

Mrs Thatcher's contempt for the Social Democrats who would still be sitting in a Labour Cabinet if the Labour Party had won the last election

EMBATTLED she may be. At the turn of the year her political prospects and those of her Government may appear as bleak as the snow-shrouded gardens of No 10 and the wintry landscape of St James's Park beyond.

Yet as she enters a decisive year as Prime Minister, the thoughts of Mrs Margaret Thatcher are rooted in the unshakable conviction that the nation has turned a corner and that a world of opportunity lies within our grasp.

Yes, there is a way to go yet. Yes, unemployment is grim, and will probably get worse before it gets better. Yes, there is unpopularity to contend with and public criticism and the rise of a new party.

But Mrs Thatcher believes that she has tuned up the engines of Britain's prosperity to a pitch unmatched for decades: "Everything in place, ready to go," she declares. "I think most of the signs show now that we passed the worst of the recession about three months ago. Things after that show that we are improving."

DIFFICULTY

"Of course there is still some considerable difficulty and there will be areas where people are very concerned indeed because there will be some further redundancies. But one or two sets of figures are very good.

"There are fewer people on short-time working and far more people on overtime."

Mrs Thatcher is only too aware that such reassurance will be of small comfort to those who are out of work now. But she insists that there is no easy or simple answer

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available—either from herself or anyone else.

"Unemployment is always the last thing to show real signs of improvement, to which you may well reply: 'There have been two or three months in which unemployment figures have been improving. However small the fall, it is very very welcome indeed.'

"You can imagine that I look out of the window and see this weather and say not only: 'My goodness, it's cold.' I say: 'My goodness what is it going to do to the unemployment figures?' Because I am afraid in the last two years the unemployment figures have risen from December to January considerably.

"My expectation, I am afraid, is that they will rise from December to January again."

Yet the Prime Minister's optimism will not be trodden down. "The essence I believe is that we are through the

worst. There are many, many signs of improvement. It means that the prospects for next year are better, much better, than this year."

Bubbling with enthusiasm, she fished among her private papers for figures which show that workers' output per hour is now higher than it has been in years. Exports were holding up "really well" even in a depressed world market. Strikes were down. Small businesses were performing well.

SUPERB

"You have only to look at the export figures," she insisted. "They are superb." In our competitiveness, our productivity and our commercial know-how "We are becoming one of the most efficient countries in the world.

"We really are in a position to compete with West Germany and Japan and the United States.

"There is a fantastic story to be told about exports. Not about Britain being an industrial and manufacturing desert, but about highly competitive British firms competing in cut-throat world markets.

"None of this could have been done but for the policies we have been following.

"The point is, we are very well placed now to take advantage of expanding world trade when it comes. Very, very, well placed indeed.

"If there were not a world recession, my goodness, we would now be going great guns."

And in the meantime, until world trade does pick up, Britain was getting itself in trim—not only in pushing into world markets but also in getting ready to take a greater share of trade at home. She says, quite simply: "So there's hope."

Mrs Thatcher dismisses the attacks made on her for being too hard-line, and deserting the centre ground of politics. The "bold claim" she makes is simply: "I believe the present Conservative Party under

its present leadership is the true centre party of politics."

She defends that claim by pointing out that the Tories stand four-square—for example—behind the welfare state. More doctors, more nurses, a better record than Labour over Christmas bonuses for pensioners, the maintenance of pensions against the ravages of inflation and the preservation of a good teacher-pupil ratio in education.

HEART

Of Labour's record she comments scornfully: "They talk loud. But this identical Christmas into their Government they had to go to the IMF because they were broke. In their first three years the pensioners got a bonus in only one year out of the three."

She went on: "I am at the heart of what the British people want. I am at the heart of sound finance for the future. That is the heart and the sense and the centre of British politics. And it is built on rock."

And the SDP? Mrs

Thatcher is openly contemptuous. "Those who are now in the Social Democratic Party, if the Labour Party had won the last election, would still be sitting in a Labour Cabinet, with Wedgie Benn and the extreme Lefties and they would still be drawn Left by them.

"They hadn't the guts to fight when they were in power and allowed themselves to be drawn Left. Now the Labour Party has been drawn very, very far Left, and the 'centre' has moved with it. And in some ways these days I think the 'centre' is almost to the Left of Gaitskell.

"I would say I am in the common ground—the true centre. The true centre is where it was when I came in."

Mrs Thatcher continued: "Where do the SDP live? The welfare state is there. Are they saying that you can do without efficient industry and commerce? So what possible ground have they got for their policies?"

"It comes down to one thing, and one thing in the

end: how can we get unemployment down?" The Government's way, of bringing inflation down and boosting industry and small businesses was the only way. "The fact is the SDP haven't got a leg to stand on anywhere."

And the Labour Party? Mrs Thatcher does not believe that they have anything more to go for. "That's why they are going Marxist. That is the only way left for Socialism.

"They want to go true Marxist, getting a bigger and bigger control over the lives of people. That's what Marxism is. That is why it has collapsed in Poland, because the people are saying No.

INFLUENCE

"The crucial thing about Poland, and I said it a long time ago, is that a Communist State can only survive if it is the sole source of power and control. The Communist State can never, never stand another sort of power and influence.

"After all, Communism

cannot survive alongside freedom. The two are mutually incompatible." What had happened in Poland was a moment of truth for Communism. "Sooner or later Communism moves to snuff out the spark of freedom, when the spark is growing into a torch."

FREEDOM

Mrs Thatcher drew an analogy between her own election victory in 1979 and the upsurge of Solidarity. "Our people didn't vote for me for a new economic order, for inflation-proofed social service benefits or because of phrases like 'inflationary expectations' or anything like that.

"They voted for me because they said: 'This is a free country! And they saw their freedom being eroded, not only by socialism but by socialism handing over a lot of power to trades unionism.

"Now this is the battle we are really in. I am still on the freedom course. I know that freedom does matter. We take it for granted. We mustn't."



Margaret Thatcher: 'Marxism is the only way left for Socialism'