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YOUR TELEGRAM NO 11: PRIME MINISTER'S INTERVIEW WITH BARBARA WALTERS

1. THIS INTERVIEW WILL ATTRACT A VERY LARGE AUDIENCE. THE AMERICAN PUBLIC WILL BE EAGER FOR A FIRST HAND IMPRESSION OF THE PRIME MINISTER AFTER HER VICTORY AND WILL BE LOOKING FOR PARALLELS WITH THEIR OWN ELECTORAL SITUATION LEADING UP TO 1984. THE PRIME MINISTER WILL NOT, I IMAGINE, WANT TO BE DRAWN ONTO THIS DELICATE TERRITORY.
2. IT WILL PROVIDE A GOOD OPPORTUNITY HOWEVER TO ADDRESS INDIRECTLY THE FEELING OF MANY VIEWERS THAT THERE IS A MOOD OF ANTI-AMERICANISM IN EUROPE. THE PRIME MINISTER'S AUDIENCE WILL NEVER TIRE OF HEARING HER STRESS OUR SHARED DEMOCRATIC VALUES AND THE COMMON CAUSES WE HAVE BOTH IN DEFENDING THOSE VALUES AGAINST SOVIET THREATS AND MAINTAINING THE FREE WORLD'S TRADING AND FINANCIAL SYSTEM INTACT. IT WOULD ALSO BE AN OPPORTUNITY FOR THE PRIME MINISTER TO ASSURE THE UNITED STATES PUBLIC THAT THE DEPLOYMENT OF U.S. NUCLEAR WEAPONS WILL GO AHEAD IN THE UNITED KINGDOM TO MATCH THE SS20 'S IF THE GENEVA NEGOTIATIONS DO NOT SUCCEED BECAUSE OF SOVIET OBDRACY; AND THAT U.S. BASES WILL REMAIN WELCOME UNDER HER GOVERNMENT.
3. IN DEALING WITH THE RESULTS OF THE GENERAL ELECTION, THE PRIME MINISTER WILL BE AWARE THAT HER VICTORY GAVE UNIVERSAL SATISFACTION HERE, FROM THE PRESIDENT DOWNWARDS. WHILE MANY PEOPLE WILL SHARE THE VIEWS OF THE BALTIMORE SUN THAT THE BRITISH ELECTORAL SYSTEM GIVES A GUARANTEE OF DECISIVE GOVERNMENT, THERE WILL BE SOME WHO TAKE THE VIEW THAT THE FIRST PAST THE POST SYSTEM PRODUCES AN ELEMENT OF

VIEW THAT THE FIRST PAST THE POST SYSTEM PRODUCES AN ELEMENT OF INEQUITY. BARBARA WALTERS MAY RAISE THIS POINT.

4. ON THE FALKLANDS, THE PRIME MINISTER WILL BE AWARE OF THE WHOLEHEARTED ADMIRATION IN THE UNITED STATES FOR BRITAIN'S PERFORMANCE UNDER HER LEADERSHIP DURING THE FALKLANDS WAR. THE VAST MAJORITY OF AMERICANS BELIEVE WE DID THE RIGHT THING IN RESISTING AGGRESSION BY FORCE, AND RECOGNISE THAT WE DID IT OUTSTANDINGLY WELL. THE AMERICAN SERVICE DEPARTMENTS WERE ALSO UNSTINTING IN THEIR AID. BUT THE AMERICANS ARE NEUTRAL ON THE QUESTION OF SOVEREIGNTY AND WILL CONTINUE TO ARGUE THAT, ONCE IT HAS BEEN POSSIBLE TO RE-ESTABLISH A MORE NORMAL RELATIONSHIP WITH ARGENTINA, WE SHOULD BE PREPARED TO DISCUSS THE FUTURE. THEY RECOGNISE THE OVERRIDING IMPORTANCE WE ATTACH TO THE RIGHTS OF THE ISLANDERS AND HAVE BEEN LEFT IN NO DOUBT AS TO OUR POLICY ON THIS SCORE. FROM THE STANDPOINT OF A SUPER POWER, WITH GLOBAL INTERESTS, HOWEVER THEY WILL CONTINUE TO BE CONCERNED ABOUT THE OPPORTUNITIES WHICH A CONTINUING FOCUS OF DISPUTE IN THE SOUTH ATLANTIC RISKS OFFERING THE RUSSIANS. THEY ARE ALSO, OF COURSE, CONCERNED TO MEND THEIR FENCES WITH LATIN AMERICA.

5. ON REAGAN'S HANDLING OF THE RUSSIANS, THE PRIME MINISTER WILL BE ABLE TO DRAW ON THE WILLIAMSBURG STATEMENT. AMERICANS RECOGNISE THE PRIME MINISTERS HAND IN THIS. IN THE MINDS OF MOST AMERICANS, A SUBSTANTIAL INCREASE IN U.S. DEFENCE EXPENDITURE WAS ENTIRELY JUSTIFIED, TO REDRESS THE IMBALANCE CREATED DURING THE 1970 'S. THE SITUATION, AS DESCRIBED BY HAROLD BROWN (CARTER'S DEFENCE SECRETARY) WAS: QUOTE WHEN WE BUILD, THE SOVIETS BUILD. WHEN WE STOP BUILDING, THEY BUILD. UNQUOTE AMERICAN VIEWERS WOULD WELCOME A ROBUST ENDORSEMENT FROM THE PRIME MINISTER OF THE NEED TO BUILD THE ALLIANCE'S STRENGTH IN PARALLEL WITH THE PURSUIT OF ARMS REDUCTION AND LIMITATION AGREEMENTS, WHICH IS NOW RECEIVING EQUAL EMPHASIS. THE PRIME MINISTER MAY THINK IT WORTH STRESSING THE WELCOME IN BRITAIN FOR THIS TWO-TRACK POLICY.

6. ON THE U.S. ECONOMY, IT IS CLEAR THAT TAX CUTS HAVE PRECEDENCE OVER THE BUDGET DEFICIT IN THE RUN UP TO THE 1984 ELECTIONS, IN THE ADMINISTRATION AS WELL AS, WITH SOME EXCEPTIONS, IN THE CONGRESS. WHILE THERE MAY BE SCOPE FOR TECHNICAL ARGUMENT, THE POLITICAL DECISION HAS BEEN TAKEN.

WRIGHT