

TO : KJ

FROM : AS

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209

A Shadow Advisory Service

The Need for a corps of economic and other advisers to assist ministers after the election.

The Need

An incoming Conservative Government will be in far greater need than its predecessor of a corps of special advisers to be taken into government service the very day the new government is set up, with advance understanding of the job they will be expected to carry out and the situation which will face them and their minister.

Harder Tasks

The task of an incoming Conservative Government will be far harder than in the past.

- * They take over a country where socialism and the growth of the state-sector has gone much further.
- * The civil service's neutrality can no longer be taken for granted, let alone its benevolence. Yet it is larger and better armed with techniques and quasi-monopoly of knowledge than ever before.
- * The number of extra-governmental institutions with bureaucracies, research facilities and press offices of their own has also grown.
- * An incoming Conservative Government may expect to take office during a crisis - and if not, the crisis will not be long in coming.

- * Given the growth in strength of the nationalist parties and Liberals, no party may have an absolute majority, but the Conservatives may be the largest party and the best able to carry on the Queen's Government.

The ministers actually appointed may be substantially different from the present shadows, even more than usually, given the fact that the shadow cabinet is ~~largely~~ an inherited one.

Organised in Advance

All these factors make it more important than ever that the new government and its ministers enter office with a really organised team of advisers, who have studied their own field and functions.

Not only in Departments

In addition, advisors are needed for nominally dependent institutions which can virtually impose policy on governments, e.g. the Coal Board, the Bank of England, the Railways Board, the Docks Board, British Steel, the Supplementary Benefits Commission, the Employment Services Commission, the BBC, the Prices and Incomes Board, the Inland Revenue Commissioners, the University Grants Committee, etc.

The history of the two coal strikes will show how far Sir Derek Ezra led the government into a blind alley and ~~helped~~ to defeat it, with some awareness at least of the consequences of his action. The Chairman of the SBC and the ESC are among the biggest spenders and employers in the country, with powers of decision which impinge on economic policy. An incoming Conservative Government cannot rely either on the civil servants' understanding of these institutions or on their good will in helping ensure that it is the government's will which is imposed and not that of the institutions. Hence an incoming Conservative Government needs a shadow team of Chairmen, Directors and advisers for these institutions no less than for ministries.

3 Dozen Senior Advisers, 100 Deputies

This means some three dozen senior advisers, including Economic Policy; Industry; the Bank and money supply; housing; land; transport policy; railways; the shipbuilding industry; shipping; health; textiles; manpower; the economics of education; poverty and pensions; foreign aid; the motor industry; local government (preferably without local-government loyalties); industrial reorganisation; regional policies; oil and energy; the coal board; the steel board; catering and tourism; the aerospace industry; computers, etc.

Some advisers will of necessity advise a ministry or department, some a section of a ministry, some an institution or nationalised corporation and some deal with issues which cross lines.

These senior advisers will need their deputies, and their specialissts specialists, who together will bring the number up to several dozen.

Before the Autumn

They should be recruited as soon as possible, say during the course of the next two months, so that the preliminary meetings between groups whose work overlaps can be held before the academics' time is pre-empted by the opening of the academic year and the politicians are absorbed in the beginning of the new political year with party conferences and the opening of parliament..

The advisers would be a corps. They would meet shadows, committee officers, etc., but not report to them as a rule, since the shadows may not necessarily materialise. They would stay close to the policy-committee but not depend on them for sources. in the same post, if at all. They should establish working relationships with the CRD of a clearing-house and exchange information and views character, but remain separate and establish their own liaison system. modus operandi, common system of documentation and joint exercises.

Joint Exercises

Joint exercises and study courses should deal with machinery of government, the role of the adviser, the application of economic techniques to systems and organisations. whose main objectives are non-economic (e.g. Home Office, Education, Health) inter-departmentalism.

Organisational Methods

This group could either work from the CPS with the IEA's help, or from a special unit set up, say, "The Economic and Social Advisory Nucleus" unless we can think of a better acronym. This could be set up jointly to avoid the feeling that it is a "hidden hand" of the CPS.

Ralph Harris was willing to help with time, ideas and some organisational élan.

Everything costs money. The people concerned will need expenses which could come to thousands a year. In addition, they will need an elementary infrastructure, if only a small pied à terre office with secretarial staff and an assistant capable of processing paper, arranging meetings, etc. The cost would be the same whether they were in a separate little office or farmed out to an existing organisation. I note that we lack the infrastructure to handle them, indeed we are under-supported even for our own work.

In any case, there would be an advantage to running the stable from a neutral address.