income tax by scrapping as many tax expenditures as possible, applying a very low standard rate to everything and setting it at, say, 15%.



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Rodgers said at Douglas French's tax conference in mid November that the SDP "would undoubtedly propose a reform of local taxation". Owen spoke much more moderately in the 28 October debate, and merely talked of mitigating the burden of commercial rates. Thomas' brief but pregnant speech on the Social Security Bill (15.12.81, Col 197 et seq) opened a Pandora's box of possibilities. In it he

- criticised the Beveridge philosophy of NI contributions, said it should cease, and implied a unification of income tax and social security contributions by employees;

- criticised the poverty trap, the low level of benefits, and the humiliations involved in drawing them;

- called for everyone "to consider ... poverty, social security, pensions and taxation together" and for "other forms of taxation that will raise more fairly the revenue required for the state component of benefits";

- for good measure he then observed that,

"We must also consider the appalling gaps on the pension front created by the present system between employees in the public sector and the private sector between those contracted out ... and those dependent on the state scheme."

- as a Parthian shot he added,

"There are new forms of taxation that we should consider such as a sales tax."

The only gap which he did not fill was the new system of benefits he would like to install.

We must also note the existence of the Layard inflation tax in this context.

More generally it may be worth recalling the Meade report, Dick Taverne, and other SDP supporters' role at the IFS. That fountain of thinking could be an interesting guide to other ideas the SDP may advance. We may even be confronted with the expenditure tax.



Comment

This mass of proposals could, unless disciplined, degenerate into a rather mad-looking programme combining the maximum of legislative change, needless disruption, bureaucracy and much else. This might earn the SDP the merited title of the party of mad & bad, as well as (possibly) high taxation.

(h) Small Businesses

The SDP and Liberals have published a joint policy document on helping small businesses (15.10.81), presented by Sir Leslie Murphy, who is the Chairman of the relevant policy committee. Among its proposals were: positive discrimination in favour of small businesses; local enterprise agencies to help start-ups; local authorities to provide loans and grants; guidelines to require Government departments to make at least 20% of purchases from small suppliers; cut corporation tax and NIS; more help for co-ops.

Comment

It is arguable that having been wooed with so many packages and schemes, what most small businesses now look for is an upturn in activity and lower interest rates. So it is on these matters, perhaps, that the SDP will have to convince them that they can deliver - which will depend on the outcome of the debate on reflation.

(i) Energy Policy

This is an area where clear contradictions exist between the SDP leaders' views and pronouncements. Owen strongly believes in carrying forward the nuclear power programme. Williams, however, has expressed doubts about nuclear power. An anti-nuclear "green" group exists within the SDP and, a fortiori, the Liberals, who would "not build any more nuclear power stations, at least until the problems of safe and permanent disposal of radioactive waste have been solved". (1979 Manifesto.)

Comment

Nuclear energy policy - and the associated defence issues - may



become an important divisive issue both within the SDP and within the Alliance; and also - as in the Liberal Party - between grass root "green" members and the more responsible leadership and MPs.

## 2. Non-Economic Policies

### (a) Housing

As a result of widespread hostile reaction, the suggestion in the SDP Discussion Document on Housing that mortgage tax relief should be substantially reduced has been, it seems, quietly dropped. In view of the opinion poll results cited earlier, this is not surprising.

### (b) Education

Williams has, of course, toned down her belief that "the freedom to send one's children to an independent school is bought at too high a price for the rest of society". The SDP seem relatively united, though, on ending the charitable status of private schools and in opposition to the Assisted Places Scheme.

### (c) Local Government

Confusion abounds. The SDP Discussion Document praised rates as "a very good tax" and said "a healthy democracy demands that rates remain a local government tax". Owen spoke, as recorded earlier, merely of meeting the burden of commercial rates. On the other hand, John Cartwright MP wants "a radical and total overhaul of local and regional government and finance" (SDP Conference). And we have Rodgers' promise of proposals for major changes. In addition what is said on these issues will obviously have a close relationship to any ideas advanced about local government structure, assemblies; and citizens' rights. There are rumours that suggest the citizens' rights enthusiasts may wish to define those rights in law and leave LAs open to US-style litigation if they are not met in practice. This could have dramatic implications, not least for expenditure levels.

### (d) The Constitution

#### (i) Devolution

The SDP gave firm undertakings at their Scottish Conference to





establish a Scottish Assembly with legislative powers. The Liberals are in favour of a federal system. SDP commitment to "decentralised government" could develop along those lines too. Ideas for English regional assemblies are certainly likely to be floated.

Comment

The potency of this revival of the devolution issue will in practice depend in part on whether the SNP stage a revival; and in part on how closely they can be built into a plausible and attractive scheme for the reform of local government. At present neither looks very likely. On the other hand movement down the road of "decentralised" government could seem attractive to many of our previous supporters, especially given the continuing conflict between central government and local authorities.

(ii) Proportional Representation

Although the exact system of PR to be adopted continues to be unclear (and was debated at the SDP conference), the SDP's commitment to it is firm. So is the Liberals'. Owen has said that the SDP would "seek a promise that the Queen would not grant a dissolution of Parliament until the Electoral Reform Bill had been passed" (D Telegraph, 4.10.81).

Comment

To the extent that it is understood (33% did in a recent poll) PR is popular (73% of these for) - perhaps strikingly so among industrialists (see above) and those whom over the years we have helped petrify with fear of Benn and the Left.

(iii) House of Lord Reform

Owen has called for fundamental Lords reform.

(e) Defence and Foreign Affairs

SDP commitment to multi-lateral disarmament and apparent preference for Cruise over Trident rides uneasily alongside the Liberal Assembly's vote to send the Cruise missile back to the US.

Williams, in particular, stresses the SDP's internationalism -



most distinctively shown by its strongly pro-EEC stand.

Comment

On defence, there may be strong reasons for stressing the degree of common approach with SDP and differentiating them from the Liberals.

On Europe, Jenkins' European past and doubts about the vigour with which he and others would in the future, any more than in the past, promote British interests at the expense of European consensus might well be probed.



TABLE 1

WEEKEND WORLD POLL NOVEMBER 1981 : SELECTED RESULTSSDP Members' Views on Major Issues of party political relevance

Poll question no		Relation to Conservative Policies	
		Anti	Pro
(16)	Reflate to bring down unemployment or Efforts to bring down unemployment should not be allowed to put up inflation	60	36
(17)	Higher income tax or VAT to pay for higher public spending	In favour Against	55 41
(18)	Reduce mortgage tax relief	In favour Against	32 64
(21)	Curtail union immunities	Against In favour	24 72
(22)	Outlaw closed shop	Against In favour	31 67
(23)	Nationalisation Leave things as they are Return more NIs to private sector	72	21
(25)	Aid private investment in selected sectors	In favour Against	79 19
(26)	Separate Assemblies for Scotland and Wales with power to spend and tax	In favour Against	56 41
(27)	Similar assemblies for English regions	In favour Against	31 67
(28)	Unilateral disarmament	In favour Against	22 76
(29)	Wealth Tax	In favour Against	63 34
(30)	Private Schools.	Integrate with State system Remove tax privileges Leave alone	18 54 28
(31)	EEC	Withdraw Stay	7 92
(32)	SDP a party of	Radical change Moderate reform	34 65

SOURCE: Weekend World SDP Survey Nov. 1981

N.B. The questions and answers have been shortened and rearranged for ease of exposition



THE SDP: ANNEXES

1. Political timetable
2. Weekend World survey of SDP members, November 1981
3. SDP 1981 Conference Discussion Paper No 7: Economic Policy
4. Shirley Williams' electoral address at Crosby
5. Mike Thomas' House of Commons speech 15 December 1981





ANNEX 1

APPROXIMATE TIMETABLE OF KEY POLITICAL EVENTS FOR THE SDP  
(By-elections eg Bermondsey, Glasgow Hillhead, obviously unpredictable)

1982

1 January From now on defecting MPs cannot rely on being chosen by SDP as candidates at next election. Effect: ?small.

February Possible miners strike could create great tensions in the Labour Party and provide opportunity for the SDP.

March Budget: possibly more anxieties amongst Conservative MPs about Government's economic policies.

31 March Alliance deadline for deciding who fights which seats at the General Election.

March(?) Report of inquiry into activities of militant tendency in Labour Party. NEC could call for action on it, in which case possible split in present Labour Party, PLP vs Constituencies; or it could fail to call for them, in which case perhaps many more defectors to SDP, both in Parliament and outside.

March-April Finalising arrangements for Lib-SDP co-operation in local government elections.

April Conference to decide how SDP leader is elected and on rest of constitution. Possible dissent from members who see their leadership candidate disadvantaged and growing ferment over policy.

April SDP policy groups to have reported. Discussion of planned Consultative "Green Papers" on Industry, Economic Policy, Social Security and Taxation.

May Local elections.

June-July SDP working papers on policy published (status firmer



than April - but still doubtful).

October SDP Conference(s). Election of leader and possible dissension as a result. SDP policy documents to be endorsed?

Amongst the many gaps in our knowledge are:

- The timing of the work of the two "Joint Commissions" with the Liberals. Presumably they must report in good time for the Party Conferences.
- Plans for an SDP Manifesto. Will they produce one at all - or only jointly, and perhaps very late on, with the Liberals.
- The SDP's fundraising prospects and publicity strategy.

Probably the leadership themselves have not got clear plans which extend much beyond the autumn of 1982.



W E E K E N D    W O R L DSDP MEMBERS' SURVEY

Number of questionnaires sent out:                    9635  
 Number of questionnaires returned:                    5568

\* \* \*

Areas where questionnaires were distributed to all  
 area party members:

Bolton	Cheshire West
Cheshire Central-South	Derbyshire South East
Glasgow & W. of Scotland	Leicestershire
Nottinghamshire	Yorkshire (Bradford area)
North Avon (inc Bristol)	Bedfordshire
Berkshire	West Glamorgan
Gwent	Hampshire South
Suffolk (Ipswich area)	East Kent
Northamptonshire (Kettering area)	Hammersmith
Merton	Lewisham
Hackney	Somerset

\* \* \*

Questionnaires sent out:                    13 November 1981  
 Questionnaires returned:                    25 November 1981  
 Results used in Weekend World programme, 29 November 1981

Results analysed and tabulated for Weekend World by  
Opinion and Research Centre.



First of all, could you give us some information about yourself:-

- 1) To which area party of the S.D.P. do you belong?  
PLEASE WRITE IN \_\_\_\_\_ (11) (12)
- 2) What type of area do you live in?  
PLEASE TICK ONE BOX (13)
- |  |                    |                          |       |  |
|--|--------------------|--------------------------|-------|--|
|  | Rural area         | <input type="checkbox"/> | 32% 1 |  |
|  | Residential Suburb | <input type="checkbox"/> | 54% 2 |  |
|  | Inner City Area    | <input type="checkbox"/> | 14% 3 |  |
- 3) Are you:-  
PLEASE TICK ONE BOX (14)
- |  |        |                          |       |  |
|--|--------|--------------------------|-------|--|
|  | Male   | <input type="checkbox"/> | 67% 1 |  |
|  | Female | <input type="checkbox"/> | 31% 2 |  |
- 4) Which age group do you come in?  
PLEASE TICK ONE BOX (15)
- |  |            |                          |       |  |
|--|------------|--------------------------|-------|--|
|  | 18 - 24    | <input type="checkbox"/> | 8% 1  |  |
|  | 25 - 34    | <input type="checkbox"/> | 25% 2 |  |
|  | 35 - 44    | <input type="checkbox"/> | 24% 3 |  |
|  | 45 - 54    | <input type="checkbox"/> | 18% 4 |  |
|  | 55 - 64    | <input type="checkbox"/> | 16% 5 |  |
|  | 65 or over | <input type="checkbox"/> | 9% 6  |  |
- 5) What type of job do you do?  
PLEASE TICK ONE BOX (16) (17)
- |  |                               |                          |       |  |
|--|-------------------------------|--------------------------|-------|--|
|  | Professional/Managerial       | <input type="checkbox"/> | 57% 1 |  |
|  | Clerical/Office/Sales         | <input type="checkbox"/> | 10% 2 |  |
|  | Foreman/skilled manual worker | <input type="checkbox"/> | 5% 3  |  |
|  | Unskilled manual worker       | <input type="checkbox"/> | 2% 4  |  |
|  | Unemployed looking for work   | <input type="checkbox"/> | 2% 5  |  |
|  | Pensioner                     | <input type="checkbox"/> | 11% 6 |  |
|  | Other not working             | <input type="checkbox"/> | 4% 7  |  |
- OR WRITE IN \_\_\_\_\_
- 6a) When did you join the S.D.P.?  
PLEASE TICK ONE BOX (18)
- |  |                        |                          |       |  |
|--|------------------------|--------------------------|-------|--|
|  | Within the last month? | <input type="checkbox"/> | 2% 1  |  |
|  | Since 1st May 1981     | <input type="checkbox"/> | 27% 2 |  |
|  | Before 1st May 1981    | <input type="checkbox"/> | 70% 3 |  |
- 6b) Before you joined the S.D.P., had you ever been a member of another political party?  
PLEASE TICK ONE BOX (19)
- |  |     |                          |       |  |
|--|-----|--------------------------|-------|--|
|  | Yes | <input type="checkbox"/> | 28% 1 |  |
|  | No  | <input type="checkbox"/> | 67% 2 |  |
- 7) IF YES Which one?  
PLEASE TICK ONE BOX (20)
- |  |                |                          |       |  |
|--|----------------|--------------------------|-------|--|
|  | Conservative * | <input type="checkbox"/> | 7% 1  |  |
|  | Labour         | <input type="checkbox"/> | 15% 2 |  |
|  | Liberal        | <input type="checkbox"/> | 5% 3  |  |
|  | Other          | <input type="checkbox"/> | 1% 4  |  |
- 8) How long ago did you cease to be member of your previous party?  
PLEASE TICK ONE BOX (21)
- |  |                  |                          |       |  |
|--|------------------|--------------------------|-------|--|
|  | Less than a year | <input type="checkbox"/> | 29% 1 |  |
|  | 1 - 4 years      | <input type="checkbox"/> | 31% 2 |  |
|  | 5 - 9 years      | <input type="checkbox"/> | 16% 3 |  |
|  | 10 years or more | <input type="checkbox"/> | 21% 4 |  |
- 9) How did you vote in the last General Election, in May 1979?  
PLEASE TICK ONE BOX (22)
- |  |              |                          |       |  |
|--|--------------|--------------------------|-------|--|
|  | Did not vote | <input type="checkbox"/> | 9% 1  |  |
|  | Conservative | <input type="checkbox"/> | 24% 2 |  |
|  | Labour       | <input type="checkbox"/> | 33% 3 |  |
|  | Liberal      | <input type="checkbox"/> | 32% 4 |  |
|  | Other        | <input type="checkbox"/> | 1% 5  |  |
- 10) What was your main reason for joining the Social Democratic Party?  
PLEASE WRITE IN \_\_\_\_\_ (23)
- \_\_\_\_\_ (24)
- \_\_\_\_\_ (25)

*3/2  
these figures  
to not add up.*





And now for some questions about the Social Democratic Party's affairs.

- 11) Which of these two methods for electing the leader of the S.D.P. - the potential Prime Minister - do you prefer?  
PLEASE TICK ONE BOX
- |                          |  |                  |      |
|--------------------------|--|------------------|------|
| <input type="checkbox"/> | Election by S.D.P. MP's with the Council of Social Democracy having the power to endorse or reject the MP's choice | 53% <sup>1</sup> | (26) |
| <input type="checkbox"/> | The S.D.P. membership as a whole electing the leader on the basis of one person, one vote                          | 45% <sup>2</sup> |      |
- 12) Which of these two alternatives do you prefer?  
PLEASE TICK ONE BOX
- |                          |  |                  |      |
|--------------------------|--|------------------|------|
| <input type="checkbox"/> | S.D.P. MP's being free to vote in Parliamentary debates as they think best             | 72% <sup>1</sup> | (27) |
| <input type="checkbox"/> | S.D.P. MP's voting according to the expressed wishes of the majority of S.D.P. members | 26% <sup>2</sup> |      |
- 13) Who would you favour as the first leader of the S.D.P.?  
PLEASE TICK ONE BOX OR WRITE IN THE NAME OF ANOTHER CANDIDATE
- |                          |                  |                  |      |
|--------------------------|------------------|------------------|------|
| <input type="checkbox"/> | Shirley Williams | 27% <sup>1</sup> | (28) |
| <input type="checkbox"/> | Roy Jenkins      | 52% <sup>2</sup> |      |
| <input type="checkbox"/> | David Owen       | 17% <sup>3</sup> |      |
| <input type="checkbox"/> | William Rogers   | 1% <sup>4</sup>  |      |
- 14) How important do you consider the achievement of Proportional Representation? Which of these is nearest your view:-  
PLEASE TICK ONE BOX
- |                          |                                       |                  |      |
|--------------------------|---------------------------------------|------------------|------|
| <input type="checkbox"/> | One of the less important aims        | 9% <sup>1</sup>  | (29) |
| <input type="checkbox"/> | One of several equally important aims | 65% <sup>2</sup> |      |
| <input type="checkbox"/> | The single most important aim         | 25% <sup>3</sup> |      |
- 15) If, after the next General Election, the S.D.P. - Liberal Alliance held the balance of power in Parliament, and both Labour and the Conservatives agreed to Proportional Representation in exchange for the Alliance supporting them in Parliament, would you prefer the Alliance to enter into such an arrangement with Labour or the Conservatives?  
PLEASE TICK ONE BOX
- |                          |               |                  |      |
|--------------------------|---------------|------------------|------|
| <input type="checkbox"/> | Labour        | 47% <sup>1</sup> | (30) |
| <input type="checkbox"/> | Conservatives | 36% <sup>2</sup> |      |

Now we would like your views on some of the economic issues facing the country.

- 16) Which of these two propositions is most in line with your own view?  
PLEASE TICK ONE BOX
- |                          |  |                  |      |
|--------------------------|--|------------------|------|
| <input type="checkbox"/> | The economy should be expanded on a scale sufficient to bring about a substantial fall in unemployment   | 60% <sup>1</sup> | (31) |
| <input type="checkbox"/> | Efforts to bring down unemployment should not go so far as to set off a noticeable increase in inflation | 36% <sup>2</sup> |      |
- 17) Would you be in favour or not in favour of raising income tax or V.A.T. to pay for higher public spending on services and benefits?  
PLEASE TICK ONE BOX
- |                          |               |                  |      |
|--------------------------|---------------|------------------|------|
| <input type="checkbox"/> | In favour     | 55% <sup>1</sup> | (32) |
| <input type="checkbox"/> | Not in favour | 41% <sup>2</sup> |      |
- 18) Would you be in favour or not in favour of reducing tax relief on mortgage interest payments?  
PLEASE TICK ONE BOX
- |                          |               |                  |      |
|--------------------------|---------------|------------------|------|
| <input type="checkbox"/> | In favour     | 32% <sup>1</sup> | (33) |
| <input type="checkbox"/> | Not in favour | 64% <sup>2</sup> |      |
- 19) Would you be in favour or not in favour of an incomes policy?  
PLEASE TICK ONE BOX
- |                          |               |                             |      |
|--------------------------|---------------|-----------------------------|------|
| <input type="checkbox"/> | In favour     | 89% <sup>1</sup>            | (34) |
| <input type="checkbox"/> | Not in favour | 9% <sup>2</sup> - Go to 21) |      |
- 20) IF IN FAVOUR Which of these two alternatives would you prefer?  
PLEASE TICK ONE BOX
- |                          |  |                  |      |
|--------------------------|--|------------------|------|
| <input type="checkbox"/> | an incomes policy with tax penalties for companies that gave pay increases above the norm, and for groups of employees who achieved such increases | 60% <sup>1</sup> | (35) |
| <input type="checkbox"/> | an incomes policy that relied on voluntary co-operation by the Trade Unions  | 36% <sup>2</sup> |      |



**The next section is on industrial policy.**

- 21) Would you be in favour or not in favour of curtailing the immunities against legal action which the Trade Unions now enjoy? (36)
- PLEASE TICK ONE BOX
- |               |                          |       |  |
|---------------|--------------------------|-------|--|
| In favour     | <input type="checkbox"/> | 72% 1 |  |
| Not in favour | <input type="checkbox"/> | 24% 2 |  |
- 22) Would you be in favour or not in favour of outlawing the closed shop? (37)
- PLEASE TICK ONE BOX
- |               |                          |       |  |
|---------------|--------------------------|-------|--|
| In favour     | <input type="checkbox"/> | 67% 1 |  |
| Not in favour | <input type="checkbox"/> | 31% 2 |  |
- 23) Would you be in favour or not in favour of legislation to put employees on companies' Boards of Directors? (38)
- PLEASE TICK ONE BOX
- |               |                          |       |  |
|---------------|--------------------------|-------|--|
| In favour     | <input type="checkbox"/> | 73% 1 |  |
| Not in favour | <input type="checkbox"/> | 25% 2 |  |
- 24) Which of these three possibilities are you most in favour of? (39)
- PLEASE TICK ONE BOX
- |  |                          |       |  |
|--|--------------------------|-------|--|
| Returning sections of the nationalised industries to the private sector            | <input type="checkbox"/> | 21% 1 |  |
| Nationalising further industries   | <input type="checkbox"/> | 5% 2  |  |
| Leaving the frontiers between nationalised and private industry where they are now | <input type="checkbox"/> | 72% 3 |  |
- 25) Which of these two alternatives would you be most in favour of? (40)
- PLEASE TICK ONE BOX
- |   |                          |       |  |
|---|--------------------------|-------|--|
| The government giving investment aid to certain industries                | <input type="checkbox"/> | 79% 1 |  |
| Leaving these industries to find the finance they need in the open market | <input type="checkbox"/> | 19% 2 |  |

**The final section covers a variety of issues affecting the country.**

- 26) Are you in favour or not in favour of separate national assemblies for Scotland and Wales, with substantial powers over their expenditures and raising the bulk of the money they need from local taxes? (41)
- PLEASE TICK ONE BOX
- |               |                          |       |  |
|---------------|--------------------------|-------|--|
| In favour     | <input type="checkbox"/> | 56% 1 |  |
| Not in favour | <input type="checkbox"/> | 41% 2 |  |
- 27) Would you be in favour or not in favour of similar autonomous assemblies for various regions of England? (42)
- PLEASE TICK ONE BOX
- |               |                          |       |  |
|---------------|--------------------------|-------|--|
| In favour     | <input type="checkbox"/> | 31% 1 |  |
| Not in favour | <input type="checkbox"/> | 67% 2 |  |
- 28) Are you in favour or not in favour of unilateral disarmament, that is the idea that Britain should lay aside its nuclear weapons before Russia and its allies do the same? (43)
- PLEASE TICK ONE BOX
- |               |                          |       |  |
|---------------|--------------------------|-------|--|
| In favour     | <input type="checkbox"/> | 22% 1 |  |
| Not in favour | <input type="checkbox"/> | 76% 2 |  |
- 29) Are you in favour or not in favour of a wealth tax? (44)
- PLEASE TICK ONE BOX
- |               |                          |       |  |
|---------------|--------------------------|-------|--|
| In favour     | <input type="checkbox"/> | 63% 1 |  |
| Not in favour | <input type="checkbox"/> | 34% 2 |  |
- 30) Which of these three possibilities do you think would be best? (45)
- PLEASE TICK ONE BOX
- |   |                          |       |  |
|---|--------------------------|-------|--|
| Integrating the private schools into the state system   | <input type="checkbox"/> | 18% 1 |  |
| Leaving them private but taking away the tax advantages they enjoy as charitable institutions | <input type="checkbox"/> | 54% 2 |  |
| Leaving private schools as they are   | <input type="checkbox"/> | 28% 3 |  |
- 31) Do you think Britain should withdraw from the Common Market or not? (46)
- PLEASE TICK ONE BOX
- |                 |                          |       |  |
|-----------------|--------------------------|-------|--|
| Should withdraw | <input type="checkbox"/> | 7% 1  |  |
| Should not      | <input type="checkbox"/> | 92% 2 |  |
- 32) Which of the following is most in line with your views? (47)
- PLEASE TICK ONE BOX
- |  |                          |       |  |
|--|--------------------------|-------|--|
| The S.D.P. should see itself as a party of radical change, | <input type="checkbox"/> | 34% 1 |  |
| The S.D.P. should see itself as a party of moderate reform | <input type="checkbox"/> | 65% 2 |  |

THANK YOU VERY MUCH - PLEASE POST AS SOON AS POSSIBLE



## DISCUSSION PAPER

SDP

7

## ECONOMIC POLICY

For too long Britain's economic performance has been poor. The causes are deep-seated, and have much to do with the seductive comfort of our history, the power of particular institutions and interest groups, and resistance to change. In the last decade the problems have been exacerbated by the world energy problem, fierce competition from the developing countries and the see-saw of adversarial politics.

The Tories have sought improvement by a particularly crude version of monetarism and some primitive Conservative political nostrums. They have consciously thrown out any notion of coherent planning and any attempt to 'manage' economic demand. The result has been to plunge this weak economy into the worst recession since the 1930s. Nor is there much hope for the future. On present policies, output may be stabilised at the current depressed level, but unemployment will continue its depressing climb.

The Labour Party would approach the problem essentially by a programme of massive public spending, further large-scale nationalisation and central government intervention of quite a detailed kind, coupled with a rapid withdrawal from the E.E.C. to which we send over two fifths of our exports. They have no policy to contain the huge inflationary effect this would have; indeed they dare not even talk about it. Nor do they acknowledge that their policies would only serve to entrench the very interest groups and attitudes which are so inimical to change. There is no hope here either, other than the transient glow experienced by a man who sees a mirage in the desert.

The Social Democrats offer commonsense, realism and hope. Commonsense in that they understand from experience that no one economic formula is likely to be adequate to tackle our problems and that it is necessary to use a variety of weapons in a synchronised way. Realism, insofar as they do understand that any radical approach does involve tackling the difficult underlying issues in ways which cannot always yield quick results. Hope, in that they recognise the country's strengths and have a constructive view of the way forward. In what follows, the basic framework of a social democratic position is drawn.

Balanced objectives

It is a mistake to make the supply of

money the be all and end all of policy. It is too difficult to control and does not accurately reflect the true state of the economy; its pursuit can have quite arbitrary, damaging and unforeseeable results.

It also makes the economic debate so jargon-laden that it becomes unintelligible to the layman. Economic policy is not just about banking technicalities and it is not just a debate for economists, city commentators and businessmen. It is vital for the functioning of democracy that there is as wide as possible an understanding of what is happening and of the choices that have to be made; nor should that debate exclude those, for instance, who question the whole notion of pursuing ever-rising levels of the Gross National Product.

It is also a mistake to pursue one aim to the virtual exclusion of all others. This is what the Conservatives have done over inflation and it is the main reason why we have the recession we do. Economic policy is usually a matter of keeping three or four balls in the air at the same time and it is usually sensible in these circumstances for the juggler to pay some attention to the ball which is just about to fall to the ground and wreck the whole show. What is needed is a balanced approach, which tries to minimise sudden and sharp changes in the economic climate and gives businessmen as much steadiness and predictability as can be achieved.

Economic expansion

At the moment such a balanced approach demands (and has demanded for some time) that we re-expand the economy. To do this, the first imperative is to stimulate internal demand. You cannot expect businessmen to raise production without some prospect of higher demand or to increase investment when their present factories are idle. To suppose that the first requirement is lower interest rates and that if these are secured then even a further depression of demand is acceptable - which was the strategy of the last Budget - is to fatally misunderstand business psychology. This is something the present Tory leaders make a habit of, perhaps because few of them know much about business.

How much the stimulus should be and by what means is very much a matter of time



and circumstance. At present the amount probably should not be too great; there is danger of choking if a hungry man is suddenly given a feast. Such is the prevailing gloom that businessmen, many of whom are natural optimists, will make the most of whatever small spark is ignited. As regards the choice of methods, the priorities are to help industry and the hard-hit regions, and measures should be chosen with that in mind.

It would be right to accompany this with a considered attempt to lower the exchange rate of the pound in order to stimulate demand for our products abroad. Undoubtedly one of the greatest causes of our industrial difficulties in the last two years has been the dramatic rise in the value of sterling at a time when our rate of inflation has been worse than our competitors overseas. This has shattered our ability to compete abroad, and may have damaged our industrial base by encouraging companies to site new production abroad.

This has also been a consequence of the tight money policies, and it has seemed to many industrialists that the government has neither understood nor cared about the havoc caused. Recently the pound has fallen, but not far enough. It is certainly not easy to manage a currency downwards, but the attempt must be made as part of the steady return to a more expansionist policy. We might then also consider joining the European Monetary System (EMS) as a means of stabilising the exchange rate against those of our Community trading partners.

#### Reducing unemployment

The principal cause of the high and increasing jobless totals is that the government has gone for a deliberate policy of increasing unemployment at a time when it knew from the manpower forecasts which have been available for some time that the number of people needing work was likely to rise rapidly for demographic reasons. It is this which is perhaps the truest measure of the government's destructive and inhuman approach to economic policy.

In these circumstances it is absolutely right to include in any expansionary stimulus a number of measures specially designed to cater for the jobless,

whether they are young, women, skilled or unskilled, or older people who have been unemployed for some time. This was the centrepiece of Roy Jenkins' Warrington Programme.

Immediate measures like these will not, however be enough. In the longer run, a much more considered and fundamental approach to employment is required and Social Democrats should commit themselves to this.

Apart from the general measures to improve the health of the economy, it should certainly include among specific measures the total reshaping and expansion of our training and apprenticeship programmes, both for differing levels of skill and for those who wish to re-train in mid-life as well as the young. Nor should it avoid a realistic examination of the obstacles to employment in the labour market created by government regulation and trade union practices.

Such an approach is necessary, but it is not costless. We should tell the electorate quite frankly that any increase in real national income in the first two or three years of Social Democratic government would be devoted to increasing the real profits and investment of industry and commerce, and creating new jobs in both the private and public sector. If re-creating business prosperity and reducing unemployment are to be the real priorities, there can be little room for general increases in the living standards of those at work. Even so, reducing the level of unemployment is going to be a hard and slow task.

#### Controlling price rises

If a government pursues an expansionary policy it cannot determine how much of the extra demand will translate itself into greater output and how much into higher prices. Yet if too much is syphoned off into higher prices and increased pay settlements then the additional output and increase in jobs will be small and the government may in the last resort be forced to cut back its expansion in order to restrain the effect on prices. This makes it vital that the government explains why pay restraint is important when expansion is under way, and why it must do everything it can to secure it.

There is in fact quite a lot that a





skilful government can do. It may stimulate demand by cutting indirect taxes, which would help the economy and cut prices at the same time. It may at least avoid the mistake of itself increasing prices provocatively, the supreme error of the 1979 Budget. It may take a tough line on public sector pay; the public sector is where many of the major pay problems occur. It may consciously decide to take some of the strain by accepting a rather higher rate of inflation in the short term in order to gain the prize of higher output and employment.

Nonetheless it may be necessary to consider some sort of more formal pay consensus. Incomes policies do have clear disadvantages. They tend to force trade-offs with the unions which are sometimes against the general interests of society and the long-run efficiency of the economy. They consume huge amounts of government time. They do not sit easily with Social Democratic commitments to decentralisation and using the market mechanism. The efficacy of past policies is debateable.

Yet when all is said and done, the alternatives, as we have seen them in operation over the past two years, may be worse. We should not therefore exclude incomes policies from our armoury. At the very least we probably need an open discussion of the available options by government, industry and unions before the annual round of bargaining begins, a more structured approach to negotiations in the public sector, and a policy for the big, trend-setting companies in the private sector. In essence, we should try to influence the larger units in the economy, where pay increases can often be passed straight through to prices, and leave the rest to look after themselves. Nor should action of this kind preclude us seeking structural changes in the methods of wage bargaining by other means. For there is no doubt that the sheer inefficiency and self-defeating nature of our wage bargaining methods is one of the most intractable British problems.

#### An industrial strategy

It is not a central purpose of this paper to comment on industrial policy; that deserves a full treatment on its own. But an industrial strategy is such an integral part of a proper approach to the

Essentially, British governments of all persuasions have lacked over the years a professional approach to industry. They have not systematically worked out what help industry needs (and what it does not need, even if it asks for it) and how to organise themselves to provide it.

Industrial policy has also been a particular casualty of adversarial politics. It is not surprising therefore that industry simply so often feels that government does not understand. It must be a major priority of the Social Democrats to make government an understanding partner of industry. And it is especially important to do this when industry has itself over the last year or two thoroughly modernised its attitude to the role of government, as evidenced by the CBI document 'The will to win'. That document contains many of the elements on which a successful partnership could be built. We should also have a positive strategy for using the revenues from North Sea oil for rebuilding our industrial and commercial base. Any company that had a windfall of this kind would naturally use it to diversify into those areas which market research said were most promising and we must do the same. At the moment much of it is draining away in unemployment benefit. One promising idea is to channel part of the revenue into a North Sea Investment Fund. Such a scheme could be a potent source of hope about our economic future.

#### Improving the market

It is a central and accurate criticism of much post-war economic management that it has too often assumed that target levels for employment and output can always be achieved by government manipulation of the fiscal system. To accept this does not mean that we should go to the extreme of the present government and throw away all the weapons of post-war economic management. That would be to throw out the baby with the bathwater, which is what the Tories have done. But it does mean that we must be honest about the limitation of what can be done by governments, and place a much greater emphasis on what we can only tackle by making the market function better.

This fits in with our instinctive feeling that the way to rejuvenate society is from below, by helping individuals and smaller units and cutting down to size



the interest groups and bureaucracies that stand in their way. People will solve their own problems to an astonishing extent if you give them the room to breathe, and much of the resistance to change comes from overpowerful institutions and interest groups, whose vested interests might be affected.

Essentially, this means always trying to help the newcomer, whether it is an entrepreneur trying to break into a new market or the ambitious individual trying to succeed in a new occupation. It means always questioning, policing and where possible diminishing existing monopolies whether they are nationalised industries, large private companies, banks, professional bodies or trades unions.

It also means tackling the traditional obstacles to mobility and flexibility whether they lie in trade union practices or our habitual arrangements for housing, pensions and insurance. It should also involve positive government action like encouragement for the self-managing industrial enterprise and other forms of worker ownership and involvement. The agenda here for a radical Social Democrat is almost limitless.

#### Fairer Taxes

Despite their promises at the general election, the Conservatives have substantially increased the general burden of taxation and it is now higher than it has ever been in our history. Moreover the burden has been placed disproportionately on the shoulders of those least able to bear it. The point at which people start to pay income tax, for example, has been brought down to 38 per cent of average earnings (in 1955, no-one earning below average wages paid income tax at all) and both the depth and size of the poverty trap has been increased. The straight financial hardship caused to people on low incomes is almost as bad a feature of this period of Tory rule as the level of unemployment; it demonstrates a callousness in the heat of the battle which will not quickly be forgotten.

Social Democrats would tackle these problems by giving the highest priority to keeping the tax threshold as high as circumstances permitted and increasing child benefits.

This should be done even if it means

foregoing further reductions in the standard rate of tax. There are other, more radical, ideas which can also be considered.

This would redistribute income more towards the low wage earner (at the moment the income tax system is hardly redistributive at all) which is not only fair but puts people into a position where they are more able to help themselves. If enhanced freedom for the individual is the true aim of Social Democrats, then we should encourage this, rather than continue to extend the provision of social goods. A radical tax policy can be a cornerstone of a sensible social policy.

In sum, our economy needs urgent, practical reforms. They must steer a course between the dead hand of socialist bureaucracy held out by the Left and the desperate and damaging experiments of Mrs Thatcher. Above all they must enlist the skill, effort and commonsense of the British people. That is the challenge, and it is one we can accept.

by John Horam MP

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John Horam is the Social Democratic MP for Gateshead West and Parliamentary Spokesman on Economic Affairs. He was a Minister in the last Labour Government. Before entering Parliament, he founded a successful small business and a large housing association, and also worked for the Financial Times and The Economist.

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The following is a list of the names of the members of the  
 Board of Trustees of the University of Chicago for the year  
 1954-1955. The names are listed in alphabetical order.  
 The names of the members of the Board of Trustees are  
 listed in the following order: President, Vice President,  
 Secretary, Treasurer, and Members. The names of the  
 members of the Board of Trustees are listed in the  
 following order: President, Vice President, Secretary,  
 Treasurer, and Members. The names of the members of  
 the Board of Trustees are listed in the following order:  
 President, Vice President, Secretary, Treasurer, and  
 Members. The names of the members of the Board of  
 Trustees are listed in the following order: President,  
 Vice President, Secretary, Treasurer, and Members.

**SDP**

Alternative

**SDP**

## A POSITIVE PROGRAMME for you, your family and your friends

The old parties have failed us. Both peddle increasingly extreme doctrines. Only an SDP/Liberal government can offer our country a new and positive programme. At the heart of it will be policies to bring unemployment down, encourage economic growth and create new jobs.

### WHAT WE WILL DO —

#### on ECONOMIC GROWTH

- Bring interest rates down.
- Hold the pound steady to encourage exports without forcing inflation up.
- Finance a programme of investment of £2/3 billion a year to modernise transport and housing, stimulate new industries, and replace our rundown water and drainage systems.

#### on CREATING JOBS

- Cut the national insurance surcharge—the 'tax on jobs'
- Start a public works scheme to modernise sound older housing and clear derelict areas. Sefton district alone has 13,000 houses needing modernisation, and 6,000 without proper bathrooms or ventilation.
- Train our youngsters to fill the skilled jobs of the future. There are vacancies even now for electrical and electronic engineers, computer programmers, technicians and toolmakers.
- Insulate buildings to save energy and cut massive fuel bills retired people can't afford to pay.
- Create 60,000 more jobs for home helps and nursery assistants—the front line of community service.

#### HOW DO WE PAY FOR IT?

- A million extra unemployed cost £3,500 million a year. The SDP and Liberals would spend the money for starting jobs, not ending them.
- Lost taxes from jobless people cost another £1-2 billion. Back in work, these men and women would pay taxes.
- North Sea oil revenues shouldn't be used to cut taxes. They should be used to build Britain's industrial future. Otherwise we won't have a future once the oil runs out.
- Borrowing—for investment—could safely rise by £1.5-2 billion. Britain now borrows less than most other industrial countries.
- Incomes policy, backed by an inflation tax on those who get more than the country can afford.

**Britain CAN Prosper. Jobs CAN Be Created.  
There is an Alternative, and the SDP CAN Offer It.**

**VOTE**

**FOR THE SDP/LIBERAL ALLIANCE  
— SUPPORT SHIRLEY WILLIAMS**



## What the Tories say about Themselves

*"The Government's pursuit of textbook monetarist targets has not only helped to increase the slump. It has put up prices as well"*

Ian Gilmour, 14th October 1981, ex-Cabinet Minister

*"It would be hard to find a period in which greater damage has been done to our industrial base."*

Geoffrey Rippon, 15th October 1981, ex-Cabinet Minister

*"We must realise the scale and impact of concentrated unemployment, the hopelessness it creates, the destruction of self-respect in every age group . . . You have to live there (the inner cities) to understand what three million unemployed means."*

Michael Heseltine, 15th October 1981, Secretary of State for the Environment

*"The British people will not vote for an extremist party whatever its political hue. At the very moment when the Labour Party is turning itself into an extremist organisation we have contrived to make ourselves appear to be marching to a similar deadend."*

Norman St John Stevas, 20th August 1981

*"The situation is critical, with massive unemployment, high interest rates likely to rise as a result of American policy, bankruptcies and liquidations are at an appalling level undermining the industrial base, and family business is being destroyed."*

Edward Heath, 16th October 1981

## THEY DON'T BELIEVE IN THE TORY GOVERNMENT. — WHY SHOULD YOU?

On October 16th, the Financial Weekly, a business journal, said: "The best thing that could happen, for the nation and for the Conservative Party itself, would be to have its candidates in the coming by-elections ground into dust."

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# THE HISTORY OF THE UNITED STATES

The history of the United States is a story of growth and change. From the first settlers to the present day, the nation has evolved through various stages of development. The early years were marked by exploration and the establishment of colonies. The American Revolution led to the birth of a new nation, and the subsequent years saw the expansion of territory and the growth of industry. The Civil War was a pivotal moment in the nation's history, leading to the abolition of slavery and the strengthening of the federal government. The 20th century brought significant social and economic changes, including the rise of the industrial revolution and the emergence of the United States as a global superpower. Today, the United States continues to play a leading role in the world, facing new challenges and opportunities.

## THE AMERICAN WEST - THE FRONTIER

The American West, often referred to as the frontier, was a region of vast open spaces and natural resources. It was a land of opportunity and adventure, attracting settlers and explorers alike. The westward expansion of the United States was driven by the desire for land, wealth, and a better life. The frontier was a place of conflict and cooperation, where different cultures and ways of life collided. The discovery of gold and other minerals in the West led to a massive influx of people, transforming the region into a major economic center. The frontier spirit is a key part of the American identity, representing the values of freedom, individualism, and the pursuit of the American dream.

CONFIDENTIAL

From: ADAM RIDLEY  
8 January 1982

D.12

CHANCELLOR

cc Mr Cropper  
Mr Harris

*Discuss  
with AR*

MEETING OF MINISTERS, ADVISERS AND PPSs, 6 JANUARY 1982

Actions agreed.

1. SDP

- (a) Messrs Ridley and Harris to revise paper for Chancellor to send to PM and Party Chairman, with a letter urging the need for a coherent strategy to deal with the SDP.
- (b) Advisers to ensure liaison with CRD and the No 10 Party Unit.
- (c) The SDP had unlocked some policy doors. Treasury Ministers might want to consider which ones as well as getting their colleagues to do so as part of (a).

2. Apologia pro vita sua: a defence of policy 1979-81

on the record  
Agreement that such a defence is needed. /AR has extensive material prepared for Swedish seminar.7 What and how are matters for further consideration.

3. Perceptions of poor Government performance

- (a) Agreed that there was an urgent need for new "imaginative" initiatives (not only Treasury-based), and that firm ideas were required by the summer of 1982 as far as possible. The Chancellor would write to the PM and Parkinson to make this point, and to stimulate all colleagues to exhibit to one another the ideas they were developing which were still under wraps..
- (b) The goal for the Treasury: two "imaginative schemes" by Budget time, six by the Party Conference. No procedure yet established for generating these ideas.

CONFIDENTIAL



(c) Mr Cropper would, in his new role, consider how CRD and the Party should help in the matter.

(d) Two specific policy issues: the Chancellor asked what information there was about the progress and success of Enterprise Zones and when the results of Heseltine's monitoring processes would be made known. Prima facie there seemed to be good grounds for agreeing on more zones soon, not least because they took a very long time to get going. Precise action decisions needed.

(e) The Local Enterprise Allowance seemed so excellent that it seemed sensible to go faster and look at the matter more broadly including in the Budget timetable. /This might be associated with the idea of tax relief for corporate donations to Enterprise Agencies etc.7

(f) The Len Murray Question

It was agreed there had to be a more imaginative look at this and, in due course, an appropriate major initiative.

### 3. Expectations

It was agreed that they needed to be modified. The policy area of greatest general difficulty - unemployment - was generally agreed to be a major target for action to change people's expectations. But no clear indications emerged as to who, what, when and where.

### 4. Tax

(a) The Black Economy points raised by the FST were reckoned to be very important, but needing further study, which the FST was asked to undertake.

(b) Tax holidays

The idea of more was blessed, not least for this Budget, but no concrete action was agreed.



(c) Self-employed

Walter Goldsmith's entrepreneur-priming measure was agreed to merit further careful examination in time for the Budget. This may require a higher priority for work already in hand at both Ministerial and official level.

(d) Poverty and Unemployment Traps

It was accepted that these were key policy areas, and that a "solution" to the problems was needed in time for the next election manifesto if not earlier. The MS(L) was appealed to for further inspiration, partly perhaps building on the NICIT exercise.

(e) Tax philosophy

A further meeting was needed soon.

6. Interest Groups

(a) There was a measure of agreement about the problems of the construction industry. But, given (perhaps) the imminence of a number of construction-related proposals under normal Budget procedures, no clear decision about what extra thinking or action might be needed now.

(b) There was a similar discussion of the idea of minimum concessions needed to keep big industry happy. Some action is undoubtedly needed, but what and how formally is yet to be resolved.

(c) For small businesses deregulation was felt to be most important hereafter, notwithstanding the inevitable grass roots anxieties it would cause. No action agreed. Perhaps (a) MISC 14 and (b) a very public canvass of the relevant interest group for well-researched and founded suggestions of ways of dealing with non-financial obstacles to entrepreneurship.

(d) Charities

The MS(C) would let the Chancellor see a copy of Alec Dickson's recent letter to the Observer.



Conservative Research Department

19/1  
cc Financial Secretary  
✓ Mr. Ridley

32 Smith Square Westminster SW1P 3HH Telephone 01-222 9511

Director: ALAN HOWARTH

RT/CDB

13th January, 1982

Rt. Hon. Sir Geoffrey Howe, MP  
House of Commons,  
London SW1

FS7 + A. Reid to  
see - in case we  
overlook to answer  
or anything

Dear Sir Geoffrey,

Eldon Griffiths has asked me to send you a copy  
of the PWC paper which I understand you have asked to  
see. Accordingly, I enclose such a copy.

? I don't  
recall!

Yours sincerely  
Robin Turner

Robin Turner



1. *Ammonium bisulfate* (Hydrogen)

2. *Ammonium sulfate*

3. *Ammonium phosphate*  
4. *Ammonium nitrate*  
5. *Ammonium chloride*

6. *Ammonium carbonate*  
7. *Ammonium formate*

8. *Ammonium acetate*

9. *Ammonium oxalate*  
10. *Ammonium tartrate*

11. *Ammonium citrate*  
12. *Ammonium succinate*

13. *Ammonium malate*

THE PROJECTION OF THE WESTERN CASE

- Proposals for a new Information Projection Group -

Members of the Group

Eldon Griffiths, Esq., MP (Chairman)

Michael Clark, Esq., CBE  
Professor William Gosling  
Norman Reddaway, Esq., CBE  
Lord Thomas of Swynnerton  
General Sir Harry Tuzo, GCB, OBE, MC  
Ray Whitney, Esq., OBE, MP

Robin Turner, Esq. (Secretary)  
(Lord Chalfont also advised)

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Table of Contents

1) Introduction	Page 1
2) The Soviet Challenge	Page 4
3) The Western Response	Page 7
- <u>Proposals for Improvement</u>	
A) Organization	Page 9
B) Targets	Page 12
C) Techniques	Page 14
D) Themes	Page 18
4) Conclusion	Page 22

Appendix A - International Communist Front Organizations

Appendix B - Soviet Disinformation Operations

Appendix C - The Contribution of the IRD

Appendix D - The Information Projection Group

Appendix E - The Information Battle and the new technology



THE PROJECTION OF THE WESTERN CASE

"Upon my tongues continued slanders ride,  
The which in every language I pronounce,  
Stuffing the ears of men with false reports.  
I speak of peace while covert enmity  
Under the smile of safety wounds the world."  
Rumour. Henry IV. Part II

(1) INTRODUCTION

The Western world is losing the propaganda war inside as well as outside the frontiers of most Western nations. The United States and NATO are being projected by Soviet propagandists as the aggressive forces in international affairs, even though the Soviet Union has invaded Afghanistan and is massing its forces to intimidate the Poles.

A quarter of a million Germans demonstrate in Bonn against cruise missiles, two years before they are due to be deployed. Yet they appear to be largely unmoved by the Soviet SS20s, which already have been deployed against the West for several years.

The CND assemble 150,000 people in London ostensibly to promote peace and disarmament. Yet their demonstration, or large parts of it, turns out in practice to be almost wholly anti-NATO and anti-American.

Cuban forces in Angola attract little attention. By contrast, the handful of American advisers in El Salvador are represented not only by the Soviet but by the Western media, as a major "imperialist" intervention, thanks to skilful Cuban-inspired disinformation.

.../These

These double standards of perception and portrayal by no means are accidental. They are a measure of the success of Soviet propaganda and its adeptness at exploiting Western society's proclivity to believe the worst of itself. So while the facts of international life are that the Russians talk peace but make war, the impression too often created - and accepted by wide sections of the population of Western Europe and the Third World - is that it is U.S. arms, Western policies, and free market economics that constitute the biggest obstacle to peace, disarmament and the progress of the Third World.

A major reason for this disparity is the disproportionate amount of effort and skill deployed by the Western allies and the Soviet bloc in the battle of ideas and information. The Western case is projected in a fragmented and feeble manner. The propaganda of the Communist powers deploying vastly greater resources and inspired by an unremitting political and ideological will, too often is able to prevail, if only by the West's default.

The Soviet Union enjoys major advantages in the battle of ideas. In spite of its vast territorial annexations during the 19th Century and its surrogate imperialism after the Second World War, it is not associated with a colonialist past in Africa or South Asia, nor with economic dominance in Latin America and the Caribbean. It enjoys a primacy, even among those Marxists who dissent from Soviet policies, as the first - pioneering - revolutionary state. Many leaders of developing countries were attracted in their student days by the ideological appeal of Marxism and now, as political managers anxious to maintain themselves in power, are impressed by the organizational advantages they see in Leninism.

Soviet propaganda similarly benefits from the nature of a Communist society. Because they can suppress dissent, the Soviets are able to present an unambiguous and single minded set of policies, doctrines and ideals. The Western case, by comparison, is at best a kaleidoscope and, more often, a cacophony. The ideological basis of the Communist party provides an evangelical, missionary zeal which, despite the manifest failures of the Soviet system, continues to have a wide appeal, especially to young people and emerging nations. By contrast, the Western world's diverse and sceptical free society inevitably (and properly!) makes it impossible for Western governments to match the relentless quality and ruthless methods of Soviet propaganda. Western parliaments and public opinion tend to regard any Western "propaganda" effort as, at best, of small importance and at worst, as not quite cricket. No such inhibitions restrain the Soviet Union's Agitprop.

The authors of this paper believe that the West, if it is to stay free, must not go on losing the propaganda battle. Unless the contest of ideas is more vigorously fought and won, no amount of armaments and industrial power will save us.

This paper therefore examines first the Soviet propaganda machine and some of its successes, contrasting this with the limits placed by a free society on the Western response.

Secondly, it puts forward recommendations for improvement of the current British effort, specifically by the establishment of a compact and highly professional Information Projection Group (IPG).

.../Thirdly,

Thirdly; it defines the targets to which our revitalised effort should be directed; identifies a number of new developments in information technology which we suggest be mobilised to assist the better projection of the Western case; and finally suggests a number of themes which should be given precedence in the battle of East/West ideas.

## (2) THE SOVIET CHALLENGE

The strength of Soviet propaganda is based on two simple premises.

First, that it is preaching revolution against the entrenched privilege of classes or bourgeois States, in the interest of the masses.

Second, that Marx and Lenin between them discovered "the laws of history" and that these make capitalist collapse and Communist triumph inevitable.

Recently, these doctrines have been supplemented by a propaganda offensive designed to appeal to the desire of most people for peace. Though the Soviet Union is the nation most actively increasing its war potential, its propagandists successfully project the peace-loving democracies as brutal and hawkish. Simultaneously by generating hatred of the United States, Soviet propaganda justifies the Kremlin's own policies and shields its own regime from criticism.

.../Mechanics:

M. hanics: From the earliest days of the Russian Revolution the Communist leadership has given the highest priority to propaganda. Policies are determined with an eye to their propaganda impact. Those responsible for Agitprop hold senior positions in the appropriate ministries and are involved in key decisions from the start. The principal instrument of overt Soviet propaganda is the International Information Department of the Communist Party Central Committee. This consists of several units, each responsible for a specific sector of the media. The IID's main purpose is to decide what aspects of Soviet policy should be discussed openly and to plan the presentation of these policies to the various international audiences. (See Footnote.)

Since IID was established in 1978, Soviet propaganda campaigns have been better co-ordinated; its reactions to world events have been faster. Its principal direct public instruments are Soviet radio, the extensive foreign language Soviet press and the TASS and Novosti newsagencies. Radio Moscow broadcasts over 2,000 hours a week, more than any other country, in 84 languages. Moscow Radio's English language service is now on the air 24 hours a day. Novosti's role in placing Soviet propaganda in the western and third world media is no less significant.

A second and sinister layer of Soviet propaganda consists  
.../of covert

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\*Footnote. The Head of the Department is Leonid Zamyatin, a diplomat, whose last job was Director General of TASS. His Deputy is Valentin Falin, a former ambassador. They both travel widely in the Western world, explaining the reasonableness and peaceful objectives of Soviet policy.



of covert propaganda and disinformation orchestrated by Service A of the KGB. This frequently makes use of people with influence in reputable sections of the Western media and non-Communist political parties. Such agents no doubt operate within the present day Labour Party. Universities continue to be a focus for propaganda, agitation and probably Communist talent-spotting.

A third layer of propaganda is provided by a network of Communist front organizations, who receive money from the Soviet Union. There are about a dozen principal front organizations (of which the World Peace Council is the most well-known) and about fifty subsidiary organizations, linked to one of the principal groups. Among these are such disparate bodies as the World Federation of Teachers Unions, the Interpress Graphic Club, and the International Liaison Forum of Peace Forces. For a full list of these front organizations, see Appendix A.

Western Susceptibilities: Soviet propaganda is adept at making use of the rich veins of guilt, fear, naivety and Christian idealism that permeate western society. Communist propaganda has tapped these for all they are worth, for example over Vietnam, Chile, South Africa and Zionism. But the softest underbelly in the West is the yearning of its people for peace, their widespread fear of war. Hence Soviet propaganda's heavy concentration on the West's military forces, especially on its nuclear weapons.

In this field one great achievement of Soviet propaganda was to pressurize President Carter into suspending production of the neutron bomb in 1978. Since then, President Reagan's decision to resume development and to stockpile neutron weapons in the

.../United

United States has obliged Moscow to start its campaign all over again. Simultaneously, every organ of Soviet propaganda is now beamed against NATO's decision to deploy cruise missiles in Europe. This campaign could well succeed in preventing these missiles from being installed in Belgium, the Netherlands and possibly in West Germany. Should the Labour Party win the next General Election the same could happen in Britain.

The Soviets have invested huge sums in these anti-weapon campaigns. The CIA estimates the total Soviet budget for propaganda and covert action at not less than \$3,000 million per year, and that in 1979, \$200 million were spent in special propaganda campaigns, including opposition to NATO theatre nuclear force modernisation.

The Soviet Union is also constantly seeking to manipulate Western public opinion and to undermine confidence in the institutions and traditions of the Free World. The Soviet Union has exploited books and plays designed to denigrate such pillars of Western society as the Pope, the Royal Navy, Winston Churchill etc. Forgeries are regularly produced as a means of influencing opinion in favour of Soviet policies; for example, when the Kremlin was seeking to prevent German accession to NATO, the staff working in East Germany on the forging and dissemination of documents designed to alarm the rest of Europe was estimated at 1,000. For some examples of such Soviet efforts to subvert Western opinion, see Appendix B.

### (3) THE WESTERN RESPONSE

Inevitably, the United States with its vastly greater resources, including USICA and a reformed CIA, is bound to play the largest part

.../in the

in the West's response to Soviet propaganda. But Britain has long enjoyed a high reputation among its allies for projecting the Western case in an effective manner, and the authors believe that we can, and should, play a more active role in doing this.

One of the main obstacles is that there no longer exists in Whitehall any structure capable of supplementing our existing mainly responsive set-up. This has been the case since the disbandment of the Information Research Department of the FCO (see Appendix C for details of the contribution of IRD).

To project the British and the western case we seem to rely almost exclusively on traditional methods - diplomatic briefings and contacts, COI publications, cultural activities and the BBC External Services. Supplementing these there is the hope that the British Council and our UK aid programme also help our cause. Our European partners, who in the past regarded us as the unrivalled specialists in the sphere of unorthodox information, do little more. Soviet Agitprop therefore enjoys a more or less clear field.

We do not in any way wish to decry the valuable defensive work performed by our existing information services. It may be that special information operations are still mounted on particular occasions, and that, sometimes, these efforts can bring valuable results. But such ventures are no substitute for methodical and sustained work by specialists in the face of the Soviets' increasingly successful efforts to force the West onto the defensive, and to suborn the people of Western Europe as well as those in the Third World. The present British effort simply does not measure up to the scale of the challenge, let alone to the needs of the hour. The Western case needs to be, and in our view can be, projected in a much more

.../effective

effective manner - by a positive, sustained and selectively hardhitting counter-offensive.

## PROPOSALS FOR IMPROVEMENT

### A) Organization

The first need is for the Government to accept that when Soviet leaders say that during detente "the ideological struggle must continue", they mean it. It follows, in our view, that Ministers should commit themselves to providing the willpower and the resources to revive and maintain a positive counter-attack - against the Soviets, in favour of Western values.

The basis for any sustained projection of the western position by the United Kingdom must be a specialist group in Whitehall. We see no need to re-establish the large research element of the former IRD; but the thirty years experience of that body provides valuable evidence of the organization that is required, and which ought to be brought back into use.

Accordingly we recommend:

i) That a new Information Projection Group (IPG) be established. Since its activities would have to be inter-departmental, it would be preferable for the new group to be placed under the aegis of the Cabinet Office, rather than the Foreign Office, particularly as its work must extend to the home base.

.../ii)

ii) An official with a proven track record in this sort of work and with considerable experience of Whitehall should be appointed to take charge. He should be an Assistant Under Secretary and might be known as the Research Adviser.

iii) The Research Adviser would need the patronage of a senior Minister (presumably the Minister responsible for Information) and the continuing interest, stimulus and support of a suitable junior minister. He would maintain close contact with the No. 10 Press Office.

iv) About a dozen staff should initially be assembled by secondment of existing personnel in Whitehall at minimal additional cost.

v) Some personnel from outside the Civil Service should be co-opted as helpers in association with relevant organizations. For convenience we describe these as non-executive directors. Where possible these should be under 35 and not marked by the failures of recent years. They should be knowledgeable about the peace movements, arms control/weapons, Soviet propaganda methods, public relations and the new communications technology (see below).

vi) The IPG must consist of high quality personnel. It is essential to avoid mistakes which would discredit the operation at any early stage.

vii) The IPG would need authority to draw on research and information facilities within different ministries and from outside bodies.

.../viii)

ii) Apart from working for ministers the IPG would have the task of ensuring that the right information reached the right publicists in the right form at the right speed. Particularly, we have in mind the need to ensure that helpful information reaches our domestic media and hence is reflected abroad.

ix) The IPG would collaborate with individual and non-governmental organizations anxious to act in the public interest - foundations, business associations, research institutes and other groups.

x) The IPG would seek to co-ordinate joint action with relevant agencies in those Western countries, prepared to act in this field - notably the United States (which has shown a much greater concern with countering Soviet propaganda in recent months) and West Germany.

xi) Ideally, it would be best if the existence of this group were kept secret, but this is probably impractical. Therefore we suggest an initial low-key announcement, preferably in connection with other changes in Whitehall organization, presenting the new appointments as part of a routine reorganization of the information functions of the Cabinet Office machinery under the auspices of the Lord President of the Council. (These proposals are further set out in Appendix D.)

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There is some precedent for these proposals. During the 'Approach to Europe' from June 1970 to October 1971, Mr. Whitelaw and Sir Anthony Royle provided the political authority for a highly

.../successful

successful effort on behalf of EEC membership. The proposal for a Research Adviser in the Cabinet Office was ministerially approved in late 1973. But it was discarded when the election of February 1974 was announced.

We expect that there will be hesitation over this idea from those who believe that what is now being done in the propaganda field is adequate. Even the suggestion of stepping up, or institutionalizing our effort may well provoke opposition. There will be attacks on the project, organized by fellow travellers to whom something about it, sooner or later, is almost bound to be leaked. But in our view the necessity for action is acute and should be overriding. Moreover, there is nothing inherently difficult or costly about reviving or recasting arrangements which have proved effective in the past. If ministers are prepared first to establish a Research Adviser and a small team and second to ensure that Ministries co-operate, the IPG could be assembled within three months of a decision being taken. Specific and beneficial results would begin to be felt both internationally and domestically within 6 months to a year.

B) Targets

Given the right organization the task of the IPG would be to support Ministers in two related fields of information projection. One of these necessarily would be defensive - to help secure our home base against propaganda and intellectual subversion. We must be able to counter-punch - to feed to the appropriate communications media crisp, well-argued, and, above all, evocative material which will rebut lies and distortions - quickly. But this defensive work must be supplemented - by an information offensive, aimed

.../mainly

mainly at the outside world. This offensive campaign should primarily be directed at the weak points of the Soviet bloc.

Dealing first with the home base, IPG's main target should be those parts of our domestic institutions, notably the media, the professions, voluntary organizations and industrial groupings, which most influence the opinions of the large mass of the British public. Because they too often are bewildered by claim and counter-claim, large numbers of British people, in our view, are falling prey to the propaganda we seek to defeat; they will continue to do so unless we can provide much more firm factual and demonstrably believable reassurance. Hence the need for IPG to project detailed information (most of which can only be assembled from within Government) that will:

- a) attract the attention; and
- b) command the confidence of the opinion formers.

Among these are the Press, radio and television; the advertising and public relations industry; universities and the teaching profession; professional associations covering such groups as civil servants and journalists; leaders of industry and trade unions. The Research Adviser and his staff, including the "non-executive directors" from outside Government would need to develop links with all these "target" figures. The IPG's approach would not in all cases be direct; we see advantage in its information, in many cases, being filtered through other bodies e.g. the British Chapter of the Committee for a Free World.

A second set of targets is to be found in other Western countries. Here we should need to work with our allies, not

.../only



only in projecting the overall Western case but in underlining the particularly British aspects of it. Counter-propaganda vis à vis the IRA plainly comes into this category. The IPG's work, in other Western countries, would necessarily take the form of support to Foreign Office Ministers.

A third target is public opinion in the Eastern bloc and the Third World. Here again IPG's services would be available only at the discretion of the FCO whose own Information Department, needless to say, would be invited to serve on IPG. The objective would be to loosen the hold of Moscow's propaganda within both the Eastern bloc and the Third World.

In our view it is vital that IPG should be able to provide more and better information to the London-based media, not least because what is printed or broadcast here is frequently picked up, and widely disseminated to the rest of the world. IPG should assist in preparing background papers - as distinct from daily press briefings - for Ministers and officials who deal with the large corps of foreign journalists and opinion formers who make their headquarters in London.

C) Techniques

A more effective projection of our case will need to make use of all types of public persuasion - Press, radio and television; books, pamphlets and plays; video cassettes; professional and business organizations. The techniques in each case are well-known but special attention henceforth needs to be paid to broadcasting and to a number of new developments in information technology.

i) Broadcasting. We believe that the BBC and to some extent our other broadcasting agencies have experienced a small measure of infiltration, if not of apologists for the Soviet regime at least of committed denigrators of British and Western values and institutions. We think it best to elaborate this orally; for the moment it is enough to say that those in the television industry who wish stoutly to defend the "Western case" are less well-organised, and certainly less inclined to pursue their cause unrelentingly. Frequently the friends of freedom in our broadcasting media appear to lack clear, coherent and immediately relevant information that would encourage and assist them to maintain a broadly pro-Western posture against those who wish to demolish it.

So far as the BBC's External Services are concerned, we regret the recent cuts. While broadcasts to Western Europe are of less importance in propaganda terms, the BBC's programmes to Third World and Eastern bloc countries are a vital element in the information war. These are areas where Britain enjoys a unique advantage, largely because of the BBC's international reputation for truth and integrity.

The plan to improve the audibility of the External Services is welcome. As soon as funds are available, we recommend the construction of new relay stations in the Seychelles and Hong Kong. Masirah, Ascension and Singapore should also be considered. If necessary this money should come from the contingency reserve. Improvements in audibility need to be combined with increases in broadcasting hours to countries in areas of tension (e.g. Southern Africa and the Near East).

The IPG should try to make better use of the External Services. This is a sensitive matter. We recommend that the IPG should actively cultivate links with the Head of the External Services, who should be asked to advise on improving co-operation with other Allied radio services. Conceivably, the Head of the External Services could serve as one of the Group's "non-executive directors".

Constant vigilance would also be needed to ensure that the External Services are not penetrated by anti-Western elements. IPG should occasionally monitor selected portions of its overseas broadcasts so as to be able to report to Ministers on the BBC's success, or otherwise, "in planning and preparing its programmes ... in the national interest". These are the words of the Licence and Agreement of the BBC.

ii) New Information Technology. The IPG must be ready to exploit recent breakthroughs in communications systems. The latter should be given a very high priority since developments in satellite and optical fibre broadcasting offer opportunities which the Soviets are bound to exploit. We must be prepared to match their efforts.

Satellite broadcasting. Technical breakthroughs in this field could transform the East/West Information battle. It is now technically possible to broadcast directly from the satellite to the individual home, which will receive good television signals with an aerial dish only a metre across, linked to an appropriate television. It is possible for governments to aim such programmes, not only at neighbouring countries, but even at countries in different continents. Authoritarian regimes will probably wish

.../to use

to use the new medium outside their own borders for propaganda on behalf of their ideology.

Direct satellite television could be a boon to poorer countries, enabling them to establish nationwide television services at lower cost than otherwise possible. However, the Soviet bloc countries could offer to provide "education and cultural" television services by satellite to their poorer neighbours. To accept such an offer could spell the end of all cultural, and perhaps in the end political, independence.

The Optical Fibre. A different and still more revolutionary means of communication is the optical fibre, a long filament of special glass of hair-like thickness, which traps and conveys pulses of light. It is possible for a single fibre to bring into the home a dozen television programmes, the entire telephone service and a computer data channel.

The 'wired city' with all the information, communications and entertainments services brought to each house over a single fibre would have an obvious attraction to authoritarian regimes, enabling them to regulate precisely what information their populations received, access to the fibre network being strictly controlled. However, it would be an expensive system to establish on a wide scale, hence probably only suitable for urban use.

The new technology offers us a choice between closed television broadcasting systems using optical fibre, and unprecedentedly open ones based on the technology of space. Those who regard the media as weapons to be deployed in an ideological struggle will probably

.../not scruple

not scruple to use both, in the situations and ways that best suit their purposes. It is essential that we do not concede dominance of international satellite broadcasting to the Communist bloc. The developments in Communication technology are described in detail in Appendix E.

D) Themes

The authors emphasize that IPG on no account should become involved in Party politics. It will be sufficient to provide material for home front consumption that clearly demonstrates the failures and tyranny of the Soviet system - for example by keeping in the forefront of opinion details of such episodes as Russian aggression in Afghanistan, Communist collapse in Poland, Soviet brutalities against the Sakharovs etc. The more these failures are driven home to the British public the more effectively we shall be countering Soviet propaganda in this country.

The external aims of IPG should be both positive and negative. Positive in the sense that we emphasize the overwhelming philosophical and practical benefits of living in the West. This can be represented by some simple and unanswerable slogans. For example, the West provides Food and Freedom; the East provides Hunger and Prisons.

The "negative" aim should be to demolish the fundamental tenets of Marxist doctrine and policy as practised in the Soviet bloc; and point to failures and duplicities in Soviet policy. One objective of this activity would be to oblige the Politburo to attend increasingly to pressure and strains within their home structure and, however unwillingly, to modify its present dangerous policies.

Events in Poland over the last 18 months have probably already had this effect on Moscow and this advantage should be followed up.

There never was a time when the Soviet Union was more potentially vulnerable to such counter-action than it is today. Russia's internal difficulties, the growing restiveness of its Warsaw Pact allies, notably Poland, the increasing realism in many parts of the Third World about Communist pretensions, all combine to present the West with a chance to maximise its overseas information effort. In particular we should counter-attack in the key field of defence and weapons, exposing the gaps in Moscow's credibility in this area. President Reagan's 'zero option' speech has enabled the West to regain the initiative in this field. This opportunity needs to be systematically exploited.

The main themes we suggest are as follows:

Group 1 - General - Soviet Union

- a) Hammer home the fundamental point that the Soviet Union talks peace, but makes war.
- b) Underline the naked imperialism and moral and legal invalidity of the Brezhnev doctrine; likewise the "illegitimacy" of the Communist system of government.
- c) Highlight the links between the Soviet bloc and terrorism.

.../d)

d) Repeatedly draw attention to the incompetence of Soviet agriculture and their need to import food from the West. Communism has diminished the world's food supply. After 60 years of absolute control, the Soviet leadership still cannot feed, clothe or house its people decently.

e) Publicize the puniness of the Soviet aid programme in comparison with those of the West. Russian "aid" has concentrated on weapons and showpiece projects; Russian goods often go wrong because of bad quality, lack of durability, delay in shipment; Russian aid frequently involves bullying at the points of delivery.

f) Stress the continuing Soviet hostility to religious groups inside the USSR. This includes persecution of certain Christian groups, the barriers against Jewish emigration and repressive measures against the Muslims. In the latter context, we need to demonstrate that the Soviet threat - not the Israeli - is the principal long-term menace to the Islamic world.

g) Illustrate racial discrimination against black students in the Soviet Union, and other 'reactionary' attitudes, e.g. to the status of women and pollution of the environment.

h) Point out, neverendingly, the elaborate system of privileges which exist for the Communist Party elite - how does this accord with Communist theory?

i) Highlight the completely subservient role of trade unions in Soviet society.

Group 2 - Disarmament and East/West Relations

- a) The Cold War has not come to an end. The Russians will not let it.
- b) The Red Army has been unilaterally deploying SS20s for years; the future deployment of cruise missiles is only a defensive reaction.
- c) MBFR was a western initiative. Progress on the subject has been blocked at Vienna by the Russians for the last 8 years. In the light of the current debate on a nuclear free zone in Northern Europe, we could suggest that this might be acceptable - provided the Kola peninsula was included in it.
- d) Whereas western countries have lived up to the CSCE accords, the Russians have flagrantly abused the provisions on human rights.

Group 3 - Positive Western arguments

- a) Contrast benefits of life in the West with the grimness of that in Russia. Our system works; theirs is breaking down (e.g. Poland).
- b) Keep on reasserting that democracy provides choice in government; there is no such choice in Russia.
- c) Insist that the West, especially in the UK, values truth and fair dealing. Can that be said of the Soviets?

.../d)



d) Underline the fact that in Britain the Rule of Law is fundamental. The inhabitants of the Soviet bloc can count on no such thing.

(4) CONCLUSION

The fact that we now have a Government that is firmly committed to resisting Soviet encroachment, provides an opportunity that may not recur, to put our information efforts, in the years to come, onto a new and more decisive footing, which we hope would survive any future changes of government. The United States, too, has shown a heightened awareness of the need to counter Soviet propaganda since the Reagan administration has been in office. Provided we work together, the authors of this paper have no doubt that our democratic values can be - as they need to be - far more effectively projected than the stale and brittle theories of Soviet Marxism.

It is difficult to overemphasize the urgency of tackling this issue boldly. There is no need for the West to lose the propaganda battle. For all its imperfections, the cause of the Free World is overwhelmingly strong, and can be no less persuasive, when objectively compared with the Communist alternative.

But we must not allow ourselves any longer to be persistently wrong-footed by the Soviet Union: Britain, in particular, ought to stop apologizing and denigrating itself for real or imagined sins in the past. Instead, the West needs to demonstrate its belief in its own values: its pride in its own accomplishments; its

.../faith

faith in its own future. There has never been a better time,  
nor more pressing reasons, for doing this than NOW!

11th December, 1981



Appendix A

MAIN INTERNATIONAL FRONT ORGANISATIONS

WORLD PEACE COUNCIL (WPC)

INTERNATIONAL INSTITUTE FOR PEACE (IIP)

WORLD FEDERATION OF TRADE UNIONS (WFTU)

WORLD FEDERATION OF DEMOCRATIC YOUTH (WFDY)

INTERNATIONAL UNION OF STUDENTS (IUS)

WOMEN'S INTERNATIONAL DEMOCRATIC FEDERATION (WIDF)

INTERNATIONAL ASSOCIATION OF DEMOCRATIC LAWYERS (IADL)

WORLD FEDERATION OF SCIENTIFIC WORKERS (WFSW)

INTERNATIONAL ORGANISATION OF JOURNALISTS (IOJ)

CHRISTIAN PEACE CONFERENCE (CPC)

INTERNATIONAL FEDERATION OF RESISTANCE FIGHTERS (FIR)

AFRO-ASIAN PEOPLES' SOLIDARITY ORGANISATION (AAPSO)

ORGANISATIONS CONNECTED WITH  
THE MAIN FRONT ORGANISATIONS.

African Workers University, Conakry	WFTU
Agricultural, Forestry and Plantation Workers Trade Union International (TUI)	WFTU
Building, Wood and Building Materials' Industries TUI	WFTU
Centre for Professional Education of Journalists	IOJ
Committee for Engineers, Managerial Staffs and Technicians	WFTU
Conference of Non-Governmental Organisations in Consultative Status with ECOSOC	WPC
Continuing Liaison Council of the World Congress of Peace Forces	WPC
Chemical, Oil and Allied Workers TUI	WFTU
Commercial, Office and Bank Workers TUI	WFTU
Food, Tobacco, Hotel and Allied Industries TUI	WFTU
Fritz Heckert Trade Union College, Bernau	WFTU
Georgi Dimitrov Trade Union School, Sofia	WFTU
International Bureau of Tourism and Exchanges of Youth (BITEJ)	WFDY
International Campaign for a Just Peace in the Middle East	WPC
International Club of Agricultural Journalists	IOJ
International Club of Science and Technology	IOJ
International Commission of Enquiry into the Crimes of the Chilean Junta	WPC
International Commission of Enquiry into Israeli Treatment of Arab People	WPC
International Commission of Children's and Adolescents' Movements (CIMEA)	WFDY
International Commission for the Investigation of American War Crimes in Vietnam	IADL
International Commission of Enquiry into the Crimes of the Racist Regimes in Southern Africa	AAPSO
International Committee of Solidarity with Cyprus	WPC
International Committee for European Security and Cooperation	WPC
International Committee Against Apartheid, Racism and Colonialism in Southern Africa (ICSA)	WPC and AAPSO
International Committee of Lawyers for Democracy and Human Rights in South Korea	IADL

International Committee for the UN Decade for Women	WIDF
International Committee for the Cooperation of Journalists	IOJ
International Federation of Women in Legal Careers	
International Liaison Forum of Peace Forces	WPC
International School of Journalism and Agency Techniques, Prague	IOJ
International School of Solidarity for Journalists, Havana	IOJ
International Trade Union College, Moscow	WFTU
International Trade Union Committee for Social Tourism and Leisure	WFTU
International Trade Union Committee for Solidarity with the People and Workers of Africa	WFTU
International Trade Union Committee for Solidarity with the People and Workers of Chile	WFTU
International Trade Union Committee for Solidarity with the People and Workers of Korea	WFTU
International Trade Union Committee for Solidarity with the People and Workers of Palestine	WFTU
International Voluntary Service for Friendship and Solidarity of Youth (SIVSAJ)	WFDY
Interpress Graphic Club	IOJ
Interpress Motoring Club	IOJ
Journalists School of Solidarity, Bucharest	IOJ
Journalists School of Solidarity, Sofia	IOJ
Latin American Federation of Journalists	IOJ
Latin American Information Centre, Lima	IOJ
Metal and Engineering Industries TUI	WFTU
Miners TUI	WFTU
Public and Allied Employees TUI	WFTU
School of Solidarity of the GDR Journalists Union, East Berlin	IOJ
Textile, Clothing, Leather and Fur Workers TUI	WFTU
Transport, Port and Fishery Workers TUI	WFTU
World Federation of Teachers' Unions (FISE)	WFTU



Soviet Disinformation Operations

The Soviet Union is constantly striving to manipulate western public opinion and to undermine confidence in the institutions and traditions of the Free World. For decades the Kremlin has used communist news media, communist parties, Front Organizations and fellow travellers to this end.

Forgeries. These have long been regularly produced as a means of enhancing the Kremlin's efforts to influence opinion in favour of its policies. Defectors and the evidence of our own eyes have revealed the massive scale on which forgeries have been produced and circulated. For example, when the Kremlin was opposing German rearmament and accession to NATO in the fifties, the staff working in East Germany on these sophisticated techniques was estimated at 1,000. A 1980 CIA estimate of the cost to the Kremlin of propaganda and covert action etc. was put at three thousand million dollars per year (House of Representatives document on Soviet Covert Action dated February 1980).

The forgeries change their subjects as the Kremlin's preoccupations change. In the fifties thousands of forgeries attacked West German rearmament etc. In the late fifties and early sixties 'neo-Colonialism' became a main theme, with Britain and America as main targets. The star turns were forgeries in 1960/1 of a British Cabinet paper describing the value of our trade unions in preserving British influence in emerging countries, and a thirteen page letter, ostensibly from Duncan Sandys to a friend in Rhodesia describing subtle British tactics to preserve our dominance while apparently reducing it.

In the 70's the main thrust of Soviet propaganda including forgeries was against America and NATO (less in the mid 70's when detente was the fashion), particularly in the nuclear field. Dozens of these forgeries are reproduced in the House of Representatives document mentioned above.



The main outlets for these forgeries were East Germany, India and Egypt, with Tass and notional or actual Front Organizations playing a major role.

Recently forgeries have been produced in the context of the anti-Neutron bomb and anti-cruise missile campaigns, designed to discredit the United States in the eyes of the public, and especially the public of the smaller NATO countries, notably Belgium, the Netherlands, Norway and Denmark. One set of forgeries uses US Defence Department papers, operational contingency plans drafted 18 years ago and obtained by the KGB then, which have been altered to look like up-to-date "war plans", showing targets for attack by US nuclear weapons. The original documents on which these forgeries are based were obtained by the Soviet Union in the early 1960s through an American KGB agent based in Paris, US Army Sergeant Robert Lee Johnson. Some attempts were made by the Russians in the late 1960s to exploit the information in their publicity, but these were not pursued in the event.

The first serious attempt to use KGB forgeries based on these originals was in London in June 1980. This was then reported by the British Press. Although most Western Press accounts made their dubious origins clear, the Soviet media reported the case as if the Press had uncovered genuine secret US military documents.

After a gap of several months, another spate of KGB forgeries based on these same original documents began to surface in Western Europe. First, in December 1980, packages of documents were posted from Guildford in Surrey to addresses in the Netherlands. Similar documents were sent to British MP's and newspapers in the first week of 1981. At least one British newspaper carried the story at the time.

Yet another forgery based on the same documents has also been sent to Denmark, in the form of a cheaply printed book entitled "Top Secret Documents on the American forces' headquarters in Europe". A report in the Danish Press said that the book had been received by several politicians, editors and other prominent persons, in envelopes postmarked Birmingham, England.

A more recent example occurred, when, according to Die Welt of 12th October last, a German newspaper received a photocopy of a letter allegedly written by the Secretary-General of NATO, Joseph Luns, to the American Secretary of State, Alexander Haig. Dr. Luns identified this as a forgery. The aim of the letter, written on the official notepaper of the Secretary-General, was to publicise the untrue suggestion that Dr. Luns had told Haig that there was to be no discussion in public about the Federal Government's plan to go ahead with the first phase of the deployment of Pershing II medium-range cruise missiles.

Front Organizations. A technique often used in major campaigns is for events to be staged by subsidiary organizations, or "fronts for fronts" whose links with Moscow are once further removed. One such body is the Brussels-based International Committee for European Security and Co-operation (ICESC). This body sounds as if it has something to do with the official inter-governmental Conference on Security and Co-operation in Europe (CSCE) which led to the Helsinki Agreement in 1975. As such it endeavours to attract a wider spectrum of opinion than is usually present at a WPC gathering. Another such "front of a front" is the International Liaison Forum of Peace Forces. This is also WPC controlled, and holds annual meetings in Vienna. In recent years these have gone under the title "Dialogue on Disarmament and Detente". The next one planned for 29 January - 1 February 1982, is expected to be a fairly large-scale event, for which there have  
.../already

already been three preparatory meetings this year.

Western Groups. As well as using international front organizations, the Soviet experts in covert operations seek to use the non-Communist "peace movements" in Western Europe, and especially in the smaller NATO member countries. Recent expulsions of Soviet personnel from the Netherlands and Denmark have highlighted this.

In April a Tass correspondent Vadim Leonov was expelled after the Dutch authorities had discovered his extensive links with anti-nuclear groups such as Christians for Socialism (CVS) (and through them with the Inter-Church Peace Council (IKV)), and the initiative group "Stop the Neutron Bomb/Stop the Nuclear Arms Race" led by Nico Schouten, a Dutch Communist, Schouten is known to have received funds from Moscow.

Similarly, in early November, the Danish authorities expelled Vladimir Merkulov, a Third Secretary at the Soviet Embassy in Copenhagen. He had been in close touch with peace groups in Denmark who, among other things, organized two lecture tours last year of Danish schools and colleges by Soviet "disarmament experts".

Denigration. The Soviet Union has exploited books and plays designed to undermine pillars of Western society (the Pope, Winston Churchill, The Royal Navy, etc.) The playwright Hochhuth, for example, produced plays attacking the wartime Pope (for condoning the murder of Jews), Winston Churchill (for murdering General Sikorski) while his collaborator Irving attacked the Navy in 'PQ17'. The anti-Churchill play was based on alleged documents conveniently committed to a Swiss Bank for fifty years!

The contribution of the Information Research Department

By 1946, Mr. Bevin appreciated that the Soviet Union was using a vast armoury, of media, front organizations and fellow travellers to undermine the West. Being a tough minded anti-Communist, he was disposed to take firm counter-action. His task was made easier by the fact that members of the war-time Political Welfare Executive (and associated bodies) were available, and that, in official circles, there was familiarity with (and approval) of their techniques.

Accordingly, Mr. Bevin set up the Information Research Department in the Foreign Office. Officers of the Foreign Service were put in charge, but most of the staff were recruited from journalists and people who had worked in the Political Warfare Executive. IRD had access to the information available throughout the Government machine and had the duty of supplementing the normal information effort. It specialised in supplying Ministers with well researched material designed to promote British interests and to counter hostile propaganda. Most of IRD's work was concerned with overseas affairs. A capability was also developed to deal with communists, fascists and front organizations working in Britain.

IRD helped Ministers and publicists to expose Soviet Imperialism, deportations and forced labour. It also developed expertise in supporting a range of activities relevant to the international ideological arguments of the time but not provided for by the existing Information set-up. It encouraged the

publication of suitable books, provided support for "good" organizations, and provided research material for responsible people willing to write well informed letters, articles and speeches.

The Soviet Government paid IRD the compliment of emulating its successful activities by setting up the semi-official Novosti newsagency and by stepping up efforts to make the best of the western media by supplying information and support. Encouraged by the success of exposing American unattributable cultural efforts (e.g. the "Ramparts Scandal" of late 1966), the Russians sought steadily to erode the credibility of IRD. Under left wing and liberal pressure, and in the anti-cold war atmosphere pertaining in the mid-seventies, it was virtually disbanded by the Labour Government in 1977.

INFORMATION PROJECTION GROUP

a) The nature of the existing and developing threat to the national interest requires a much more co-ordinated information effort and one which operates both overseas and in the United Kingdom and is able to focus on all areas of government activity. Much of the information which is currently available either within Whitehall or from non-governmental sources and which should be brought into play is at present used ineffectively or not used at all. There is an urgent need for it to be more efficiently collated and more purposefully disseminated.

b) This work should be carried out by an Information Projection Group (IPG), operating under the Cabinet Minister charged with overall responsibility for the Government's information effort. In order to ensure that the IPG works under clear political direction and is given the necessary support in its inter-departmental relations, it should be under the day to day control of a junior minister. Arguments could be deployed in favour of giving this responsibility to a minister at either the Foreign Office or the Home Office or the Ministry of Defence. But a possible and original alternative would be to give this task to the Minister of State responsible for Information Technology.

c) The IPG would be headed by an Assistant Under Secretary and comprise a small team (about a dozen people) of experienced and trained officers who could be seconded from existing staffs. New recruitment would probably be unnecessary or minimal. In addition to the full-time officials, however, the IPG would have on call a few specialist helpers. Where possible, these should be young and not marked by the scar tissue of recent years. They could include experts on peace movements, arms control, Soviet propaganda methods, public relations and the new communications technology.

d) There would be regular meetings (probably weekly), attended by the two information ministers, the advisers, the Head of IPG, the Director of the BBC External Services, the Chief Press Officer at No. 10 and (possibly), the Director of COI. This might be called the Information Committee.

e) Working under the guidance of the Information Committee, the tasks of the IPG would be to:

- i) make medium and longer-term plans for information work based on assessments of threats to the national interest at home or abroad and on the need to support national policies;
- ii) arrange for the production of the necessary research-based information material from inside or outside the government machine; where necessary IPG would task and co-ordinate the work of government departments and other agencies;
- iii) arrange for the most effective dissemination of the Information produced;
- iv) collaborate with individuals and non-governmental organizations anxious to act in the public interest - foundations, business associations, research institutes and groups.

f) For operational purposes, the IPG would be part of the Cabinet Office staff.

THE INFORMATION BATTLE AND THE NEW TECHNOLOGY

In the battle of wills today being fought out between the competing ideologies, it is now the electronic media - radio and television - which are the favourite weapons. Because they reach larger audiences and communicate to the least sophisticated, they have pushed film and the printed word into a subordinate place. The radio receiver is far and away the commonest electronic equipment, available alike to the urban dweller and the poorest peasant. Television, once the prerogative of wealthy nations, is now spreading to the poorest, even if only on the basis of one receiver per village. No need to apologise, then, for concentrating attention on likely further developments in the information revolution which the new electronics is driving forward - for the majority of human kind these are the dominant communication media of our time.

SATELLITE BROADCASTING

Already the communications satellite has made a major impact on sound and vision broadcasting. Stationary each over its own unique spot on the equator and distant twenty three thousand miles from the earth, the communication satellites receive signals from a ground station in one continent and instantaneously retransmit them to a receiving station in another. Thus our present capacity for immediate world wide diffusion of sound and television programmes is achieved.

To date, however, the terrestrial vision broadcasting network has always intervened between the transmissions from space and the viewer. The satellite signals from far away are captured by the expensive and complex earth stations, and then passed by cable or microwave to the network of conventional transmission sites. All this is changing, because it is becoming technically possible to broadcast directly from the satellite to the individual home.



It will be appreciated that the geostationary satellite is necessarily placed in an orbit remote from Earth. The laws of celestial mechanics dictate that if it were nearer it could not hang over a fixed point on the earth's surface (as it must to serve its function) but would move across the sky. However the remoteness of the satellite means that the beam of radio energy it directs towards the earth is spread over a wide area. If a satellite of the first generation were to direct its signals at Britain, for example, they would be distributed from Reykjavik to Naples.

What is more, energy available on the satellite to power radio transmissions is strictly limited, being derived from solar cells, the dimensions of which are constrained by practical considerations. It necessarily follows that because the radio power radiated is not large yet is distributed over such an extensive part of the earth's surface, the power falling on any particular area is exceedingly small. For this reason, the existing earth stations are equipped with very large "dish" aerial systems, up to ten metres in diameter, to "catch" as much incident radio energy as possible. The need for aerials of this kind has so far prevented domestic use of satellite reception.

Now all is changing. Improvements in satellite design make it possible greatly to reduce the width of the beam of radio waves passing to earth, so that the area of the earth irradiated is confined to no more than one country or even a smaller geographical region. The energy is spread over far less total area, and this, together with improvements in the power output of the satellite, makes it possible to receive good television signals with an aerial dish only a metre in diameter. The home installation becomes immediately practicable.

To receive direct satellite broadcasts all that is needed is one of these aerials and a television receiver designed to the correct standard - different from that for terrestrial television - or a conventional receiver preceded by an inexpensive converter. The total cost of a colour television installation would be pushed up by no more than about a half, and in real terms the cost of any kind of television is certain to continue to fall, as it has done for some years. Thus few who receive television in their homes today will not be able to afford satellite television in the future. France and West Germany are already well ahead with plans for direct broadcast satellite television. HMG recently outlined proposals for a service, and a joint UK company has been established to this end by British Aerospace and N M Rothschild.

There is, however, no technical reason limiting countries to beaming transmissions to their own territory, and they could aim their programmes at neighbouring countries or even those in the next continent. World wide television entirely outside the control of authorities in the receiving country constitutes an entirely new component in the spectrum of information media. In some free world countries it is likely that commercial interests may establish advertising stations beamed at other countries. By contrast, authoritarian regimes will find irresistible the temptation to use the new medium both within and, more significantly, outside their own borders for propaganda on behalf of their chosen ideology.

Direct satellite television has been described as a boon to poorer countries, because it could enable them to establish nation-wide television services at lower cost than would be possible using a terrestrial service. As well as providing a medium of information and entertainment, such a service could also give an invaluable boost to education in the many countries where facilities are limited by the supply of suitably trained teachers. The potential for good is undeniable. Alongside it, though, there is a no less important hazard. The real probability exists that television equipments meant to give access to a national service will also make available programmes originating far beyond the national boundaries. It is also entirely possible that the more ideologically aggressive powers could offer to provide "educational and cultural" television services by satellite to their poorer neighbours. To accept such an offer would spell the end of all cultural, and perhaps in the end even political, independence.

## THE OPTICAL FIBRE

Alongside the evolution of satellite television broadcasting, which can be regarded as the natural extension of radio broadcasting, equally revolutionary developments are in train in what could fairly be described as the next development along the technical path of the telegraph and telephone cable.

One of the things which gives electronics technology great power is its immense versatility. It is, for example, quite easy to convert the sound of a human voice or a television picture into a series of binary numerical codes, which are the native language of the computer. These zeros and ones can be represented in our equipments in any two contrasting ways and notably by the presence or absence of light. Thus, if the programme to be sent out is converted into digital form in this way, it can be transmitted as a sequence of inconceivably fleeting pulses of light, at a rate of perhaps a hundred million per second.

To turn this into a practicable information medium, two things are needed: a source of light which can emit flashes of this duration and rate, and some means for conveying the pulses of light from point of origin to that of destination without them becoming so enfeebled that they fall below the level at which photoelectric devices can reliably detect them. To both of these problems solutions have now been found. The light source used is a semiconductor light emitting diode, and the means of guiding the light pulses is the optical fibre.

It has long been known that under certain circumstances it is possible for light to be trapped within a glass medium through which it is passing. In the optical fibre a long filament of special glass of hair-like thickness traps within it pulses of light and conveys them to their destination, virtually without loss. Transmission over distances of tens of kilometres is now possible, and competent authorities agree that a hundred kilometres range may be confidently expected. As remarkable as the distance over which the optical fibres are effective is their message carrying capacity. A single fibre into the home could easily carry a dozen television programmes,

the entire telephone service and, if desired, a computer data channel as well. The concept of the "Wired City" with all the information, communication and entertainment services brought to each house or workplace over a single optical fibre has grown from the perception of this possibility. Such an idea obviously provides a complete alternative to both present day television broadcasting and also to the promise held out by the satellite. Rarely has technology been so clearly at the crossroads. A choice must be made between conflicting possible futures which lead us in manifestly different directions.

Optical fibre broadcasting, which could be seen as the logical next step from the cable television services already established commercially in the United States, is relatively more expensive than terrestrial or satellite broadcast television. However, it can give a more varied service, is even more reliable, and is capable of literally total coverage of the whole population. If the same fibres are also used to provide telephone services and for other purposes, such as remote reading of gas and electricity meters, the overall economics looks promising, and this is what is generally proposed. Even so, the wired city concept is, as its name suggests, best suited to the sophisticated urban environment, where it can economically serve complex needs in a closely packed population. In this respect it is quite different from the satellite, which cannot give so elaborate a service, but gives it equally cheaply in town or country.

The other significant distinguishing feature of fibre dissemination of radio and television is that it is not an "open" system as conventional broadcasting is. Access to the fibre network can be strictly controlled, and a subscriber does not have the facility to receive programmes from outside his own network, it cannot therefore easily be "penetrated" from outside by elements unsympathetic to the network proprietors, except perhaps by subversion.

It seems plausible to suppose that authoritarian governments may prefer that the broadcasting services they provide should be by fibre distribution, since this will enable them to regulate precisely what their population is exposed to. It will be ironic if at the same time they use satellite broadcasting in the attempt to achieve subversion of their neighbours.

## VIDEO RECORDINGS: TAPE AND DISC

There are a number of other developments which we can foresee in parallel with the two already discussed. Perhaps the most important is the advance in television recording, particularly the video disc.

A full colour television programme can now be recorded either on a magnetic tape cassette or on a simple plastic disc, not too different from the conventional sound record with which we are all familiar, except that it has very many more, and much finer, grooves. These are "read" by a fine beam of laser light rather than a mechanical stylus.

Widely diffused and presenting professionally pre-recorded material, video recordings could replace films, books and magazines in the electronic age. Books and films have probably played a diminishing role in the propaganda struggle, however, since the new technology began to exert its full impact. There is no obvious reason why video recordings should change this position. Tentatively, therefore, they must be assigned a significant but secondary role.

## SOUND BROADCASTING

Despite all the other developments, the transistor radio will remain the commonest means of access to the electronic media, and for the very poorest people perhaps the only one. Although in the sophisticated areas there is a tendency today towards VHF-FM broadcasting, for the less developed world it is the long, medium and short wave AM bands which will continue to be used. These are strictly terrestrial services, because the layers of electrically charged gas in the upper atmosphere - the ionosphere - would prevent any satellite radio signals at those wave lengths from reaching the earth.

The principal recent development in these bands stems from the falling size and, above all, cost of transmitting equipments, as a result of the advance of electronics technology. It is now economic for small local radio transmitters to be set up. In some cases this has been with official sanction, but in many countries the new broadcasters have appeared as "pirates". Indeed, in places control of the radio spectrum by law has become unenforceable, as in Italy for a time.

A proliferation of small unregulated radio stations has resulted, in some cases radiating propaganda for extremism of the political right or left. The wise use of radio is such an important social resource that this evidence of the breakdown of law has to be taken very seriously. In the UK, pirate broadcasting has been largely suppressed since an outburst in the sixties, but we have no grounds for complacency. Illegal use of citizens' band radio and the spread of illegal two-way radios and cordless telephones demonstrates that the law in this area is under pressure which it is not wholly able to withstand.

### CONCLUSIONS

The new electronics technology gives us a choice between relatively closed television broadcasting systems using optical fibres, and unprecedentedly open ones based on the technology of space. Those who regard the media as weapons to be deployed in an ideological struggle will probably not scruple to use both, in the situations and ways that best suit their purposes.

From open communication the free world surely has nothing to fear, provided that it is as accessible to us as to our opponents. The great campaign by the West to present its case fairly through the medium of radio over the last few decades may well have to continue and be matched, in the years to come, by an equally determined new effort. Our task will be to ensure that we do not concede dominance of international satellite television broadcasting to those whose publicly announced intention is to bury us.

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From: ADAM RIDLEY  
20 January 1982

*1982/1/20*

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CHANCELLOR

cc Financial Secretary

PROJECTION OF THE WESTERN CASE

May I comment very briefly on the PWC paper which you were sent by Robin Turner under cover of his letter of 13 January. I have caught wind of the interest of at least two of the participants of the group in promoting the thoughts described in the PWC paper over a period of some years now. Ray Whitney has been advocating such a move at the very least since the last election. Norman Reddaway has, too, and I was exposed to some lengthy expositions from him about his ideas both on my recent trip to Poland and at a subsequent lunch. That is not to say, of course, that either or the two distinguished gentlemen involved are wrong to put forward the propositions in their paper. As Mr Kerr may have told you, there is a lot of intimate FCO internal politics which lies behind the PWC story. There could also be expenditure implications for this Department, and manpower ones, too, come to that.

2. I, for my part, have formed another conclusion which relates more to the problems of presenting economic policies, and the issues which we have been discussing recently. I would start from the proposition that the resources of No 10 (in effect, a tiny group of people headed by only one heavyweight information officer) will necessarily lead to a relatively poorly co-ordinated and diffuse publicity effort by Government, even if directed from time to time by a fairly energetic Minister with responsibility for information and publicity. The pre-conditions for an effective presentation of Government policy in any area where there are numerous and quickly-changing controversies are twofold. First, coherent Ministerial will and ability to react; and second, an official machine can both co-ordinate, advise and give effect to Ministerial wishes. I suspect that <sup>the</sup> various exercises

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undertaken in the past in and around the FCO (eg on Europe) and the proposals put forward in this paper do demonstrate by implication, whatever else they may appear to be, the need for meeting both these pre-conditions. At the moment we have to be content with neither!

AR

ADAM RIDLEY

I shall have to allow looking at this paper secondly given pressure so much other work. The basic idea - the creation of an Information Projection Group for E-W issues - is not one I would feel competent to advise on without a tiny bit more thought!

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*Twiceed list*



FROM: NICHOLAS RIDLEY  
20 January 1982

CHANCELLOR

cc Mr Ridley

THE PROJECTION OF THE WESTERN CASE

I have much sympathy with the views and ideas expressed in the PWC paper (upon which you asked for my views). Undoubtedly the facts are just about right - and I accept the case they make, even though they make it rather hysterically.

*AV*

This is not really for us, except in so far as it concerns money. If the PM or the Foreign Secretary wanted to mount this sort of operation I believe we should not jib at the extra spending involved (within limits!). It is ironical that we cannot afford to do this sort of thing because we spend £30bn. on Social Security. A nation at war spends its money on military and propoganda matters first and Social Security second. We obviously do not see ourselves as a nation at war.

The paper grievously underestimates the difficulties of getting the media under control and of persuading the public of the true situation. One would have to consider how to make the media responsive to us and also proof against infiltration (this would help us party - wise too).

These are all very big problems and should be considered at a high level.

*We may well be right - but it is also right.  
The main point of my A.R. in his 82  
is right for us - but can I think he  
followed up by his new group  
(Boulton, Pakenham, Pym etc)  
including, as I hope  
it will, A.R. as well as P.C.  
among its "opponents"*

*NR*

NICHOLAS RIDLEY  
20 January 1982



OFFICE OF THE DIRECTOR  
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

Washington, D.C. 20540

DATE: [Faint date]

[Faint, illegible typed text]

[Faint, illegible typed text]

[Faint, illegible typed text]

[Faint, illegible typed text]

*[Handwritten notes in cursive script, slanted downwards]*

8.15 2/1/82

From: ADAM RIDLEY  
20 January '82

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*2*

*A.R./CST/P.C.*  
*Yr points are valid. but*  
*this is not the best way, in I.17*  
*however, in light of PM's reaction (also same as before?)*  
*We do have to be good in being: P.C.*  
*wide attend. Hopefully, CST will do what*  
*to take you along + you'll*  
*have to discuss for this*

CHANCELLOR

POLICY PRESENTATION: YOUR PAPER OF JULY 1975

You asked me to prepare a letter under whose cover you would send to the PM your July 1975 paper "Party strategy, policy and organisation". I attach a draft. I have taken the liberty of adding a thought or two of my own in the last two paras. The idea is I believe one to which you are sympathetic. But you may not be, or you may not want to air it on paper.

2. The point is simply this. Experience teaches me that busy Ministers attending such a group need support; and any coherent presentational strategy needs animation, organisation and monitoring by a staff. As I have argued briefly in my recent minute about the Whitney/Reddaway paper on presentation which you passed to the FS/T and me for comment, such a staff does not exist. So we at present have both centrifugal Ministers and a decentralisation of the support.

3. In opposition we were able to do things informally, as the letter says. But I cannot stress sufficiently that it was a matter of doing, of persistent and strenuous efforts, and meticulous attention to the need for liaison. This was particularly difficult, important and rewarding in the case of Saatchi's. But it went far wider. Gordon Reece, Chris Patten (and others in CRD) and one or two others (at various times) were central to this. I had to do a good deal of it myself on the economic front and during the election.

4. I deliberately do not suggest in the draft a way of doing the same thing for a comparable strategic planning effort in Government. However I strongly suspect it would ideally involve, in due course, both a stronger No 10 effort of some kind, and a very active special adviser-type for Mr Pym and/or Mr Parkinson at the very least. Such enterprising semi-bureaucrats are alone the fuel on which could be run a ministerial upper tier

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of the kind you envisage.

5. Finally, you should be aware of the fact that Ian Gow has already shown the paper to the PM, who felt, I gather, that it did not take her much further than recent discussion had done. That being so, you might prefer not to send it to her, or only to do so after a further word with Ian who at present would not advise your sending it her formally. In that case you might still like to make my point about bureaucratic activist support, for which a modestly changed version of this draft would suffice.



ADAM RIDLEY

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DRAFT MINUTE FOR THE CHANCELLOR TO SEND TO THE PRIME MINISTER  
ABOUT POLICY PRESENTATION

Following our recent discussions about policy presentation and bearing in mind your intention to have a further discussion about it before long, I looked back recently at something I wrote on much the same issue when we were last in opposition. I discussed it recently with Ian Gow, and he may have talked to you about it already. Nonetheless you may find something of interest in the paper itself, ... which I enclose.

The most relevant part is probably the section on organisation from paragraph 16 onwards. While we obviously are not worried today by all the specific issues which preoccupied us in 1975, the earlier passages are directed at the same kind of concerns as we have today. /In particular there are important questions about who are our target voters given the rise of the SDP; what our themes should be; and how best to find a convincing and attractive manner in which to put them across.7

However, as I have said, the key question is one of organisation. The concept of a strategic planning group clearly remains relevant, and is very close to the ideas we have discussed recently.

Given the marked difference between Government and opposition, there is one other point I should underline which is only implicit in this earlier paper. The kind of arrangement I advocated in 1975 automatically brought



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together the political principles with the supporting staff and machine required to give effect to what the political leadership decided on - CRD, Central Office and your own staff. In the event nothing emerged on that kind of formal basis. But the close working relationships of life and work in opposition ensured as far, at least, as I can judge shared objectives and good liaison day by day. This was quite visible by 1978 and was seen to excellent advantage from the non-election period onwards.

Today it is not easy to replicate such a system. In particular we run the risk of creating a structure which consists very largely of Ministers, which is a rather formal kind of body and which cannot in practice be expected to be good at generating a lively flow of ideas and pursuing them in the teeth of other more compelling pressures. I do not know what the right answer is. But we need to find one if any changes we might contemplate at the formal level are to be effective. Perhaps we ought to have a brief word about this soon.

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PARTY STRATEGY, POLICY AND ORGANISATION

1. Our object is to win power, at the earliest opportunity: not for its own sake - but with a plain commitment to the vital cluster of policies that are essential to the restoration of national self-confidence and success. Power must be achieved on terms that have been plainly spelt out in advance. This is the only way to ensure that we have the authority to carry through our policies over a period of years. We must have won the understanding and consent of an electorate that understands our intentions, and has been in no way misled.

PROSPECTS

2. On present form, there is a reasonable chance of success at the next Election even if we omit to tackle any underlying weakness in our position. But by how much should we win? And on what terms? And would we have the authority to carry through what has to be done? And would we win the Election after that?
3. There is a gloomier prognosis. Some people compare our situation to that which Crosland and others described as facing the Labour Party in 1960: with the Party's support resting upon a narrowing class base, and without convincing clarity about our policy objectives. Crosland identified Labour's need to "come to terms with affluence", to get rid of the "cloth-cap" image, to correct an impression of ceaseless wrangling, to adopt any organised, professional approach. Above all, he stressed the importance of the whole tone and content of Labour propaganda if it was to be seen as a broadly-based, national, people's Party. And he identified the need to select a limited number of vital issues which "must form the consistent theme of Labour propaganda, month after month, year after year, until they become indissolubly associated with the Party in the public mind". From this there followed "Signposts for the Sixties", which enabled Labour to hammer away at five or six issues in the run-up to 1974.

4. Some would say that our present need is comparable. While a decreasing number of the electorate identify themselves with either major Party, we have suffered even worse from this than Labour - especially among younger voters. Many of them do not like us. Still more fail to identify with a Party whose representatives (even at grass roots) appear to them to have different life styles, to speak differently, and so on, from the mass of the electorate. For some time, it is said, we have been bad at politics, bad at organisation and not very good in government.

#### OBJECTIVES AND NEEDS

5. Against this background, we must set out:
  - a. to convince people that whatever our likability, we will look after them better than our opponents;
  - b. to overcome - or still better, to change - our "unlikable" characteristics; and
  - c. to promote longer-term changes to broaden the base and character of the Party.
6. To attain these objectives we need to concentrate on three things:
  1. Organisation

It cannot be too strongly emphasised that it is only by organising strategically, tactically and continuously that we can really keep things moving our way. The organisational effort needs to be thorough and sustained and very clearly directed.
  2. Themes

Following Crosland's advice, we need to identify our central themes and then to stick with them consistently and with strident clarity. Only a minute percentage of the electorate follow the detail of manifesto-making. Less than one in six has been educated beyond "O" levels. Although we need to have thought through the "back-up" material in order to convince opinion-formers (from Larry Lamb to Joe Rogaly) simplicity and concentration are of vital importance.

6. 3. Style

Political communication is probably least of all about issues, and most influenced by perceived Party identity and its emotional overtones. We greatly need to change our style so that we show a face with which the public can identify. At all levels in the Party we need to communicate simply, unboringly, colourfully and imaginatively, without long words and abstractions. Our spokesmen should be sympathetic, informal and widely representative ("class-less", recognisably identifiable by regional accents). Good humour and excitement are necessary to conquer boredom. If all these "image" changes are to be achieved, they will have to be built upon, or accompanied by a real broadening of the base of Party membership and support.

7. Such a policy of concentration is easier to approve than to implement. It is only worth adopting if it becomes a basic part of the Party's campaign strategy, for its success would depend on the persistence with which it is applied over a long period. No effort to influence public opinion has a fast effect, unless some startling event occurs. It requires us to distinguish clearly in our own minds between the complete plans prepared for office and those that are to be disclosed, sometimes only to a limited extent and sometimes with emphasis. It requires acceptance of the most objective evaluations available in deciding on the choice of issues, and readiness to substitute a new issue in place of one on which measured progress is poor.

TARGET VOTERS

8. The different groups of voters with whom we need to communicate identify themselves as follows:
- a. Party workers and natural supporters.
  - b. The great mass of the skilled working class.
  - c. The intelligentsia - in the media, universities, etc.
  - d. The young to whom we have at present almost the least appeal.



8. e. The business community. This last group is crucial because we cannot hope to convince the general public on economic and industrial issues unless we first convince those who are here in the front line; and because restoration of business confidence is the key to our success in Government. There is real risk of a working partnership between business and the Labour Party, as the foundation of a Scandinavian-type "quiet life".

Having agreed upon the importance of these groups, the approach to each is something else that needs to be organised in a well-considered fashion.

#### THEMES

9. The final choice of themes will also depend greatly on the expected reaction of the target groups. We need to find ways of differentiating ourselves clearly from Labour, of choosing our own ground, of creating our own language for the issues. This is the way for us to be taking initiatives, instead of simply reacting to Government.
10. Certain themes must probably be regarded as non-issues - on which there is little to be won, but where it is important at least to hold the line. I have in mind.
- Devolution (at best, appear more Unionist than the rest)
  - Immigration (at best, appear more restrictive than the rest - without racialism)
  - Short-term condition of the economy (this is hard to predict, could easily be "managed;" we should concentrate on longer-term anxieties, which can't be magicked away).
  - Relations with the unions (this is of critical importance, since it is a subject on which we do not carry conviction: but it will never be a winner for us: we need to outflank it, by emphasising other issues on which we are closer to the mass of union membership)
  - Incomes policy (this is a cross-party issue - often giving rise to "Yes, but..." or "No, but..." situations).

11. Some other issues should be regarded as subordinate, that is to say, issues on which we must look in the support of key minorities but without necessarily trumpeting our views too widely, since the points have limited appeal.

For example:

"We are the country Party".

"We will fight for grammar, direct grant and independent schools".

"We shall restore the private sector in health".

"Defence of the realm is the first duty of government" (some would give more importance to this).

"Fair treatment for fishermen".

"Liberate rural transport".

- and no doubt there are others, that should not be ignored; but are not central.

12. What then should be the main themes? And do they need to be covered by a central, more idealistic, theme?

Certainly we need more than sensible policies and sympathetic styles of presentation. We need moral fervour, because our efforts do reflect idealism and dreams. In this sense, the theme of freedom, is vital for us: for freedom, and freedom to choose, is our moral base, as equality is that of Socialism. And yet I wonder (in light of observations by people as diverse as ~~Wor~~thorne and Callaghan) whether the public packaging of our policies (as opposed to our prerorations) is best founded on freedom. I incline to prefer for this purpose the central message that "Conservatism is common-sense".

Obviously there is much room for argument over what should be our principal themes. Tentatively I suggest the following:

1. Wasteful and Excessive Government

This enables us to deploy the whole case against over-government, over-spending, over-taxing, over-borrowing, and to emphasise our commitment to minimum legislation and minimum institutional change. This ~~time~~ could be filled out with endless examples of waste in all parts of the public sector - examples which people can understand and which will

12. 1. enable us (as did the Australian Liberals) to move away from the question of "where would you cut?" I am sure this is a key theme, which is why I'm afraid I tend to be a bore about it. It should certainly not be a strait-jacket; hence paragraph 13 below. But the exceptions that we do make to this theme need to be carefully considered as a group. It is vital that they should not impair our credibility on the issue which is at the heart of our long-term appeal.

2. Let people spend their own money

This attack on high direct taxes has a wide shop-floor appeal and can be linked with the whole of Ralph Howell's "Why Work?" argument. It forms a useful container for the less attractive, but necessary, policies for allowing profits to grow, cutting taxes on better-off and so on. And it could be given a human face by linkage with child benefits, tax credits and so on.

3. Ownership: Council Houses - and the rest

The case for wider ownership and partnership in industry is important and we should do all we can to make it our own. Home ownership is the best plum in this tin from the Tory point of view. This theme can be developed into an onslaught on the extravagant inefficiency of most public sector housing policy, slum clearance, redevelopment, blight, rent control, and so on. The positive thrust can carry our message into every council house and onto every shop-floor in the country. This could form the foundation of a campaign which would not only communicate a distinctive Conservative policy, but would get our organisation working in areas where we are weak and our image needs much improvement.

4. Standards in Education

This is a genuinely populist issue and enables us to shake off the impression that we care only about standards in top schools for top people. It should also lend itself to a national campaign which would penetrate areas where we are normally weak.

12. 5. Making Britain safe to live in

This is another way of saying "law and order". No more legislation, more money for the police, less harassment of the motorist (end un-enforcable speed limits, and reduce the number of traffic cops), a blitz on truancy, and more power for the magistrates. This is a simple, cheap, minimum legislation, package with plain popular appeal.

6. Protect working people from bullying

This is the one part of the anti-union argument that we can plainly win. Alongside opposition to such things as the Dock Work Scheme and the installation of unions in charge of pension funds and factories, we should surely be aggressive on free postal ballots for union elections and the right to independent appeal against expulsion or exclusion from a closed shop. The case can be constantly re-presented - and it cannot fairly be answered in the context of real life examples.

13. I have excluded from this list any specific issue which attempts to give us a dramatically compassionate case. We can hardly hope to win against the Labour Party in a competition about compassion without destroying the credibility of our commitment to sensible control of public spending. But we should certainly organise sympathetic positions on as many "Jack Ashley" issues as possible and hew out some nuggets of beneficence which have particular appeal to important interest groups: abolition of the earnings rule, tax treatment of widows, invalid vehicles, the poverty trap, adequate medical insurance cover for people going abroad - and so on: and we should promote the enthusiasm of those of our Members who want to run such hobby horses.

14. One other theme should concentrate on discrediting the Government. The most important thing here is the development of three or four key phrases ("borrowing one pound out of every five", "the natural party of unemployment"). We have never done as well as Labour with such phrases as "Thirteen wasted years" or "the £800 million deficit".

#### ORGANISATION

15. Much of the foregoing analysis is not all that new. The most important element is the way in which we organise our handling of this material. And it is here that I am most concerned about the adequacy of our arrangements.

It is not too difficult to identify what it is we have to sell and the nature of the people to whom we have to sell it. I have no doubt that we know:

- what has to be done;
- that it can be done;
- that we can win the presentation of this case; and
- that we have the leadership to do this.

16. Yet most of the media are not sufficiently convinced along these lines and some of their doubts may be attributable to their lack of confidence in our capacity to organise the necessary long-term campaign. And many of our troops in the field are equally unconvinced that we are getting the message across in accordance with a well-organised purposeful strategy. From this it follows that the nation (including many who should be our natural supporters, but who now flirt with such things as electoral reform) is unwilling to be stirred.
17. In other words, in order to achieve our apparently simple objectives, it is not enough to have good people and good arguments. It is essential to have an efficient organisation to ensure that we use our best people and our best arguments to best effect.

18. The present position does not sufficiently convey the impression that we are doing this. The leading members of our sales force (Shadow Cabinet, MPs, and Party activists) certainly suggest to me that they would welcome a move to point them more clearly in a clear direction. There is a great deal of activity for the sake of activity, much of which is over-lapping. Many groups of workers - at all levels - often find themselves half-discussing the same issues on many successive occasions. I fancy they are much more anxious than it has been customary to believe to be given a clear lead. The '22 Committee, for example, may be prepared to be told - at the beginning of each term, and of each Recess, exactly what the leadership would like them to do in accordance with a revealed plan.
19. What is needed above all is an organisation that will direct all these activities and draw them all together in pursuit of a common strategy, founded, I should suggest, on my analysis of the image deficiencies and the key issues. This is in no sense a criticism of the present leadership. For the extraordinary thing is that has never, so far, been approached in this kind of way.
20. This means creating a closely integrated organisation of which the Leader should plainly be in over-all charge, but in relation to which the Leader should not have to do day-to-day work. The key parts of the organisation are as follows:
- Shadow Cabinet
  - Party in the House (Whips' Office and '22 Committee)
  - Research Department (with particular responsibility for policy)
  - Central Office (Party organisation)
  - Publicity Department
  - Leader's Private Office.
21. The right approach would seem to involve regarding each of these activities as in the charge of a "director" of seniority and to bring all those directors together in a fashion comparable

21. to the main board of a company, in charge either of "the Chairman" (the Leader) or a "managing director", directly responsible to the Leader and in close and continuous touch with her.
22. If the "managing director" approach is adopted, then the "managing director" figure is of critical importance. He could be the person in charge of the Leader's Office, provided he is a senior figure, without other responsibilities. Alternatively he could be the Chairman of the Party, so long as sufficient account was taken of the need for continuous contact with the Leader, effectively on a day-to-day basis.
23. As an alternative to the "managing director approach", the Leader could act as "Chairman and Managing Director". In that case she would need the support of a "Chief Executive", to act as a vigorous progress-chaser. He would need, in the same way as the "managing director" enough seniority and authority to enable him to be ruthless (and rude!) on the Leader's behalf.
24. Once this strategic planning group is properly organised, it should be possible to organise non-overlapping functional groups, including Members of Shadow and Party officials, to deal with each of the other issues. The following aspects are some of those that call for specific consideration by such sub-groups.
  1. Clear briefing of the Party, in Parliament and elsewhere, as to the key issues so that no Party Member can fail to be able to utter the Party's central message without prompting.
  2. Organisation of the Party's performance in the House (Supply Days, etc.) on the same basis.
  3. Mobilisation of the Party in the country, not only on the policy issues, but also in the direction of changing the image and character of the Party along the lines discussed.
  4. Mobilisation of industry (for message production as well as for fund-raising) in support of our basic themes: much industrial discontent would be reduced if our critics were given a clear job to do.

24. 5. The total mix of publicity, including publicity material, PPBs and image-changing.
6. The special efforts directed at young people, trade unionists (and union leaders) and other target groups.

CONCLUSION

25. This analysis is not intended to be iconoclastic and has not ~~be~~<sup>been</sup> prepared with any eye on personalities concerned. Nor do I have any close experience of the present nuts and bolts of Party organisation. Simply as a fresh look it may be of some value in prompting thoughts. By no means all the ideas are my own, since I have derived considerable help from documents prepared by Christopher Patten and Tom Hooson.

July 1975





RESTRICTED

FROM: ROBIN HARRIS  
22 January 1982



*mp*

CHANCELLOR

cc Chief Secretary  
Financial Secretary  
Economic Secretary  
Minister of State (C)  
Minister of State (L)  
Mr Ridley  
Mr Cropper

PUBLIC OPINION POLLS: SDP

... I attach a copy of the latest Conservative Central Office opinion survey note. Although, as it records, "it is too early to draw any firm conclusions" it is certainly encouraging.

*1* *RA*

ROBIN HARRIS  
22 January 1982



## PUBLIC OPINION BACKGROUND NOTE 96

(produced 19th January 1982)

1. Introduction

We have just received the results of the first Gallup 'tracking' study conducted in 1982. The analysis of the survey has been delayed due to postal delays caused by the rail dispute. The survey found a sharp drop in the level of support for the Social Democrats - it found a drop in support for them from 36% in our last study in 1981 (conducted 9/14 December) to 25% in our latest study (conducted 6/11 January). The combined level of support for the two Alliance parties fell from 50½% to 42%. Conservative support increased from 23% to 25½%, Labour support increased from 23½% to 30% and Liberal support increased from 14½% to 17% over the period 9/14 December to 6/11 January. Although we have evidence from other research (ORC survey conducted for Weekend World) of the start of a fall in support for the Social Democrats, it is too early to draw any firm conclusions with regard to the trend in support for them. We will need to look closely at the trend in support for the Social Democrats over the next three or four weeks before attempting to draw any firm conclusions.

The table below shows details of the trend in support for the main parties since early June 1982.

VOTING INTENTION  
(unprompted question, excluding don't knows)

	<u>CON</u>	<u>LAB</u>	<u>LIB</u>	<u>SOCIAL</u> <u>DEMOCRAT</u>	<u>OTHER</u>	<u>LEAD</u>	<u>LIBERAL + SOCIAL DEMOCRAT</u>
	%	%	%	%	%	%	%
<u>1979</u>							
May (GE)	43.9	36.9	13.8	-	5.5	+7.0	13.8
13/16 June*	42.0	43.5	13.0	-	5.0	-9.0	13.0
<u>1981</u>							
3/8 June	31.0	40.0	14.0	12.5	2.5	-9.0	26.5
9/15 June	29.5	37.5	18.0	12.5	2.5	-8.0**	30.5
16/22 June	32.0	37.0	15.5	13.0	2.5	-5.0	28.5
24/30 June	29.0	40.0	17.0	12.0	2.0	-11.0	29.0
1/6 July	30.5	39.5	14.0	13.0	3.0	-9.0	27.0
8/13 July	30.0	40.5	14.5	12.0	3.0	-10.5**	26.5
15/20 July	29.0	36.0	16.0	17.0	2.0	-7.0	33.0
22/27 July	26.0	38.0	13.0	21.0	2.0	-12.0	34.0
29 July/3 Aug	25.5	40.0	11.5	20.5	2.5	-14.5	32.0
5/10 Aug	27.0	36.0	15.0	19.0	4.0	-9.0	33.0
12/17 Aug	28.0	38.5	13.0	19.0	1.5	-10.5**	32.0
19/24 Aug	29.0	34.0	17.0	18.0	2.0	-5.0	35.0
26/31 Aug	26.0	41.0	15.0	16.0	2.0	-15.0	31.0
1/7 Sept	25.0	41.0	15.0	16.0	3.0	-16.0	31.0
9/14 Sept	32.0	36.5	11.5	17.5	2.5	-4.5**	29.0
16/21 Sept	25.0	36.5	16.0	19.0	3.5	-11.5	35.0
23/28 Sept	24.5	33.5	16.5	24.0	1.5	-9.0	40.5
30 Sept/5 Oct	26.0	38.0	12.0	21.0	3.0	-12.0	33.0
7/12 Oct	27.0	31.0	12.5	26.5	3.0	-4.0	39.0
14/19 Oct	28.5	34.0	12.5	22.0	3.0	-5.5	34.5
21/25 Oct	29.5	28.0	13.5	26.5	2.5	+1.5**	40.0
28 Oct/ 2 Nov	26.5	29.0	13.0	29.5	2.5	-2.5	42.5
4/9 Nov	26.5	28.5	14.5	28.5	2.0	-2.0	43.0
11/16 Nov	26.5	29.0	15.0	27.0	2.5	-2.5**	42.0
18/23 Nov	25.5	26.0	14.0	32.0	2.5	-0.5	46.0
25/30 Nov	25.0	26.5	15.5	30.0	3.0	-1.5	45.5
2/7 Dec	26.0	21.0	13.5	38.0	1.5	+5.0	51.5
9/14 Dec	23.0	23.5	14.5	36.0	3.0	-0.5**	50.5
<u>1982</u>							
6/11 Jan	25.5	30.0	17.0	25.0	2.5	-4.5	42.0

\*First Gallup post election  
Survey

\*\* Published Polls

## 2. Government Record

Our first 1982 Gallup 'tracking' study found a jump in the level of approval for the record of the Government - up from the lowest level of approval since May 1979 that we found in the period 9/14 December. The 6/11 January survey found 23% approving of the record of the Government, 65% disapproving and 12% not having a view. As with voting intention we will need to wait for further surveys before attempting to draw any firm conclusions.

### GOVERNMENT RECORD

	<u>Approve</u>	<u>Disapprove</u>	<u>Don't know</u>
	%	%	%
<u>1979</u>			
13/18 June	34	41	25
<u>1981</u>			
1/7 September	23	65	13
9/14 September	26	63	11
16/21 September	21	67	11
23/28 September	21	66	13
30 Sept/ 5 Oct	21	70	10
7/12 October	20	68	12
14/19 October	24	65	12
21/26 October	24	62	13
28 October/ 2 November	23	66	10
4/9 November	27	64	9
11/16 November	23	66	11
18/23 November	22	66	12
25/30 November	22	65	14
2/7 December	20	69	11
9/14 December	18	70	12
<u>1982</u>			
6/11 January	23	65	12

## 3. Popularity of Political Leaders

Mrs Thatcher's popularity improved slightly in the first 1982 study - it is now back up to the level it was at in early December 1981. The survey found 30% satisfied with Mrs Thatcher as Prime Minister, 65% dissatisfied and 5% did not have a view. The survey found almost no change in the popularity of Mr Foot or Mr Steel.

(please see next page for table)

## POPULARITY OF POLITICAL LEADERS

	<u>Mrs Thatcher</u>			<u>Mr Foot</u>			<u>Mr Steel</u>		
	<u>Sat.</u>	<u>Dis-</u> <u>sat.</u>	<u>Don't</u> <u>Know</u>	<u>Is</u>	<u>Is</u> <u>Not</u>	<u>Don't</u> <u>Know</u>	<u>Is</u>	<u>Is</u> <u>Not</u>	<u>Don't</u> <u>Know</u>
	%	%	%	%	%	%	%	%	%
<u>1981</u>									
1/7 September	28	67	5	29	52	19	63	18	19
9/14 September	32	62	6	28	54	18	56	21	23
16/21 September	27	68	5	28	52	20	64	16	20
23/28 September	28	67	5	25	57	18	64	17	19
30 Sept/ 5 Oct	27	68	6	31	49	20	60	20	20
7/12 Oct	26	68	6	28	50	22	62	19	18
14/19 Oct	31	62	7	31	50	20	64	15	21
21/26 Oct	33	62	5	27	54	19	64	20	16
28 Oct/ 2 Nov	29	65	6	25	59	16	64	19	17
4/9 Nov	32	64	3	24	62	14	68	16	16
11/16 Nov	28	66	6	16	67	17	64	17	19
18/23 Nov	29	66	5	18	68	15	69	15	16
25/30 Nov	29	65	5	18	68	15	67	15	18
2/7 Dec	29	66	5	18	68	14	64	18	18
9/14 Dec	25	70	5	19	67	14	63	18	19
<u>1982</u>									
6/11 January	30	65	5	20	65	14	62	20	18

4. Published Polls(a) Marplan (Guardian 2nd January 1982)

The Guardian on 2nd January 1982 included a report of a Marplan survey conducted on 29th December 1981. The research looked at the electorate's reaction to the Government's record and their expectations for 1982.

Marplan asked what electors thought about the Government's performance in 1981 a range of policy areas and what they expected them in 1982. They found:-

	Thinking about the Government's performance in 1981, for each of the following please say whether you think they have been successful or unsuccessful? And do you think they are likely to do better in 1982, or worse?					
	Successful	In 1981 Not Successful	Don't know	Better	In 1982 Worse	Don't know
Tackling Britain's economic problems	21	74	7	40	46	15
Restoring incentives by reducing personal tax liabilities	14	71	15	30	49	21
Improving law and order	35	56	9	47	36	17
Strengthening defence forces	37	44	18	42	33	25
Reforming trade union law	28	52	19	35	41	24
Rationalising publicly-owned industry	24	47	28	30	38	32
Improving Britain's lot in the EEC	42	45	13	43	40	18
Cutting local authority spending	56	39	5	44	45	11
Reducing the size of the Civil Service	45	41	14	40	39	20

4/96/KB

Marplan found 71% of the electorate thought we had not been successful (21% successful) in 1981 in 'tackling Britain's economic problems' - 46% thought they would get worse in 1982 (40% better).

On 'restoring incentives by reducing personal tax liabilities' 71% thought the Government had not been successful (14% successful) in 1981 and 49% thought the position in this area would get worse in 1982 (30% better).

In the area of law and order 56% claimed the Government had not been successful (35% successful) in 'improving law and order' in 1981, 47% thought this would improve in 1982 (36% get worse).

44% thought we had not been successful (37% successful) in 'strengthening our defence forces'. 42% thought things would get better in 1982 - 33% worse.

In the field of trade union law reform, 52% claimed the Government had not been successful in 'reforming trade union law' in 1981 - 28% that it had been successful, 41% thought the Government would do worse in 1982 - 35% do better.

On the question of 'rationalising publicly owned industry', 47% thought we had not been successful (24% successful). 38% thought we will do worse in 1982 - 30% better.

45% thought we had not been successful in 'improving Britain's lot in the EEC' - 42% thought we had been successful. In 1982 43% thought we will do better - 40% worse.

56% thought we had been successful in 'cutting local authority spending' in 1981 - 39% not successful. 45% thought things in this area would get worse in 1982 - 44% get better.

45% thought we had been successful in 1981 in 'reducing the size of the Civil Service' - 41% not successful. 40% expected us to do better in 1982 - 39% do worse.

When looking at economic expectations in general, Marplan found only 4% of electors claiming ... 1981 had been a 'very good year for them and their families', 27% 'fairly good', 30% 'neither good nor bad', 29% 'bad' and 10% 'very bad'.

Looking ahead to 1982, 6% thought things for them would be 'a lot better' than in 1981, 27% 'a little better', 30% 'neither better nor worse', 24% 'a little worse' and 11% 'a lot worse'.

(b) NOP (Daily Mail January 6th 1982)

The Daily Mail on 6th January 1982 included the results of an NOP poll conducted in Glasgow Hillhead on January 5th. They found that 33% claimed they would vote Labour, 29% SDP/Liberal Alliance, 24% Conservative, 13% SNP and 1% for 'other parties'.

When asked how they would vote if Roy Jenkins was the Alliance candidate - 33% claimed they would vote Alliance, 31% Labour, 22% Conservative, 13% SNP and 1% for 'other parties'. When asked how they would vote if Mr Chick Brodie was Alliance candidate, NOP found 32% claiming they would vote Labour, 31% Alliance, 24% Conservative, 12% SNP and 1% for 'other parties'.

32% thought it 'very important' to have a candidate from Scotland, 30% 'fairly important', 20% 'not very important' and 15% 'not at all important'.

/...

(c) Opinion Research Centre (Daily Record 8th January 1982)

The Daily Record on 8th January included the results of a Glasgow Hillhead survey carried out on January 5/6. They asked 'If Roy Jenkins is the Social Democrat /Liberal Alliance candidate, which party will you vote for?' - 36% claimed they would vote Alliance, 30% Labour, 21% Conservative, 8% SNP and 5% for 'other' parties. When the idea of Chick Brodie as Alliance candidate was put to them, 34% claimed they would vote Alliance, 31% Labour, 22% Conservative, 7% SNP and 6% for 'other' parties.

71% claimed they would be 'certain to vote', 16% they would 'probably vote', 3% 'they would probably not vote', 3% 'certainly not vote' and 7% did not know whether they would vote.

(d) Systems Three (Glasgow Herald 11th January 1982)

A Systems Three poll conducted for the Glasgow Herald and the Scottish TV programme 'Agenda' on January 9th found when no personalities were mentioned 25% claiming they would vote Labour, 23% Alliance, 16% Conservative and 8% SNP. When the idea of Mr Jenkins or Mr Brodie was introduced, support for the Alliance increased to 39% in both cases with support for Labour and Conservatives slipping back considerably.

(e) ORC (Weekend World 16th January 1982)

Weekend World on 16th January included the results of an ORC poll conducted between 14th and 21st December 1981. It found on a voting intention question:-

Conservative	29%
Labour	30%
Alliance	38%
Other	3%

Those who said they would vote Alliance, Labour or did not know how they would vote were asked if there was any chance that they might change their minds and vote Conservative at the next General Election. 19% said if changes took place they might consider it.

Six Conservative policies were put to this group - they were asked which would be the ones most likely to persuade them to vote Conservative.

## Top Issues

1. Denationalisation	1% mentioned
2. Law and Order	17% "
3. Curbing unions	16% "
4. Fighting inflation	12% "
5. Cutting taxes	9% "
6. Reducing unemployment	45% "

There were given a choice of saying what they thought the Government should do if it had a choice between:-

Fighting inflation	35% said they should make this priority
Reducing unemployment	65% said they should make this priority
or	
Cutting taxes	20% said they should make this priority
Creating jobs	80% said they should make this priority

Reducing unemployment is what the group of potential switchers wanted.



(f) MORI (Granada World in Action 18th January 1982)

An MORI survey conducted between January 7th and 9th and included in World in Action on 18th January looked at attitudes of trade unionists. They found 46% claimed they would vote Labour, 36% Alliance, and 14% Conservative. 45% thought Labour no longer represents the interests of working people. More than half (56%) believe that their union should not be affiliated to the Labour Party. Only 35% supported affiliation. MORI found roughly 20% of trade unionists would support the affiliation of their union to theSDP, nearly two thirds would oppose such a move.

On policy issues 58% supported British withdrawal from the EEC, 74% liked the idea of import controls 55% were against any interference with traditional trade union rights and 42% claimed to be in favour of unilateral nuclear disarmament.

From: ADAM RIDLEY  
22 January 1982

I.17

CHANCELLOR

cc Chief Secretary  
Mr Cropper

POLICY PRESENTATION

You asked Mr Cropper and me to consider what to do following my minute to you of 20 January about how to carry forward your recent discussions with No 10 and the ideas in your paper of July 1975. We have concluded that the only thing to do at this stage is to have a brief discussion with <sup>you and</sup> the Chief Secretary, which has now been fixed for <sup>11.30 am</sup> ~~9 o'clock~~ on <sup>Tuesday</sup> ~~Monday~~ **2** February. This will enable us to consider how to carry things from here. In the meantime it would be helpful to know whether it is your impression that the group - now in being - is likely to meet soon, and what sort of material if any we ought to be thinking about putting into it ourselves.



ADAM RIDLEY



From: ADAM RIDLEY  
26 January 1982

D.12

CHANCELLOR

cc Economic Secretary  
Chief Secretary  
Financial Secretary  
Minister of State (C)  
Minister of State (L)  
Mr Harris

NEW ARRANGEMENTS FOR POLICY PRESENTATION

*— and see below*

The Economic Secretary asked me to transmit to you a request that we discuss the recent No 10 letter (20 January) setting out the new arrangements for policy presentation, at an early morning prayers meeting. Perhaps your office could confirm that that is acceptable.

2. I think that one of his anxieties was that the new machinery, though interesting and not without its possibilities, does not appear on the face of it to meet all the anxieties which had been set down in the earlier Treasury paper on policy presentation.

*Let EST attend  
Tues a.m. mtg?*

✓

ADAM RIDLEY

*(which should not  
conside the  
FCO staff?)*

*It's a separate issue ✓✓*

*(and the EST should be involved in the  
you discuss it — not a high priority  
in my view.)*



AWARD

# NEWS SERVICE

Release time: 21.00 hours/MONDAY, 1st FEBRUARY, 1982 66/82

Extract from a speech by The Rt Hon Francis Pym, MC, MP, (Cambridgeshire) Lord President of the Council and Leader of the House of Commons, speaking to the Allied Brewery Trades Association Annual Dinner at the Hyde Park Hotel, London, on MONDAY, 1st FEBRUARY, 1982.

The most dramatic events of recent years affecting the Western economy and our country, have been the two oil price explosions of 1973 and 1979. They altered everything - but the cause and effect are not yet adequately perceived. The fall in world trade was very steep. We all know how deeply the consequential world recession has affected our domestic economy, especially manufacturing industry. But despite that, there is still too much of a tendency to discuss these changes, and these problems, as if it were somehow possible, if only we were able to find the right policies, to return to the status quo - the status quo, that is, before 1973.

But that is simply not possible. Virtually all of our post-war experience until the 1970s was of a sustained and unprecedented growth in world trade, a growth in which the Western industrialised nations - and later Japan - had a dominant share. It was cheap energy that fuelled that growth, and made it possible. There is no more cheap energy: cheap energy has gone for good. What has not gone for good is a disposition to discuss the economic affairs of this country in the language of the 60s - the language of full employment, rising living standards and ever improving social services.

This language and this outlook, was the natural product of increasing wealth, of post-war economic growth, when it was not unreasonable for people to look forward to ever-rising standards of living. And it was not implausible for politicians to base their appeals on such expectations. It was in keeping with that age. But today we have got to rid ourselves of these outlooks and look at economic and social matters in a new light.

To put it bluntly, I think public expectations are too high. The expectations of what Government, or political parties or the country as a whole can achieve - are still too high. Political parties who are reluctant to face up to this reality and who try for their own ends to pretend there is an easy way to satisfy unrealistic expectations, cannot expect to command the respect of the British people. This Government is

/Completely...



completely committed to a long term economic recovery that can be sustained, and a restoration of our ability to compete with - and beat - our overseas rivals; but this cannot lead to an early return to full or nearly full employment, or an early improvement in living standards generally.

The simple facts seem to be that our manufacturing industry - on which more than most countries we are heavily reliant, even with our reserves of oil and gas - has undergone a once for all transformation, and a painful one at that. Across whole areas of manufacturing, the loss of a competitive edge has meant the loss of world markets which in some cases it is scarcely possible to see us getting back. This is especially true of the more traditional industries which were, of course, the largest employers of labour. New businesses are growing up all the time, with the help of all the incentives we can give them, and new technology is opening up new opportunities all the time.

But it will be a long time - and no one can say when it will be - before the new industries can hope to replace all the jobs lost by the demise of the old ones. And both new and existing industries are going to have to be very competitive to survive and expand. This is the challenge we as a society face, and it is a mistake to under-estimate the formidable nature of it. For our part we have responded to the long term consequences of this challenge with a major new initiative on training. We are spending enormous amounts of money on special employment measures to alleviate some of the problems in the short term and also lay some foundations for the future. And we are still rich enough to be able to sustain large social programmes which blunt the edge of poverty.

But this is a very painful period of transition and I think it would be dishonest to pretend that there is going to be a quick transition towards higher living standards. In the short run, living standards generally can only fall - which is part of the price we are paying for being too complacent in the past. And for some time to come, we shall face a struggle just to hold on to something like our present living standards.

What has happened and is happening is that we have entered, almost without recognising it, a second industrial revolution - entirely different from the first which demanded extra manpower on a vast scale. Intensity of labour was its characteristic, and labour was cheap. This second industrial revolution is characterised by a loss of those traditional jobs, also on a vast scale. And we are only slowly developing the new attitudes which are needed towards this reduction. I do not want to suggest that we have to live with three million or more unemployed for decades to come.

↳ But by the creation of man





<sup>02</sup>  
~~nobody~~ can forecast unemployment accurately. But we have to find ways of coping with and living with much higher levels of unemployment than we have been used to always before in our history. We need to look at the implications of so enormous a change, and think about how society can best adjust to it. Let nobody think it is going to be easy. All the emphasis that we may put on training for the new industries, and all the money we may allocate to investing in the new industries, is a vital step. But this will not be enough to give hope to the rising generation unless we can find completely new approaches to the very concept of employment and a job for life.

The Conservative Party has never shrunk from such challenges in the past. We are facing up to them now. For whatever the work ethic of the 1990s may be, it is certain it must be based on our competitiveness; on our ability to produce the right goods at the right price for the right markets. This is the only basis on which governments, management and trade unions can realistically seek to create new employment opportunities.

There is no easy popularity in raising issues of this kind and that is probably one of the reasons why they have not been given much prominence in today's political arguments. My own attempts so far have been quite inadequate. The emergence of a new third political party has made it even more difficult for politicians to invite serious discussion of changes that have such far-reaching implications. But we ought to face up to them. They are not peculiar to us, but in many ways they are more difficult for us to deal with than most countries.

END



6/3/82.



CONFIDENTIAL

CHANCELLOR OF THE EXCHEQUER

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Monitoring of Research and Development

MISC 14(82)4

BACKGROUND

When MISC 14 last discussed research and development in December 1980 (MISC 14(80)7th Meeting, Item 1), two principal points emerged. First, it was thought that more vigorous monitoring was required by Departments of their research and development, concentrating in particular on the relevance of a Department's R & D programme to its overall objectives and the extent to which the objectives of the R & D programme were being achieved in practice; it was agreed that this was a matter for Departments and that the creation of a central research and development organisation was unlikely to prove effective. Second, the Group were concerned about the fact that half Government R & D expenditure is on defence (a higher proportion than any other OECD country), and about our failure properly to exploit the commercial opportunities arising out of Government R & D. Ministers felt that there were two reasons for this: research staff were often unaware or unconcerned about the commercial opportunities which might arise from their work; there was no machinery to co-ordinate Government R & D effort with that of private industry or to set the objectives of Government R & D against national industrial objectives.

2. MISC 14 therefore invited the CPRS to prepare a paper on techniques for monitoring research and development in Departments, as a prelude to further discussion of how these two principal concerns - which do not fall within the responsibilities of any one Minister - might best be pursued.

3. The Group need to consider tomorrow if they wish further work to be done in this area; and, if so, how to break down the original remit - which was extremely wide-ranging - into more manageable components and how work on these might best be carried forward. Paragraphs 42 to 56 of the CPRS paper set out their conclusions and recommendations and their suggestions for further work. I suggest that you focus the discussion on these paragraphs.

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1. The purpose of this document is to provide information regarding the activities of the [redacted] in the [redacted] area. This information is being provided to you for your information and is not to be disseminated outside your organization.

2. The [redacted] has been identified as a [redacted] and is currently active in the [redacted] area. It is believed that the [redacted] is engaged in [redacted] activities and is a potential threat to the [redacted] area.

3. It is recommended that you remain vigilant and report any suspicious activities to the appropriate authorities. Your cooperation in this matter is appreciated.

4. This information is being provided to you on a confidential basis and is not to be disseminated outside your organization. It is your responsibility to ensure that this information is handled appropriately.

5. The [redacted] is a [redacted] and is currently active in the [redacted] area. It is believed that the [redacted] is engaged in [redacted] activities and is a potential threat to the [redacted] area.

6. It is recommended that you remain vigilant and report any suspicious activities to the appropriate authorities. Your cooperation in this matter is appreciated.

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SPECIFIC RECOMMENDATIONS ON MONITORING: Paragraphs 42-47.

4. Paragraph 43 of the CPRS report suggests a number of aspects of the monitoring of R & D in Departments on which further work would seem in principle to be well worthwhile. If MISC 14 agrees that further work is required you will need at some stage to write to those Departmental Ministers with R & D responsibilities inviting them to put the necessary work in hand. You may feel that before you can do so a more precise and detailed specification of the sort of work that is required needs to be prepared and considered by MISC 14.

Recommendations (ii) and (iii)

5. I doubt whether you could simply write to Departmental Ministers and invite them to get on with the CPRS recommendations (ii) and (iii) without giving a clearer idea of what is in mind. If MISC 14 would like further work done on these aspects I suggest that the CPRS might be invited either to prepare a detailed note for further discussion by MISC 14, after which you could write to your colleagues, or to send you the draft of a note for you to circulate to Departmental Ministers, subject to comments by other members of MISC 14.

Recommendation (i)

6. Ministers may feel that interdepartmental exchange of views and experience would be valuable: though, since Departmental R & D efforts are in widely disparate fields, the experience of one Department may prove to be of limited relevance to others. Should the Chief Scientist go ahead now or would it be better to defer a decision on this recommendation until the precise work to be done has been clarified on the basis of further work by the CPRS as suggested above?

Recommendation (iv)

7. It is for the Secretary of State for Education and Science to say whether an ABRC study of monitoring methods used by the Research Councils would be useful and if so to put the necessary work in hand.

FURTHER ISSUES: Paragraphs 48-56

8. The CPRS point out that their propositions under this head 'represent brief and unsupported statements' of issues. The question is whether, and if so how, they should be translated into further action.



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Paragraph 50

9. The definition of research objectives by Departments is bound up with the questions on Departmental monitoring. You may wish the CPRS to develop their ideas further in the first instance in the context of any further work they do on monitoring. Once Ministers have reached general agreement on how this might be tackled it will be for Departments to pursue it in detail; but Departmental Ministers will need a clear indication of what MISC 14 requires of them. The recent report by the House of Lords Select Committee, 'Science and Government', is relevant to this. Work is already in hand within CPRS and elsewhere on the recommendations in this report as a basis for discussion at official level before papers are put to Ministers. The <sup>CPRS</sup> are therefore well placed to ensure that what emerges from the studies on the Select Committee report is in step with any further work on monitoring and research objectives that MISC 14 might commission.

Paragraphs 49 and 52

10. The CPRS' points on the general research surcharge and on proxy customers are probably for individual Departments to consider in the context of work on research objectives and monitoring. I doubt if they need discussion in MISC 14; but CPRS will need to develop them in more detail if they want them followed up.

Paragraph 51

11. The Department of Industry already has in hand work on the scope for further privatisation and/or contracting out of Government R & D, following discussion in E(DL). The scope is now limited, but no doubt they will bring any proposals to E(DL) in due course.

Paragraph 54

12. It is difficult to judge on the basis of the information in the CPRS paper whether the study of the UKAEA that they propose would be appropriate. I suggest that they might either be invited to pursue this separately with the Department of Energy, or that they might let you have the draft of a more detailed letter to the Secretary of State for Energy proposing a study.

Paragraphs 53, 55 and 56

13. These paragraphs raise the questions of the overall balance of the UK's R & D effort, and how it might be exploited, which lie at the heart of the Group's concerns.





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The main questions raised are:-

(i) Does the Group want 'a visionary study of Government R & D in the year 2000' (paragraph 53)? This would be a time-consuming exercise and the Group may question its value; a paper written in the 1960s about R & D in the 1980s would probably have been well off the mark.

(ii) In the light of paragraph 55 does the Group want the CPRS to prepare a paper setting out how the balance of R & D in this country compares with other countries, discussing the approach adopted by other countries to the establishment of objectives in R & D and suggesting what the objectives for the Government's R & D effort might be?

(iii) Should the Secretary of State for Defence be invited to report on means of increasing industrial spin off from Defence R & D (paragraph 56) in the light of the study now being conducted for a NEDO EDC by Sir Ieuan Maddock?

HANDLING

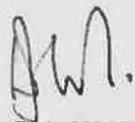
14. Mr Ibbs and Dr Nicholson will wish to speak to this paper.

15. On monitoring (paragraphs 42 to 47) you will wish to consider the CPRS' four specific recommendations discussed in paragraphs 5-7 above.

16. You will then want to consider the further issues for discussion in paragraphs 48 to 56 of the CPRS paper and discussed in paragraphs 8-13 above.

CONCLUSIONS

17. You will want to record specific conclusions on all the points listed above and any further conclusions that may emerge about the need for work on topics not raised in the CPRS paper or the relative priority to be accorded to the various proposals for further work which arise.

  
D J L MOORE  
Cabinet Office  
16 March 1982



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*pwp*

FROM: ROBIN HARRIS  
31 March 1982

CHANCELLOR

cc Chief Secretary  
Financial Secretary  
Economic Secretary  
Minister of State (C)  
Minister of State (L)  
Mr Ridley  
Mr French

*[Handwritten signature]*

PUBLIC OPINION POLLS

The latest background note on the polls shows principally that:

- i) We are improving our position steadily and (so far) Hillhead does not seem to have reversed the slip in Alliance support.
  
- ii) Attitudes to the EEC remain deeply hostile and approval for the Prime Minister's tough handling of budgetary matters remains high. The latter clearly has increased significance now that Jenkins seems destined to become leader of <sup>the</sup> SDP and it might be argued that the tone of our utterances on Europe should reflect that vulnerability in the SDP's defences.

*RH*

ROBIN HARRIS  
31 March 1982

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3

PUBLIC OPINION BACKGROUND NOTE 106  
(29th March 1982)

1. Introduction

Gallup completed the interviewing for our latest 'tracking' study on 22nd March - two days before the Glasgow Hillhead by-election. The study found the first Conservative lead over both the Alliance (Social Democrat plus Liberal) and the Labour Party since the emergence of the Alliance in early 1981. The survey found a continuation of the upward drift in the level of Conservative support that we have been finding since late February. This study found 34% claiming they will vote Conservative (26½% 17/22 Feb), 30% Labour (33½% 17/22 Feb), 11% Liberal (14% 17/22 Feb) and 21% Social Democrat (22% 17/22 Feb).

|| If the pattern of national support for the parties we found after the Social Democrat victory at Crosby is repeated after Hillhead, we can expect some improvement in the Alliance position in our next tracking study which will have been conducted largely after the Hillhead by-election. The table on the following page shows details of the trend in support for the main parties since early June 1981. It would be noted that it excludes 'don't knows'.



VOTING INTENTION -

(unprompted question, excluding don't knows)

	<u>CON</u>	<u>LAB</u>	<u>LIB</u>	<u>SOCIAL</u> <u>DEMOCRAT</u>	<u>OTHER</u>	<u>LEAD</u>	<u>LIBERAL &amp; SOCIAL</u> <u>DEMOCRAT</u>
	%	%	%	%	%	%	%
<u>1979</u>							
May (GE)	43.9	36.9	13.8	-	5.5	+7.0	13.8
13/16 June*	42.0	43.5	13.0	-	5.0	-9.0	13.0
<u>1981</u>							
3/8 June	31.0	40.0	14.0	12.5	2.5	-9.0	26.5
9/15 June	29.5	37.5	18.0	12.5	2.5	-8.0**	30.5
16/22 June	32.0	37.0	15.5	13.0	2.5	-5.0	28.5
24/30 June	29.0	40.0	17.0	12.0	2.0	-11.0	29.0
1/6 July	30.5	39.5	14.0	13.0	3.0	-9.0	27.0
8/13 July	30.0	40.5	14.5	12.0	3.0	-10.5**	26.5
15/20 July	29.0	36.0	16.0	17.0	2.0	-7.0	33.0
22/27 July	26.0	38.0	13.0	21.0	2.0	-12.0	34.0
29 July/3 Aug	25.5	40.0	11.5	20.5	2.5	-14.5	32.0
5/10 Aug	27.0	36.0	15.0	19.0	4.0	-9.0	33.0
12/17 Aug	28.0	38.5	13.0	19.0	1.5	-10.5**	32.0
19/24 Aug	29.0	34.0	17.0	18.0	2.0	-5.0	35.0
26/31 Aug	26.0	41.0	15.0	16.0	2.0	-15.0	31.0
1/7 Sept	25.0	41.0	15.0	16.0	3.0	-16.0	31.0
9/14 Sept	32.0	36.5	11.5	17.5	2.5	-4.5**	29.0
16/21 Sept	25.0	36.5	16.0	19.0	3.5	-11.5	35.0
23/28 Sept	24.5	33.5	16.5	24.0	1.5	-9.0	40.5
30 Sept/5 Oct	26.0	38.0	12.0	21.0	3.0	-12.0	33.0
7/12 Oct	27.0	31.0	12.5	26.5	3.0	-4.0	39.0
14/19 Oct	28.5	34.0	12.5	22.0	3.0	-5.5	34.5
21/25 Oct	29.5	28.0	13.5	26.5	2.5	+1.5**	40.0
28 Oct/2 Nov	26.5	29.0	13.0	29.5	2.5	-2.5	42.5
4/9 Nov	26.5	28.5	14.5	28.5	2.0	-2.0	43.0
11/16 Nov	26.5	29.0	15.0	27.0	2.5	-2.5**	42.0
18/23 Nov	25.5	26.0	14.0	32.0	2.5	-0.5	46.0
25/30 Nov	25.0	26.5	15.5	30.0	3.0	-1.5	45.5
2/7 Dec	26.0	21.0	13.5	38.0	1.5	+5.0	51.5
9/14 Dec	23.0	23.5	14.5	36.0	3.0	-0.5**	50.5
<u>1982</u>							
6/11 Jan	25.5	30.0	17.0	25.0	2.5	-4.5	42.0
13/18 Jan	27.5	29.5	13.0	26.5	3.5	-2.5**	39.5
20/25 Jan	30.0	27.0	14.0	26.5	2.5	+3.0	40.5
27 Jan/1 Feb	29.0	29.0	15.0	24.0	3.0	0.0	39.0
3/8 Feb	29.0	29.0	15.0	26.0	1.0	0.0	41.0
10/15 Feb	27.5	34.0	14.5	21.5	2.5	-6.5**	35.0
17/22 Feb	26.5	33.5	14.0	22.0	4.0	-7.0	36.0
24 Feb/1 March	31.0	32.5	11.0	22.5	3.0	-1.5	33.5
3/8 March	30.0	33.5	11.5	21.0+	4.0	-3.5	32.5
11/15 March	31.5	33.0	11.5	21.5+	2.5	-1.5**	33.0
17/22 March	34.0	30.0	11.0	21.0+	4.0	+4.0	32.0

\* First Gallup post-Election survey

\*\* Published polls

+ Includes those saying they would vote for the 'Alliance'

2. Government Record

The latest tracking study found almost no change in the level of approval of the record of the Government - 28% approved and 60% disapproved. Details are shown below:-





GOVERNMENT RECORD

	<u>Approve</u> %	<u>Disapprove</u> %	<u>Don't know</u> %
<u>1979</u>			
13/18 June	34	41	25
<u>1981</u>			
1/7 September	23	65	13
9/14 September	26	63	11
16/21 September	21	67	11
23/28 September	21	66	13
30 Sept/ 5 Oct	21	70	10
7/12 October	20	68	12
14/19 October	24	65	12
21/26 October	24	62	13
28 October/ 2 November	23	66	10
4/9 November	27	64	9
11/16 November	23	66	11
18/23 November	22	66	12
25/30 November	22	65	14
2/7 December	20	69	11
9/14 December	18	70	12
<u>1982</u>			
6/11 January	23	65	12
13/18 January	24	65	12
20/25 January	26	62	13
27 Jan/1 Feb	25	62	13
3/8 Feb	26	63	11
10/15 Feb	24	66	10
17/22 Feb	22	66	13
24 Feb/ 1 March	23	63	13
3/8 March	24	65	11
11/15 March	29	59	12
17/22 March	28	60	13

3. Popularity of Political Leaders

As with the standard question on attitudes to the record of the Government, our tracking question on attitudes to the leaders of the three main parties showed almost no change in our latest study. 33% claimed to be satisfied with Mrs Thatcher as Prime Minister (62% dissatisfied), 64% thought Mr Foot is not a good leader of the Opposition (22% thought he is) and 59% thought Mr Steel is a good leader of the Liberals (21% thought he is not).



POPULARITY OF POLITICAL LEADERS

	<u>Mrs Thatcher</u>			<u>Mr Foot</u>			<u>Mr Steel</u>		
	<u>Sat.</u>	<u>Dis-</u>	<u>Don't</u>	<u>Is</u>	<u>Is</u>	<u>Don't</u>	<u>Is</u>	<u>Is</u>	<u>Don't</u>
	%	sat.	Know	%	Not	Know	%	Not	Know
<u>1981</u>									
1/7 September	28	67	5	29	52	19	63	18	19
9/14 September	32	62	6	28	54	18	56	21	23
16/21 September	27	68	5	28	52	20	64	16	20
23/28 September	28	67	5	25	57	18	64	17	19
30 Sept/ 5 Oct	27	68	6	31	49	20	60	20	20
7/12 Oct	26	68	6	28	50	22	62	19	18
14/19 Oct	31	62	7	31	50	20	64	15	21
21/26 Oct	33	62	5	27	54	19	64	20	16
28 Oct/ 2 Nov	29	65	6	25	59	16	64	19	17
4/9 Nov	32	64	3	24	62	14	68	16	16
11/16 Nov	28	66	6	16	67	17	64	17	19
18/23 Nov	29	66	5	18	68	15	69	15	16
25/30 Nov	29	65	5	18	68	15	67	15	18
2/7 Dec	29	66	5	18	68	14	64	18	18
9/14 Dec	25	70	5	19	67	14	63	18	19
<u>1982</u>									
5/11 January	30	65	5	20	65	14	62	20	18
13/18 January	32	65	4	18	67	16	59	22	19
20/25 January	32	64	4	17	68	15	59	22	19
27 Jan/1 Feb	33	62	5	19	64	17	60	18	22
3/8 Feb	31	65	4	20	63	17	61	20	19
10/15 Feb	29	66	5	19	66	15	59	23	17
17/22 Feb	29	65	5	20	64	16	58	20	21
24 Feb/1st March	32	63	5	21	64	15	55	23	22
3/8 March	30	66	4	20	64	16	58	24	18
11/15 March	34	62	4	21	65	14	58	22	10
17/22 March	33	62	5	22	64	14	59	21	20

4. Published Polls(a) N.O.P. (Daily Mail 24th March 1982)

The Daily Mail on 24th March included the results of an N.O.P. poll on attitudes to law and order conducted on 21/22 March.

They found that eight out of ten people believe that sentences for violent crimes are not tough enough. N.O.P. found 57% thought this had contributed a great deal to the increase in violent crime and another 34% thought that lighter penalties have contributed 'a fair amount' to the rise in the crime figures. N.O.P. found that 88% of the electorate believe that the present penalties for rape are not tough enough and nearly half believe there should be a jail sentence of 10 years or more.



When asked about Willie Whitelaw, N.O.P. found that 67% thought he is being too soft and that 21% thought he is handling violent crime about right. Of those who were critical of him 47% thought he should quit.

When N.O.P. asked voters which group they believe could do more to support the police they found:-

	%
The Public	51
Judges and Magistrates	38
The Government	28
Black Community Leaders	19
Local Government	16
Social Workers	15
Church Leaders	8
Labour MP's	7
Liberal/SDP MP's	8

N.O.P. found that 43% of electors thought the law and order situation had got worse since Mrs Thatcher became Prime Minister while 45% thought that having Mrs Thatcher as Prime Minister has made no difference. Only 6% thought there had been some improvement. When asked which item electors thought had most contributed to the increase in violent crime N.O.P. found:-

	%
Unemployment	61
Lack of parental control	59
Less discipline in schools	47
Criminals less frightened of being caught	38
Sex and violence on TV and films	35
Greater public acceptance of people committing vice and going to prison	17
Government handling of law and order	13
Sex and violence in pop music	12
Police methods	

When N.O.P. asked what they thought would be the single most effective way to reduce violent crimes they found:-

	%
Capital punishment	33
Corporal punishment	21
More police on the beat	14
Reduced unemployment	11
Police support by the public	8
Longer prison sentences	6
More coloured policemen	2
Changed police methods	2
Improved housing	1
Don't know	2

(b) MORI (BBC Radio 12th March 1982)

MORI conducted a poll on attitudes to the Common Market on 10th March 1982. They asked 'If there were a referendum now on whether Britain should stay or get out of the Common Market, how would you vote?' They found 36% claiming they would vote to stay in, 55% to get out and 9% did not have a view.



MORI then put to respondents a range of statements about Britain and the Common Market. The main findings from these questions are summarised below:-

Q. Do you think Britain's Membership of the Common Market over the past few years has or has not ...

	<u>Has</u>	<u>Has Not</u>	<u>Don't know</u>
Made Britain more prosperous than it would have been (%)	14	74	12
Reduced Britain's control over her own destiny (%)	63	25	13
Increased the political stability of Europe (%)	43	37	20
Made food prices go up more than they would have done (%)	85	8	7

MORI found 74% thought that our membership of the Common Market has not made us more prosperous. 63% thought our membership has reduced our control over our destiny. On the question of our membership leading to increased political stability in Europe, MORI found the electorate divided - 43% thought it had and 37% that it had not. 85% thought our membership has made food prices go up more than they would have done.

On the question of Britain's contribution to the EEC budget only 17% agreed with the view that our contribution is fair, 65% disagreed and 18% did not have a view.

|| On the question of Mrs Thatcher's handling of the Common Market Budget negotiations 47% thought she has handled them well, 33% badly and 20% did not have a view.

MORI also asked whether respondents knew the name of their Euro-MP - only 12% could name him (or her), 88% could not.

MORI finished the research by asking 'If there were a General Election tomorrow and the Labour Party was the only Party in favour of Britain withdrawing from the Common Market, which Party would you vote for'. 30% said Conservative, 37% Labour, 6% Liberal, 13% Alliance and the remainder for 'other' parties or claiming they would not vote.

(c) Opinion Research Centre (Weekend World 28th March 1982)

Weekend World on 28th March included the results of an Opinion Research Centre poll conducted on Friday 26th March. The survey was conducted across the whole of Great Britain and did not show signs of any 'bandwagon' movement to the Social Democrats. It found in terms of voting intention - Conservative 33%, Labour 32%, Liberal and Alliance 32% and others 2%. ORC found a large protest vote with 73% claiming they would vote alliance as protest vote and only 23% because they liked the leaders and policies. ORC found protest voters much weaker in their support for the Alliance than those claiming they would vote Alliance because of policies and leaders.







~~Ps / Chief Secretary.~~

1. See the Chancellor's annotations.

2. The simplest course — if the Chief Secretary agreed to no principle of such a letter — might be for you to write on the top copy what drafting changes he'd recommend.

CS7  
I've told Mr Kern  
you're in favour.  
Are you content with  
the changes, please?  
TM  
29/3

J.P.L.  
29/iii  
✓ Encl. MS  
LB suggests

29/3

D.12 Other

CHANCELLOR

cc Chief Secretary

POLICY WORK AFTER EASTER

You asked me last night to let you have a draft letter to send to Cecil Parkinson on the familiar themes of ensuring that there is the necessary thinking, logistics and co-ordination for policy work with a view to striking the right priorities for the next election and beyond. I hope that the attached draft is roughly on the lines that you wanted.

*It is far too long!*

*AR*

ADAM RIDLEY

*Will I be asked*

*- to report to CST committee*

*(I've not discussed with him in detail)*



M. Lym.   
 ✓ 30/3

? Rt Hon etc.

DRAFT LETTER FOR THE CHANCELLOR TO SEND TO CECIL PARKINSON MP

~~Confidential~~

I wonder if we could find time soon to have an informal chat about some broad questions of policy development and organisation. I am keen, now that the Budget is over, to ensure that this Department's ~~considerable~~ resources are properly focussed, ~~as they should be,~~ over our remaining period in office. We have a number of important policy initiatives under study, or development. We are doing ~~all a good~~

~~we can to strengthen and improve the presentation of policy.~~   
 *on words means of*   
 *improving policy*

*deal of work, will*   
 policy, much of which you ~~will be~~ *are already* familiar with. We also

feel that it is time we thought ~~much more carefully about~~ *to review long term* policies, ~~over the very long term,~~ encompassing a second ~~the~~ Parliament, and /wares we might want to exhibit in our manifesto at the next election. All of this needs

some careful organisation in the near future. [

If past years are anything to go by, we shall be plunged back into a hectic maelstrom by the end of April, and there will be no let-up until well into August. Most of us hope to be on holiday during the period in the run-up to the Party Conferences, and I for my part will also be very busy - as will Leon Brittan - with public spending matters and various international engagements such as the IMF/World Bank Conference. So I am keen to think through priorities now, and to get any necessary or useful work that might be needed set in hand without further delay. ]

3.

~~I should mention in passing that~~ [ I have already initiated

~~two~~ exercises which are being undertaken by Adam Ridley

here. First, we plan to extend and complete some interesting



work he has undertaken on the ~~significance of the~~ SDP.  
~~Naturally~~ This will be of continuing importance for us as  
they develop their economic policies more precisely, and  
move towards their first serious Party Conference this  
autumn. ~~Second and more important,~~ <sup>Secondly,</sup> I have asked him to  
look very carefully at ~~the~~ <sup>The overall</sup> economic prospects for the next  
few years, with a view to teasing out the ~~the~~ wider political  
and policy implications, ~~these suggest,~~ and any other  
lessons for the handling of both policy and politics for  
the rest of this Parliament. ~~I hope that he will be able~~ <sup>He should</sup>  
to finish this work ~~before the end~~ <sup>by the end</sup> of April.

4. These exercises ~~will,~~ <sup>show</sup> however, only help ~~us to discern a~~  
~~little more clearly~~ <sup>fill in</sup> some of the background ~~against which~~  
~~the activities of the Government will be developing~~ <sup>policy issues should be addressed from now on.</sup>  
~~henceforward.~~ <sup>But wider</sup> ~~Wider~~ issues of presentation and policy-  
~~also~~ making should, be engaging our attention.

5. On the presentation front, you may recollect the saga of  
the proposed mid-term policy document, which was not in  
the event published last year. I am sure that the basic  
idea was a sensible one, ~~even if in the event it did not~~  
~~come off in 1981.~~ I therefore wonder whether there is a  
case for ~~anything remotely comparable in 1982,~~ <sup>revising it now, perhaps aiming at</sup> perhaps  
~~timed for~~ the Party Conference season? The last year has  
seen a very considerable increase in the level and quantity  
of discussion about important economic issues, ~~as you~~  
~~will know well enough.~~ We have both the rise of the SDP  
with ~~all~~ their proposals for ~~modest~~ reflation, job creation ~~etc;~~  
~~and much else;~~ and the development of Labour's ~~somewhat~~





eccentric alternative economic strategy, and in the wings the beginnings of their attack on our membership of the Community. ~~Looking over the next six months we have to face a number of important decisions, too. Some will be awkward and need careful defence - for example the treatment of public service pay (eg the civil service pay arbitration, or inflation-protected pensions).~~ Others may be more favourable.

Either way we ought to be having our say in a sensible and reasoned way in public for informed opinion.

*is a prima facie case* ~~is a considered statement of our~~ *current* thinking on some of these matters.

6. ~~But even~~ *presentations* More important than that, however, is the shaping of

sensible policies for our second term and for our next election manifesto. You may ~~well~~ have heard of the difficulties we faced in 1974 - certainly I shall never forget the problems we encountered in a surprise election ~~coming~~ after many months of extreme overwork and prolonged crisis. No doubt the Labour Party had much the same

difficulty in 1979. I am sure we would do well to avoid any such experience <sup>before</sup> the next election. ~~To do so we need both to think a little~~ *Thinking well in advance* about the practical matters,

and also about what policy areas should be given the highest priority in the work of Departments. In my area - perhaps most of all in taxation - there are very clear choices between things we might want to legislate for (eg in the next Finance Bill), things we might want to agree firmly to proceed with in principle, and things which might best be left till the later 1980s. I have little doubt that other colleagues will face comparable choices. Precisely which choices we collectively settle on in the coming months could be very important, and we ought to do so in a

*In addition, some of the decisions likely to be announced such as those relating to inflation, pensions, etc. These are matters.*

*at a time when the immediate crisis has passed, a long period of very hard bargaining.*

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice. This ensures transparency and allows for easy verification of the data.

In the second section, the author outlines the various methods used to collect and analyze the data. This includes both primary and secondary data collection techniques. The analysis focuses on identifying trends and patterns over time, which is crucial for making informed decisions.

The third part of the document provides a detailed breakdown of the results. It shows that there has been a significant increase in sales volume, particularly in the online channel. This is attributed to the implementation of the new marketing strategy and the improved user experience on the website.

The fourth section discusses the challenges faced during the data collection and analysis process. One major challenge was the inconsistency in the data provided by different departments. This was addressed by implementing a standardized data collection protocol and providing training to the staff.

Another challenge was the limited availability of historical data for comparison. To overcome this, the author conducted a thorough audit of the existing data sources and identified ways to improve data retention and accessibility for future reference.

The final part of the document offers conclusions and recommendations. It suggests that the current marketing strategy is effective but needs to be continuously monitored and adjusted based on market changes. The author also recommends investing in more advanced data analytics tools to gain deeper insights into customer behavior.

considered way having a regard to the wider interests of the Government as well as narrow Departmental concerns.

[ One of my reasons for wanting to talk about all this with you is that it is not entirely obvious how best to get on with this kind of work and thinking. We are perhaps if anything in a slightly less good position now than we were last year, as far as Government is concerned - while you for your part are in a somewhat stronger position at Central Office. John Hoskyns and his little unit are shortly stopping their work at No 10, and Alan Walters will, I suspect, not be there forever. While there is a useful scattering of political advisers in Departments other than this one, our coverage is very incomplete. We have, of course, the Liaison Committee. So far I have formed the impression that it is, very properly, focussing more or less exclusively on publicity and policy presentation. Perhaps this is all it should do. But when we meet we might consider whether it might in time play a slightly wider role <sup>we should seek</sup> or some other arrangement, formal or informal, to deal with the substance of policy problems. I should, of course, stress that I am most definitely not thinking only of economic policy proper. Part of my concern is that economics has come to dominate the political scene far too much, and I am sure we would do ourselves a great deal of good by giving more air and publicity to the Government's other interests and actions at all times up to an election. ]

*I would*  
*omit this*  
7. <sup>well know</sup> I am ~~well aware~~ how busy you are these days, but if it were



PERSONAL & CONFIDENTIAL

a convenient time for us to ~~to~~ take a look at these issues,

possible to find ~~some~~ <sup>B</sup> time to consider all this ~~with~~ <sup>then</sup> Leon Brittan, either immediately before or after Easter, I should

be most grateful. <sup>s.</sup> <sup>Just</sup> It would be helpful, too, if Adam Ridley and Peter Cropper were to get together <sup>to cover some of the</sup> at their level to ~~consider some of the same issues,~~ <sup>same ground at this level. If you agree,</sup> and with your permission

I shall ask Adam to ~~do so.~~ arrange T.3.

119. A copy of T.3 letter goes to Leon Brittan.

<sup>The issues.</sup>  
Obviously ~~this is a subject which will need to~~  
be discussed in due course with a number  
of the colleagues: as at this stage I do  
not know how to proceed it will probably  
be. 118.

JW

PERSONAL & CONFIDENTIAL



PERSONAL AND CONFIDENTIAL

5  
As with you  
7



FROM: T F MATHEWS

DATE: 29 March 1982

~~PRINCIPAL PRIVATE SECRETARY~~

cc Adam Ridley

POLICY WORK AFTER EASTER

The Chief Secretary has seen the draft letter for the Chancellor to send to Mr Parkinson attached to Mr Ridley's minute of 26 March - on which Mr Ridley had commented "It is far too long". The Chief Secretary has commented - "Yes, but it does cover the ground that concerns us."

TM

T F MATHEWS

PERSONAL AND CONFIDENTIAL





Tahn

Fixed for  
25 April as  
suggested.

Shawn ✓

Ula

Shawn

SCB  
21/4



Fix mtg.  
Discuss the  
address point  
with Ann

Can you fit in  
the CST to be there  
too, please

CHANCELLOR.

as of 1 overlaid  
No 11.

Mr PARSONSON: PROTESTO  
Policy Discussion.

I spoke to his Sec'y following  
yr. recent meeting with  
the CST, HSC(E) & myself &  
your letter of March 30th  
suggesting the need for a  
talk about policy formation  
etc. She was obviously wanting  
for him to get less busy before  
responding, so my call was a  
'good thing'. We felt that

OK Weezy April 28th, 4-30 - 6-30 p.m.  
diary with

looked like being quite a good  
time. I said I would

report back & get your office

to confirm, or propose an alternative  
if needed.

Confirm?

X. She (Shirley Oxenbun) also

observed that your original  
*I'm not sure.*

letter was erroneously sent

to the PRG's office, despite its

obvious party political

content; <sup>she</sup> asked me to draw

*Not, I think, when rightly classified confidential*  
every one's attention to the

need to send such

material to <sup>him at</sup> Central

Office!

I would suggest that

you would want to have upto

✓ 1 1/2 hrs. ideally; & 1 hr min. for

this occasion. M 20/4

John

CST will attend the  
meeting with Parkinson  
but has E(EA)  
at 5:45 pm.

Sharon



Treasury Chambers, Parliament Street, SW1P 3AG  
 01-233 3000

30 March 1982

The Rt. Hon. Cecil Parkinson, MP  
 Paymaster General

*Don Lewis*

I wonder if we could find time soon to have an informal chat about some broad questions of policy development and organisation?

I am keen, now that the Budget is over, to ensure that this Department's resources are properly focussed, over our remaining period in office. We have a number of important policy initiatives under study, or development. We are doing a good deal of work, with much of which you are already familiar, on means of improving policy presentation. We also feel that it is time we sought to review long term policies, encompassing a second Parliament, and the wares we might want to exhibit in our manifesto at the next election. All of this needs some careful organisation in the near future.

I have already initiated two exercises which are being undertaken by Adam Ridley here. First, we plan to extend and complete some interesting work he has undertaken on the SDP. This will be of continuing importance for us as they develop their economic policies more precisely, and move towards their first serious Party Conference this autumn. Secondly, I have asked him to look very carefully at the overall economic prospects for the next few years, with a view to teasing out their wider political and policy implications, and any lessons for the handling of both policy and politics for the rest of this Parliament. He should finish this work by the end of April.

These exercises should help fill in the background against which policy issues should be addressed from now on. But wider issues of presentation and policy-making should also be engaging our attention.

On the presentation front, you may recollect the saga of the proposed mid-term policy document, which was not in the event published last year. I am sure that the basic idea was a sensible one. I wonder whether there is a case for reviving it now, perhaps aiming at the Party Conference season? The

/last year

*m CST  
 Mr. Ripley  
 1. Pl. copy also to Mr French  
 Mr. Harris  
 2. New Prop. J.M.*



last year has seen a very considerable increase in the level and quantity of discussion about important economic issues. We have both the rise of the SDP with their proposals for reflation, job creation etc; and the development of Labour's eccentric alternative economic strategy, and in the wings the beginnings of their attack on our membership of the Community. In addition some of the decisions likely to be announced in the next few months, such as those relating to inflation-proofed pensions, will need care in presentation. There therefore is a prima facie case for a considered statement of our current thinking on some of these matters.

But even more important than presentation is the shaping of sensible policies for our second term and for our next election manifesto. You may have heard of the difficulties we faced in 1974 - certainly I shall never forget the problems we encountered in a surprise election at a time when an immediate crisis came on top of a long period of very hard pounding. No doubt the Labour Party had much the same difficulty in 1979. I am sure we would do well to avoid any such experience before the next election. This means thinking well in advance about the practical matters, and also about what policy areas should be given the highest priority in the work of Departments. In my area - perhaps most of all in taxation - there are very clear choices between things we might want to legislate for (eg in the next Finance Bill), things we might want to agree firmly to proceed with in principle, and things which might best be left till the later 1980s. I have little doubt that other colleagues will face comparable choices. Precisely which choices we collectively settle on in the coming months could be very important, and we ought to do so in a considered way having regard to the wider interests of the Government as well as narrow Departmental concerns.

I well know how busy you are these days, but if it were possible to find a convenient time for us to take a look at these issues, with Leon Brittan, either before or just after Easter, I should be most grateful. Obviously the issues need to be discussed in due course with a number of other colleagues; but at this stage I do not propose to broach them with anybody else.

It would be helpful, too, if Adam Ridley and Peter Cropper were to get together to cover some of the same ground at their level. If you agree, I shall ask Adam to arrange this.

A copy of this letter goes to Leon Brittan.

A handwritten signature in black ink, appearing to read 'Geoffrey Howe'.

PERSONAL AND CONFIDENTIAL

FROM: ADAM RIDLEY  
14 April 1982

CS/T

cc Chancellor  
Mr Wakeham

POLICY WORK

The Chancellor passed me the attached this morning, which is relevant both to the imminent meeting of the Liaison Committee and under consideration of future policy work, such as may be discussed at our meeting with the Chancellor on Monday morning. I gather the ideas about Party policy work remain very much "balons d'essais" from Peter Cropper at this stage.

*M*

A N RIDLEY



From: The Rt. Hon. Sir Keith Joseph, Bt., M.P.



The Rt. Hon. Cecil Parkinson, M.P.,  
Chairman,  
Conservative and Unionist Central Office,  
32 Smith Square,  
Westminster,  
London, SW1P 3HH.

26th March 1982.

Dear Cecil.

I am sorry that I haven't written several days ago, as I promised I would, possible subjects for policy work.

Here is a first list, to which I imagine I am free to add from time to time as ideas occur to me:

1. <sup>Crime</sup> ~~Climate~~, in relation particularly to the family and what can be done to strengthen family performance.
2. Decentralisation of ownership by every possible means.
3. Denationalisation and demonopolisation.
4. "Ralph Howell".
5. Spreading an understanding of where jobs come from.
6. Party finance and related issues.
7. As if you needed reminding! - Rates.
8. Voluntary bodies.

Yours,

Keith





POLICY GROUP WORK - 1982 (*tentative proposals*)

The Prime Minister has requested that about half a dozen Policy Groups should be set up, to examine the report on areas of policy which are likely to require comment in the 1983/84 Manifesto.

These groups will include Members of Parliament, active Party Members and expert outsiders. It is envisaged that the Centre for Policy Studies will be invited to join forces with the Research Department in this work, but that the secretariat will be provided by the Research Department.

The Group will be invited to submit their reports through the Party Chairman to the Prime Minister in early January 1983. In the light of circumstances, some of the Groups may continue working through 1983.

The following topics and terms of reference may be considered to be among the most promising. My own selection of six are marked with an asterisk:

\* 1. Tax and Social Security

("Ralph Howell: Why Work"). To consider the interaction between the tax system and the social security system; to investigate the factors that discourage effort and blunt incentives at the lower end of the income scale; to consider the feasibility of cutting public expenditure on the scale that would be needed to raise tax thresholds substantially and to bring down the marginal rates of personal tax.

\* 2. Transfer of Assets to the Private Sector

To review the progress already made with 'Privatisation' and to identify further scope; considering, in particular, the possibility of breaking down the 'hard-core' monopolies through introduction of competition.

3. Nationalised Industries

To examine the continuing tendency of nationalised industries to generate inflation and to consider ways of improving efficiency and



economy in the use of resources; to consider the relationship between Government, Parliament and Nationalised Industries.

\* 4. Extension of Choice in the Market Economy

To consider how market influences may be brought to bear more swiftly in education (vouchers), universities (student loans), health (private health insurance) and pensions (switch from funded and group schemes to individual provision).

5. Constitutional Matters

To consider the Party's attitudes on Proportional Representation, Lords Reform and Devolution.

\* 6. Finance of Political Parties

To consider the further development of tax incentives in favour of voluntary giving to political parties; to re-examine the case for State Aid.

7. Charities and Voluntary Action

To consider the tax position of Charities, with a view to boosting the whole field of Voluntary Action in the United Kingdom.

\* 8. Public Expenditure

To review the progress made in Government and in Parliament to improve the control and scrutiny of Public Expenditure; to re-consider the scope for major cuts in the big four spending areas without which further substantial cuts in income tax are impossible; welfare, defence, local government support, subsidies to nationalised industries.

\* 9. Wider Ownership

To review progress and to consider what may be needed to bring about a more rapid extension of individual asset ownership - particularly of shares and assets in the small business sector.

10. Rates

To consider the finance of local government in the light of the



Government's Green Paper and the response thereto.

11. London's Transport and Road Systems

To consider the future of London and the Metropolitan Counties, and of their transport and road systems.

12. Law and Order

To consider trends in crime, particularly in relation to the family and what can be done to strengthen it; to examine, specifically, what could be done to reduce the epidemic of burglary.

*DJ*

5 April 82.



CONFIDENTIAL



FROM: J O KERR  
23 April 1982

*by Tuesday  
night.  
JK*

MR RIDLEY

cc PS/Chief Secretary *JK*

POLICY DEVELOPMENT: DISCUSSION WITH MR PARKINSON

Following your discussion with Mr Parkinson's office, we have confirmed with them that the Chancellor and the Chief Secretary will meet him at No.11 at 4.30pm on 28 April for the discussion suggested in the Chancellor's letter of 30 March.

2. That letter also suggested that you and Peter Cropper might get together to cover some of the same ground. If there is anything more to report from these discussions, no doubt you will let the Chancellor know before next Wednesday's meeting - perhaps with some advice on how best to structure the talk then?

*JK*

J O KERR





# Conservative Research Department

32 Smith Square Westminster SW1P 3HH Telephone 01-222 9511

Director: PETER CROPPER

*P.P. put in files, 26th April, 1982  
with earlier pp,  
incl. my memo  
to Mr Ridley about  
transmission meeting*

*Dear Geoff*

*PC*

I enclose some agenda notes proposed for Cecil Parkinson and yourself in advance of the meeting we hope to hold, with Adam Ridley and myself, on Wednesday 28th April at 4.30 p.m. at No. 11.

*PC*

*Peter*

Peter Cropper

The Right Hon. Sir Geoffrey Howe, QC, MP,  
H.M. Treasury,  
Whitehall,  
London S.W.1.



CONFIDENTIAL

POLICY WORK: AGENDA NOTES FOR MEETING

29th APRIL, 1982

1. We have been given the go-ahead to launch policy work directed towards the 1984 General Election and the associated Manifesto, and towards the ensuing Conservative administration.
2. There are two distinct ways of looking at policy work, depending whether one is thinking mainly of the needs of the leadership or the needs of the Party. For the purpose of the leadership, policy work probably needs to be conducted within a narrow circle, and in conjunction with official bodies such as the CPRS and the policy divisions of the Departments. For the purpose of the Party, the wider the participation the better. Policy groups meet the needs of a sort of people who like belonging to policy groups; they are a means by which Party activists, backbenchers and professional experts can be made to feel their contributions are welcome in the policy forming process.
3. We need to decide whether we are engaged in the one or the other type of policy work. Or in both. On this depends crucially the membership of the groups and the amount of publicity given to their existence and activity. The VAT Task Force of 1978 was launched with a fanfare of publicity and its report was published as a Green Paper. "Stepping Stones" was not even known about except among a very small circle. Which is it to be?
4. The following questions may also be worth asking.
  - i) Number of Groups: Is it around six?
  - ii) Constitution: Should each group be chaired by a PPS or backbencher (Whip?). Should the membership include MPs, active Party members, representatives of the Centre for Policy Studies, outside experts?
  - iii) Secretarial Services: Provided by CRD?
  - iv) Manner of Appointment: Potential Chairmen to be approached by Party Chairman and given terms of reference as formulated by an appointed Steering Group? Consisting of whom? Membership of groups to be decided by Steering Group?



- v) Standard Format: Should each group be asked to follow a standard routine, such as:
  - a) State 1979 Manifesto position
  - b) Review progress since 1979 and list possible actions
  - c) State present attitude of Opposition parties
  - d) Consider the options for the next Conservative administration
  - e) Propose a formula for the 1984 Manifesto.
- vi) Timing: If groups are established by the end of May 1982, reports to be made by end of January 1983?

5. Topics: Attached to this note are:

- i) a short list of suggested topics in a letter from Sir Keith Joseph dated 26th March.
- ii) a round up of topics listed by PJC (5th April) with a personal selection marked by asterisks.

6. Names: Some of those which come to mind:

MPs: Beaumont-Dark, Best, Brooke, Buck, Colvin, Cope, Dean, Forman, Griffiths (E), Hannam, Higgins, Hooson, Hordern, Howell (R), Miller (H), Nelson, Patten (C), Renton, Sainsbury, Stanbrook.

Inner Party Members: Hoskyns, Minford, Brian Griffiths, Vinson, Joynes, Avery-Jones, Carmichael, Sutherland, Prest, Kerr, Boswell, Sewill, Sherbourne. (Ferdinand Mount)



Peter J. Cropper

26 April, 1982



From: The Rt.Hon. Sir Keith Joseph, Bt., M.P.



The Rt.Hon. Cecil Parkinson, M.P.,  
Chairman,  
Conservative and Unionist Central Office,  
32 Smith Square,  
Westminster,  
London, SW1P 3HH.

26th March 1982.

Dear Cecil.

I am sorry that I haven't written several days ago, as I promised I would, possible subjects for policy work.

Here is a first list; to which I imagine I am free to add from time to time as ideas occur to me :

1. <sup>Crim</sup>~~Climate~~, in relation particularly to the family and what can be done to strengthen family performance.
2. Decentralisation of ownership by every possible means.
3. Denationalisation and demonopolisation.
4. "Ralph Howell".
5. Spreading on understanding of where jobs come from.
6. Party finance and related issues.
7. As if you needed reminding! - Rates.
8. Voluntary bodies.

Yours,

Keith





POLICY GROUP WORK - 1982

The Prime Minister has requested that about half a dozen Policy Groups should be set up, to examine the report on areas of policy which are likely to require comment in the 1983/84 Manifesto.

These groups will include Members of Parliament, active Party Members and expert outsiders. It is envisaged that the Centre for Policy Studies will be invited to join forces with the Research Department in this work, but that the secretariat will be provided by the Research Department.

The Group will be invited to submit their reports through the Party Chairman to the Prime Minister in early January 1983. In the light of circumstances, some of the Groups may continue working through 1983.

The following topics and terms of reference may be considered to be among the most promising. My own selection of six are marked with an asterisk:

\* 1. Tax and Social Security

("Ralph Howell: Why Work"). To consider the interaction between the tax system and the social security system; to investigate the factors that discourage effort and blunt incentives at the lower end of the income scale; to consider the feasibility of cutting public expenditure on the scale that would be needed to raise tax thresholds substantially and to bring down the marginal rates of personal tax.

\* 2. Transfer of Assets to the Private Sector

To review the progress already made with 'Privatisation' and to identify further scope; considering, in particular, the possibility of breaking down the 'hard-core' monopolies through introduction of competition.

3. Nationalised Industries

To examine the continuing tendency of nationalised industries to generate inflation and to consider ways of improving efficiency and



economy in the use of resources; to consider the relationship between Government, Parliament and Nationalised Industries.

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To consider the Party's attitudes on Proportional Representation, Lords Reform and Devolution.

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To consider the tax position of Charities, with a view to boosting the whole field of Voluntary Action in the United Kingdom.

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To review the progress made in Government and in Parliament to improve the control and scrutiny of Public Expenditure; to re-consider the scope for major cuts in the big four spending areas without which further substantial cuts in income tax are impossible; welfare, defence, local government support, subsidies to nationalised industries.

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To consider the finance of local government in the light of the



Government's Green Paper and the response thereto.

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12. Law and Order

To consider trends in crime, particularly in relation to the family and what can be done to strengthen it; to examine, specifically, what could be done to reduce the epidemic of burglary.

*DJK*

*5 April 82.*





From: J O KERR  
26 April 1982

(mwp)

cc Mr Ridley

PS/CHIEF SECRETARY

SPECIAL ADVISERS : ALLOCATION OF RESPONSIBILITIES

Over the weekend the Chancellor saw Mr Ridley's minute of 23 April. If you - and Mr Ridley - are content, he would be happy for me to ... send out the attached - slightly simplified - version of the proposed minute to Treasury staff.

2. Mr Ridley also suggested that it would help Special Advisers if they could be kept posted on the activities of the Liaison Committee, perhaps by seeing copies of all its papers. The Chancellor would in fact welcome it if he too could be kept briefed on Liaison Committee activities.

A handwritten signature in cursive script, appearing to read 'J O Kerr'.

J O KERR







P1. retype the last line on  
P1 to get the words  
local government in —  
This minute on Ren  
issue.

Jill



From: J O KERR  
29 April 1982

PRIVATE SECRETARIES TO MINISTERS )  
PERMANENT SECRETARIES )  
DEPUTY SECRETARIES ) Copy to each  
UNDER SECRETARIES )  
MR M HALL )

#### SPECIAL ADVISERS

The Chancellor has made some adjustments in the portfolios of his special Advisers. The new allocation of responsibilities is set out below: Under Secretaries may wish to bring it to the attention of Divisional Officers.

Mr Ridley will continue to work on major strategic issues of particular concern to the Chancellor, particularly economic strategy (e.g. pay, regional and industrial policy, monetary policy, control of nationalised industries) and on major issues of policy presentation. He will also be involved with liaison with the TCSC, Conservative Central Office and Research Department, the Government Whips, MPs, and MEP's. He remains responsible for co-ordinating the special adviser effort.

Mr French will work on taxation and pensions policies, the corporate sector and financial institutions (other than monetary policy), and Finance Bill support. He also handles the planning and organisation of the Chancellor's political tours.

Mr Harris handles the preparation of Ministerial speeches and press releases for political occasions, organises meetings of Treasury Ministers and Special Advisers, and maintains a watching brief on PQ answers. He also advises on selected public spending, local government, disposals and nationalised industries issues.

/The presumption should





2. The presumption should be that at least one adviser should be sent a copy of submissions - other than "Staff in Confidence" papers - to Ministers, and relevant supporting papers, and also of briefing material for speeches. Since all advisers will be concerned regularly with matters of presentation, all three should be included on circulation lists for general briefing on key economic statistics, CBI surveys, outside economic forecasts, economic developments abroad, etc.

3. In general divisions will already know which adviser deals with the particular issues relevant to them. The attached table gives a broad guide as to who should receive copies of papers. In cases of doubt officials should seek guidance from Mr Ridley or, in his absence, Mr French or Mr Harris.

4. Sight of early drafts can be of great value to the advisers, as is early warning, whether on paper or by word of mouth, of matters on which issues of special political or presentational interest arise. Equally officials should not hesitate to get in touch with advisers where they feel that this might be helpful to them, for example for advice on the background to the Government's policy commitments as set out in the Manifesto or elsewhere, or on the drafting of replies to Ministerial correspondence.

*JOK*

J O KERR



	<u>Ridley</u>	<u>French</u>	<u>Harris</u>
<u>Economic Policy &amp; Management</u>			
Public spending strategy and control	+		+
Forecasts	+		
Tax strategy	+	+	
Monetary policy	+		
Regional policy	+		
Industrial policy	+		
Nationalised Industry policy	+		+
Disposals	+		+
Social security	+	+	
Overseas issues, EEC non-fiscal	+		
<u>Taxation</u>			
CGT and corporate borrowing	+	+	
EEC aspects		+	
Finance Bill		+	
Enterprise issues	+	+	
<u>Pay and Employment</u>			
Unemployment measures (e.g. CWS)	+		
Wages Councils, Employment Bill			+
<u>Local Authority Issues</u>			
Rates	+	+	+
Dept. of Education matters			+
<u>Financial Institutions</u>			
		+	
<u>General Briefing</u>			
Indicators, surveys, outside forecasts	+	+	+
Major developments in other economies	+		+





	<u>Ridley</u>	<u>French</u>	<u>Harris</u>
<u>Economic Policy &amp; Management</u>			
Public spending strategy and control	+		+
Forecasts	+		
Tax strategy	+	+	
Monetary policy	+		
Regional policy	+		
Industrial policy	+		
Nationalised Industry policy	+		+
Disposals	+		+
Social security	+	+	
Overseas issues, EEC non-fiscal	+		
<u>Taxation</u>			
CGT and corporate borrowing	+	+	
EEC aspects		+	
Finance Bill		+	
Enterprise issues	+	+	
<u>Pay and Employment</u>			
Unemployment measures (e.g. CWS)	+		
Wages Councils, Employment Bill			+
<u>Local Authority Issues</u>			
Rates	+	+	+
Dept. of Education matters			+
<u>Financial Institutions</u>			
		+	
<u>General Briefing</u>			
Indicators, surveys, outside forecasts	+	+	+
Major developments in other economies	+		+



*We can do better  
we have the  
§3: CST no  
note*

CONFIDENTIAL

A.17

FROM: ADAM RIDLEY  
23 April 1982

CHANCELLOR

cc CST

DUTIES OF ADVISER

1. I attach at last a draft minute for Mr Kerr to send to private offices and senior officials setting out a new allocation of duties between Messrs Harris, French and myself. As you will see from the comparable minute sent round by Martin Hall on January 15 1980 (copy also attached), the new division of labour will, if promulgated in this form, be very similar to the old. We have known from the start that one can only set such matters out in rather general terms if one is to avoid sending round something which not only resembles a telephone directory in size but is inflexible and out-of-date, too, as soon as it is available. In large measure officials know pretty well what to send to whom, do so efficiently, and are as helpful and responsive in other ways as they should be. I would therefore hope and expect that you and the CST, to whom I am also copying this, can approve the draft minute and let us get it round soon.

2. Standing back a bit from the narrow question of issuing guidance to officials, there are one or two points you might like to note or ponder on:

(a) The number of crosses on the chart at the back of this minute is not a good indication of workload. Douglas is not down for very much on that measure, but tax is a pretty all-consuming area. In fact I am proposing he should keep an eye on social security too, which Peter and I shared but which I cannot do justice to.

(b) Robin is down to receive numerous classes of paper, in substantial measure to keep him well informed for speech-writing purposes rather than because he has or wants his fingers in every policy pie. If anything you and the CST might want to involve him in more issues. Having regard to his council experience and CRD desk-jobs we have been working him progressively into public spending and LA matters, where his knowledge and experience could



✓ 26/4 Pl. type - taking in all my changes

DRAFT MINUTE FOR MR KERR

PRIVATE SECRETARIES TO MINISTERS

PERMANENT SECRETARIES [including IR, C&E, MINT, DNS]

DEPUTY SECRETARIES

UNDER SECRETARIES

MR M. HALL

DUTIES OF SPECIAL ADVISERS

direct  
highly

1. *The Chancellor has made some adjustments in the portfolios of his Special Advisers. The new allocation of responsibilities is set out below: under Secretaries may wish to bring it to the attention of Divisional Officers.*  
With the departure of George Cardona and Peter Cropper and their replacement by Robin Harris and Douglas French, a clarification of the roles of the three special advisers may be helpful. The Chancellor has approved this notice and would be grateful if it could be brought to the attention of all divisional officers.

Few will still have the JC 30 due.

2. In essence the new arrangements propose no major departures from those set out in Mr Hall's minute on the same subject of January 15 1980. In particular, while Mr Harris' duties differ significantly from those of Mr Cardona, Mr French will be assuming Mr Cropper's former responsibilities more or less in toto.

3. Broadly speaking the division of labour and interests between the advisers is as follows:

Mr Ridley will continue to work on

Major strategic issues of particular concern to the Chancellor, particularly economic strategy (e.g. pay, regional and industrial policy, monetary policy, control of nationalised industries) and will major issues of policy concerning activities of the Treasury Select Committee).

*He will also be involved with the TCSC*



liaison with Conservative Central Office and Research  
Department, <sup>and with the</sup> Government Whips and <sup>as MP's</sup> MPs, European Parliament.  
*He remains responsible for co-ordinating the*  
Oversight of other special advisers. ~~Major issues of~~  
policy presentation.

Mr French *will write on*

~~Policies~~ on taxation and pensions, <sup>advises</sup> the corporate sector and financial institutions (other than monetary policy), <sup>and</sup> Finance Bill support, <sup>he also handles the</sup> Planning and organisation of (the Chancellor's) (Ministerial) <sup>advises</sup> speeches and tours other than those of an official character.

Mr Harris *handles the*

Preparation of Ministerial speeches and press releases for political occasions, <sup>as meetings of</sup> organisation of the <sup>Teaming Members of Special Advisers, and maintains a</sup> Chancellor's "morning prayers" meetings, watching brief <sup>he also advises on</sup> on PQ answers. Selected public spending, disposals and nationalised industries issues.

4. Since all advisers will be concerned regularly with matters of presentation, all three should be <sup>included in circulation lists for</sup> sent general briefing on key economic statistics, CBI surveys, <sup>economic</sup> economic forecasts <sup>by outsiders</sup> by outsiders and developments in other economies and so on. The presumption should be that at least one adviser should be sent a copy of <sup>any submission</sup> any submission <sup>to Ministers</sup> to Ministers, and relevant supporting papers, and also of briefing material for speeches. Where possible the advisers will clarify the division of labour where it is uncertain. In cases of doubt officials should seek guidance from Mr Ridley or, in his absence, Mr French or Mr Harris. "Staff-in-confidence" and similar papers are obvious exceptions to these provisions.

*X*  
*the*  
*meeting.*

6. Sight of early drafts can be of great value to the

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Section 1

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advisers, as is early warning, whether on paper or by word of mouth, of matters on which issues of special political or presentational interest arise. Equally officials should not hesitate to get in touch with advisers where they feel that this might be helpful, for example, <sup>to advise</sup> on the background to the Government's policy commitments as set out in the Manifesto or <sup>or on the drafting of replies to Ministerial correspondence</sup> elsewhere, Ministerial letters, etc.

X

5. In general divisions will <sup>already know</sup> ~~be aware of~~ which adviser deals with the particular issues <sup>relevant to</sup> which concern them. The attached table gives a broad guide to most of the subjects which most concern them and as to who should receive copies of papers.





PC

J. Ok.  
Fu in Adv. Fu  
if written

A.17

PRIVATE SECRETARIES TO MINISTERS )  
 PERMANENT SECRETARIES )  
 DEPUTY SECRETARIES )  
 UNDER SECRETARIES )  
 MR P. G. DAVIES )

Copy to each

SPECIAL ADVISERS

1. Although the arrangements for the organisation of the Special Advisers' activities are working well, it may help the Department to have a little more detail about their respective responsibilities. The Chancellor has approved this notice and would be grateful if it could be brought to the attention of all divisional officers.
2. In some cases papers are being copied unnecessarily, in others not sufficiently. On many specified issues suitable arrangements have already been worked out ad hoc e.g. Mr. Cropper has primary responsibility for liaising with Mr. Macrae and Mr. Unwin about the Chancellor's speeches. Mr. Ridley has a special interest in PAYE computerisation, and Mr. Cardona in BNOC. This note is intended to supplement rather than to replace such arrangements.
3. Broadly speaking the division of labour and interests amongst the Advisers is as follows.

Mr. Ridley

Major strategic issues of particular concern to the Chancellor. Liaison with Conservative Party Central Office and Research Department over matters of publicity and presentation.





Mr. Cropper

Tax and related policies. Liaison with Private Offices and officials on Ministerial tours and speeches. Relations with the Westminster and European Parliaments.

Mr. Cardona

Expenditure and related policies.

4. The presumption should be that at least one Adviser should receive a copy of any submissions to Ministers, and any outside correspondence. In doubtful cases the copies of submissions should be directed to them on the basis indicated in the attached table, which is not intended to be exhaustive. "Staff-in-Confidence" and similar papers are obvious exceptions to these provisions. Where issues of political or presentational interest arise, it is, of course, very helpful if Advisers can receive some kind of early warning, whether on paper or by word of mouth, before submissions are made to Ministers. In effect -

(a) All three Advisers should receive submissions to Ministers on broad macro-economic questions, forecasts and on major Treasury initiatives. Obvious examples are the Budget as a whole (as opposed to the details of a particular tax change), or the Public Expenditure White Paper (as opposed to a single expenditure programme).

(b) Submissions on monetary policy, overseas financial questions and the sale of assets should be copied to Mr. Ridley and Mr. Cardona.

(c) Detailed submissions on taxation and the Finance Bill should go only to Mr. Cropper except where they raise major questions of principle.



Page 1 of 1

The first part of the document discusses the importance of maintaining accurate records and the role of the committee in overseeing these activities.

Section 1

The committee has reviewed the reports and found them to be satisfactory.

The committee has also noted that the data presented in the reports is consistent with the information provided in previous documents.

In addition, the committee has identified several areas where further investigation is needed, particularly regarding the methods used to collect and analyze the data.

The committee will continue to monitor the progress of these investigations and will report back to the board as soon as possible.

Committee on the Status of the Reports

The committee is grateful for the cooperation and assistance provided by all those who have helped in the preparation of these reports.



(d) Submissions on the more detailed aspects of particular public expenditure programmes should go only to Mr. Cardona, except that papers on arts and heritage and National Health Service should also go to Mr. Cropper, while those on Social Security should, as a rule, go to all three Advisers.

(e) Papers on institutional questions (e.g. pension funds, financial institutions, Wilson Committee, Stock Exchange, etc..) should go to Mr. Cropper and Mr. Cardona.

(f) Parliamentary matters (Luxembourg and Westminster) should go to Mr. Cropper.

5. The Special Advisers have asked me to remind Divisions that they are always happy to be consulted about submissions before they are made. They are, of course, able to advise on the technical interpretation of the Manifesto and other policy statements, provide relevant quotations and in general help with background guidance on policy work undertaken in opposition. There are sometimes occasions on which a careful consideration of the political background to an issue can greatly affect or even short-cut time-consuming work on matters of substance.

*MMS*

M. A. HALL  
15th January 1980



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Very faint, illegible text block, possibly a header or introductory paragraph.

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Third very faint, illegible text block.

Large block of very faint, illegible text, likely the main body of the document.

Small, faint text or signature at the bottom center.







	<u>Ridley</u>	<u>Cropper</u>	<u>Cardona</u>
Macro-economic - Strategy and forecasting	*	*	*
- Detail	*		*
Major initiatives, eg Budget as a whole, Public Expenditure White Paper	*	*	*
Social Security	*	*	*
Taxation - Strategy	*	*	*
- Detail incl wider share ownership		*	
- Finance Bill		*	
Arts and Heritage		*	
EEC fiscal affairs incl Budget		*	
Parliamentary matters incl Select Committees; European Parliament		*	
Industrial policy	*		
Nationalised industries	*		
Overseas finance, Exchange Control and EEC non-fiscal	*		*
Monetary policy and pay	*		*
Sale of assets	*		*
Public expenditure - Detail			*
Local Authority issues and rates			*
Financial institutions, Wilson Committee, etc		*	*



Date	Description	Debit	Credit	Balance
1890				
Jan 1	Balance forward			
Jan 15	...			
Jan 30	...			
Feb 15	...			
Feb 28	...			
Mar 15	...			
Mar 31	...			
Apr 15	...			
Apr 30	...			
May 15	...			
May 31	...			
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Oct 15	...			
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Nov 15	...			
Nov 30	...			
Dec 15	...			
Dec 31	...			

pwp

A.30

FROM: ADAM RIDLEY  
27 April 1982

CHANCELLOR

MEETING WITH MR PARKINSON - APRIL 28

As suggested in Mr Kerr's minute of April 23, I attach some notes for your meeting tomorrow with Mr Parkinson at which Mr Cropper and I will also be present. Your March 30 letter to Mr Parkinson (copy attached) is, of course the casus belli and largely self-explanatory. But you might want to put out your wares against the following kind of backdrop.

1. The shared objective. To get objectives agreed more clearly and, above all, to get things done. Mr Hoskyns, with whom I lunched today to discuss all this, fully agrees that securing action is the most critical issue of all. N.B. You will probably not want to discuss presentation issues on this occasion. While despite Mr Biffen's recent appointment to handle that portfolio one cannot be too sanguine about what will happen without a major push, such issues are secondary to the purpose of this meeting.
2. Progress so far. Apart from the appointments of Messrs Parkinson, Lawson and Cropper, and the reorganisation of Central Office, we can only record so far the reactivation of the Liaison Committee, a certain calming of Parliamentary opinion after the Budget and a certain amount of individual Departmental initiatives of a rather solo and uncoordinated kind. As well as what is going on here one can cite DES (Voucher exploration), D. Employment (Unions, Training, Participation), Energy and D. Industry (Privatisation). But what else is going on, and does it all really add up to enough or cohere? PJC and CP have received a guarded No 10 blessing for the idea of some policy groups and CP may think that that suffices. But it doesn't. Indeed in my view policy groups could cause trouble and be unproductive. What is needed above all is central prodding, processing, coordination and strategy, rather



PERSONAL AND CONFIDENTIAL

than more decentralised efforts - though we obviously do not wish to oppose such groups. On this issue we shall perhaps want to shift CP and PJC's focus somewhat.

3. What is needed immediately? A number of key actions/goals on which you and CP should perhaps exchange views and ideas:

- Westwell. We can expose your planned response, timed for mid-May.
- Mid-term Document . Needs to be acted on soon and well if at all. My recommendation is for it to include apologia pro vita sua, and assessments of Layardery, Labour and SDP policies, but not to lift the veil more than a little on our own thinking.
- A first draft Manifesto. Preparing such a document, however frivolously and sketchily, is a first-rate exercise and discussing it could be the catalyst to make people think seriously about both the medium and longer term. I would suggest ideally that colleagues should have seen and discussed such a document before the Summer Recess and, failing that, that they should certainly do so in September - well before the Conference.
- Policy Reviews. Related to manifesto consideration is the logically anterior process of colleagues ~~exhibiting~~ exhibiting to one another the essence of major internal policy reviews, gleams in the eye for the long term election gimmicks etc. Best undertaken immediately, but if that is not on better late (i.e. before recess) than "never" (November). If it can't be done centrally and systematically, should one do so peripherally, incompletely and informally?
- Assessment of other parties. We ought to be undertaking a more systematic assessment, not only of the SDP but also of Labour. In this connection it should be noted that Departments could help CRD. The goal is, of course, not merely some interesting analysis but a line or lines to be followed systematically in public by the Party.



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4. All the signs are that CP is totally swamped in Falklands at the moment. PJC has, I gather, put it to him that you might be able to help him by animating some of the kinds of activities listed under section 3, ~~of~~ the proposed policy groups. Certainly it is important to consider both which politician and what kind of support is needed to launch any of the exercises.

P.S. I have spoken to Peter Cropper on these lines. A copy of his brief for CP is attached. You will see it is firmly directed at the issue of policy groups.



A N RIDLEY





CONFIDENTIAL

FROM: T F MATHEWS

DATE: 27 April 1982



CHANCELLOR OF THE EXCHEQUER

cc. Adam Ridley

DUTIES OF ADVISER

The Chief Secretary has seen Adam Ridley's minute of 23 April. He suggests the insertion of 'local government' after 'public spending,' in the penultimate line of paragraph 3 of the draft minute.

2. He is trying to circulate Liaison Committee Papers regularly - but they themselves come on an ad hoc basis.

3. Finally, the Chief Secretary has noted that he would like Robin Harris to be invited regularly to all relevant meetings.

(Perhaps a general reminder on this score to all Private Secretaries might be included in the minute).

*Discussed  
with TFM.  
Better not.  
Jm*

*Spl. Copy  
Adm.*

**TM**

T F MATHEWS  
27 April 1982

CONFIDENTIAL



CONFIDENTIAL

C.

(pwp)



FROM: ROBIN HARRIS  
27 April 1982

CHANCELLOR

l

cc Chief Secretary  
Financial Secretary  
Economic Secretary  
Minister of State (C)  
Minister of State (L)  
Mr Ridley  
Mr French

PUBLIC OPINION

... I attach the latest Public Opinion Background note from  
Conservative Central Office.

RH

ROBIN HARRIS  
27 April 1982



1. The first part of the document is a letterhead containing the name of the organization and its address. This information is partially obscured by the seal and other markings.

100-100000

2. The second part of the document is a list of items or a table of contents, detailing various entries and their corresponding page numbers or identifiers.

100-100000

PUBLIC OPINION BACKGROUND NOTE 109  
(produced 19th April 1982)

1. Introduction

The results from our latest 'tracking' study are the same as the results of the Gallup poll published in the Daily Telegraph on Thursday, 15th April 1982. The interviewing for this latest study was conducted from 7th to 12th April and Gallup interviewed over 900 electors throughout Great Britain. The latest tracking study found 31½% claiming they would vote Conservative, 29% Labour, 26% Social Democrat and 11% Liberal. This compares with the previous published Gallup poll (conducted 11/15 March) which found 31½% claiming they would vote Conservative, 33% Labour, 21½% Social Democrat and 11½% Liberal. When we compare the results of this latest published study with our previous (unpublished) tracking study (conducted 31 March/ 5 April) we found no change in the level of Social Democrat support (26% in both studies), a very marginal increase in Liberal support (up from 10% to 11%), a small support (up from 27% to 29%). The combined level of Liberal and Social Democrat support of 37% remains far short of the peak of 51½% reached just before Christmas. Details of the trend in support for the main parties since early June are shown on the following page.



## VOTING INTENTION --

(unprompted question, excluding don't knows)

	<u>CON</u>	<u>LAB</u>	<u>LIB</u>	<u>SOCIAL</u> <u>DEMOCRAT</u>	<u>OTHER</u>	<u>LEAD</u>	<u>LIBERAL &amp; SOCIAL</u> <u>DEMOCRAT</u>
	%	%	%	%	%	%	%
<u>1979</u>							
May (GE)	43.9	36.9	13.8	-	5.5	+7.0	13.8
13/16 June*	42.0	43.5	13.0	-	5.0	-9.0	13.0
<u>1981</u>							
3/8 June	31.0	40.0	14.0	12.5	2.5	-9.0	26.5
9/15 June	29.5	37.5	18.0	12.5	2.5	-8.0**	30.5
16/22 June	32.0	37.0	15.5	13.0	2.5	-5.0	28.5
24/30 June	29.0	40.0	17.0	12.0	2.0	-11.0	29.0
1/6 July	30.5	39.5	14.0	13.0	3.0	-9.0	27.0
8/13 July	30.0	40.5	14.5	12.0	3.0	-10.5**	26.5
15/20 July	29.0	36.0	16.0	17.0	2.0	-7.0	33.0
22/27 July	26.0	38.0	13.0	21.0	2.0	-12.0	34.0
29 July/3 Aug	25.5	40.0	11.5	20.5	2.5	-14.5	32.0
5/10 Aug	27.0	36.0	15.0	19.0	4.0	-9.0	33.0
12/17 Aug	28.0	38.5	13.0	19.0	1.5	-10.5**	32.0
19/24 Aug	29.0	34.0	17.0	18.0	2.0	-5.0	35.0
26/31 Aug	26.0	41.0	15.0	16.0	2.0	-15.0	31.0
1/7 Sept	25.0	41.0	15.0	16.0	3.0	-16.0	31.0
9/14 Sept	32.0	36.5	11.5	17.5	2.5	-4.5**	29.0
16/21 Sept	25.0	36.5	16.0	19.0	3.5	-11.5	35.0
23/28 Sept	24.5	33.5	16.5	24.0	1.5	-9.0	40.5
30 Sept/5 Oct	26.0	38.0	12.0	21.0	3.0	-12.0	33.0
7/12 Oct	27.0	31.0	12.5	26.5	3.0	-4.0	39.0
14/19 Oct	28.5	34.0	12.5	22.0	3.0	-5.5	34.5
21/25 Oct	29.5	28.0	13.5	26.5	2.5	+1.5**	40.0
28 Oct/2 Nov	26.5	29.0	13.0	29.5	2.5	-2.5	42.5
4/9 Nov	26.5	28.5	14.5	28.5	2.0	-2.0	43.0
11/16 Nov	26.5	29.0	15.0	27.0	2.5	-2.5**	42.0
18/23 Nov	25.5	26.0	14.0	32.0	2.5	-0.5	46.0
25/30 Nov	25.0	26.5	15.5	30.0	3.0	-1.5	45.5
2/7 Dec	26.0	21.0	13.5	38.0	1.5	+5.0	51.5
9/14 Dec	23.0	23.5	14.5	36.0	3.0	-0.5**	50.5
<u>1982</u>							
6/11 Jan	25.5	30.0	17.0	25.0	2.5	-4.5	42.0
13/18 Jan	27.5	29.5	13.0	26.5	3.5	-2.5**	39.5
20/25 Jan	30.0	27.0	14.0	26.5	2.5	+3.0	40.5
27 Jan/1 Feb	29.0	29.0	15.0	24.0	3.0	0.0	39.0
3/8 Feb	29.0	29.0	15.0	26.0	1.0	0.0	41.0
10/15 Feb	27.5	34.0	14.5	21.5	2.5	-6.5**	35.0
17/22 Feb	26.5	33.5	14.0	22.0	4.0	-7.0	36.0
24 Feb/1 March	31.0	32.5	11.0	22.5	3.0	-1.5	33.5
3/8 March	30.0	33.5	11.5	21.0+	4.0	-3.5	32.5
11/15 March	31.5	33.0	11.5	21.5+	2.5	-1.5**	33.0
17/22 March	34.0	30.0	11.0	21.0+	4.0	+4.0	32.0
24/29 March	32.0	28.0	11.0	27.5+	1.5	+4.0	38.5
31 March/5 April	34.0	27.0	10.0	26.0+	3.0	+7.0	36.0
7/12 April	31.5	29.0	11.0	26.0+	2.5	+2.5	37.0

\*First Gallup post-Election survey

\*\* Published Polls

+ Includes those saying they would vote for the 'Alliance'





2. Government Record

The study found a further slight improvement in the popularity of the Government - 32% approved of the record of the Government, 56% disapproved and 12% did not have a view. The 32% who approved in the latest study compares with 18% who approved the record of the Government just before Christmas 1981. Details of the trend in approval for the record of the Government are shown below:-

GOVERNMENT RECORD

	<u>Approve</u> %	<u>Disapprove</u> %	<u>Don't know</u> %
<u>1979</u>			
13/18 June	34	41	25
<u>1981</u>			
1/7 September	23	65	13
9/14 September	26	63	11
16/21 September	21	67	11
23/28 September	21	66	13
30 Sept/ 5 Oct	21	70	10
7/12 October	20	68	12
14/19 October	24	65	12
21/26 October	24	62	13
28 October/ 2 November	23	66	10
4/9 November	27	64	9
11/16 November	23	66	11
18/23 November	22	66	12
25/30 November	22	65	14
2/7 December	20	69	11
9/14 December	18	70	12
<u>1982</u>			
6/11 January	23	65	12
13/18 January	24	65	12
20/25 January	26	62	13
27 Jan/1 Feb	25	62	13
3/8 Feb	26	63	11
10/15 Feb	24	66	10
17/22 Feb	22	66	13
24 Feb/ 1 March	23	63	13
3/8 March	24	65	11
11/15 March	29	59	12
17/22 March	28	60	13
24/29 March	29	58	13
31 March/ 5 April	31	57	12
7/12 April	32	56	12



3. Popularity of Political Leaders

The latest study found a slight fall in Mrs Thatcher's popularity - down to 35% satisfied with her as Prime Minister. The survey found a slight improvement in Mr Foot's popularity and Mr Steel's popularity. Details are shown below:-

POPULARITY OF POLITICAL LEADERS

	<u>Mrs Thatcher</u>			<u>Mr Foot</u>			<u>Mr Steel</u>		
	<u>Sat.</u>	<u>Dis-</u>	<u>Don't</u>	<u>Is</u>	<u>Is</u>	<u>Don't</u>	<u>Is</u>	<u>Is</u>	<u>Don't</u>
	<u>%</u>	<u>sat.</u>	<u>Know</u>	<u>%</u>	<u>Not</u>	<u>Know</u>	<u>%</u>	<u>Not</u>	<u>Know</u>
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
<u>1981</u>									
1/7 September	28	67	5	29	52	19	63	18	19
9/14 September	32	62	6	28	54	18	56	21	23
16/21 September	27	68	5	28	52	20	64	16	20
23/28 September	28	67	5	25	57	18	64	17	19
30 Sept/ 5 Oct	27	68	6	31	49	20	60	20	20
7/12 Oct	26	68	6	28	50	22	62	19	18
14/19 Oct	31	62	7	31	50	20	64	15	21
21/26 Oct	33	62	5	27	54	19	64	20	16
28 Oct/ 2 Nov	29	65	6	25	59	16	64	19	17
4/9 Nov	32	64	3	24	62	14	68	16	16
11/16 Nov	28	66	6	16	67	17	64	17	19
18/23 Nov	29	66	5	18	68	15	69	15	16
25/30 Nov	29	65	5	18	68	15	67	15	18
2/7 Dec	29	66	5	18	68	14	64	18	18
9/14 Dec	25	70	5	19	67	14	63	18	19
<u>1982</u>									
6/11 January	30	65	5	20	65	14	62	20	18
13/18 January	32	65	4	18	67	16	59	22	19
20/25 January	32	64	4	17	68	15	59	22	19
27 Jan/1 Feb	33	62	5	19	64	17	60	18	22
3/8 Feb	31	65	4	20	63	17	61	20	19
10/15 Feb	29	66	5	19	66	15	59	23	17
17/22 Feb	29	65	5	20	64	16	58	20	21
24 Feb/1st March	32	63	5	21	64	15	55	23	22
3/8 March	30	66	4	20	64	16	58	24	18
11/15 March	34	62	4	21	65	14	58	22	10
17/22 March	33	62	5	22	64	14	59	21	20
24/29 March	35	59	6	19	65	15	61	20	19
31 March/ 5 April	37	58	5	20	65	15	60	22	18
7/12 April	35	60	5	23	61	16	63	18	19



4. Published Polls(a) Gallup (Daily Telegraph 15th April 1982)

The Daily Telegraph on 15th April 1982, in addition to the results of our 'tracking' study also included the results of a number of other questions.

Gallup included the results of the standard question on what electors regard as the most urgent problems facing the country. They found:-

	<u>Top Issue</u>	<u>Top Two Issues</u>
	%	%
Unemployment	47	74
International affairs - the Falklands	27	38
Cost of living	8	25
Defence	3	8

Not since November 1961, following the isolation of Berlin by the Wall has international affairs featured so high in terms of importance.

Gallup asked respondents whether they saw the various parties as being united or divided - they found:-

	<u>United</u>	<u>Divided</u>	<u>No Answer/Don't know</u>
Labour (%)	9	87	5
Conservative (%)	43	49	9
Liberals & Social Democrats (%)	47	31	23

When asked who they thought would be the best leader of the Social Democrats - 38% selected Roy Jenkins, 26% Shirley Williams, 19% David Owen and 2% William Rodgers.

When asked who they thought would make the best leader of the Alliance between the Social Democrats and the Liberals, 35% selected David Steel, 27% Roy Jenkins, 13% Shirley Williams, 8% David Owen and 1% William Rodgers.

(b) MORI (The Economist 17th April 1982)

The Economist on 17th April 1982 included the results of an MORI opinion poll conducted on April 14th on attitudes to the Falkland Islands crisis.

MORI asked 'Are you satisfied or dissatisfied with the way the Labour Party is responding to the Government's handling of the situation in the Falkland Islands?' MORI found 40% claiming to be satisfied, 39% dissatisfied and 21% with no view.

They also asked 'Do you think Mrs Thatcher should resign as Prime Minister over the situation in the Falkland Islands or not?' - 62% thought she should not resign, 34% should resign and 4% did not know.

On the question of sovereignty, MORI asked respondents 'How much do you personally care whether Britain regains sovereignty over the Falkland Islands or not?' They found 51% claiming to 'care very much', 32% 'care a little', 14% 'don't care at all' and 3% did not have a view.



MORI put to respondents a range of possible government reactions to the Falkland Islands situation. They found:-

Should Britain take/have taken the following measures over the Falkland Islands Situation

	<u>Percentage saying Yes</u>
Ban Argentinian imports into Britain	84
Send the naval task force to the Falklands	83
Freeze Argentinian assets in British banks	82
Sever diplomatic relations with Argentina	71
Land troops on the Falklands	67
Sink Argentinian ships in Falkland waters	52
Allow UN to take over administration of the Falklands	45
Bomb Argentinian military and naval bases	28
Land troops/invoke the Argentinian mainland	21

When the idea of 'the islands becoming Argentinian territory but leased back to the British Government for administration' was put to respondents only 26% were in favour and 63% against. However when the idea that 'retaining British sovereignty over the islands is important enough to justify the loss of British servicemen's lives', 49% said no and 44% yes. When asked whether retaining sovereignty justified the possible loss of Falkland Islanders' lives, say in a forced landing, 55% felt sovereignty was not that full.

58% claimed that the issue of our sovereignty over the Falklands is 'important enough to pay increased taxes to maintain military and naval forces to protect them', 36% that it is not that important.

MORI asked respondents what they thought the outcome of the crisis would be - only 6% expected defeat, 50% expected hostilities to be necessary for re-occupation and 20% expected the islands to be returned without a fight.

(c) Gallup (Sunday Telegraph 18th April 1982)

The Sunday Telegraph on 18th April included the results of a Gallup poll conducted from 10th to 13th April on attitudes to the Falkland Islands dispute. Gallup asked 'The Government have been criticised for being caught off-guard by the Argentinian invasion of the Falkland Islands. Do you think this criticism is justified or not?' 78% thought the criticism is justified (including 74% of Conservative supporters, 77% of Labour supporters, 82% of Liberal supporters and 86% of SDP supporters), 14% not justified and 8% did not have a view.

78% of respondents approved of the decision to send a British fleet to the Falklands, 16% disapproved and 6% did not have a view.

When asked about their attitudes in general to the Government's handling of the Falkland Islands crisis 67% approved of the Government's handling, 24% disapproved and 9% did not have a view.

Gallup put to respondents some options with regard to our actions over the Falkland Islands. They found 61% approving of 'attacking the Argentine ships and troops guarding the Falkland Islands' - 32% disapproved and 7% did not have a view. 68% disapproved of the idea of attacking mainland Argentina - 24% approved and 8% did not have a view. 86% approved of the idea of cutting of all trade with Argentina - 9% disapproved and 5% did not have a view.

