

Private & Confidential.

25th August 1981.

The Rt.Hon. Mrs. Margaret Thatcher, M.P., Prime Minister, 10 Downing Street, London, S.W.1.

Dear Prime Minister,

Further to my letter of 6th August I have now, as you suggested, seen Antony Jay. He thinks that the economic relationships between unit labour costs and competitiveness on the one hand and jobs on the other could be presented effectively.

He thinks that we should not reject the idea of devoting a concentrated short series of PPBs (he has recently, as you probably know, been approached for his possible help by Alan Howarth) to a presentation of the causes and cure of unemployment.

He believes that by putting the arguments in terms of the problem that faces <u>all</u> UK governments we could gain in effectiveness: and he suggests that the short series could be (a) collected into a single videotape film which you could introduce, if you wished, as a separate follow-up and (b) could be referred to by all of us when being interviewed as an analysis that must be taken into account.

He says that the cost would be a minimum of £2,000 per minute shown and would rise according to the amount, if any, and type of animated cartoon used.

He is, as you know, very strongly in sympathy with our analysis and our purposes.

I have seen Geoffrey Howe's minute to you of August 11th. He will not be aware that you authorised me to make some enquiries but of Antony Jay for this particular possibility rather than Tim Bell.

I suggest that you and Geoffrey may like to discuss the idea with Antony Jay. He would need the sort of material mentioned in my letter if we were to ask him to embark.

Because I only saw Antony Jay on the eve of my departure on holiday I am asking my secretary to sign this letter to you. Copies go to Geoffrey, Norman Tebbit, Ian Gow and John Hoskyns.

Yours sincerely,

Je Kath Joseph VSa



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4th September 1981.

The Rt.Hon. Sir Geoffrey Howe, Q.C., M.P., 11 Downing Street, London, S.W.1.

I have now spoken to Tim Bell, who is keen to help. I have told him that I have also spoken to Antony Jay, and am telling Antony that I have spoken to Tim Bell.

They are now both awaiting the material which you said you would mobilise. I have given them both the name of Peter Cropper as the link.

Would Peter please send me a copy of the material also - and perhaps to John Hoskyns too.

attached

I don't know whether you have yet seen Bill Robinson's paper dated August 1981 on "The Manufacturing Recession and Structural Change". I suggest that the four pages of this paper should be included in the material, and that pages 3 and 4 - unless your advisers disagree with them - may help those concerned understand the relationship between exchange rates and unit labour costs in their presentation task.

Both Antony Jay and Tim Bell realise that at this stage we are asking only for ideas on how they would set about advising us on the best way to bring the realities home more effectively to larger numbers of the public, and in addition how to change the level of understanding on which interviews are based.

At this stage we do not have to consider whether it is on the party or the government account that we would be functioning.

I am copying this letter to the Prime Minister and to Norman Tebbit, Ian Gow and John Hoskyns.