

MINUTES OF THE STRATEGY GROUP
SECOND MEETING: 30th JUNE 1986

Present: Prime Minister (in the Chair)
Lord President
Foreign Secretary
Home Secretary
Chancellor of the Exchequer
Party Chairman
Chief Whip

Also present: Mr Alison
Professor Griffiths
Mr Sherbourne
Mr Harris (Secretary)

1. Media Monitoring

It was agreed that the electronic media should be monitored for bias and misrepresentation. PPSs and other Back Bench MPs must be involved. The Home Secretary reported on the system of monitoring and reporting back practised in the Home Office. The Chairman reported on his plans to set up a Media Monitoring Unit in Conservative Central Office.

PM/NT/JW

The Prime Minister, The Chairman and the Chief Whip would meet to discuss what further action should be taken. The Prime Minister would subsequently alert Cabinet colleagues of the need to monitor and act quickly to counter media misrepresentaion.

2. Themes

The Group discussed the papers which had been submitted. The Prime Minister also drew attention to Mr Mount's article in the previous week's Spectator, 'The Reclaiming of Yob England'. It was important to appeal to those who sought security - 'the belongers' - and those - predominantly the young - who sought adventure. It was also important not to allow ourselves to be driven on to the Opposition's ground. Security, strength and safety, freedom, responsibility and the property owning democracy were all ideas which, though not new, would be at the heart of our policies.

The Group discussed Education policy. It was argued that a considerable amount could be done within the next twelve months without new legislation to provide the basis for improvement. It was difficult for parents to influence the education provided for their children. It was argued that this showed that the present structure in both the NHS and the Education system was deficient.

The Prime Minister stressed the importance of the absence of any 'visible authority' in various aspects of the public sector, e.g. some Council Estates. This partly stemmed from a lack of personal ownership: where no one owned, no one cared.

/...2

It was agreed that, even though the phraseology required further thought, the underlying themes were clear. These themes would be used to provide a steer from the centre for further policy work.

The Prime Minister would submit a paper for the next Meeting of the Group which would, on the basis of the papers already submitted and discussed, set out the key themes. The paper would propose the areas to be examined by Policy Groups and suggest names of possible Members.

PM

It was suggested that both Education/Training and the Environment were subjects which should be discussed at future Meetings of the Group.

3. Parliamentary Session 1986-7

The Group considered the paper from the Lord President. It was agreed that the Bill for Water Privatisation should be postponed until after the General Election. It was, however, important that the intention to introduce it early in the new Parliament was made quite clear in the Manifesto. It was also important that work on the drafting of the Bill should carry on. It should be introduced in the first Session of a new Parliament. The delay in its introduction should be used to try to accommodate the anxieties which had been expressed by the Government's supporters about aspects of the Bill. The Lord President would go back to QL and then submit a paper to Cabinet on Thursday.

WW

4. Publicity During the Recess

The Prime Minister stressed the need for further effort to improve public relations. The names of Mr Alexander Macmillan and Mr Malcolm Selsdon were suggested. The Chairman noted that it was more difficult in Government than in Opposition to make use of talented voluntary help in this area.

The Prime Minister asked the Chairman to submit to the Group's next Meeting a paper on publicity for the Summer Recess.

NT

5. Next Meeting

The next Meeting of the Group would be at 11.30 am on Monday 7th July at Number Ten.

RH/CR

CONFIDENTIAL

PRIME MINISTER

cc. Professor Griffiths

Strategy Group

Note for 2nd Meeting : Monday, 30th June

THEMES

1. Attached are papers on themes submitted by Robin Harris, Douglas Hurd and Geoffrey Howe. (Flagged)
2. When you come to discuss themes, you should have in your mind what I believe are the three main difficulties we face in the next election:
 - (a) the inevitable comment of "time for a change".
 - (b) the danger that the more we say how great our achievements are, the more people will believe that these achievements are safe; and that therefore they can afford to take a bit of a risk with Kinnock or the Liberals/SDP.
 - (c) In the next election the main issue will be you and your personality. Nobody, supporter or opponent, doubts your strength and convictions. They know that in a crisis you, more than anyone else can provide the essential strong leadership. The country needed you in 1979 when the unions seemed in control, and needed you against Galtieri and Scargill. The subliminal question they will be asking at the next election is "what is there to be done in the third Parliament which only Mrs. Thatcher can do": in other words, "why do we need this strong woman?".
3. The question therefore arises as to whether we should identify a problem or set of problems which really worry people to which the Government have not yet devoted its fire-power. For this, we will need some imaginative research (as you yourself know only too well - but it makes this all the more urgent).

...../2

CONFIDENTIAL

HOW RADICAL A PROGRAMME?

4. Of course, the Government must put forward a substantial programme for a third term to show that it is still in business. But how radical should these proposals be? Some of the most radical proposals, however sensible, like rent de-control could be vote losers. A less "radical" approach might be to say: "Look, in our first term we rescued Britain from socialism. In our second term we built on those foundations a more successful prosperous country with more freedom and more independence for people. In our third term we will build on that too by making life better for people and families - all the time giving them more power over their own lives and more choice." And then you spell out our proposals in practical down-to-earth terms but on our ground ie: more devolvement to people, more involvement for people.

HOW TO MAKE SURE NEW AND BRIGHT IDEAS ARE NOT KILLED?

5. When you discuss how the Strategy Group should elicit new ideas, you need to make sure that the ideas come to the Strategy Group for its general approval before they are examined by Departments. This could be done as follows. The Strategy Group sets up a number of sub groups on each of the broad themes it has identified. Each could be chaired by a bright Minister of State although I hope each sub group could cover more than one Department because of its broad objectives. On the sub group would be outsiders and some backbenchers. It would need a pretty clear remit to encourage new ideas but to discourage any zany ideas, which, if leaked could be seriously damaging. These sub groups would report to the Strategy Group which would then have co-opted on to it the relevant Secretary of State. At that point, the Strategy Group would agree which ideas it wanted to throw its weight behind. Then, and only then, would Departments get properly involved. They would be asked:

CONFIDENTIAL

5. how can this idea be turned into policy? (If radical
cont. options were to go to Departments before they went to
the Strategy Group, too many new ideas would be killed
off.)

SP

STEPHEN SHERBOURNE

27.6.86

CONFIDENTIAL

STRATEGY GROUP

2nd Meeting : Monday, 30th June 1986 at 12.00 noon

A G E N D A

1. Themes (Papers submitted by Robin Harris and members of the Group)
2. Parliamentary session 1986/87 (Paper submitted by the Lord President)
3. PR initiatives for the summer recess (Need to commission proposals)
4. PR campaigns in the second half of 1986 (Need to commission proposals)
5. The role of backbenchers
6. The role of outsiders

SS

24.6.86

PRIME MINISTER

THEMES FOR POLICY WORK AND THE MANIFESTO:

SECOND STRATEGY GROUP MEETING, Monday 30th June 1986

... I attach a paper which sets out possible themes for policy work and the next General Election Manifesto.

I also attach:

Flag A: contributions from Members of the Strategy Group;

Flag B: themes/slogans of Conservative Party Conferences since 1979;

Flag C: extract from the 1979 and 1983 General Election Manifestos.

I am sending copies of all these papers to Members of the Strategy Group.



ROBIN HARRIS

THEMES FOR POLICY WORK AND THE MANIFESTO

1. What sort of Themes?

Three kinds of themes are needed.

First, there is the theme which in a phrase will characterise the whole of our Election Campaign. In 1979 we offered 'A New Beginning'. In 1983 we offered 'The Resolute Approach'. In both cases the theme provided the title of the Manifesto's last chapter. Otherwise, the nearest approach to that kind of theme has been the theme of the annual Party Conference. I ... attach at Flag B examples of Conservative Party Conference themes since 1979. This kind of theme is a distillation of other thematic material: please see below.

Second, there are the themes which we customarily set out at the start of the Manifesto. In the 1979 and 1983 Manifestos these were described as 'tasks': we set out five of them in each case. ... The relevant extracts are attached at Flag C. The five tasks sought to be positive, playing largely to our perceived strengths.

In 1983 we added in the Prime Minister's introduction 'three challenges'. These sought to re-assure the public that we recognised what caused them concern: nuclear arms; unemployment; pensions and the NHS. The relevant extracts are also shown at ... Flag C.

We could adopt the same approach again. We could set out our positive case for freedom - economic and social - in 'tasks'. Then we could defend our weak flanks through describing how we shall face up to the 'challenges'.

However, if we wish to emphasise the degree to which we have long-term policies to achieve a better society in the 1990s and beyond, we could supplement these - the terminology is not important - by 'goals'.

Third, there are the themes which link our policies in one area with those in another by demonstrating how common values underlie each. Necessarily, these overlap. From them the central campaign theme, the 'tasks', 'challenges' and/or 'goals', and, in due course, the terms of reference given to Policy Groups would derive.

2. Themes and Policies

I list below a number of themes around which our present and future policies might cohere. I also note where necessary and in shorthand areas of policy from which proposals might be drawn to support the theme.

1). The Record

- i) The public dare not take for granted what has been achieved. Only a Conservative Government could have done it and with any other Party it would still be at risk. [Inflation; trade unions/strikes; Council house sales; privatisation/share ownership].
- ii) Our record shows that we can achieve what others said was impossible [inflation; international economic confidence; recovery]: a Government with that track record is best equipped to tackle the main problems now. [Unemployment; education; disarmament/security].
- iii) Because we have achieved so much [inflation; fewer strikes; investment; recovery], the British economy is now strong enough to resist shocks, create more jobs and sustain improved services.

2). The Individual

- i) Our aim is more power to the people: our opponents want, as they have always done, more power over the people. [Trade union proposals; privatisation versus re-nationalisation; owners not dependents etc].
- ii) We want to strengthen the individual's power and dignity by giving him choice, with the rights of a customer: our opponents would hand back power to the producer. We want to do more still: for too little of the public sector is properly run for the public. So we shall put patients first in health and parents first in education. [DHSS; DES].
- iii) We want to leave people with more of their own money to spend as they wish: our opponents would have the State spend that money as it wishes. [Public spending and tax].

3). The Family

- i) We Conservatives understand that there is no better and more powerful impulse than the desire to succeed for one's family's sake. So we will let people keep more of their incomes to improve their homes and lifestyle, save and give their children the chance of a better life. We reject the one generation society. [Tax - our proposals/ achievements and theirs; mortgages/home ownership; inflation/savings; pensions in public and private sectors].

- ii) The quality of family life is what we care about most. Families should be as independent from the State as possible, enjoying the security of property - and we must protect family life from all that threatens it. [Tax/ownership etc; problems in the media - violence/obscenity; criminal justice/crime prevention measures; contrast with anti-family Labour].
- iii) We must have a tax and social security system which works for, not against, the family. [Taxation of women: DHSS?].

4). Ownership

- i) Our aim is to spread ownership as wide as possible. [Homes; shares - through privatisation and other schemes; pensions].
- ii) Ownership gives people independence - and guarantees freedom.
- iii) Ownership gives a stake in success - in the neighbourhoods where people own their homes, in the businesses in which they own shares and in the country to which they belong.
- iv) The Conservative crusade for more personal ownership, not the Socialist obsession with more State ownership, is the true path to one nation and to the classless society.

5). The Countryside

- i) The countryside is a vital part of the national heritage which we are determined to protect. We fully appreciate its contribution to the quality of our national life: we shall preserve and nurture it for future generations. [Conservation record and measures].
- ii) Our aim is a proper balance between the enterprise which brings life and jobs to rural communities and the countryside which surrounds them - a balance between successful farming and protection of the environment. [Planning: rural development: conservation: Europe and CAP].

6). The World of Work

- i) In our homes, schools, colleges and polytechnics we have moved far towards overcoming the anti-enterprise culture which once held Britain back. But our education system now should concentrate above all on preparing the young for the world of work today and tomorrow. Already much has been done, far more than under any previous Government [TVEI; computing skills etc], but we shall do more. [DES; MSC].
- ii) In a changing world where new technologies and tastes transform the markets in which we must earn our living, our work force must have the right skills if they are to find the right jobs. That is why we have created the YTS.

iii) Responsible wage bargaining now offers the best chance of beating unemployment. For years, irresponsibility on the shop floor was encouraged by the Labour Party and trade union militants: it still is. Already many workers own shares in their own and other companies. We want to increase their sense of responsibility by giving more of them a share in the profits [profit-sharing]. An employee should not just be working on the shop floor or in the office. He should also be present at the Annual General Meeting.

7). Building the Future

i) The best investment a country makes in its future is the investment it makes in its young people. Most young people reject the controls of the Socialist State: they have the self-confidence to succeed: they have the desire to own: we shall give them the opportunity to do so. [Tax; YTS; shares; homes].

ii) The fabric of Britain is being renewed: our roads and rail links; our homes and hospitals. And private investment is flourishing too. Only Conservative policies allowed that to happen: and only the financial strength which a Conservative Government offers will allow it to continue.

8). Wealth Creation

i) The long years of Britain's economic decline are over. Our economy is growing as fast [as any in Europe]. We are creating the wealth which Labour Governments planned for and spent - and never earned.

ii) Our national cake has been steadily growing. That has meant higher living standards for most people; more to help those without jobs; more to spend on the sick and the elderly.

iii) Because our economy is so much stronger, Britain can now afford improved services and further cuts in personal taxes. These tax cuts will keep investment and enterprise flowing in Britain - and create more wealth for a better future for all.

9). Managing Change

i) Our record of managing past change shows that we have the competence and direction to manage change in the future. Our opponents are too divided and too interested in easy options to do that.

ii) We are providing the leadership which people need at a time of change. Not by State direction, but by encouraging new enterprise, backing new technologies and bringing commonsense to the shop floor. [DTI].

- iii) Only the free enterprise system in which power and choice belong to individuals as owners can change be harnessed to progress. Only if we face change, not hide from it behind controls and subsidies, will change be our ally.
- iv) We Conservatives face up to change because that is the only path to more security - to lasting well paid jobs and more property ownership. That way we can retain the best of the old with the new.

10). Safety

- i) The elderly enrich our society with their experience: they contribute to voluntary effort in many ways. They have a right to live with dignity and in safety. Because of our success against inflation, their savings are now far more secure. And the Retirement Pension has more than kept its value. We shall do still more to protect them from crime and violence. [DHSS; Home Office].
- ii) In spite of all we have done to step up the fight against crime and violence, too many of our streets are still unsafe: too many neighbourhoods are paralysed by fear of crime. Together with local people, we will do more. [Home Office; DES].

11). Responsibility

- i) Our goal is that of the responsible society. Rights and duties, freedom and responsibility, go together. In family life, at school and in the life of our nation we must keep that in mind. [DES].
- ii) The responsible society cannot be a society of conscripts: yet this is what the Socialists would create. Most people, particularly young people, want to contribute more to the welfare of the world around them. For us, charity is something to be encouraged not scorned. [Charities]
- iii) We look to neighbourhoods to do still more to help prevent crime. And we offer a stronger partnership with families and communities to care for the frail and vulnerable. [Home Office: DHSS; DoE].
- iv) We believe that the British people wish to be treated as responsible adults, not clients of a patronage State. So we do not apologise for introducing responsibility in local democracy. [DoE; DHSS].
- v) Although wider personal ownership is the surest guarantee of more social responsibility, far more of those who do not own much property should be given more control of their own lives. In Council Estates, in schools, even in hospitals, local people can become more involved in determining their destiny by controlling their environment. [DoE; DES; DHSS].

12). A Safer World

- i) Since taking Office, we have steadfastly and successfully, in War and at peace, defended Britain's interests in the World.
- ii) We shall continue to press for effective arms control from a position of strength. All the lessons of history teach that it is weakness that tempts the aggressor and risks War. So, alone among the major political Parties, we shall retain a credible nuclear deterrent - a deterrent which has helped secure more than 40 years of peace in Europe.
- iii) Through our experience and our loyalty to the Western Alliance, we have earned the respect of friend and foe alike. This allows us to be a major force for peace in the World.

RH/CR
27.6.86

A

CONFIDENTIAL

STRATEGY GROUP
Copy No. *!!...*



WW

PRIME MINISTER

PARLIAMENTARY SESSION 1986/87

1. I believe that part of this Group's remit must include an appraisal of the next Parliamentary Session 1986/87 because of the impact it will have in what could be the year leading up to an election.
2. I have looked at the proposed programme of legislation and would like to propose that the Bill for the privatisation of water is not included but held over until after the election.
3. There are two reasons to support this. First, the Bill for privatisation of water will be long, complex, time-consuming and divisive. Secondly, not going ahead with the Bill in the next Session will give us room for manoeuvre and more room to dictate parliamentary business (with, for example, debates on subjects of our own choosing) which an overburdened programme would not give us.
4. I would therefore like to recommend to the Group that water privatisation is not included in the Parliamentary Session 1986/87. If the Group agrees I will then submit the appropriate papers to QL and Cabinet. I am sending a copy of this minute to the other members of the Group.

Wals

Privy Council Office
25 June 1986

CONFIDENTIAL



26 June 1986

Dear Steph,

THEMES

The Foreign Secretary has asked me to let you have the following preliminary thoughts on themes, as requested at the Strategy Meeting.

Choice: [People power]

This government has already done more than almost any other government this century to decentralise the power of economic decision (home ownership, share-ownership, privatisation, trade union ballots). We intend to increase further the power of local people on education and health, thereby enhancing flexibility, responsibility, efficiency and bringing in more money to improve the system. Will also enlarge share ownership/employee profit-sharing. Britain is freer under the Conservatives. In tune with "information society".

Success:

Conservatives halted rapid relative decline of Britain - now keeping pace. Years of effort for us all, not easy, now choice between sliding back into old ways, or building on achievements to climb back up performance league and achieve relative success. Britain can succeed in a British way, without rejecting the best British traditions - but only if we learn our lessons.

Responsible Society:

A society where individuals take responsibility, rather than just pushing it on to the State: responsibility for the effects of their own actions (no licence), for assisting law and order, for caring for neighbours, the family, the old. Caring is for individuals as well as the State. Money is not a substitute for it.

/Britain with a World Role:

Stephen Sherbourne Esq
10 Downing St



Britain with a World Role:

Conservatives stand up for British interests and stand by our friends. Partnerships in NATO and EC crucial to British interests; opposition parties would wreck relationships, destabilise Europe, undermine our allies.

Yours,

A handwritten signature in cursive script, appearing to read 'J. Houston'.

J HOUSTON
Special Adviser

STRATEGY GROUP - POLICY THEMES

In 1979, in reaction to the growth of collectivism and the unrealisable expectations aroused of the capacity of the State to meet the demands of warring interest groups, we stressed the need to free the individual. Freedom was the theme of that election and rightly so.

Since then we have swept away a mass of controls which hampered the ability of the individual to achieve and create. We have transformed the trade union movement, not by supressing it but by giving it back to its individual members. We have transformed the housing scene by giving individual families the opportunity to buy their own homes, an opportunity which they have enthusiastically seized. We have provided for a vast increase in the individual ownership of shares (giving people a stake in British enterprise) and in particular have, through privatisation and tax concessions, given far more people a direct stake in the firms for which they work. By reviving the spirit of enterprise we have created the condition in which small firms can more easily be established by individuals and thrive.

The Labour Party would of course return the individual to his cell. Not deliberately and not at once. But that would be the certain effect of their policies.

Conservatives now have to move the debate on. Sensible people accept that we were right to stress freedom of the individual and that we are right to go on emphasising it.

But now we also need to concentrate on the use which the individual makes of his freedom.

The individual as achiever. It is right for individuals to use their freedom to achieve higher standards for themselves and their family. Other countries have not prospered by smothering the achievers but by stimulating and encouraging them. We must continue to do the same.

The individual as contributor. The basic public services of defence, law and order, health, education and social security will continue will continue to be financed by the individual as contributor paying taxes. The greater the success of the individual as achiever the greater will be his contribution to these services. The individual is a willing contributor because of our democratic system. This willingness is to be welcomed as demonstrating the continuing cohesion of our society.

The individual as a good neighbour. This is the distinctive Conservative theme which we should now stress. The individual as achiever improves standards for himself and his (or her) family. The individual as contributor gives up part of his income in order to finance public services.

The individual as a good neighbour voluntarily joins in improving the community in which he lives. There are a host of subjects which can be fitted under this heading. In my own sphere there are Neighbourhood Watch and victim support schemes, which bring the individual together with the police to combat crime and its effects. There is the whole concept of building greater harmony between communities of different races, not by relying only on the law, but by the kind of initiatives we are now taking in the inner cities. In education we are stressing individuals coming together to play a greater part in the governing of schools (and perhaps in establishing new schools). The help given to charities in the present Finance Bill falls into the same category. So does the encouragement of voluntary work in the 'Third World', supplementing what the individual as contributor pays through the official programme.

The analysis here of course is a simple one. Conservatives believe in the responsibility of the individual as well as his freedom. That responsibility in Britain includes the responsibility of acting as a good neighbour. (At a Ditchley Park Conference on our penal system this weekend an American said that it was incredible to an American that our system of Victim Support Schemes functioned overwhelmingly through voluntary effort with the minimum of Government contribution). That is a strength of our system which we are not now fully appreciating, and which can help us to maintain our philosophy of individualism expressed within the community in the changed climate of 1986.



Conservative Central Office

32 Smith Square Westminster SW1P 3HH
Tel. 01-222 9000 Telex 8814563

From:
THE CHAIRMAN OF THE PARTY
Rt. Hon. Norman Tebbit MP

THEMES

There are many ways in which we could use themes into which our policies are embedded. I am doubtful if there is one single, masterful theme and it is a matter of judgement and circumstance as to which one or ones we select. I think it is easier to start with a theme into which relevant policies are then embedded rather than to start with our policies and trying to find a suitable theme.

We could come up with a large number of potential themes, but I would offer just one to illustrate the point I am making:-

One Family

The Social Family: with a discussion of responsibility, standards and values

The Economic Family: home ownership, share ownership, pension ownership, jobs, pay, the fight against inflation, tax cuts, etc.

The Secure Family: law and order, discipline, defence.

The Caring Family: NHS, pensioners, parental rights in education etc.

B

CONFIDENTIAL

RH

Copy No. //.....

B

CONSERVATIVE PARTY CONFERENCE THEMES: 1979 to 1985

1979	Realism and Responsibility
1980	Forward Together
1981	Winning Through
1982	The Resolute Approach
1983	Building the Future
1984	Britain Winning Through
1985	Serving the Nation

I. Our five tasks

THIS ELECTION is about the future of Britain—a great country which seems to have lost its way. It is a country rich in natural resources, in coal, oil, gas and fertile farmlands. It is rich, too, in human resources, with professional and managerial skills of the highest calibre, with great industries and firms whose workers can be the equal of any in the world. We are the inheritors of a long tradition of parliamentary democracy and the rule of law.

Yet today, this country is faced with its most serious problems since the Second World War. What has happened to our country, to the values we used to share, to the success and prosperity we once took for granted?

During the industrial strife of last winter, confidence, self-respect, common sense, and even our sense of common humanity were shaken. At times this society seemed on the brink of disintegration.

Some of the reasons for our difficulties today are complex and go back many years. Others are more simple and more recent. We do not lay all the blame on the Labour Party: but Labour have been in power for most of the last fifteen years and cannot escape the major responsibility.

They have made things worse in three ways. First, by practising the politics of envy and by actively discouraging the creation of wealth, they have set one group against another in an often bitter struggle to gain a larger share of a weak economy.

Second, by enlarging the role of the State and diminishing the role of the individual, they have crippled the enterprise and effort on which a prosperous country with improving social services depends.

Third, by heaping privilege without responsibility on the trade unions, Labour have given a minority of extremists the power to abuse individual liberties and to thwart Britain's chances of success. One result is that the trade union movement, which sprang from a deep and genuine fellow-feeling for the brotherhood of man, is today more distrusted and feared than ever before.

It is not just that Labour have governed Britain badly. They have reached a dead-end. The very nature of their Party now

prevents them from governing successfully in a free society and mixed economy.

Divided against themselves; devoid of any policies except those which have led to and would worsen our present troubles; bound inescapably by ties of history, political dogma and financial dependence to a single powerful interest group, Labour have demonstrated yet again that they cannot speak and dare not act for the nation as a whole.

Our country's relative decline is not inevitable. We in the Conservative Party think we can reverse it, *not* because we think we have all the answers but because we think we have the one answer that matters most. We want to work *with the grain* of human nature, helping people to help themselves—and others. This is the way to restore that self-reliance and self-confidence which are the basis of personal responsibility and national success.

Attempting to do too much, politicians have failed to do those things which *should* be done. This has damaged the country and the authority of government. We must concentrate on what should be the priorities for *any* government. They are set out in this manifesto.

Those who look in these pages for lavish promises or detailed commitments on every subject will look in vain. We may be able to do more in the next five years than we indicate here. We believe we can. But the Conservative government's first job will be to rebuild our economy and reunite a divided and disillusioned people.

Our five tasks are:

- (1) To restore the health of our economic and social life, by controlling inflation and striking a fair balance between the rights and duties of the trade union movement.
- (2) To restore incentives so that hard work pays, success is rewarded and genuine new jobs are created in an expanding economy.
- (3) To uphold Parliament and the rule of law.
- (4) To support family life, by helping people to become home-owners, raising the standards of their children's education, and concentrating welfare services on the effective support of the old, the sick, the disabled and those who are in real need.
- (5) To strengthen Britain's defences and work with our allies to protect our interests in an increasingly threatening world.

This is the strategy of the next Conservative government.

THE CHALLENGE OF OUR TIMES

Foreword by The Rt. Hon. Margaret Thatcher

In the last four years, Britain has recovered her confidence and self-respect. We have regained the regard and admiration of other nations. We are seen today as a people with integrity, resolve and the will to succeed.

This Manifesto describes the achievements of four years of Conservative government and sets out our plans for our second term.

The choice before the nation is stark: either to continue our present steadfast progress towards recovery, or to follow policies more extreme and more damaging than those ever put forward by any previous Opposition.

We face three challenges: the defence of our country, the employment of our people, and the prosperity of our economy.

- How to defend Britain's traditional liberties and distinctive way of life is the most vital decision that faces the people at this election.

We have enjoyed peace and security for thirty-eight years – peace with freedom and justice. We dare not put that security at risk.

Every thinking man and woman wants to get rid of nuclear weapons. To do that we must negotiate patiently from a position of strength, not abandon ours in advance.

- The universal problem of our time, and the most intractable, is unemployment.

The answer is not bogus social contracts and government overspending. Both, in the end, destroy jobs. The only way to a lasting reduction in unemployment is to make the right products at the right prices, supported by good services. The Government's role is to keep inflation down and offer real incentives for enterprise. As we win back customers, so we win back jobs.

- We have a duty to protect the most vulnerable members of our society, many of whom contributed to the heritage we now enjoy. We are proud of the way we have shielded the pensioner and the National Health Service from the recession.

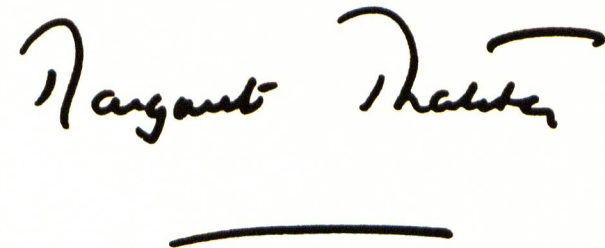
Only if we create wealth can we continue to do justice to the old and the sick and the disabled. It is economic success which will provide the surest guarantee of help for those who need it most.

Our history is the story of a free people – a great chain of people stretching back into the past and forward into the future.

All are linked by a common belief in freedom, and in Britain's greatness. All are aware of their own responsibility to contribute to both.

Our past is witness to their enduring courage, honesty and flair, and to their ability to change and create. Our future will be shaped by those same qualities.

The task we face is formidable. Together, we have achieved much over the past four years. I believe it is now right to ask for a new mandate to meet the challenge of our times.



Margaret Thatcher

rising more slowly now than at any time for fifteen years. Britain is now among the low-inflation nations of the Western world. Output is rising.

We are creating the conditions in which trade and industry can prosper. We have swept away controls on wages, prices, dividends, foreign exchange, hire purchase, and office and factory building.

We have returned to free enterprise many state firms, in order to provide better service to the customer and save taxpayers' money.

We have cut income tax rates and raised allowances at all levels.

We have more than protected pensions against rising prices. We have strengthened the National Health Service. We have given council tenants the right to buy their own homes.

We have strengthened the police and the armed forces of the Crown.

We have done all this and more, and still kept our promise to bring public spending under control.

We have paid off nearly half the overseas debts the Labour Party left behind. Once the IMF's biggest borrower, we are now playing a leading part in strengthening international trade and finance – to the benefit of the poorest countries on earth.

And we have acted so that people might live in freedom and justice. The bravery, skill and determination with which Britain's task force recaptured the Falklands reverberated around the world. Many small nations gave thanks for that stand; and our allies in the North Atlantic are heartened by what Britain achieved in the South Atlantic.

Over the past four years, this country has recaptured much of her old pride. We now have five great tasks for the future. They are:

- **to create an economy which provides stable prices, lasting prosperity and employment for our people;**
- **to build a responsible society which protects the weak but also allows the family and the individual to flourish;**

- **to uphold Parliamentary democracy and strengthen the rule of law;**
- **to improve the quality of life in our cities and countryside;**
- **to defend Britain's freedom, to keep faith with our allies in Europe and in NATO, and to keep the peace with justice.**

These tasks will require sustained determination, imagination and effort from Government and people alike.