

MR. WHITMORE ✓

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cc. Mr. Wolfson
Mr. Lankester

Economic Presentation

1. I am sorry for the delay in preparing this paper which arises, as you will recall, from our meeting with the Prime Minister on November 13. At that meeting the Prime Minister agreed that the presentational effort should be co-ordinated through No. 10. I undertook to set out proposals for injecting purpose and drive into the presentation of economic policy.

2. This paper falls into four parts:

- (i) background;
- (ii) an analysis of the current presentational problem in relation to economic policy, broadly defined;
- (iii) proposals for overcoming the organisational obstacles, taking account of the various forums in which economic policy is considered; and
- (iv) the various forms which a sustained campaign might take.

Background

3. Any approach to the presentation of the Government's economic policy starts with the Election Manifesto. Within the overall aim of restoring self-reliance and self-confidence as the basis for national success, this defined the Government's first job as being to "rebuild our economy and reunite a divided and disillusioned people". And the first two of five tasks for an incoming Government were set out as being to:

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- restore the health of our economic and social life, by controlling inflation and striking a fair balance between the rights and duties of the trade union movement; and
- restore incentives so that hard work pays, success is rewarded and genuine new jobs are created in an expanding economy.

4. Economic policy is thus of prime importance and it is agreed that in the end the Government will be judged primarily by its economic performance. It is noteworthy that the cost of living, unemployment and strikes (industrial relations) pretty consistently figure as the top three preoccupations in polls of public opinion.

5. The need for particular attention to presentation of economic policy and measures has been recognised from the outset and concern about an apparent lack of central direction has grown during the autumn as problems have mounted. For example, it was agreed on September 12 that the Chancellor of the Exchequer and the Secretary of State for Industry should consult with the Chief Press Secretary, No. 10 on how Information Departments could do more to help in improving the presentation of industrial disputes. The note of a working dinner on October 29 between the CBI and the Chancellor of the Exchequer and the Secretaries of State for Industry and Trade revealed a great deal of concern about the presentation of policy though few ideas. Soon after that meeting the Chancellor of the Exchequer wrote to the Prime Minister about his worries on the narrow point of balance in the media in their treatment of economic policies. Concern has increased since then in view of the steep increase in MLR and mortgage rates, industrial disputes both threatened and active, the level of wage claims and some settlements and, of course, rising inflation.

6. It is not true to say that nothing has been done presentationally, following the preparation of a short term campaign in the summer. Substantial further effort has been put in, notably by Treasury Ministers. We have initiated speaking notes for Ministers, issued through the Paymaster General's office, which are apparently much appreciated. We have, during November, taken steps to anticipate problems through a more comprehensive weekly diary and there is now probably a stronger central grip on day to day presentation.

7. However, the balance is still wrong. We are more reactive than in command of presentation and we have yet to take a considered look at the presentation of economic policy, broadly defined, and produce a plan for creating a wider (and hopefully sympathetic) understanding of what the Government is trying to do.

8. In practice, the task is falling between a number of stools - notably those of the Paymaster General's Office and the No. 10 Policy Unit. We need to resolve responsibility quickly because the effective presentation of economic policy cannot and must not be neglected for much longer. We should aim to start the New Year with a clear purpose and plan of campaign. By then the Government will have most of its major legislation affecting the economy in Parliament; the time is thus right and ripe for a big effort to bring the strands together and develop a coherent story.

The Current Problem

9. First, in analysing the presentational problem, it is necessary to go back to first base: the objective of Government policy. As stated above, it is to restore self reliance and self confidence - to release individual energy and to roll back the role of the State. After 35 years of increasing State involvement or growing corporatism, this is a major task. Even the staunchest

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disciples of Samuel Smiles cannot necessarily be relied upon to practice what they preach, especially if it shocks their system. We are, therefore, seeking to change the ingrained outlook and reflexes of people, and not least managers.

10. The second problem is that not many people believe that the Government will stick to its guns. The country is no longer waiting for Godot or even the Second Coming. It is now waiting for the U-turn. Here the presentational problem is much more difficult. By definition events can only correct a false impression. But, assuming real strength of purpose, we can use events to ram home the central message. It goes without saying that the more effective the message is conveyed, the more remarkable will be any U-turn.

11. Third, the Government is widely felt to be pursuing a novel policy - monetarism. It has thereby provided the pundits with a new toy to take apart; as is customary in all such matters, those without responsibility know far more about the subject than those who have and the overall effect is to cast doubt on the validity, not merely of what is but one element of economic policy, but economic policy as a whole.

12. Fourth, as part of the strategic withdrawal of the State from the nation's affairs, we have deprived trade unions of the opportunity of exercising power without responsibility. They are now suffering withdrawal symptoms. They would be in a dangerous mood (and all the more dangerous for being weakly led) were it not for the shame of the silent but thinking majority of trade unionists at events over the last 12 months. We cannot afford, however, to ignore them; a prime task must be to mobilise their commonsense and decency and to convert the movement from a sullen negativism into a positive and much more fruitful approach to life.

13. Fifth, as a further consequence of the withdrawal of the

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State, management is much more exposed. The CBI is anxious and willing to help but management has become demoralised. Another prime task is to restore their morale and will to manage.

14. Sixth, it is vitally important that other policies which have a bearing on economic policy or success are seen to be consistent with overall objectives (though without, at the same time, appearing to be unfeeling). Thus our battle with the EEC is helpful. It is more open to doubt whether the RR/NEB argument has been since the Government has been portrayed as moving into industry rather than out of it.

15. It follows from this that any effective presentation programme needs to be founded on the twin pillars of:

- a broad and consistent view of Government policy;
and
- a series of mutually supportive campaigns aimed at different sections of the public - e.g. management; trade unions; workers; householders and housewives - conducted against the background of a more general educative/persuasive programme.

16. Any effort must, however, be sustained. We wasted a lot of good material in the short campaign during the summer through lack of follow through. If the above analysis is accepted, the immediate requirement now is machinery to draw up and co-ordinate a plan of campaign and ensure that it is carried through.

Organisation

17. It is agreed that the necessary work is not being done because responsibility has not clearly been defined and resources are not available or are not properly employed. The Prime Minister also agrees that the task can only be done effectively within No. 10. We need, therefore, to find a solution within this office.

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18. I am submitting proposals separately to you in respect of Press Office, which is very tightly stretched and, as we have recently discovered, easily disrupted by illness, willing though everyone is to work long hours. The Blunt affair has also demonstrated how one major event can wreck a work programme and cost weeks. We are extremely vulnerable to a major industrial dispute, for example.

19. The question, therefore, is how far the development, co-ordination and effective prosecution of a sustained campaign to educate, inform and influence can be handled with existing resources.

20. The first step is to draw a clear distinction between the handling of emergencies through a Central Press Unit under the chairmanship of the Paymaster General and the longer term work which is the subject of this paper. No. 10 Press Office will be closely concerned with this Unit whenever it is activated but it must not be allowed to get in the way of the development of basic economic presentation.

21. The next step is to secure agreement to the establishment of an official committee under my chairmanship, with Mr. Gaffin designated as vice chairman, requiring the attendance of the Heads of Information Divisions in the selection of key Departments - notably, Treasury, Industry, Employment, Energy, Trade, DHSS, Scottish Office and COI. The responsibility of this Committee should be to report through the Paymaster General to, say, E Committee with proposals. It should initially be charged with the preparation of a campaign plan based on an analysis of the presentational problem and the opportunities it presents.

22. If this is accepted, the only requirement is a secretary who combines intelligence, clarity on paper and a sound knowledge of information techniques. I would judge that this could be met by a high flyer from the Government Information Service,

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probably at no less than PIO level. I need early authority to recruit such a person who would have access to his/her own typing facilities.

23. It is now clear that there is no possibility whatsoever of such a post being accommodated within the manpower ceilings imposed by the need for No. 10 to give a lead on economies. Nor can we forgo putting the staffing of No. 10 Press Office on a sound footing in favour of this post. There are, however, a number of alternatives we might consider:

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- (i) secondment to No. 10 from CSD or COI; this might be an administratively and presentationally useful approach;
 - (ii) an additional post in the No. 10 Policy Unit; this would have the advantage of divorcing the secretary of the committee proposed in Para. 21 from the day-to-day hurly burly but the disadvantage of removing him/her from an information environment;
 - (iii) strengthening the Paymaster General's Office, through whom I suggest we report to E Committee, on the understanding that the occupant of the post would work directly to me.

The Policy Unit is not separate from the complement of No 10 as a whole.

24. On balance, I would favour the first option. You may care to discuss.

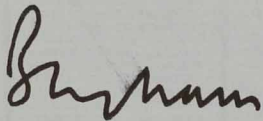
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25. It is not possible at this stage to envisage the precise form which any campaign of the kind proposed above would take. It would certainly involve, as a minimum, an intensification of the use of such conventional techniques as Ministerial speeches, broadcasts, etc.; mobilisation of junior members of the Government; speaking notes and fact sheets; press briefings, etc. It must

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include the identification of opportunities for getting the message over. Whether, however, it might extend (as with previous governments) to leaflets or advertising is open to argument, taking account of the need for economy. It could, however, include Ministerial regional seminars. In short, we must not at this stage rule out any possibility; we should approach a campaign with an open mind and employ the media required to put over the message, subject to due economy.

26. I would value an early meeting with you and Mr. Wolfson.



B. INGHAM

5 December, 1979