

PRIME MINISTER

to see + PA
MS

R. cc. Chancellor of the
Duchy
Mr. Wolfson
Professor Walters
Mr. Duguid
Mr. Gaffin
Mr. Vereker
Ms. Drummond

You should see the attached note by John Vereker who is worried that we may be making too much of the positive elements which are working in the economy; and whether some of our particular pieces of good news stand up to close examination.

The reality, of course, is that the only good news for the media is bad news. And given the continuing rise in unemployment and the existence of a new growth industry - the forecasting business (the constituent parts of which compete almost daily in gloom and doom) - the British people would rapidly become demoralised if Government did not explain why we are going through this transition - i.e. our clear objective - or failed to engender reasonable hope.

We have two major presentational problems:

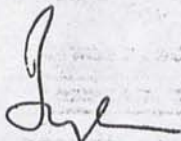
- in the short term, how to counteract the gloom industry without losing touch with reality; and
- in the longer term, how to hold on to our gains in attitude and behaviour when the economy starts to grow again.

The former is basically a question of balance so that credibility is not undermined.

I am proposing to set in train some work to establish, first, the up-to-date facts about a number of potentially positive elements at work in industry and commerce so that we might have a firmer base to our presentation.

/I have

I have also had a word with the office of the Director General of the BBC making the point that the "Today" radio programme might do less to propagate gloom and more the generate hope and brighter prospects where the facts allow.

A handwritten signature in dark ink, appearing to read 'B. Ingham', written in a cursive style.

B. INGHAM

9 January, 1981