

POLITICAL

## 10 DOWNING STREET

Prime Minister.

Hugh Thomas is coming to see you tomorrow, Friday, to discuss the future of the Centre for Policy Studies. And, of course, the future of Alfred Sherman vis-a-vis the Centre. Alfred himself is much troubled as to his own future within or without the Centre, and as to his "locus" in either case with you personally.

Hugh has prepared the attached paper as a basis for discussion. The main questions raised are:-

1. What does Alfred do when his Sabbatical ends? Who pays him?
2. Given Hugh's primary interest in International rather than domestic affairs, are you willing for the Centre to become more oriented towards Foreign Affairs, or would you prefer Hugh's contribution in these matters to be personal rather than as part of the Centre?
3. Do you agree that the Centre's domestic activities might need a more high-powered head than Elizbeth Cottrell, and, assuming Alfred does not return, would you consider John Vaizey if he were willing to devote some more time to the Centre?
4. Should you wish that Hugh devotes a considerable amount of his time to the Centre, it would clearly be only reasonable that he should be paid. Fortunately he is not quite as expensive as Alfred!

It goes without saying that Hugh is willing to do whatever you want, so far as he is able, and the meeting is really to establish the role you wish the Centre to play in the next few years.

David W.

David Wolfson.

MT's appointment diary shows meeting between Thomas, Wolfson and MT 1600-1740, Friday 20 January 1984

## THE FUTURE OF THE CENTRE FOR POLICY STUDIES

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### I The future of Alfred

- 1 Alfred is not getting on with his proposed book.
- 2 It is, of course, difficult to settle down to write a book for the first time in one's 'sixties.
- 3 Whatever the reason Alfred is also already worrying about the future: his "sabbatical" year ends on September 30, 1984.
- 4 In theory, it would seem that there are these alternatives for him:
  - i) to return to the CPS as fulltime director of studies;
  - ii) to remain with the CPS on a "consultancy" basis;
  - iii) to withdraw a) with, or b) without, a payment to mark the end of his formal association with the CPS.
- 5 I regret that I cannot see i) above as a real choice if I, the Treasurer (Nick Cayzer), and Elizabeth Cottrell remain at the CPS. Though I could easily be wrong, I cannot see the chance of finding anyone to run this institution, in place of us, in a way that Alfred could work with, on the old basis. Nor do I consider that he himself could direct the institution, as it has now developed, as one close to the Prime Minister, with the necessary discretion and self-control. Alfred really is now too mercurial to work in someone else's institution; and too much so, too, to manage one.
- 6 I believe, therefore, that the choice should be between ii) and iii) above. ii) might mean a consultancy payment of say £15,000 a year (the payment of a MP) till, say, he reaches the age of 70. I think this would be 1990. This would be in return for occasional advice etc to the Prime Minister, or to us. iii)a) a capital sum might be another year's salary at his present rate (£28,000). I think he would fight iii)b).

- 7 I suggest we ask him to make up his mind about the above after the meeting with the Prime Minister on January 30th - in February or March.
- 8 I would advise Alfred to accept ii); but I think that Nick Cayzer would very definitely prefer iii) - and probably iii)b) at that.

/II The future of the CPS after Alfred

## II The future of the CPS after Alfred

9 The CPS without Alfred has these assets:

- i) a name for intelligent political thought (to which, of course, Alfred was the first contributor);
- ii) the infrastructure behind about twelve study groups connected with most departments of domestic politics - as well as the study groups themselves;
- iii) a research capacity able to be used "in house" for a variety of political issues; or for seeking the right <sup>outside</sup> man for a specific task (eg Professor Niehans);
- iv) a capacity for drafting speeches or other policy statements (myself, Elizabeth Cottrell, Simon Webley);
- v) an institutional covering for unexpected assistance (eg part of Alan Walters' fees);
- vi) a capacity for international or historical advice (myself).

10 The CPS at the moment does not have much of a capacity for its old propaganda function (pre 1979) because neither I nor Elizabeth Cottrell are the right people for it;

11 i) and ii) may be lesser assets without Alfred. But they exist. Elizabeth Cottrell, only now returning full time after her baby's birth, may be able to make up, in efficiency and discipline, for the lack of Alfred's imagination. The test of whether i) will survive lies in the achievements of the next six months. I recommend that ii) should be kept going but on a reduced scale eg by pruning or running down the study groups now stuck in old grooves (eg Trade Union reform; transport). The work of these groups should be reviewed in, say, July.

- 12    iii) and iv) will continue to be available on request. John Redwood has indicated some research needs for the Policy Unit. v) may crop up.
- 13    As to vi): in a small institution, the personal expertise & interests of those involved are important. Though I came to work for the Prime Minister on domestic formulations, as Chairman of the CPS I have been more interested in the international side of things. I connect my private work with my work at the CPS; and my current book - a study of US - Soviet relations since 1945 - causes me also to look at that side.
- 14    I therefore suggest that:
- i)     the CPS be now encouraged through me to develop a strong international side to its operations: so that, say, by the beginning of the next financial year (October 1984) the picture of an essentially domestic political institute, with a modest international sub-section, is changed into one where the international side is critical;
  - ii)    while the CPS will continue to collaborate, as in the past, in respect of domestic politics with the Policy Unit, its international dimension will look to the Prime Minister's foreign policy adviser;
  - iii)   I as Chairman should look on my role as an international adviser as my main contribution to the CPS. Hitherto most of my suggestions on these matters to the Prime Minister have been arbitrarily chosen: that is, I have communicated such information as has come to me in the normal business of life. I have only rarely deliberately sought information (except in the Falklands Crisis: or by making a point, when in the US, of calling on Dr Kissinger or Mr Bill Casey etc - and once or twice accepting conference invitations to the US, when I thought that they might yield useful insights) I could henceforth now make a point of seeking information on outside views on

sensitive international problems as a matter of course; see visitors who may be interesting, or not be persona grata with HMG (eg Dr Savimbi, whom I saw a year or two ago); and occasionally make special journeys;

Note:

whereas an adviser outside officialdom can almost never provide useful advice on tactics (if he does not see the day-to-day telegrams etc), this is not so in respect of analysis and long term strategy. A network of private informers as well as wide reading gave Churchill - to take an extreme case - the opportunity before 1939 to formulate perfectly coherent and well-informed policy recommendations. There are other examples. Useful reports on problems as they seem likely to develop in future can indeed sometimes be made as well outside channels as within since they are free of the assumptions of institutional continuity. (The US has used this kind of advice quite effectively on occasion).

- iv) I must also seek to set up a number of expert private panels on a variety of topics, whose aim would be to produce alternative policies for the Prime Minister's private consideration. Some of these panels might themselves produce papers (eg our Soviet group's paper on "Western policy after Afghanistan" (1980); or they might give me the raw materials to write papers.
- v) to avoid embarrassment or difficulty with the Foreign Office, I should, if pressed by journalists or foreigners, be able to say that I am a "historical adviser" to the Prime Minister - not a diplomatic one. The benefit would be that
- a) it is often true;
  - b) it can give ~~no~~ real anxiety to anyone;
  - c) it is a formulation which usually turns out to be acceptable. When I accompanied the Prime Minister to Luxembourg (1979), I was asked at a reception why I was present.

/After thought

After thought I replied that I was giving the Prime Minister historical advice. This satisfied my importunate questioner. I did the same in South America and West Africa when with Lord Carrington (1980 and 1981).

- 15 I have made a point of maintaining good relations with the different sections of the Conservative Party since 1979 (eg CRD; Jim Prior, etc). It would not be difficult to do the same on a personal level with the Foreign Office (eg Sir Anthony Acland, Sir Julian Bullard). Indeed I already do so.
- 16 I should, of course, remain Chairman of the CPS and remain as overall responsible, particularly for publications. But perhaps a deputy chairman might be sought, among the new Board of Directors initially, ~~be~~<sup>to</sup> preoccupy himself with domestic politics. (Lord Vaizey is someone who comes to mind). But we should look at this suggestion in a few months, after Elizabeth's contribution can be adequately assessed.
- 17 The above reads, I am aware, like a plan for a new job specification for myself. Still, it in fact represents little more than a formalisation, or intensification, of my existing practice.
- 18 If these arrangements are considered worthwhile, the Prime Minister may like to refer to the Centre's international side on January 30th at our annual meeting with her at the Hyde Park Hotel. As she already knows, Dr George Urban and Professor Hugh Seton-Watson will give a hint of that dimension by the very fact that they are speaking (Dr Urban's speech will be looked at by me beforehand to seek to avoid any possible clash with the Prime Minister's approach).

Note:

The staffing etc of these arrangements will come within our existing budget of £150,000. I should hope to have the services of a good research assistant, as heretofore. I think that we have agreed that my general responsibilities are such

/that, provided

that, provided the Centre can afford it within the overall budget, a director's fee of say £15,000 a year (about the same as the salary of a MP) may be available to me.

*Hugh Thomas*

Lord Thomas

2 January 1984