



DRAFT Note

Hayek! Smith! } KJ

Burke / Freedom / Senior / Acton / Dickey  
Toqueville

THE ERHARD FOUNDATION:

An agency of the Conservative party formed to keep under continuing study the methods - and to explain to the public the purposes - of releasing the potential of a social market economy to improve continuously the standard of living, <sup>and</sup> the quality of life [and the social services] of all our people.

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1. The Foundation will be governed by managing trustees and a council who will be responsible for the effective pursuit of the purposes described above.
2. (The Foundation will provide for the Conservative party the same sort of intellectual and moral (thinking and public education within the remit above as over the years has been provided by the Labour party by the Fabian Society.)
3. The managing trustees will have the duty to ensure that among themselves and the council are always three members of the Cabinet or Shadow Cabinet. The first 3 such persons proposed will be KJ, MT and GH.
4. The Foundation will have the tasks of:-
  - (a) formulating through a series of ad hoc panels the crucial questions on which a Conservative Government must have appropriate policies if it is to pursue an effective social market policy:





*Runciman  
on Attainson*

- (b) finding answers to those questions adopted by such countries as Holland, West Germany, Sweden and France in contrast with here. The necessary research will generally be more the collation of existing work and knowledge than new enquiries:
- (c) the study, again by ad hoc panels and in the light of the research, of the most apt policies for this country:
- (d) the presentation of these answers in two forms - one sophisticated and one popular - and the widespread publication of them:
- (e) the provision of relevant facts and figures in vivid graphic form for use by the media:
- (f) the running of a school to train MPs and other suitable communicators in arguments in favour of a social market economy, private enterprise and the profit motive and in the answers to the whole range of criticism to which these topics are subject.

*S. Brittain?*

*J. Brunner*

5. For this purpose the Foundation will need a staff of about 12 - administrator, research commissioner, research assistant, editor, tutor, librarian and 6 secretaries. It will not duplicate any work now being done by other like-minded bodies but will use material wherever available from them.

*Director*

*Jusko*

*Hemming*

*R. Lynn*

*D. Nyddelton*

*H. Rose*

*A. Sherman*

*R. Lewis*

*B. Griffiths?*

*D. Thomas*

*Brennell Nible*

*H.A. Shanfield*

*Barbara Shanfield*

*Frank J. John O'Connell*

*Jan Senior*

*E.G. Wat*

*Sandi Morison*



6. In parallel with and drawing from the work of the Foundation speeches will be made presenting the case for a market economy with a view to provoking debate on TV and in universities, teacher training colleges, etc. It will be the purpose of the tutor so to train speakers so that far more often than now the case will not go by default and the argument/will be won. <sup>for a market solution</sup>
7. Also in parallel the members of the Cabinet or Shadow Cabinet who are <sup>among</sup> the trustees of the council will have the opportunity to present the Foundation's arguments and proposals to their colleagues so that they may be considered in the preparation of policy.
8. Since the task of sustaining and adapting to need the social market economy concept will be a continuing one it is hoped that the Foundation will have an indefinite existence. But in order to establish it and to test its capacity to tackle the task there is need of a guaranteed income of at least £120,000 a year for 5 years. Much of this budget will be needed for publications and graphics.
9. The Foundation will at all times seek to be intellectually respectable and will work to the principle that the case for a social market economy should be ~~under~~ rather than over-stated. This case will be presented in moral and social as well as in economic terms.



10. The purpose of the Foundation will be practical. There will be no attempt to purvey Utopian solutions in order for instance to advocate policies that are not politically practicable such as denationalisation.
11. Though private enterprise and the profit motive are indispensable ingredients of a social market economy they are not the only factors. There are even larger factors of personal liberty, independence and choice which are equally indispensable ingredients.
12. The Foundation will be an agency of the Conservative party - and contributions will need therefore to be declared - because the Conservatives need to have the intellectual support for their belief in individual freedom that such a Foundation can provide. But of course vast numbers of the members of other parties also accept the need for individual freedom and for a market economy to a greater or a lesser extent. The work of the Foundation will therefore be of wide interest and value. Nevertheless it is just because the Conservatives intend to use the knowledge provided by the Foundation in the formulation of their own policies that it is proper to make donations to it politically declarable.



- I KJ will be chairman of the trustees - of course unpaid.
- II TIME SCALE:
- (a) Foundation dimension:  
Questions to be formulated by end of April.  
First results of research to be available by end 1974. Publications begin to issue by mid 1975.
- (b) Political dimension:  
Speeches at intervals of about every 3 months from mid 1974. Graphics begiven to be available to match the speeches. Speeches intended to spark off debates in which trained speakers will aim to win the argument, with the aid of graphics.
- (c) Policy dimension: continuous.
- III Trade Union contrast between here and some other countries. The Foundation will seek to demonstrate the higher quality and standard of life enjoyed for similar work in other countries as a result, among other factors, of the greater degree of co-operation there between managements and workers.