

CCB/UP?

25 June 1987

PRIME MINISTER

SUNDAY TELEGRAPH - BRUCE ANDERSON INTERVIEW

You have agreed to give Bruce Anderson an hour's interview from 12 noon tomorrow for use in this weekend's Sunday Telegraph.

His interest is concentrated in five areas:

- inner cities
- Scotland
- community charge (which he confesses he does not really understand)
- arms control
- the role you intend to play in the world.

He will bring a tape recordist because he will have to move smartly after this interview, given newspaper deadlines. We shall also record as back-up.

Some Thoughts

You have made an excellent start to your third term. (I am telling people that in my view the start to this term, and the Government's approach to it, is much more impressive than that in 1983.)

You need to convey the impression that you are impatient for change and are determined to achieve it.

I suspect that Mr Anderson, who is a strong supporter and described you in the wake of the election as "the greatest woman who ever lived", will approach his task from a philosophical standpoint:

- are you worried about the alleged division between north and south - or more particularly between inner city and suburbs?
- put another way, are you concerned that while prosperity is undoubtedly spreading across the country some people don't feel that. (This would of course lead in to Scotland.)

I attach (Annex I) a recent editorial by Peregrine Worsthorne on "bourgeois triumphalism" which bears on suggestions of division in society.

All this will give you a first class opportunity to show:

- you are determined to govern for all the people all the time (the point you made in your Sunday Express piece last week - Annex II)
- underline your points in this afternoon's debate on curbing excesses of power and extending new freedoms and responsibilities to people in inner cities (on top of trade union members)
- you will present a resolute face to Scotland, underlining the extent to which it benefits within the UK, and to meet as required the arguments for devolution (speaking note at Annex III)
- to get over the theory behind rate reform and the community charge (speaking note at Annex IV); incidentally, one point which we are not getting over is that the choice is not between the present unsatisfactory status quo and community charge but between a community charge and some change to or development of the rating system, including revaluation, which could be much less palatable than community charge.

You need no briefing on foreign affairs and arms control. I think the important points here are:

1. To try to bring out the extent to which you yourself were instrumental in securing an agreed NATO position (as you stated in your speech).
2. To use this by way of example to show that you intend to use your experience and authority in world affairs, not in grandiose initiatives, but in helping to move things forward, if necessary, entirely behind the scenes; the world recognises your authority and the important thing is not to undermine it by politicking with it or playing it for short term presentational kicks; the issues are far too serious for that.

Content?



BERNARD INGHAM

Bourgeois triumphalist threat to Mrs Thatcher

LAST TUESDAY EVENING the Chancellor of the Exchequer, Mr Nigel Lawson, delivered a lecture in the City of London on charity, not a word of which, as far as I could see, got into the next day's newspapers. During the last eight years of Thatcherism, he announced, the amount of money donated to private charity had more than doubled in real terms. On hearing this good news my Tory spirits rose. What a marvellous response to all those critics who allege that Thatcherism is only about gain and greed. "The Giving Society"—what a headline. So why did Central Office not bother to arrange any publicity?

The answer, I fear, is all too clear. From Saatchi and Saatchi's limited angle of vision, or plain lack of vision, private charity lacks electoral sex appeal. Up to a point, that may be true. Private charity clearly smacks a bit too much of Lady Bountiful. But what Saatchi and Saatchi fail to recognise is that Lady Bountiful is far better than Mr Gradgrind. Beggars can't be choosers and the sad truth today is that the Tory Party can't afford to turn down any opportunity to improve its selfish, uncaring image. That may turn out to be the great mistake of the Tory campaign: underestimating the extent to which Thatcherism turns nice people off.

In this space last Sunday I wrote that there were no good reasons, as against emotions, for anybody who voted Tory in 1983 switching in 1987. This week I should like slightly to modify that judgment. Something rather ugly has

happened in the last four years — the growth of bourgeois triumphalism — which decent people might reasonably want to check and chasten by denying Thatcherism the endorsement of a third term. Bourgeois triumphalism is a difficult phenomenon to pin down. But anyone who has heard yuppies at play or at table — and who can have failed to have done so, given the trumpet volume of their braying voices? — will know what is meant. These are the people who have done well out of the Big Bang, and all the other little bangs up and down the country. Nothing wrong with that. Wealth-creating is a good thing. But in their case — and this is what is new — the possession of wealth seems to carry with it absolutely no sense of obligation or service whatsoever.

Such types have always existed, of course. But never before have they been predominant, let alone officially backed. The official and predominant ethos in the ruling class has been such as to make conspicuous consumption slightly suspect. That all seems to have changed. Vulgarly rules, OK, and the yuppies feel confident enough to shed all inhibitions about enjoying the spoils of the class war which they think Mrs Thatcher has won on their behalf. In any case, if by some terrible mistake Mrs Thatcher were defeated, off they would go to New York without any regret, since this lot is without roots in, or loyalty to, Britain. To some extent, the resentment they provoke is due to envy, since they flaunt their wealth with a degree of brazen insensitivity

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the like of which has not been seen since the days of the Edwardian *nouveau riche*. But the resentment is also due to a genuine concern that the values yuppies espouse, or rather the lack of values, threaten this country's long record of civilised governance.

There is a problem here and the Tory Party ignores it, or gives the impression that it ignores it, at its peril. Yuppies, of course, are only the outward and visible manifestation of the problem which is finance capitalism itself. Industrial capitalism had to do with the making of quality goods, while finance capitalism has to do with making quantities of money. Economically speaking, both may be equally beneficial in the sense of creating wealth. But it is by no means certain that they are equally good at throwing up worthy types to form a political class. Industrialists and manufacturers, who pioneered the original industrial revolution, were tough and ruthless. But at least they lived where their workers lived — often over the shop — and had to see and hear what was happening in the areas over which they held economic sway. The trouble with the

new élite of finance capitalism, who are now financing the technological revolution, is that they are entirely cut off from ordinary people, and have no first-hand understanding of the consequences of their economic decisions, rather as bomber pilots in the Second World War — unlike their bayoneting predecessors in the trenches — had no idea of the havoc their actions were causing in Dresden, thousands of feet below.

Finance capitalism is here to stay, and its economic benefits far outweigh its social and political dangers. But where contemporary Toryism may be making a mistake is in wholly ignoring these dangers, to the point where quite sensible people begin to feel that Thatcherite values are the same as yuppie values. In reality, her values are really much more to do with small businesses than big finance houses. And small businesses are, have to be, closely in touch with what ordinary people want and feel. But so far as political and social impressions go, Thatcherism, to a dangerous degree, seems impersonal and out of touch; much more so than was the case in 1983. In 1983 Mrs Thatcher was still very much associated with the selfless heroism of the Falklands warrior. In 1987, sad to say, her name evokes too many images that are more squalid than heroic.

So, to a much greater extent, does the Labour Party, whose hard Left are far more off-putting, dangerous and even squalid than hard-Right yuppiedom could become, given

even a fourth or fifth term for Mrs Thatcher. For sheer brutal nastiness nothing can beat the hard Left, from which, of course, the whole vicious concept of the class war originally sprang. Proletarian triumphalism sowed the dragon seed of today's bourgeois triumphalism, and is still the root of these most horribly un-British social and political phenomena. But whereas Mr Kinnock does seem acutely embarrassed by the ugliness of the hard Left, whose pressures he promises to resist, Mrs Thatcher refuses to admit that her utopia, too, is riddled with worms. In her case, it is true, the worms are more social than political, eating into the moral base and values of a ruling class rather than the power base of a political party. From a Tory viewpoint, however, that is no reason to turn a blind eye to them, since conserving the high traditions of Britain's governing order should be, and once was, the Tory Party's highest duty.

Mrs Thatcher is going to win this election, which she supremely deserves to do. But one could wish that in the last few days she might look a bit more critically than hitherto at the beam in her own eye. Far from endangering her image of strength and resolution, this might well be the final demonstration, for which many of her supporters long, that she has achieved true greatness.

Peregrine Worsthorne

Our task is to govern for all the people all the time



by the
Rt Hon
**MARGARET
THATCHER**

IT IS a humbling experience to be returned for a third consecutive time as Prime Minister, especially when the electors have never before bestowed this honour on a political leader since universal adult suffrage was introduced.

I was not aware of the extent of our success when I spoke publicly for the first time after the election from Conservative Central Office.

Since then I have learned, to my delight, that more people voted Conservative on June 11, 1987, than ever before.

That vote of confidence serves only to underline what I said in the immediate aftermath of victory:—
"The greater the trust, the greater the duty upon us to be worthy of that trust."

Our task is to govern for all of the people all of the time.

A P Herbert put it rather well in his verse *To a Winner* on the occasion of the 1950 election:—

"... You wear a party coat
But every day recall
Whichever way we vote
You represent us all"

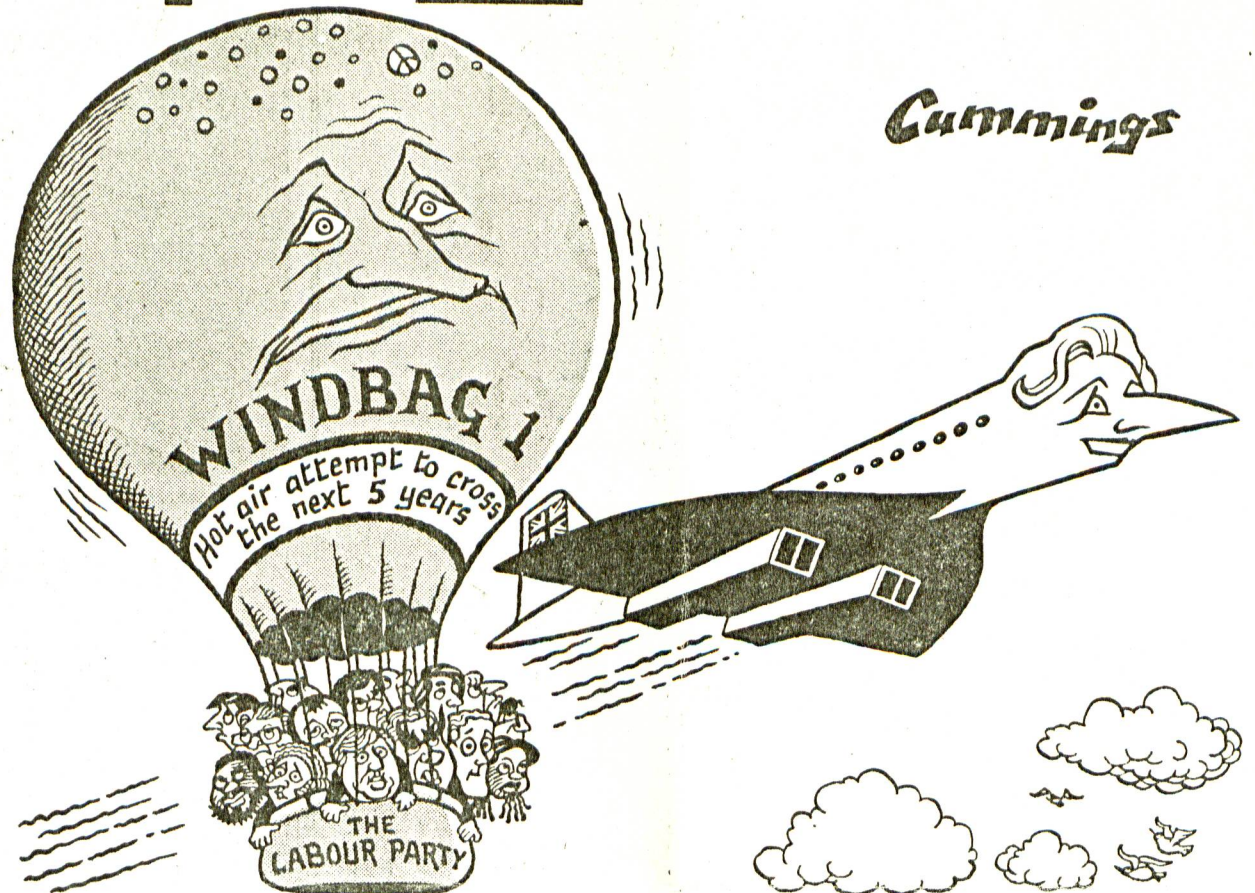
Indeed we do. But how does a government go about representing all of the people all of the time?

The answer is clear: By taking care to do—and do well—the things that only governments can do.

A government which seeks to serve all the people all the time must therefore first secure for them their liberty under the law.

SECURITY

And by ensuring their security behind sound defences, it serves none better than its youth who,



Cummings

century after century until the second half of this century, have been the first casualties of national weakness and infirmity of purpose.

Second, a government for all the people must seek to preserve the value of the currency. It must root the country's life in the confidence that comes with honest money so that the savings of its citizens, and not least of its pensioners,

retain their purchasing power.

Third, it must ensure fairness—fair treatment for the old, the sick and the disabled, of course; and a fair balance, too, between different interests so that, for example, companies cannot bear harshly on the consumer or unions put upon their members or the community.

Fourth, in full recognition

of human frailty, and together with all the other great institutions, it must seek to set standards by which people lead their lives. A society which knows what is expected of it has a sure basis for progress.

The world knows where Britain stands these days. It knows the way we steer our ship. And it respects us for it.

SUPPORT

So, I believe, do our own young people. Nothing was more heartening during the election than the support we received from first time voters.

Finally, a government for all the people must have the humility to recognise its limitations and the strength to resist the temptation to meddle in its citizens' lives.

It must have the wit to recognise where the true greatness of any nation lies: in the vigour and enterprise of its people.

This means that a government can only serve all of its people all of the time if it consciously and deliberately seeks to set them free to exercise their talents and bring them to full flower.

APATHY

We do not seek to lead people's lives for them, nor to boss them around nor to regulate them into apathy.

Instead, we seek only to give people a chance—the opportunity, whatever their background, to develop their aptitudes and abilities and through their own efforts and enterprise to prosper as individuals and

to grow in stature as citizens.

Their success is not to be measured simply by material gain but by their contribution to the life of our country.

All this means that a government can serve all the people best by getting off their backs and by encouraging them with incentives, safe in the knowledge that what's good for the people is good for Britain.

Safe in the knowledge, too, that economic freedom breeds personal responsibility.

Just let me give you one small, but significant example: Giving people the opportunity to spend more of their own money in their own way, through tax reliefs, has not cut donations to charity. They have doubled since we took office.

FREEDOM

For the next five years, as during the last eight, we intend to serve all of our people by extending freedom, opportunity and choice.

In this way we shall bring relief to our inner cities, hope to the council tenant, a better education for our children and a better service to the National Health Service's customers—you, the patient.

This is also the route to more jobs—as last week's spectacular fall in the number of people unemployed testifies.

I cannot think of a more encouraging start to a third term in the service of all the people.

Yes, freedom is working.

OPINION

Proved right in just ten days

NEVER before in living memory have the voters of Britain been proved so right so soon.

In the 10 short days since the polls closed, the unemployment figures have dipped below three million to record their biggest monthly drop in 40 years. Manufacturing firms have reported their highest output for seven years. Privatised British Telecom has announced record profits. Privatised British Gas has decided to cut its charges to domestic consumers. And to cap it all, the building societies have begun to lower their mortgage rates.

Meanwhile the Opposition parties, which only 10 days ago were telling us that they were fit to govern Britain, have already been comprehensively exposed in all their menace and

incompetence. The Militants, silenced during the campaign, have wasted not a second in exerting their power over the puppet who would be Prime Minister today if the voters had fallen for his soft soap.

The SDP and the Liberals, who so recently told us that they were inseparable, are engaged in a ludicrous slanging match, exposing the hollowness of all their pre-election pretensions.

There may have been elections in the past after which the voters have agonised over whether or not they made the right choice.

Not this time. This weekend the British people can face a bright future in the complete confidence that when they chose the Tories on June 11, they chose the only party for the job.

MODULES FOR USE IN REPLY TO THE LEADER OF THE OPPOSITION, AS NECESSARY**SCOTLAND/DEVOLUTION**

OF COURSE I REGRET THAT WE DID NOT DO BETTER IN SCOTLAND. I BELIEVE THAT OUR POLICIES ARE THE RIGHT ONES FOR THE WHOLE COUNTRY AND THAT IF WE STICK TO THEM THE PROSPECTS FOR SCOTLAND AS FOR ELSEWHERE IN THE COUNTRY, ARE GOOD. LAST MONTH'S FALL IN UNEMPLOYMENT OF 17,000 IS VERY ENCOURAGING, AND MANUFACTURING EXPORTS PER HEAD ARE HIGHER THAN THE UK LEVEL BY 30 PER CENT.

DEVOLUTION

I BELIEVE THAT PEOPLE IN ALL PARTS OF THE UNITED KINGDOM HAVE AN UNDERSTANDABLE DESIRE TO MAINTAIN THEIR IDENTITY, WHETHER THEY BE IN NORTHERN IRELAND, SCOTLAND, WALES OR ENGLAND. I DO NOT BELIEVE DEVOLUTION WAS A MAJOR ISSUE IN THE ELECTION. 69 OUT OF 72 CONSTITUENCIES REJECTED NATIONALISM, AND THE LEADER OF THE SNP LOST HIS SEAT.

I DO BELIEVE OUR POLICIES ARE THE RIGHT ONES TO ADDRESS THE ISSUES THE VOTERS ARE CONCERNED ABOUT - EDUCATION, HOUSING, THE INNER CITIES. WE ALSO STAND BY OUR COMMITMENT TO BE WILLING TO CONSIDER FURTHER CHANGES TO IMPROVE THE GOVERNMENT OF SCOTLAND WITHIN THE UNITED KINGDOM.

MANDATE TO GOVERN

ON THE BASIS SET OUT BY THE RIGHT HON GENTLEMAN FOUR OUT OF THE LAST FIVE LABOUR GOVERNMENTS HAD NO MANDATE IN ENGLAND BECAUSE THERE WAS NO OVERALL MAJORITY OF LABOUR MEMBERS (1950, 1964, FEBRUARY 1974 AND OCTOBER 1974).

IN THREE OUT OF THE LAST FIVE LABOUR GOVERNMENTS LABOUR ACTUALLY HAD FEWER SEATS THAN THE CONSERVATIVES IN ENGLAND.

LABOUR'S VOTE IN SCOTLAND

LABOUR'S SHARE OF THE VOTE IN SCOTLAND WAS LESS THAN HALF (42.4%) AND WAS LESS THAN IN ANY OF THE EIGHT ELECTIONS BETWEEN 1945 AND 1970.

WE WON A BIGGER SHARE OF THE VOTE IN SCOTLAND THAN LABOUR MANAGED IN THE SOUTH WEST, THE SOUTH EAST AND EAST ANGLIA.

[PUBLIC EXPENDITURE PER HEAD IN SCOTLAND £124 FOR EVERY £100 IN THE UK].

THE COMMUNITY CHARGE

TV

- WILL RESTORE THE LINK BETWEEN PAYING FOR LOCAL SERVICES AND VOTING IN LOCAL ELECTIONS (E.G. IN MANCHESTER FEWER THAN ONE IN FOUR OF THE VOTERS PAYS FOR RATES).
- WILL END THE UNFAIRNESS OF DOMESTIC RATES WHEN A SINGLE PENSIONER CAN PAY THE SAME BILL AS A FAMILY NEXT DOOR WITH THREE WORKING ADULTS.

COST AND PRACTICALITY

- IT IS WORTH PAYING SOMETHING FOR A FAIRER, MORE ACCOUNTABLE SYSTEM. IT IS NO SURPRISE THAT SOME LOCAL AUTHORITIES SAY THE COMMUNITY CHARGE WILL BE UNWORKABLE: THEY ARE DOING VERY WELL NOW AT THE EXPENSE OF THE RATEPAYER AND THE TAXPAYER.
- WE ARE CONFIDENT THAT THE CHARGE CAN BE IMPLEMENTED EFFICIENTLY AND EFFECTIVELY. THERE WILL BE A SYSTEM WHICH IS TOUGH ON ANY MINORITY WHO TRY TO AVOID PAYING.

IMPACT

- THE AIM IS THAT, WHEREVER YOU LIVE, YOU WILL PAY THE SAME COMMUNITY CHARGE FOR THE SAME LEVEL OF SERVICES. THAT IS BOTH FAIR AND STRAIGHT-FORWARD.
- WE ARE LOOKING AT THE RESPONSES TO THE GREEN PAPER PROPOSAL FOR A SAFETY NET, WHICH WOULD PREVENT MAJOR CHANGES IN THE CONTRIBUTION FROM THE DOMESTIC SECTOR.
- MANY OF THE POOREST HOUSEHOLDS - INCLUDING SINGLE PENSIONERS - WILL BE BETTER OFF.

REBATES

- FOR ALL THOSE ON LOW INCOMES, THERE WILL BE GENEROUS REBATES OF UP TO 80 PER CENT, AND INCOME SUPPORT MEASURES WILL BE INCREASED TO REFLECT THE AVERAGE CHARGE.
- THE SEVERELY MENTALLY HANDICAPPED, OLD PEOPLE LIVING IN HOMES AND THOSE LIVING IN HOSPITALS AND PRISONS, WILL BE EXEMPT. STUDENTS WILL PAY ONLY 20 PER CENT OF THE CHARGE IN THEIR COLLEGE TOWN.

ALTERNATIVES

DOMESTIC RATES ARE UNFAIR AND DISCREDITED. THE LABOUR PARTY SAYS IT WANTS TO KEEP THEM, BUT HAS RUN AWAY FROM THE IDEA OF A REVALUATION. THE ALLIANCE PROPOSAL FOR A LOCAL INCOME TAX WOULD MEAN HIGHER TAXES ON INCOME AND WOULD BE BAD FOR ACCOUNTABILITY. OUT OF 35 MILLION ADULTS IN ENGLAND ONLY 20 MILLION PAY INCOME TAX (COMPARED WITH 18 MILLION WHO PAY RATES). ONLY THE COMMUNITY CHARGE CAN RESTORE LOCAL ACCOUNTABILITY.

25TH JUNE 1987