

*Trade minister in Margaret Thatcher's first government in 1979, Cecil Parkinson went on to become Conservative Party chairman. He was instrumental in privatizing Britain's state-owned enterprises, particularly electricity.*

*In this interview, Parkinson discusses the rethink of the British Conservative Party in the 1970s, Margaret Thatcher's leadership in the Falklands War, the coal miners' strike, and the privatization of state-owned industries.*

## **Rethinking the Conservative Party, and the Role of Keith Joseph**

INTERVIEWER: Let's talk about Margaret Thatcher during the '70s. After the defeat of [Prime Minister Ted] Heath, Margaret Thatcher almost goes back to school. She and Keith Joseph go to Ralph Harris [at the Institute for Economic Affairs] and say, "Give us a reading list." What's going on here? What's Margaret really doing?

LORD CECIL PARKINSON: I think Margaret was very happy with the Heath manifesto. If you look at the Heath manifesto, it was almost a mirror image of her 1979 manifesto. All the things—cutting back the role of the state, getting rid of the nationalized industries, curbing the train unions, cutting of taxes, controlling public expenditure—it's all there. It's a very, very good manifesto. And I've heard her recently compliment him on the 1970 manifesto, which was a slightly sort of backhanded compliment, really.

What troubled her was that we could be bounced out of it. We could be moved from doing the things which we knew were right and doing things which we secretly knew were wrong because of circumstances, and I think instinctively she felt this was wrong, but she didn't have the sort of intellectual backup, she felt, to back up her instincts. But I think this was where the CPS [Center for Policy Studies] and Keith and Hayek and the reading list all came in.

She knew what we'd been doing was not right. She was determined not to make the same mistake, and she wanted to satisfy herself that her instincts were soundly based and intellectually supportive. And I think that's what she really wanted to do to win the intellectual argument.

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Remember, Keith traveled all around the universities. I remember once a colleague telling me, "I'm going to speak at the Scottish conference." He was Keith's number two. I said, "Why isn't Keith going?" "Oh," he said, "he's got a speech at Manchester University which he thinks is much more important." You know, winning young minds—Keith was really into this. Winning the intellectual argument, getting the right-of-center academics to speak out, organize them, enthuse them, you know, give ourselves intellectual credibility—this was, he saw, his mission, and Margaret shared that view, too.

INTERVIEWER: Since you mentioned Keith Joseph, he paid a price for doing that. He was not one of nature's public speakers. It took a toll on him, and a lot of the reception he got was very, very rowdy, wasn't it?

LORD CECIL PARKINSON: Keith was a brilliant orator, actually, but what he was articulating was something that people had not been used to hearing. When Keith got up and people said to him, "But you supported those Heath policies which you're now criticizing," Keith used that wonderful reply, "Yes, it's true; I'm a reformed inflationier," and the audience would sort of gasp. They'd never heard anybody challenging the consensus, saying: "This is wrong; we've got to change it. It may mean disruption for a time. People may lose jobs, but you haven't got a real job if you're in an industry without a future. You're just in a job because the government's propping you up." But people didn't want to hear that sort of thing, and it was very revolutionary and very brave of him. And of course the universities at the time were pretty left wing. And he was going right into the lions' den, arguing a case that many people had never heard before. [He got things thrown at him,] and it didn't bother him. He was a man of, in a funny way, great equanimity.

I remember an occasion in the House when he was going to reply to a minister, who was Eric Varley. But I happened to be sitting next to him on the front bench, and he was studying something, and I thought he was looking at his speech notes. After Varley had been going for about 10 minutes, he looked at me and said, "Has he said anything yet?" I said, "Not very much." "Well," he said, "if he does, let me know." And he sat back, and I saw he was reading an article in a magazine. And then he stood up and made an absolutely stunning speech. He was a person of real intellectual curiosity. He was always searching for interesting ideas. New ideas really thrilled him. But he was a very, very fine speaker, and he was a very brave

speaker, because as I say, what he was saying was the sort of language that British politicians hadn't been using for the previous 25, 30 years.

INTERVIEWER: And how big an influence was he on Margaret Thatcher?

LORD CECIL PARKINSON: A very big one. In fact, she's quite open about it. She wanted him to run against Ted [Heath for prime minister], but he had made a speech in Birmingham which got him tremendous criticism, and he felt the criticism was ill informed and unfair. It really wounded him, and he felt, "If I can't take this sort of pressure, I couldn't possibly be prime minister." He was so honest. And so he announced he wouldn't be the candidate. Margaret tried to persuade him to change his mind, but when she couldn't, she said, "Well, our point of view has to be represented. Somebody has to stand up and represent what you and I believe, and many others believe, and oppose Ted. And if you wont do it, I will."

But she saw herself as very much the second choice. She would have preferred Keith to do it. At that time she was quite open. Her ambition was to be the first woman chancellor, and she just didn't believe that the party would ever, at her time, accept a female leader. So she was for Keith, and it was only when he pulled out that she decided to throw her hat into the ring.

INTERVIEWER: Describe how big an influence Keith was on Margaret?

LORD CECIL PARKINSON: Well, I think Margaret Thatcher was very interested in ideas. Beliefs and ideas were the two things that she sought to marry. [She felt] that things had to be founded on belief, and then ideas founded on belief became policy. Keith encouraged her to be intellectually inquiring and provided her with the sort of intellectual backup that reassured her about her instincts. He was very important in that respect. She deferred to his intellect and his intellectual drive, and she was more instinctive. But the marriage of the two—the intellectual drive and the soundly based instincts—was pretty formidable. And that was Keith's contribution.

## **Margaret Thatcher: Perceptions and Reality**

INTERVIEWER: When [Thatcher] became leader, it was a bit of a surprise. What was the feeling around? Did people think, "Oh, well, she's a woman; she'll never make it"?

LORD CECIL PARKINSON: Jim Callaghan, who was then the prime minister, said, "We've just won the next election." He was quoted in the press as saying that. There was a real feeling that a Conservative Party led by a woman just won't win. And the woman part of it was an important negative. People just felt the public didn't really know her very well, and she was a woman, and we weren't ready in Britain to have a woman prime minister. So she was regarded as very much a sort of a minus by our opponents and by quite a number in our own party who couldn't get used to the notion that what one of them described as a cavalry ritual was being led by a member of the WRAC [the Women's Royal Army Corp]. There were quite a few cynics and sceptics in our own party.

INTERVIEWER: She was also leading a very narrow sect within the party, wasn't she? To what degree was she a minority in her own Shadow Cabinet?

LORD CECIL PARKINSON: Well, for a long time she was in a minority in her Shadow Cabinet. People are very fond of saying Margaret Thatcher couldn't tolerate criticism or couldn't put up with people who didn't agree with her. She put up with people who didn't agree with her for a very long time. During the whole of the time she was our leader in opposition, which was four years, she was in a minority in the Shadow Cabinet. When she formed the Cabinet she was in the minority, because having become leader, she was advised rightly, she had to bring all the different parts of the party together. Quite frankly, there were more of them, to use a Thatcherite expression, than there were of us. So they were in the majority in her Cabinet, and that carried on right through until 1981. She became the leader in '75, and it was only six and a half years later that she finally got a majority of likeminded people in her Cabinet.

INTERVIEWER: And how did she achieve that?

LORD CECIL PARKINSON: Well, it was after the debate in July of 1981 about the public expenditure round, and she found to her surprise that when they had the Cabinet to discuss the public expenditure round, she and the chancellor and the chief secretary were in a

minority of three in her own Cabinet, so she adjourned the discussion. By the time the Cabinet met again there'd been some changes. Four people had gone, and four new people had come in. There was an attempt to pretend that she got rid of a group of tough people and brought in a group of yes men.

And the tough people, charming though they were, were people like Ian Gilmour and Norman St John Stevas and Mark Carlisle, who were not warriors, a very gentle group in many ways. She brought in such softies as Norman Tebbit and Nigel Lawson, and modesty should forbid from my saying that I was one of them, and Janet Young was the other. We were kindred spirits in that we shared her beliefs, and we wanted to see the manifesto implemented, and we were going to drive it through. We were prepared to accept some of the disadvantages and unpopularity that would go with that for a time.

INTERVIEWER: What were Margaret Thatcher's strengths and weaknesses?

LORD CECIL PARKINSON: Well, she was a remarkable leader. I think the things that people perhaps don't realize about her was first of all, I've never known any minister in any role in government who was better informed than she was at the meeting. She's a tremendous doer of homework—read into the night so she was informed at all meetings. She knew what she wanted. But there were two things about her that people don't realize. First of all, she was much more flexible [than people thought]. She listened to the arguments, and she changed her mind if people could persuade her by argument. And she was also a surprise to a lot of others, because she was a very much more cautious decision-maker than people realized. She perhaps called for more research. She was much more cautious at making decisions than many people realized, and very sound, too.

INTERVIEWER: And when she made up her mind?

LORD CECIL PARKINSON: Pretty determined then, yes. No, she didn't mess about. She listened to the argument, and she also, with some reluctance—certainly while I was chief whip to her—sometimes she accepted that there was a tactical way to achieve what needed to be achieved, and it wasn't always the head-on confrontational way. I never had any difficulty persuading her, but I sometimes had to work at it a bit.

INTERVIEWER: Would it be fair to say that for her "consensus" was a dirty word?

LORD CECIL PARKINSON: I don't think that she saw things that way. She actually very much listened to the argument. Let's have the arguments. She criticized the papers that came up from her ministers very much more because she thought they were sloppily argued than because they came to the wrong conclusion. She would accept that sometimes the conclusion was different from the one she started with. What she couldn't stand was sloppy arguments. And I can remember several ministers at different times getting a quite sharp response from her, and afterwards she would say to me, "I can't understand why they ever allowed Lady Palmer to serve up such ill-argued stuff." That's what really upset her.

INTERVIEWER: How did she do business in her Cabinet?

LORD CECIL PARKINSON: I could draw a distinction between her way of doing business in the Cabinet and Ted Heath's. Ted would tend to sit there. He'd listen to everybody's views, and at the end of the day, having got round the views, he would sum up, and he expected people to go along with his summing up at the end. ... She would start off by quite often expressing a view as to what she thought, listening to the arguments, and then she would say: "All right then, we'll do it your way. But my goodness, you'd better be right." And I've seen her change her mind by the force of argument quite often. But there was a little threat of it, you know, that you'd better be right.

INTERVIEWER: One way in which she sometimes won the argument was by changing her colleagues.

LORD CECIL PARKINSON: Oh, sure. Oh, she did that. Certainly in her initial period of the first parliament she was in effect in a minority in the Cabinet, and she had to play quite carefully to make sure. And certainly by the time I was chief whip and was consulting with her about members of the Cabinet and who should be there, she always wanted a proper cross-section of the Cabinet, but she wouldn't ever want to be in what she thought was a minority. If a man at the left was to retire in any way she'd put another man at the left there. She thought it was better that they should be inside, discussing it, than outside causing trouble.

INTERVIEWER: What did she mean then when she talked about "Is he one of us?" Did you ever hear her use that phrase?

LORD CECIL PARKINSON: I don't think I've ever heard it, but it was a well-known phrase, and I knew what it meant. She knew that some people would instinctively support her view of the market economy. ... She was quite clear what were the important things of value of her state. She believed first in the rule of law—very determined. Secondly, she believed very strongly in sound money and sound defense, and she kept on coming back to those basic principles in all sorts of discussions. And she did not at all approve of what had been the sort of consensus level of politics, particularly in economic affairs, between what she thought was a rather sloppy big-business attitude in the United Kingdom cohabiting, so to speak, with the trade union movement.

INTERVIEWER: When she became leader of the party, what was the general consensus? Did people think she'd go anywhere?

LORD CECIL PARKINSON: I think so. I don't think there was any great hostility. I think there was a bit of a surprise. And I think those who worked for her and around her felt that they were pioneering much more than I think the rest of the party did. No, I think people accepted her. She had been a formidable operator in the House of Commons in every job that she had done, partly because she was so well informed. And that was her great skill: When she made a speech you knew she had researched it and thought about it, and she could deal effectively with anybody who wanted to interrupt. So I think there was no great hostility to her except perhaps a bit of cutting among what might be termed the grandees, who thought things were not quite what they used to be.

INTERVIEWER: What did they mean by that?

LORD CECIL PARKINSON: Some of the great figures of the party felt that this was as much what I might call a class thing as it was the fact that she was a woman. It was that she was basically middle class, lower middle class in their view, with a shopkeeper type of approach, and they were a bit suspicious of that, I think, frankly, though they never quite said it. And of course some of these grandees actually served under her with enormous distinction and

played a very big part in her success. But originally I think they might have raised an eyebrow or two.

Again, she was certainly in a minority in her first Cabinet for quite a number of years, and that required her to handle the number of issues which she may not have handled in quite the same way if she hadn't been. The big strength she had was at that time Geoffrey Howe was the chancellor of the Exchequer, and she saw eye to eye with him on pretty well most of the issues. There was no difficulty there. And if you look at the history of British government, if the chancellor of the Exchequer and the prime minister are in agreement, things go well. If they disagree—and there are plenty of examples currently and in the recent past where they disagree—governments get themselves into trouble. That was a big strength to start off with. Then there were other people, for example Jim Prior, who was responsible for the employment laws. Now, he was very much a "softly, softly" sort of person, bringing in a new bill every year, tightening up on the rules rather than making a major change. I think her instincts would have been to try and go a bit faster, but I think in retrospect she will realize that Jim served her extremely well. We achieved what we wanted to achieve over a parliament, but at a slightly more cautious approach, and I don't think in retrospect she would have criticised that at all. It was a great achievement, that between them they managed to change our trade union attitudes in this country in an enormously successful way. And Jim certainly was a "softly, softly" sort, determined but kept at it, year by year.

### **"This Lady's Not for Turning"**

INTERVIEWER: What were the circumstances under which Mrs. Thatcher gave her famous "The lady's not for turning" speech?

LORD CECIL PARKINSON: There was a lot of pressure on Mrs. Thatcher to change the policy. We'd had a rather discreditable tradition in British politics of the government getting elected and then about two years into the term the Parliament did a U-turn and announced all the things it said it was going to do weren't going to be done, and all the things it said it wouldn't do it was going to do. If they said they were going to cut tax they'd put them up, and they always pleaded, "Circumstances made us change our policy."

And so this was the sort of discreditable tradition that had grown up. There was always pressure on Margaret to say: "Oh, abandon the policies. Get softer. Spend your way out of trouble. Abandon the privatization policy." And it was in that context, when there was pressure growing to change the policies, that she made this wonderful speech—"U-turn if you must, but this lady is not for turning"—meaning the U-turn, which has been such a feature of British politics, is now history. "We're going to pursue the policies on which we were elected, and I as prime minister feel under an obligation to the British public to keep my word." It was a wonderful moment.

INTERVIEWER: She's been described as an ideologue and her followers, people like you, as ideologues. Is that a fair description?

LORD CECIL PARKINSON: Well, we were very practical people, but we were driven by beliefs, yes. We were absolutely convinced that socialism was at the root of a lot of our problems, and we were determined to get rid of it. And to that extent we were ideologues, but we were also practical people. People said, "Politicians, they've had no practical experience of the real world." I remember looking at the Department of Trade when I went into it. John Nott, who was responsible for city regulation, had been a city banker. The minister for aviation was a British Airways pilot. I was in charge of company law. I'd been a practicing chartered accountant in the City, and our colleague who was the specialist in company law had been a company lawyer. So actually we were very practical people. But we were practical people with a vision.

### **The "Sick Man of Europe"**

INTERVIEWER: Let's step back to 1979. Throughout the '70s Britain was plagued by industrial unrest and a general sense of decline and malaise. How bad did things get in the '70s, culminating in the so-called Winter of Discontent? How did Britain seem from the inside?

LORD CECIL PARKINSON: Well, my first job in government was as the minister for trade, and one of my first jobs was to take a joint commission of businessmen, civil servants, and ministers to Russia. We had an Anglo-Soviet joint commission. And after we'd been there a couple of days, the Russian trade minister, with whom I got on very well, said to me, "Look," he said, "Cecil, we don't want to increase our trade with you. Your goods are unreliable;

you're always on strike, you never deliver. In fact," he said, "we regard you as the sick man of Europe." And at the same time an American commentator was writing a devastating sentence: "Britain offers a first-class example of how to ruin a fine country."

That's how friend and foe alike saw us. That's the way we were. We were an object of pity among our friends and condemned among our enemies. And that is not overstating the position.

## **Thatcher's 1981 Budget**

INTERVIEWER: Let's discuss a couple of huge landmarks on the early part of her premiership. First of all, 1981, the budget: Can you describe for a lay audience what was the issue then?

LORD CECIL PARKINSON: The issue really was that we hadn't really conquered inflation. Unemployment was rising, and the traditional way of dealing with it was to inflate the economy, and that would have been what everybody would have expected to do—what the Labor Party would have wanted to do, what great bulks of the Conservative Party would want to do. She and [Chancellor of the Exchequer] Geoffrey Howe were determined to stand firm and keep a firm control on public spending. They did, and we all had a quite uncomfortable time, and it paid off.

INTERVIEWER: You say it was tight control, but this was the most vigorous squeeze in British economic history, wasn't it?

LORD CECIL PARKINSON: I can't remember the figures now, but it was tough. It was certainly tough, and it was as tough as we could get away with. And we got away with it. I think we might not have got away with it at the end of many years in government, but when a party is fresh in power, they have an enthusiasm and a loyalty which as an ex-chief whip I can tell you they don't always have towards the end of a long period. So she had a lot of things going for her. But it was a very important budget, and they were very determined, and they stuck to their guns.

INTERVIEWER: Give us just a sense of just how radical that was, that budget.

LORD CECIL PARKINSON: It was just the fact that across the board they held the line when everybody would have expected them to have inflated and to have spent more money and to have encouraged public expenditure in one form or another. ... It was quite a simple question of across the board, because unemployment was high and rising, and it was thought that the traditional way of dealing with that was by spending money.

INTERVIEWER: What was the risk to her politically?

LORD CECIL PARKINSON: I think if it had failed and we had lost the next election, well, that of course would have been the end of her. A lot of people think it was the Falklands War which saved her the next time. I think the evidence is not there to back that up. I think that the polls had started to turn before the Falklands War. I'm sure the Falklands factor was a factor in the 1983 election, but I think she would have won anyway, and the signs were that we were winning through.

INTERVIEWER: If she'd taken a standard inflationist approach in 1981, what could we have expected—high unemployment, what?

LORD CECIL PARKINSON: I think we would have just had higher inflation, a steady lowering of Britain's competitive position in the world, further devaluations of sterling, and everything that she was elected to stop. I mean, she was elected because she spoke, in my view, instinctively from the heart of the British people, that we had gone on drifting for far too long a time. ... We'd lost an empire and hadn't found a role. All of that was part of the undercurrent of British feeling. And she was elected because people felt she had the guts to do something about it, and if at the first major hurdle she had failed, we'd have just gone back to the drift of the years before.

## **The Significance of the Falklands War**

INTERVIEWER: Some people say the Falklands War saved Mrs. Thatcher's bacon. She was weak domestically. What were the odds against her when she took on the Falklands War? What did everybody expect her to do?

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LORD CECIL PARKINSON: At the time that the Argentineans invaded the Falklands, I was the chairman of the Conservative Party. The day they invaded, we had just taken the lead in the polls for the first time in 18 months. We actually had taken the lead. This notion that the party was in the doldrums, that the Falklands saved us, is not true. If you look at the facts, we were in recovery, and everybody saw the Falklands as probably the beginning of the end, because a woman in charge, 8,500 miles away, what on earth can we do about it? And she turned what could have been a disaster politically into a triumph for the country, and she benefited from that. But it wasn't seen like that when it began. It was the way she handled the crisis that actually made people start to realize that we'd got somebody pretty special in charge.

INTERVIEWER: How risky an undertaking was it to try and take the Falklands back? I mean, surely all the conventional wisdom was "Leave it alone; you can only lose."

LORD CECIL PARKINSON: Well, there were a lot of obstacles to victory, if you like, in the Falklands. First of all, the Falklands were 8,500 miles away from here and only 400 miles away from Argentina. The nearest base we had was 4,500 miles away. We had no ground-based radar, we were operating entirely from ships at sea, and we had to get the ships and the troops down there. We couldn't get them there in under eight or nine weeks, so the Argentineans had all that time to reinforce their positions, dig themselves in, supply themselves to meet us.

Militarily it was a hugely complicated campaign, and I remember going to the first War Cabinet, and there were five of us in it, and the rest of the War Cabinet were the heads of the services and the head of the civil service and so on. And I remember looking across the table and thinking, "I hope these people are as good"—meaning the military—"as they're going to need to be." And as I got to know them better, they said they looked across the table at us and said, "I hope these people realize what they've let themselves in for." We realized we'd got a hell of a problem on our hands, and it was brilliantly handled. Everybody united, worked together, the politicians and the military, and it turned what could have been in a disaster into a very, very extraordinary military achievement.

I don't think if you were to draw up a mock exercise you would ever set out to recapture islands 8,500 miles away from your home base, 200 or 300 miles away from the enemy.

INTERVIEWER: And how much of that was due to Mrs. Thatcher's determination and leadership?

LORD CECIL PARKINSON: She had this very strong feeling that if big, powerful countries could march into small countries just because they were near them, where would it end? So one had to really underline the principle that might is not right, and the fact that the Argentineans were there and were more powerful than the Falklanders didn't give them the right, just for that reason, to march in. And she felt she was establishing a principle that applied in all different parts of the world. And so she felt it was right that we should [do that]. And we had some very fine ... men and generals and leaders who very quickly became convinced they could do it if they got the right political support, and they did. Never once were they asked to trim their actions for political reasons. And we gave them all the support we could. It was a very interesting example of how politicians and the military can work together and achieve a good result for the country.

INTERVIEWER: The net effect was that Mrs. Thatcher was hugely strengthened politically and morally.

LORD CECIL PARKINSON: She did benefit from it because I think people thought, well, that is a real test, a woman prime minister being put to the ultimate test and not found wanting. We took a deliberate policy decision. I was running the election campaign [and said] that we would not actually in seek in any way to exploit it, and we didn't talk about it. It was Denis Healy that brought the subject up in a rather ill-timed [manner] and got very quickly slapped down. But there's no doubt at all that the public began to realize we had a leader on our hands.

INTERVIEWER: With the Falklands crisis, having taken the decision to go in, what was at stake for her and the country?

LORD CECIL PARKINSON: Her view was that there were two things about the Falklands. She was very much concerned and remembering 1938 and 1939, when aggression was allowed to get away with all the flow from it, and I think she was determined that that shouldn't happen. And that was on the ground. But I think there was a wider significance to it as well, and that

was this feeling that if we didn't stand up... This was symbolic of what sort of Britain she was seeking to create—a Britain that could hold its head up, which Douglas Hurd later talked about a country which punched above its weight. She was determined to try and achieve that. So she had two purposes: one, stopping aggression; but secondly, it was a signal for the British people that we were serious about our role in the world.

INTERVIEWER: If it had gone wrong, she'd have been finished?

LORD CECIL PARKINSON: Oh, sure, but you know, there's a lot of things—never ventured, never gained. A lot of things in political life could go wrong and you'd be finished, but you'd never achieve anything if you had to worry about that all the time.

INTERVIEWER: After that, people talked about—you used the phrase yourself already—"the Falklands factor." What was the Falklands factor?

LORD CECIL PARKINSON: Well, the Falklands factor was a realization that she was a toughie and that she'd led a successful campaign and that all the things that she stood for had come to fruition. I don't think it had quite as much effect on the general election result, the subsequent one, as a lot of people thought. I think she'd have won it anyway. But it certainly helped [in terms of popularity]... and she was recognized around the world. I think the 1981 budget was probably the key economic consideration [in her reelection]. I think the Falklands War made her into a world figure in a way that she perhaps wasn't before. With those two things behind her, she was clear to really take a run at privatization, and she'd sorted out her own Cabinet.

INTERVIEWER: Can you just tell us about the conversation she had with Al Haig, the American secretary of state, at the time of the Falklands?

LORD CECIL PARKINSON: Shortly after the Argentineans invaded the Falklands, the secretary of state of the American government, Alexander Haig, Gen. Haig, flew into London to meet up with the War Cabinet, and he was trying to act as an honest broker between the Argentineans and ourselves. And it was crystal clear that he felt that militarily we'd had it, and therefore his job was to find a sort of formula that would save the optimum amount of British face, but it

would see us really out of the Falklands, because the Americans had been investing a lot of effort into building up a South American policy and cultivating South America. And here they were with their closest ally, Britain, going to war with a leading South American country. So it was very inconvenient for them.

So he came over to act as an honest broker. His formula would virtually have handed the Falklands over to the Argentineans, but not just yet. That's a simplification, but there would have been a period of joint sovereignty and all this stuff. He thought, well, this was bound to please. And you know, let's face it, they're 8,500 miles away; [the Falklands] really couldn't be that important to us. I'm paraphrasing. I'm summarizing his attitude rather than his words. And Margaret let him go on, and then she sort of tapped the desk—we were sitting at the Cabinet table—and she said, "At this table in 1938 Czechoslovakia was described as a little country a long way away of no immediate concern to the British." And she said, "And within two years we had a world war." She said, "I'm never going to repeat that mistake, Mr. Haig. We are going to defend the interests of the Falklands. There's a principle at stake, and these people are British."

She then gave Haig her version of what he should go to Argentina and his negotiating mandate. And he sort of accepted it, and he went off, and we all said good-bye to him, and good luck. And then, very early the next morning, I got a telephone call saying he hadn't gone. He'd had second thoughts, and he'd wanted to come back, because he had a man with him called [Thomas] Enders [assistant secretary for Latin American affairs], who was responsible for South America, and this chap could see South American policy would go up in smoke if we went with this mandate.

So we met again, and she listened to him very carefully and then said, "Mr. Haig, we've made our position clear." So he went away and tried to negotiate from an impossible mandate. But I heard subsequently from a member of the American embassy that Haig got back to Claridges at the end of this exhausting day in the Cabinet room, loosened his tie, threw his jacket off, and said, "Somebody get me a whiskey; that's a hell of a tough lady." (laughs)

And of course he was a very good friend of Britain, and he tried very hard, but there was never any possibility of agreement, because we said the wishes of the islanders must be

paramount. They will only cease to be British if that's what they want. And the more the Argentines did, the more determined the Falkland Islands were that they'd never be Argentinean. So there was never the basis for a compromise actually, because sovereignty was the key. We wouldn't surrender it unless the Falklanders wanted to, which they never would have done, and the Argentines wouldn't accept anything else. So there was never any real common ground. But we explored every possible avenue.

## **The Beginnings of Privatization: Electricity**

INTERVIEWER: Some say the most significant thing that happened in the Thatcher prime ministership was the series of privatizations that were carried out.

LORD CECIL PARKINSON: Yes.

INTERVIEWER: Did she see it as a huge thing to undertake?

LORD CECIL PARKINSON: Well, it's now fashionable to say it was a sort of accident, but it wasn't, you know. I remember going into the Department of Trade with Norman Tebbit and John Nott, and we were determined to be the first department to privatize an industry. We were the first department to get a bill before Parliament to do it, and that industry was British Airways. So there was competition from the very beginning in Whitehall to be the first to privatize.

This notion that we'd been in government for a couple of years and suddenly scratch and say "Why don't we privatize something?" is quite wrong. From day one we wanted to be the first department to privatize, and fortunately we got the bill through Parliament. We got the company reorganized, and then Freddy Laker slapped down a writ claiming several hundreds of millions, so the net result was that we had to postpone the float until we'd cleared that up. But from day one we wanted to be the first, and all over Whitehall people were getting into this in their departments and saying, "What can we privatize? What can we take to the market?"

INTERVIEWER: Were there naysayers, saying, "This will never work"?

LORD CECIL PARKINSON: Oh, yes. Oh, privatization was very controversial, because the British had really learned to live with the status quo. That was what consensus politics was all about. I remember a wonderful phrase of Enoch Powell's: "the inertia of the status quo." And you know, there's the electricity industry. The lights come on when I touch the switch; why interfere with it? The answer was that we had an incredibly inefficient, overmanned, expensive electricity industry. It wasn't the fault of the industry that it was overmanned. It was ministers forcing industries to build power stations that they didn't need, in places where they didn't want to put them; ministers deciding what price they would be allowed to charge; ministers deciding on the pay; trade unions operating... They were all cartels, with trade union monopolies operating inside the cartel.

So there was a huge inertia built into the system. When I was privatizing electricity, we never had more than 16 percent approval for the policy, but we believed it was right. And of course, when we subsequently got into the market, we realized just how inefficient the industry had been. We would never have known if we hadn't privatized it.

Now electricity prices are 30 percent lower than they were. It was unheard of. There was only one way for prices to go in the nationalized industries: up. The idea that prices could have been brought down was something that nobody believed. And I was involved in British Airways' privatization as one of the ministers, and then when I got to DT [Department of Trade], I was responsible for British Telecom for the time. I reintroduced the bill. It had been part the way through, and then I reintroduced the bill to the House. And I was very disappointed that we had to privatize it as a monopoly. I made a vow, because it had gone too far by the time I arrived to break it up, but I made a vow that I would never, ever again privatize a monopoly, and to my delight I was able to privatize the electricity industry and bring competition in, and reorganize the industry, which was something I hadn't been allowed to do in DT, because it had gone too far when I got there.

INTERVIEWER: You said you didn't realize how inefficient the electric power industry was until you privatized it. How inefficient was that?

LORD CECIL PARKINSON: Well, you have to look at the number of people working in the industry now. You have to look at the range of technologies that are being used. You see,

these industries were cozy little cartels everywhere. One sort of technology was coal burning; the industry had to buy 84 percent of all its prime fuels from one supplier, British Coal. So it had to burn coal. It had to use a British technology to burn the coal. The industry was forced to be inefficient. It had a labor force way in excess of anything that was subsequently proved to be necessary. ... I'll give you one example. I went from Energy to Transport, and when I got to Transport, one of the first things I was told was, "We're going to have to let British Rail borrow more money." And I said, "Why?" And they said, "Because the electricity industry is no longer going to pay the prices it's been paying for freight to carry coal from power pits to power stations, and they've reduced the prices by 200 million [pounds]." And I said, "Is that still a profitable business for British Rail?" "Oh, it's a fantastically profitable business."

But British electricity had been paying 200 million more than it needed to because it was working on a cost-plus basis. The higher its costs—since its profits were a percentage of its costs—the higher its profits. It was ridiculous. It was economics stood on its head. And this was a primary industry, the prices of which affected everybody in the country. If you could cut those prices, as we have by 30 percent, improve the technology, cease to be dependent on one type of fuel but have a range of fuels, you've got security; you've got cleaner electricity, if you can have such a thing; you've got lower prices. And none of that would have happened if it had stayed in the state sector, because we were all convinced we owned a very efficient electricity industry. Little did we know...

INTERVIEWER: What was to stop the power industries buying cheaper coal, for example?

LORD CECIL PARKINSON: The government. We owned the coal industry; it was convenient. We said, "No, you must buy British Coal, because we own both of you," and "What are we going to do with British Coal if you don't buy its coal? So you will buy its coal." And there was no choice about it. The fact that there was cheaper coal all over the world simply wasn't relevant; they had to buy it from British Coal.

This is what you get into in those state-owned industries where ministers, against their wishes very often, are forced to take a view. You get nonsensical economic decisions being taken.

INTERVIEWER: Is it so nonsensical? You have a situation here where British Coal, which, after all, is under the ground, is being dug up by people, British workers who support British families, no British money is flowing to foreign countries. Why is it so nonsensical?

LORD CECIL PARKINSON: First of all, if you are forcing British industry to burn expensive electricity—because it's home-produced, expensive electricity—then how many jobs are you losing in other industries, which are being forced to carry a cost that their competitors don't? And if you look at our coal industry—and this is no criticism of it—if the coal is very deep in the earth, it is hugely expensive to get out. That used to be a job that everybody looked forward to giving up, because it was a very dangerous job, and it got a lot of lives lost, blood on the coal and all that.

To say to an industry "You must buy from the most expensive supplier in the world" is a way of guaranteeing its prices are much higher than they need be. And if you have high prices on basic industries, they have to be passed on to the customers, and the end result is industry is less efficient, less productive, less competitive than it would otherwise be in a world which is growing ever more productive, ever more competitive.

I think that one of the most important things as to why we were able to make privatization such a success was not just that it was right and so on, but there was a general feeling that virtually everything else you could think of had been tried and failed. And the senior civil servants who may have been instinctively rather opposed to the idea of handing over to the private sector these great utilities and things had to admit that everything had been tried and failed. And so there was a feeling, "Well, it can't be worse than what's happened before. For instance, the last previous Labor government had great planning agreements with the major companies and corporations in the country. Those planning agreements they had could be delivered with the private sector. They couldn't be delivered with the nationalized industry, the industry they own, because the management wasn't capable of controlling their own industries, and so they never achieved the targets they set out to. And so there was a feeling we had to do something. But we certainly didn't advertise it before 1979 that we were going to do it. We hadn't thought it through properly, and there was a very distinct learning curve as to how actually to do it, and I was involved in some of the early ones and later responsible for

some of the later ones. And there was a big learning curve in finding ways of doing it. But I think it's been a tremendous success and, of course, imitated around the world.

Of course, in a nutshell, what we did had to first of all satisfy the consumers. Secondly, it had to save the taxpayer money, and nearly every one of the nationalized industries was costing the taxpayer money, and now is earning and paying corporation tax. And it had also lastly to produce a significantly better standard of living for those who worked in the industry. All of those things have been an outstanding success in pretty well every one of the privatized industries.

INTERVIEWER: How did you privatize the electricity industry? What exactly did you do?

LORD CECIL PARKINSON: Well, we separated generation from distribution, and we treated the national grid which carries the electricity all over the country as a highway, a common carrier. And we said that anybody who has electricity to sell and a customer to buy can use the grid. Previously the grid was owned by the only generator. So there was only one generator. He controlled the distribution system, and the area boards just picked up what he gave them at the price he chose to charge, basically.

Now what we've done is create a market for a generation so that people are competing to sell electricity, to generate electricity at a competitive price, and we've made the grid available to everybody at the same charge, so you could build a power station, knowing you can get it from your power station to your customers without interference from your main competitor who owned the grid. So we created competition in generation. We regulated supply. We've now created competition in supply. So we brought into a market which had one supplier and one distributor, we brought in competition. The net result is prices are, as I say, 30 percent lower than they were. God knows what they would have been if we hadn't privatized it. That's 30 percent lower than they were. You point to any other nationalized industry which has reduced its prices to 30 percent lower than they were 10 years ago.

## **Opposition to Privatization, and Tony Blair's Change of Heart**

INTERVIEWER: When one talks to a true blue Tory like yourself, they always talk as if there's something intrinsic in nationalized industry which means [the industries] cannot work. Why, given the right investment, the right management, couldn't they work?

LORD CECIL PARKINSON: Of course they could work, but it's the fault of the politicians that by and large they didn't work. For example ... when a government is faced with some sort of an economic crisis and has to cut back on investment in one area or another, what they do is to cut back on some of the public sector, infrastructure, because nobody will notice for a year or two. They won't notice while the crisis is going on, and if that goes on for 50 years, you suddenly find you have a water system and sewerage system which is vastly antiquated. If you put it in the private sector, you simply can't do that anymore. And so it is the transparency of a company being in the private sector, openly regulated, that gives it the chance of being able to work officially to targets and not be interfered with by the politicians.

INTERVIEWER: When the time came to privatize the electricity industry, what did the opposition party say? Who was hammering it?

LORD CECIL PARKINSON: The leading spokesman for the opposition was a promising young chap called Tony Blair. I must say when I listen to Tony Blair talking about Labor as the party of business now I have to pinch myself, because Tony Blair's vision of what the private sector would do with the electricity industry was quite different from the way he talks about the private sector now. The private sector only made money by overcharging, putting the lives of its workers at risk, risking security of supply, and pushing prices up. Workers would suffer, the lights would go out, and the only way to prevent all this happening was to give an undertaking that when they came to power they'd re-nationalize it.

That was his vision of how the Labor Party should approach electricity privatization. He said, for instance, "Nobody will ever build a new power station." There have been 19 new ones built. "Nobody will ever try to compete." It's the most competitive electricity market in the world. Every house in Britain now has a choice of electricity suppliers. If you don't like your local one, you've got another 10 who are falling over to supply you. So people have actually got a choice; prices have gone down; new power stations have been built. Every single thing that he predicted didn't happen and all the things he said wouldn't happen have.

But it was basically at the heart, an appeal to this basic conservatism of the British people, saying: "It appears to work. Our electricity industry is the envy of the world; don't let's interfere with it." To quote Enoch Powell again, "It was the inertia of the status quo." It's there; don't interfere with it.

## **Arthur Scargill and the Miners' Strike**

INTERVIEWER: What part did the electricity industry play in helping to defeat the miners' strike?

LORD CECIL PARKINSON: A very substantial one. The miners challenged us very early on in our term in office, and we had to buy them off a couple of times because we weren't ready to take them on. Mrs. Thatcher and Nigel Lawson, particularly, decided that they would build up the stocks at the power stations, that they would make arrangements to convert some of the power stations to burning oil. They tuned up the nuclear industry, and then when the miners decided to take the government on and try to get rid of it, which they'd done with the Heath government, we were ready for them. And although they were on strike for a year, we never had any threat to electricity supply.

We had one additional bonus which none of us foresaw, because the leader of the mineworkers, Arthur Scargill, couldn't be sure that his members would vote for a strike; he didn't give them the opportunity. And because they hadn't been consulted, the Nottinghamshire miners broke away. They said, "We're not prepared to be bound by a decision to which we weren't a party."

It would have been more difficult without the Nottinghamshire miners [not participating], but it would still have worked. But the Nottinghamshire miners were a totally unexpected bonus, and their production, plus the stocks, plus the conversion to oil, plus the performance of the nuclear stations, which were the unsung heroes during that strike—they produced electricity as they'd never produced it before—proved to the miners that they didn't control the nation's electricity supply.

But it did something else. It showed us that you could not have a primary industry with one fuel supplier which was totally trade union-dominated, with politically motivated trade union

leaders. You can't have any entity in the country which is more powerful than the elected government and has the capacity to bring the elected government down. And by trying for a second time to bring an elected government down, the mineworkers sealed their [own] fate.

INTERVIEWER: What kind of a person was Arthur Scargill?

LORD CECIL PARKINSON: Arthur Scargill is a brilliant player of trade union politics inside his own union. His own union had an extraordinary constitution where they elected a president for life. They didn't have to have regular elections. Once you were elected, you were there. And Arthur was a very committed socialist/communist. And he saw his role as a political one. He never saw the National Union of Mineworkers as part of the economic system; he saw them as a major instrument in the class war. That was his attitude. And he thought he was furthering the interests of ordinary Britons by bringing a Conservative government down.

He had a totally different concept of his job from that of a lot of other trade union leaders. And he was very good at manipulating his union, and he was a very good orator. He commanded a lot of respect in the union. But of course the stumbling block was that the great democrat, the man who believed in the people, was scared stiff to consult them about whether they should have strike, because they might have said no, and so he wouldn't have a ballot. And because he didn't have a ballot, he split his union. And the Nottinghamshire miners broke away, and that split, plus the precautions we'd already taken, ensured that the strike could never succeed. So he actually was a very politically motivated person who abused economic power for political purposes and made it inevitable that we had to break the coal monopoly.

INTERVIEWER: And the final effect on his union and his industry?

LORD CECIL PARKINSON: He inherited a trade union with over 250,000 members, and at the moment he has to almost manipulate the figures to qualify to send two delegates to the trade union congress. They've become one of the smallest unions in the country. He, of course, would blame the government, but actually he made it inevitable that governments would have to tackle him.

INTERVIEWER: How big is the union now?

LORD CECIL PARKINSON: The last time I saw there was some doubt about the figures, but it was somewhere around the 9,000, I think, and most people think it's less.

INTERVIEWER: What were your worst memories of the miners' strike?

LORD CECIL PARKINSON: It may sound odd, but there was real suffering in the mineworking communities, and we didn't like that at all—the violence, the police being put in a position where they were, from time to time, head on against the miners. You don't like to see a Britain where people are set against each other and the police are seen by a section of the community as the enemy, a section of the community which was, before it started acting politically, very much respected, the mineworkers. And most people realized that working in a mine is a tough job, and there was a sort of grudging admiration for the people who did it. But that was squandered, and you had that group of people whom people had a grudging respect, in some cases, taking on the police.... And then there were terrible incidents like that piece of metal being dropped, or rock dropped from a bridge in Wales which killed a lorry driver and so on. Very un-British way of having an industrial dispute.

Startling contrast with the protest about oil prices which has recently been taking place, which are very peaceful, where the police weren't the enemy; they were just there to keep order. I mean, there were some very nasty scenes when the miners took the police on, and there was fighting and violence.

INTERVIEWER: Wasn't that anticipated, though, because I seem to remember that one of the things that the government did was to give the police a hefty pay raise?

LORD CECIL PARKINSON: Oh, no, but it was necessary. You could not have the mineworkers bringing the government down. You could not have the mineworkers putting the lights out, bringing industry to a grinding halt. After all, the mineworkers had no intrinsic power. The only reason they were powerful was because the government had given them the monopoly of supplying the electricity industry. It was a political decision that was the basis of their power. They made it clear to any government that you couldn't have a situation where economic power would be abused for political reasons.

**Making Coal Competitive Through Privatization**

INTERVIEWER: What was wrong with the electricity industry buying British coal, dug up by British workers? Why is that uneconomic?

LORD CECIL PARKINSON: Let me give you some examples. First of all, to be fair, the coal industry had improved its productivity over the 10, 15 years before in an enormous way. It must have been terribly, terribly inefficient before, but it was still. When I was secretary of state, we could buy coal from Wyoming or from Australia at 50 pence a gigajoule, or a pound a gigajoule, delivered to the power stations in Nottingham. The British coal industry could not produce coal at that time, at £1.80 per gigajoule. And the mines were next door to the coal; they had no transport costs at all. And so it was wildly uneconomic, and I was commissioned. I said to my officials when they told me about all this, I said, "Is this inherent in the geology of the British coal fields, or is it inefficiency? If it's inherent in the geology, we'd better close all the coal mines down tomorrow, because there is no way forward at all." And I said, "Find me the best mining consultants in the world." And they went to Pittsburgh and got a firm from Pittsburgh who wrote a report. The first report was so scathing I didn't dare publish it. I sent them back and I told them to write a better report which was saying the same things but with slightly more polite language. So we did publish it. And what did it show? It showed, for example, where every coal mine in the world was using one system of mining, which is the prop system, British coal was 25 years later still experimenting as to whether or not this was right. We were using a coal industry with enormous capital investments where we were using the heavily capitalized machinery for five hours a shift, for five shifts a week, 25 hours a week, because we only worked one seven-hour shift—one hour to get to the coal face, five hours work, one hour back, whereas every other coal industry in the world was working 24-hour shifts. People were coming and going. The machinery was running all the time, and it was miles and miles cheaper. It was nothing to do with geology. We had some problems with geology, but it was mostly gross inefficiency in the coal industry which had been propped up by government and by the unions and by the Health and Safety people who were in many cases ex-union men and ex-colliery managers, all steeped in a tradition which was miles and miles out of date.

INTERVIEWER: And how much of British Coal were the electrical industries forced to buy? What was the fraction?

LORD CECIL PARKINSON: It was virtually all to start off with, but it went down. It was 80 to 90 percent of the coal they needed, what was a very small imported part, and most of that which was imported was imported in order to be blended with British coal in order to get the right mix.

INTERVIEWER: So which came first, the privatization of the electricity industry or the privatization of coal?

LORD CECIL PARKINSON: You simply could not privatize the coal industry, in my view, until you privatized the electricity industry, because government was the customer. And the coal industry in private hands would have still had a captive government customer.

INTERVIEWER: So did that to a certain extent precipitate the strike? Did Scargill then in the end see that the writing was on the wall?

LORD CECIL PARKINSON: I think he may have. He may have seen it on the wall, but if he'd seen it on the wall intelligently before, he would have set about it a different way. I mean, Mrs. Thatcher, during her time as prime minister, put more cash into supporting the coal industry not only than any other prime minister in our history, but more than all the other prime ministers in their history put together. I myself put £8 billion of taxpayers' money into the coal industry to try and support it. And we tried desperately to support it, but it was impossible to get it into a competitive state.

INTERVIEWER: That's extraordinary. If in your heart you knew you were going to privatize, then why on earth are you spending £8 billion?

LORD CECIL PARKINSON: Because it was a great national asset—if we could get it competitive, and all the advice I got was that it was inherently possible to make it competitive. Now, of course, things have happened towards the end, like CO2 omissions and all these things which were not such significant factors. At the beginning of the time, when we were in office, I think we may have had a different view if we'd realized that there were going to be pressures to reduce coal emissions. But gas wasn't available in the same way then. The

gas technology had not been developed in quite the same way for power stations. So a lot of things have changed since that time.

### **Margaret Thatcher's: Personal Leadership and Public Sentiment**

INTERVIEWER: Mrs. Thatcher generally had a reputation in this country for heartlessness, for not caring about unemployment, for not caring about the suffering her policies imposed.

LORD CECIL PARKINSON: It wasn't a deserved reputation, in my view. Mrs. Thatcher is no good at exploiting people's problems and shedding crocodile tears about it. Mrs. Thatcher feels you should deal with people's problems; you shouldn't exploit them. And whatever people say, you look at the increase in expenditure on the health service, on education, all the other fields when we were in power. Now, maybe we weren't very good at talking about it, but it was happening. She always took the view that it was much more important to do things that improved the lives of people rather than shed crocodile tears and say, "I'm very much on your side, but I'm not going to do anything about it." She got on and tried to do things.

I think the experiment, the changes we're bringing about in the health service, I think it's tragic Blair abandoned them, because we are still operating Clement Attlee's health service, a health service devised over 50-odd years ago. And it's not a question of putting more money into it. The structure, the machine doesn't work. And the idea that the answer to the problem is just to keep pumping petrol into the tank when the machine isn't firing properly is nonsense. So she didn't shed crocodile tears about people's problems; she dealt with them.

I can give you a very good mini-example. In her own constituency one day, she told me, she went to open some cottages for old people which had been restored, and they were beautifully done, and she went to one of the doors, and the lady there said she liked her new house, but she was very worried because she didn't know how she was going to keep the patch of garden in the front tidy. They were just opposite the British Legion, and so Mrs. Thatcher went in and said, "Where's the secretary?" So the secretary came along—"Hello, Mrs. Thatcher," because she was a very good constituency MP. She said, "There's a lady down there. Her husband served in the forces. He's now dead, and she can't look after her garden. Surely you can find people here to." And he said, "Of course we can, Mrs. Thatcher. You go back and tell her we'll

look after her garden." And she went back and said, "Dear, don't worry; your garden will be looked after, and if it isn't, get in touch with me."

That was typical of her. She wouldn't just stand there and say, "This is awful; why isn't somebody doing something about it?" She would get her satisfaction from dealing with the problem. So she wasn't heartless. She wasn't, but she wasn't prepared to exploit people's problems. She felt her job was to try to find an answer to them.

INTERVIEWER: She was greatly hated, though, in her time as prime minister, a real hate figure to a large part of the population. Did this take a toll on her personally?

LORD CECIL PARKINSON: I don't think anybody likes not being popular, but there was a lot of respect for her, and a lot of affection in some circles. And there was grudging admiration for her pretty universally.

I remember one of the most left-wing Labor members—I won't mention his name because it would embarrass him—coming up to me when she'd announced her resignation and said: "What are you playing at? You've got a leader. This country's got a leader, and you're getting rid of her." He also said, by the way, "And the problem with the Labor Party is we haven't had a leader for years." I won't say who the leader was at the time. But the fact of the matter was, even amongst her critics, there was a grudging admiration for her tenacity.

## **Thatcher's Fall from Power**

INTERVIEWER: Her fall, when it came, was one of the most dramatic few days in British politics.

LORD CECIL PARKINSON: Yes.

INTERVIEWER: How did you feel personally when she fell?

LORD CECIL PARKINSON: I thought it was a great shame she withdrew. I was one of a few people who told her in the Cabinet that she should carry on. I'm sure she would have won had she stayed in the second round. But that's all history now. I think it did the party a lot of

harm, because people said, "My God, if they can treat their leader like that, what sort of people are these?"

But don't forget she had never lost an election, and she was governing with a majority of 106 organized by Norman Tebbit. The previous election, as he will tell you reluctantly, she had a majority of 144. That was organized by me. But he will also point out that he had the bigger popular vote. In his election they had a bigger popular vote. She was a very successful leader. She'd won elections, and even in the leadership election, she polled a bigger vote as a loser than John Major polled when he won. So it was pretty hard to take that the person that the country had reelected three times should be brought down by a relatively small number of her own parliamentary party.

INTERVIEWER: And how did you feel yourself?

LORD CECIL PARKINSON: I felt that the party had really let her down. I left with her. I just felt that some of the colleagues who owed a great deal to her—in fact, every single member of the Cabinet had been invited by her—really conspired to bring her down, and I didn't want to be a party to it anymore. And I'll never forget that extraordinary morning when she told the Cabinet that she was resigning, and then most people started trying to say things, and she said, "Look, I can't stand sympathy—let's get down to business; I prefer business," or something like that.

And then afterwards we had a cup of coffee. The civil servants had left, and we discussed the leadership election, and somebody said, "We're going to pin regicide on [MP Michael] Heseltine." He was the person who killed the leader. And she, quite without any sort of nastiness, said, "No, no, no, it wasn't Heseltine." She said, "It was the Cabinet." It was the Cabinet telling her, you know, "We can't really support you in the second round" with varying degrees of openness. One of the standard lines was, "Well, I will vote for you, but you're going to lose." She felt if she couldn't command her Cabinet, she should go, and she felt that the Cabinet had really let her down.

## **Britain's Return to Prosperity**

INTERVIEWER: How would you describe the legacy of the Thatcher years? How big an effect has it had worldwide?

LORD CECIL PARKINSON: Oh, an enormous effect. I know you might say I'm biased, but, I mean, you go anywhere in the world... As I told you, I started by going to Russia where a Russian minister told me they regarded us as the sick man of Europe. In 1990 I went back to Russia, when Gorbachev was in charge. The British were right at the top of the list of people who would be given grade A treatment. We were seen as an example of how to do things, not as an example of how not to do things. The Russians wanted to learn from us about privatization and controlling public expenditure and the market and lower taxes. So we went in that space of 11 years from being an example of what you shouldn't be to being an example that people wished to follow.

And for me, a couple of years ago, when the California electricity industry came over—because from the land of the free and the home of the brave the electricity industry wanted to come to Britain, because they felt we had the model for running an electricity industry, and they wanted to import it into California. Now, when did America send people over to Britain to find out how to do things? We used to go over there for precisely the same reason.

So we became, instead of a cautionary tale, we became something to be respected. And I think also the role that Mrs. Thatcher played alongside President Reagan in finally bringing home to Gorbachev that Russia simply couldn't carry on as it was, and helping to bring an end to the Cold War again, was hugely substantial, and also affected people's attitude to us. And so if you go to America or if you go to Russia, you will find in two countries which at the beginning of our term of office shared a common view—that we were finished—you'll find them now seeing us as a country which reversed a trend that appeared to be irreversible and now has lessons to teach the rest of the world, as well as lessons to learn. We didn't seem to have any lessons to teach anybody when Mrs. Thatcher came to power. She transformed people's attitude to the country, and funnily enough, the most reluctant people to face that fact are the British.