

MR WHITMORE ✓

ALL
Dirt

BRIAN CONNELL INTERVIEW

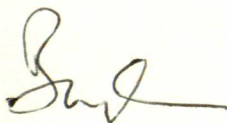
I thought it might be sensible to get transcribed the piece in the interview concerning the Budget. It is attached. I think it is sufficiently broadly shot, as it were, not to cause difficulty.

I asked Brian Connell, in editing, to make the point that the Prime Minister refused to discuss the Budget and responded only in general terms. To some extent, his question is helpful in this respect.

In the course of the interview the PM played US interest rates quietly; sought to reconcile Mr Pym with the greater optimism of others; put in some useful stuff about where the money for public sector pay comes from; eventually dealt with the fallacy of the argument that it is cheaper to find work for people than pay them unemployment benefit; and got over her determination to secure a satisfactory resolution of our EC Budget problem.

I should perhaps mention two other points:

- she repeated that Helmut Schmidt was to the right of her economically; (she has said that several times before though I have not seen it reported);
- she said, in summing up what she hoped to achieve, that she "was not prepared to cut and run in the middle to make it look all right."



B. INGHAM

10 February 1982

BC: Without obviously trespassing on budget details, which you wouldn't let me do anyway, but looking ahead, where would you like to give an extra push and an extra bit of encouragement if you could if it lay within your power?

PM: I think I am going to be in great difficulty if I answer this can we switch off a moment because everything I say is going to be taken as a hint unfortunately. Let me see, I'll do what I can with it.

We're going in the right direction by becoming efficient and competitive. We're going in the right direction by having given massive encouragement or enormous encouragement to small businesses who have now got the best package of measures from the Government I think ⁱⁿ almost any country in the world. So that really is what gives you better prospects of employment in the years to come, efficient industries, recovering profitability, encouragement to small businesses, encouragement to new businesses. That's where your new employment is going to come and we must continue going in that direction. Now as well we have made it perfectly clear that we must help those who are badly hit by world recession, we must help particularly the young. And so we were way way ^{way} ahead of countries like Germany in having our package of special measures, but I would say the general direction to go is to see that your companies stay competitive, to see that they are able to build up profits so that they can invest because you get that in the future, and to see that you have all of the incentives in to get an enterprising society, a really enterprising society so that people are willing to become self-employed, willing to start up on their own, and that does mean seeing that they will get ^{the} benefits from the results of their own work.

BC: How exercised are you at the trouble that you have had

PM: I have another thing that I could add to that I think another thing that we started to do, though we have not yet been in power for three years, which will gather force. You know how passionately I believe not merely in a free society under the rule

of law, but if society is to stay free it must have a large element of private ownership of property. You know a man that has got something behind him is a man of independence. And this is why we've started and why the recent Norwich case was so important on selling council houses to people, this is the first step on the ladder to capital ownership. Now the other ways you own your own insurance schemes, pension schemes, we are very very anxious for people to become a capital owning democracy. This in an increasingly prosperous society is the way I see the one nation coming. It doesn't matter who you are, you've got a bit of property of your own, maybe your own house, ^{maybe} your own savings. Maybe we could get more share schemes and maybe you own a bit of your own local company, maybe with your savings back someone who wants to start up in business. But get property well distributed personally throughout society which is the total and complete opposite to nationalisation. Nationalisation is no-one owns anything. My capital owning society which is the one nation means we have a society of independent people, each one's independence strengthened by the fact that they own something of their own and therefore are responsible for it. And also, look how much it affects the future. You just think if people could look forward to handing on ^{some of} the fruits of their own efforts to their children, their grandchildren their great grandchildren, just look how much better start that gives those great grandchildren, grandchildren in life. And what a great continuity it gives to your society. And it means that you stop looking to governments for your standard of living, you should never have been encouraged to do that. It means that governments should say look if you make the effort and do well your standard of living and your children's standard of living depends upon you.

Sorry, I just think that's very important. I'll have to come out with the bits as I

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PRIME MINISTER

SUNDAY TELEGRAPH

You have agreed to give Brian Connell (formerly of the Times) an interview on the record for the Sunday Telegraph early this month.

I have arranged for him to come in, subject to your confirmation, for an hour from 9.30 am next Wednesday morning, February 10.

As you know, he records what you say and then faithfully transcribes. It is therefore desirable to be reasonably crisp.

I shall, of course, give you a more detailed note early next week. I do not however think you will need much briefing, bearing in mind Questions.

Content with time and date?

B. Ingham

B. INGHAM

4 February 1982

Yes mb