

4 December 1981

A STRATEGY FOR THE NEXT 5 YEARS

1. There is no point in developing a strategy if the Party and the Cabinet cannot carry it out once it has been developed. Such a strategy has to cover the final 2 years of this Parliament, during which the ground work is done for winning the election with a mandate — together with all the other plans & some legislation — for the first two years of real achievement in the second term of office.
2. We — Norman, David & myself — have been pushing the need for 'strategy' ever since (in the case of Norman & myself) 1976. We argued, all those years ago, that nothing would change for Britain if the Tory Party

itself did not change. We argued (in paragraphs removed from the first draft of Stepping - Stones) for symbolic measures & policies which would help to establish the Tory Party as the party of the future. We did it again in a section "Reforming Britain" in the Policy Search report of 1978. We did it in our outline of "The Long Campaign" in January 1980 (dropped because we could not engage your interest in it), when we also argued for "Shock" not "Gradualism".

3. In each of these efforts we argued that, if there was to be a fundamental change of attitudes in the UK, and if the Tories were to be electorally rewarded, rather

than punished, for administering the very tough policies which would be essential for turn-around, then we would have to "Update the Tory Stereotype" - and "Establish New Voting Criteria" (the titles of two of the long Campaign chapters). In other words to achieve, genuinely, what the SDP now threatens to do fraudulently - to create a large new constituency.

4. Since coming into No 10., you have taken the Policy Unit's advice in inverse ratio to its strategic significance. You don't really believe in strategic planning work and I think we are all deluding ourselves if we now try to make a fresh

start as if you do. If you did, you would have called for such work to be done & allotted time to absorb the results.

5. If the Party & Cabinet were now to "go strategic" with some hope of reaping the benefits, we would need the following set-up & conditions:

(a) You would have to develop (I am not sure how) a positive, almost obsessive, enthusiasm for the strategic approach & allow the time it requires.

(b) I - or some one equally or better equipped - would be formally in charge of a small Prime Ministers department; with the

position of permanent secretary, reporting to you.

(c) Your private office would be under my command for organisational purposes, though of course its key members would report to you & work entirely for you, as they do now.

(d) CPRS would continue to serve the Cabinet but I would, with your approval, control its work-programme.

(e) I would help select, & would have to approve the new head of CPRS as he would in fact report to me, on a day-to-day basis.

(6)

- (f) CRD, for what it turns out to be worth, would work under my broad direction (ie Peter Cropper would report to me in "project" terms, though to Cecil for administrative purposes)
- (g) CPS - which has more value than CRD - would continue to serve the Govt & yourself through me (which is what they do now)
- (h) I would have a free hand to pick about 10 people to work with me in this Prime Ministers Dept, (which would be entirely concerned with domestic turn-around, both policy & presentation). Five would be young Civil service high-fliers, five from outside. In the near the Policy Unit would go into the new Prime Ministers department.

(i) The whole cabinet would have to know about the strategy. If we tried to keep it as a secret for an inner group this would leak & lead to greater divisions, - just when we have agreed that cabinet unity must be clearly visible as the election approaches. Our reasoning the other night was quite wrong, (or else we were saying that a divided cabinet will have to get by without a strategy - which may well be true)

(j) Francis Pym would have to work to the strategy or relinquish the presentation task to someone else.

The question remains - have we time for all this?
and would you really believe in it?

PA