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STRATEGY PAPER: THE ALLIANCE PARTIES

The strategy which for many years we used against the Liberals was simple and to a large extent successful. We ignored them. This posed difficulties for Conservative candidates in constituencies where the Liberal was the main opposition: they tended to find that the campaign waged from Central Office was irrelevant to their needs, being designed for a win against Labour. But in the nation as a whole it was the right strategy, because it helped to prevent the Liberals being taken seriously. Under our present electoral system nobody believes the third party can win more than a handful of seats. We have no reason to interfere with that (entirely correct) belief by paying public attention to the third party. The third party only merits attention when it is in the process of becoming the second party.

In the 1983 General Election this traditional strategy of 'malign neglect' was satisfactorily applied to the SDP/Liberal Alliance. The Prime Minister avoided all reference to them. We fought the Labour Party, exposed the weaknesses of Labour's programme. Though in the closing stages the Alliance parties gained ground, they never overtook Labour, getting 25.4 per cent of the poll to Labour's 27.6 per cent (the best performance by a third force in terms of votes since 1923). We were not obliged to turn our fire on the Alliance parties, but it was a close run thing.

Since the General Election support for the Alliance parties has fallen back (in the opinion polls) to a level of about 19 per cent. Neither in the country, nor in the Commons (where they have 23 MPs to the Labour Party's 209) can they claim - as they would dearly like - to be the main opposition. So at the moment 'malign neglect' remains the right strategy to adopt towards them (while avoiding obvious excesses of unfairness). Their rage, when they feel they are getting too little attention either at Westminster or in the media, suggests they know such neglect damages them.

We now need to assess:

- (i) What likelihood is there of the Alliance parties again threatening to become the main opposition?
- (ii) What weaknesses would we attack in them if they did threaten to become the main opposition? (This material is likely, at the very least, to be needed in a number of by-elections and in Conservative/Alliance marginals. It may also be tempting to throw an occasional spanner into the Alliance works as a pre-emptive measure).

(1) Electoral Prospects

The Alliance parties are evidently not going to fall back to the negligible position of the Liberals at the 1951 and 1955 elections, when they took only 2.6 and 2.7 per cent of the UK poll. Whether they will continue the jerky upward progress of the Liberals since that period is much harder to predict. They are hindered by considerable internal problems which cause them to waste much time arguing about merger, seat allocation, candidate selection, policy differences etc. (described below in the list of their weaknesses). But these rather esoteric problems, though sapping their energies, will not necessarily ruin their chances with the voters. My guess is that at some time, though perhaps only for a limited period, the Alliance parties will again overtake the Labour Party in the opinion polls. They led in 1981 and early 1982. Between mid July and the end of September 1983 they had a slight edge over Labour in the polls. They will be making

great efforts to overtake Labour in the European elections in May/June of this year: it is unlikely they will achieve such a rapid revival, but we should bear in mind the possibility. At local level the performance of Liberal candidates in by-elections remains good (in local council by-elections in the last three months of 1983 the Alliance parties took 31.4 per cent of the votes, Labour 33.7, the Conservatives 33.1, and the Liberal Party made the largest number of gains - New Statesman, 30th December 1983). The local council elections in May will show whether they can achieve such results on a larger scale. They are likely during the next four years to fight some successful parliamentary by-elections. They will start, if they enjoy another surge in support, from a higher base than at this time in the last parliament. The Labour Party may be expected to make some blunders, and no Government enjoys uninterrupted popularity: the Alliance parties can hope to benefit when either of the main parties falters.

Whether or not this guess is right, it would be prudent to assume that the Alliance parties may overtake the Labour Party in terms of votes at the next General Election. But they would not necessarily gain a huge number of seats. Butler and Waller calculate that if the Alliance parties were to add 10 per cent to their 25.4 per cent, drawn equally from Labour and Conservative, they would gain only 74 more seats. Or to put it another way: 273 of the 397 Conservative MPs now have as their principal opponent an Alliance candidate, but of the 77 Conservative seats held with majorities of under 10 per cent, only 21 have an Alliance candidate in second place. Until the Alliance vote rises above about 35%, the Labour Party remains the greatest threat in terms of seats, though at this point the difference between the Alliance getting 50 seats and an overall majority could be only 6 per cent. The paradox could arise whereby the Alliance led Labour in the polls, but could be expected to get fewer seats. Who then would we fight?

Dr David Owen has recognised that the Alliance parties are unlikely to win power outright at the next election. He believes that in the last election the Alliance parties should have campaigned not on the basis that they could form a government (which from mid-1982 nobody believed), but on the basis that they could temper a Conservative Government's power. He has recently told the SDP:

"We will prosper or perish on our ability to convince the electors of the virtues of multi-party government....We must not be afraid of telling the electorate that we would settle for being only part of a government, or of being an influence on a minority government, lest that appears to weaken our claim to form the government ourselves. The reality is that the most likely way in which the Alliance parties will change the political system is by holding the balance of power, not by winning power outright" (Guardian, 6th January 1984).

If the Alliance parties accept Dr Owen's view that they must aim to hold the balance of power, they gain, if the other two parties happen in the next General Election campaign to be more evenly matched, a greater degree of credibility. Should they hold the balance of power, the Alliance parties would probably demand, as the price of their support, a referendum on PR (Dr Owen, Radio 4 World Tonight, 12th January 1984). We do not need to say how we would respond to such a demand, but we need to think about it.

(ii) Alliance Weaknesses

Given Dr Owen's desire to convince the electorate of the virtues of coalition government, the most obvious way of attacking the Alliance is to show that it is so divided that an effective coalition between the two parties is impossible. The Home Secretary has recently drawn attention to Dr Owen's own move to the Right:

"Under his leadership, the SDP is made to look as if it has rejected Socialism and has embraced the market economy. Policies borrowed from Labour have been jettisoned: policies borrowed from us are rapidly replacing them. Dr Owen advocates trade union reform, vigorous competition policy, higher business profits and market oriented wage bargaining. Only last Tuesday, he rejected that central concept of welfarism - free universal provision".

This line of argument may certainly be expected to infuriate the more traditional of the SDP's socialists, and the many Liberals who already regard Dr Owen as dangerously right-wing. It also has the merit of being true: Dr Owen cannot simply be dismissed as a socialist, and some of his more recent ideas command respect in Conservative circles. But that is precisely the danger: that to praise Dr Owen will make Conservative voters think they can vote SDP without compromising their views.

A safer line of attack against Dr Owen lies in drawing attention to his differences with the Liberal Party. This may carry the implication that Dr Owen is himself a man of comparatively sound opinions. But it will also imply that he is mad to associate with the Liberals, and cannot be regarded as a politician seriously interested in forming a government until he rids himself of them. Differences between Dr Owen and the Liberals can be summarised as follows:

- (a) Merger. Most Liberals would like to absorb the SDP, which has about 50,000 members to their 175,000, into a greater Liberal Party. The Liberal activist magazine Liberator (No. 136, November 1983) has urged this view with particular force:

"The original argument for the alliance was that the SDP brought the credibility of experienced politicians, the ability to break previously impervious Labour strongholds, and new political activists to complement existing Liberal strengths. This all now looks pretty threadbare. Two of its 'experienced leaders' were defeated (along with almost all the defector MPs), a further leader is retired in all but name, which just leaves David Owen. The SDP's local representation is derisory (and relies to some extent on misguided Liberal charity in giving away good seats), and many of the early members have gone...We are the senior party of the alliance and ought not to be afraid of making this obvious. If we do not absorb the SDP, and if it survives the next election in any kind of shape, we shall have a third rival on our hands one day."

But Dr Owen is strongly against merger, and has carried the SDP National Committee, and the Council for Social Democracy with him. This disagreement between the two parties leads, and will continue to lead, to endless internal bickering, and to a sense of despair among Liberals and Social Democrats about the present ambiguity of their relationship. Dr Owen has said: "We must have a decision soon. We cannot carry on as we are at present" (Liberal News, 17th January 1984). Mr William Wallace, a senior Liberal, has written: "The most fundamental reason why the Alliance cannot survive very much longer in its current form is that it

absorbs energy on internal negotiation which ought to be directed outwards towards winning over the voters". He added that Liberals must make it clear "that the idea that seats can be divided on the basis of rough parity with a party the size of ours in return for nothing beyond an electoral pact is unsupportable" (Liberal News, 31st January 1984).

- (b) Westminster elections: central versus local control. The Alliance parties have reached a complicated agreement (18th January 1984) on the means of allocating Westminster seats between the two parties, and the method of selecting candidates for them. Local agreements will be subject to national ratification. In particular, the SDP National Committee will be able to veto applications by local SDP parties in SDP-led seats to select candidates jointly with local Liberals. This has already happened in a number of Euro-constituencies. The over-riding of local agreements infuriates Liberal activists, and it is not clear how well the procedure will work.

Whenever Dr Owen starts preaching decentralisation, he may be asked when he is going to decentralise the SDP.

- (c) European elections. At the last published count the parties had managed to agree the allocation of 58 out of 78 European seats (Social Democrat, 27th January 1984). Negotiations were deadlocked in seats in London, the South East, Yorkshire and Humberside.

Were Alliance candidates from both the Liberals and the SDP to be elected, the absurd situation would arise whereby, although they had fought on a common manifesto, they would sit in different groups at Strasbourg. The Liberals are officially allied to the European Liberal and Democratic Group (ELD), which includes Liberal parties in the coalition governments of Germany, Italy, Belgium and the Netherlands. The ELD is giving £250,000 to the (British) Liberals to fund the European campaign, none of which is to go to the SDP. Many Liberals are unhappy about their association with, for example, the West German Liberals, who support monetarist economic policies, and the deployment of cruise and Pershing missiles. So although the Liberals boast that they have allies in the European Assembly, it should be possible to embarrass them on this point. The SDP has no European allies. It has declined to join the ELD, and can't join the European Socialist group because it already includes the British Labour Party.

- (d) Policy differences. At the General Election many Liberals fought on an official Liberal manifesto, entitled 'These are Liberal Policies', not on the Alliance manifesto. This gave the lie to the idea that the two parties were united in support of the Alliance 'Programme for Government'. Since the election they have failed to engage in the joint policy making which might prevent a similar split at the next General Election:

"The Alliance has drifted since the election. There has been no joint consultation on policy: the key to successful coalition politics on which we have not yet begun to be credible" (Mr William Wallace, former Liberal president, The Guardian, 13th January 1984).

The most important areas of disagreement are:

- 1) Defence. Probably the only area in which there is considerable public awareness of an Alliance split. Dr Owen's commitment to multilateral disarmament cannot be reconciled with the unilateralism which pervades the Liberals. Dr Owen's argument that "if the SDP view on Defence had not predominated in the Alliance Programme at the last election, we would have been lucky to win the

support of more than 15 per cent of the electorate" (Liberal News, 24th January 1984) impresses David Steel, but not the Liberal rank and file.

2) Nuclear Power. The SDP favours nuclear power where there is an economic case for it. The Liberals are opposed even to existing nuclear power stations. (The Liberal manifesto stated: "We reject the concept of nuclear power...We would phase out all nuclear power stations." The Alliance manifesto was opposed to the building of Sizewell but stated: "We would develop Britain's research programme and expertise in the field of nuclear power and the possibilities presented by fast-breeder technology and fusion").

3) Council house sales. The SDP supports the 'right to buy' of council tenants (Alliance policy at the General Election), but the Liberals believe local councils should have the power to decide whether or not to sell (Assembly resolution, September 1983).

4) Economic policy. Many Liberals do not accept growth as an aim of economic policy. Dr Owen most certainly does (see collection of quotations on economic policy).

5) Owenite or Gaitskellite policies? Jo Grimond has recently restated the greatest flaw in Alliance policy:

"The Alliance has been in existence for three years. It does not seem to me to have decided whether it is a Centre party with roughly Gaitskellite views or a radical party not frightened to demand structural change in government and the Welfare state and occasionally striking the populist note of such as Tebbit and Rhodes Boyson. David Owen has made it clear that he stands broadly for the latter view. He favours the market, smaller Government and social services whose aims are to be achieved in some cases by new methods" (Daily Telegraph, 7th February 1984).

(The extent to which Dr Owen himself is 'Owenite' can also be questioned, his enthusiasm for the market sitting uneasily with his enthusiasm for increased state intervention in many areas).

Conclusion

To attack the Alliance parties at the moment would be a mistake, both because it would make them appear more important than they are, and because it might encourage them to put their affairs into better order. If it becomes necessary to attack them, we should concentrate on publicising the differences between them, differences which make a mockery of their claim to present a coherent 'Programme for Government'. The failure of their efforts to evolve joint policies constitutes not an advertisement for, but a warning against the coalition government they want to see.

This does not preclude arguing that their policies are inherently mistaken anyhow, and often amount to little but revamped state socialism (incomes policy; higher taxes; increased spending (£6 billion at 1983 prices) on benefits; increased state interference in industry). But it will be easier to convince the electorate that the Alliance parties are dangerously incompetent, than that they are dangerously extreme.