



# An Chartlann Náisiúnta National Archives

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12 October, 1987

Dear Assistant Secretary,

An Overview of the Tory Victory Rally at Blackpool

Introduction

1. The clear impression received from four days at Blackpool is that Mrs. Thatcher will lead the Conservative Government into the next General Election in 1991/92. Even Denis Thatcher, whose health (or lack of it) might have encouraged the Prime Minister into retirement to nurse him, has been bounding about in fine spirits. The Conference and the Prime Minister's concluding address carefully placed emphasis on two positive themes: raising the quality of education and creating more shareholders than trade unionists. Nevertheless, Mrs. Thatcher is determined to press ahead with the poll tax in Britain and reform of the NHS, both of which could come unstuck and seriously jeopardize this Government's popularity. The opinion of the pundits remains, however, that Mrs. Thatcher could be elected for a fourth administration. Her joking reference to Lord Liverpool's 15 years as Prime Minister may be no joke for ambitious colleagues like Geoffrey Howe, Kenneth Baker, Douglas Hurd and Norman Tebbit.

2. Anglo-Irish relations were not raised in the Conference speeches except for two brief references to the PTA and to hanging in Mr. Hurd's speech. The Ambassador and Mrs. O'Rourke hosted two dinners for Ministers, MP's and

editors (~~list attached~~) and we attended numerous receptions including those given by Lord MacAlpine, the BBC, the Times, Spectator and Sunday Times. There were two fringe meetings on N.I.: the "Friends of the Union" was attended by about 50 delegates where Ian Gow, Sir John Oliver and Lord Cranbourne made unimpressive speeches. At the "Monday Club" about 120 delegates listened to Ken Maginnis MP and Peter Utley criticising the Agreement. Maginnis bitterly compared the strict security at Blackpool (which denied access to his wife) with the situation in Fermanagh-Tyrone where unionists are forced to share council chambers with the IRA. He also said that the Irish Government is reneging on its promise to ratify the Convention on Terrorism.

At another level, of course, the N.I. situation imposed itself everywhere in the form of massive police security and endless bodysearches against alleged IRA terrorist threats. It was not lost on Ministers, MP's and Delegates that two years of the Anglo-Irish Agreement had not reduced the IRA menace in any obvious way. The media hype surrounding the McNamee trial at the Old Bailey reinforces the collective anger against "Irish terrorism".

3. The best political performance at Blackpool was that of Kenneth Baker, Secretary of State for Education. His forceful defence of Government proposals for a national curriculum and for choice of schools convinced many that he is more substantial than his previous "spiv" image suggested. However, if Home Affairs is a bed of nails for Douglas Hurd, the opt-out scheme for schools could come badly unstuck for Baker. Most parents might opt for direct grant schools leaving a vast underprivileged minority to endure lower standards under the local authority system. Such a development could especially hurt the Tory working class vote.

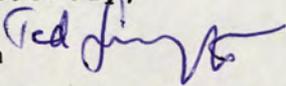
4. Another vote loser could be the understandable policy of reducing health costs. The privatisation of health services

has already given rise to a legion of stories about lower standards and profiteering. More potentially damaging might be the poll tax if it turns out that the rich pay less and the middle income pay more. The tax is intended to foster popular restraint on local government costs but in achieving this objective it could also alienate Tory voters. Another embarrassment could be growing consumer complaints about the privatised monopolies, Telecom today, electricity and water tomorrow. Even the inner cities crusade seems now to have become the responsibility of the private sector.

5. All of the foregoing could count for very little if the export of British manufacturing goods continues to increase at its current annual rate of 8 per cent. The jobless rate is slowly coming down and business confidence returning. Furthermore, the Labour Party will probably have serious difficulties in convincing a sufficient number of voters who are prosperous that benign socialism will not eat into their new found affluence.

6. If the Tories under Mrs. Thatcher do lose in 1991/92 there will be no shortage of pundits who will look back on 1987 and blame Mrs. Thatcher for not passing on the leadership to someone with a fresh appeal. She will be criticised for destroying Cabinet colleagues such as Tebbit and Heseltine who looked like threatening her authority. Policies will be retrospectively seen as insensitive and arrogant, evidence of a Prime Minister and Government increasingly reluctant to listen to constructive criticism and bent on dividing the nation. If, as seems more likely, the Tories win a fourth term in 1991/92 Mrs. Thatcher will receive all the credit for succeeding with a high risk strategy.

Yours sincerely,

Ted Smyth 

Mr. Dermot Gallagher  
Assistant Secretary  
Department of Foreign Affairs