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I now enclose a copy of the "Stepping Stones" report, consisting of a three page Summary, six main sections and an Appendix. + 6 diagrams separately stapled for easy reference.

The report was prepared by myself (primarily concerned with the strategic framework, Sections 1-4, within which the communication problem is addressed) and Norman Strauss of Lever Brothers (primarily concerned with the communications process and the communication programme itself, Sections 5 and 6).

We have kept the paper as short as possible, and Sections 5 and 6 are in fact summaries of longer papers prepared over the past three months. The Appendix is a direct excerpt from these papers.

The report does not directly address many topics which would have to be covered by the communications programme (eg. education, law and order, national identity). This is not because we judge them to be unimportant, but because they are topics which do not pose any peculiar communication problems; and the tide of public feeling about them is already running in our favour.

I know that time is always short, but I hope that you will find time to read the paper at least twice and will mark every point which is not clear, or on which you question our assumptions or proposals, so we can clear them in later discussions.

19/11/77



STEPPING STONESSUMMARY

- I. The Size of the Job
  - I.1. The task of the next Tory Government - national recovery - will be of a different order from that facing any other post-war government. Recovery requires a sea-change in Britain's political economy.
  - I.2. A Tory landslide is not enough, if it only reflects the electorate's material dissatisfaction since 1974. A landslide is needed, but it must represent an explicit rejection of socialism and the Labour-trades unions axis; and the demand for something morally and economically better.
  - I.3. The Tory Party's pre-election strategy must ensure that the preparation of policy includes plans for the removal of political obstacles to its implementation.
  - I.4. There is one major obstacle - the negative role of the trades unions. Unless a satisfying and creative role can be developed, national recovery will be virtually impossible.
  - I.5. To compete with Labour in seeking peaceful co-existence with an unchanged union movement will ensure continued economic decline, masked initially by North Sea oil. It may also make failure to win Office more, rather than less likely, for the Tories. There is nothing to gain (except just possibly, Office without authority), and everything to lose by such a "low risk" approach.
  - I.6. Skilfully handled, however, the rising tide of public feeling could transform the unions from Labour's secret weapon into its major electoral liability, and the fear of union-Tory conflict could be laid to rest.



2. The Tory Party's Communication Objective

2.1. The principal objective is to persuade the electorate to reject Socialism, and also to reject its continued promotion by the trade union leadership, regardless of how the people have voted.

2.2. Before Labour voters can do this, they must feel:

- (a) A deep aversion to the Labour-trade union leadership link and its result - the "Sick Society". (Disappointment with material results is not enough).
- (b) A strong desire for something better - the "Healthy Society". (The hope of better material results is not enough).
- (c) The confidence that not even the trades union leaders can stop them changing from (a) to (b), if they choose to do so at the ballot box.

3. The Communication Programme

The programme must:

- (a) Dismiss North Sea oil as a painless solution to our problems.
- (b) Link the Labour Party and the union leadership in the public mind.
- (c) Show how that partnership ("power at any price") has corrupted the union movement and damaged Britain.
- (d) Describe the "Healthy Society" we could all work for, if only the union leadership would help us to do so.



- (e) Tell the public that they must not fear the union leadership, whose bluff can be called whenever the electorate, including union rank-and-file, chooses to do so.

4. Making it Happen

Communicating these messages successfully requires an understanding of the nature of the communication process. Putting the messages across requires an appropriate organisation and control system. We believe these can be developed within the existing resources.



STEPPING STONESI. INTRODUCTIONI.1. TERMS OF REFERENCE

- I.1.1. The terms of reference for the "Stepping Stones" study can be reduced to two questions: "What are the essential components of a political communications programme?" and "What should the ingredients of each component look like, for the Tory party?".

A large part of a Shadow minister's time must be taken up with "communications activities" - speeches, newspapers and television interviews, conferences, newspaper articles, etc. Each activity will be tactical rather than strategic. But decisions will still have to be made about its purpose, content and style.

The person delivering the message may sometimes have an uneasy feeling that, despite all his detailed preparations, communication is a rather hit-or-miss affair. In a perfect world, a communications activity or event presupposes a communication programme, which in turn assumes a complete strategy for both policy and communications, not just up to an election (perhaps least of all up to an election) but for the subsequent years in Office. And only a real strategy will suffice, because the task in government will be to perform a miracle - to turn around a moribund economy before North Sea oil runs out.

- I.1.2. Despite their simpler frame of reference, business executives often suffer from this nagging sense of disorientation, as they struggle to keep up with the daily flow of problems and decisions. Hence the growing emphasis on "corporate strategy" or "long range planning", with its attendant jargon.



Such thinking and planning is perhaps better described simply as "systematic", rather than strategic. Any game (in the non-frivolous sense of the word) which involves competitors, goals and a choice of routes, each with associated risks, demands a strategy. The question is whether such strategies are developed haphazardly or systematically. The systematic approach requires considerable initial effort, a higher ratio of "thinking time" to "doing time", in the hope of getting the consistently (though perhaps only marginally) better performance which in the end separates winners from losers.

## 1.2. REPORT STRUCTURE

The structure of this paper is, in effect, the answer to the first question posed by the terms of reference, "What are the essential components of a political communications programme?".

### Section

- 2 "A shared understanding of the UK problem" is a pre-requisite for developing the -
- 3 "Turnaround policies", which must be assembled into -
- 4 "A turnaround strategy" for both policy and communications - they cannot be separated - which has explicit objectives and understood risks; the supporting communications strategy must be based on an understanding of -
- 5 "The nature of the communications process", on which can be developed -
- 6 "The communications programme" (elaborated in Appendix A).



1.3. IS SUCH AN APPROACH WORTHWHILE?

- 1.3.1. Such a catalogue is likely to make a busy and sceptical politician's heart sink. How can anyone be expected to invest in such an elaborate exercise, when it is often as much as he can do to meet the existing demands on his time? Such a reaction is especially understandable in Opposition, because there is no certainty about the date of an election or of victory when it comes.
- 1.3.2. The truth is that there is never a convenient time for strategic thinking, in politics, business, or anywhere else. It always seems to be an academic exercise, a speculative distraction, to be put off whenever possible "until there is more time" or "the immediate pressures are off". Strategy can be defined, for practical purposes, as "the careful thinking we wish we had done two years ago, but don't have time to do today".

And yet many of today's pressures are often themselves caused by lack of a strategy. How often we finally decide to take some action without further delay, only to find that it cannot, after all, be started, because essential preconditions had not been anticipated months earlier.

Such experiences can lead to sporadic "strategy meetings", which are futile because they try, in a matter of a few hours, to empty minds of all today's problems and then to design a strategy without having any method for doing so. Sir Geoffrey Howe sounds a note which is certainly familiar in business, in his paper 'Party Strategy, Policy and Organisation' of July 1975. "There is a great deal of activity for the sake of activity, much of which is overlapping.



Many groups of workers - at all levels - often find themselves discussing the same issues on many successive occasions".

"Strategy" is an over-worked and thus devalued word, and strategic thinking can be no guarantee of success. But certainly in business, and especially at times of discontinuity, the strategists have at least a tendency to win, while the tacticians are almost certain to lose.

## 2. A SHARED UNDERSTANDING OF THE UK PROBLEM

2.1 Members of the Steering Group know how intractable the UK problem is, and how its array of social, industrial and economic symptoms/ causes interact together to accelerate the process of decay. There is also general agreement that North Sea oil could simply mask this decay process, so that when the oil runs out the underlying damage has reached the point where recovery to what might be called "full west European status" is no longer possible.

2.2. Why is it that so few people understand that Britain may actually be "finished" already, as far as regaining that economic status is concerned? Almost certainly it is because they do not see national decline as a single systemic process; a process too complex ever to be fully understood; and one which generates its own momentum (ie. is full of "positive feedback") so that, given enough time, it may eventually drive itself beyond the reach even of the commonsense policies of the Conservative Party or the IMF.

A few minutes browsing at random over a "causality map" (Diagrams 1 and 2 with some of the positive feedback shown in red) however approximate, can give a better feel for the magnitude of the task, and the lie of the land, than the narrative descriptions of economists (many of whom, as Sir Geoffrey Howe said, still seek to explain complex processes in terms of single causes and single effects).



2.3. A grasp of the dynamics and the sheer power of this decline process, together with one or two snapshots (Diagrams 3, 4 and 5) of the resulting numbers, suggest the following questions:

(1) Is the basic arithmetic of rebuilding our industrial balance sheet still possible, without a switch from consumption to investment and an accompanying de-manning so massive as to be technically and politically impossible?

Yes

(2) If the answer to (1) is "No", can the natural shift from industry to services solve the problem of economic growth and non-oil balance of payments?

To some extent

only

(3) If the answer to (1) is "Yes", does this mean -

(a) "Yes, provided the trades unions refrain from exercising their veto powers"?

or does it mean -

(b) "Yes, but only if there is a radical change in the union movement's political and economic role"?

✓

(4) If the answer to both (1) and (2) is "No" (ie. we are becoming an under-capitalised, under-developed country whose political expectations make it impossible to bootstrap our economy back to west European status) how do we prepare the way, in political and social terms, for gradual post-North Sea oil decline until the point, which must eventually come, where we start again as a low-wage second-world economy, trying to keep up with Taiwan, South Korea, Hong Kong and Singapore?

While it would be foolish to expect simple and precise answers to



such questions, it is difficult to frame policy without some assumptions about the answers.

Many observers are probably now concluding that (4) is the real question to be answered. For the purpose of this report, however, it is assumed that the answer to (1) is "Yes", to (2) is "To some extent only", and to (3) (b) is "Yes". In other words, some sort of recovery is just possible, given North Sea oil; but only if the trades unions adopt a creative rather than defensive role, and provided the shift to potential growth sectors in the economy (without the dead hand of union practice descending on them, too) is encouraged.

3. TURN-AROUND POLICIES

"The Right Approach" outlines a comprehensive list of policies which a Tory government would implement in order to bring about economic recovery. In this report we are concerned only with those policies (most of them spelt out in "The Right Approach to the Economy" and briefly discussed with the Steering Group members) which must turn the economy around before it reaches the point where fasting recovery might be impossible.

The principal policies can be summarised as follows:

(1) Currency Stabilisation ? *ic. retaining value ?*

? { Nothing can be achieved as long as this problem remains unsolved. It requires sustained monetary discipline, balanced budgets, public sector wage restraint. Exchange controls should probably be relaxed, so that the sterling exchange rate does not rise too high under the impact of North Sea oil.



(2) Shift of personal tax from income to expenditure

Treat (indexed) capital gains as income, with a top rate of about 60 per cent, indexed thresholds and allowances at the Chancellor's discretion. Important that the unions do not see this and public expenditure cuts as (a) hurting the poor to help the rich, and (b) a rise in the cost of living for which they should be compensated. Perhaps the use of the Australian idea of a R.P.I. which excludes the effects of indirect tax.

← (3) De-regulate the private sector

Scrap price, profit, dividend controls. Ease planning regulations and controls on building factories, etc. Remove deterrent legislation on employment protection. Experiment with "free enterprise territories" for e.g. urban renewal.

(4) Use North Sea tax revenue to -

Cut the borrowing requirements of the public sector, to keep interest rates low, encourage investment.



4. A TURN-AROUND STRATEGY

4.1. WHAT DO WE MEAN BY "STRATEGY"?

- 4.1.1. Section 3 contained a list of policy measures, all of which, if successfully implemented, must tend to improve the UK's economic position. But a strategy implies long-term objectives as well as policies for the initial break-out from a political and economic impasse.

The most obvious and unambiguous objective is, of course, the winning of an election, but this is not necessarily enough. If electoral victory is only the first stepping stone in a longer-term process, its manner and the way in which it is achieved must help to pave the way towards those objectives.

- 4.1.2. Strategy also implies a choice between routes. Route implies not simply a list of policies but the sequencing of them so that each step makes the next easier, in terms of economic and political constraints.

4.2. OBJECTIVES AND ROUTE

4.2.1. Goals and Risks

We must know what a Tory government will have to achieve, before thinking about the way in which it must win office, because simply "winning a majority" on the wrong terms may not give it the authority it needs for success.



In normal times a majority is enough. The task of government is to steer a basically healthy socio-economic system past hazards which are primarily external, while ensuring that the system's fabric is maintained and making improvements to it here and there.

But once the system itself starts to show signs of fatigue, instability, disintegration, then we start to talk of discontinuity. In discontinuity, solutions can only be found by breaking constraints which we had assumed were unbreakable. It is not enough to settle for policies which cannot save us, on the grounds that they are the only ones which are politically possible or administratively convenient. The North Sea oil "window" is such a period of discontinuity, from which Britain emerges either reborn or else in rags, depending on what goals it sets itself, and the route it chooses for reaching those goals.

But can we in fact talk sensibly about objectives or goals, beyond that of electoral victory? We can certainly talk about intentions, in the sense of policy measures which we aim to introduce when in power. But what about the results of those measures? For example, what is our "goal" for inflation? Zero inflation within five years? Or might a steady 6 per cent p.a. (which would reduce the real value of £1 to under 54p in ten years) be satisfactory?

It is clearly impossible to answer such a question without first answering others, about the effect of inflation on pay bargaining; on saving and investment patterns; on the real cost of servicing and redeeming government debt; the extent to which steady inflation rates are discounted, and so on. Once we have answers to these and other questions, then we can say whether we think it is possible to build long-term economic recovery with a 6 per cent inflation rate. If, however, we conclude that it is not possible, then reducing inflation from, say, 16 per cent to 6 per cent may not, after all, be a valid goal (even though it may represent a



considerable achievement). But this will depend, in turn, on what we really mean by "economic recovery".

For example, we might say that, while of course we would like to be as rich as West Germany, our minimal goal in reality is to have halted the relative decline of our economy by the time our per capita GNP has shrunk to, say, one third of theirs. We might call the first our "Want" objective (ie. it would be nice if we could do it) and the second our "Must" objective (ie. it will be very nasty if we can't).

We can probably discard the "Want" objective as a pipe dream. But it would not then follow that the "Must" objective is necessarily possible without big changes and extraordinary efforts. It is much more likely that the only outcome which is definitely possible is simply the continued extrapolation of all Britain's relative downward trends - share of world trade, / industrial production, / per capita GNP, / gross capital formation, / output per man hour, / average industrial wage, / sterling exchange rate, even human life expectancy itself. If that is so, if achieving the "Must" objective of halting our relative decline turns out to require almost an economic miracle, then we may have to take greater political risks than we had anticipated, to achieve it.

#### 4.2.2. Subsidiary Objectives

A Tory government will have to set itself some such objective, not because its task can ever be reduced to such simple or precise terms, but because doing so forces an examination of what such an achievement would really entail. For what is necessary is a set of interrelated policies which can, however narrowly, nudge the entire social and economic system off the decline course and on to recovery. That involves, for example, changing boxes marked in green on Diagram 2, so that all the other components of the system reverse their signs, as it were, to produce strength instead of weakness.



Let us assume that we cannot remove our problem by import controls or by stepping painlessly into some post-industrial era; and that the problems of unemployment, like the potential for exports and import substitution, still remain in industry. Then we have to look at the UK pie chart (Diagram 4) and ask ourselves what proportion of that pie has to go to capital formation before the pie as a whole can start growing at a rate which, though it may not be able to close the gap between ourselves and our trading partners, will at least prevent us from falling ever further behind them. For continued relative decline seems almost certain, as long as government and employees between them consume nearly 90 per cent of the value added each year by manufacturing industry.

Cutting government's claim on added value will take time. Cutting the employees' share is even harder. Increasing his value-added requires greater co-operation with management; ending demarcation and thus reducing manning levels. Alternatively, he must restrain his wage demands, despite two years of incomes policy, double figure inflation and high marginal tax.

Somehow, government and employees must begin to put back into the balance sheet some of what they have taken out over the past twenty years. But this cannot happen in isolation. We need to achieve a number of early subsidiary objectives, to provide a base from which full recovery (ie. the complete transformation of Diagrams 1 and 2, and a start on other massive tasks like the tax credit scheme, overhaul of the NHS, and local government finance) can start. These sub-objectives would include:

- (1) Ending inflation.
- (2) Removing inflationary expectations.
- (3) Reducing government's claim on value added.



- (4) Pay bargaining systems in the private sector and the "market public sector" which encourage and reflect real value adding performance, and are thus automatic inflation dampers.
- (5) Pay bargaining systems in the non-market public sector which recognise that real take-home pay can only be increased by reduced manning or increased GNP.
- (6) Restoring incentives to individuals and companies to invest in a longer-term future.

A high level of success is needed in each of these areas. Complete success in some and relative failure in others could, in aggregate, mean failure to start the national recovery process.

#### 4.2.3. Choice of Route

- 4.2.3.1. A common mistake, and one which the present government probably makes, is to think that stable distribution of value added leads to stable outcomes. In fact, of course, once the percentages in the value added pie are wrong, then keeping those percentages stable is a recipe for instability. The size of the pie itself starts to shrink, relative to foreign competitors, and the whole spiral of weakening competitive performance, shown in Diagrams 1 and 2, starts. One has only to compare Toyota, where the employees' gross wages and salaries account for less than 50 per cent of value added, and British Leyland, where, following years of management incompetence and union militancy, they are over 90 per cent, to see what a lost cause looks like. But British Leyland is only an extreme example of the balance sheet liquidation from which so much of British industry suffers.



Assuming that we have no choice but to attempt to rebuild the balance sheet, then one precondition for success will be a complete change in the role of the trades union movement. And it is unlikely that evolutionary change (eg. spontaneous rank-and-file protest, or increased activity by Conservative members) will have a rapid enough effect.

As long as the present manning levels and the underlying logic of traditional collective bargaining (pay increases ahead of, and unrelated to, added value) are left undisturbed, it seems unlikely that the North Sea trade surplus or tax revenues will do more than postpone the next stage in Britain's decline.

A real danger is that a Tory government, like the present Labour government, could reach a "satisfactory" relationship with union leaders; and that, because neither side understands what is at stake and what is really happening, they continue to congratulate themselves on their good sense, while the underlying industrial arithmetic - absolutely central to any chance of recovery - remains unchanged. Even with a radical new union role, to find a way out of our problems will be like finding a needle in a haystack. But if the unions' role and political objectives remain unchanged, then all parties would in effect be agreeing to restrict their search to those haystacks which they know do not contain the needle.

Any strategy which does not address this problem of the trades union role from the outset, ensures failure in office, even though it might, at first sight, appear to make electoral success more likely.



- 4.2.3.2. Detailed plans for handling relationships between a Tory government and the trades unions will obviously depend on the Party's assessment of motives (political versus economic, leader's versus members'), and the balance of power and authority between national union leadership, shop stewards and rank-and-file, for each of the major unions and the larger companies in which they operate.

For the purposes of this paper, however, it is assumed that the union leaders can be roughly classified as follows:

- Potential allies; forced by national economic failure into short-sighted defence of their members' interests, but knowing that it is economic nonsense. This group has to be persuaded that the Tories have the measure of the UK problem and can cure it, to the benefit of their members.
- Economically confused; well intentioned but genuinely believe in socialism, government planning, Clause 4, etc. This group must be educated and persuaded that the first group may, after all, be right.
- Political opponents; those who want a true socialist state and will therefore veto any attempts by either party to revive the private sector. This group must, in the public eye, be isolated and discredited, unless their power can be reduced in some other way. For the Tories to treat them as responsible figures, and thus give them increased credibility, must in the end be a mistake.

We can define the new union role as positive co-operation with government in order to:

- (1) Help to free up the labour market so that the economy can readjust more quickly to trading reality, after the creeping paralysis of the post-war years.



- (2) Influence government to minimise the hardship of this necessary transition, for their members.
- (3) Help to develop bargaining systems which relate pay increases to increases in real added value in the market sector, and to GNP growth in the non-market public sector.

Although this amounts to no more than emulating the behaviour of the unions in other more successful European economies, it implies a complete rejection of socialism as the Labour movement understands it; and this will not be achieved by direct rational argument addressed to the union leadership. Only a sea-change in public opinion and voting patterns can bring it about. In fact a political miracle is the precondition for an economic one.

- 4.2.3.3. The real question is whether we are using North Sea oil simply to repair, by means of direct financial subvention, the damage done by thirty years of misguided political economy; or whether we are using it to change that political economy itself, perhaps even to buy, as it were, a West German trades union movement to replace our own (arguably a better way of spending the money). The danger of a conventional approach to North Sea benefits is that they are simply fed into a system whose wealth-destroying behaviour is internally unchanged. The system simply digests the windfall and everything then continues as before.

The communications strategy which follows is concerned very largely with creating a climate of opinion which will first reject socialism and will then make it impossible for the trades union role to remain unchanged. But we should remember that policies are themselves messages, and thus policy and communications must reinforce each other. For example, could North Sea tax revenues be used to give dramatic tax incentives to workers in companies which abandon free



collective bargaining, in favour of a value added system, so that there is direct financial inducement supporting the pressure of public opinion? The attraction of such less conventional approaches (which may of course be technically impossible) is that they might drive a wedge between union leadership and rank-and-file, while appearing too "free market orientated" to be readily stolen by a Labour government.

#### 4.3. A COMMUNICATIONS STRATEGY

##### 4.3.1. Starting Assumptions

As with our policy objectives in government, our choice of communications objectives depends on our judgement of the size of the job. If we believe that the UK economy can, with the help of North Sea oil, recover without significant changes in the behaviour of its constituent parts; and that public opinion about tax levels, bureaucracy, educational standards, law and order, and defence will in any case ensure a Tory victory, then a "play-safe" communications strategy is enough.

If, on the other hand, we judge that present trends will continue to go Labour's way; that memories of February 1974 will slow down the swing from Labour to Conservative, and that, whoever wins the election, economic turn-around is going to be a close-run thing, then a "no-risk" communications strategy could turn out in fact to be risky.

The trades unions are central to any strategy for economic recovery, not because they are the sole cause of our problems (that, as we have seen in Section 2 and Diagrams 1 and 2 would be an absurd over-simplification), but because they are the only group whose leaders' political convictions and economic ignorance could pit



them against any government which tries to solve these problems. And they are central to the election itself, because of the widespread fears about their readiness to co-operate with a Tory government.

At the risk of labouring the point, therefore, we have to be clear in our minds that we can only accept the status quo as regards the trades unions' role if we believe:

- (a) That an economic miracle is possible without any major changes in union behaviour.

Or

- (b) That the union leaders' analysis of our problems is similar to our own, and that they will therefore voluntarily change their behaviour, in order to help us to make a market economy work.

Or

- (c) That the unions' political objectives and power are such that they can be neither forced nor persuaded to change their behaviour, and that therefore the only option open to any government is to behave as if either (a) or (b) is the case and hope for the best.

If, as we are suggesting, none of these three positions is tenable, then somehow the trades union role must be changed to one of positive partnership, and the strategy for bringing this about must positively enhance the Tory Party's prospects of electoral success and lasting achievement in office. We cannot say "Win the election first, with a low profile on the union problem; then implement a high profile strategy when in power". The count-down for both has already started.



4.3.2. Communication Objectives

If we accept these starting assumptions, then the Tory Party must win a substantial overall majority, on a programme which explicitly asks the electorate:

- To reject socialism, not just to call for a change of government.
- To demand a fundamental change in the objectives and role of the trades unions, so that it is less easy for their leaders to continue the pursuit of socialist ends, regardless of who won the election.

To achieve this it is necessary to instil into the emotional majority (the "Feelers"):

- (a) A sense of shame and disgust with the corrupting effects of socialism and union power - class war, dishonesty, tax fiddling, intimidation, shoddy work - the "Sick Society". Disappointment with material results is not enough.
- (b) The vision of, and the desire for, something better - unity, effort, quality of work, fairness, trust, straight dealing - the "Healthy Society". The example of honesty and fairness set by the Tory Party's own communications must be part of this picture. Again, the promise of material improvement is not enough.
- (c) A sense of hope, in place of apprehension; the realisation that if enough people want (b) instead of (a), not even the trades union leaders can stop them.

At the same time, it is necessary to educate the rational minority (the "Thinkers" including, especially, the media) so that they are proof against "false dawn" messages; they understand how the



trades union - Labour Party axis institutionalises socialism; they understand how little collective bargaining has achieved for the rank-and-file; and they see how these things are at the heart of the UK problem and how, in the end, their solution must be part of any programme which will cure that problem.

The rising tide of public opinion is already transforming the trades unions from Labour's secret weapon into its biggest electoral liability. The one thing the Labour Party must therefore prevent is a "great debate" about the unions' role. The more factual, cool and rational that debate, the more it will open the public's eyes to the unions' existing privileges and destructive role; the more devastating it becomes to Labour's cause; and the more difficult it is for Labour to dismiss it as an archetypal Tory war dance. (Indeed, without Mr Prior's "bridge-building" over the past three years, this "great debate" would be politically impossible).

The more calmly the evidence is presented, the greater the resulting indignation and desire for change. Inevitably, the union leaders, from a morally dubious and intellectually confused position, have chosen attack as the best form of defence and seek to stifle both criticism and dangerous new ideas by branding them as confrontation, or unwarranted interference in their internal affairs. They have been astonishingly successful.

If the electorate is offered conflict about the status quo, or alternatively the status quo without any conflict, it will settle for the latter. What we have to show is that the real conflict, which is already happening, is the direct result of the union status quo. The escape from conflict is, in fact, to have a calm debating confrontation now about the union role, and then less conflict in everyday industrial life.



If the Tories appear nervous of bringing the union issue out into the open, public indignation about union abuses will turn to fear and defeatism. Once the public sees that union-government relations are central to economic performance, and that the parties are competing to show the closeness of their own relationship with the unions, they may well say "Why use Tory amateurs, when we can stick to the Labour professionals?"

#### 4.3.3. The Communications Route

The route must lead beyond electoral victory to the successful exercise of power in office. So the question is, can the sea-change in Britain's political economy, essential for long-term recovery, be achieved by a communications programme which, en route, brings an electoral landslide with an unequivocal message to the union leadership?

The short answer is that there may not be enough time to integrate policies and communications into a really effective package and let that package do its work. All we can say, however, is that the sooner the Tories seize the initiative in dealing with the trades unions and their link with the Labour Party, the better. The following sections discuss how this can be done.



5. THE NATURE OF THE COMMUNICATIONS PROCESS

5.1. INTRODUCTION

As long as we subscribe to the view that "Oppositions don't win elections; governments lose them", we need not spend too much time on communication. Similarly, if communication was simply a matter of rational discussion with a thinking electorate, life would be simple.

If, however, we accept that the dissemination of ideas, and the changing of attitudes is not a strictly rational, or even conscious, process, then we must construct some hypothetical model - however imperfect - of how we think the communication process works.

This section describes a model which has worked successfully in the field of marketing and advertising. Like all such tools, it has its ration of irritating jargon. And, when all is said and done, what it has to tell us is obvious enough. But it does save us the time needed to work it out for ourselves.

The model itself, therefore, should not be questioned. Like all "methodologies", it proposes systematic and painstaking effort, rather than magic, and such effort is only justified when a great deal is at stake.



## 5.2. THE "PRODUCT" AND THE "USER"

### 5.2.1. Definitions

In politics, the party and its policies are all aspects of the "Product", which the voter, or the "User", buys with his vote. The Product includes the party, its reputation and traditions, its individuals and its policies in different fields. The User, or voter, is for the best part unable to make rational voting decisions based on evaluating policies from different parties. Indeed, he is often bewildered by the almost identical nature of political propaganda. Frequently he attributes to the party which he supports, the most distinctively different policies of other parties. Nevertheless, in the end the voter makes his choice based on his own judgement and feelings.

### 5.2.2. Product Differentiation

To most voters, political products inevitably look very similar, because they are being formulated to deal with the same problems. It is only at the level of ideology - what sort of a society is being proposed - that differences are likely to be perceived.

New information is needed if people are to recognise a different product. Only if the product seems different, can they reasonably expect a different performance from it. And only then are values, other than economic, used in making the "buying decision".



5.3. PERSUADING PEOPLE TO CHANGE THEIR MINDS

5.3.1. Three Kinds of Mind

The electorate comprises three overlapping groups - Thinkers, Doers and Feelers:

The Thinker asks whether a policy can be proved objectively to work.

The Doer is only convinced by measures which have already been found to work in real life.

The Feeler favours proposals which appeal emotionally or intuitively.

The vast majority of voters will be Doers and Feelers, with a high degree of overlap. The Thinkers are a small minority, including the media. (See Diagram 6).

Slogans and themes without any substance in policy can only appeal to Feelers. Thinkers and Doers will ignore them or attack them. Slogans and themes which are based on hard thinking will be examined carefully by Thinkers who (especially in the case of the media) will comment on them and thus affect Doers and Feelers.

A party in Opposition is always at a disadvantage, because its products are hypothetical. If, in addition, they are difficult to distinguish, except perhaps in emphasis, from the policies of government, why should anyone believe that they will perform better? Only the



introduction of fresh information or ideas (the jargon term is "New Data") can shift the argument on to grounds where government does not have a built-in advantage. Otherwise we are left with factors like the personal appeal of the party leaders.

### 5.3.2. The Concept of "Mental Set"

The voter buys and uses political products, including policies. Each voter has a more or less stable set of opinions, values, interests and purposes - his "Mental Set". His responses to all kinds of event will tend to be predictable and to follow a fixed pattern, unless his Mental Set changes, either as a result of personal experience or as a result of receiving new messages, whether at the emotional or intellectual level.

An institution can also have its Mental Set, like the individual, and that set is unlikely to change unless the Mental Set of a particular sub-group within the institution changes.

### 5.3.3. Three Kinds of Data about the Product

For the User (voter) to understand and judge a product (whether policy or party), he will need information about:

Its Functional Role, what the product is for, what it is, what it does, its purpose.

Its Effects Role, a measure of its fitness for purpose, how effective or sensible it is in fulfilling its purpose, how satisfyingly it links its functional role, above, to -

Its Psychological Role, its appropriateness in the User's mind to its functional purpose. This can include its effect on morale, motivation, knowledge, confidence, class and family values etc.



New Data means perceived product data differences, in any or all of the above roles.

For Maximum Impact, the functional, effectual and psychological appeal of policy and party must reach the voter through a single theme or bridge. (The jargon term is "thematic bridging"). This concept is important.

The most effective communication will get F, E and P data to Thinkers, Feelers and Doers simultaneously. But it is extremely important that such communication is based on a deep understanding of the collective assumptions, hopes, fears, values, feelings (ie. the Mental Set) of particular groups of voters; for example, working class union members. If that is not done there is no hope of changing the Mental Set, and there may be a risk of consolidating it.

#### 5.3.4. Three Processes for Influencing Mind

The voter's decision will be influenced by what he knows, by perceiving, sensing, remembering, reasoning; by what he feels - is it fair, reasonable, pleasant etc?, and by what he wants - his aims and motivations, both voluntary and involuntary.

All three processes can be brought together in the following way. (The jargon for what follows is "The theory of cognitive dissonance"). Each individual strives for consistency among his beliefs, opinions, values, actions. If they are inconsistent, then the resulting "dissonance" creates stress and the consequent demand for its reduction. Thus, the cigarette smoker whose behaviour is at odds with his knowledge of the dangers of smoking. Similarly, perhaps, many union members may feel stress when their freedom of action or self-expression is restricted, or their union breaks the law.



Faced with this stress, the individual may change his attitudes or values (ie. collaborate with something he disapproves of); or construct some elaborate rationalisation (frequently the case with smokers); filter out those pieces of information which cause the stress (selective perception, whereby we all tend to misunderstand messages which are unpalatable to us), or minimise its importance ("I didn't do well, but it was only because I wasn't really interested").

Another possible way of reducing stress, which we will examine later, is selective involvement with new information from any number of sources.

#### 5.3.5. Changing Voting Behaviour

It follows from the preceding sections, that the ideal message will thematically bridge the Functions, perceived Effectiveness and Psychological appeals of a party and its policies; that it will be designed to reach Thinkers, Feelers and Doers; and will influence their Mental Sets by simultaneously affecting their knowledge, feelings and motivations.

Good thematic bridges can ensure that slogans, themes and symbols are "open-ended"; ie. they have as many meanings and interpretations, for different people, as possible.

The media play a central role in this process because they are likely to be better at motivating Feelers and triggering Doers than political leadership and political events alone can be. The ability of the journalist to take a piece of New Data and examine its possible implications and effects in some detail is an essential part of a long process (The Process of Diffusion of Innovation - see Diagram 6),



in which Feelers begin to act like Thinkers, as a particular topic becomes more familiar (an example would be the years it has probably taken before the great mass of people dimly perceive some connection between wage increases and price increases).

The fact that journalists have as much difficulty as other people in discarding conventional wisdom and opening their minds to new ideas, which change their Mental Set, does not matter. It is their role, in encouraging debate and interpreting its results, which is important.

## 6. THE COMMUNICATIONS PROGRAMME

### 6.1. RECOGNISING DISCONTINUITY

Section 4 argued that we had reached a point of discontinuity, that is a point at which solutions to our problems simply could not be found without breaking constraints (either political or economic) which had previously been accepted as unalterable "facts of life". The economic constraints may have been relaxed just sufficiently, by North Sea oil; but the principal remaining constraint is political - the power of the trades union leadership, wittingly or unwittingly, to block the road to recovery.

Discontinuity may not yet have been recognised by the electorate. In fact, with skilful propaganda and suitably 'pragmatic' - not to be cynical - government policies, it need not be recognised until the exhaustion of North Sea oil, by which time our last chance will have gone. Once it is recognised, however, the electorate is unlikely to give a mandate to a political party which has not itself changed sufficiently to match the changed prospects. On the other hand, a party which changes itself, because it fully understands



how the rules of the game are changing, is more likely to awaken the electorate to a belated recognition of discontinuity and thus win its confidence.

For at a time of discontinuity, leadership is at a premium. When the future is simply an extrapolation of the past, so that we are all tramping over familiar ground, the choice of someone to lead the procession may not be critical. But if we are setting out on unfamiliar terrain, we look for leaders who, at the very least, appear to have imagined what that terrain would be like in fact. In discontinuity, conventional wisdom cannot get us out of the problems. Indeed, innovation is almost certainly the best way through discontinuity. Almost any vision, any programme, is better than confusion and uncertainty, for it can at least be modified in the light of experience, once it has broken the paralysing spell of past failure and present pessimism.

## 6.2. THE CENTRAL MESSAGE

At present, the Tory Party stands for Britain, the family, individual freedom and the social market economy. All these are threatened by socialism and trades union power. The Right wing of the Labour Party manages to appear in control of its Left wing, as far as most of the public are concerned, and claims that it alone is able to deal with the unions, because of its special link with the union movement and its working class origins. If that claim cannot be broken down, the best the Tory Party can hope for is the modest majority which allows it to preside over Britain's continued decline, as long as it does not challenge trades union sovereignty. If we are to change this situation, we have to persuade more people (though it will always be a minority) to use their judgement and imagination in a debate about the unions' role. It is not enough simply to persuade them to remember our arguments and slogans. Fortunately, floating voters are probably more likely to think before they vote. But we have to feed new



perceptions and new suggestions into that debate continuously, so that the issue is not suddenly "worn out" by repetition and boredom.

The weak links of the Labour Party are its own Left wing and the trades union axis. These are also the only areas of obvious differentiation between the parties, to the average voter who does not examine policy closely (and ignoring class, accent and life style).

Although the Labour Party usually manages to silence its Left wing before an election, and has successfully presented its relationship with the unions as a strength, it has been clear for the past two or three years from public opinion polls that, amongst union members as well as the general public, there is no enthusiasm for nationalisation, high taxes, reduced differentials, and there is growing concern about the power and privilege of the union movement itself and its contribution to our problems.

Unfortunately, we have not yet turned this to our advantage, for two reasons. First, we have not managed to link the union movement sufficiently closely with the Labour Party itself and thus show the public that, far from being able to control and "get on with the unions", the Labour Party is itself dictated to, by them. Second, the union leaders have themselves, with the Labour Party's help, kept the Tories on the defensive by charging them with "confrontation", if they dare to criticise the union movement in any way.

To regain the initiative, we therefore have to explain to the Feelers that Labour really does stand for Clause 4 Socialism, and the dictatorship of unsackable union leaders; a partnership which has led to a "Sick Society" which is materially impoverished, dishonest, stupid, arbitrary, unfair, and finally frightened; so that it is pitied, as childish and backward, rather than respected by other countries. The Thinkers must be educated to see how Socialist policies and an unchanged union role must, in logic, lead to



further impoverishment and injustice. The contrast can then be made first with other European countries, whose policies, even under social democratic governments, turn out to be well to the right of the last Tory government; and then with the "Healthy Society", which we can build if we want it - fairness, tolerance, openness to new ideas, respect for the law, material and intellectual independence - all in all, maturity and responsibility.

Possible phrases and slogans which might be used, include: "Make Maggie's Britain Work", "Jim's Britain" (to describe the Sick Society); and (with tongue in cheek), "In Place of Hate", to suggest what we are offering as an alternative to continued class warfare and economic suicide.

#### 6.2.2. Education and Motivation

The principal messages to Thinkers, Feelers and Doers are mixed, because people do not belong exclusively to one or other category. Thinkers are also Feelers. Feelers can become Thinkers on particular topics, when they have been disseminated and discussed over months or years. In many cases Feelers and Doers will only be motivated to change their voting behaviour when they have absorbed a number of facts which Thinkers probably assumed that they already knew.

It is important that all the messages, whether emotive or intellectual, stem from, and are thus linked together by, coherent analysis and policy proposals. Only in that way can the media and the Thinkers discern patterns, new perceptions and innovative ideas which will give them "pleasant feelings", of an intellectual nature. They will quickly sense that the debate about our problems and possible solutions has broken out of the usual closed loop and will be anxious to show that they have understood this break out, and to communicate it to others: At present, they look at policies, messages, and



politicians simply as different facets of our post-war failure. Both the main parties are inseparably linked with that failure in their minds, and it should be no surprise that opinion polls show that the general public (let alone the Thinkers) have little confidence that either of the two main parties can solve our problems. The fact that, almost inevitably, one or other of these parties will win a majority at an election has no significance. The landslide waits for the analysis and prescriptions which convince the Thinkers, and the political innovation which releases the commitment and energy of the Feelers and Doers.

Here are some suggestions (very much in shorthand) for the central topics and associated messages. Those primarily addressed to Feelers and Doers are in brackets:

(1) Overview

Purpose: To convey the sense of discontinuity, the feeling that what follows may contain new data, not familiar messages.

- Defuse the "confrontation" bluff. It's Britain's last chance and we can't afford to be polite. Obstacles to recovery must be faced. Every dawn is a false dawn - samples of false dawn speeches of the past twenty years. (Are we waking up at last, or has North Sea oil put us to sleep again? Are we going to leave the problem to our children and grandchildren? Will they forgive us?).  
No point in Tories winning the next election unless the people are ready, at last, to move calmly and sensibly back to the sanity of other Western democracies.

(2) The Realities of UK Prospects

Purpose: To make Thinkers and Feelers realise that it is no longer enough for Labour to pursue Tory commonsense policies, without major changes.



— Compare UK with other advanced democracies on many economic and social dimensions. Show what has happened since 1945. Put North Sea oil in perspective. Link to our eccentric post-war political economy, never fully reversed by Tory governments. Not a matter of ideology, simply look at the evidence, learn from past experience and our own mistakes. The IMF miracle is simply the result of conventional financial management. The underlying structure requires political, social and cultural changes; such changes may look dramatic and extreme to us, but they are only a return to the normality of Western Europe - a normality which is unbearable to many union leaders and the Labour Left.

(3) The "Healthy Society" costs Money

Purpose: To prepare for a fresh look at the union role by simple economic education. (We have been fools to think that the rules of business finance are somehow different from those of the domestic budget).

— We are not ideologues. The market economy can of course co-exist with a repressive political regime. But all experience suggests that State Socialism cannot co-exist with a free society. The market system is simply the only way in which the population as a whole can "employ itself" with maximum flexibility, adaptiveness and choice. It is a matter of systems complexity, not political faith. International comparisons of value added in the UK versus other countries. (A simple explanation of how we add value. Money only helps us operate a barter economy. So what do we go on strike for? More of other people's goods for less of our own? That is all collective bargaining amounts to. It is no good stepping up the output of bank notes if we step down the output of motor cars. Someone has taken us for a ride).

— (We all know what we mean by a healthy society. It is one in which the values we hold and the code of conduct we try to observe ourselves - among our friends, in the family, at work - are reflected in politics, government departments, schools, businesses, state corporations, trades unions).



(4) We won't make it without the Unions

Purpose: To show that if the union role does not change fundamentally, the economy cannot recover; that "avoiding confrontation" is not an available option to a government which is seriously thinking to solve our problems. But it is confrontation with reality, not anti-union hysteria. (To turn fear and suspicion into anger).

Style: Instructive, cool, seeking partnership. But the content confronts the truth with no holds barred.

— The unions are not the sole cause of the UK problem. Much union behaviour is a response to poor management and poor government. Thousands of companies with unions never have strikes. Our real concern is with the union leaders' long-term objectives. They must know that collective bargaining is totally destructive in the long run. Do they mind if the private sector withers? They're not fools, so why all the emphasis on increasing political power, coerced membership, legal privilege, but lack of interest in wealth creation?

— Compare real average industrial take home pay between 1963 and 1976; (up from £16 in 1963 to £18 in 1976, in 1963 pounds). Challenge the leaders to co-operate in developing new wage determination systems based on added value. Note that new ideas are essential, as with "Let the People Speak". A commonsense approach is not enough, because for most people that is exactly what Callaghan is now taking. The need is for innovative ideas which make obvious sense to ordinary people but which are ideologically unacceptable to the committed socialists at the top of the Labour movement. The key to union policy is its critical link with the Labour Party and thus its socialist objectives. (List all the unions special powers, legal immunities in furtherance of trade disputes, contracts cannot be binding, unrepresentative voting patterns, domination of Labour Conference, use of card vote, closed shop. Compare all these with the situation in other countries. Cite examples of abuse where possible. Do you really approve of



dismissal without compensation for failure to join the closed shop? Would you have been happy, under Bullock, without a vote for new worker directors? Are you content that Moss Evans can never be dismissed? Is this what you mean by industrial democracy? Are you happy to give your vote at Conference to your general secretary? To pay the political levy? Look at the fixed assets at your elbow, compared with your brother elsewhere in the Common Market. Where else could your wage increases come from except out of your own future prosperity or else increased prices? Look again at your real improvement from 1963 to 1976. No wonder you have been getting restless. Whether your leaders are knaves or simply fools, you have been robbed. All these points are facts, so when union leaders talk "confrontation", it can only be because they would rather the facts were not generally known.

(5) The meaning of Socialism

Purpose: To make sure people understand that British socialism is not the same as Continental social democracy, nor is it what people want according to the opinion polls. The message is basically the same for Thinkers, Feelers and Doers.

— Spell out Clause 4, printed on every party members' card, spell out the 1976 programme. This is what they're determined to get, in the end. Challenge Labour and the union leaders to disown it. The union-Labour link is unique to Britain; so Socialism always has the real power, whatever people thought they had voted for. That is why we are now the most socialist, as well as the poorest country in the Western world except for Italy which pursued similar policies of intervention, nationalisation and union appeasement. Look what the opinion polls say about what ordinary people want and compare this with the aims of union leaders and the Labour Left. Will North Sea oil be used to strengthen the independence of the individual, or the power of the State? Significant that the NEC has already promised to produce no more policy papers to embarrass the Labour Right until after the election. But don't confuse Callaghan and Healey with Gaitskell, Bevan, Attlee. The latter were in control. The former take their orders from the unions and the Left, in order to stay in power. This cannot be changed until thirty years of propaganda



about profits, exploitation, collective bargaining as the only means of increasing living standards, has been challenged; and union members use their votes to tell their leaders to read up their economics and stick to their job of looking after their members' interests. If they want to go into politics, let them stand as Labour or Communist Party candidates.

(6) Jim's Britain is a Sick Britain

Purpose: To show that, just as State socialism has to be repressive, the union-Labour partnership ("power at any price") to bring socialism to Britain has already made it a sick society. (Create a collective desire to protest against the drift, to see all our problems as part of a single pattern, and create the desire to "get our own back", by voting against the party which has let us down).

— A society divided into the Government's friends and its enemies: private sector, public sector; union official and entrepreneur; council tenant and houseowner; union members and self-employed; favouritism and deals on the side, instead of impartial justice for all. Break the law if it suits you and you are strong enough; fiddle the overtime, pilfer the stores, evade taxes, live it up on expenses. Zero-sum city speculation the only way left to make money; how union restrictions and the taxman make honest wealth creation - which benefits all and creates more jobs and higher pay - impossible, so that the worker, the manager and the entrepreneur all give up. Establishment dishonesty too, eg. indexation of thresholds is presented as a tax give away, "sacrifices by the workers", "investment strike" with effective tax of more than 100 per cent.

(7) Take Courage

If enough of us want to change these things, no one can stop us. But we need a resounding "No" to Socialism at the ballot box. Challenge the union leadership; will they or will they not lay their Clause 4 objectives aside, if the people say they have had enough?



- 6.2.3. Many of these messages are obvious and familiar, and it will require much hard work and imagination to give them fresh impact. No single piece of data will in itself make much difference. It is a question of assembling them and linking them in such a way that, as a whole, they build up a "cumulative dose" of understanding and motivation. It is rather like trying to build a model of St Paul's with matchsticks. Each "nugget" of information is only a matchstick, and the question is how to assemble them so that in total they trigger new behaviour. The floating voter, in particular, must be strongly motivated to use his vote to change things. He can be reassured that he is not voting for revolution or jungle laissez-faire, simply to overcome an entrenched apparatus which has resolutely refused to allow Britain to follow the policies which have been so enormously successful in other countries. (This could be linked, too, to the real significance of the Left wing efforts to keep the country out of the Common Market, out of the capitalists' club).

All this has to be done in such a way that union members in particular have their existing values and attitudes modified rather than challenged and thus strengthened. It is therefore particularly important to understand those values - the union members "Mental Set". A special working party with the right people on board is essential to ensure this. The individual worker and his union are closely linked. It would never occur to most workers that it could be otherwise, even though he may be inactive and attend no meetings. Exile from the union would be like banishment to Siberia. Between him and the terrors of being on his own in a society which, as yet, offers fairly unequal opportunity, stands his union - that is, his tribe, his clan, his own small society. Inside it he is warm, and to a large extent, safe. Outside, he is nothing. If he is to desert Labour - and thus by close connection, qualify his loyalty to his union - it must be for something better and equally reassuring to him. We have to create a situation where he can openly resolve the "dissonance" between these feelings and his own opinion poll response to union power and socialist policies, by voting Tory. The whole approach to the union problem is explored at greater length in Appendix A attached.



It is also worth remembering that when new issues are raised, it is the final effect and its consequences which are important, not the initial response. This will often be instinctive, fearful and irrational. Or it may be over-intellectual - "It hasn't been properly thought through, it could not work in practice". But it is the ensuing debate and its ramifications that matter. Risks have to be taken if attitudes are to be changed.

Britain's future is not going to be different from its past unless there are changes in attitudes and behaviour. But those changes are not going to stem from the policies of a party in government, if that party and its own attitudes have not changed. As long as the Tory Party is simply seen as the same institution making different noises, nothing will happen.

It is important to realise that, behind Diagrams 1 and 2, which show the decay of the economic structure, there are more subtle causal processes at work, in which normal social behaviour gradually changes so that it becomes progressively harder for people to muster the patience, maturity and staying power, which are needed if recovery is to start, let alone to be carried through to its conclusion. For example, people are readier to resort to economic sanctions or physical violence in order to get their way; those holding unpopular views or bearing unpleasant news are shouted down; our own behaviour deteriorates because we assume that the behaviour of others is deteriorating also; we act irresponsibly or dishonestly because that becomes the new behavioural norm. Inch by inch, by our behaviour we turn ourselves into the sort of people (eg. more like the Italians, less like the Germans) who no longer have what it takes to solve our own problems. This is why communication must be about moral and cultural values (but not in clichés) as well as economic ones.

Morality in the end counts for more than personalities; an appropriate value system counts for more than "correct" economic policy. It is the blend of integrity, imagination and clear thinking which adds up to the ability to govern through discontinuity.



### 6.3. SET-UP AND OPERATION

6.3.1. This section deals fairly briefly with the main activities needed to put the communications programme into effect, once we are clear in our minds as to how the campaign on the whole is going to be conducted and won. The activities mentioned below are probably happening already within Central Office, though the emphasis may need to change a little, if the proposed strategy is accepted.

#### 6.3.2. Activities

The communication programme will require the following five activities, certainly, and perhaps others:

(1) Monitoring and Data gathering: the general political environment, opinion polls etc. Also -

— Collect and classify 'nuggets' for use in speeches etc.

— Monitor the change in attitudes and values (Mental Sets) in particular target groups, eg. union members, so that the communicating process can be to some extent self-tuning.

(2) Generating issues: or more specifically, sub-issues which support the main components of the communication programme. This might include references to fully thought-out policy, in order to start other debates going. Such ideas should be, if possible, "thematic bridges" which have an open-ended appeal to Thinkers, Feelers and Doers, creating aversion/desire at both intellectual and emotional levels.

Opportunity seeking: searching for events, or "windows" which allow such issues to be raised dramatically and apparently spontaneously by the real world rather than more artificially in speeches etc. For example, how, if at all, do you use a Grunwick or a Darlington, or attempts by shop stewards to prevent ballots or discourage voting?



- (3) Operations control - self-explanatory: time, people, money, general logistics.
- (4) "Symbolic policy" (and symbolic debates): This is the development of policies and debates which, while they are not simply cosmetic, should help to disturb the existing mental sets of both Thinkers and Feelers and wake them up. Examples might be:

— Accept that value added bargaining would create pressure for demanning, and open up the debate about how we can reduce the consequent transitional hardship. Show how continuing to postpone the transition is cowardice, not compassion, because it makes the eventual adjustment (for it will have to be made in the end) even more painful. This debate, besides being very important in itself, allows the Tories to show that they can see and sympathise with the dilemma of sensible and responsible union leaders.

— Electoral reform. One reason for raising this subject is to meet the understandable response from electoral reformers to the Tory slogan of "Let the People Speak". If the Party is against electoral reform for reasons of Party interest, then the suspicions of most of the electorate (that political parties put their own interests before those of the country, while proclaiming the opposite) will be confirmed; if, on the other hand, the internal debate has reached an honestly thought-out position, it should be displayed. While it is a sensitive subject, one of the attractions of an open debate is that Labour, and particularly the extreme Left who have most to lose, dare not discuss it honestly.

— Say that Labour would be invited onto NEDC.

— Non'cosmetic efforts to give greater equality of opportunity.

— Proposed fixed term parliaments.

— Public and visible roles, appointments, etc. for union leaders in the great national recovery programme.



The purpose of symbolic policy is to diffuse the confrontation issue, to disorientate those purveying an archetypal image of Tory reaction, the defence of class privilege etc; and to show that, in contrast, the Tory Party is changing itself, indeed politics is changing, in order to rise to the level of events. Against this background, the Tories resolute refusal to be intimidated over the union question will carry much more authority.

- (5) "Union values": A working party on this is required, if it does not already exist. Unless we can get right inside the minds of the rank-and-file and understand their point of view, the main thrust of the communication programme could misfire.

### 6.3.3. Detailed event Planning

In addition to the activities above, there will of course be all the routine preparation for specific events; audience definition, local or national etc, with associated local or national issues; immediate objectives, not only for the audience (primarily Feelers), but for the media who will digest and disseminate it; and many other matters like the choice of spokesmen, style and content.

## 6.4. SHORT TERM TACTICS

### 6.4.1. Aims and Expectations

Our short term tactics will obviously depend on when Labour will want to go to the country and - to the extent that we can influence it - when we would prefer the date to be. For example, if the polls had remainder heavily biased towards the Tories, there would have been great pressure for an early election, but little could have been done



about it, unless the Lib-Lab pact had collapsed. On the other hand, if the task in government is as big as we have suggested, and the sea-change in political attitudes needed is also large, the view of a strategic purist might be "The later the better, because we have a two-year communication task ahead of us". Putting all the bits and pieces together, we could perhaps come up with the following view:

The Tories are vulnerable to a spring election, because Labour have a considerable opportunity to buy votes up to that point. After the autumn 1978, economic indicators may start to tell against Labour. We should therefore be aiming for an early improvement in the polls, sufficient to delay the election to autumn 1978, at the earliest, which would give us longer for our programme to have its more fundamental effect. It might be - though of course we could not be irresponsible about it - that a feint on the lines of Sam Brittan's "North Sea Bond" (whether or not it is a practical possibility or merely a recipe for a sudden import boom) could grab the headlines and swing immediate sentiment in favour of the Tories. This delays the likely election date, so that the whole union issue can be brought out into the open and ventilated with enough time for the dust to settle, and fear of confrontation to be replaced by confidence that change is perhaps possible, by autumn 1978.

Of course, there may be valid technical objections to the North Sea Bond proposal, as there will be to many new ideas. The question is whether its potential pay-off, political or economic, is enough to justify a serious attempt to find a way round the technical problems. It is interesting to imagine a North Sea Bond issue to everyone, including rank-and-file union members, being dependent on the outcome of a referendum about changes in the union power!



6.4.2. Tactics

Once we have agreed on the outlook, above, the tactics are obvious enough:

- Release either policies or debating ideas which Labour cannot, for ideological reasons, steal, in order to reduce the chance of losing a Spring 1978 election.
- Drag every skeleton out of the union cupboard, linking it to Labour, as discussed in 6.2. above. The aim should be to make the Labour Right wing and the union leadership close ranks, while the rift between the latter and their rank-and-file begins to open. All must be done in the most friendly and reasonable way - simply seeking the truth, ensuring that all are informed. It is not the abuses of union power we would stress, but the rules of the game. The union leadership, presumably think these are just fine, and would therefore have no objection to their being carefully explained to the public.
- Assemble as many "New Data" items as possible (some will be real policy, some will be ideas, some will be symbolic policies) in ascending order of "stealability", and start to release them, getting maximum mileage, and then, before the dust can settle, releasing the next one. All this is, of course, much easier said than done. But the essence is to make political communication both emotionally and intellectually interesting instead of utterly boring, and to retain the initiative by doing so.
- A variation on this technique would be deliberately to release ideas or proposals which at first sight look half-baked, so that hasty and over-confident Labour responses can then be demolished. All this is just game playing to reduce their confidence. None of these ideas is new.



— As we approach the election, bits and pieces of the 'normative model', the "Good Society", with the attendant language of the "Government of National Unity" begin to emerge.

#### 6.5. CONCLUSION

We have tried, as briefly as possible, to suggest a coherent approach to a large and difficult task. The Appendix, attached, is an excerpt from the longer papers prepared during our study. It discusses at greater length how to seize the electoral initiative on the central issue - the apparent conflict between an "anti-union" Tory Party and a deeply conservative and defensive trades union movement.

There is obviously a limit, at this stage, to the amount we can write and the reader can read; and we look forward to an early meeting of the Steering Group to discuss this paper and to decide how to use it.



THE UNION PROBLEM

Many people today believe that fear of the unions is stronger than hatred. A confrontation policy, it is said, will ensure that the fear mounts at a faster rate than the hatred; in turn, this ensures that the Party which generates most fear will not be voted for. However, there are other emotions, linked to fear and hatred, which can get around this problem. The antithesis to fear is hope and courage. This is what the normative society is designed to produce.

The Tories must engage the unions in mature debate. There must be a rational realisation that the unions must modify their behaviour so as to be less combative, more flexible and genuinely helpful. This is one way to ensure that unions and their role are seen in proper perspective in society. We must ensure that Feelers feel an aversion to current union values and to Jim's Britain. They must be made to dislike them so intensely that their fear turns to anger about it. They must come to believe passionately in the ineffectiveness of the current union approach, and of the harm it can do if carried forward into the future. Above all, they must wish to escape from a dissonant state - the possibility of the situation continuing.

In total, frustration with the present situation, desire for a better future - the Good Society with good unions - and the realisation that change is politically possible (because the Tory's normative society has generated hope, trust, conviction and faith) will permit people's



fears to be overcome and their voting behaviour to change in favour of the Party that promises the new society, and the reduction of their dissonant, angry state.

Party members' behaviour, personality and style must bridge to this new society. Trust is a problem here. It raises the question that some Tory personalities (and some bosses for that matter) do not strike one as being able to generate that quality in some audiences, particularly working class audiences of a hostile bent. So the message dissemination should be so structured that the old bits are done by the people who are less trusted, while the new bits are being done both by people who are more trusted, and by newer, younger and more class free, people who have been shown to generate trust and popularity. One of the Task Forces in Central Office should be given the job of thinking about this to ensure that it happens. A further help would be the utilisation of new messages and ideas rather than some of the existing ones. If you get through to people they do change their opinion of you. Another way for a person to generate trust is by doing or saying things which are themselves trusted even if the person isn't.

Mrs Thatcher has recently been doing things which have engendered greater trust by hitherto uncommitted people. That is reflected in increases in her standing in the polls. "Let the people speak" is a slogan that thematically bridges to our normative model of the good society. It is an approach which has the capacity to appeal



simultaneously to Thinkers, Feelers and Doers. When Mrs Thatcher used this phrase on 18 September 1977 in an ITV interview with Brian Walden, it is significant to realise that she was forced to use it because she was under attack on the union question. This attack might not have been made if the previous week had not seen disagreements and differences of emphasis, between Sir Keith Joseph and Jim Prior, brought into the open because the normal "collective responsibility equals no controversy" approach did not then apply. So, because the issue was raised, Mrs Thatcher had to resolve it. In resolving it she came up with a slogan which is likely to be unbeatable. There is no way that the unions, Socialists, or indeed Labour Moderates are prepared to "Let the people speak" with all that that phrase really implies to the three previously mentioned categories of Thinkers, Feelers and Doers. We now have a total slogan idea that embraces incentive, enterprise, freedom and participation. It could form the basis of the Election Campaign's Strategic Platform:

MAGGIE'S BRITAIN WORKS - IT LETS THE PEOPLE SPEAK.

These two thoughts have now been thematically linked together. They are consonant, coherent and integrated. By contrast, notice that unions do not appear to let their people speak nor work effectively. Mob rule frequently applies, and individual dissenters can be howled down or intimidated. They too can draw confidence from such an approach.

Yet many still urge compromise and conciliation as the best approach. Anything else is called confrontation or extremism. It must therefore fail, they say. Does that mean conciliation cannot fail? Certainly not,



especially when those who conciliate automatically accept the existing rules as predetermined and inviolate. This is notwithstanding the fact that these same rules may have caused the problem in the first place and now represent the institutionalised form of it. (Note the analogy here with Sir Keith's ratchet effect to the left). It is important to realise that such rules may prevent any solution being possible in those terms. Sometimes there is only one thing to do, and that is to walk away from negotiations until a new factor, not part of the existing process of conciliation, emerges. The one thing that is really needed today is to institutionalise legitimate means for breaking rules. New problems require new solutions, not advice from yesterday's witch doctors or reasons why nothing can be done differently. There are some issues on which one cannot compromise with the future by remaining in the past.

By contrast, we wish to alter the climate of opinion. So we choose to selectively undermine those union values which we judge natural forces to have weakened. We should attempt to move with the times and seek to accelerate the trends that are already happening. With good management, people's opinion of us can go up, whilst that of the unions goes down.

When one wishes to comment on an issue in order to undermine an opponent's stance, one must first decide what the elements that comprise the issue and define the stance are. Some elements may be obvious,



others contentious or subtle, others very new. To many people the whole issue may have been prejudged to the extent that it is not thought to be an issue at all. Take the issue of Union Power. There are some who say that any mention of unions is confrontation. There are others who regard the very existence of unions as a confrontation which itself threatens the very future of Britain. Clearly, what we have here is not confrontation but controversy.

The normal way of dealing with controversy in a mature, honest, society is by facts, reason, persuasion and debate. There is a necessary and implicit acceptance of certain rules if open debate is to lead to common ground solutions. What prevents this occurring on the union issue? Emotional feelings like intolerance and fear spring to mind. If one Party refuses to enter into the debate by treating any proposition that departs from the status quo with hostility, what can be done? One must not always retreat in the face of an adversary; instead one must adopt alternative strategies and tactics.

Are there outside forces that can be called to one's aid? Are there new secret weapons, that can overpower an adversary in a way that he never believed to be possible? Can the territory on which the battle is fought be shifted? Can the morale of the opposing side be undermined? Can a situation be constructed which forces them to shift their ground? Is the lie of the land suitable for attack or defence, fight or flight? Is there a better position to move to before an attack is mounted? Should we wait for reinforcements? Is there a



possibility of enlisting the aid of another friendly power? Should a mutual defence treaty be signed with another threatened party? Etc, etc.

Questions like these can always generate the freedom to have another go at a seemingly intractable problem. The one thing we can be certain of is that issues which people do not want debated will have to be debated if progress is to be made. How then can we start?

Why not with the unions themselves? They have a strategy which a moment's thought can identify and which they will clearly use during the pre-election period. Every comment on the unions will be emotively labelled as "union bashing" or "confrontation". So the first solution is to destroy their freedom to use these labels. We do this by analysing the labels and the purpose of their use (with examples for Thinkers) rather than by attempting to prevent all one's own activities which could be thus described (though incorrectly to Thinkers) by the unions. For, in the end, any alternative proposition to the status quo can be described as a hostile act to the status quo.

This is really an expression of union fear and conservatism, rather than a genuine, reasoned response to an argument. They know they are immobilised, yet we refuse to attempt to bridge them. They have reached their limit. Withdrawal with honour upheld and face saved is what they should be offered. Any movement can only be backwards. We must provide them with the means to lessen their fear, by taking the initiative and leading them to safer ground. But this fear response also tells us something about the

the



people who resort to it. They would not be thus unreasonable if they believed in their case or had alternative ideas that they could defend with certainty and conviction. They do not believe they have much chance of winning their argument honestly. The unions are therefore an intrinsically insecure opponent. Yet the Tory Party permits them the luxury of security, while it takes on itself as much insecurity as it can find. Every straw blowing in the wind is a dagger, every idea that could trip up the unions is seen as a minefield that can explode beneath terrified Tory feet. The reality is that there is a rising tide of public feeling against the unions. Grunwick has helped this on its way. Other events will surely continue the process.

So far, our task has two phases:

1. To argue labels like "union bashing", "confrontation" or "extremist" out of court by explaining our fair purpose, relating it to the unions' fair purpose and showing their compatibility and good sense.
2. To recognise our opponents true emotion as one of fear and confusion manifesting itself as anger and hostility. ("We understand, we want to help. We believe in what unions can do for members' pay and conditions. We support good unions").

We bring all this to the public's attention via the observers of the ensuing debate, namely the media. We know that if we don't do this now, to get the kicking and screaming out of the way, the issue will be raised by Labour and the unions in the latter part of the election so that there



really does seem to be a confrontation atmosphere. If we do it now, the issue will be defused, the electorate will be bored by it, and other issues - hopefully more favourable to the Tories - will emerge as the key election issues. We are confident that this is the right thing to do because we know from the opinion polls that the public believe unions to have too much power and that they also believe that the Tories are unlikely to be able to correct the situation. The reasons for the first point are obvious, so we dwell on the second.

Why should the public believe that the Tories can affect union power when they see no evidence for this possibility from Tory behaviour, ideas, speeches or policies? But by starting on Phase I alone, we create a no-risk situation. Clearly we are not union bashing or confronting, and we can monitor, through the polls, the assumption underlying this approach - namely that a rational, reasonable approach to changing union behaviour, both in their own interests and in that of the country, will ensure people's belief that it is, after all, possible to change the unions for the better. If we are right, the opinion poll figure will move upwards.

We can then move into Phase II of our Union Behaviour Change Strategy. If we are wrong, at the very least we would have made the unions change their behaviour and that must carry more risks for them than it does for us. The present situation does not look healthy for the Tories and, in the presence of the confidence, complacency and cheerfulness of Jim Callaghan, it could well be a guarantee of defeat, at least on the combined issue of the unions and industrial relations.



By examining the cultural and historical background of the union ethos, together with the nature of most of its rank and file members, we realise that we cannot ask the unions, or their members, to give up their current feelings of comradeship, protectiveness and group strength if we do not guarantee them similar feelings of strength, togetherness and security under any new arrangement that we may propose. There must therefore be the promised enactment of symbolic policy to fulfil this function. This could, for example, involve a role in a reformed second chamber, or a guaranteed legislated, non-majority role on the Board of a company, or a shareowning role for union members, or a controlling role in a local authority, etc. Alternatively, we can bring union leaders into a reformed House of Commons. They are, after all, some of the very few leaders of today that have had industrial experience.

We can aid the willingness of union leaders to acquiesce in symbolic policies by ensuring that the political arena and working environment within which they are operating encourages them to consider change rather than the continuation of present circumstances. Change must be made to seem preferable to the status quo or its continuation. We can do this by creating situations which threaten the power, status and satisfactions of union leaders' current roles. They then ought to be all the more prepared to grasp the new roles offered to them. These roles will hold out genuine guarantees for their power, status and satisfaction. There will be no loss of face involved, on either side.

For example, it is iniquitous that, at the same time as union leaders



denounce the House of Lords and its hereditary peers, they happily take upon themselves office for life from the moment they are elected. Can they not see the parallel? In one sense the TUC are the new Lords. Warlords? This is damaging to democracy because it must guarantee, even with limited and mediocre qualities amongst union leaders, a body of expertise, continuity and experience which, by the law of averages, should grow strong enough to enable it to defeat the leadership of any political party which has no set security of tenure, and no such quality, breadth and durability of experience. This is clearly a threat to free choice and thus to our democracy. In about fifteen years all that we might be left with could be union leaders in control.

We know from the public view of the unions that they do not want this. We therefore assume that points like this would disturb the public, if only they were to be brought to its attention. But they cannot be brought to their attention if every new point for debate is called "confrontation". On this logic the future is "confrontation". All change is "confrontation". Altering the rate of unemployment and creating new jobs is "confrontation". So we must first destroy their ability to use the label by logic, ridicule, humour, intense personal charm, kindness, and every means at our disposal. THEN WE CAN ENGAGE IN THE TRUE OPPOSITION ROLE OF DEBATING CHOICES FOR OUR SOCIETY AND FOR THE COUNTRY. If we don't do this, how can we maintain our own self-respect and confidence, let alone earn that of The Silent Majority?



Fortunately, the other thing that we know about union leaders is that they are skilled at negotiation. What is negotiation but institutionalised "confrontation"? In other words, the union leaders do not practice what they preach. They may not be confronted but, in every wage negotiation or manning agreement, they confront with extreme force and vigour. It is odd that the Tory Party has permitted itself to be so brainwashed by such a weak and illogical argument. The one sure way for a businessman, a government or a politician to lose the respect of union leaders is to refuse to argue strongly for their own point of view and what they believe is right. The unions argue their position constantly. For union leaders, negotiation is a tough, face-to-face confrontation. It is a perfectly natural process of bargaining, persuasion, consultation and debate. Negotiation is, by its very nature, a process of mutual confrontation. Its use is to permit two sides to argue, forcefully if necessary, through to a common point of view on which agreement can be based. It is not in the unions' nature not to agree. It is in their nature to confront for the best deal that they can get. Any body of men which does not negotiate with them, in their own terms, will incur their disrespect and contempt. This is no way to start a bargaining relationship in a situation where the Tory Party was, in spite of this analysis, able to win the next election. It is rather a sure-fire recipe for failure in Office rather than at the election.

Yet the only truth is this. If the Tories win Office without having created a climate of union respect and mutual co-operation in advance, they cannot govern. If this were to be proved the case, it might not be



a question of just a few years in the wilderness. There is a good chance that it could be for ever. We would have ceased to be relevant to our times. So we must ask what the union leaders really think of Jim Prior and Tory extremists? Finally, if this is seen by some to be an extremist point of view, what is the role of moderation in politics today? Because if it is to provide a guarantee that the extremist behaviour of socialist unions can guarantee union rule into the future, we do not wish to be moderates. By contrast, we believe there are times when it is necessary to fight in order to maintain the possibility of a democratic future for our society. Anyone who disagrees runs the risk of being labelled a status quo extremist for refusing to confront a highly probable reality. Naturally, when we say 'fight' we do not mean overt fight - not open confrontation - but psychological warfare. We would use thematic bridging, to Thinkers, Feelers and Doers, to affect their attitudes and behaviour positively. We can take the majority with us if we give them the right new data and if there is time to do it.

#### THE SUGGESTED APPROACH TO THE UNION ISSUE

In order to undermine union values we must substitute something more motivating in their place, To do this we must understand what the existing values and Mental Sets are. The growth of the closed shop tells us that currently the individual worker and his union can still seem inseparable from each other. Further, it has probably never occurred to many workers, whether members of the silent majority or not, that it could be otherwise. Exile would be the equivalent of death, physical,



spiritual and emotional. It can mean loss of fellowship as well as livelihood. Between him and the terrors of being on his own, there apparently stands only his union, ie. his mates, his clan, his small or secret society. Inside he can feel warm and comforted. He belongs to the tribe and he is to a large degree safe. Outside he is nothing. He is at risk. Yet this is precisely the man we must get to vote Tory. In a sense, we wish him to desert his union. But if he is to transfer his loyalty, it must be for something better and, importantly, something which is equally or, preferably, more reassuring to him. He must be made to feel insecure at his union and to experience intense disquiet as to what the union stands for, and therefore its values. This must overcome his warm, secure, comradely feeling. Would he then still be proud to belong to his union? Very few of the silent majority can be proud of the closed shop, picketing, bullying, selfishness, blatant disregard for others, violence and intimidation, particularly as they well realise it could so easily happen to them. So the trend of natural forces is probably now beginning to move in our direction and, we suspect, that it will continue that way, especially with some delicate help.

Clearly, with this being such a major issue, there ought to be a Union Values Working Party. This should look not only at the Unions' behaviour, but also at the ideas underlying their institutional form. In order to ensure that it really does debate the issues, it should have two chairmen, one of whom should be Jim Prior. It should also have



at least one member in the Escape Unit and Opportunity Seeking Unit.

When a union gets into conflict, what is the situation which gives rise to it, and what are the determinants of that situation? This is not always the face value question for more money. Issues of status, power, authority and respect also play a part. But increasingly the split is widening between union members and their leaders. We can help it along provided we give their members something better, and provided we make them experience feelings, such as shame and lack of self respect, for the part that they are playing in permitting selfish behaviour, which harms not just them, but also their fellow workers and countrymen. It is in this context only that an example of Issue Restructuring is given below. This illustrates the technique of taking an issue and creating thematic bridges which relate it to Labour's critical link in its chain of credibility. Remember, if we can bring down the unions, we can bring down Labour and vice versa.

### ISSUE RESTRUCTURING

We wish to generate dissonance with the existing Labour situation and thematic bridging to the better Tory situation, by altering the presentation of an issue. Our intention is to attack Labour's relationship with the unions. This is a critical link in their whole ideology and organisation. It has given them much of their recent



success. It can also be made to contribute to their future failure. If we generate issues which illustrate bad aspects of unions, then those same aspects can be associated with Labour through thematic bridging. We do this by ensuring that the themes used to describe the issues generated about the unions are consistent with (ie. bridge to) the self-same themes we have used to describe Labour in general and Jim's Britain in particular. In this way we ensure that we have integrated issue generation with the rest of our communications about the unions and Labour. The bridging, of course, is generated to bring out the worst of Jim's (sick) Britain and the best of "Maggie's Britain Works".



AN EXAMPLE OF ISSUE RESTRUCTURING - FOR FEELERS

1. IDENTIFY ISSUE: Union power.
2. GENERATE ASSOCIATED THEMES THAT LINK WITH JIM'S BRITAIN:  
Irresponsible, bullying, arrogant, picketing, violence,  
closed shop, mob rule, sacking, insult, force, fear, intolerance,  
hostility, hate.
3. SELECT EXPECTED MOTIVATING ASPECT(S) OF ISSUE:
  - (a) Negative Aspects: Abuse, power, intimidation, threat to  
livelihood, mutual irresponsibility.
  - (b) Positive Aspects: Praise, helpfulness, support, fraternity -  
all for one, one for all, unity, strength.
4. TYPIFY IN COMMON FORM:
  - (a) Existing title if one exists - The Closed Shop.
  - (b) Create a new name or slogan if none exists or if (a) is feeble,  
eg. Brother's Prison.
5. DETERMINE CURRENT TARGET AUDIENCE STANCE: eg. a mixture  
of fear, bewilderment, doubt and aggression. Concern that this  
will lead to subsequent strife, heighten fear of lost jobs, possibly  
even anger or hatred.
6. ASK CRITICAL QUESTIONS ABOUT VOTERS' OPINIONS VIA  
RESEARCH OR IN COMMITTEE: Do those who fear outnumber  
those who hate? Which way do the two groups vote?
7. DISPLAY RELEVANT RESEARCH DATA OR APPEND A COLLECTIVE  
VIEWPOINT DOCUMENT HERE: (If large this can go in an appendix).
8. GENERATE A BRIDGING THEME THAT LINKS THE IDEAS IN 3  
TO THE AUDIENCE STANCE DEPICTED IN 5, IN SUCH A WAY THAT  
IT HAS A GOOD CHANCE OF RESTRUCTURING THE VOTING  
BEHAVIOUR REPRESENTED BY THE NUMBERS IN 6 and 7.



This might be intolerance, enforced poverty, breakdown of law and order, end of good neighbourliness, mugging, selfishness. Hence, brother mugging or even free collective mugging.

9. DISPLAY HERE THE POSITIVE OF 8: Fraternity, responsibility, support, help, concern, self-respect, maturity, belief in the need for discipline, respect for authority and law and order.
10. LINK THESE QUALITIES TO MAGGIE'S BRITAIN AND/OR SYMBOLIC POLICY.
11. PRODUCE THE MOST MOTIVATING MESSAGE, PRESENTER, FORM, CONTENT, STYLE, AND TIMING: Check it out through small group private research. Determine the ideal approach to the argument and the situation and context in which the communication should best be launched to the media and the public.
12. MONITOR THE RESULTS AND ALTER 11 ABOVE AS APPROPRIATE THROUGH TIME.
13. DETERMINE WHEN THE ISSUE NO LONGER HAS MILEAGE AND, IN CONSULTATION WITH THE ISSUE GENERATION UNIT, MOVE ON TO SOMETHING ELSE. Remember, what counts is the final effect when the issue and its consequences have been fully worked through, not the initial response. This is often instinctive, fearful, irrational and emotional. But if risks are not taken, rewards are not achieved. Innovation and enterprise has its relevance in politics as well as in business. (Think of Grunwick, the Scarman Report, and "Let the People Speak").

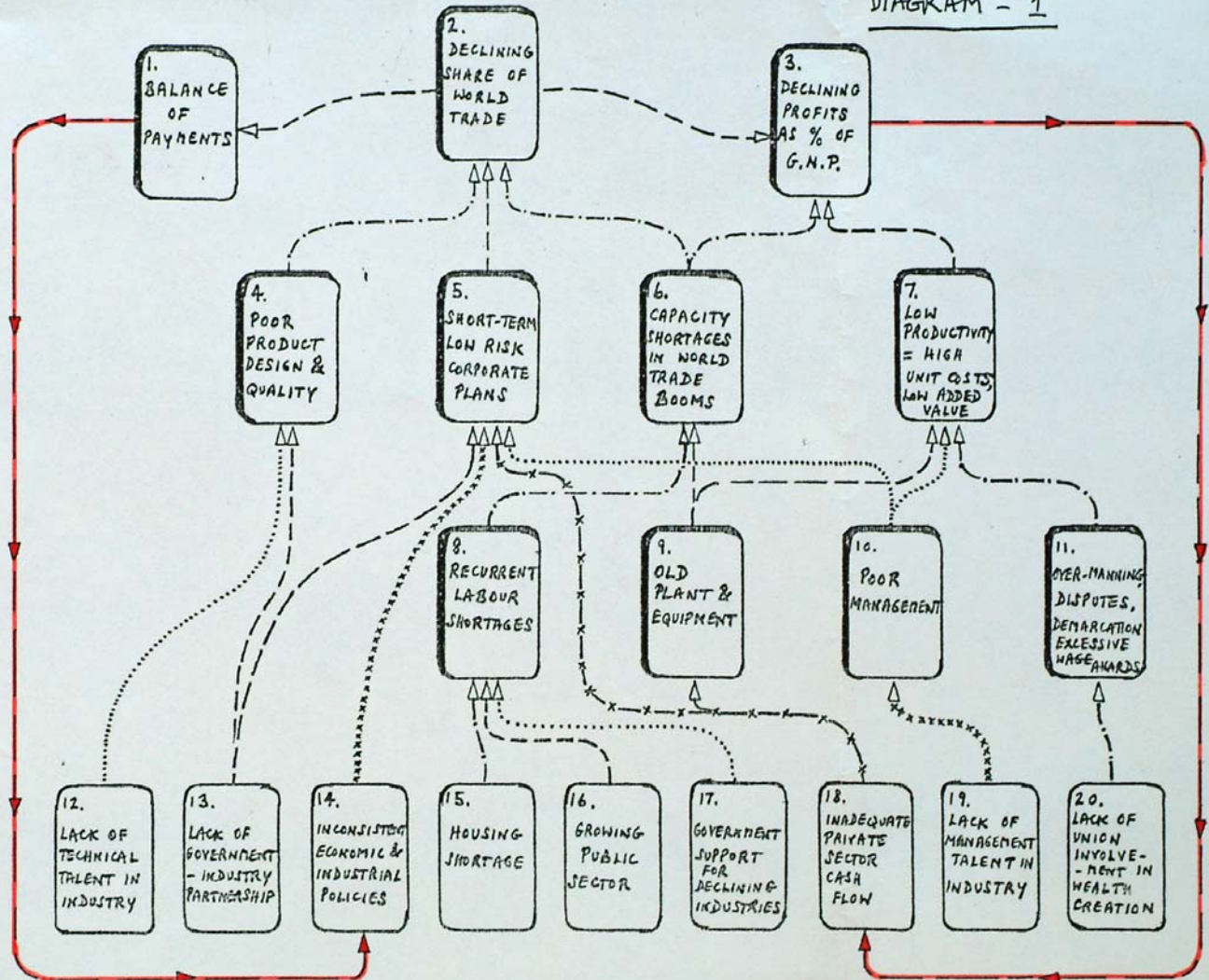


DIAGRAM - 1

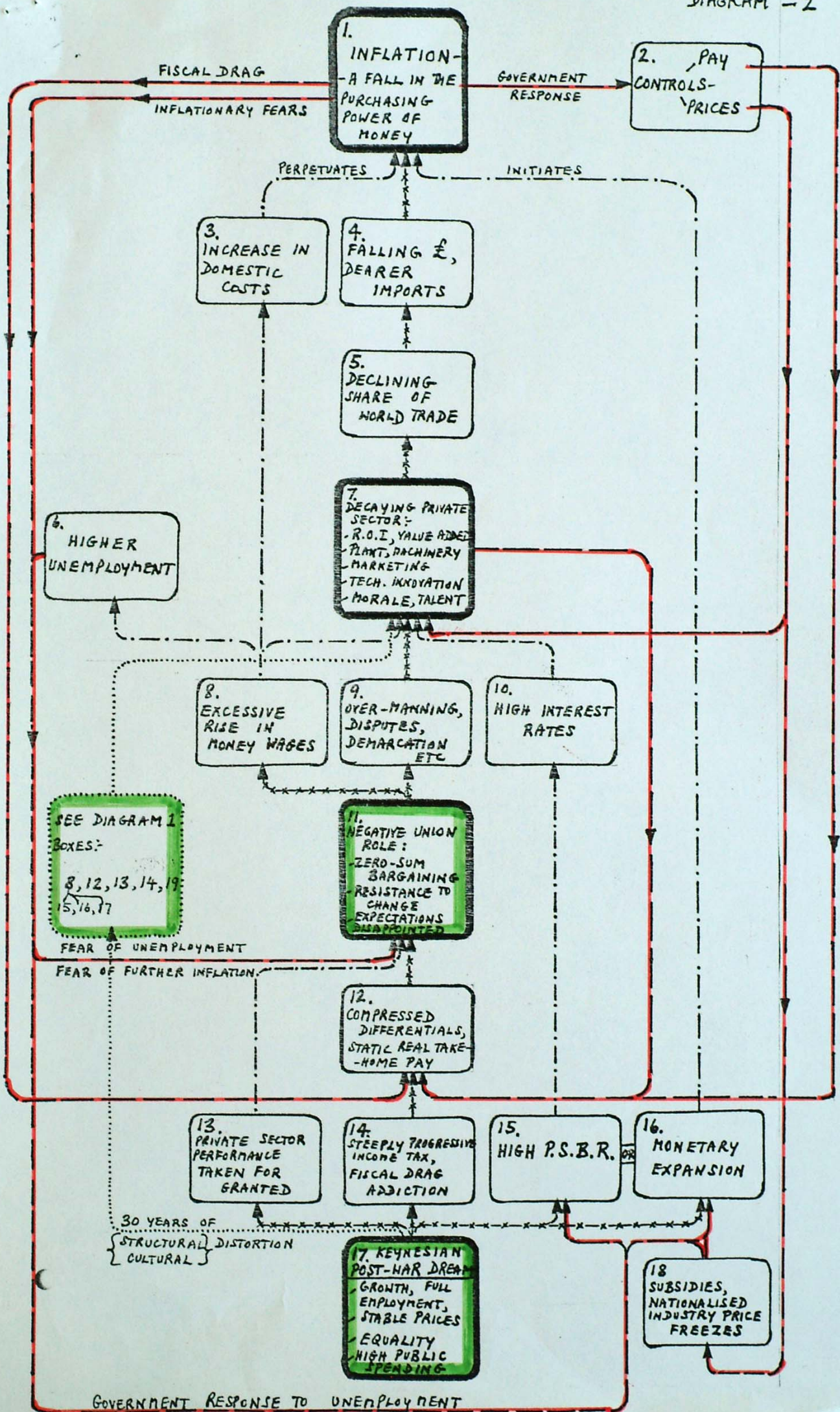
OUR PROBLEM IS ECONOMIC...

CAUSED BY INDUSTRIAL FAILURE, WHICH IS ONLY A SYMPTOM...

OF SOCIAL & POLITICAL SICKNESS...

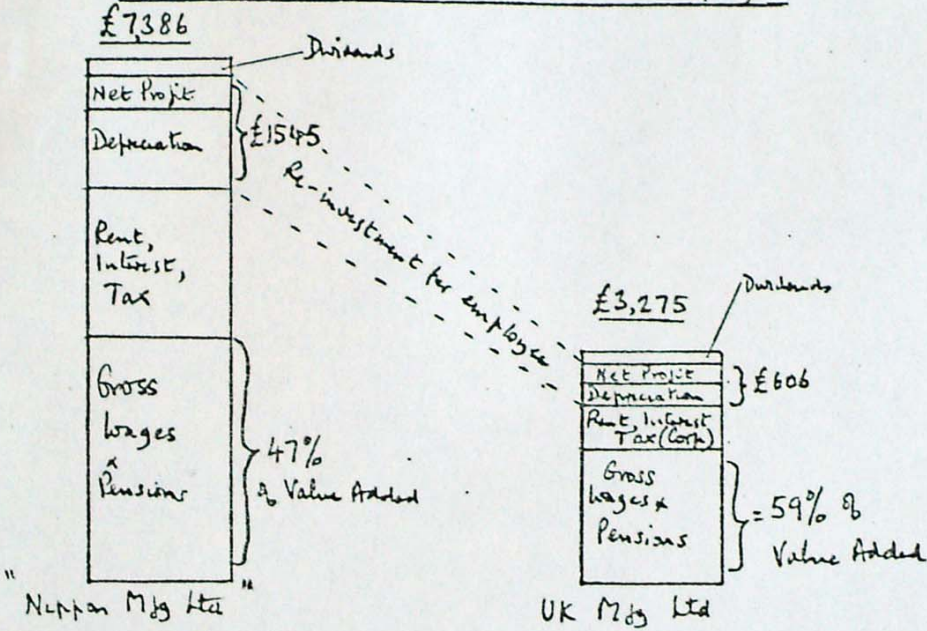








1973 - The Distribution of Value-Added Per Employee

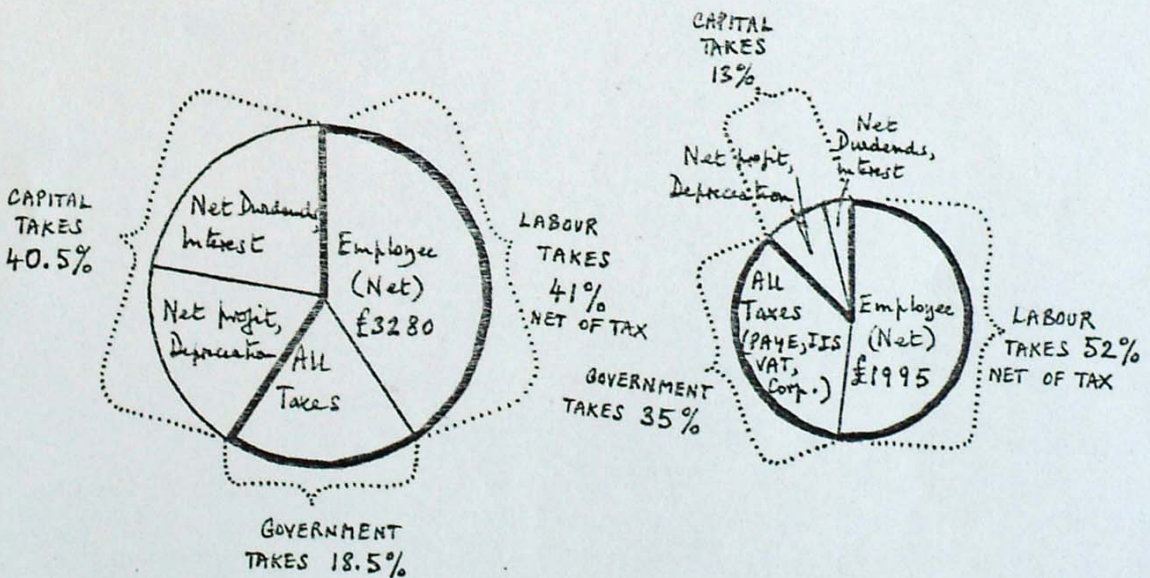


SOURCE:- JAMES CLAYTON LECTURE - FEB 1976 DR F.E. JONES F.R.S.

DIAGRAM 4

1975 - DISTRIBUTION OF WEALTH CREATED BY EACH EMPLOYEE

Between capital, labour & government.



Japanese manufacturing industry.

Each employee adds £8,000 of new value

[700 yen = £1]

UK manufacturing industry.

Each employee adds £3,759 of new value

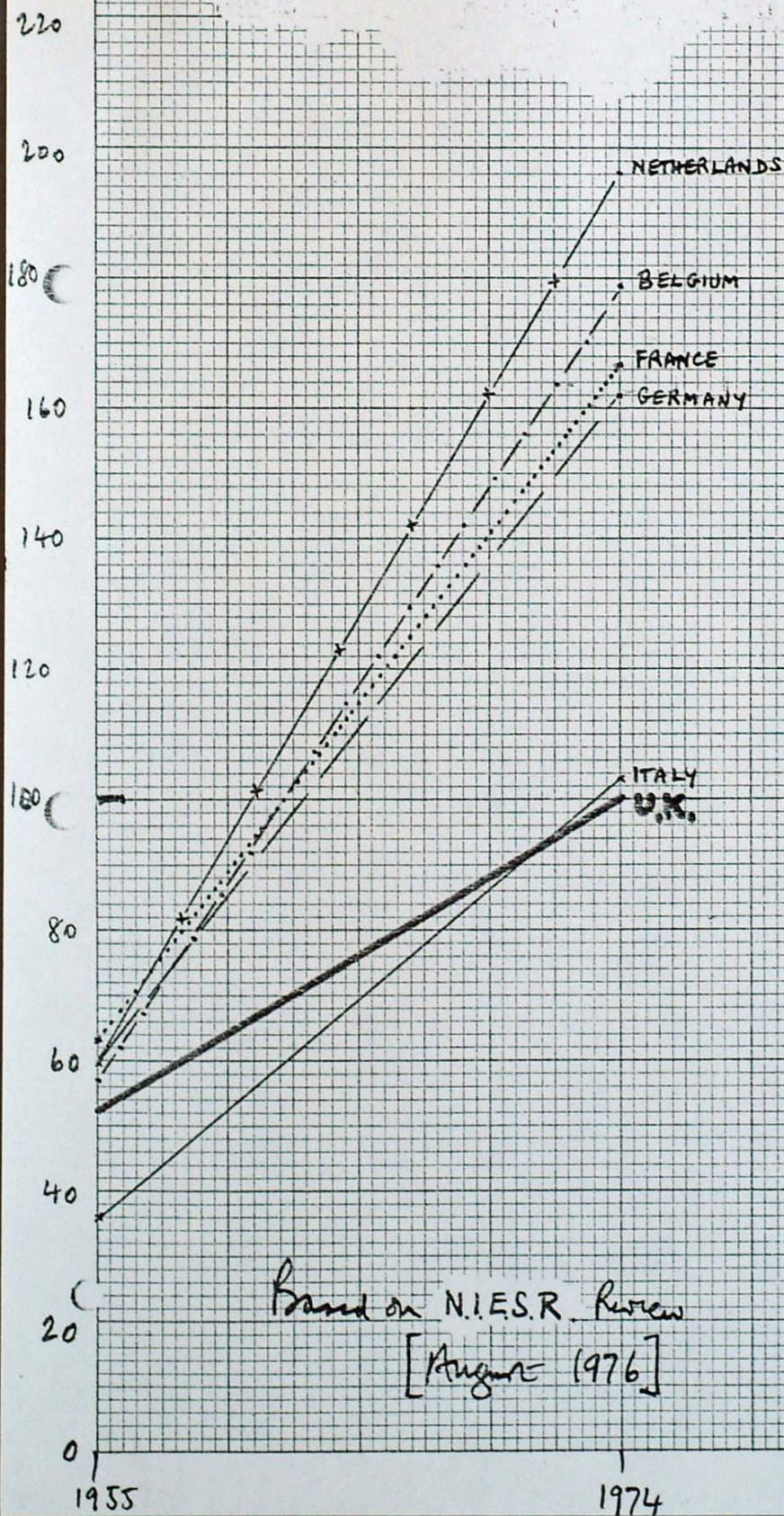
SOURCE:- CBI - SEMINAR March 77. Dr FEJONES F.R.S.



DIAGRAM 5

INCREASE IN GROSS VALUE-ADDED PER MAN-HOUR  
IN MANUFACTURING 1955-74

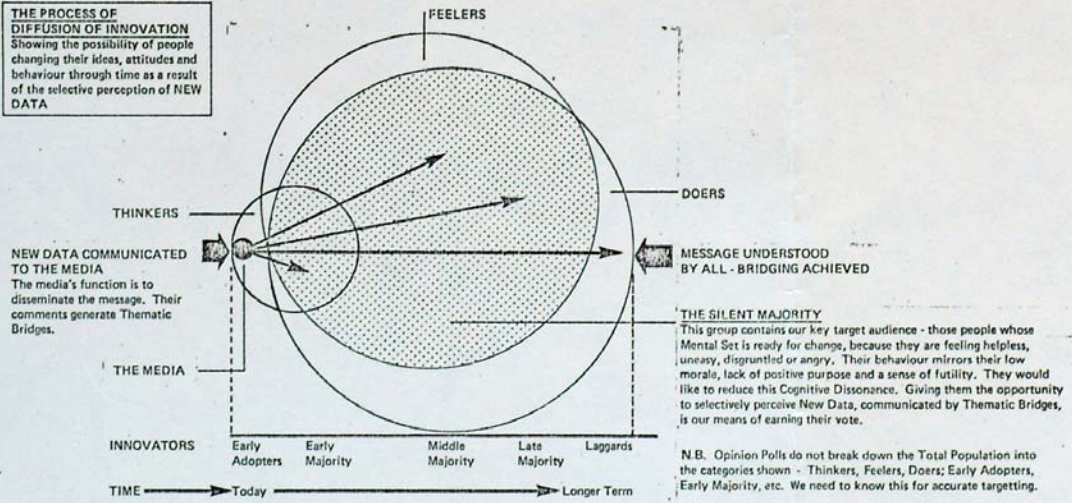
(UK in 1974 = 100)



Based on N.I.E.S.R. Review  
[August 1976]



**THE PROCESS OF DIFFUSION OF INNOVATION**  
 Showing the possibility of people changing their ideas, attitudes and behaviour through time as a result of the selective perception of NEW DATA



N.B. Opinion Polls do not break down the Total Population into the categories shown - Thinkers, Feelers, Doers; Early Adopters, Early Majority, etc. We need to know this for accurate targeting.