

CCCP

PRIME MINISTER

BBC WORLD SERVICE INTERVIEW

You are to give an interview tomorrow morning to BBC World Service. The interviewer will be John Eidinow. They are doing a series of four programmes about the "Thatcher Era". This will be the third. In the first two programmes they have looked at Margaret Thatcher the politician and the Government's social and economic policies. The Foreign Secretary will be in the fourth, talking about foreign policy.

Your interview will have three transmissions on the BBC World Service at 1.15pm on Friday and 8.30am and 10.30pm on Saturday. I've no doubt that some of the interview will also be used on other BBC radio programmes at home.

The interview, which will last for 30 minutes, will be split into three parts:

First part will look at international affairs and how things have changed over the last 10 years; East/West relations; the transformation in Anglo/Soviet relations since the advent of Mr Gorbachev and your relations with him; whether NATO should modernise its nuclear weapons; and your vision of Europe. I would expect them to dwell in some length on the latter in view of the happenings in recent weeks, and particularly this week.

Second part will look at what has happened to the economy over the last decade and the changes there have been to the rate of inflation; trade; interest rates; production. They will also ask you about the new spirit of enterprise; social policy in terms of what some people see as a widening gulf between rich and poor; and allegations of much more centralisation.

Third part will look at the your priorities for the future; your agenda for the future; the tasks that are still facing you; and how long you expect to continue as Prime Minister.

Attached at "A" is the note prepared by Charles about the foreign achievements for your 10th anniversary speeches and at "B" a note for part two of the interview.

Content for the interview to be in the White Room or the Small Dining Room should there be a rehearsal for Trooping the Colour?

T. J. P.

Terry J Perks  
18 May 1989

FOREIGN AFFAIRS:  
NOTES FOR TENTH ANNIVERSARY SPEECHES

One of our greatest achievements has been to restore Britain's standing in the world. Indeed our influence is probably at a higher point now than at any time since the end of the Second World War. People in this country want Britain to be respected abroad and play an important role. The Government's success on this score is a very important asset, and one which we must make the most of, contrasting it with Labour's lack of experience and the inevitable decline in Britain's world-wide standing if Labour were ever again to be in government.

The most important single factor in restoring our influence and standing has been our economic recovery. That enabled us to break away from the image of Britain as the sick man of Europe, of a demoralised and unsuccessful country. That is another reason why it is so important to overcome inflation and continue our economic recovery. It is the mainstay of our reputation abroad.

But that reputation also has a broader foundation. We are seen as a government of principle and consistency, always ready to give a lead even on difficult issues, a loyal ally particularly of the United States and a staunch supporter of strong defence including nuclear weapons. Leadership, strength and dependability are the qualities which are once again associated with this country - and image is very important. This is what gives us our ability to play a larger and more influential role in world affairs than our economic strength as measured in statistical terms would justify.

We have used that influence very much to Britain's benefit in a whole host of ways.

We have restored Britain's position as the United States' closest and most dependable ally. We were very fortunate in

having Ron Reagan who shared so many of our views. On the really basic issues of defence, freedom and human rights, he marked out his ground and stood firmly and unshakeably on it. That we were able to work so closely with him brought us very substantial benefits, for instance over nuclear weapons and the purchase of Trident as well as in the intelligence field. We stood by him in troubled times, as over the bombing of Libya: that is what allies are for, to stand alongside you when there are difficulties. In return we had a very far-reaching influence over American policy, in particular when it came to setting the agenda on arms control. And when Ron Reagan and I stood together, as when we insisted at the NATO Summit in 1988 on the absolute need for NATO to keep its weapons up to date, then we could always prevail. I believe that George Bush wants to work with us in the same way, and that is something which we shall do all we can to encourage.

Then we have made a very great impact in East/West relations. There is no doubt that Gorbachev looks on Britain as the firmest member of the Western Alliance and therefore the one - apart from the United States - most worth talking to. We spotted Gorbachev early on and recognised him as an entirely new phenomena in the Soviet Union. And we have now had five meetings with him and he has invited me to visit the Soviet Union twice next year. But there has never been any misunderstanding in our relationship: he knows that we are inseparable allies of the United States and that we will always stand firm on defence and nuclear weapons. Our position has been that we support him fully in what he is trying to do in the Soviet Union, but only on the basis that we remain absolutely sure in our defence. That position has very wide support in this country. I think he recognises that, while he can try to erode the resistance of some of the other European members of NATO, he will never succeed with us. The relationship which we have established with him is of great benefit to Britain in practical terms and as well as to us politically.

Another area where we have been successful is in the Commonwealth, and the reason we have been successful is that we have refused to allow the Commonwealth to dictate to us. Most of the countries of the Commonwealth are not exactly noted for their standards of democracy or their racial tolerance. But under our predecessors, there was a feeling that the Commonwealth was in some way morally superior and could tell Britain what to do. Well, we started by demonstrating our good faith and commitment to respect the outcome of elections with the settlement in Zimbabwe at Lancaster House. And we have refused to be pushed into sanctions against South Africa because we know them to be wrong and destructive. You do not achieve progress by condemning families - above all black South African families - to poverty and starvation. Our views on this have won increasingly wide acceptance: and the fact is that the other Commonwealth countries have not in practice imposed additional sanctions. But the even more important lesson is that the Commonwealth cannot be used as a means of bringing pressure on us to act against our interests or in ways that we know to be wrong. Now that lesson has been learned, the way is open for the Commonwealth to be a more useful and influential body. We are getting back, too, into a much better and less niggling relationship with the white Commonwealth countries, particularly Australia. It does undoubtedly give us extra standing in the world to have such a geographically extensive group of English-speaking countries which continue to look to Britain for a lead: and on my travels I have found a general desire to maintain the Commonwealth link.

When it comes to Europe, we had important successes in reducing our net budgetary contribution - although it still remains far too high for what we get out of the Community - and also in reforming the CAP and in getting the Community to concentrate on completing the Single Market. These are not inconsiderable achievements. But there is no point in concealing that fact that our vision of the European Community is different from that of some of our European partners. We are not against Europe, of course we are not. We want to be

part of a strong Europe based on willing cooperation between independent sovereign states, but not of a federal Europe which strips national governments and Parliaments of their powers. That is why we do not accept the Delors' Committee's recommendations on economic and monetary union. The message which we have to get across is that proposals which are all too often presented as European are in practice and in purpose not European but socialist. There is a vision of Europe very prevalent in the Community, which would have Europe run on dirigiste lines by ever more regulation from the centre. This goes flatly counter to all that we have achieved in this country over the last ten years and we must not make any concessions to it. Our Europe, the one we want to see, is based on economic liberty, on free markets, on wider choice, on reducing government intervention, not on planning and control from the centre. It is we who stand for the best traditions of Europe and we must get that message across, both in this country and in Europe itself.

There are many other areas where Britain has increasingly been able to give an effective lead:

- in Southern Africa, where there are now better prospects for political reform in South Africa itself because we stood firm against sanctions. Britain is probably the only country whose voice carries significant weight with South Africa - America has lost hers by disinvestment and Congressional support for sanctions - and we must try to use our influence to bring about the peaceful change which is so necessary, while protecting our very considerable economic interests. We have had considerable influence, too, over the Namibia settlement and our help is being sought in Mozambique. With the more pragmatic attitude taken by the Soviet Union, which was very clear in my recent talks with Gorbachev, I think we now have a prospect of solving one of the most difficult and persistent world problems peacefully and honourably - with Britain very much in the lead.

- in the Middle East, I believe that we have achieved a much better balance in British policy than at any time in the last 40 years, and our voice is listened to by both sides: by Israel and by the moderate Arab governments. That has enabled us to be very successful in pursuing our trade interests - which depend so much in the Middle East on personal contact and confidence at the highest level. It is because countries like Saudi Arabia see Britain as a model of stability and of resistance to Communism that they have been ready to place large orders such as Tornado with us.
  
- we have also been in the lead against international terrorism, pressing for ever stronger commitments by Governments not to bargain with terrorists and in taking action against states like Syria, Libya and Iran which operate state terrorism. We are very widely perceived as being the strongest government in the world when it comes to standing up to terrorism.
  
- and it's Britain which has been the strongest champion of open markets and genuine free trade, within Europe and more widely, constantly having to put pressure on the other European countries to reduce subsidies to agriculture and to dismantle trade barriers, so that there is no question of a Fortress Europe after 1992.

All this is a very remarkable record when you compare it with the low point to which Britain's influence and standing had sunk in 1979. You know, I did a count the other day and in the first half of this year, I shall have met Heads of State and Government either here in London or abroad. And the reason they all want to come here and have meetings is because they want our support, they want our views, they want our advice.

There will be plenty of problems ahead, there always are:

- we are facing potential perils as the Soviet Empire in Eastern Europe, and perhaps within the borders of the Soviet Union itself, begins to crumble. We want to see more and more of these nations enjoy freedom and greater prosperity, but without provoking the violent counter reaction which could increase the risk of East/West conflict.
  
- while we do not have to match the feverish initiatives of Mr. Gorbachev, which are actually a product of weakness, we must constantly explain our policies to our people and be ready to come forward with well-founded proposals of our own, within the limits imposed by our security.
  
- we are going to have to work very hard with some of our European partners to convince them of the need to continue to keep our defences strong in the face of Mr. Gorbachev's attempts to divide Europe from the US and get nuclear weapons out of Europe. The message we have constantly to get across is that we are not interested in a nuclear-free Europe but a war-free Europe, and the best way to ensure this is by nuclear weapons and by keeping them up to date.
  
- we shall have to cope with more and more new issues on the international agenda, in particular the environment, where we shall need to establish a new level of international cooperation to deal with problems such as the depletion of the ozone layer and the greenhouse effect. We have been one of the first in the field in dealing with these problems, and we must make sure that our views continue to be prominent, so that we do not get saddled with some of the more impractical and expensive solutions which are floating around.
  
- and we need to be able to demonstrate, when it comes to the next elections, that the Government has a clear vision of the world into the next century and Britain's role in it, a vision which in particular will inspire

younger people. Steady as she goes will not be enough. We need to show that the same principles on which we have stood so far - strong defence, our special relationship with the United States, our vision of a free enterprise Europe, our attachment to the Commonwealth - remain valid and that we have the imagination and the originality to deal with new problems, to respond to new needs and to confront a period of change which will be greater than any which we have hitherto known.

That is the challenge: but there is no doubt who is best placed to meet it - we are.



ECONOMY

Keys to success

- Sound finance
  - elimination of public borrowing
  - firm monetary policy to keep inflationary pressures in check
- Enterprise
  - overall economic policies could only set the conditions for people to respond
  - the spark had to come from people themselves
  - so we removed controls, gave them incentives and set the spirit of enterprise free

Bull points

- now into eighth successive year of sustained growth averaging over 3%
- more people in work than ever before; an increase of nearly three million since 1983
- unemployment falling continuously for nearly three years. Unemployment rate of 6.5% now well below the EC average
- a record number of new businesses starting up. In 1988/89 a net growth of over 1,300 a week
- a transformation of the British economy in the 1980s compared with the 60s and 70s:
  - top of the growth league for major EC countries instead of at the bottom
  - faster growth of manufacturing productivity than all other major industrialised countries compared with being bottom of the league

- higher total investment growth than in any other major European country, compared with near the bottom of the league

### Inflation

- yes, it is currently too high. Economy last year was growing faster than we expected and has led to renewed inflationary pressures
- but we have taken action to ensure it is brought back under control
- by the second half of this year the inflation rate will be falling back again
- what this Government regards as an inflation rate far too high - around 8% - was virtually the best inflation performance achieved throughout the whole life of the last Labour government

### Balance of Payments

- the growing deficit last year reflected faster than expected growth
- exports have continued to perform well; the problem has been too rapid growth of imports
- the action we have taken to counter too rapid growth and inflationary pressures at home will, over time, also reverse external deficit
- but meantime no difficulty whatever in financing the current account deficit because of our prudent policies and the UK has very large net overseas assets of some £100 billion

RICH AND POOR

Philosophy

- first priority has to be setting conditions in which wealth can be created. That means providing incentive, opportunity and getting rid of needless restrictions
  
- people give of their best when:
  - they are given freedom and opportunity - to own their homes and shares in the company they work in
  - they are given responsibility and a sense of pride in their work
  - they know that their families will benefit from the fruits of their hard work
  
- if you set equality as the goal all that will be frustrated. People are so busy talking about how the wealth will be shared out that it doesn't get created in the first place. You may well get equality - but it is an equality of lost opportunity where everyone is poorer than they could be

Facts

- this Government's policies have brought increased prosperity and living standards at all levels of the income distribution. The real take home pay of those in the lowest tenth of adult male full-time earnings has risen by 13% over the last ten years
  
- and despite reductions in tax rates - an essential incentive - it is the top taxpayers who are paying a bigger share of total income tax than they were ten years ago:
  - the top 1% pay 13% against 11%
  - the top 5% pay 29½% against 24%

- the success of our economic policies means we have been able massively to increase spending on social security to help those who are worst off:
  - total spending has risen from £17 billion ten years ago to £50 billion now; over one third higher in real terms
  - £1 in £3 of government spending now goes on social security compared with £1 in £4 in 1979
  
- we have made radical changes to the social security system to focus help on those who need it most such as low income working families through the new family credit system
- spending on benefits for long-term sick and disabled has increased 80% in real terms
- and we have scrapped the nonsense whereby families were caught in a trap which meant that for every extra £1 they earned they lost more than a £1 in benefits withdrawn.

Graham Hill

E12 1402 19/05/89

LINES : T=14 P=14

1402

=1400 THATCHER INTERVIEW=

The British Prime Minister Mrs Thatcher has said that the West must keep its defences strong, even if the cold war is coming to an end. In an interview with the BBC World Service, Mrs Thatcher praised Mr Gorbachev's attempts to reform Soviet society, and said the cold war would be over if he succeeded. But the West would still need nuclear weapons to protect Europe from the threat of war. The modernisation of NATO's short-range nuclear missiles was a matter of urgency, she added, as obsolete weapons were no deterrent. Mrs Thatcher also pledged a full-scale assault to uphold her vision of the European Community. Mrs Thatcher said Europe must not turn into a petty bureaucracy or a protectionist club -- too many regulations would destroy enterprise. She confirmed that she would be opposing plans for a Community charter on workers' rights at the EC Summit in Spain next month.

DESPATCH FROM =LONDON =  
BY =ANDREW WHITEHEAD =

TAPE NO: 339

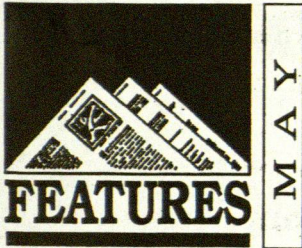
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=THATCHER INTERVIEW (1300 EMBARGO)=  
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CUE: Mrs Thatcher -- in a half-hour interview with the BBC World Service (to be broadcast 1315B) -- has warned that the West must keep its defences strong, even when the cold war is over. And she promised an all-out assault to uphold her vision of Europe, and against proposals for Community-wide regulations on workers' rights. Here's our Political Correspondent, Andrew Whitehead:

This was Mrs Thatcher at her most robust -- about the need to maintain Western defences, the importance of an enterprise culture in Europe and at home, and the requirement for more self-discipline in British society. The Prime Minister praised Mr Gorbachev's endeavour to reform Soviet society, If he succeeded, she said, then the cold war would be over. But the West would still need nuclear weapons. "I want a war-free Europe" Mrs Thatcher declared, "and that means we must have nuclear weapons in Europe". And obsolete weapons did not deter, she went on, emphasising the urgency of modernising NATO's short-range nuclear weapons. On Europe, Mrs Thatcher promised an all-out assault on plans for a Community-wide charter on workers rights when EEC heads of government meet in Spain next month. Europe must not turn into a petty bureaucracy, she said, nor into a protectionist club. If there were too many regulations, European goods wouldn't be competitive and you wouldn't get an enterprising Europe at all. At home, she emphasised the need not for equality but equality of opportunity. She hoped some standards of self-discipline would return. As to her own future, Mrs Thatcher refused to be drawn about when she might stand down. But in contrast to previous interviews when she has suggested there was no-one ready to take her place, she said: "don't worry, there are plenty to take over .. but

Its not for me to say who

BBC LONDON



read in newspapers or seen in cinema newsreels. He was astonished to learn from Stephanie that most English homes didn't have central heating, and that the thing she most wanted from America was a pair of nylon stockings!

Paul had left college after one term and taken a job as a labourer. He managed to save enough money to make the trip to England a reality instead of just a dream.

The programme has been compiled by John Burrows from the letters of Stephanie and Paul. The readers are **Brenda Blethyn** and **Michael Fitzpatrick**. Produced by Ed Thomason.  
 ● Sun 21st 1615 rep Mon 0730, 1330

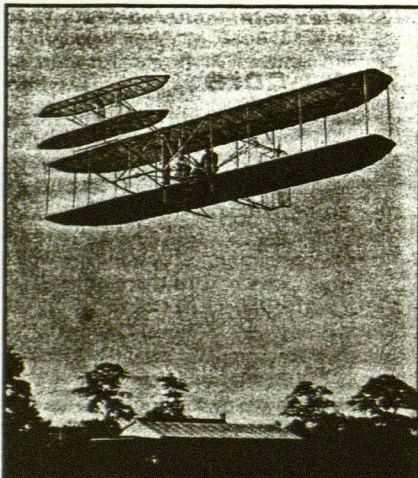
## They Made Our World

**John Newell** introduces five more of the great scientists, inventors and other pioneers who helped to shape the modern world.

This month we hear how Alexander Graham Bell invented the telephone almost accidentally, as a spin-off from his work teaching deaf people to speak **3rd**.

Then there is Thomas Alva Edison, who pioneered industrial research and patented more than a thousand inventions. Best-known are his electric light bulb and the phonograph **10th**.

Next come the famous Wright brothers, Orville and Wilbur, ex-bicycle



manufacturers who designed, built and flew the world's first practical powered aeroplane **17th**.

*They Made Our World* then looks at the man who popularised the motor car and revolutionised factory production with his assembly-line methods - Henry Ford. He also tried to end the First World War **24th**.

John rounds off the month with Wilhelm Röntgen, discoverer of the mysterious X-rays which transformed medical practice and the world of physics **31st**.

● Weds 1215 rep Thurs 0630, 1930

# TEN YEARS OF MRS THATCHER

**Graham Hill assesses ten years of momentous change for Britain**

**HIGH LIGHT**

Driving back to Downing Street towards the end of the 1979 General Election campaign, the then Labour Prime Minister James Callaghan turned to an adviser and remarked: "You know there are times, perhaps once in every thirty years, when there is a deep change in politics - a sea change. It doesn't matter what you say or what you do, there is a shift in what the public wants and what it approves of."

"I suspect," Mr Callaghan went on, "that there is now such a sea change - and it's for Mrs Thatcher."

Mr Callaghan was right. A few days later, on May 4th, Margaret Thatcher entered the front door of Number 10 Downing Street. And since that day, like her or loathe her, she has become the dominant presence in the Britain of the '80s.

Over the past decade, the country has experienced a sea change that has swept away the post-Second World War political consensus, rolled back the frontiers of the state and welded market forces into a radical political ideology - Thatcherism.

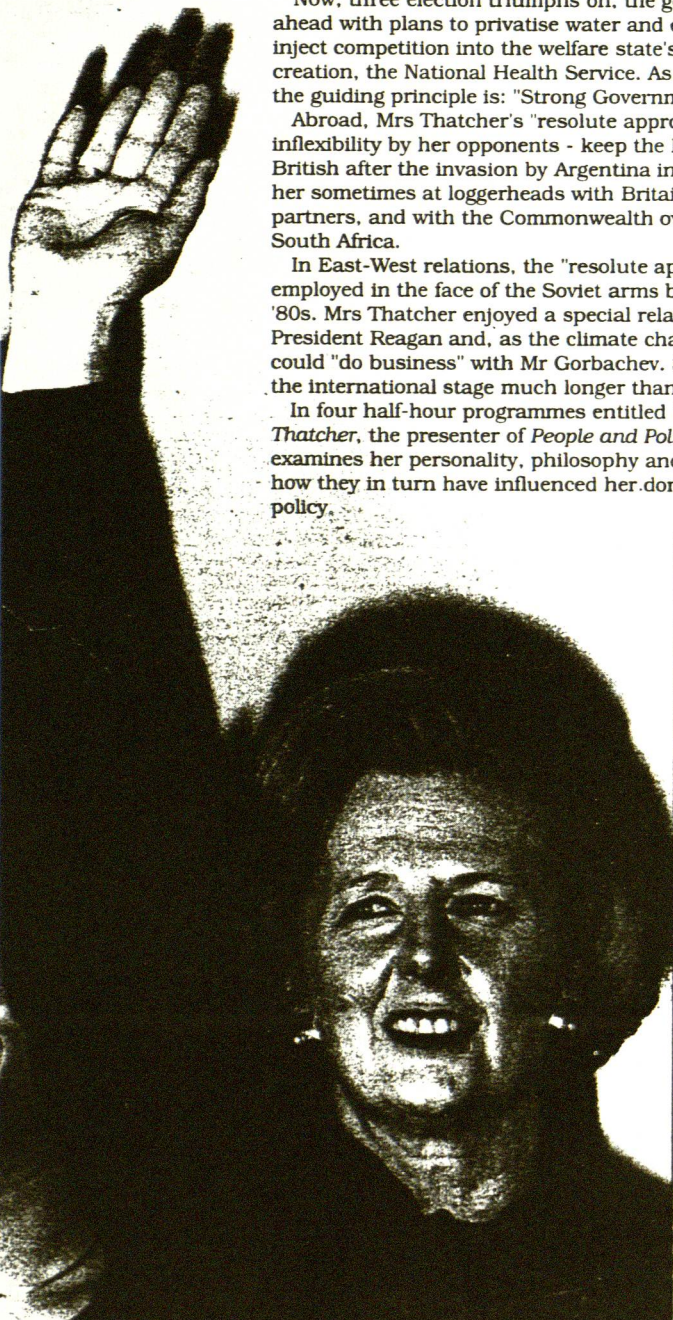
Union power was taken on and beaten - most critically in the miners' strike of 1984/5. Although unemployment soared above 3 million, Mrs Thatcher pressed on with her vision of a leaner, fitter "enterprise culture".

Now, three election triumphs on, the government pushes ahead with plans to privatise water and electricity and to inject competition into the welfare state's most precious creation, the National Health Service. As the 1990s approach, the guiding principle is: "Strong Government, Free Market".

Abroad, Mrs Thatcher's "resolute approach" - branded as inflexibility by her opponents - keep the Falkland Islands British after the invasion by Argentina in 1982. It also sees her sometimes at loggerheads with Britain's European partners, and with the Commonwealth over sanctions against South Africa.

In East-West relations, the "resolute approach" was employed in the face of the Soviet arms build-up of the early '80s. Mrs Thatcher enjoyed a special relationship with President Reagan and, as the climate changed, she found she could "do business" with Mr Gorbachev. She has now been on the international stage much longer than most players.

In four half-hour programmes entitled *Ten Years of Mrs Thatcher*, the presenter of *People and Politics*, **John Eidenow**, examines her personality, philosophy and political ability, and how they in turn have influenced her domestic and foreign policy.



● Fri 0730 rep  
 1215, Sat 2130

LEFT: Margaret Thatcher greets her supporters in her first moment of victory in May 1979.