

PRIME MINISTER

Scotland

Malcolm Rifkind has written to you, reporting on the strategy he is adopting to improve the Party's performance in Scotland. In particular, Mr. Rifkind outlines:

1. The changes which have taken place in the Party organisation in Scotland and the establishment of the new Scottish Business Group of leading industrialists;
2. The tactics which he has adopted in the House of Commons in relation to Scottish business.
3. His recent speeches which have emphasised the need to break the paternalist dependency culture which prevails in Scotland and to foster a climate of independence and enterprise.

On this third point, his analysis is remarkably similar to that of the Policy Unit who have prepared you a separate note. Both he and the Policy Unit agree that we should be applying the Government's policies in relation to housing, education, privatisation etc. more determinedly in Scotland and you may like to note the specific suggestions contained in the Policy Unit's paper.

Would you like a joint meeting with Mr. Rifkind and the Policy Unit to discuss how to take these ideas further?

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JOHN WHITTINGDALE

12.1.88