

FROM LORD HAILSHAM OF SAINT MARYLEBONE

29 July 76.



My dear Ted:

I wd: like very much some time to explore your mind on the subject of the complexities of the current situation. It wd: be sad if, after a fruitful cooperation we were now to drift apart. In particular I sh^d: be very sorry if you were to conclude that my willingness to serve in the present Shadow was an act of disloyalty to our friendship or ingratitude for the many kindnesses I have received from you. My own feeling was that the choice for me lay between continuing to serve the party in the Lords from the front Bench and in counsel, or bowing myself out altogether, which I thought wd: be less to the public advantage, assuming always that my services were welcome.



I do not myself believe that the Govt's present package will work. I do not think that, if you go in for a £6 flat rate maximum (not my preferred solutⁿ) you can do it on a voluntary basis — or that a voluntary basis (wh: puts a premium on disobedience so long as it is voluntary) is either possible, or if possible fair, or, if fair, compatible with the rule of law. I believe that £6 is too much, for it will be a flat rate, not a maximum, and that 10% will be too much & will drift to 12% or 15%. There Moreover I think the Govt's present approach is altogether too cosy to create a climate of opinion sufficiently urgent to do the trick. Therefore, while the present policy is better than no policy (just as the present Gov^t is better than no Gov^t or a Tribune Group Gov^t.) I cannot either commend the present package on the one hand, or, on the other hand wish to obstruct it.



If matters at least go the way I predict (they need not necessarily do so; world conditions or decisions may come to our aid), it is possible, though not at present the most likely contingency, that they will lose their majority in the House of Commons, and one must therefore think about what will happen then, for, unless a dissolution were to take place, an attempt would have to be made to form an administration based on three party support. I can see great danger in such a coalition if it were based on a Socialist majority. They would not abandon the more damaging items in their programme, and any Conservatives who joined it would therefore become their captives. Moreover, with the three parties split in the constituencies, I doubt if it could prove a



lasting arrangement. There wd: be no power base from which it could spring.

On the other hand we are desperately in need of widening our own power base in the country and in the House. We are very short of talent or experience at the top, and in the country have come to rely on too narrow a belt of constituencies and voters.

We are thus at an impasse. I am not impressed by our alleged ideological differences. Most of them are differences of emphasis, and as there is no visible prospect of our having to handle the situation as Government in the near future, and when we do the situation we then have to handle will have changed it is, I think, important that we should maintain our communication with one another.

I wd: be very interested to know your views. Y: recent speech to have been a great success

L. H.