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Dear John,

I enclose some general background material for your own use, on several issues which the press at Perth will be particularly concerned with.

Devolution will dominate the week's proceedings, at least as far as the Press are concerned. It is unlikely that the pro-devolution vote will be very strong, but there are never any guarantees on these matters at Party Conferences!

The Conference will also debate a motion on the reform of local government in Scotland. There is obviously a strong feeling in the Party that the present Regional/District structure is inefficient and in need of change. Those speakers who will speak in favour of the motion will be calling for single-tier local authorities in Scotland. Their basic belief is that the present structure is not politically helpful to the Tory Party, and that the introduction of a single-tier system will go some way to reviving our electoral fortunes at local level, leading to greater success at parliamentary level.

There were many motions submitted to Conference on this theme, and the Press will pay particular attention to the debate. The Minister will respond by welcoming the debate, and encourage those who seek to advance these reforms to look carefully at how such a structure might be implemented. He will give no indication that the Government is at present looking at reform (which of course we are not) but my instinct tells me that this debate may well be one of the liveliest at Conference. No doubt you have already spoken to John Mackay about these matters, but I thought it would be useful to re-emphasise what issues are likely to dominate Conference proceedings.

It is difficult to judge what the underlying mood of Conference will be. Obviously in the aftermath of the General Election, the representatives will be seeking reassurance that our fortunes will start to improve. The results of the District Elections were mixed, but there were some encouraging trends, especially in Edinburgh. Should you wish some

guidance in the aftermath of the Devolution Debate as to the mood of Conference, either John Mackay or I will be available in Perth to speak on the telephone with you. (Tel: 0738-30646/30647)

Please do not hesitate to contact either myself or John for information as Conference gets underway.

Yours sincerely,

Graeme

GRAEME CARTER
Special Adviser

PRIME MINISTER'S POLITICAL BRIEFING
SCOTTISH CONSERVATIVE CONFERENCE - PERTH
13 MAY 1988

COMMUNITY CHARGE

The implementation of the Community Charge in Scotland is proceeding smoothly. The Registration Process is now well underway, and the early evidence available suggests that even at this early stage, there are no major difficulties being encountered by the Community Charge Registration Officers.

A Scottish Office Booklet explaining the nature of the new system has been delivered to every household in Scotland, and press advertisements have appeared inviting people to write to the Scottish Office if they have any queries regarding the Community Charge.

On the political front, the Labour Party and the SNP are now deeply split on their tactics to prevent implementation.

The Labour Party continue to officially support the STOP IT (Stop the Poll Tax) Campaign which aims to frustrate the Registration Process by inviting people to return their Registration forms only partially completed and requesting "more information". At this stage it would seem that this tactic is not having the desired effect, although it would be premature to gloat over their apparent failure. The Labour Party will review its strategy later this year, with the option of urging non-payment of the Charge on the agenda. Donald Dewar, the Shadow Scottish Secretary finds himself in an embarrassing situation. On the one hand he proclaims the virtues of obstructing the process, without asking people to break the law, but on the other, he is faced with mounting hostility from some of his own Backbenchers, Councillors, and Party Activists to adopt a more hardline approach to the issue of non-payment.

Dick Douglas MP (Dunfermline West) adequately reflects Mr Dewar's predicament. In a speech to the Scottish Labour Conference recently he loudly proclaimed "Kinnock says Pay, I say Don't".

The Labour Party's problem is that they are speaking with two voices on this matter. One group encourages people to break the law implicitly; the other encourages people to break the law explicitly. It would be

useful to attack both points of view on the grounds that this is hardly a responsible course of action for a democratic Party.

On the recent District Elections much of the propaganda issued by the Labour Party on this issue contained lies and was aimed at frightening the electorate. No mention was made of the rebates system which will protect the very poorest in our society. Labour Councils were falling over themselves to produce ever higher estimates of what Community Charge levels would be on implementation on April 1, 1989. These exaggerated figures, sometimes £200 above what the Charge is likely to be was a blatant attempt to frighten the electorate into voting Labour. This could usefully be described as cruel manipulation of the electorate by the Labour Party, and underlines their fear of a system of financing local services which will bring total accountability. Labour's fear of the Community Charge in Scotland, as elsewhere in the UK is based on a realisation that the cosy world of high spending Labour authorities will come to an end next year.

The SNP fought on a manifesto which urged people to break the law, and to refuse to pay their Community Charge. The SNP and the Labour Party were at loggerheads over their tactics on the Community Charge through the District Election Campaign. It would be useful to mention the fact that while these Parties were engaged in political warfare, the Government were proceeding with the Abolition of a domestic rating system which had been discredited during revaluation in 1985. In this context, Conference will want to hear a total commitment to introducing the Community Charge in 1989, to give much overdue relief to hard-pressed ratepayers, and give all the adult population the opportunity to have a real say in the spending policies of their local council.

THE POLITICAL SCENE IN SCOTLAND

Following the General Election in 1987, the Government quickly established the political agenda in Scotland for the rest of the Parliament.

There was widespread acceptance in the Scottish press, that despite our relatively weak parliamentary position compared with Labour in Scotland, the Labour Party and the minority parties were being forced on to the political defensive.

On the economy, in health, education, local government and in housing, Scottish Tories were setting out a radical strategy with a conviction and determination which left our opponents looking weak and indecisive.

1. In Parliament, it has been generally acknowledged by the media that the Scottish Office Ministers and Backbenchers have scored notable victories in debate, and during successive Scottish questions.

The Labour Party, despite its numbers in Westminster have appeared to be knee-jerking every Government initiative in Scotland. We have successfully attacked them for being devoid of any original thinking in policy, which has led to the dubbing of Scottish Labour MPs as the "feeble fifty".

Donald Dewar, and his Shadow Front Bench Scottish Office team have appeared, at times, to be totally incapable of dealing with a large and unwieldy backbench contingent from Scotland. This was most clearly seen in the early days of the Parliament, when many Scottish Labour Backbenchers were infused with a spirit of defiance at Westminster. They expounded the theory that because of our relatively small representation at Westminster, that the Government had no "mandate" to govern Scotland.

It is significant to note that, with the exception of a small group of left-wingers in the Parliamentary Party, the debate on the "mandate" question has largely subsided as the new intake of Labour MPs have come to realise that they were elected to a United Kingdom Parliament.

2. In Scotland, the Labour Party appears to have been unprepared for the political problems with which it has had to deal. The fact that the political agenda has been set by the Conservatives in Scotland, left them with the task of trying to proffer constructive policy alternatives. To date, this has not happened. Either through political misjudgment, or sheer complacency, they have failed to counter the offensive mounted by the Government. However, the underlying reality is that they lack any new imaginative policy thinking. They appear to have suffered "brain death".

Their tactics on the Community Charge adequately sum up their dilemma. They have failed to take the high ground in Scottish politics, and frustration in their ranks seems to have set in.

It might be useful to have some fun at their expense. Here we have a Party which claims to represent the people of Scotland, yet they appear to have no original thinking on major issues facing Scotland today. They talk of devolution, but what is the point in going down that dangerous road if you have no policies to implement?

3. THE DISTRICT ELECTIONS

Many people in media circles were eagerly awaiting a collapse of Tory support in Scotland on May 5. In the event, there were some encouraging results, and some hopeful trends emerged.

In Edinburgh for example, although we did not regain control of the City Council; on the basis of the results we would have regained the Parliamentary Constituencies of Edinburgh South, and come within a whisker of retaking Edinburgh Central. The respective majorities for the Secretary of State and Lord James Douglas-Hamilton in their constituencies would have increased substantially.

We gained overall control of Bearsden and Milngavie District Council, and gained seats in Falkirk, Renfrew, Midlothian, Aberdeen and Dumbarton. There were some disappointing results, but the overall picture denied the Press the opportunity to gloat at an electoral disaster.

DEVOLUTION

The obsession of the major Scottish newspapers with the subject of constitutional change has, at long last apparently waned. However, the fact that the issue is being debated at Conference on Thursday will probably reactive interest, and this debate is likely to be the most important one of the week as far as the media is concerned.

The Labour Party in Scotland was severely embarrassed recently when the Leader of the Opposition failed to mention the matter in his address to their Conference. The fact that he omitted this issue from his speech, was all the more remarkable when one considers that devolution remains in the forefront of Labour's "programme" for Scotland. This apparent lack of interest in constitutional change infuriated the rank and file, and caused severe embarrassment to the Scottish Labour hierarchy. It might be useful to exploit this embarrassment, by questioning Labour's commitment at a national level to constitutional change. After all, Neil Kinnock and the Parliamentary Labour Party would suffer substantially from the inevitable reduction in Scottish Parliamentary representation should an Assembly ever care about. Their already much depleted chances of forming another UK government would be reduced even further. It would be an additional thorn in the side of the Labour Party in Scotland, to exploit the apparent indifference on this matter displayed by their English colleagues.

THE CONSERVATIVE CONSTITUTIONAL REFORM FORUM

The small band of pro-devolution Tories will launch a document at Perth this week entitled "Unlocking the Future".

In the paper, they argue for a directly elected Scottish Assembly, which would have full financial control vis a vis revenue raising powers, and spending priorities. They call for a reduction in Scottish representation at Westminster from the present 72 MPs to 57 MPs.

The Group advocate the ending of the block grant system from Westminster which currently delivers great benefits to Scotland in terms of public expenditure on education, health, industrial assistance etc.

They believe that the fortunes of the Scottish Conservative Party will be revived if we are seen to take the lead on this issue.

The Lord Chancellor will respond to the debate on devolution on Thursday, by re-emphasising the partnership of Scotland and England in the Union. He will tell Conference that Scottish Tories have a proud record of serving Scotland's interests in Government, and that we have pursued radical policies for Scotland when we believe them to be in Scotland's long term interests. The Lord Chancellor will state clearly his belief that we as a Party do not believe in gaining what some might see as short term political advantage, if we consider constitutional change to be detrimental to the future well-being of Scotland.

Successive opinion polls, before and since the General Election in 1987, clearly show that the issue of constitutional change does not feature prominently as a major concern for the vast majority of Scots. Recent polls suggest that approximately 5% of Scots rate this matter as the most important issue facing Scotland at the present time.

Scottish Tories firmly believe that the people of Scotland are more concerned with matters which affect their everyday lives: education; housing; unemployment etc. This is why we are pursuing policies which are specifically geared to increasing the rights and responsibilities of individuals in Scottish society eg school boards giving parents a real say in their children's education, and encouraging Scottish tenants to choose their own landlord.

That is real devolution. Devolution of power and responsibility to the people not to buildings, bureaucracies and institutions.

Cumie
Rumbold
Roe
Hooper
Chalker
Trumpington

Young
~~Trumpington~~
Ferrer.