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PRIME MINISTER'S INTERVIEW WITH GEORGE NEGUS, AUSTRALIAN TV  
"60 MINUTES" ON WEDNESDAY 23 SEPTEMBER 1981

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George Negus: Mrs Thatcher, before the Royal Wedding, Mr Fraser agonised for quite a while before he actually came here. Given the troubles that you face here in Britain at the moment have you got any doubts at all about the wisdom of going to Australia.

Prime Minister: I don't think Mr. Fraser agonised. He had tremendous problems at home and if those had continued I think he would have stayed at home. It was a fairly clear-cut decision. I have no doubts about going to Australia. If all of a sudden something blew up and I had to stay at home of course every politician would understand that, but I don't anticipate that at the moment.

Q: The Springboks rugby tour of New Zealand is undoubtedly going to raise its head at some time or other during the CHGM meeting. Where will you stand on that whole business of apartheid, sport, the way it has affected Commonwealth relations? Are you going to be with Mr. Muldoon, against the African states, or may be with Mr. Fraser trying to get in between them?

PM: I don't think it is necessarily for or against. As far as apartheid is concerned, it is indefensible. No one tries to defend it. That is not an issue. But as far as the Gleneagles Agreement is concerned, the Gleneagles Agreement is that Governments should do as much as they can to discourage teams from one Government going to another or from the other coming home. I believe Mr. Muldoon did that. When you get beyond that you really are in very considerable areas of individual liberty. If you say I will stop anyone going out, I do not like the purpose for which he is going, I will stop anyone coming in for the purpose for which he has come even though it is not inimical to the state which I govern. So apartheid. Our view on that is not in doubt. Gleneagles - the Agreement stands. I hope at the end of that we shall reaffirm it. I hope we shall not spend all the time discussing it, there are other extremely important things but I do not believe that what Mr. Muldoon did infringed the Gleneagles Agreement in any way. Indeed I am convinced it did not. He upheld it.

/Q:



Q: Regardless of whether or not he infringed the Gleneagles Agreement, there are people who believe that already relations within the Commonwealth have been seriously damaged when the rugby tour went ahead. So things could get pretty hectic in Melbourne.

PM: No. I do not accept that. We had the Gleneagles Agreement, it was fashioned at Gleneagles. Doubtless we shall discuss it. I hope we shall not spend too much time discussing it. We spent a great deal of time on African affairs at the last Commonwealth Conference. We are in the Pacific this time and we will give a lot of attention to those affairs. But I believe the best thing would be not to have an acrimonious discussion, but just to reaffirm Gleneagles. We all want to see apartheid ended and we want to do everything possible to encourage South Africa to end it.

Q: Do you think Mr. Fraser was right in not allowing a South African team to pass through Australia?

PM: I do not tend, in any way, to make a judgement on what Mr. Fraser said as far as Australia is concerned. He is the Prime Minister of Australia, the decisions are for him.

Q: Would you allow them to pass through Britain?

PM: I was not asked.

Q: Was that a fortunate thing, would it have been a difficult decision to make?

PM: No, indeed. Had I been asked I would have made a decision. I would have considered all factors at the time. You really simply cannot ask for instant decisions on things which have not arisen. And I think one of the problems we have today in politics is because we are asked to make instant decisions. And you really try to get us to make these decisions without a proper period of reflection or considering the facts. I don't think that is a very good way of conducting national or international affairs.

/Q:



At the moment it is quite difficult for you even to consider anybody else's problems rather than your own because you have so many here in England.

PM: Each and every one of us have our own problems. Of course we tackle them.

Q: But do you think your problems are greater than they have been for some time? Because to an outsider it certainly looks as though Britain is in real trouble.

PM: Let me put it this way, we have had many problems over 30 years. One of them has been that our industries compared with France, West Germany, Japan, tend to have been overmanned. No Government before has tackled that. We have overmanned, we have had a lot of restrictive practices. So long as we have growth in world trade at a very considerable rate, there is room for everyone producing everything that we were producing. At the moment we have a world recession because of the price of oil. There wasn't so much money to buy other goods. At that moment of time the most efficient rode the recession better than the less efficient. What I had to do was really start to tackle these underlying problems. So the hidden unemployment which was present in firms has now become apparent. The firms are getting more efficient. Yes, we have problems. Indeed we have. But we have some results too. Productivity has gone up by 8 per cent, even during a world recession. The country is getting more efficient. Our export record excellent. We export 30 per cent of our national income and the unemployment has shown itself now, not on the payroll of companies, it has come on to the unemployment register and we have to try to tackle that. But we have laid the foundations for a really competitive industry. It is a great plus and if we hadn't, we would never have come through the recession with <sup>hope for</sup> the future. We do now. Our industries will compete with many others the world over.

Q: How much hope for the future do you think that 3 million Britons, give or take a few thousand, who are out of work have got? What sort of hope have they got? You once said yourself that your whole fundamental political belief was that someone should have a good job. There are 3 million people in this country at the moment without one.

/PM:



PM: Indeed, I entirely agree. The countries where there are most good jobs are the countries which have followed for years my recipe now. Germany has kept down inflation. That is my top priority. Has kept down inflation. I think a much less centralised economy that in some respects other countries have had, she has kept down inflation, she has got lower unemployment, she has concentrated on industrial efficiency. There is no magic about my recipe. It is just that I can't pick up in a couple of years what has taken nearly 15 or 20 to pick up. But it will work. They wouldn't have any hope of jobs unless our industry was efficient. Our industry is becoming efficient. Governments on the whole cannot create new industry. We have nationalised industries but you cannot create new genuine jobs, new products, new services. So we have had to free-up that whole area. We have done that. There is far more now than there would have been had we gone on in the old way because that was the way which led to our decline. I am following the recipes which will lead us out of decline and which have worked with other countries.

Q: Only two years ago you did in fact say that having a job was fundamental to your belief that people should have that job. Could you blame 3 million Britons in fact for saying to you they find that impossible to believe.

PM: That would be an easy point to take. I entirely agree. But many, many of them, for example the people who have been made redundant from steel, have been made redundant from British Leyland, they know that steel and British Leyland wouldn't have a hope of survival if we said right, take them all back. And you ~~would~~<sup>will</sup> find people at Llanwern, for example, one of our big steel plants proud. They have got productivity now that can compete the world over. Certainly we have to try to find new industries, and particularly new service industries. There will be fewer people employed in manufacturing, it will happen all over the world. It has to be taken up by new service industries. We all use the latest technology. Countries which use the new technology most intensively are the countries which actually have got the jobs - take Japan. So we must not shy away from it. But we are in an interim period unless we went through that interim period there

/wouldn't be



wouldn't be a hope of us having competitive jobs in the future. And you're quite right, it's my job to explain that. But it would not solve the problem it would only aggravate it if I said to companies to take on twice as many people as you're employing now there'd be only one possibility, they'd have to say right, half the pay. And that wouldn't help either.

Q: But what some of compensation is that to the people who are still without jobs and there doesn't seem to be any sign that the unemployment level is going to come down.

PM: The unemployment level will rise for some time even after the scale of output has gone up. Of course it will, for the simple reason that we're not working flat out in industries even at the moment. There is only one way to create genuine jobs and genuine services. It's not by politicians, it's not by commentators, it's not by economists in universities, it's by the talent and ability of people who have that sort of capacity to create new products or new services which Australians, which British, which French, which Germans will buy. I can't do it. You can only do it by freeing up the economy and allowing those new industries to grow. And so, in addition I can give you a whole lot of things we've done to help unemployment, to reduce it.

Q: It's not being reduced at the moment though Mrs Thatcher.

PM: It's not being reduced for the very reason which I've tried to explain which you don't seem to take on. We had very substantial overmanning, we had very substantial restrictive practices, insofar as you have overmanning in industry, insofar as you have restrictive practice in industry, you're not competitive. If you keep them you lose whole factories. A friend of mine came along the other day and said I had a terrible time this weekend, I had to make 50 people redundant. But he said I had to get all the workforce together and explain either we make 50 people redundant or we stand to lose our whole factory which would be 350. Because he said with these extra 50 people on the payroll we can't compete. Now he's much more competitive, he'll start to make a profit, he'll be able to invest in the future so there's a future for those 300. I have



the 50 on the unemployment register and you say where are the new jobs going to come. They can only come when industries are competitive so they can expand in competition with others and new ones start and new ones grow. And no amount of discussion, no amount of politicians' speeches, no amount of commentators will get over that fundamental truth. What is Government doing about it. Three things.

Q: But regardless of what you say Mrs Thatcher it does appear, at least to an outsider that you are using unemployment as an economic tool. Three million tools is a lot of human fodder.

PM: You're absolutely wrong. My policy is to try to get industry competitive because that is the only hope for the future of industries in this country. It is working. Management tell me they are being able to manage for the first time in ages, they are getting cooperation on a scale they haven't had before. But may I put one point to you, to which you might not be familiar. In spite of our problems and the number of unemployed people on our registers, in fact if you look at the whole of the European Economic Community, which is 10 countries, apart from Denmark we in Britain still have the biggest proportion of our population in jobs than any other country in the Community. Other than Denmark. So look at that. I've still got, apart from Denmark, the biggest proportion of my population working in jobs. One of the answers of course is a lot of women work in this country. And therefore of course there's quite a lot of married women on the unemployment register. But that's quite a lot more people in jobs here than in other countries.

Sounds

Q: /fine, but do you think if you were to go out of No. 10, talk to Britons in the street, that they would believe you when you say you're on top of your economic problems, that unemployment is going to come down.

PM: I think many many people would say this had to be done. We haven't a hope of getting through unless it is done. And at least we've got a Government that's prepared to give the leadership to do it and to lay the foundations which will give a good, solid prospect of jobs for the future. Without that we should not have

/ had it.



had it.

Q: How do you feel when you hear people saying things like, Margaret Thatcher is staying afloat but Britain is sinking.

PM: Well, it's just not true is it. It's just not true.

Q: Well things don't look very healthy.

PM: We have unemployment. Don't forget of course we had a very sharp increase in our population, in the numbers of people here in recent years. Inflation is half what it was a year ago. Productivity is up by 8% - that's very good in a recession. People now for the first time can buy council houses, you don't have many council houses in Australia, 30% of our population live in council houses, we've given them a right to purchase their own home. Some of the local authorities don't like it. They've got a stake in society. All of these things are being done. We've done away with many many controls which stopped industry from developing. We've done away with prices control, income control, dividend control, exchange control. That's for the first time in 40 years. We are tackling the problems. Unemployment has steadily risen in this country over the past 30 years. It would have gone on and on in the future every time because we reflated to try and get rid of it and then of course we had a boom, an artificial boom, then higher unemployment. I'm not reflating this time. We're getting now our genuine jobs so we know where we are and then we'll have to hope that indeed new small businesses will start and we'll get expansion. Again I repeat the point I find it very difficult to get across. No industry will survive unless it can compete with others. It will not do that by overmanning and restrictive practices. No-one has tackled this before - I am tackling it and on the whole I have support for that.

But

Q: /why do so many of your colleagues disagree with you? Why are there so many rumbles within your own ranks that you are too inflexible?

PM: But I'm not inflexible. On the contrary, why do you think I would have tried to help the nationalised industries through if



I had been inflexible. I'm sorry that argument just doesn't stand up.

Q: So the people who say that you're inflexible are just not right? You're right and they're wrong.

PM: Lots of things are said in politics, you don't allow yourself to get fussed about them. Usually the people who throw these things at you aren't in your Cabinet and don't know what goes on.

Q: Are you as tough as people say or is toughness really being inhumane on a couple of occasions?

PM: No, toughness is not being inhumane. Any mother will tell you that if you are just oversoft and sympathetic without being firm, without trying to bring your children up to responsibility, you do neither your children nor your country any good. If you merely try to tackle a problem just by throwing money at it, they will also tell you you will not do the upbringing of a child any good. You've got to be firm, you've got to stand up for the things you think are right which are an honest day's pay for an honest day's work. And if you're going to ask for more for nothing you're going to take it from someone else. This is the message that I am trying to put across. This is the message I am trying to put across to the unions. If you are going to ask for more pay for no increase in output, that pay can only come from someone else. If in a department the people are going to say we want more then it's going to come from the allocation that you'd use for construction, for equipment and that is going to mean more pay for this lot of people and is going to deprive other people of jobs. That is happening. I've got another problem which I am trying to cope with in unemployment. The pay of young people coming out of school, the unions have arranged, is about three quarters of the pay of a fully experienced and skilled person. What's happening is that young people aren't getting jobs. Of course they're not. Because businesses can't afford to pay at that level. So what am I doing about it. I will tell you. I'm saying all right if you take on a young person just out of school at a comparatively low pay, but it's better they should have jobs rather than none, they haven't got experience. I say £40-45 a week, the taxpayer will give those industries a subsidy of £15 a week. Because it's better those youngsters should get a foot on the rung



the ladder, get their experience and then they'll probably be kept on. All of this we are doing. But there have been many many rigidities in the labour market in this country which in fact have been conducive to unemployment. We've got it now but we are tackling it at the root and that if I might say so is a matter for congratulation not of criticism. Yes I do have to be firm. I don't like the word tough, I have to be firm.

Q: That's the word that's used about you most often.

PM: Yes it is, I am firm. Most people respect it because they want a Government that's got a policy, has some conviction, will stick to it and see it through, especially as what I am preaching is basically right.

Q: Why do people stop us in the street almost and tell us that Mrs Thatcher isn't just inflexible, she's not just single-minded, on occasions she is plain pig-headed and won't be told by anyone ...

PM: Will you tell me who has stopped you in the street and told you that?

Q: Ordinary Britons.

PM: Where?

Q: In conversations.

PM: But I thought you had just come from Belize?

Q: This is not the first time we've been here.

PM: Will you tell me who and where.

Q: Ordinary Britons in restaurants, in pubs ..

PM: How many?

Q: I would say at least one in two will tell us that Margaret Thatcher is pig-headed.

/PM:



M: I'm sorry it's an expression I have never heard. Tell me who has said it to you and where.

Q: These are people that we meet in passing and we obviously raise the question of the state of their country with them and they say yes we have a tough Prime Minister but she's a little bit pig-headed, she won't be told by anybody.

PM: Isn't this interesting. Even the tone of voice you're using is changing from what you used earlier. I am determined, of course I am. I am proud of my country, it can do a great deal better than it is doing. I believe it will do better and my policies will be shown to be right.

Q: But why do these Britons say this to us. Is it possible that you just won't give an inch? That Margaret Thatcher needs to be right all the time.

PM: Why don't you ask them and why won't you tell me names and who they are.

Q: On a lot of occasions they weren't people we knew by name. They volunteered these sorts of opinions. You must know that there are people out there who think that about you.

PM: Is it inflexible to say that we have to give more help to British Leyland because we could not possibly have taken at that time more unemployment and a lot of small businesses depend upon it. Is it inflexible to have seen British Steel through a very very difficult period. Is it inflexible to have given more help to British Railways, the biggest subsidies they have ever had in fact. Is it inflexible to try to see some of the problems of investment through in the National Coal Board. That most certainly isn't inflexible. Is it inflexible to have had a new scheme for the employment of young people - one of which I have just described another one called the Youth Opportunities Programme. Is it inflexible to say right, we'll try and help unemployment by helping people who want to retire early. We'll let them retire early provided that their job can be taken by someone on the unemployment register.

/ That is positive



That is positive, constructive helping. And if you find people saying that, why don't you ask them, instead of asking me?

Q: Can I put this to you. I read somewhere that your son Mark in fact said that at home we don't have arguments, we have walkovers and the boss - referring to you - always wins. Is that the way you go about running the country as well?

PM: I am a lawyer, I am a scientist, I am a politician. All my training when I am faced with an argument or a proposition is quite simple. First find the facts then try to find the reason, then propound the policy. That's not a bad way of going about anything. And it's usually the way to try to deal with someone who is putting an emotional argument. Emotions are a fact of life. Many people who put the problems haven't a clue how to solve them. Not a clue. And I would say to many people - right if you can go out and start up a business, a factory which will employ 3-400 people, 500 people by selling produce or services to someone who will pay then go and do. You'll be doing a marvellous service and you'll find it a lot more difficult than talking.

Q: Do they in fact call you the boss at home as well in the press?

PM: Of course not, we're just a family at home.

Q: Your son seemed to suggest that you're not easy to get along with at home let alone in Government.

PM: I think you totally misrepresent my son. Why I cannot think. There's a great bond of affection in our family, we all work together marvellously.

Q: But do you think he was saying something about your style.

PM: I think if you want to know about my son you'd better ask him.

Q: But about your style as a politician as well as a human being.

PM: I think if you are cross-examining what he was saying, he's the person to ask. I'm very fond of my son, extremely fond. We



set on marvellously together. Both my children and I do and I think that says something about me. There is no generation gap, none at all. We're a very affectionate family. I miss Carol very much indeed. I don't think I could carry on the way I do unless we had this close family relationship. We all believe in what we're doing. And I just really will not sit and hear you try to put these things.

Q: I don't think he was being derogatory about you when he said these things. I think it was probably said affectionately that my mother's a pretty tough lady and she doesn't even give an inch at home.

PM: Don't you think that every person to be Prime Minister has to know where they're going, has to be firm and has to give the leadership to do it.

Q: I certainly think that is the case at the moment in this country.

PM: I think its a requisite of any Prime Minister in any country and I think the electorate are fed up of having Prime Ministers who pander to the people, who say popularity is the thing I'm first after. That's not the way to get things done. You have to do what needs to be done and do it the right way. To believe in your country and believe in your people. Do you think I would go the way which as you say at the moment we have 3 million unemployed, do you think I would go that way if it weren't really because I think we'll come through far better than at the moment. It's because I do care about the future. It's because I do care that those youngsters get genuine jobs instead of jobs whose only basis is in inflation and when you get only a basis of inflation for jobs burst as the bubble bursts. No I do go this way because I care. And it requires a sense of leadership, a sense of purpose, a sense of direction and it requires something people can respect. Not politicians who pander to popularity. I can't please everyone because everyone wants something that comes from other people. I can try to pursue a policy that will be just to everyone and if we pursue it for long enough it will come right.

Q: It's not possible then that the grocer's daughter, which you are, has placed all of her policy eggs in the one basket and if

/ it doesn't



it doesn't work, you're in trouble.

PM: What do you mean by the policy eggs in one basket?

Q: This one-track policy that you have. Of reducing Government spending, not giving any leeway to the unemployed, disagreeing with your colleagues when they say you're inflexible.

PM: That is not my policy and that is a total misrepresentation. What I am saying is this. Any democratic Government must first be careful that it spends the people's money, because there is no other, very carefully and as well as the people. If it takes too big a proportion of that money then it is substituting its judgement for the people and in fact it is diminishing to too great an extent the amount of freedom to choose that people have over their own pay. If I take too much and redistribute it, people will say oh what's the point, if I do better my family doesn't benefit because you merely take more away from me. I have to watch the proportion we spend because every single pound the Government takes to spend means its a pound that is not there to invest in ordinary industry. The pound is not there for the housewife to spend. That one was taught at home, it's only common sense. Point number two, industries have got to be competitive, how else are they to sell. Point number three, it's Government's job above all to look after the defence of the realm and law and order and honest money, which we will do. Point number four, it's also Government's job and part of the public conscience of the nation to see that everyone has a reasonable standard of living if they are unfortunate, if they're disabled, if they're sick, if they can't get a job, if they're elderly. That we do. These are the things which are .. fundamentally and soundly. There's another quite moral thing. I don't believe in getting something for nothing and I am constantly saying to people if you demand more wages from muscle power rather than because of extra effort, I believe that's wrong. And you are telling me that that's inflexible. That it's one-track mind. It's a range of whole things that are true and we're trying now to get them into operation in Britain.

Q: Does it ever cross your mind that you may not be correct?

/PM:



I On those fundamental things I don't know of any way in which  
can keep a free society and a prosperous society by saying that  
Government must take an even bigger proportion to spend, industries  
need not be competitive, it doesn't matter what you do you're entitled  
to more pay if you've got muscle power. Is that the way you suggest  
I go? No of course it isn't. Because you know it doesn't work.  
Because the people who accuse me of being inflexible know it doesn't  
work in their hearts. They know the policies we are pursuing are right.  
Of course they are worried about unemployment - so am I. That's  
why I have policies for the young above all, that's why I say if you  
retire early and we can get a person from the unemployment register  
in your job that would be better. That's why we said as a matter  
of policy we will try to make available risk capital for people  
who have got ideas. The people / <sup>who've</sup> got ideas who can start up and employ  
other people are pure gold in our society. They are not the  
commentators. They are the doers and I want to give the doers a  
chance and only in that way shall I get the real jobs for the  
unemployed.

Q: Do you feel that the urban riots that you've experienced here  
all over the country, do you still feel that ...

PM: I'm sorry, point number one. Fact, they are not all over the  
country, they are not.

Q: Well you certainly had considerable trouble. Would I be right  
in saying that?

PM: Well, let's get down to the facts. We had two in Brixton, in  
a small triangle in Brixton, not all over Brixton. I went down to  
Brixton - in the streets close by that small triangle the windows  
in the shops weren't boarded up. In a small triangle in Brixton  
twice. We had a small triangle in Toxteth in Liverpool. I think  
the impression given was that the whole of Liverpool was aflame.  
A small triangle in Toxteth and Brixton. We had those two. We got  
what one sometimes gets, we got a fashion and imitation, some in  
Leicester, some in Nottingham and some in one or two centres,  
confined to small areas. And if you'd been to the areas you'd know  
that they were so confined. They are extremely worrying.

Q: What about the cause of them Mrs Thatcher. Do you still feel  
that it's because of lack of parental control, to sum up what seemed

/ to be



to be your attitude, and do you still believe that they don't have much to do with the economic problems that you face, particularly unemployment.

PM: Well, there have been riots in Liverpool before. There were problems as you know in Notting Hill, many years ago when we had relatively full employment. Problems in Bristol before. We have an inquiry about these matters, nothing nothing nothing will excuse what some of those people did - picking up petrol bombs, stones, hurling them at the police. Nothing can excuse that, nothing at all. It was totally and utterly wrong. I sometimes wonder that parents let youngsters out on the streets when they knew those things were going on. But perhaps that control had broken down. We've got to re-establish that control. We don't know why these things occurred.

Q: Not to do with unemployment, not to do with social inequality?

PM: Well, what I'm saying is there have been riots before. In Notting Hill was one, when we had not got this level of unemployment. There are areas of unemployment higher than these where we've not got riots. I think it stands to common sense, when young people have not got a great deal to do they tend to turn to trouble. But I think it would be a very unwise person who suggested that all the people who took part in that riot were unemployed, very very unwise before finding the facts.

Q: Do you think your policies have contributed in any way to that situation?

PM: Well we have the Lord Scarman report. Obviously I think if young people have not enough to do then they do tend to turn to mischief but that does not excuse what anyone did and riots aren't exactly the way to try and get jobs to an area. They were just exactly the way to frighten people off going there. Moreover if you looked - I don't know whether you went to Toxteth - if you look at what they attacked, they attacked businesses, in the triangle they attacked the people who are actually providing jobs. That is ridiculous.



The argument could be I suppose that those people have got what the unemployed youth needs.

PM: But do you attack what you need?

Q: But do you understand the frustration?

PM: I always understand frustration. I do not understand some of the things which I saw thrown there - thrown at the policemen. Terrible things happened, these things happened. We had various inquiries. We must certainly establish law and order. You cannot do anything without that and there must be no no-go areas. But they were confined to comparatively small areas, and this is the point which I want to get across. Yes they were terrible. Very terrible. I went and I saw some people at Southall, I went to Brixton, I went to Toxteth. I was in Scotland Yard all night but they were confined to very small areas. And when you ask me - all over Britain - it is deliberately, unwittingly (interruption) but a terrible problem nevertheless. You know that they were confined both in geographical areas and in time. Fortunately.

Q: Thank you.