

PRIME MINISTERTHE BRIAN CONNELL INTERVIEW FOR THE TIMES X

1. Brian Connell is to have a one-hour first anniversary interview with you from 9 a.m. on Wednesday morning for publication in The Times on Monday, May 5th. He will tape the entire interview and reproduce it faithfully and fairly fully, with his own interpretations and introduce different topics.

2. In giving the interview, you will need to be aware of the timelag between interview and publication. Mr. Connell has this fully on board and will keep closely in touch with me during the week before publication; one obvious area is the EEC Budget.

STRUCTURE

3. I have had a discussion with Mr. Connell about the structure of the interview and he proposes the following:

- i. How you are taking the strain and the responsibility; the pattern of your day; how you manage to relax; how you re-charge your batteries; are you still a voracious reader?
- ii. After that gentle overture
The economy - inflation; MLR; mortgages - figures of a magnitude not foreseen before you took office? Tax reductions; VAT; lack of growth; North Sea oil raising level of the pound and requiring industry to work twice as hard. Here he may introduce his favourite Edmund Burke quote attached and seek a reaction from you.
- iii. Then, by profession, to
The wages issue - earnings 20%-plus; stated policy of non-interference. But high settlements in coal, gas, water, steel and major problems in public sector - BL, shipbuilding, cash limits, market economy, but also comparability. Unemployment bogey not apparently having effect. Economic forum idea - what has happened to it?

/Then to

Then to

- iv. Public expenditure - do you think targets will be met? Can this possibly happen? Will not there be severe cuts in public services given apparent lack of saving in local government.

v. Incentives/Competitive Region

How far is the Budget seen as an incentive? Is the incentive pressure working and what more has got to be done? Small businesses. But is medicine likely to be too painful? Is the approach too doctrinaire? Are we not back to inter-war Tory doctrine? Is the very sharp geographical division between North and South (and East and West) being taken sufficiently into account?

Then into

- vi. General atmosphere. Your policies reflect a radical break with Butskellian consensus. Are you worried about the response or, in some quarters, lack of it?

Then into

- vii. Foreign affairs (where Mr. Connell at this stage seems fairly lightweight):
- Rhodesia
 - EEC
 - Middle East; S/W Asia - is President Carter barking up the wrong tree? Should he not be more concerned about Afghanistan?
- (I have suggested he ought also to include a reference to Northern Ireland.)

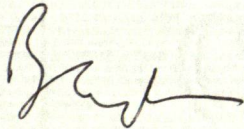
vii. Style of Government

Hawks v. Doves or Wets v. Dries - divisions in Cabinet. Your personal style - dominance over Cabinet. Are you worried about your large majority.

/It will of course

4. It will of course be important to end on an upbeat, to look to the future and to generate a sense of hope.

5. It does not seem to me you need special briefing for this. Content?

A handwritten signature in cursive script, appearing to read "Burt".

21 April 1980

Prime Minister

PRIME MINISTER

Yes, we did increase the cash limit for nurses pay. ~~(to 100p/week)~~.
But your reply to Brian Connell dealt only with nationalised industries. *IL.*

BRIAN CONNELL INTERVIEW

You will recall that in the Brian Connell interview, discussing cash limits in the context of pay, Clegg etc, you said:

"We haven't broken a single cash limit with these [pay] rounds. We didn't break the steel cash limit. We haven't broken any of the nationalised industry cash limits."

2. It is a fact, however, that the cash limit for electricity has been increased mainly to cover the increase in fuel stocks. For purposes of accuracy (and to avoid possible rows) it might be sensible if I got Brian Connell to add:

"apart from electricity where the limit has had to be increased to cover higher fuel stocks."

3. Content?

Yes
Bingham

As a matter of interest - didn't we increase it for nurses pay?

Or was that reply only in connection with nationalised inds. - local authorities?

B INGHAM
29 April 1980.

mg