

From: Michael Ancram, M.A., LL.B., M.P.



HOUSE OF COMMONS  
LONDON SW1A 0AA

27th April, 1981.

*Dear Prime-Minister.*

I enclose as promised a memorandum on the Scottish situation. I have tried to make it as comprehensive as possible and I fear that it is rather longer as a result than I would have wished. I have added a potted summary of it for easier reference, and have also annexed a number of lists for particular reference.

The memorandum is based on my constituency tours of the last 3-4 months and the feelings expressed to me, as well as on my personal assessment of them. You will appreciate that it is not an easy time for the Party in Scotland at the moment, but I have tried to balance my assessment of that in the memorandum.

I feel two things are needed above all at present. Firstly a full-blooded recognition of the problems to strengthen our credibility in Scotland, and secondly a positive and hopeful rallying call for the next few years. I explain the need for them in the memorandum.

I have also included a section on good news which I hope will be of some use. There are good signs if only we could get the media to communicate them. Balanced with a recognition of the problems I believe they make a sound base for our political strategy over the next few months.

I have also included a suggestion for a further positive and hopefully "gut" initiative on the family. I have of necessity curtailed it for the purposes of the memorandum, but I hope that it might be worth considering.

I am, of course, available if you should wish to see me before your Scottish visit.

*Yours sincerely  
Michael*

The Rt. Hon. Margaret Thatcher, M.P.,  
10, Downing Street,  
London, S.W.1.



SUMMARY OF MEMORANDUM

Paragraph  
Reference

1. Opinion Polls: With no Scottish local elections, I have to rely on polls to assess relative party strengths. They are not good, showing us (17%) at our lowest level ever. The latest poll purports to show the first real movement towards the SNP since the election. Labour in Scotland is riding high, but I feel that much of their new support is volatile.

A private Party survey shows that in Scotland unemployment is regarded by a long way as the most important problem facing the Government.

2. Party Morale: Is mixed. Activists by and large are firm in their support of the Government. "Easy life" Tories are full of uncertainties and their support is shaky. Some supporters have personally suffered and will only judge the Government in the light of their own experience. We need a more co-ordinated presentation of strategy and policy, although we have a high base of activist morale on which to build.
3. Other Parties: (a) Labour riding high at present although they are not a natural home for their new-found support. In Scottish terms they have veered left, although leadership clashes do not impinge much in Scotland.

(b) SNP have internal problems. They have not yet, despite major efforts, been able to launch an emotive 1970s style campaign, but they must be matched by us this time if they do so.

(c) The SDP have hardly made a physical showing in Scotland yet. On the example and lessons of the SNP in the early 1970s they could pose a danger by taking "middle-professional" support.

4. The Main Scottish Problems: (a) Unemployment:- an inherited Scottish impression that Scottish unemployment is accepted as inevitable by Westminster Governments. It is the major problem of our credibility in Scotland. We must show that we recognise it, mind about it and intend to deal with it. Even with general success we could lose because of it.

(b) Anti-nuclear:- a growing and effective grass-roots campaign. We need to react by accepting people's genuine fears and preaching "peace through strength".



(c) We are politically very vulnerable in Scotland to an economic recovery South of the Border not reflected at least in part in the North. Particular problems of cost and remoteness from markets of supply and demand will make it difficult in Scotland and this must be recognised.

(d) Devolution could become an issue again. We must continue to recognise the causes and demonstrate that Scotland is not losing out. The concept of George Younger as fighting for Scotland (almost "troublesome") within the Government would be useful.

(e) Rural: despite aid, rural areas have suffered. We must show that we understand this.

5. Government Successes in Scotland

(a) 46,000 s.7, Industry Act, jobs March 1980 - February 1981.

(b) Over £850 million Scottish export orders Oct. 1980 - March 1981 - excluding £700 million whisky export orders.

(c) Capital investment £27 million and 2,330 jobs Oct. 1980 - March 1981 - excluding Mossmorran £400/£600 million and 400 jobs, with 3,000 construction jobs.

(d) 25,000 Council Houses bought or applied for since May 1979.

6. The Need for a Positive Line: The economic line is essential but at present is almost inevitably defensive in presentation, with the accompanying risk of losing the political initiative.

I suggest a positive political initiative based on the old idea that we almost alone are the party of the family. By tying our philosophy to our policies, recognising the threat of the State to the family, demonstrating that our policies are directed to increasing family participation and responsibility (education, housing) and co-ordinating future legislative strands affecting family life, we can legitimately and honestly pursue an issue about which people deep down are genuinely worried.

7. Summary: The need for a "whole picture" presentation of Government policy and strategy on a co-ordinated basis. Popular uncertainties and doubts suggest that this is not coming through.



Confidential

MEMORANDUM FOR THE PRIME MINISTER

from

MICHAEL ANCRAM, M.P.

Chairman, Scottish Conservative Party

Introduction: This memorandum is intended as a background briefing before the Prime Minister's visit to Scotland for the Scottish Conservative Party Conference. It is based on information submitted to Scottish Central Office, on published public opinion polls and on wide consultations which I have held across Scotland over the past six months on my visits to constituencies and other Party engagements.

I have tried, therefore, to include in it not only the facts and positive responses, but also the not-unexpected concerns and uncertainties which I have met and which I believe must be included to allow for a broader comprehension of the present political situation.

1. Opinion Polls As we have no local elections this year on which to make an assessment of current political sympathies in Scotland I am having to rely on the ever-dubious findings of opinion polls. I annex a list of those published in the last few months. I draw particular attention to the latest System Three Poll published on Wednesday 15th April. (Excluding possible SDP intervention  
Cons: 17% Lab: 46% SNP: 22% Lib: 10% Others: 5% - excluding  
18%: Don't Know).

1.2 On the face of them they do not give cause for cheer. Overall, if accepted, they show the Conservatives at a lower level of support in Scotland than at any time since at least the war. They tend to show that we have more than lost the support which we regained between our previous low of October 1974 (24%) and the last General Election result of May 1979 (31%). The latest poll, taken some two weeks after the Budget, obviously reflects to some extent the adverse reaction in Scotland to the increased petrol tax, which received much publicity at the time, not least because of the public reactions of a number of our own M.P.s which, whatever their constituency reasons, did not help the credibility of the Government or the Budget in the Scottish public mind.

1.3 There are a number of comments to be made. Firstly, the loss by and large has been to the Labour Party especially in the earlier stages. I comment later on the volatility of this switch.



Secondly, having awaited for some time some signs of an SNP recovery, the latest poll is surprisingly the first indications of any positive movement in their support. I say surprisingly because Scottish observers have for long normally attached a "depression-relative" to SNP support, expecting it to rise in inverse proportions to the perceived depth of economic hardship. I do not believe that this latest swallow makes even a spring for them, but it does show that the destruction of their political credibility which has lasted since the devolution debacle of 1979 may now be ending. They are at the moment showing no signs of positive attraction, rather of retrieving some of their erstwhile disillusioned vote. Nevertheless, given our vulnerability to them in our North Eastern and far Western seats which we regained in 1979, we cannot afford to ignore this trend.

- 1.4 A private opinion survey has been carried out for us by Smith Square, a summary of the major findings of which is enclosed. Two obvious areas for comment are the extent to which unemployment is the major concern (despite an improving unemployment relative for the last six months) and the continuing tendency to blame ills on the EEC. The latter is probably reflected across the U.K. The former, with 71% seeing unemployment as the Government's major task (well ahead of inflation, 40%, and law and order, 26%) cannot be ignored. I comment later.
2. Party Morale: In my visits and speaking engagements I have found this mixed and therefore difficult to assess in definitive terms. The impact of the "rebellion" by certain Scottish Conservative M.P.s on the increase in petrol tax in the Budget has certainly had an added effect which has again been mixed. The following comments are therefore more subjective reaction than sustainable analysis.
  - 2.2 The Party activists (office-bearers and party workers who attend constituency A.G.M.s) are pretty firm behind the Government. While doubts are being voiced about particular areas of policy they tend to be on matters of self-interest and do not detract from overall support and enthusiasm. Indeed there have been a number of reports of firm supporters (my own constituency included) voluntarily raising their subscriptions. These supporters will be vital to us over the next few difficult months, and I am making every attempt as Chairman to keep them informed, enthused and armed with information to disseminate.



2.3 There are, however, other supporters, including erstwhile Party subscribers whose doubts have surfaced in resignations. Among those I have identified, they have tended to be by and large "easy life" Tories who have probably never believed that it is the role of Government to make radical and uncomfortable changes. They tend not to see the end, and therefore find it difficult to understand or accept the means. They are therefore hard to communicate with, although in the case of a number I have dealt with personally, long and direct communication has partially succeeded in bringing them back.

A third category are supporters who have personally and individually been hit by the recession, some with tragic business consequences. These include small businessmen, particularly in rural areas; small industrialists who have by the nature of their businesses been oversqueezed by a number of contemporaneous financial constraints; fishermen who cannot sell their fish; and farmers whose annual average income has fallen substantially. They tend only to see Government policy through their own experience, and it will take success rather than persuasion either to retain them or bring them back. On this basis I do not count them as permanently lost.

2.4 There remain others who returned to us at the last election but appear at the moment to have departed us again. While the SNP remain fairly static, the Liberals still a weak force in Scottish politics and the SDP still to show any credible Scottish dimension, I am not overly concerned about them. I do not believe that Scottish Labour is their natural home for reasons I will come to, and I believe that with overall improvement and a careful and Scottishly-orientated presentation we can get them back. (See summary later).

2.5 In summary it would not be honest to say that morale overall is high. Yet it is high where it matters, in the bedrock activist support upon which we rely as the base for building up again in the future. This contrasts markedly with Scottish Labour activist morale in 1976/7 when they were at their low. I do not therefore see it as a picture of gloom, but one which demands a very carefully co-ordinated blueprint for action over the next couple of years.

3. The Other Parties: To give a complete picture I give a résumé of the position of the other political parties as I see them in Scotland at present.



3.2 The Scottish Labour Party is on the face of the polls riding on the crest of a wave not reflected South of the Border. This is partly because they have come to be seen as Scotland's natural party (see internal survey) and partly because they provide the main viable refuge for the disillusioned and mal-content element at present. Nevertheless to many presently switching support the Scottish Labour Party is not a comfortable home. I would feel accordingly that a large proportion of the support they have gained since the last election is volatile and cannot be counted on by them.

In parliamentary terms the Scottish Labour Front Bench team are unimpressive. They fail to score what should be simple points and are easily thrown off balance. This failure has yet to be sufficiently presented to the public, but there are signs that the media are now beginning to realise it.

3.3 In domestic terms the Scottish Labour Party which has over the past two decades been relatively central in Labour terms, has of late veered sharply to the left. At their recent conference they went further than their southern counterparts by voting to withdraw from NATO. Not enough has been made of this trend by us as yet. It is essential that we do so because I do not believe that this trend is in anyway reflected among ordinary Labour supporters in Scotland who are, by and large, moderate by nature. Nevertheless the personality clashes among the national leadership have less effect in Scotland than South of the Border.

3.4 The Scottish Liberals have always lacked a broad base. They tend to be rooted either in certain rural constituencies with "independent" traditions, or in pockets in the middle class residential areas of Scottish cities. There is little evidence that they are widening their base. Their recent conference was a non-event other than in their prospects of a pact with the SDP.

3.5 The SNP are still suffering from internal dissension, partly between left and right with the prospect of a shift to the left in the near future (based around Jim Sillars and Margo McDonald - now Mrs. Sillars) and partly between the "independence tomorrow" and gradualist factions of nationalism. Despite major efforts they have been unable to take advantage of the recession by mounting a major early-70s style oil campaign, and there is evidence that some of their membership is becoming more extreme as a result. While they are not currently a major threat, despite the latest poll, they cannot be discounted particularly were they to find a gut theme to get their bandwagon moving again. They rely on emotional politics. We must be prepared to match them at it if required.



- 3.6 The SDP have yet to make any physical showing in Scotland. I do not, however, believe that they can be taken lightly, and base my concern on the SNP example of the early 1970s. There can be no doubt that leaderless and policyless or not, there can be attraction in the "plague on the old and established" and "try the new and central" lines which they are pushing. The SNP took off when they began to attract the "middle professional", the local bank manager, the local doctor, the local solicitor. These local opinion-formers, who joined them through disillusion, gave them a credibility which caught fire at the election. While I do not necessarily predict this for the SDP, nevertheless I think it is a possibility which must be carefully monitored, and which (contrary to the early 1970s) we must be prepared to counter immediately. I refer to the last two sections of this memorandum.
4. The Main Scottish Problems Facing the Party: Many of our problems are common to the U.K. and I concentrate therefore on highlighting the main areas with specific Scottish impact.
- 4.2 Unemployment remains our major hurdle. We start from a higher base. Its effects tend to be more public in terms of communities and emigration. We inherit an impression that Scottish unemployment is somehow accepted as inevitable by Westminster Governments. The total of all this is that our credibility in dealing with it is not high. We need constantly to demonstrate our concern for the problem itself and for the urgency of introducing new jobs and measures to alleviate it. I see this as our major task, as politically in Scotland we could achieve a great deal in other areas and yet lose votes on this one issue even from people who are not affected by it but to whom it is also part of their own personal political barometers.
- 4.3 There is increasing evidence in various parts of Scotland which I am at present trying to assess that the anti-nuclear lobby is successfully running a series of grass-roots scare tactic campaigns on the question of nuclear disarmament. It is aimed at the young and at the sensitive young parent section of Scottish society. Its success can be measured by a marked increase in enquiries about defence which, when investigated, turn out to be the tip of an iceberg. The very low key nature of this campaign makes it all the more dangerous politically and urgent action is required to counteract it. My own brief view is that any counter-campaign must, if it is to be effective, use the fear of nuclear warfare already generated, and by stressing the deterrence aspect, argue that peace can only be assured by secure defence. Peace through strength is a sound slogan.



- 4.4 On a more general economic front we are now beginning to run up against the argument that when recovery comes Scotland will be at an immediate disadvantage on account both of its higher cost structure - fuel costs included - and its remoteness from the base markets of supply and demand. I believe it is important that this argument is appreciated and that where possible action should be taken to alleviate it. I base this on the view that almost the most difficult political situation for us to face in electoral terms would be one where there was a significant recovery taking place in the South which was not at least in part reflected North of the Border. In nationalist terms this would be far more explosive than the general effects of recession.
- 4.5 In a sense this is part of the old argument on remoteness and devolution. The latter is still an issue as opinion polls including our own survey show. In political terms it is fairly dormant despite considerable airing at the recent Scottish Labour conference. I do not believe we can count on it remaining so until and through the next election. I feel there are cosmetic moves available (allowing the Grand Committee to sit occasionally in Edinburgh) but I believe also that we will have to be at least ready to show that we still appreciate the problems of remoteness of Government (not necessarily geographical) and the constitutional problems which give rise to this general desire. How we do this is a matter for careful consideration. In the meantime any indications of how well the Secretary of State is fighting Scotland's corner in Cabinet, almost how "troublesome" he is, would be of assistance.
- 4.6 Finally within this section, mention must be made of the rural dimension. While in truth no complaint can be laid against the Government for not taking positive steps to help in these areas, nevertheless the continued problems of fishing, upland and marginal farming and transport costs have created a feeling of depression which will reflect on Party support. While there are no easy solutions, an appreciation of their difficulties is important.
- 4.7 In summary, many of these problems bear no easy or identifiable solutions. There is, however, a feeling that we do not sufficiently recognise them publicly, and it is for this reason that I report upon them.
5. The Government's Successes in Scotland: None of the foregoing section is meant to detract from the successes which the Government has had in Scotland and which need constantly to be highlighted.



5.2 While it has not been an easy time for Scottish Ministers it is evident that by and large the Scottish team has been seen by the Scottish public to have been working to help promote Scottish interests within the U.K. George Younger in particular, and Malcolm Rifkind to a degree, have won the respect of Scottish commentators and of their opponents. George Younger is reckoned publicly to be effective, and his "iron fist in velvet glove" approach to domestic problems has won him admiration in unexpected quarters.

5.3 While I know that the Secretary of State is providing detailed information on beneficial developments within Scotland, I hope it will be useful if I highlight some of the political pluses.

- (i) 46,600 new jobs estimated to have resulted from offers of selective financial assistance under s.7 of the Industry Act in Scotland between March 1980 and February 1981 (P.Q., 8th April).
- (ii) A non-exhaustive list of export orders for Scotland between October 1980 and March 1981 shows over £850 million of orders for Scottish based companies during that period. This excludes £700 million of whisky export orders over the same period. The full list is attached as an annex.
- (iii) Over the same period and per same list there have been announced capital investment projects worth £27 million providing 2,330 jobs. This does not include Shell/Esso at Mossmorran worth £400/£600 million providing 400 jobs with 3,000 construction jobs.
- (iv) Between November 1980 and February 1981 26 significant new companies or extensions were announced in Scotland. (lists available).

And on the non-industrial front since the General Election at least 25,000 Scots have either bought their council house or have applied to do so.

5.4 In terms of legislation in progress in this session Scottish parents will soon have the right to participate actively in the choice of their children's education. Measures to give effective protection to the victims of matrimonial violence are being passed.

5.5 While these are only a few highlights, they do hopefully answer a number of criticisms being made of the Government in Scotland at this time.



6. The Need for a Positive Line: While the economic and industrial strategy must remain the central pivot of Government and Party effort, I have found over the past few months that when taken in isolation (as frequently it has had to be) it tends to lead in the public consciousness to a defensive approach. Inevitably while the painful consequences are being experienced there has been a political tendency to retreat into a defence of the strategy, and thus to risk losing the initiative of positive politics which are essential in electoral terms (the winning of the heart as well as the mind). As mentioned earlier, the need for a positive and "gut" approach has been highlighted in Scotland, and I suspect the U.K. as a whole, by the threatened re-emergence of the SNP and the formation of the SDP.

6.2 After considerable thought and discussion I believe that we could achieve a positive approach by concentrating publicly on the central concept of the family. While by no means a new idea, it is one to which most people relate and one which continues to be under threat from a number of areas, not least the still overweening bureaucracy which exists in this country. With a good deal of justification we can claim to be the only true party of the family (as we have before), co-ordinate our philosophy to our policies and present a positive approach upon it.

6.3 I suggest a necessarily sketchy outline:

- (i) Philosophy: The family is the central building block of our society. It has been and remains under threat with disastrous social consequences. It should be the centre of communities and not the servant of them.
- (ii) Action taken: Two central elements of the family are the home and the upbringing of children. Increasingly the State has intervened in both. We have reversed that trend - by encouraging home ownership and an increase in the rights of council tenants over their own homes, and by bringing parents back into their children's education by entrenching the rights of choice. Where parents can and should be involved with their children, we will encourage and help them to do so.
- (iii) The next steps: We will continue to give help to the family unit where it is threatened or in need. The one-parent family, the "latchkey kid" problem, the poverty trap splitting families and pushing children into care; as the economy permits we could



look at these as continuing priorities for effective action. At the same time we can examine all areas where the State unnecessarily intervenes in family life and family choice with a view to removing such impediments, highlighting family and parental responsibility above that of the State.

- (iv) Presentation: Protection, Encouragement and Incentive. Most legislation, even if vicariously, impinges upon family life. The areas of action for the family in such legislation should be separately highlighted and co-ordinated in a general presentation of a positive and consistent approach.

6.4 I put forward this suggestion on the basis that the pressures on family life are an underlying anxiety in many people's minds. By their nature the other parties are less well placed philosophically to match it, and indeed in many ways their political records could be said to have created the problems which have arisen. It is a policy which can be promoted positively and where necessary emotionally, and gives us a chance to regain a political initiative while the economic strategy resolves.

7. Summary: In general the practical conclusion of the foregoing boils down to presentation. While obviously in the longterm much depends on the successful resolution of the economic and industrial problem, in the shortterm we have an urgent need to ensure that so far as possible we do not lose supporters on a permanent (or even "one-election") basis.

7.2 By the nature of Government presentation, much of it is done on a one-off basis, department by department and subject by subject. The result is that too often there is no comprehensive picture of either Government strategy or Government achievement presented, at least in the public perception. I do not believe that this cannot be achieved, particularly in Scotland where the field is smaller, the area to be covered more compact, and there is a ready-made "national" identity into which such a presentation can be fitted. Nevertheless it cannot be done in isolation from the U.K. scene, and in some ways to attempt to do so would be dangerous.



- 7.3 Thus I believe that the time has now come on a national basis to begin publicly to summarise the progress and achievements of the Government in simple comprehensible terms and to set out in similar terms the intentions and prospects of the next few years. Without criticising past practice, the most frequent complaint I receive is "What is the Government doing?". It is a genuine and non-hostile enquiry which suggests that our presentation, whatever else, is not achieving its main purpose. My greatest fear is that we will win the economic war and lose the political peace because we failed to communicate sufficiently how, why and where.
- 7.4 We need now to begin to give real hope based on reality, tied to a positive approach which can fire people's imagination and touch their underlying anxieties. In the Party in Scotland both the machinery and the will are there.



SYSTEM THREE OPINION POLLS

November 1979

Con. 26%      Lab. 48%      Lib. 7%      S.N.P. 18%      S.L.P. 1%

December 1979

Con. 22%      Lab. 53%      Lib. 8%      S.N.P. 15%      S.L.P. 2%

January 1980

Con. 24%      Lab. 51%      Lib. 8%      S.N.P. 17%

February 1980

Con. 23%      Lab. 51%      Lib. 9%      S.N.P. 16%

April

Con. 29%      Lab. 46%      Lib. 10%      S.N.P. 14%      Others 1%

May 1980

Con. 24%      Lab. 53%      Lib. 7%      S.N.P. 16%      Others 1%

July 1980

Con. 22%      Lab. 52%      Lib. 9%      S.N.P. 15%

August 1980

Con. 21%      Lab. 53%      Lib. 8%      S.N.P. 17%

September 1980

Con. 20%      Lab. 57%      Lib. 9%      S.N.P. 14%

October 1980

Con. 19%      Lab. 59%      Lib. 7%      S.N.P. 15%

November 1980

Con. 27%      Lab. 54%      Lib. 10%      S.N.P. 15%

December 1980

Con. 18%      Lab. 56%      Lib. 9%      S.N.P. 16%

~~FEB 1981 LAB 47~~

FEB 81.

CON 19%      LAB 47%      LIB 13%      SNP 18%

APRIL 1981

CON 17%      LAB 46%      LIB 10%      SNP 22%

CON <sup>OR</sup> 14%      LAB 38%      LIB 8%      SNP 19%      SDP 20%