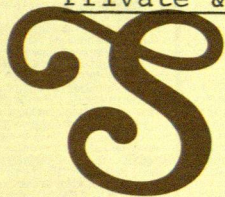


Private & Confidential

Sherman



From: Sir Alfred Sherman

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*I looked to AS on 23/8
and ok'd article but for
one point on page 4. p.*

Stephen Sherbourne, Esq.,
Political Secretary,
10, Downing Street,
LONDON, SW1.

21/8
~~20th~~ August 1984.

Dear Stephen,

Since you are to some extent still involved with the Centre, I thought you might be interested in my valedictory letter (for want of a better word) to David Wolfson and Ian Gow when I left last August to begin my "sabbatical" (which I have just found on disc in my word-processor).

The experience of one month of de-Shermanization had given me sufficient perspective. My surmises proved correct; but my questions remain unanswered.

I still do not know what Her intentions were, or what information had been given to Her; whether there was a conscious intention to transform the Centre, or to get rid of me, or whether there was simply a chance conjuncture which was exploited by Hugh Thomas, and possibly Elizabeth Cottrell, for personal reasons.

I should rather like to know. I hope I am not being obsessive; I am naturally haunted by the question as to whether I could have played my cards better, or indeed to what extent I personally was somehow to blame.

This is not just a matter of seeking wisdom by hindsight - though that is why we learn history - but also to guide my actions in the future course of what remains of our association.

With thanks for your patience,

Yours sincerely,

Alfred

Enc.

*I also enclose
the draft
article.*

LIFE-CYCLE OF A PRIVATEER.

(VALEDICTORY LOOK AT THE CENTRE FOR POLICY STUDIES.)

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Friends and enemies alike agree that the Centre For Policy Studies exerted sufficient influence on events to carve itself out a modest niche in contemporary history.

This merits explanation. If people feel compelled to present me as amalgam of Father Joseph, Svengali and the Elders of Zion, they are at liberty to do so, and those who know me will think them fools. But in any case, this takes them no further in explaining why a handful of people whom they disparage could make a wholly disproportionate impact on the political scene, for better or worse.

Readers will not expect this valedictory look back to be free from subjectivity or partisanship. It is raw material for the eventual historian. In any case, I tell the story as seen from inside, which is only half the story. I am never quite sure to what extent I helped make the waves and to what extent I floated on a turning tide created by deeper forces which shape the life of a nation. But whether we made the tide or not, we rode high on it.

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I originally conceived our role as out-riders. My thesis was that no Conservative government or opposition, however courageous and adventurous, could afford to take the lead in mooting new policies rooted in critical appraisal of the post-war settlement. The moment the critique which must of necessity precede the enunciation of policy is presented, it provokes a chorus of anathema from "thought guardians" in political life and media, for whom early post-war thinking is the ultimate revelation. The British are a conservative people, but none more so than progressives in thrall to the novelties of yesteryear.

The young shoots of new thinking are not strong enough to stand the hot blast of denunciation. Temporisers run for cover on the grounds that the "public is not yet ready for such radical thinking". Yet - I argued - unless new ideas are fed in, the public never will be ready, and the post-war settlement will go rolling on by its own momentum till we are all crushed.

This, in the early 'seventies, was a real dilemma. It was not invented by the temporisers; their fault lay in reconciling themselves to the constraint constraint instead of rising to it as a challenge.

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To resolve the dilemma, I argued for some privatisation of Conservative politics, with fringe organisations, out-riders, which did not commit the leadership, breasting the waves of disapproval by the guardians. When we won the preliminary skirmishes of ideas, the leadership could move onto the new ground. If we lost, our intellectual ventures could be disowned.

Early in 1974, I mooted the idea to Keith Joseph, whom I had helped with speeches and articles in 1969/70 but had subsequently lost after his return to government. Margaret Thatcher joined forces. She was, in my eyes, always the more radical of the two, in instincts as well as ideas.

In order to establish the miniscule organisation, we needed funds. Keith Joseph decided that it would help fund-raising if he made challenging speeches outlining our position and aims. The first two speeches, at Upminster and Preston, enjoyed an impact far greater than their intrinsic merits would have earned them. We said nothing new, except our admission that the party had been mistaken, which should hve been obvious. This admission of fallibility on behalf of his party earned Keith Joseph wide regard, though it horrified some colleagues.

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I think that the part played by the speeches in precipitating a revolution in Conservative politics owed the impact partly to a widespread feeling that new thinking was needed, which predisposed people to give us the benefit of the doubt, and partly to the fact that the party was fed up with Mr. Heath, but did not see its way clear to precipitating his departure. The speeches and the establishment of the Centre gave the feeling that here was an alternative leadership; the political enzymes set to work and did the rest.

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8. | When Sir Keith Joseph decided that he lacked the qualities of a leader, Mrs. Thatcher discovered that she possessed them, as some of us had already sensed.

The rest is history.

Some of the drama rubbed off onto us. In politics, appearances are part of reality. Our new standing helped attract supporters and participants. We became the venue for exchanges of ideas between Conservative politicians, intellectuals, journalists, businessmen, and a few trade unionists.

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My participation in speech-writing counted for more than this craft does as a rule, because, because of Mrs. Thatcher's particular circumstances and modus operandi. Owing to the circumstances in which she had won the leadership, the consolidation of her power over the party pari passu with a change in direction was bound to be a lengthy process. As a result of this, she tended, during the early years of her leadership, to moot policy through public speeches and interviews more than political leaders generally would.

Electoral victory in 1979 brought about a new phase in our life-cycle. On the one hand, we were in a position to feed in second opinions. On the other, we found ourselves engaged, willy nilly, in an unequal relationship with the departmental civil servants, who are able to criticise, in private sessions with ministers, the views of the outsider, who cannot as of right while we cannot aware of their arguments and data, which enjoy the shield of confidentiality, in order to respond to them.

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By no means all civil servants take advantage of this position. Some warmly welcome the out-rider's contribution, and collaborate enthusiastically within the bounds of propriety. Others are decently tolerant. Not all ministers permit their tail to be twisted. But in the British system, without ministerial cabinet, just one political adviser, the out-rider becomes an outsider, the more so as the lifetime of government increases, and the ministerial "we" expands to include the machinery, its works and increasingly the status quo.

These dichotomies are inherent in the out-rider's situation, the other side of the coin from his opportunities. They grow as the institution flourishes. An organisation which has access to party and government leadership and yet earns its bread by thinking the unthinkable and questioning the unquestioned - in short a form of reverse-arbitrage - must live on narrow margins. Without its connexions, real or apparent, it becomes one more voice on the fringes of political life. Let it be too closely identified with the leadership - or, more to the point, let the leadership become too closely identified with the privateers - and his incursions must be curbed. When they change their style, their *raison d'être* must in due course be examined afresh.

All organisations have life-cycles, precipitated more precociously by success than by failure. The political privateer's life-cycle exemplifies this.

At all events, in our eyes, our successes well outweighed the inbuilt frustrations, one of which we share with insiders, we must restrain our natural human instinct to boast, complain and above all to tell. Moreover, successes and failures alike are not always easy to identify, when you are one input among many, and policy must be adduced from what is done rather than from what is said.

Our role in alerting Sir Alan Walters to the wholly misleading and uneconomic plans for large-scale railway electrification, which was then rejected at that time, has been the subject of press comment. Patrick Jenkin publicly acknowledged our pioneer work on telecommunications privatisation strategy. Our published studies were generally believed to have gone some way towards changing strategy towards BL, including the disposal of Jaguar. We did pioneer work on the idea of management in the National Health Service, and on relating the NHS and private sectors.

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Our education group influenced public and ministerial opinion. Our press lunches for familiars, particularly Alan Walters, gave a private platform which had been lacking.

Our "Argonauts" luncheon club of employers associations attended by John Hoskyns and his successors, was founded during the Steel strike to circumvent the defeatists, help reproduce an accurate picture of what was happening to steel-users, to maintain employers' morale and cohesion and avoid pressures on the government to settle at any price, and to bring home the implications of the strike to workers in steel-consuming industries. Out of this emerged a valuable alternative forum to the largely corporatist CBI.

All this, and our work in the realm of political and economic ideas, may have counted less than our part in generating in the Conservative Party a sense of intellectual excitement which had largely been a monopoly of the left. No one called the Conservatives the stupid party any more; at worse, they accused it of have become addicted to ideology.

No less important, we demonstrated that even in this mass society, a few people with ideas and commitment can still make their mark. It is still an open competition.

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