



10 DOWNING STREET

PRIME MINISTER,

1. DAVID KNOX IS, OF COURSE,
BEYOND REDEMPTION.
2. BUT I WOULD LIKE TO
TALK TO YOU, PLEASE, ABOUT
THE SECOND PARAGRAPH OF
HIS LETTER.
3. I HAVE REPORTED TO YOU
ON MY CONVERSATION, ON
THE SAME SUBJECT, WITH
CHRISTOPHER SOAMES.

ms

24/9/1961



Government Chief Whip
12 Downing Street, London SW1

24 September 1981.

I enclose a copy of a letter I have received from
David Knox. Can you arrange to see him?

The Rt Hon Sir Geoffrey Howe, QC, MP.



Government Chief Whip
12 Downing Street, London SW1

24 September 1981.

Thank you for your letter of 18 September. It is
helpful to have your current thinking.

David Knox Esq., MP.

From: David Knox M.P.

KNOX
up



HOUSE OF COMMONS
LONDON, SW1

18th September 1981

my

Dear Michael,

I am writing to express my opposition to the Cabinet reshuffle and to the manner in which this was done.

For about six weeks the newspapers have been full of rumours about this reshuffle and the Ministers, who were to be dismissed, were named in report after report. The accuracy of these reports has now been confirmed and this provides a clear indication of the source of the stories. I am afraid that I do not think that this is a very satisfactory way to run a Government.

I gather that it is being claimed that this reshuffle has strengthened the Government. This is certainly not the case as far as the abilities of those affected are concerned. No one can seriously argue that Lady Young and Messrs. Lawson and Tebbit are in the same class as Lord Soames, Ian Gilmour and Mark Carlisle. Indeed, the three Cabinet Ministers dismissed have been considerably more successful than many who remain.

But this brings me to what I believe was the real reason for the reshuffle - ideology. The composition of the new Cabinet indicates a further lurch to the right and to monetarist orthodoxy at a time when it is becoming increasingly clear that the monetarist experiment has been a disaster and that the electorate reject it. That it has been a disaster does not surprise me, as I have always thought that monetarism was nonsense.

I do not expect the Government, particularly one as committed to monetarism as this one, to admit that the experiment has failed. But I would expect it to begin to move away from it. In such circumstances, a change of personnel would be necessary and I would expect that the new personnel would be less ideologically committed to monetarism. Instead, the changes now mean that the administration is more ideologically committed than before. In my view this is wrong economically and wrong politically.

It is wrong economically because further adherence to monetarist dogma will, at best, prevent any upturn in the economy and at worst result in a further contraction of industry, a further fall in output and a further rise in unemployment. It is wrong politically because the electorate are not going to vote back a Government that has presided over a doubling of unemployment to over three million with little or no hope of a reduction. A continuation of present policies for any longer make a Bennite Labour Government a strong possibility after the next General Election. In my view that would be a tragedy.

Yours ever,

David

Rt. Hon. Michael Jopling, M.P.