

STEERING COMMITTEE

Minutes of the 29th Meeting held at 12.00 noon on Monday, 9th June 1975 in the Leader's Room at the House of Commons.

Present: Mrs. Thatcher (In the Chair)

Sir Keith Joseph, Mr. Gilmour,
Lord Carrington, Mr. Prior, Mr. Peyton,
Mr. Maude, Mr. Atkins.

Mr. Patten, Mr. Ridley, Mr. Forman (In attendance).

Apologies: Mr. Whitelaw, Sir Geoffrey Howe,
Mr. Maudling.

1. Outcome of the Referendum

Mrs. Thatcher said that she wanted to discuss the line to take in response to Mr. Wilson's statement on the outcome of the referendum. Her instinct was to welcome the referendum result, pay tribute to Mr. Heath and Mr. Kirk, and draw attention to the massive Conservative contribution to the satisfactory result.

There was a discussion. It was generally agreed that unless Mr. Wilson made his statement in a very Party political terms, Mrs. Thatcher should respond in a non-partisan way. It was not an occasion for Party political controversy.

It was suggested that the occasion could, however, be used to put Labour on notice that from now on they must do everything possible to restore business confidence and to tackle the economic crisis, since the referendum campaign had postponed action and generated unnecessary extra uncertainty.

It was pointed out that a break-down of the result showed that Conservatives had voted massively for Europe and that large numbers of people had voted against Mr. Benn on this issue.

Mrs. Thatcher said that when she had visited the Continent recently, fears had been expressed not about the referendum result itself but about what would happen immediately afterwards. Other Europeans feared that if Mr. Wilson kept Ministers like Mr. Benn and Mr. Shore in the Government, they would sabotage further progress in the Community. It was agreed that Conservative back-benchers at any rate should seize every opportunity to get Mr. Benn to say something against Europe and thereby make it increasingly difficult for Mr. Wilson to keep him in the Government.

2. The Political Situation

Mrs. Thatcher said there were broadly two views on how we should respond in the present political situation. One was that we should support the Labour moderates on every issue, the other was that we should attack them for being afraid to disown their extremist colleagues.

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It was generally agreed that we should not count on the Labour moderates actually standing up to their extremist colleagues. Looking at the record of the Labour moderates, they had consistently supported all the extremist policies in which they said they did not believe.

Mr. Peyton expressed the view that some moderate Labour Ministers would be relieved to see the Conservative Party returned to power at an early date, so that they would not have to carry the responsibility for dealing with the crisis.

It was generally agreed that we should do nothing which had the effect of closing Labour ranks, since the final break-up of the Labour Party was in the national interest.

Mrs. Thatcher said that we could not possibly condone the Labour moderates on such issues as Clay Cross and freedom of the press and she added that all the evidence showed that, when democracy really worked, it was very moderate in its conclusions. This was one of the strongest arguments for postal ballots in trade union elections.

Mr. Prior said that he did not place much hope in the Labour moderates, but that on the other hand there were problems for us in attacking those Ministers popular with the public, for example, Mr. Prentice, Mr. Jenkins and Mrs. Williams. It was much better to let the Labour left attack the Labour moderates. The view was also expressed that our supporters in the country expected us to launch a vigorous attack on the Government and its policies, even though the draw-back was that this would probably unite Labour ranks. Furthermore, our attacks on the Left often only made it more difficult for Mr. Wilson to drop them.

It was generally agreed that the best way to attack Labour was to focus on two or three key points and to put forward clear Conservative alternatives. Two obvious areas of attack were the Government's record on inflation and on nationalisation.

3. The Economic Situation

There was some further discussion of the rate of inflation and of current wage settlements. It was agreed that the Government should be challenged to make clear whether or not it was prepared to set limits or targets for public sector wage settlements. The Government had to set an example as an employer itself.

Mrs. Thatcher said that the economic policy groups (and the other main groups) should aim to reach some firm preliminary conclusions by the middle of July. She asked Mr. Ridley to draft a minute to colleagues along these lines.

The meeting closed at 12.50 p.m.