

Lawson  
MP

2nd March 1976

Thank you for your letter of 1st March.

I am most grateful for your support for what Jim and I are trying to achieve.

If we cannot assure ourselves of the support of the Unions we must at least guard ourselves against their positive antagonisms - the fate of the IRA and Phase III proves as much.

I agree with you that the lesson of 1966-74 is that an incomes policy can only have a chance of succeeding with the consent of the Unions. That does not mean of course that the Government need abide by the opinion of the Unions on, for instance, the level of public expenditure. It is in this context that your phrase "benign neglect" might be prophetic.

As I mentioned in my speech "we are in the business of handing over the Government of this country to any group, however important, which has not been elected to govern.

Nigel Lawson Esq MP