

Personal & Confidential

To: The Rt Hon Mrs Margaret Thatcher

From: Nigel Lawson



15th January 1978

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(V)

*Lucie - add to  
shelley's file*

Thoughts on "Implementing our Strategy"

1. I have read Chris Patten's memorandum with great interest. Much of it I wholly agree with.
2. For example, we must clearly make much more than we have done so far both of Labour's appalling record and of what they promise (or threaten) for the future. Their object is to pretend that neither the past nor the future (as described in Labour's Programme 1976 etc) exist, and to focus attention exclusively on the present. We must prevent this. As to the past, there is a case, ~~at~~ I believe, in linking the attack to the powerful positive theme of 'Time for a change.' After all, Labour have been in power for three-quarters of the past 18+ years, & Callaghan himself is very much a man of the 1966-70 government. The use of this theme would also underline the message that there has been a change in the Conservative party since 1970-74, without explicitly saying so. As to the future, we should certainly use the defectors - especially Prantice - both to carry the attack against Labour (the 'Why I quit' theme) and to warn of what a future Labour govt, with a parliamentary majority, would be like. A well thought out scare campaign is a must.
3. I also strongly agree with Chris Patten's comment that "We should stop saying that we can get on with the unions. This is too defensive." It is not merely defensive: it makes us far too vulnerable to the sort of attacks we can undoubtedly expect from union leaders during the election campaign. Patten is also right to suggest that Jim Prior should be in the forefront of a change of tune - in public - about the trade union leadership; partly for the reason Patten gives but also because otherwise it will be interpreted as a major

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split within the party on this vital issue. Splits are, of course, always unhelpful; but over the trade unions they are potentially more damaging than over any other issue. People will have confidence in our ability to handle the trade unions only if we appear to have confidence in ourselves; and a divided party is clearly a party that lacks confidence in its own approach. Per contra, given unity we can, I reckon, be far more robust in our attitude and speeches than we have been hitherto - especially if we are always careful to make the distinction between the union hierarchy and the rank and file members.

4. In the context of the trade unions, or at least of those for whom their leaders claim to speak, we have an opportunity to take a positive step which could bring considerable propaganda dividends and seal off an exposed flank. The collapse of the Bullock proposals has left a vacuum in the worker-participation field. We could fill that vacuum by stating that we will legislate to make it compulsory for all companies above a certain size to have works councils (elected, of course, by all employees) along German lines. Labour will never propose this, because the TUC is wholly opposed; and the Bullock majority report of course dutifully followed the TUC line. But such a step was recommended by the Bullock minority report - and there is no doubt that works councils, rather than board representation, are the key to ~~the~~ the German system. However, an expression of goodwill towards the works council idea would be useless: it is only a commitment to legislate that would cut any ice - and enable us to be more forthright in our attacks on union excesses, since it would be far harder <sup>for Labour</sup> to use the class war onslaught on us as being



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'anti-worker'. Moreover, a pledge to introduce this form of 'democracy' to the large company would usefully complement our desire to make the large unions more democratic, too, via the postal ballot route.

4. Again, I agree with the populist 'Conservatives want the same Britain as you' theme. But this is useless unless firmly underpinned with practical examples. In this context, the property-owning democracy (especially in its sale-of-council-homes aspect)/~~is~~ <sup>is</sup> probably still the most important single area; but we must not shirk the immigration issue, which is almost the acid test of whether a political party is in tune with the ordinary people.
5. On the operational level, I agree that we need, and at present lack, someone to do the Labour-bashing that Tony Barber did in the 1960s. Michael Heseltine would seem the obvious choice for this role.
6. As to points of disagreement, I differ strongly on two points of detail. The suggestion that Messrs Prior, Whitelaw, Stevas & Howe should be used to play for the Liberal vote seems to be based on the complete misconception that the Liberal vote is a liberal vote. It is nothing of the sort: it is a protest vote, which the Liberals have now forfeited by joining the (Labour) establishment. Nor is there any need for a special ploy to get the admittedly crucial Liberal vote (or, more accurately, ex-Liberal vote.) The Lib-Lab pact has at last demonstrated beyond peradventure - although there is of course no harm in our constantly underlining it - the truth of the allegation that a vote for the Liberals is a vote for Labour: that established, we can get on with the red meat of our attack on Labour. The other disagreement is with the proposition (and also with the



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premise on which it is based) that we might appoint an advertising agency to "look after" our television broadcasts. This would, in my judgment, be a major error. I have set out my own thoughts on what we should do to get our TV broadcasts right in a letter to Peter Carrington - which has now been broadly agreed by the committee you set up.

7. I also disagree very strongly with Annex 3, which deals with the Leader's speeches. This is a matter of vital importance. I see that Patten, in para 1, suggests a 'team' of nine, of whom ~~eight~~ only one (Adam Ridley) is neither a Member nor a candidate; and in para 2 no fewer than 18 speechwriters - the majority of them Members. For one (important) speech he actually suggests "wide commissioning". In every respect this is the wrong way of going about the speech writing job. In the first place, wide commissioning is the worst possible method, and invariably places the main burden of speech writing on the Leader - which defeats the object of the whole exercise. In the second place, Members and candidates should be ruled out altogether, since they are not available on any serious basis during the campaign; and the crucial need is to have writers who are available full time during the campaign itself - and to use these same writers ~~///~~ starting from now, so that by the time the campaign begins there is already ~~an~~ a well-oiled machine, thoroughly run in, ready for use. Finally, the number of writers suggested is far too large. While many brains may be picked for ideas, the highly specialised job of speech-writing must be done by a very small group, of one, two or three people - two is probably best - working on a full-time (or virtually full-time) basis, so that they come to know every nuance of <sup>(often under acute time-pressure)</sup> the Leader's mind and to write instinctively in the Leader's own style.



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8. As to other points, it should need no underlining that the freedom theme, which is so important to us, becomes infinitely stronger in its popular dimension the more we can offer freedom in wage bargaining - which, of course, like any other freedom, goes hand in hand with responsibility. This is particularly important, electorally, in the context of the skilled workers' vote.

9. The positive counterpart of freedom is independence, just as lack of freedom is the counterpart of total dependence on the all-powerful State. This suggests a natural linkage with patriotism, which must always be an underlying theme in any Conservative campaign. Indeed, there is even a possible further linkage with our trade union stance. What I have in mind is something like this:

"We are an independent Party (ie independant of the unions, unlike Labour) which stands for an independent Britain (able to defend herself, not in hock to the IMF nor <sup>subject</sup> to any alien creed) and an independent people (home ownership, small business, etc.)"

10. Labour believe that Callaghan is their trump card, Yet he has been around a very long time, and should ~~xxxxx~~ have been discredited long ago. Certainly there is no shortage of ammunition - from his disastrous record as Chancellor (see Crossman, passim) to his deep financial involvement with Hodge (about which there is also extant a fair amount of documentation.) A campaign to discredit him on both these counts (and any other that comes to mind) should be launched without further ado: needless to say, the Leader must not in any way be associated with this campaign.



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11. While still on the negative side, a planned heckling campaign should also be part of our tactical ~~plan~~<sup>battle</sup>. Many leading Ministers are inclined to go off the rails when they depart from their script: Callaghan himself has a ~~p~~ remarkably short fuse, and is particularly vulnerable to the skilled heckle. On the whole, I would not advise waiting until the election campaign ~~itself~~ itself: some unguarded impromptu replies elicited now might make ~~xxxxxx~~ useful ammunition for later on.
12. More positively, it might be worth <sup>'commissioning'</sup> ~~writing~~ in advance, half a dozen articles (by the same person, in the same tone of voice & style) setting out the Conservative approach to the six main issues or areas of policy, at a serious and intellectually respectable (and not a campaigning) level, with a view to them appearing ideally in the Times, but failing that the Telegraph, on successive days immediately Callaghan ~~fixes~~ announces the dissolution of Parliament. Although they would have to be officially approved and vetted, they would ostensibly appear as the personal testimony of a reasonably well known Conservative. They should not appear now, when they would merely spark off a debate, which would not be very helpful, although they should probably be written now; instead, they should appear when suggested above, when ~~xxxxxx~~ the informed (and the opinion formers, including ~~xxx~~ editors and suchlike) will simply want to know whether there really is a distinctive Conservative approach to the great issues of the day, over and above party point-scoring; and what that approach is.
13. Since this memorandum has been so discursive and rambling, it might be worth summing up the conclusions reached on themes. The themes



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that have ~~xxx~~ emerged are the following:

- a) The attack on Labour; its disastrous record & the menace of a red future; time for a change;
- b) The Conservative Party is the people's party;
- c) Freedom - independence - patriotism. (As an alternative, this could be confined to freedom & independence, with patriotism woven in with (a) above instead.)

Each of the various issues we ~~which~~ wish to stress - ~~xxxxxxx~~ lower taxation, home <sup>and capital</sup> ownership, standards in education, law and order, defence, immigration, Labour's unemployment record, ~~xxxxx~~ inflation, cutting overmighty union bosses down to size, etc - would then be deployed in the context of, and shown as an example to illustrate, one or more of the above general themes. As soon as the themes have been agreed, we must find the slogans to fit them. Words matter to an opposition party far more than they do to a government party.

14. Finally, I enclose:-

- a) <sup>copy of a</sup> Memorandum I wrote, on a similar subject, to Michael Fraser, at his request, in 1973. Much of it is now out of date, but there may be one or two points that are still relevant - at any ~~xxxxxxxxxxxxxxxxxxxx~~ rate, it seems to me that there are.
- b) ~~Three~~ Copies of three ancient memoranda on speech writing for the Leader, which are certainly still relevant today. The first (1963) is by George Christ, ~~the~~ who was the unknown doyen of British speech writers: he began with Winston Churchill and went on to serve, in turn, Eden, Macmillan (who relied heavily on him) and Douglas-Home. It sets out, very concisely, the correct modus operandi. The second, (1964), by John McGregor & myself, sets out speech-writers' requirements during an election campaign. It was written well before the campaign. The need for the Leader to be able - within the context of a pre-arranged campaign theme or themes - to be able to make a quick response to an unexpected & topical development, & the operational requirements to meet this need, cannot be over-stressed. Finally, the third (also 1964), written immediately after the campaign, represents my own verdict on and analysis of that campaign, so far as the Leader's speeches were concerned (ie every aspect of the Leader's speeches ~~xxx~~ except their content), together with lessons for the future.

*Y.L.* N.L.