PRIME MINISTER

CONFERENCE SPEECH

This note outlines our approach to the drafting of the speech.

1. We have assembled enough material for a longer than usual speech (which we think it may need to be - perhaps about 50 minutes).

The total material could yield a speech much longer than that, though that would not be right, in our view. We have something like the first quarter of the speech ready to read through and a further third in very rough draft which needs editing; and most of the rest in note form. We have watched most of the Labour Party debates and studied the press reporting particularly closely because there is a great deal of material to be got out of it.

2. The background and situation

Labour appears to have come out of Brighton looking marginally more "moderate" than before, though none of the press commentators seem to be fooled by that. SDP/Liberal have had plenty of coverage but have not impressed greatly. The papers are now frantically trying to generate a crisis atmosphere for Blackpool, helped by Heath and the Blue Chip paper etc. This creates a better opportunity, by escalating the debate, to dispose of centre ground remedies. Graham Turner's article in the Sunday Telegraph of 4 October echoed exactly Ronnie's comment at our first meeting with John Gummer. The Tory faithful are saying "It's bearable if it's going to come right, but is it?"

3. The purpose of the speech

It is essential to expose Labour and SDP/Liberal for what they are and a fair proportion of the speech should be devoted to that. The listener should go away feeling not only "there is no alternative" on economic strategy, but also that there is no alternative credible and trustworthy Party to stand against dangers at home (the Labour hard Left) and abroad (the Soviet threat, the unilateral disarmament propaganda etc).

The Government economic strategy must be presented comprehensively but it will require enormous effort to make the subject come alive. The great danger to be avoided would be to let Heath dictate the

ground for the debate and lure us into a blow-by-blow refutation of his (very confused) analysis and prescriptions. His initiative must have been carefully designed to throw you off balance at a particularly difficult time. It should be almost ignored.

Another purpose of the speech is to ensure that you personally are perceived in the right way. That is much more important than winning an economic argument that only a handful of people in the country can really understand. (Su 4 buttow)

Finally, since unemployment is going to be our biggest single electoral problem, you will need to deal with that at some length when expounding the Government's strategy. Again, we must prevent it becoming a lecture - "the art of boredom is to tell all" - but you must be seen to be deeply involved, personally, with the problem, with a profounder understanding of it than the public has, and obviously determined to leave no stone unturned etc. You must begin to "own" the topic of unemployment, for which Labour and SDP compete for a monopoly of concern.

(NB: The detailed exposure of Labour and SDP/Liberal is, of course, particularly important with the Croydon by-election immediately following. In fact, the speech is really a first salvo in a two-year Election campaign.)

4. Tone and style

The predictable mid-term pressures on the Government, and the atmosphere of drama and crisis deliberately fostered by the press, means that the whole speech must be on fairly high ground. There must be lots of light and shade, plenty of humour to balance the very serious bits; and no laundry lists of departmental achievements (more dentists and physiotherapists, and all that sort of thing, which would sound ridiculous in the present atmosphere). You should say nothing which could be interpreted as a sign that you are either stung by or rattled by the Heath offensive. Following the reshuffle, the speech should be bold, confident and populist. Exposure of the SDP must not alienate Tory floaters who may be considering SDP if they lose confidence in us. The job has to be done fairly delicately.

The sense of hope that the audience and the Party look for will not come from "items of good news". It will come from their perception

of you. If you appear rested, buoyant, in good humour and able to take your opponents apart with one hand, then they will have renewed trust (they'll never follow the logic) that you're the only person who can see them through.



JOHN HOSKYNS