

PRIME MINISTER

THAMES TV EYE

This minute sets out the arrangements for your interview at 306, Euston Road, tomorrow evening as a result of a substantial discussion with your interviewer Llew Gardner.

First, the mechanics. You will of course have had the benefit of your Questions briefing earlier in the day when a line on the rail issue will almost certainly have been developed. Caroline has also arranged for me to have half an hour with you from 5.30 for briefing. You have a drinks party for Industrial Advisory Councils from 6.30. You are not scheduled to arrive at Thames TV Centre until 8.45 where make-up facilities will be available. The broadcast live is at 9.30 for 28 minutes.

You will be met at the studios probably by Hugh Dundas, Chairman, Brian Cowgill, Managing Director, and Nigel Ryan, Controller of Programmes, who have invited you for a drink after the interview (I attach biographies).

I have communicated your point that since you will be wearing black, navy or plum the set should be pale blue.

Could I remind you that Llew Gardner has asked that if there is any point you particularly wish to get over he should be told, so that he can ask the question? He is very conscious that you have had reservations about him in the past and I am sure that he is anxious not to offend you further, consistent with his doing a professional job tomorrow evening. We can discuss any particular point you wish to emphasise at our briefing late tomorrow afternoon.

Inevitably interviews of this kind are geared, at least in part, to the news of the day and the railway situation is, as of now, the main item. It will therefore be very important that you have a clear view of what you propose to say on that issue and I am making arrangements to keep in close touch with developments during the evening, should it still be a running story.

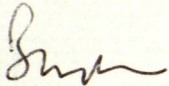
Meanwhile Llew Gardner tells me that he proposes to approach the interview as follows:

1. He will start by asking you about the apparent conflict of views between Ministers and economists about the state of the Nation. How goes the battle? How do you see it mid-February of your third full year of Government?
2. Here he will develop his approach to the economy and unemployment - and whether you ever in your wildest dreams feared 3m unemployed - leading into the current political scene, offering you an opportunity to comment upon the rise of SDP and the plight of the Labour Party, if you wish to take it up.
3. We then come to the news-meat of the interview; in the situation in a week which confronts you with railways, Laker, De Lorean, Harland and Woolf, British Leyland trucks and busses and the Times. I doubt whether he will pursue many of them apart from railways, though much will depend upon the state of play.
4. He then hopes to turn to foreign affairs, US/Euro relations and where we fit into them, and also the Trident issue (which will give you an opportunity to deal with unilateralism). He has not mentioned the question of the Mandate and I have not prompted him because you may well agree that this is not the time to raise the temperature.
5. Finally, personal style. Mr Gardner has clearly done a great deal of research on your speeches and style, and the Brian Connell interview last weekend (Annex I), has clearly taken his eye. I think he will basically pursue three points:
 - (i) How has your confidence grown in the job?
 - (ii) Are you consciously or unconsciously softening your originally tough approach? Is your apparently softer image the consequence of growing confidence or a deliberate response to the harshness of the times?
 - (iii) looking back, how have your ideas and attitudes been influenced by the job?

I think it would be profitless to inflict much briefing on you in view of Question Time tomorrow. You will be more than adequately briefed for this kind of interview, leaving aside what you say on railways. The crucial point is your tone, demeanour, confidence and style. The more relaxed, confident and quiet (but not subdued) you can appear, the more convincing the performance is likely to be to an audience of some 10 million.

Finally, there will be cameras waiting outside the entrance to the studios filming your arrival and the recording of your arrival will be used as the introduction to the programme.

Content?



B. INGHAM

17 February 1982

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4 Capital - orig denom

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HUGH DUNDAS

DUNDAS, Group Captain Hugh Spencer Lisle, CBE 1977; DSO 1944 and Bar 1945; DFC 1941; RAF retired; DL; Managing Director, British Electric Traction Co. Ltd, since 1973; Chairman: Rediffusion Ltd, since 1978; Rediffusion Television Ltd, since 1978 (Deputy Chairman, 1970-78); BET Omnibus Services Ltd, since 1978; BET Investments Ltd, since 1978; Director: Broadcast Relay Service (Overseas) Ltd; Rediffusion Holdings Ltd; Thames Television Ltd; Wembley Stadium Ltd; b 22 July 1920; s of late Frederick James Dundas and Sylvia Mary (née March-Phillips); m 1950, Hon. Enid Rosamond Lawrence, 2nd d of 1st Baron Oaksey and 3rd Baron Trevelin; one s two d. *Educ*: Stowe. Joined 616 (S Yorks) Sqdn AAF 1939; served in UK Fighter Comd Sqdn, 1939-43; N Africa, Malta, Sicily, Italy, 1943-46; perm. commn 1944; comd 244 Wing, Italy, 1944-46 (Gp Captain; despatches 1945); retd 1947. Comd 601 (Co. London) Sqdn RAuxAF, 1947-50. Beaverbrook Newspapers, 1948-60: various editorial and managerial posts; joined Exec. Staff, Rediffusion Ltd, 1961; Dir, 1966; Dep. Man. Dir, 1968; Man. Dir 1970-74. Chairman: Humphries Hldgs Ltd, 1975-77; Redifon Ltd, 1970-78. Mem. Council, and Finance and General Purposes Cttee, RAF Benevolent Fund, 1976; Mem. Council, Nat. Soc. for Cancer Relief, 1976 (Vice-Chm.). DL Surrey, 1969. *Address*: 55 Iverna Court, W8 6TU. *T*: 01-937 0773; The Schoolroom, Dockenfield, Farnham, Surrey. *T*: Frensham 2331. *Clubs*: White's, Royal Air Force.

BRYAN COWGILL

COWGILL, Bryan; Managing Director, Thames Television, since 1977; b 27 May 1927; m 1966, Jennifer E. Baker; two s. *Educ*: Clitheroe Grammar School. Marine, subseq. Lieut, 3rd Royal Marine Commando Bde, SE Asia, 1943-47. Copy boy, then reporter, then feature writer with Lancashire Evening Post and Preston Guardian Group, 1942-50; edited local newspaper, Clitheroe, 1950-55; joined BBC TV as Outside Broadcasts prodn asst, 1955; produced Sportsview and Grandstand, 1957-63; Head of BBC Sport, 1963; Head of TV Outside Broadcasts Group, 1972; Controller, BBC1, 1974-77; Dir, News and Current Affairs, BBC, 1977. *Recreation*: golf. *Address*: Thames Television House, 306-316 Euston Road, NW1 3BB. *T*: 01-387 9494.

NIGEL RYAN

RYAN, (Christopher) Nigel (John), CBE 1977; Director of Programmes, Thames Television, since 1980; b 12 Dec. 1929; s of Brig. C. E. Ryan, MC, RA and Joyce Dodgson. *Educ*: Ampleforth Coll.; Queen's Coll., Oxford (MA). Joined Reuters, London, 1954; Foreign Corresp., 1957-60; joined Independent Television News, 1961, Editor, 1968-71, Editor and Chief Executive, 1971-77; Vice-Pres., NBC News, America, 1977-80; freelance scriptwriter. Silver Medal, Royal Television Soc., 1970; Desmond Davis Award, 1972. *Publications*: trans. novels from French by Georges Simenon and others. *Address*: 28 St Petersburg Place, W2.

'Pennies do not come from heaven. They have to be earned here on earth...'

THE THATCHER WAY TO ONE NATION



Near the end of her third year in office, the Prime Minister talks frankly to BRIAN CONNELL about the Government's achievements, hopes and difficulties

THE pervading air of calm domesticity in 10 Downing Street is remarkable. Polychrome bowls of spring-fresh polyanthus decorate the console and side tables and fill the handsome Georgian fireplaces, with a backing of laurel and fern. A matutinal lady, Mrs Thatcher is smiling and relaxed, no longer the distinctly tense, bustling figure of her early months as Prime Minister.

Has she found herself growing in office, after the many apprehensions of the early days? "It is just like having a new suit, the longer you wear it the more it fits you. You sort of feel happier in it. It suits me. What can I say? I think most people grow into a job. Most people gain by coming through baptismal fire and, my goodness, I have been through it. You come out strengthened, really strengthened, and I do not find any difficulty in handling the volume of work at all, none whatever, but then I am a worker. My family were workers—work is our life. I do not find any difficulty when I am at international conferences. On the contrary, I find one is playing an increasingly significant role."

This is not so much a half-term report as a three-fifths-of-the-way-through-the-term report, with some 20 to 26 months to go before the next General Election. What does the Prime Minister feel she has accomplished of her original intentions during nearly three years in office?

"It is not for me to judge my performance. Other people must judge that, but I say right at the outset I think that I am one of the politicians who have been prepared to consider the

long-term future of our country as well as the short term. I am not prepared to sacrifice the long-term merely to try to get artificial results in the short term that would not last.

"I am not prepared to cut and run in the middle to try to make it look all right, when I know that I would be creating the kind of bubble that would burst. It is that which will break the mould of British politics, turning away from the soft option to bring people hard up against the responsibilities of democ-

very much more difficulty than we are today.

"Thirdly, we have achieved an understanding that competition is better for the consumer than monopoly—a realisation that the real difficulties now for business and for the people are coming from monopoly industries, which are not so efficient and not getting their costs down per unit to the same extent as the private sector. British Telecom are responding. Where you have a nationalised industry that has to compete, they are bringing

self are getting across our message to them. We are all making representations to the United States along similar lines, saying, 'Look, it is your economy, and we totally agree with you. We have got to get inflation down. Do consider the method by which you get it down because it affects us and our capacity to defend our way of life.' That is the most important thing of all."

At a time when Francis Pym talks of lower standards of living and the long haul, Nicholas Ridley at the Treasury points to a 10 per cent growth in manufacturing productivity over the year and says that the CBI has got its figures wrong, while John MacGregor at Industry asserts that more new firms are being founded than are going bankrupt. What are our immediate prospects amid such inconsistencies?

"They are all looking at the same figures. Some are looking at the things which are happening now, and putting great emphasis and stress on that. Some are saying, 'Yes, I entirely agree, that is encouraging, but there is still a lot that needs to be done.' They are not really inconsistent—no more inconsistent than, say, if you have a cup of coffee in front of you, you can look at it as half full or half empty. What I think happened is that Francis has made that same speech several times before and no one has taken any notice of it."

Package for the small firms

"We are going in the right direction by becoming efficient and competitive, by having given enormous encouragement to small businesses—they have now got the best package of measures from the Government of almost any country in the world. That really is what gives better prospects for employment in the years to come. Efficient industries, recovering profitability—we must continue going in that direction."

"We have made it perfectly clear that we must help those who are badly hit by the world recession. We must help particularly the young. We are way, way ahead of countries like Germany in having our package of special measures."

"The general direction to go in is to see that companies stay competitive, that they are able to build up profits so that they can invest. We have all the incentives to get a really enterprising society, so that people are willing to become self-employed, willing to start up on their own. That does mean seeing that they will get the benefits of the results of their own work."

"With the co-operation of industry, commerce and Government, we are all in a very much more competitive position than we were. Therefore we are much more soundly based to expand in the future. That means that all the hidden unemployment which they had in so many of their concerns has come out of industry and commerce with the redundancies and has come on to my unemployment register."

Even so, at the outset of her term of office, surely the Prime Minister could never have envisaged the present total of three million people out of work? The cost of their maintenance and exclusion from the productive economy was estimated in the last House of Commons debate by Eric Varley at £12 billion a year. Is there not a case for re-directing part of this dead money to finance public works or subsidies to private employers?

"Well, of course, the £12 billion is calculated on a phoney basis, as we know. It is based not only on what you pay out in unemployment benefit and social security, but a calculation of the tax you don't get in, etc. That is an absolutely absurd way to calculate it. The argument is totally fallacious. What you have got to do is to take the amount that you pay out in unemployment benefit and in social security and the amount on rent and rate rebates—that at the moment comes to about £5 billion."

"In part, we are already operating a subsidy scheme for the younger person. The most depressing thing of all for youngsters coming out of school is looking to see if



The many faces of Margaret Thatcher, as seen by Garland

they can get a job in the future. Let us be clear about it, the majority of them have, but of course we are going through three years when we have very heavy numbers of school-leavers because of the birth-rate bulge in the early Sixties—last year it was 902,000 people reaching the age of 16.

"I must equally say to you that employers have spent a long time becoming efficient. That efficiency, cutting their costs, is vital to their future. I cannot ask them to become inefficient again by taking on more people than their costs can bear, because that would be undermining the very 23 million jobs that we have in the economy already."

"Suppose I were to take, say, half that money—that £5 billion—and say, 'All right, I am not going to pay it to you, I am going to put it out to construction.' What would happen to supporting the unemployed and the people who are on social security? There is a great deal of fallacy in this argument."

"If people would work for the amount of money that they are receiving in unemployment pay and social security in the public sector, the extra

we would have to find would be the materials, the supervision and the premises. Maybe that would be possible. But to suggest to them that they work for that—I am afraid they just simply would not. Indeed, as you know, there are a number of jobs for which people will not come forward because they reckon they receive more on social security."

With workers in private industry quiescent in their wage demands during the current recession, is the relative inability of the Government to hold down public sector pay a reproach? The Prime Minister still prefers persuasion and an appeal to reason:

"There is one fundamental message. If we are not having an increase in output as a whole and some group of people can't get more, there is only one place it can come from and that is the pockets of other people. This is the fact of the matter. It does not come from Government. The real difficulty is, if for the same amount of service in the public sector we have to pay more, it takes money which we might have allocated for capital expenditure, for construction, for

more books in schools, for more scanners in hospitals.

"I can only say, 'Look, those of us who are employed and have a reasonable standard of living—don't you think that perhaps we can take the view that it is in part up to us whether the unemployed are going to get jobs, because everyone is a part of society, everyone has some responsibility to a free society.' As you know, I do not take the full amount that I could myself because one tries to do it by way of example."

'Not wholly succeeded...'

"This is the message I have got to get across. We have not wholly succeeded, because everyone thinks of themselves as a special case. In the end we all depend on the prosperity of manufacturing and commercial industry, because their prosperity brims over when we have it and that is what enables the public sector to have a better standard of living."

There is a mild buzz of expectation in Downing Street

at the latest Ladbroke odds, quoting the Conservatives as favourites to win the next election (at odds of 11-8) and Mrs Thatcher top of the list to be the Prime Minister six weeks after that (at odds of 9-4). How does she appraise the threat from the Social Democrats?

"In the longer run you have to make up your mind what you believe in. I haven't seen they have any beliefs yet. I have not seen they have any principles. I have not seen they have any policies. If you are to stand for politics you have to stand for something, be prepared to say what that is and proclaim it, not practise followership."

"It is for the electorate to decide whether to follow and believe in this. I do not see the prospect of principles, values or policies stemming from that miscellaneous collection of people, some of whom did not stay within the Labour party when they were in positions of power and could have put into practice their principles and values."

She describes the innovation of a Cabinet meeting to have an early preview of the Chancellor's budget proposals as a resounding success. Is she carrying a united Cabinet into the election run-up with her? "Yes. Yes." Very firmly, joyously, delightedly. "Yes."

She shows no signs of strain. Her face is unlined, her demeanour buoyant, much more ready to laugh and gesticulate than formerly. What are the well-springs of her extraordinary physical and mental resilience?

"I had the most marvellous upbringing; it stayed with me the rest of my life. It was, I always thought, a very tough upbringing. I was taught from my early years at school, taught by my father, to make up my own mind about my views, to say, 'This is what I believe in, this is what I am going to do.' Then you perhaps find that maybe the crowd comes with you. But never go with the crowd for the sake of going with the crowd—never, never. My goodness, it was hard as a young person; it was hard, but it was right."