PRIME MINISTER

Russell Sanderson phoned me this afternoon to say how well the speech had been received at the Conference and in Scotland generally (even "The Scotsman" was, apparently, rather kind this morning).

But, like you, he feels that the speech has to be followed up, both in policy and presentation. In particular he hopes that you will mention health and education in your next speech (at the Womens' Conference) to show that you have not "dropped" them. We must therefore find a slightly different angle on these subjects.

Quite separately, he expressed general concern about the farming vote, but seemed a bit vague as to what he thought the Government should do. I therefore asked him to put his thoughts on paper, with any specific proposals he might have, so we could consider them. He says he does not want to hand out money - but let us wait and see!

Stéve

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STEPHEN SHERBOURNE

19.5.86