Wednesday, Jan 28th, 1981

PRIME MINISTER

The Brian Walden Interview may be the most important media event since the last Election !

10 DOWNING STREET

A lot has changed since even three weeks ago:

The split in the Labour Party AND the possible emergence of a credible Centre Party or Central Alliance.

The new Unemployment figures and the C.B.I. survey indication that things are still getting worse but at a slower rate. (Peter Middleton alas didn't understand the figures and gave you some very misleading and absolutely wrong interpretations).

You will be able to get whatever questions you want, and are therefore in a position to do what is in effect a Ministerial Broadcast. What do you want to tell the Nation ?

I believe you should approach this as a major speech - uninterrupted thinking out loud time on Friday, followed by drafting of detailed "answers". Alternatively, you can say "no comment on the new Centre", and repeat the story on Inflation, sound money, there is no other way, etc.

But if there is anything <u>new</u> to say, <u>Sunday is a unique</u> opportunity. Particularly to set the <u>Centre Party up in</u> the public mind as the old and failed Labour Party of slow decline, etc.

David W.

C.C. John Holym.