

L.T.



10 DOWNING STREET

PRIME MINISTER,

1. MICHAEL DOOLIN  
TELEPHONED YESTERDAY.
  
2. SINCE, IN MY OPINION,  
YOU BEHAVED IMPROPERLY  
ABOUT THIS, I WOULD  
LIKE TO GET THE TRUE  
POSITION ON THE RECORD.
  
3. HAVE I YOUR CONSENT  
TO SEND THIS LETTER  
TO MICHAEL?

Yes - it should  
be on the  
record.

8/9/1961

SECRET

8th September, 1981

When you telephoned yesterday afternoon, you expressed some concern about the way in which the P.T. matter had been handled. I hope to be able to re-assure you.

P.T. was due to return from his holiday in Italy on 15th September, and to return to the office on 16th September.

The Prime Minister, naturally, wanted to see him herself. Clearly, she could not travel to Italy in order to see him. It was out of consideration for P.T., that she did not think it appropriate to invite him to interrupt his holiday, in order to see her.

Equally, and I am sure rightly, the Prime Minister did not think it appropriate to telephone to P.T. in Italy.

The Prime Minister therefore invited me to go to see Peter. As you would expect, my opening words to him were:-

"The Prime Minister is very sorry indeed that she is not able to talk to you herself, and that is why she has asked me to come to see you".

P.T. expressed his warm appreciation of the most thoughtful and courteous way in which the Prime Minister had dealt with the matter.

It is not for me to comment on the person whom the Prime Minister asked to undertake this task; I will only say that over the past 2½ years I have seen P.T. at least once almost every week, and frequently more often than that. Despite an age gap of nearly 30 years, I think that P.T. himself would confirm that he and I have become close personal and political friends.

I rather had the impression that you may also have been expressing the thoughts of W.W. as well. Do please feel free to show to him (although to no one else) this letter.

I enclose copies of P.T.'s letter to the Prime Minister dated 25th August and of her reply dated 7th September, which will

be published in the usual way.

I confirm that I will come round to see you in your room at 10.00 a.m. on Thursday 10th September.

IAN GOW

The Right Honourable Michael Jopling, M.P.  
Government Chief Whip,  
12 Downing Street,  
London SW1

THORNEYCROFT

14th Sept 1981 *Running*  
*Standard*

that he's made very... that he'll have most elegant company. For, in insisting that he should take Lord Gowrie and Nicholas Scott with him, he's endowing the Northern Ireland office with a most unlikely glamour.

Poetry writing "Grey" Gowrie, 41, has the reputation as being the most civilised and attractive of the Tory peers. Hitherto Prior's Minister of State at Employment, he was born in Dublin and spent much of his childhood in Donegal. You will remember that his wife, Adelheid, born a German countess, was thrown out of the Old Bailey during the Ripper trial.

Even more remarkable, perhaps, is the return to office of Nicholas Scott, the urbane member for Chelsea. Definitely moist, he certainly wasn't a favourite of Mrs Thatcher some years ago when his constituency and domestic relations were in turmoil almost on the Thatcher Flood Street doorstep.

Certainly his appointment came as rather a surprise to him. He and his second wife, Cecilia, one of Lord Hawke's many daughters, were all booked

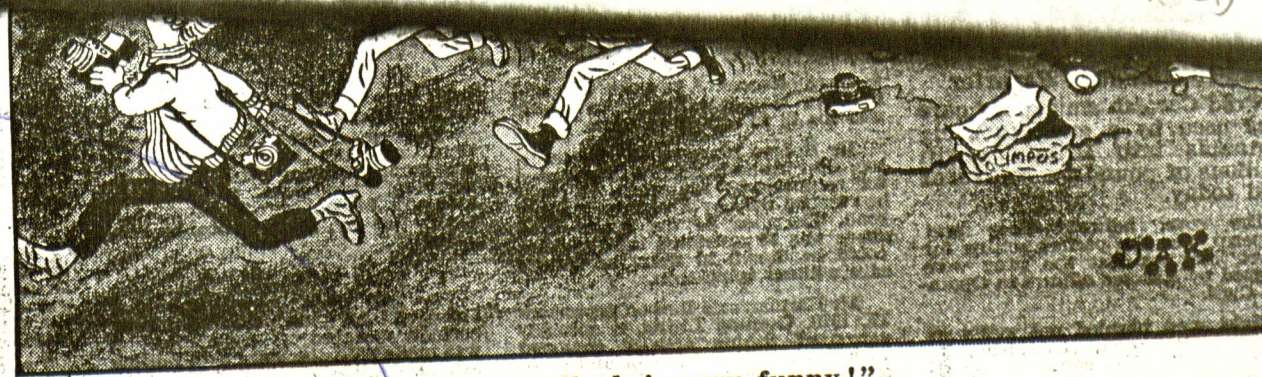
direction to Ireland later this evening."

I have to record one Prior failure already, however. He hasn't managed to persuade his chauffeur at Employment to go with him, though he wanted him to do so. I gather the gentleman, Ron Vaughan, declined the dubious pleasure of a Northern Ireland stint.

### Farewell note

THE PRIME MINISTER was so worried about the effect of his sacking on Lord Thorneycroft that she sent Ian Gow, her PPS, to Venice last week to warn him. Gow flew out in conditions of great secrecy to give the holidaying Thorneycroft, 72, and his wife Carla, the bad news.

Civil though the gesture was, Mrs Thatcher need hardly have worried. Thorneycroft, a dab hand at resignations, had already pre-empted his dismissal by writing to the Prime Minister and offering his resignation. This came in the aftermath of his public disagreement with Sir Geoffrey Howe's statement that the recession was over.



In his letter he suggested his replacement as party chairman by a younger man. He must be gratified that he has got his wish in Cecil Parkinson.

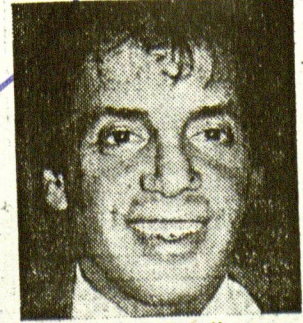
### Counting the cost

FILM PRODUCER Michael Klinger, may be regretting the name chosen for his latest film — Riding High. Claims resulting from the film are believed to be the main factor behind a creditors meeting of the producer's company, Michael Klinger Limited, which has been called for the beginning of next month.

Riding High, which stars motor cycle stunt man Eddie Kidd, was not a box office success when it was released in the summer. Speculation about money troubles on the film began around the same time, with claims of unpaid hotel

evasion and it was a condition of the new licence being granted that they had nothing to do with the club.

Jim Fouratt, the new greeter, seemed to be taking this advice seriously when I spoke to him a few weeks ago, but now he's relented so far as to allow



Steve Rubell

the duo to grace the opening party.

The new decor incorporates sets from the musical Frankenstein that bombed

"Usually he's very funny!"

stylist. As a rule Bengston flies up to Washington every fortnight to prepare her for her more important engagements while Mr Marc washes and sets Mrs Reagan's hair about once a week.

Bengston was not happy at seeing Mr Marc in London. "He told Mrs Reagan that he was going to be in London anyway to watch The Wedding, and could he have the honour of doing her hair during the stay. Mrs Reagan hates to hurt people's feelings so she let him do it once, before the ballet. Now Mr Marc has told the whole American press, and the networks, that he did her hair for the whole tour."

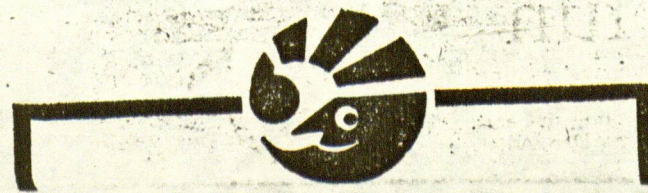
### Military two-step

LEO COOPER and all those military publishers should look to their lists. This week they have a new rival in the crowded but booming field of war books.

However, that would give the lie to a very proper background. Their father Tom is in the history books as the commander of the anti-tank company during the SNIPE bit of Alamein while their great-uncle was the great Fougasse, whose cartoons were such a part of the propaganda battle on the Home Front of the Forties. They also should know about publishing. Nicky Bird is currently the V & A's publication officer.

The groundwork show The new firm starts with three books this week and its tome on Sea Warfare. H. P. Willmott has a contribution from Admiral the Fleet Lord Hill-Norton. Another five volumes are already underway ranging in subject from the Civil War to Vietnam.

PIPE-SMOKING L. Walesa has made so many new friends here. Members of the Pipesmokers Council so loved the sight of Walesa puffing away...





10 DOWNING STREET

11th September, 1981

PRIVATE & CONFIDENTIAL

I am so very sorry that you did not receive the Prime Minister's letter dated 7th September before you left Venice on 10th September.

As arranged on the telephone, I am enclosing a photocopy of your manuscript letter to the Prime Minister dated 25th August, of your letter to Constituency Chairmen dated 2nd August and of the Prime Minister's reply dated 7th September.

These letters will be released to the Press in the usual way at the appropriate moment.

You mentioned that you had arranged a meeting with your Directors at Central Office at 3.30 p.m. on Monday, 14th September. When you get back to your flat would you be kind enough, please, to give me a ring?

I will be at 930 4433 throughout the day.

I hope that you had a good trip back.

Ian Gow

The Rt. Hon. Lord Thorneycroft, CH

25 August 1981.

My dear Margaret,

You appointed me as Chairman of the Conservative Party six and a half years ago. Under your leadership, our Party won a momentous victory in May 1979. Since then despite the upsurge in oil prices and <sup>the</sup> world recession the Government has made significant progress in the massive task of halting and ~~then~~ reversing the long years of decline.

After the Election you asked me to stay on as Party Chairman and I was glad to do so. I have

enjoyed the last six and a half years enormously. During nearly half a century of politics they have been the most rewarding. About a year ago however I reminded you that by the time of the next Election your Party Chairman would be around seventy five years of age and that if a new Chairman was to be appointed it would be desirable to do so in time for him to assume responsibility for the Party Organisation in time for the run up to that event. My advice to you now is that you should appoint a younger man to undertake this task.

I would like to take this opportunity to thank you for having given me the opportunity to serve the Party during such an important period and also for many kindnesses in rough times as well as smooth.

By my part I have always sought to present the collective view of the Government and of the Party on many platforms throughout the country. I attach as part of this letter the final message which I sent to Constituency Chairman to Agents and to others at the end of ~~July~~ (which I hope begins of this month)



illustrates the determined,  
undogmatic and caring party  
which we have always been  
and will under your leadership  
I know remain.

Yours ever.

JM



10 DOWNING STREET

THE PRIME MINISTER

7th September, 1981

*My dear Peter.*

Thank you so much for your letter of 25th August.

You know how greatly I have relied upon your advice since I became Leader of our Party in February 1975.

You know, too, how enormously I have valued your untiring work as Chairman of the Party over the past six and a half years.

The Conservative Party has had many distinguished Chairmen. You have served in this post for longer than any of your predecessors with the single exception of Lord Woolton. Your contribution to the advancement of the Conservative cause has been unique and it is typical of your magnanimity that you should advise that I should now appoint a younger successor.

I remember that you first entered the House of Commons in 1938, and that you first became a Minister in 1945. I remember, too, your long service as a member of the Cabinet. You say, generously, that your time as Chairman of our Party has been the most rewarding of your long career. I have enjoyed, so much, working with you. I hope that the Party and I may continue to have your advice in the years that lie ahead.

I send to you - and to Carla - who has always supported you so magnificently - my warmest gratitude and that of the whole Party for all that you have both done for our Party and for our country.

*Yours ever*

*Margaret*

The Rt Hon Lord Thorneycroft CH

HOTEL  
EUROPA & REGINA  
VENEZIA



You invited me as Chairman of the Consensus  
Party in at a half years ago.  
Under your leadership, our party was a minister  
in 1979; since then, despite the surge in  
oil prices and world recession, the Government will  
fulfill the made significant progress in the economic  
part of halting the revenue the long years of  
decline.

After the election, you asked me to stay as  
Party Chairman, and I was glad to do so.

I am now in my 73<sup>rd</sup> year. The time has  
now come for me to lay down the load  
with which you entrusted me as your Chairman.

Leave 1 on Park. By advice in the  
you should visit a younger man no claim of  
the Park.

I have suggested the fact in a full year  
informed. I am nearly half a century of  
active politics, these years have been the  
most successful.

I would like to talk to you for the  
general interest of confidence all of your  
advice show to take it to me.

I will continue to be a warm supporter  
of the Government and you generally in line  
number.

The Countess Chicogna  
20 Dorsudora  
Venice  
ITALY

4th September 1981

You really did give me the most delicious and memorable dinner on Tuesday, and another superb lunch on Wednesday.

Thank you so much for your most generous hospitality - and to a complete stranger.

You did so much to make my visit to Venice a happy one, and I really am most grateful.

I have asked Peter to let me know when next you are going to be in London, so that Jane and I may return a small part of your generosity to me.

With renewed and very special thanks.

L5

THIS TRANSCRIPT WAS TYPED FROM AN RTU RECORDING AND NOT COPIED FROM AN ORIGINAL SCRIPT. BECAUSE OF THE RISK OF MISHEARING AND THE DIFFICULTY IN SOME CASES OF IDENTIFYING INDIVIDUAL SPEAKERS THE BBC CANNOT VOUCH FOR ITS COMPLETE ACCURACY.

RECORDING SERVICES (RADIO)  
Tape Transcript by Radio Transcribing Unit

Item from WORLD THIS WEEKEND

Disagreement over Geoffrey Howe's view that the recession is ending.  
Geoffrey Wareham interviews Lord Thorneycroft.

TRANSMISSION:

2nd August 1981

IN CUE:

Well you heard Mr. Foot there seizing gleefully on remarks made by the Chairman of the Conservative Party, Lord Thorneycroft, as evidence of a considerable divergence of view between the Chancellor of the Exchequer and the Prime Minister on one hand and other senior Conservatives on the other. You may recall that on Thursday, Sir Geoffrey Howe, in a Parliamentary answer referred to, 'the fact that we are now at the end of the recession.' An argument he has defended subsequently in radio and television interviews, most recently in the news bulletin a few minutes ago. But yesterday Mr. Francis Pym, the Leader of the House, said that in his judgement the British people will not be prepared much longer to tolerate the worst effects of recession if there is not a clear sign that the sacrifice will have been worthwhile. And Lord Thorneycroft added his view that there was no sign of the recession bottoming out. This morning Geoffrey Wareham visited the Conservative Chairman. Was not his view deeply at odds with the Chancellor's reference to 'the fact that recession was at an end.'

THORNEYCROFT:

I think it depends a bit about the use of words. 'The end of the recession' is a fairly loose phrase. It may be that it's not going deeper. This is quite possible but it's deep enough for me at the moment. And it's deep enough for most industrialists and it's causing as it exists today, very great loss of jobs everywhere - very great difficulty in improving employment. And this is what I call a very deep recession. And there are no great signs, and I don't think anybody's suggested, of it's picking up.

WAREHAM:

Now, Mr. Francis Pym seems to think that there's a limit to people's tolerance in hard times and, when you and Mr. Peter Walker and Mr. Pym make remarks which appear to contradict the Chancellor's view, doesn't this tend to isolate Mrs. Thatcher and the Chancellor.

THORNEYCROFT:

Well I personally yield to no man in my admiration for what Margaret Thatcher and the Chancellor of the Exchequer have

done. They've tackled a declining situation with immense courage and determination. Without the efforts/<sup>that</sup> they've put in we wouldn't be in any kind of situation to take any of the opportunities which lie ahead. What is being said, and I think rightly, that in a recession inevitably you spend more money than otherwise you would do or, indeed, than you would wish to do. We've had to put more money into nationalised industries but we shouldn't be ashamed of that. We put them into great concerns like British Leyland, the Metro Line, the MacGregor, - the steel industry, Llandwern, that great industrial complex in South Wales, and Port Talbot, amongst the most efficient steelworks in Europe or the world. These are matters to be proud of not to be ashamed about. They are causes for hope rather than despair.

WAREHAM: But at the same time, it's not what the government wanted to do, is it? Doesn't that amount to, in part at least, a failure of policy.

THORNEYCROFT: No. I think the government would always have wished to support the great public enterprises which it inherited. It would <sup>it didn't</sup> have wished /inherit quite so many, that I would agree, but whether it's the railways or steel or any other, undoubtedly we ought to give them all the support we can.

WAREHAM: But when you say that the recession clearly has not bottomed out and it's very very rough indeed, is that as pessimistic as it sounds? It sounds very pessimistic to me.

THORNEYCROFT: Well, I think it's factual. I really do.

WAREHAM: And surely that is a great disappointment as far as the government's concerned, isn't it?

THORNEYCROFT: You say a disappointment. It's/<sup>not</sup> something the government can control. This is the world recession that I'm talking about. The government is responsible for what we do here, that's a separate thing.

WAREHAM: Yes. Well, as you say there are many circumstances well beyond the government's control, but is there going to be enough time left in the life of this parliament, this government, to persuade

electors to return a Conservative government again?

THORNEYCROFT: I don't think that governments, or even Party Chairmen, should spend their whole time thinking just precisely what the country's going to look like six months before some imagined future election. I don't think this is a good way of governing the county or even of running a party. If they do the right thing, if they pursue them with the courage that Margaret Thatcher and Geoffrey Howe have been pursuing them, then, if fortune blesses them, some at least of the results of those policies will begin to show up in time. The trends will be in the right direction. They will be judged against the schemes which are suggested on the other side. The country will choose between us, with our prudent economics, our sound (I think) policies, and these rather wildcat stuff outside and I think they'll judge in our favour.

WAREHAM: Now, over quite a long period, it seems that the Treasury has been consistently gloomy about the economy while Treasury ministers seem to have been just as consistently optimistic. I mean, is there is a feeling that the Treasury should shut up until they can get their forecast right?

THORNEYCROFT: Oh, no, no. Look here, I'm not going to make.. We can all express our own views about the economy and heaven knows the press do, very freely as well, and the radio, everybody has a go at it. I've given you my view that I don't see it picking up at this moment/<sup>I</sup>don't say it's getting worse but it's in a very condition and I think this is the view held by most of the industrialists whom I talk to. That's a fact of life.

OUT CUE: Lord Thorneycroft who, apart from being Chairman of the Conservative Party, was, I may remind you, a former Chancellor of the Exchequer.