

(F) JOHN HOSKYNNS

Richard Ryder

PRIME MINISTER

BRITISH STEEL

This note suggests the way in which we might move, to win the propaganda war which will follow the breakdown in the BSC/ISTC negotiations. We are assuming a worst case outcome from those negotiations, the strike hardening (and the Government refusing to intervene and settle the strike).

1. PRESENT SITUATION

1.1 "Situation normal" describes the present position. Strike action is not yet biting as hard as people had feared, though it almost certainly will. The public see the familiar chaotic situation which they have seen under Callaghan, Wilson and Heath. There is nothing to suggest to them, at this stage, that anything has changed or that anything different will happen. "We can't go on like this", we said during the election, but in fact we are.

1.2 As mentioned in our earlier papers, Policy Unit commissioned some urgent opinion research in the steel towns on 9 January. First results came in on 17 January, with the second reading early this morning. Over the week, the numbers suggest a slight hardening in some areas, a little bit of reason in others. The results can be summarised, with a little over-simplification, as follows:-

- (i) In general, steel workers are for the union position. Wives and spectators are against.
- (ii) Specifically, wives do not support a strike by the independent steel workers. They do think that there should have been a ballot. They do not favour secondary pickets.
- (iii) All, including steel workers themselves, recognise that higher pay will lead to more redundancies.
- (iv) But the British dreamworld continues. All, including spectators, think that living standards at British Steel should be maintained regardless of BSC's losses. A substantial minority of all respondents think Government is mainly to blame and that Government should intervene to fix it.

We now have an opinion research base to work from. We will need to take further readings throughout the strike. This research was a hybrid effort, commissioned by the Policy Unit, not by the Government or by the Party, although CRD acted as agents and Central Office is paying. Government opinion research is not suitable for this type of tracking - it is done to much higher standards, bigger samples, because its purpose is different.

/ As a result

As a result, it takes too long. We will need to extend this research to a national survey. This can probably be done quite quickly by tacking on a few key questions to a research company's routine surveys. Our steel town research is based on a small sample and should be treated with some caution. We cannot disclose any details (under the Code of the Market Research Society) unless we disclose the complete research. We suggest, in section 3 below, that we should later do exactly that.

- 1.3 The TUC seems to be limbering up for increasing "days of action", hinting at a general strike, demanding to see the Chancellor, etc. It is also quite clear that Villiers gave the unions the rallying point they so badly needed, in contrast to our legislative proposals which had been "debated to death", as we had always proposed before the election, till they became boring rather than provocative. It follows that even settling the steel strike, early, is only a beginning not an end. There are more difficult claims in the pipeline.

## 2. OUR PROPOSED STRATEGY

- 2.1 There is no real change from our earlier papers. Our suggestions can be summarised as follows:-

- (i) The Government cannot now intervene overtly and would have to be very careful if it took any covert action, because so much credibility is at stake.
- (ii) The battle for public opinion has already started. The key will be the feelings and attitudes of the unions' allies (wives, workers in other unions taking sympathetic action etc) and the victims of the dispute.
- (iii) The TUC and unions involved will now be working round the clock to win the propagandist war. If we stand back, or simply leave it to BSC (with its rather tarnished image) we are beaten before we start. But we cannot intervene in the debate in a polemical or advocate's role. We have to provide leadership in terms of understanding, interpreting events, helping people make sense of the confusion and chaos, teaching them to think for themselves, and above all to see that this time it is different. People are not going to go back to work, or refuse to take sympathetic action, because we exhort them to do so. They will only respond if they are helped to think it through and understand.
- (iv) We see a prolonged strike as setting the stage (our fall-back position) for a much more severe Budget (in terms of de-indexation, valorisation etc) but this will only be seen as poetic justice if our communications through that long strike are purpose-built for it.

3. THE COMMUNICATIONS PLAN

3.1 Communication Objectives

3.1.1 Target audiences:

- Strikers' wives ) These are the weak
- Union members taking sympathetic ) or strong links
- action ) in the chain
- Strikers )
- Immediate victims
- The public at large (ie long-term victims)
- Opinion-formers (including confused media, back-benchers and also colleagues not directly involved in the situation)

3.1.2 Purpose

- Raise the level of grievance against strikers, by victims and those involved in sympathetic action.
- Ensure people know the facts, the BSC offer, the narrowness of the gap.
- Explain intervention is not the answer, why postponing the problem does not solve it, that compassion does not mean giving them the money.
- Make people think for themselves about what is at stake, the principles at issue.
- Convey a general aura of resolution, calmness, competence, building up the feeling that, after all, the Government knows what it is doing.
- Show that the Tories are not unsympathetic, irresponsible, unreasonable. Ensuring that nothing anyone in Government or BSC says can increase the striker's sense of real grievance.
- Use the sense of crisis, in our communications, to create a sense of public unity.

3.1.3 Seize the opportunity to open up the debate about the trade union role and economic realism. This helps pave the way for future changes and reforms and also starts to get public attitudes in preparation for the next public sector pay claims.

3.2 The Complete Statement of our Position

3.2.1 Colleagues need a complete and properly thought through statement of the Government's view and position on this and similar disputes. Any event - a broadcast, a TV interview, an

article, a speech, can only be the tip of the iceberg. But the iceberg must be there. If it is not, public statements will have no depth or coherence, will contradict each other, will not make sense. Our position must add up - morally, legally and in economics. (This is part of what we are developing as a major section of the Long Campaign Report). The statement should make preparation of material, and briefing, easier.

3.2.2 We attach at Appendix A, a rough draft of this complete statement. (It needs some re-structuring, pruning and modifying of "tone of voice".) We have shaded in the parts which we could lift from it to form the basis of a Prime Ministerial broadcast. Other speeches, articles, etc, could play on different parts of the message. (The statement will be further developed in the Long Campaign Report, as our comprehensive contribution to the debate on trade union reform). The statement should, when finally drafted, be circulated to all colleagues so that they are briefed to contribute fresh insights and understanding to the media when the opportunity is offered.

3.3 Events

3.3.1 Escalating the debate, as suggested in earlier papers, with a Prime Ministerial broadcast is the only way to be absolutely sure that we seize control of the debate and establish our position so that all our spokesmen and allies can take their line from us. Although many advisers will counsel caution (on the old British principle of "do nothing, in case it goes wrong") we should not be nervous of using the sense of crisis, deliberately, to get right into people's minds in a way which is normally not possible. The broadcast will also demolish any suggestion that the Government does not care about the damage the strike is causing.

When ~~you~~<sup>you</sup> used ~~you~~<sup>you</sup> PPB to do a "shadow Prime Ministerial broadcast" ~~you~~<sup>you</sup> created far higher interest, awareness and favourable response than when ~~you~~<sup>you</sup> had to reply to Mr. Callaghan's Prime Ministerial broadcast - not of course a PPB. Mr. Callaghan, if he knows this, could choose to do a "shadow Prime Ministerial broadcast" using a Labour PPB. The risk of him doing this and causing us to have to respond with a lower interest and approval score, because we are second in the field, is considerable. We must therefore set in motion a real Prime Ministerial broadcast putting them in the second seat. We believe the first date Labour have for a PPB is Wednesday, 13 February.

last winter

3.3.2 Use any news event - local speeches, TV interviews, phone-in programmes, factory or office openings - which gives the opportunity to say something, if asked. But we must be careful not to give the impression of deliberate media saturation, because that would not be consistent with our view of explaining and interpreting rather than arguing BSC's case for it.

3.3.3. Speeches by our allies (CBI etc) and newspaper articles.

3.3.4 "New data". This might include relaunching the idea of a referendum for further trade union reforms, publication of our opinion research results, ballots by independent ~~other~~<sup>steel</sup> companies.

/(we

(we have already suggested that this might be done at Hadfield).

#### 4. MAKING IT HAPPEN

4.1. Nothing will happen unless there is a team with someone in charge of it, with the job of winning the propaganda battle. That should be his task, starting as soon as possible and ending when the battle is won. The team must be small, full-time, working together probably in one room perhaps in Cabinet Office. Its tasks are to generate material, brief spokesmen, produce fast comments and interpretation of selected trade union statements, anticipating events so as to get the timing and co-ordination of these activities right.

4.2 Key speakers (each with a slightly different role) would be yourself, the Chancellor, Secretary of State for Industry and Secretary of State for Employment. Another speaker might well be the Foreign Secretary, whom the Chancellor suggested we prepared speeches for some weeks ago. But it is absolutely essential that the material does not turn out to look like standard political waffle from rattled politicians. Quality will be more important than quantity. Allied speakers might include Edwardes and perhaps even moderate trade unionists at BL.

#### 5. CONCLUSION

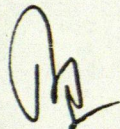
5.1 There will be cautious voices saying that Ministers - and especially you - should do nothing. The familiar pattern will be "it's too soon to act" followed suddenly by "it's too late, the chance has gone". If we intervene soon in the debate, not dispute, we may win. If we don't, we certainly won't win. We should not lose sight of the huge trade union problem that remains to be resolved over the next ten years if Britain is to have a cat in hell's chance of economic recovery. None of our other policies for stabilising the currency, accelerating the private sector, will make any difference, and most of them will in fact be impossible - unless we have a reconstructed trade union movement operating within a proper framework of law. The steel crisis presents a perfect opportunity to move forward on that front rather than wait for the next batch of trouble (British Rail, water, electricity) to push us backwards.

5.2 A fuzzy settlement at BSC would actually be a missed opportunity, because it is difficult to get the trade union debate started from cold, (as we found last year, until the events of last winter brought it all to life). A recent paper on the moral aspects of socialism and trade unionism (written for us by Andrew Sykes of Strathclyde University) put it perfectly, when explaining how the Labour movement had succeeded in conditioning so many of the British people to the belief that capitalism was responsible for all society's ills and that socialism was inherently good, even though sometimes unworkable. He explained it by saying: "The more intelligent workers

/wanted

wanted information in simple terms about the society they lived in. One side gave it to them, the other did not. In these circumstances, the radical/Labour, and later Marxist, viewpoints were bound to prevail". That is exactly the position we face now. We either fill the vacuum with new data, fresh insights and hard thinking; or we leave it to be filled with TUC cliches and Scargill rabble-rousing.

I am sending copies of this to the Chancellor, the Secretary of State for Industry, Secretary of State for Employment, the Paymaster-General and also the Chairman of the Party.



JOHN HOSKYNS  
24 January 1980