



File No
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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

18 October 1988

PRIME MINISTER'S INTERVIEW WITH "POLITYKA"

I now enclose the answers to the domestic questions put by Polityka which the Prime Minister has approved. I should be grateful if they could be put together with those dealing with international questions which I sent you yesterday and despatched to Warsaw by this evening's bag.

CHARLES POWELL

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

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PRIME MINISTER

POLISH INTERVIEW: DOMESTIC QUESTIONS

I have had a go at recasting Bernard's
excellent answers in a form which may be more
adapted to a Polish audience.

Content for them to issue?

C D P

yes - Vaughan

C. D. POWELL

17 October 1988

very much
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1. Prime Minister, you are now in your tenth year of office, having been the longest serving British Prime Minister this century and three times an election winner - unequalled during the last two centuries. What is the secret of your success?

From the outset I believed first that the Government should behave according to certain principles, and second that governments should face up to difficult problems, and not run away from them, even when this involves unpopular decisions. When I became Prime Minister in 1979, I knew we had to tackle certain basic problems if we were to turn Britain round. We had to get the economy right - to conquer inflation, to get public spending under control, to reform our industrial relations and to encourage initiative and enterprise. To achieve all these things, we had to take many hard and difficult decisions which were not at all popular, and then stick to them. It was because we persevered then that the country is now reaping the benefits.

2. Britain in 1979, when you first moved into No.10 Downing Street, and 1988 are two different countries. What changes would you emphasise as most profound and important for your country?

I think the first and most important change is the difference in attitude. In 1979 there was a mood of defeatism. Now people believe in themselves again. This change in attitude stems in part from the change in our economic fortunes. Inflation and spending are under control. Taxes have been reduced. And our reform of industrial relations legislation has greatly diminished the number of strikes. But the change in attitudes also arises from the Government's determination to encourage individual responsibility and enterprise. By getting the economy right and promoting a society in which enterprise and initiative are rewarded we now have one of the fastest growing economies in Europe. This in turn has given Britain's voice more weight in world affairs.

3. You have your admirers who applaud successes and critics who despair over their social costs. What is the price that the British pay for transforming their country from pessimistic and apathetic, as in 1979, into a dynamic enterprising one in 1988?

The question you ought to ask is this: what would have been the price of failure to transform our country? A chronically inflationary, uncompetitive and strike-ridden country is by definition one which also has considerable social problems. For one thing, inflation eats away the value of savings and guarantees a hard time for the elderly. And an uncompetitive economy is simply incapable of generating the funds necessary to finance proper health and welfare spending. By tackling these problems we have indeed transformed Britain. And by doing so, we are now generating the wealth required to expand and improve health, welfare, education and other social services. Moreover, the benefits of our expanding economy are now spreading to all parts of the country.

4. One often hears attacks - and praise as well - on your policy towards the trade unions. What is the essence of it? Where has the political leverage of trade unions gone?

To understand my approach, you need to look at the situation as it was in Britain. Our trade unions were not democratically run. Rather the Trade Union bosses were able to dictate to their members and over-ride their individual interests. In many areas, we had a closed shop, which meant that you could not work unless you were a member of a Trade Union. We also suffered from secondary picketing, where trade unions would call out their members on strike in support of a dispute in another sector of the economy, even where their members were not directly involved.

We have now changed the law to take power away from union leaders and give it back to their individual members - notably by introducing secret ballots for deciding whether or not to strike and for electing union officers. We have outlawed secondary picketing, we have acted against the closed shop and we have made trade unions legally responsible for their decisions. The result is there for all to see - the lowest number of strikes for half a century and an economy which is among the fastest growing in Europe.

5. To put it in a nutshell, what is the essence of Thatcherism?

I am not very keen on this modern passion for labelling everything. Much of what is called Thatcherism has roots which go back very much further than me. The absolutely fundamental starting point is a belief in freedom under a rule of law which is impartially administered. It means acceptance that the law imposes restraints on the power of those who govern, as well as on the actions of the individual citizen. It also means that government should not try to do the things which people can do better themselves. The task of government is to provide the basic framework of sound finance: to protect the weak in society by providing the basic social services including health and education: and to secure the country's defence. For everything else, it is better to let people run their own lives and take their own decisions, participating fully in government at every level. When all is said and done, the essence of Thatcherism is a profound belief in democracy and sheer commonsense.

6. You are a lady in the tough mans world of politics. Does it help or hinder to be a woman in the driving seat? Some say that you use that unique situation skilfully.

I cannot tell you whether it helps or hinders because I have never been a man! And I am not that unique among

leaders. After all Golda Meir, in Israel, and Mrs. Gandhi, in India, were in power before me. I do not look at the job of leading a Government or representing one's country in terms of gender. My task, like that of any head of government, is to serve the best interests of his or her people both at home and abroad. In doing so, I most certainly do not think I am handicapped by being a woman. We may not be the world's most natural orators but we are pretty shrewd, perceptive and, above all, practical people. And what ordinary people perhaps look for more than anything else in their leaders is for sound, practical commonsense.

File

PRIME MINISTER

cc: Mr. Ingham

bc-PC

VISIT TO POLAND: WRITTEN INTERVIEW

You agreed to give a written interview to the Polish journal "Polityka" before your visit there. They have put in a substantial list of questions. I attach answers which I have prepared to them dealing with foreign affairs and relations with Poland. Bernard will submit separately answers on a number of domestic points.

Content with these answers?

Charles Powell

14 October 1988

Questions to the Right Hon. Mrs. Margaret Thatcher, the Prime Minister of the United Kingdom of Britain and Northern Ireland:

1. Prime Minister, you are now in the 10th year in office, having been the longest serving Prime Minister this century and four times election winner unequalled during the last two centuries. What is the secret of your success?
2. Britain in 1979 when you first moved into 10, Downing Street and in 1988 are two different countries. What changes would you emphasize as most profound and important for your country?
3. You have your admirers who applaud successes and critics who despair over their social costs. What is the price that the British pay for transforming their country from pessimistic and apathetic, as in 1979, into dynamic, enterprising one in 1988?
4. One hear often attacks - and praise as well - on your policy towards the trade unions. What is the essence of it? Where the political leverage of trade unions has gone?
5. To put it in the nutshell, what is the essence of thatcherism?
6. You are the western leader with longest stay in office. How do you see international British role - and your own - in the present time?
7. London enjoys special relationship with Washington, you also have a very good understanding with Mr. Gorbachev. Is that not a unique position in the West-East relations? How do you propose to use it?
8. Your early description of Mr. Gorbachev ("The man I can do business with") made countless headlines and brought you praise for your political foresight. Yet you do not do much business with the USSR where Americans are doing it - in disarmament. Why Britain is staying behind in that historical process?

9. Eastern Europe, notably USSR and Poland, entered a process of profound and rapid change. You often praised "perestrojka" and its importance. Yet, do you think that the West, leaders and the public, are capable, politically and intellectually, to grasp the importance of that process and act accordingly?

10. You are often a voice of reason and moderation in the EEC? Are you happy with some moves - or at least discussions - towards two - tier Europe, with Bonn and Paris leading the rest?

11. What is your vision of future peacefull, stable, co-operating Europe in full sense of that term, from Atlantic to Urals?

12. How would you define a role of smaller countries, staying close to superpowers, like the UK and Poland, in the international scene, particularly East-West dialogue?

13. Are you satisfied with the present scope and intensity of British-Polish relations, both political and economic? Trade seems not to be reflecting respective economic potentials, credits are still in the freeze...

14. Poles vividly remember our war time alliance and the fight against common enemy. Are those memories still live in Britain?

15. Your government still blocks the transfer of Gen. Sikorski's remains and reburying them in the Wawel Castle, where Polish kings and national heroes rest in peace. The Polish government, the church and all segments of the Polish public opinion support that transfer, why then the refusal going against the will of millions to satisfy the handful?

16. You are a lady in the world of the tough men's world of politics. Does it help or hinder to be women in the driving seat? Some say that you use that unique situation extremely skillfully...

PRIME MINISTER'S VISIT TO POLAND:
INTERVIEW WITH POLITYKA

6. You are the Western leader with longest stay in office. How do you see international British role - and your own - in the present time?

Britain is a country which has always looked outward and played a role right across the world. That is something deeply rooted in our people. With our remarkable economic resurgence over the last eight years, we are better placed than ever to play such a role - and the continuity of our policies under the Conservative Government for nearly ten years has given Britain's voice added weight. We are a strong and active member of the Western community of nations, working with others in NATO, in the Economic Summit Seven, and in the European Community. As a Permanent Member of the United Nations Security Council and a prominent member of the Commonwealth we have additional opportunities to exercise a world-wide influence.

We use our position to ensure the strong defence of our way of life and beliefs; to work for agreements which reduce hostility between East and West and make it possible for ever more people to enjoy the benefits of democracy and basic human rights; and to co-operate with others to secure economic growth and the reduction of barriers to trade. I think you would be hard pressed to find an area where Britain is not playing a very active and constructive role.

7. London enjoys special relationship with Washington, you also have a very good understanding with Mr. Gorbachev. Is that not a unique position in the West-East relations? How do you propose to use it?

Yes, we certainly have a special relationship with the

United States. It was cemented during the Second World War. But it stems from something much more profound: our fundamental attachment to liberty and democracy. I am sure that it will continue. At the same time, we were fortunate enough to get to know President Gorbachev before he became General Secretary of the CPSU, and he and I have always been able to speak very frankly to each other, not hiding our differences, but looking for ways to reach agreements. I admire the courageous policies of restructuring and greater openness which he has introduced to the Soviet Union. I very much hope that he will succeed in the immensely difficult task which lies ahead of him.

But I must make one thing clear: if the implication of your question is that Britain has a position somehow equidistant between the United States and the Soviet Union, that simply is not so. We are close and loyal allies of the United States, and I am sure that Mr. Gorbachev realises that there is no point in trying to detach us, any more than I would question Poland's alliance with the Soviet Union within the Warsaw Pact. So I see Britain's role to be constantly looking for ways to increase contacts between East and West, to extend economic links and to promote understanding so that the Iron Curtain which descended on Europe at the end of World War Two can be lifted.

8. Your early description of Mr. Gorbachev ("The man I can do business with") made countless headlines and brought you praise for your political foresight. Yet you do not do much business with the USSR where Americans are doing it - in disarmament. Why is Britain staying behind in that historical process?

The assumption behind your question is well wide of the mark. Britain does play a very active and inventive part in the arms control process at every level - nuclear,

chemical and conventional. On the Western side, these issues are not the preserve of one country: they are regularly discussed in NATO and we reach conclusions and act as an alliance. But there is a very important point to make. It is not weapons which cause conflicts. They happen when countries which seek to extend their domination under-estimate the resolve of others. That is why I believe that a strong and sure defence is the best guarantee of peace, and nuclear weapons are an essential part of that defence. Indeed, it has been nuclear weapons which have kept the peace in Europe for over forty years. Britain's own nuclear deterrent is only a tiny proportion - three per cent - of the nuclear weapons available to the Soviet Union and there is therefore no reason for us to reduce them.

But that does not stop us playing a part in other arms control negotiations where the aim is balanced reductions and effective verification. We were active in the discussions leading up to the INF Treaty. We have always taken a leading part in efforts to achieve a global ban on chemical weapons - and we destroyed all our own chemical weapons in 1958. We are working for agreement on a mandate for conventional stability talks in Europe, which will reduce the huge imbalance in the Warsaw Pact's favour in conventional weapons in Europe.

This hardly amounts to "staying behind in the historical process" as your question suggests. Rather, we are the leading proponents of a realistic and effective approach to arms

9. Eastern Europe, notably USSR and Poland, entered a process of profound and rapid change. You often praised "perestroika" and its importance. Yet, do you think that the West, leaders and public, are capable, politically and intellectually, to grasp the importance of that process and act accordingly?

Of course people in the West grasp the importance of "perestroika". After all, our societies are based on giving the greatest possible degree of freedom to the individual. We recognise that people will never give their best in the economic life of the country unless they feel that they are a full part of its political life through democratic institutions. We therefore feel we know much more about "perestroika" and "glasnost" than others who are only just beginning to experience them. We want to see people who have been accustomed to a system where the State decides everything and the individual nothing enjoy greater freedom. We realise that there are still opponents of this process and there remains a long way to go before it really takes root throughout the Communist world. One of the purposes of my visit to Poland will be to hear how people there see perestroika and its implications for your country's future.

10. You are often a voice of reason and moderation in the EEC. Are you happy with some moves - or at least discussions - towards two-tier Europe, with Bonn and Paris leading the rest?

Britain takes a very practical approach to the development of the European Community. We do not worry over much about theoretical models or abstract concepts. We believe in tackling the real problems, for instance reforming Europe's agriculture policies, getting a proper control over spending and, above all, completing the Single Market by 1992. I think that approach is increasingly accepted as the right one. People want to see the European countries work ever more closely together, and speak with one voice where they can. But they do not want everything to be controlled from the centre and they are determined to preserve their national characteristics and traditions. I entirely dismiss talk

of a two-tier Europe, it simply does not correspond to reality. Anyway, Britain has done many of the things, for instance in the financial and monetary fields like abolishing exchange control and allowing free movement of capital, which those who talk in visionary terms about European Union have not even begun to tackle.

11. What is your vision of future peaceful, stable, co-operating Europe in full sense of that term, from Atlantic to Urals?

In a recent speech in Bruges I reminded people that Europe was not created by the Treaty of Rome. It extends far beyond the boundaries of the present member states of the European Community. Warsaw, Prague and Budapest are all great European cities. We must do everything we can to restore the links between people in different parts of Europe. That will be a difficult task. But the CSCE follow-up meeting and the Conventional Stability Talks which we hope will soon start will be a step in the right direction, as is the agreement recently reached between the EC and Hungary. But we shall only have a real peaceful, stable and co-operating Europe as proposed in your question when all the people of Europe enjoy the same degree of freedom and basic human rights as we have in the West.

12. How would you define a role of smaller countries, staying close to superpowers, like the UK and Poland, in the international scene, particularly East-West dialogue?

I think there is room for talking to each other at every level: between Alliances and between individual governments and peoples. To take the case of Britain and Poland, we have very special historical links, particularly warm memories of our co-operation in the last War and of the heroism of Polish soldiers and

airmen, as well as tremendous respect for Poland's culture and history. These provide an excellent basis for talking to each other, particularly now that perestroika and glasnost are beginning to remove some of the barriers which existed before.

13. Are you satisfied with the present scope and intensity of British-Polish relations, both political and economic? Trade seems not to be reflecting respective economic potentials, credits are still in the freeze

There is nothing so perfect that there is no scope for improvement. But I think our relations are in reasonable shape. My own visit is surely evidence of that - the first ever visit by a British Prime Minister to Poland. There is no disguising the fact that martial law seriously damaged our bilateral relations. But that is now behind us, and we are following with sympathy the efforts at economic reform - and I hope political reform, because the two really go together - on which Poland has embarked. That is why I am so pleased to be visiting Poland and grateful to the Polish authorities for enabling me to carry out the very full programme - both official and private - which lies ahead. I shall be meeting not only General Jaruzelski and Prime Minister ~~Messner~~ ^{Dakowski}, but also representatives of independent opinion as well as Cardinal Glemp and the President of Solidarity, Mr. Walesa. That will enable me to obtain the fullest possible picture of developments in your country and of the prospects for improving our contacts.

On the trade side, Poland is already our second largest trading partner in the CMEA. I would like to see trade expand further. But the conditions must be right. The Investment Promotion and Protection Agreement we recently signed was a useful step. But our businessmen also need to be sure that Polish firms can deliver; that management will be efficient; that investment will be well used;

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that quality will be maintained. Your plans for economic reform should help with all this. Nothing will encourage our business more than decisive action in this area. In these circumstances, too, governments would become more willing to give official support and backing to credit for export and large projects.

14. Poles vividly remember our war time alliance and the fight against common enemy. Are those memories still live in Britain?

Yes, indeed. There are still many in Britain who, like me, remember the role your pilots played in the Battle of Britain, and many more who have heard tell of their heroism and daring. There are old soldiers here who fought alongside the Poles. Your bravery at Monte Cassino and in many other battles will never be forgotten. Nor is that of the Poles inside Poland, whose heroic resistance was an inspiration to many beyond your borders.

15. Your government still blocks the transfer of General Sikorski's remains and reburying them in the Wawel Castle, where Polish kings and national heroes rest in peace. The Polish government, the church and all segments of the Polish public opinion support that transfer, why then the refusal going against the will of millions to satisfy the handful?

I know that this is a matter of deep concern to all Poles. I can assure you that we have considered it most carefully. The transfer of General Sikorski's remains would be a major step, and I would want to be sure that it was supported by the vast majority of Poles, both inside and outside Poland. For the moment I am not convinced that this is so. But, as I told Professor Orzechowski, then your Foreign Minister, last December, I would certainly not rule it out for ever.

PRIME MINISTER'S VISIT TO POLAND: INTERVIEW WITH POLITYKA

6. You are the western leader with longest stay in office. How do you see international British role - and your own - in the present time?

To maintain the positive momentum that has been built up, not only in East/West relations but also in the search for solutions to the regional conflicts. As we have seen, progress in one can lead to progress in the other. Britain's role will be to maintain the existing unity and cohesion with her transatlantic and European partners, to strengthen the voice of those who share our economic and moral values, and to ensure that there is no mistaking the resolve of our alliance. From this foundation we will work for greater stability and prosperity around the world.

7. London enjoys special relationship with Washington, you also have a very good understanding with Mr Gorbachev. Is that not a unique position in the West-East relations? How do you propose to use it?

Yes, we have a special relationship with Washington and we intend to maintain the particular closeness and mutual respect that characterises it. I am pleased that a healthy respect has also developed in our relations with the Soviet Union and with Mr Gorbachev. "Healthy" because I have made it my business to ensure that we have no delusions about each other, and that understanding is based on reality, clear-sightedness and clear speaking. I shall go on pressing for the peaceful settlement of conflicts round the world. Britain has a particular role to play here as a Permanent Member of the UN Security Council. We have been in the forefront of Five Power activity in New York.

8. Your early description of Mr Gorbachev ("The man I can do business with") made countless headlines and brought you praise for your political foresight. Yet you do not do much business with the USSR where Americans are doing it - in disarmament. Why Britain is staying behind in that historical process?

On the contrary, Britain attaches great importance to arms control and is closely involved in all aspects of the arms control process through our active role in NATO. We also discuss these questions regularly on a bilateral basis with the Soviet Union. It is true that reductions in nuclear weapons are first and foremost the responsibility of the USA and the Soviet Union. But there is far more to arms control than that. We have always taken a leading part in efforts to achieve a global ban on chemical weapons and are working hard in the negotiations to agree a mandate for the Conventional Stability Talks due to start in Vienna on completion of the CSCE Follow-up meeting. These talks will be of immense significance in the search for a better East-West military balance and a safer Europe. I hope the remaining differences over the mandate can be resolved as soon as possible.

9. Eastern Europe, notably USSR and Poland, entered a process of profound and rapid change. You often praised "perestroika" and its importance. Yet, do you think that the West, leaders and public, are capable, politically and intellectually, to grasp the importance of that process and act accordingly?

Certainly. The West never inflicted itself with a political and economic system - or had one imposed on it - that led to the sort of bankruptcy that required perestroika. But people in the West are more than capable, politically and intellectually, of seeing the importance of perestroika. I saw it for myself when I

visited Moscow last year. It has a long way to go. It also has a future. I support perestroika because I see it as an opportunity for the individual to make his weight felt, rather than carry the weight of the Party or the State on his back. It is only through greater personal responsibility, initiative and independence that society can reform itself. [Otherwise leaderships will find they are steering empty ships.]?

10. You are often a voice of reason and moderation in the EEC? Are you happy with some moves - or at least discussions - towards two-tier Europe, with Bonn and Paris leading the rest?

I have always argued for a practical approach to cooperation in Europe, getting on with the things we can do rather than talking about unrealistic dreams. This sometimes differs from the approach of others, but it is wrong to talk about a two tier Europe. There is one Community: it is a partnership of member states, all of which have the right to express their views and to press for those views to be taken into account. I am sure that all of us would very much want it to stay that way. Obviously, within any such grouping of democratic sovereign states there will be differences of emphasis from time to time: that is healthy - it makes for fuller debate, better decisions and a stronger Community.

11. What is your vision of future peaceful, stable, cooperating Europe in full sense of that term, from Atlantic to Urals?

Europe has a shared cultural and political heritage. We Europeans have a vision of the primacy of individual rights and freedoms. When liberty is threatened in one part of Europe, the whole continent is darkened. That is why Britain has worked so actively to promote the

CSCE process. But freedom is not just an internal affair. We are a small continent of many peoples. No member of our broad community can be allowed to use its military might to intimidate its neighbours. Given the Warsaw Pact advantage over NATO forces in Europe - amounting to 2 to 1 in combat aircraft, 3 to 1 in artillery and 3 to 1 in tanks - we have two choices: either build up to your levels, or get you to build down. We cannot allow the present military imbalance to disfigure Europe indefinitely. We are working for an outcome at the CSCE follow-up meeting in Vienna that will provide a solid basis for further cooperation between us. Not peace and cooperation to talk about, but to see in action.

12. How would you define a role of smaller countries, staying close to superpowers, like the UK and Poland, in the international scene, particularly East-West dialogue?

Britain and Poland are two of the proudest nations in Europe. Of course the United States and Soviet Union play a vital role in our own and in international security. But we all have a role to play in world affairs. Britain's relationship with the United States, and the wider American role in the Atlantic Alliance, are based on genuine consultation and respect for each others' views. British views on international problems and the future of East-West relations are welcomed within our Alliance and contribute directly to our shared political approach and strategy.

13. Are you satisfied with the present scope and intensity of British-Polish relations, both political and economic? Trade seems not to be reflecting respective economic potentials, credits are still in the freeze

There is nothing so perfect that there is no scope for improvement. But I think our relations are in pretty

good shape. My own visit is surely evidence of that - the first ever visit by a British Prime Minister to Poland. The roots of our relationship are undoubtedly strong: the wartime alliance, an enduring interest in each other's countries, a huge flow of visitors in either direction, 50 years of formal cultural links and flourishing cultural activities - the list is endless. There is no disguising the fact that martial law sent shock-waves through British public opinion and gravely damaged our bilateral relations. But I hope that we are now well established on a more fruitful course and that we can proceed without further upsets to work together in areas of common interest, whether in the international arena - at the CSCE, for example - or bilaterally.

On the trade side, Poland is already our second largest trading partner in the CMEA. I would like to see trade expand further. Nothing would please our businessmen better than to do profitable deals with Polish enterprises. But the conditions must be right. The Investment Promotion and Protection Agreement we recently signed was a useful step. But our businessmen also need to be sure that Polish firms can deliver; that management will be efficient; that investment will be well used; that quality will be maintained. Your plans for economic reform should help with all this. Nothing will encourage our business more than decisive action in this area. In these circumstances too, Governments would become more willing to give official support and backing to credit for export and large projects.

14. Poles vividly remember our war time alliance and the fight against common enemy. Are those memories still live in Britain?

Yes, indeed. There are still many in Britain who, like

me, remember the role your pilots played in the Battle of Britain, and many more who have heard tell of their heroism and daring. There are old soldiers here who fought alongside the Poles. Your bravery at Monte Cassino and in many other battles will never be forgotten. Nor is that of the Poles inside Poland, whose heroic resistance was an inspiration to many beyond your borders.

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I know that this is a matter of deep concern to all Poles. I can assure you that we have considered it most carefully. The transfer of General Sikorski's remains would be a major step, and I would want to be sure that it was supported by the vast majority of Poles, both inside and outside Poland. For the moment I am not convinced that this is so. But, as I told Professor Orzechowski, then your Foreign Minister, last December, I would certainly not rule it out for ever.



Foreign and Commonwealth Office

London SW1A 2AH

23 September 1988

Mike
Can I leave this with you,
The remaining Q's are in the
file. The FCO may want
to look at it again should
be put go to Tolson
MP
7/10

Dear Terry,

Prime Minister's visit to Poland: Press Coverage

In your letter of 8 September you asked for draft answers to a series of questions put to the Prime Minister by the Polish journal "Polityka". These are enclosed.

The Post have advised us that in order to meet Polityka's publication deadline, the final text needs to go to Warsaw in the bag leaving lunchtime on 29 September.

Yours sincerely,

L Parker

(L Parker)
Private Secretary

T J Perks Esq
PS/No 10 Downing Street