

'Some things in this life are priceless. So are Margaret Thatcher's guts. They have left their mark on the world. So will *The Downing Street Years*.'

Bernard Ingham, *Daily Express*

The appearance of Margaret Thatcher's memoirs has been one of the most eagerly awaited publishing events in many years. As this book now shows, rarely has such a sense of anticipation been so amply justified.

No prime minister of modern times has sought to change Britain and its place in the world as radically as Margaret Thatcher. Her government was, she says, about the application of a philosophy, not the implementation of an administrative programme. She sets out here with characteristic forcefulness and conviction the reasons for her beliefs and how she sought to put them into action. She gives riveting accounts of the great and critical moments of her premiership - the Falklands War, the Miners' strike, the Brighton bomb, the Westland Affair and her three election victories. Her judgements of other world statesmen and her Cabinet colleagues are often brutally frank, her criticism devastating. The book ends with an account of her last days in power which is as gripping as anything in thriller fiction.

This is a work intensely revealing of the mind and personality of its author: her thoroughness, her passion for change, her tenacity and her astonishing determination are evident in every chapter of the book. The impression which emerges is, as one recent commentator put it, of a world-class battleship at full steam ahead.

'A book which should be read by everyone with any interest in contemporary history of political affairs.'

Norman Tebbit, *Daily Mail*

Front jacket photograph by Srdja Djukanovic

UK £9.99

AUS \$24.95

ISBN 0-00-638321-1



00999>



*recommended price

9 780006 383215

MARGARET THATCHER

THE DOWNING STREET YEARS



UNIVERSITY OF WALES
LAMPETER

LIBRARY

CLASS No. 942.09
DOSBARTH THA

ACCESSION No.

PHIFROD
6800416705

LLYFRGELL
PRIFYSGOL

LLANBEDR PONT STEFFAN

HarperCollinsPublishers
77-85 Fulham Palace Road,
Hammersmith, London W6 8JB

This paperback edition 1995
1 3 5 7 9 8 6 4 2

First published in Great Britain by
HarperCollinsPublishers 1993

Copyright © Margaret Thatcher 1993

Margaret Thatcher asserts the moral right to
be identified as the author of this work

ISBN 0 00 638321 1

Photoset in Linotron Baskerville by
Rowland Phototypesetting Limited,
Bury St Edmunds, Suffolk

Printed and bound in Great Britain by
HarperCollinsManufacturing Glasgow

All rights reserved. No part of this publication may be
reproduced, stored in a retrieval system, or transmitted,
in any form or by any means, electronic, mechanical,
photocopying, recording or otherwise, without the prior
permission of the publishers.

This book is sold subject to the condition that it shall not,
by way of trade or otherwise, be lent, re-sold, hired out or
otherwise circulated without the publisher's prior consent
in any form of binding or cover other than that in which it
is published and without a similar condition including this
condition being imposed on the subsequent purchaser.



MARGARET, THE LADY THATCHER, O.M., P.C., F.R.S.

HOUSE OF LORDS

LONDON SW1A 0PW

To my husband and family
without whose love and
encouragement I should never
have become Prime Minister.

And to all those who worked
at 10 Downing Street and
Chequers in whatever capacity
whose unfailing support was crucial
in those challenging years.

finance for the NCB did not come onto the agenda. It had already emerged at the tripartite meeting on 25 February that the NCB was in far deeper financial trouble than we had known. They were likely to overrun their external financing limit (EFL), which had already been set at some £800 million, by between £450 and £500 million and were expecting to make a loss of £350 million. We would need to challenge these figures and examine them in detail, but we could not do this – as the NCB Board undoubtedly realized – when the NUM knew almost as much about the NCB's financial position as we did. Therefore, our aim must be to draw a ring fence around the coal industry by arguing that coal was a special case rather than a precedent. We must seek to avoid any commitment for the years beyond 1981–2. Above all, we must prepare contingency plans in case the NUM sought a confrontation in the next pay round.

We confirmed these decisions at a meeting of ministers on 5 March. David Howell skilfully handled the next tripartite meeting on 11 March, at which it was understood that we would not need another tripartite meeting until the NCB's financial position had been resolved. Meanwhile, he had been instructed to prepare a memorandum on contingency plans and circulate it by Easter.

Having managed to ease the Government out of an impossible position – at what I knew to be a high political cost – I concentrated attention on limiting the financial consequences of our retreat and preparing the ground so that we would never be put in such an awful situation again. David Howell had been shaken by what had happened. He feared a repetition of the events of January. There was much argument between him and the Treasury about the new EFL for the NCB and the level of investment we ought to finance. We had to agree to an EFL of well over £1 billion. Similarly, the threat of strike action constrained what we could do immediately to increase our capacity to endure a future strike. It was clear that coal stocks at the power stations must be increased, but it was impossible to take this action without its becoming known, and the faster stocks were transferred the more visible it would be. Jim Prior advised that we should not even discuss the matter with the industries involved, on the ground that it would be provocative to do so. The Department of Energy was very slow in giving effect to the decision that 4–5 million tons should be moved by the time that the NUM pay negotiations took place in the autumn. We were told that the Central Electricity Generating Board (CEGB) would probably have to acquire extra land if higher stocks than this were to be built up. I held a meeting on 19 June to review the position. It seemed to me that the risks of moving

coal stocks had been exaggerated. After all, stocks at the pits had increased from 13 million to 22 million tons over the past 12 months and it was natural that there should be some extra movement.

The real question in my mind was whether – even if we could substantially increase the rate of movement of coal to the power stations – we would in practice be able to resist a strike that winter. It was evident from the NUM Conference which took place in Jersey in July that the left wing of the union had become obsessed with the idea of taking on the Government and that Arthur Scargill, by this stage certain of the presidency, would make this his policy. Willie Whitelaw, as Home Secretary the minister in overall charge of civil contingency planning, had overseen a study of how to withstand a coal strike that winter. He sent me a report on 22 July, which concluded that a strike this year probably could not be withstood for more than 13–14 weeks. The calculations took account of the transfer of coal stocks which we had put in hand. In theory, endurance could be increased by power cuts or the use of troops to move coal to the power stations. But either option was fraught with difficulty. There would be huge political pressure to give in to a strike. The union might see what was up if we set about increasing oil stocks for power stations. In August I reluctantly concluded that no such action should be taken in advance of that year's NUM pay settlement. We would have to rely on a judicious mixture of flexibility and bluff until the Government was in a position to face down the challenge posed to the economy, and indeed potentially to the rule of law, by the combined force of monopoly and union power in the coal industry.

THE URBAN RIOTS OF 1981

Over the weekend of 10–12 April, riots broke out in Brixton, South London. Shops were looted, vehicles destroyed, and 149 police officers and 58 members of the public were injured. Two hundred and fifteen people were arrested. There were frightening scenes, reminiscent of riots in the United States during the 1960s and '70s. I accepted Willie Whitelaw's suggestion that Lord Scarman, the distinguished Law Lord, should undertake an enquiry into the causes of what had happened and make recommendations.

There was a lull; then on Friday 3 July a battle in Southall between white skinheads and Asian youths erupted into a riot in which the police quickly became the main victims, attacked with petrol bombs,

bricks and anything else to hand. The mob even turned on firemen and ambulancemen. Over the weekend, Toxteth in Liverpool was also the scene of violence: once again there were outbreaks of arson, looting and savage attacks on the police. The Merseyside police reacted vigorously and dispersed the mob with CS gas.

On 8 and 9 July it was the turn of Moss Side in Manchester to experience two days of serious disorder. The police presence was initially kept deliberately low, in the hope that 'community leaders' could calm matters down. This they singularly failed to do and so the police had to move into the area in strength. Willie Whitelaw told me after his visits to Manchester and Liverpool that the Moss Side riots had taken the form of looting and hooliganism rather than direct confrontation with the police. In Liverpool, as I was to learn, racial tension and bitter hostility to the police – in my view encouraged by left-wing extremists – were more important.

The riots were, of course, a godsend to the Labour Opposition and the Government's critics in general. Here was the long-awaited evidence that our economic policy was causing social breakdown and violence. In the Commons and elsewhere I found myself countering the argument that the riots had been caused by unemployment. Behind their hands, some Conservatives echoed this criticism, complaining that the social fabric was being torn apart by the doctrinaire monetarism we had espoused. This rather overlooked the fact that riots, football hooliganism and crime generally had been on the increase since the 1960s, most of that time under the very economic policies that our critics were urging us to adopt. A third explanation – that racial minorities were reacting to police brutality and racial discrimination – we took more seriously. Indeed, it was for this reason that we had invited Lord Scarman to investigate and report on the causes of the riots immediately after the Brixton riots in April. Following his report we introduced a statutory framework for consultation between the police and local authorities, tightened the rules on stopping and searching suspects, and brought in other measures relating to police recruitment, training and discipline.

Whatever Lord Scarman might recommend, however – and whatever Michael Heseltine might achieve later by skilful public relations when he had begun to investigate the problems of Merseyside – the immediate requirement was that law and order should be restored. I told Willie on Saturday 11 July that I intended to go to Scotland Yard and wished to be shown how they handled the difficulties on the ground.

After a briefing at Scotland Yard I was taken round Brixton. At

Brixton Police Station I went into the canteen to thank the staff there – as I had thanked the police officers themselves – for all that they were doing. I also talked with the West Indian ladies in the canteen. They had gone into work throughout the disturbances, determined that the police should be supported with proper canteen facilities whenever they needed them at any hour of the day or night. They were clearly as disgusted as I was with those who were causing the trouble.

Later I returned to Scotland Yard where I had a long discussion with the Commissioner of the Metropolitan Police, Sir David McNee, his Deputy and Assistant. They had a number of worries: they told me that they wanted to see sentences administered quickly on the offenders – something which long delays at the Crown Courts often prevented; they were concerned that their powers of arrest were insufficient; and above all, they needed proper riot equipment, as a matter of urgency. I promised them every support. It was something of a shock to contemplate the kind of equipment the British police now required, which included a greater variety of riot shields, more vehicles, longer truncheons, and sufficient stocks of rubber bullets and water cannon. They had already received vital protective helmets from the MoD, but these had had to be altered because the visors provided inadequate protection against burning petrol. Afterwards I stressed to Willie the urgency of meeting these requirements.

On Monday 13 July I made a similar visit to Liverpool. Driving through Toxteth, the scene of the disturbances, I observed that for all that was said about deprivation, the housing there was by no means the worst in the city. I had been told that some of the young people involved got into trouble through boredom and not having enough to do. But you had only to look at the grounds around those houses with the grass untended, some of it almost waist high, and the litter, to see that this was a false analysis. They had plenty of constructive things to do if they wanted. Instead, I asked myself how people could live in such circumstances without trying to clear up the mess and improve their surroundings. What was clearly lacking was a sense of pride and personal responsibility – something which the state can easily remove but almost never give back.

The first people I talked to in Liverpool were the police, whose comments and requirements for equipment were similar to those in London. I also met councillors at Liverpool City Hall and then talked to a group of community leaders and young people. I was appalled by the latter's hostility to the Chief Constable and the police. But I listened carefully to what they had to say. There were two people with

them who appeared to be social workers, and who began by trying to speak on their behalf. But these young people did not need anyone to speak for them: they were articulate and talked about their problems with great sincerity. The press were rather confused when, contrary to what they had been expecting, the youngsters told them that I had indeed listened. But I did more than listen: I had something to say myself. I reminded them that resources had been poured into Liverpool. I told them that I was very concerned by what they had said about the police and that while the colour of a person's skin did not matter to me at all, crime did. I urged them not to resort to violence or to try to live in separate communities from the rest of us. Before I returned to London I also talked to the Catholic Archbishop and the Anglican Bishop of Liverpool, who had jointly won national attention as great advocates for their city.

The whole visit left me in no doubt as I drove back that evening that we faced immense problems in areas like Toxteth and Brixton. People had to find once again a sense of respect for the law, for the neighbourhood, and indeed for themselves. Despite our implementation of most of Scarman's recommendations and the inner city initiatives we were to take, none of the conventional remedies relying on state action and public spending was likely to prove effective. The causes went much deeper; so must the cures.

The rioters were invariably young men, whose high animal spirits, usually kept in check by a whole range of social constraints, had on these occasions been unleashed to wreak havoc. What had become of the constraints? A sense of community – including the watchful disapproval of neighbours – is the strongest such barrier. But this sense had been lost in the inner cities for a variety of reasons. Often those neighbourhoods were the artificial creation of local authorities which had uprooted people from genuine communities and decanted them into badly designed and ill-maintained estates where they did not know their new neighbours. Some of these new 'neighbourhoods', because of large-scale immigration, were ethnically mixed; on top of the tensions which might initially arise in any event, even immigrant families with a very strong sense of traditional values found those values undermined in their own children by messages from the surrounding culture. In particular, welfare arrangements encouraged dependency and discouraged a sense of responsibility; and television undermined common moral values that would once have united working-class communities. The results were a steadily increasing rise in crime (among young men) and illegitimacy (among young women).

All that was needed for these to flower into full-scale rioting was

the decline of authority and the consequent feeling among potential rioters that they could probably get away with mayhem. Authority of all kinds – in the home, the school, the churches and the state – had been in decline for most of the post-war years. Hence the rise in football hooliganism, race riots and delinquency over that period. There had even been one or two cases when the nervous indecision of the police – for instance in withdrawing officers from riots until reinforcements arrived – had both encouraged the rioters and undermined the confidence of law-abiding members of the community. What perhaps aggravated the 1981 riots into a virtual saturnalia, however, was the impression given by television that, for all these reasons, rioters could enjoy a fiesta of crime, looting and rioting in the guise of social protest. They had been absolved in advance. These are precisely the circumstances in which young men riot, and riot again – and they have nothing whatever to do with £M3.

Once we had solved the problem of the British economy, however, we would need to turn to those deeper and more intractable problems. I did so in my second and third terms with the set of policies for housing, education, local authorities and social security that my advisers, over my objections, wanted to call 'Social Thatcherism'. But we had only begun to make an impact on these by the time I left office.

MORE CABINET DISSENT AND THE SEPTEMBER 1981 RESHUFFLE

It was the 1981 budget, however, which throughout the summer continued to agitate the Cabinet. Some ministers were long-standing in their dissent. Others on whose support I had counted in the past began to fall away. The irony was that at the very time the opposition to the strategy was greatest, the trough of the recession had already been reached. Whereas in 1980 the dissenters in the Cabinet had refused to face up to the true seriousness of the economic situation and so had insisted on higher government spending than we could afford, in 1981 they made the opposite mistake by exaggerating the bleakness of the economic outlook and calling for even higher spending in a bid to reflate the economy out of recession. Surely there is something logically suspect about a solution which is always correct whatever the problem.

One of the myths perpetuated by the media at this time was that