



10 DOWNING STREET

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Dear John

I enclose a note of the points I got down at our discussion the other day with the Prime Minister, about the Conference speech. Some of the points may have been simply thoughts that occurred to me rather than points that came out explicitly in the discussion.

I am copying this note and the list to Ronnie Millar.

Yours sincerely

*Judith Rust*

RP

JOHN HOSKYNS



## CONFERENCE SPEECH POINTS

1. Going for real recovery, rather than gentle decline, does involve risks. Have the British people the capacity for it or do they want a life free of decision-making - whether moral, practical, or economic? Are we mature enough to handle risk?
2. Confidence, competence, caring.
3. Of course people will accuse us of solving the problem with unnecessary hardship. We should take that point head on. Then look at the five components of unemployment (monetary deceleration, demographic change, world recession, technology, 30 years of over-manning to be shaken out). Half Germany's working population can produce almost the whole of Britain's GDP. That's the point we've now reached.
4. SDP are the old Labour Party which Heath, McMillan etc all fought against. The new Labour is a new Communist Party. SDP stands for everything that got us into the present mess. Having created the mess, it then left the Labour Party which had been taken over by near-Moscow sympathisers who wished to exploit that mess as the opportunity to bring in a totally different way of doing things.
5. Note that urban policy, rating and trade union reform are key areas where SDP could steal our clothes.
6. The point we have to handle is the growing feeling that "the Tories don't understand".
7. People want very quick delivery of the things they want. So the problems which are only soluble on a long-term basis never even get addressed.
8. We should note that the SDP are posing as a middle British way between a foreign Marxism and a foreign monetarism. We may want to bring out this SDP ploy overtly.
9. Must stress inflation is the key to all the moral problems. It involves the compulsory forgiveness of debts, ie the breaking of contracts. The whole economic process is based on contracts. Inflation destroys that.
10. Compassion is not the same thing as spending other people's money.
11. Understanding. We really must get across the fact that we do understand what it's like for the man who, having done his job as best he can for many years, is told he is redundant - and is thus really being told that the job at which he had worked so hard was perhaps not even a necessary job. The complete loss of any sense of personal worth.



12. Ronnie posed the question in the audience's mind: "But will the policies work in time, or will they fail so that we lose the Election and the policies?" This allows the answer: "It'll work in time if you work with it." And that could lead onto the further point that our enemies (and some of them quite sinister enemies) want to make sure that people won't work with it, so that the whole strategy fails. The way the activist works to remove a Tory Government is to try and achieve massive pay increases leading to the biggest possible combination of inflation/unemployment.
13. The Tories are being presented by people like St John-Stevas as not the inheritors of Disraeli. They're being put into a special position. Therefore we should go onto the offensive. People say that we are no longer the Party of one nation, but what does that really mean? One-third of the population living in council houses, trade unionists being more equal than non-trade unionists. Socialist politicians believing that they can decide for other people better than those people can decide for themselves. Our view is that people are not born equal in their skills and attributes, but they are all equally important. The Socialist reverses that process. There are two nations in at least three ways - nationalised or not, unionised or not, index-linked or not. Is the use of the block vote by trade union leaders a one nation thing?

Capitalism is the instrument - it has to benefit the masses, that is its dynamic, that is the only way in which it can function. It is the biggest levelling-up dispersal of economic power there is.

God gave the individual the ability to choose, the only difference between man and animal.

The Socialist says that some people are not worthy to exercise free choice, so he'll do it for them.

14. "Sybil" for quotes.
15. "I raised the school-leaving age to 16 so that all children could get a qualification - but look what happened to the quality of teaching."
16. Doing better is not the same thing as spending more.
17. Reverting to the one nation argument again, all too often it simply means appeasing, "flexibility" and Government cowardice. (The Kenneth Minogue paper on flexibility is important).
18. (I will send on to you both a copy of Peter Thorneycroft's letter to constituency chairman, sent out just before the recess.)