

THE STEPPING STONES PROGRAMMEI. INTRODUCTION

This note summarises earlier papers and discussions within the Steering Group, aimed at developing a coherent programme for winning the next election and creating a climate of opinion to ensure that the public in general, and the trades union leadership in particular, will support the Tory government's policies thereafter.

2. THE UK PROBLEM2.1. Our economic decline calls for more than 'Good Housekeeping'

When we refer to 'Good Housekeeping' measures, we mean all those policies which, practised over the last twenty years, might have prevented Britain's relative economic decline. These policies, contained inter alia in 'The Right Approach to the Economy', include monetary and budget disciplines; minimal economic tuning and intervention; a stable tax framework; incentives for wealth creating activity; refusal to subsidise dying industries at the expense of growing ones; de-regulation of the private sector. Such a 'fresh air and exercise' regime is fine for an economy which is above some threshold of structural health. It is increasingly recognised, however, that the British economy is below the threshold, so that the self-fuelling momentum of decline - domestic inflation, declining share of world trade and liquidation of industrial base - is likely to drive the economy beyond the reach of Good Housekeeping measures, in spite of North Sea oil and however quickly we are able to shift resources to the new growth industries and the service sector.

In addition to Good Housekeeping policies, we therefore need what we have called 'Turn-Around' measures, to create a basis of social and economic stability, from which the long haul to full recovery can start. These measures are particularly concerned with pay, profits and investment, because until we can get that basic arithmetic right, a stable currency and strengthening balance sheet will be unattainable.

The Turn-Around measures must therefore achieve the following :

- (a) The early cure of inflation, and of inflationary expectations (the former being difficult without the latter, especially with existing power of organised labour).
- (b) The ending of a pre-emptive bargaining system in which organised labour expects and demands wage increases several times

larger than GNP growth, regardless of real economic performance. (i.e. the phasing out of free collective bargaining as at present practised in Britain).

(c) The development, in its place, of collective bargaining systems, in the private sector and the nationalised industries, which relate real increases in pay to real increases in added value.

(d) The development of pay determination systems in the non-market public sector which relate increases to real GNP growth or average private sector pay.

2.2. 'Turn-Around' measures are not possible unless the attitudes and role of the trades unions change.

Having 'lived off the balance sheet' for the last thirty years, we have to rebuild it in the next fifteen.

The trades unions are central to this rebuilding process, not because they are the sole cause of our problems (that, as any analysis shows, would be an absurd and unfair over-simplification) but because they are the only group whose leaders' political convictions and lack of economic understanding could pit them against any government which dares to do what has to be done.

Anti-union hysteria gets us nowhere, but the unions do pose a real dilemma. It seems to most observers (including those few who really understand what is at stake) that the Tories can either challenge the trades union status quo - and risk losing the election in the subsequent rumpus; or they can promise to govern on the unions' terms, and probably win the election on safer issues, knowing that they are then almost certain to fail the country in office. Any move to break out of this trap has, so far, been successfully halted by the unions' shouting 'Confrontation'!

3. THE STEPPING STONES STRATEGY

The aim of the strategy is to resolve this dilemma in such a way as to give the best of both worlds. We have to challenge the unions' status quo, but we have to do it such a way as positively to improve rather than endanger our electoral prospects. A Tory election victory will not be enough if it is simply a change to a government which 'couldn't be worse than the last lot'. It has to amount to an explicit rejection of socialism and a demand for change in the unions' role.

Nothing less can force the union leadership to abandon its self-appointed task - the institutionalising of socialism as a part of the British way of life - for one of economic partnership in a market economy.

4. THE COMMUNICATIONS PROGRAMME

4.1 The Communications Objectives

Opinion polls suggest that the electorate, including union members, overwhelmingly share our view of present union behaviour and Clause 4 socialism, but tend to speak with an uncertain voice, because they fear that the union leaders already have the real power. If the Tories are to offer something ideologically distinguishable from Labour, and at the same time give the electorate the courage to vote for it, then they must make the electorate feel :

- (a) A sense of shame and disgust with the corrupting effects of socialism and the labour-union leadership axis - class war, pilfering, tax fiddling, intimidation, shoddy work - the 'Sick Society'.
Disappointment with material results is not enough.
- (b) The vision of, and the desire for, something better - unity, effort, quality of work, fairness, trust, straight dealing - the 'Healthy Society'.
The promise of material improvement is not enough .
- (c) A sense of hope, instead of fear; the realisation that, if enough people want (b) instead of (a), and say so at the ballot box, not even the left wing union leaders can stop them.

4.2. Programme Contents

The Stepping Stones programme concentrates on linking socialism and Labour with the union leadership. This is not because they are the only issues, but because the link is not widely perceived and because the union issue is such a tricky one to handle. Other key election issues - law and order, immigration, education, defence - in which

public sentiment is already on our side, link naturally to the Stepping Stones programme, which has five main themes :

- A. Britain at the turning point
- B. Socialism and the trades union movement
- C. The Sick Society
- D. The Healthy Society
- E. Making the change

Each of these themes is broken down into sub-themes which are shown with explanatory notes, at Appendix A. Roughly speaking, these five themes are unfolded in the sequence shown. Themes A and B are covered during the run-up to the election. Theme B sets the scene for themes C and D in the early part of the election campaign itself, with D including the presentation of Tory policies. The election campaign ends with Theme E, echoing back to Theme A.

4.3. Timing

For practical purposes we are assuming that there will not be an election before mid-May, giving a run-up phase of about ten weeks, if Stepping Stones is ready for launching on Saturday 18 February and an election is called at the beginning of May. An autumn election appears to be more likely than a summer election; and it seems unlikely to be later than spring '79. Our immediate task is therefore to prepare the Stepping Stones programme for a May election, recognising that the run-up period may need to be continued, at low volume, for many months.

4.4. Set-up

- 4.4.I. While the party communications machinery is being modified to handle the Stepping Stones programme, a 'design team' will be set up for each theme, to prepare in outline how each scheduled event (speech, article, broadcast etc) will be used for the different sub-themes. This attempt to see the programme as a whole, before getting down to detailed speech writing etc, is important, because the relationships between different events - their content, topicality, timing and the extent to which they echo or contradict each other - matter as much as the events themselves (rather as a musical note or chord has no meaning, except by reference to those which precede it and follow it.)

When it comes to individual events, each team will consider, for example :

- The event's objectives, in terms of mental attitude changes (e.g. educate, frighten, infuriate, motivate, reassure)
- Its central core, with special reference to information which is new to the debate, and to 'bridging themes', which help it to connect emotionally with as wide an audience as possible.
- Should it hark back or forward to other themes or sub-themes, in order to 'resonate' ?
- How does it get attention - when being delivered ? - in subsequent press coverage ? What is its headline ?
- How does it reflect and strengthen the party's general character and image - honest, fairminded, tolerant, treating people as adults etc ?
- Have we matched the right message to the right distribution channel, e.g. is it an article for 'Thinkers' or a TV slot for 'Feelers' ?
- Have we pooled all our ammunition for this event ? Do we need to order other pieces of information, e.g from CRD, and what is the lead time for getting such information ?

4.4.2.

In addition to the design teams, there will be a small 'policy search' group. Just as messages support and advocate policy, so some policies will have an important role to play in supporting and strengthening messages. In a sense, every policy is itself a message about the values and objectives of a government.

We can put policies (regardless of the way in which they may cross departmental boundaries) in four categories :

- GOOD HOUSEKEEPING - policies which, adopted long ago, would have stopped us getting into this mess
- TURN AROUND - policies which, together with Good Housekeeping, must get us out of it again

- OUTFLANKING** - policies which make it difficult, or preferably impossible (a sort of checkmate) for union leaders to do anything but help the Turn-Around strategy.
- SYMBOLIC** - policies which prove that the Turn Around and Outflanking policies are not prompted by anti-union prejudice or vested interests.

It is in the last three categories - Turn-Around, Outflanking and Symbolic - that the policy search team will be concentrating most of its effort. It is not possible at this stage to say whether or not they will come up with any ideas which are both effective and administratively or politically feasible.

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A - I

The following descriptions of themes and sub-themes are not intended to be speech notes. Some sub-themes would not warrant one speech on their own; others might need several. The sub-themes could be woven together in different permutations for different occasions. But it is the total picture which must be gradually built up in the listener's mind, and maintained thereafter, rather like a television screen image.

Each sub-theme is described primarily in terms of its purpose rather than its content.

A. BRITAIN AT THE TURNING POINT

- A.1. Setting the scene ; to alert people to what is coming, to make sure they listen.
- A.2. Britain's real prospects ; to shatter Labour's rosy picture of North Sea oil and economic recovery; it is another false-dawn; at the same time (primarily for Thinkers) show that the Tories are not simple-minded about the larger problems of Third World trade, increasing protectionism, the 'Finite Planet', and do not think that these problems will disappear if we cut taxes and government spending.
- A.3. How the UK problem came about ; to show (specially for Thinkers) that we understand the real complexity of Britain's decline, that it won't be arrested by Callaghan's good housekeeping or left-wing panaceas; to demonstrate intellectual honesty, fairmindedness (the unions not the sole culprits, management and all governments share the blame).
- A.4. Demolish the escapists' rationalisation ; to show how the poor and sick pay the price for anti-growth and anti-private sector sentiment.
- A.5. Face economic reality; to explain the value-added process in such a way that the fantasy world of socialist economics and collective bargaining (to be explained later in B.3. and B.6. below) can no longer be taken seriously.
- A.6. How do we find the way back? To show that recovery will require radical innovation as well as good housekeeping; that Labour are restricted by political dogma and union obsolescence, from any measure which, give or take North Sea oil, could arrest the decline.

B. SOCIALISM AND THE TRADE UNION MOVEMENT

- B.1. Britain must make a choice ; to explain that Britain's turning point calls for political, as well as economic, stocktaking; that responsible voters must stop and consider carefully where our political economy has got to, thirty two years after the war, how it differs from other more successful

Western economies and whether we really want what the true socialists among us want; to call for a great debate, but one based on the evidence, not on polytechnic mythology.

- B.2. What Socialism really means ; to show how, in a confused country, the left-wingers, alone, know exactly where they're going, and are determined, through control of the NEC and the union movement, to take us there; to explain exactly what 'There' means in terms of published Labour Party aims and programmes; to show that it is the authors of those documents - numerous, convinced and determined - who will still call the tune after Jim Callaghan has retired to his farm.
- B.3. The gulf between socialism and economic reality ; to show the accumulating cost of socialism (since 1964, or 1974), relating it to the individual voter and the family budget; total government spending, total subsidies, total state industry losses, inflation, tax take; to show how, given the logic of socialist economics (A.5. above) such results have been and will be inevitable.
- B.4. Socialism's enemy is the individual; to show how, by denying him his rights and relieving him of his responsibilities, socialism makes the individual a less complete person. (Hark forward to C.I below). To show how the collectivist model the socialist would like to see extended in all areas of national life is the large, Labour Party-affiliated trade union, with closed shop.
- B.5. The unions; time to face the facts; to call the 'confrontation' bluff; to show fair-mindedness and objectivity on the union issue; to inform the public, factually, of all privileges, incunities, and thus inevitable abuses; to explain the unique link with the Labour Party and show how Labour and union left work together, regardless of which party is in power, for a socialist Britain.
- B.6. The contradictions of collective bargaining; to show how collective bargaining, as currently practised in the public and private sector, is now the biggest single obstacle to achieving the very objectives the trade unions hold most dear - economic growth, full employment, stable prices. (This is primarily for thinkers and doers, but the message must eventually start to trickle through to the Feelers).
- B.7. What have the unions achieved? To show recognition of their historic role and of their present role as regards safety, working conditions, etc - general welfare; to create a feeling of exasperation and disillusionment among union members with the unions failure to increase real take-home pay; to show that this failure was inevitable because the commitment to socialist policy meant that government spent most of the new wealth with little to show for it, and that much of the new wealth came not from increased output but from raiding the private sector's balance sheet; to increase the frustration further by acknowledging that there have been real 'winners' e.g. printing unions and miners, where monopoly power has been ruthlessly exercised by a minority and paid for by the rest of us.
- B.8. Whose side are these people on? To bring out into the open, without comment, (let the people decide for themselves), the extent of communist domination in the unions, widespread sympathy with East Europe on the part of many union leaders and Labour politicians; link this to the apparent determination to weaken Britain itself - hostility to the police, repeated defence cuts.

- B.9. Where do the unions go from here? To show that the two existing options - putting the clock back to 'Class Struggle', or cosy corporatism - are useless; the public have had enough of the former, the rank and file of the latter, the economy isn't strong enough to stand either. Responsible union leaders have been trying to open the debate about a new role, for years, but the political corruption of the movement by the Labour government since 1974 has made such radical thinking appear unnecessary. All, especially rank and file members, must be involved in the great debate, for the unions belong to the country; the country doesn't belong to the union leaders. Those pursuing socialism will do anything to silence the debate, for they want to use the power of the union movement to destroy the free enterprise system, not to rebuild it.

C. THE SICK SOCIETY

- C.1. The Appeal of Collectivism; (Primarily for Thinkers) to show the attraction of 'managerial politics', provided you're one of the managers; the tidiness of corporatism versus pluralism. How collectivism's superficial appeal leads its subjects to voluntary surrender (whether to union leadership, big business or Whitehall). Then the start of anarchy as rival collectives look to government for special favours.
- C.2. The flight from reality; to show, with many examples, how socialist economics - by rejecting simple arithmetic, market mechanisms, the realities of human nature - squander wealth and good will, before collapsing in fiasco and recrimination.
- C.3. The flight from justice; to show the trend towards political favouritism, some more equal in the eyes of Labour than others, e.g. union/non-union, council tenant/owner-occupier, union official/entrepreneur. Class hatred the real motivator.
- C.4. The flight from personal responsibility; to show how conflict - whether military, class or industrial - demands collectivism, the dilution of private morality, the ends justifying the means.
- C.5. Time to stop and think; what kind of people do we think we are? Where are the new Freedom Fighters?

D. THE HEALTHY SOCIETY

- D.1. What do we mean by 'Healthy Society'? To show that it is the result, in aggregate, of all our behaviour, not a blue-print which can be imposed on people who would otherwise behave badly; that the 'compassionate society' is a matter of applied social conscience and public opinion, nothing whatever to do with socialism, which ensures fewer resources available for compassion; compare standards of behaviour in large state corporations and small un-unionised businesses, for example: no sign of two distinct moralities existing

side by side; collectivism simply ensures that what everyone knows is 'good' is kept inside the family, the close circle of friends or work-mates, because collectivism does not need it, in fact cannot afford it.

- D.2. In the Healthy Society, the individual comes first ; to identify the Tory Party with the consumer, against the self-perpetuating state/producer/union cartels; the Tory Party is not the party of big business. Everything that matters, -compassion, honour, skill, courage, happiness - attaches to the individual, not the group.
- D.3. A Healthy Society is continuously adapting ; to remove the fear that the Tories will bring violent change, while Labour promises the status quo; e.g. show how the market system means continuous marginal change, while state direction means stagnation and paralysis, followed by large scale disruption when, finally, economic reality has to be faced (whether in steel or in shipbuilding etc), to release pieces of symbolic policy to show the electorate, convincingly, that the Tory Party is ready to change the political system, to change itself, not just to ask the electorate to face change; also to show its concern to help those most affected by change, contrasted with the socialist desire to hurt their political enemies, before seeing whether they can help their friends; to contrast the common ground, both policies and values, which the great majority want, compared with the quite different objectives which a tiny minority of Utopians and Marxists seek to impose on us.

Note: The concept of the Healthy Society must be developed and reinforced, implicitly, by the style and approach of all Tory Party speakers.

E. MAKING THE CHANGE

- E.1. Our last chance is nearly here ; recapitulate themes B and C. We have to make up our minds whether or not we want to go all the way to the Left; we cannot halt that slide except by a resounding defeat for socialism ; if we speak with an uncertain voice, the collectivists will assume that they can continue to impose their minority solutions on a majority tranquillised with the North Sea bonus.
- E.2. The task ahead ; summarise theme D, stressing a new, responsible and creative trade union role; speak plainly - we're not interested in electoral victory on Labour's platform 'Office at any price, in terms of union appeasement and bribery'; reveal any innovative turn-around measures.
- E.3. Can the unions force socialism on us if we don't want it? The purpose is to tackle, head on, the fear in peoples minds that the unions are already effectively in power. Get this issue out into the open, first to make it less alarming, and second, to show how close the Left have got in their check-mate strategy.
- E.4. Challenge the challengers ; the purpose is to put left wing union leaders in an impossible position and to do so visibly in front of the electoral audience; therefore, challenge them to say whether or not they would continue to pursue socialist ends if the people had spoken with an unequivocal

-cal voice for an end to socialism; other possibilities worth exploring might be that any legislative changes affecting the unions (e.g. freedom to enter into legally enforceable wage agreements, withholding of social security payments, compulsory postal ballots, obligatory disclosure of union candidate details, contracting in for the political levy, instead of out) would be the subject of a referendum, because we must have consensus, a united view. "The people must speak" so that there can be no resistance to, or bitterness about changing to new rules. The referendum might require a two-thirds majority, to give it NUP-style legitimacy.

The effectiveness of this challenge -- made in a spirit of partnership and constructiveness, not enmity -- would depend on the success we had had in building up themes A, B, C and D above. The public and the left wing union leadership must see that, at last, the game is up and the other side knows it. Hence the slogan 'Let the people speak', after thirty years of socialist and social democratic double-talk.