

Chapter 16

Chopping Down the Cherry Trees

Waterloo is not the most depressing of London's mainline stations. As a nation we haven't paid much attention to our entrances and exits; we've not much cared what impression we make on visitors to our capital city. Indeed, during the years when travel has become commonplace, our aesthetic eye has become cataract covered. Waterloo is dully functional: the concourse is big, dotted with shops and stalls for coffee and newspapers. As I stood and watched, two men with buckets were making a half-hearted attempt to clean the tiled floor. They swirled dirty water across the surface, making no attempt to nudge muck that didn't flee as soon as it saw the mop descending. Outside, London looked grey. I headed for the taxi queue. For a while I watched the traffic and wondered how they do the sums that suggest traffic moves at eleven miles an hour through London. The wait plus the sight of sluggish traffic, lucky if it reaches half that speed, drove me underground and into the tube. It was full. Since the early 1980s the tube has become popular again, because the alternative is a lottery – the time needed to drive the same distance is so variable – and because the introduction of travel cards saves time and money. And the word is that an investment of £2-3 billion is to be made in the system, to include three new lines across London, east to west, north to south and from the centre to Docklands. It is much needed. Public transport that is cheap and pleasant to use could kill the car. I won't waste words on King's Cross underground. It is a nightmare of a junction: five underground and two overground routes. Everyone knows that it is a disgrace; it went up in flames one night because it is old and filthy and carelessly run: thirty-one people died, and many more were injured. I use the station almost daily when I'm in London. I hate the place.

Outside is little better. My bus stop is just round the corner, in York Way. This couple of hundred yards is most unappetizing. Long ago I nicknamed it Third World Corner: it both looks and feels as though it does not belong in a wealthy country. There are often drunks huddled together, hugging the walls. They are not aggressive and they don't beg; they sit there with their bottles, their loud talk punctuated by sad laughter. There are always ragged, punk-looking youngsters hanging around. Across the main road there's something called Family Leisure, an amusement arcade. Perhaps that is the attraction for them; the station supplies the nearest lager. There is often someone selling rubbish on the pavement; this being December, it is shirts at £3.99, gloves and scarves and a mountain of tinsel and seasonal decorations. Turning the corner, I lowered my eyes to the pavement. I have to. It is so uneven that every step is fraught with the possibility of tripping over. With eyes on the pavement, the gutter comes into focus; it is a mosaic of ring-pulls and cigarette butts, discarded bus tickets, the familiar debris of untidy lives. At the bus stop I can raise my eyes once more and take in the tacky scene.

The bookshop is boarded up and plastered with posters for pop concerts, but the Burger Express is open, the Indian restaurant awaits its evening trade and the two most prosperous-looking enterprises are Mecca bookmakers and a vast discount furniture warehouse. The bus queue is dull-eyed. Two thirds foreign and one half black, they skulk against the wall, beneath advertisements for whisky and vodka and a totally out-of-place plug for Jaguar. An elderly man spits into the gutter; another uses the grimy wall to steady himself. They don't look weary and cold, in need of a cup of tea to brighten a miserable day; they look detached, in need of a miracle to brighten miserable lives. I didn't have to travel all over the country to realize that the lucky and the luckless use the same bus stops but inhabit different worlds. I'd known that all along.

There are grand, grand plans for this area; 125 acres where the grass grows through abandoned tracks. It's the site of the biggest inner-city development in Europe. One day there will be offices, and shops to rival Regent Street, and houses and a park. The developers say they are striving for a balanced project; low-rent houses and blue-collar jobs to ease the problems in an area where one in nine is unemployed. London, egotistical, over-crowded, unlovable London, is, like other areas of Britain, in the middle of a building boom. It is growing again, for the first time since the war. I already find it huge, and constantly have to remind myself that, as capital cities go, it is smallish. In 1900, with a population of 6.5 million, it was the biggest city in the world;

2 million ahead of its nearest rival, New York. By 1990, Tokyo and Mexico City will take the lead, with cities of 23 million people. New York will be in third place and no European city will reach the top ten. London is home to a mere 7 million. I must get used to thinking of it as small. The building bug began in 1981 in the East End of London, in an area known as Docklands. Eight square miles from Tower Bridge, through Wapping and the Isle of Dogs into the Royal Docks and including Rotherhithe and the Surrey Docks on the south bank. For those who think of Wapping as the back of beyond, halfway to Holland, there is another seven miles to go to the Royal Docks. This huge expanse of waste land, of deserted docks, silent jetties, crumbling buildings and boarded-up shops, is being transformed from a dying fringe known to few, to a lively, born-again London inviting intense curiosity. It is quite a remarkable achievement. Although much is already in place, the Isle of Dogs still looks like a building site. It is not the best moment to judge it; unfinished, it looks like a building mart, where designs are put on display for the buyer to compare and contrast styles and prices. One run on the toy-town Docklands Light Railway, which is carried on stilts from Tower Gateway to Island Garden, reveals much: it reveals an architectural zoo. There is no master plan; companies enticed into the area by tax incentives and rate-free offers can build more or less what they want, how they want. Coherence there is none. Flashy-looking hi-tech units nestle against aluminium sheds which, with their colourfully painted edges, are as flimsy-looking as the Light Railway. When compared with the homemade, earthy, honest world of brick warehouses built to last, they look off-the-peg and ill-fitting, gimmicky high-fashion structures designed to be discarded after a season. A host of newspapers, ones that bang on about architectural evils in our midst, have new homes amid this riot of creativity. And the view from the little railway is as nothing compared with the vision of Canary Wharf: a financial complex to rival the City of London, containing a couple of outrageous potency symbols, the tallest of tower blocks. It has plenty of defenders: Sir Roy Strong likes the towers and says they are a focus in an area without focus and a statement, an unapologetic statement: a raspberry blown at the cheap compromise that has characterized British architecture since the war. A less-than-convinced wit has suggested that the towers are a two-finger sign to the City and that they bully everything around it. I'm loath to join the niggers who see the whole enterprise as a lost opportunity in architectural terms; who yearn for another Nash to create a watery Regent's Park. I'm loath to think we have blown it again, but I do have a sneaky feeling that speed and greed have goaded each other to

excess as least as far as commercial building is concerned. Domestic building has on the whole escaped the worst. The revamped warehouses with their river views are of course pleasing; and so are the Dutch canal houses, and so are the red-brick town-houses tumbling down to the water's edge. We certainly know how to adorn a waterfront.

My fears, tempered by admiration for the project, are as nothing compared with the screams from those who live close by. The rebirth of Docklands hasn't made everyone happy. Labour-controlled East End boroughs have nothing good to say about it; their wings were clipped, their powers usurped by the creation of an all powerful London Docklands Development Corporation, which expects to spend £800 million in the seven years up to the mid-nineties, to attract in excess of £6 billion of private development. Half the money, which is being spent on infrastructure, roads, sewers, bridges, comes from government grants, and the other half from buying land and reselling it at a nice profit. LDDC is a quango which illustrates the spirit of modern Britain and the methods of Thatcherism. It has shooed aside a certain breed of people and institutions: the stolid, stick in the mud, afraid of new ideas, it-will-never-work, we've-always-done-it-this-way breed of people. And in its place has encouraged a dynamic go-getting, pushy, I-can-do-it, confident, snappy, let's-get-things-done bunch of folk who have but a dozen years to burn brightly and achieve much before being disbanded. LDDC has a task and is in a hurry. It must be galling to be a local authority, watching all this and thinking of all the time wasted in the 1960s and 1970s, tut-tutting as the ships sailed away. In tune with councils came a chorus of other complaints from those who have lived in docklands for generations. Two hundred years ago, 4,000 ships a year used the Port of London and provided jobs for more than 100,000 men. At the beginning of the 1960s there were jobs for 28,000 men; today there might be work for 2,000. In between, bigger ships became more efficient as cargo became containerized. Jobs would have been lost even if the port had not dug its own grave with restrictive practices, overmanning and endless demarcation disputes which led to strikes.

Between 1949 and 1979, some 2,000 working days were lost each year in the Port of London because of some strike or other. Before the war dockers had a hard time, fighting each other for a day's work and dreading being left 'on the stones'. That ludicrous and cruel system was replaced in 1947 by a dock labour scheme which gave dockers tenure - guaranteed all-day jobs for life, whether there is work or not. Father followed son into a cushy number: the pendulum swung from

one extreme to the other. Half our ports handling 70 per cent of our trade subscribe to this uncompetitive system. It is hardly surprising that after ten years in office, Mrs Thatcher's government intends to dismantle the scheme. It is hard to defend such a relic from a vanished era. And it is obvious that the government chose the moment for the confrontation carefully. With many of its policies under attack in mid-1989, and with the economy faltering, the government needed a fight that it knew most of the country would support; a fight that would embarrass the Labour party; a fight that would remind voters that the Tory party was committed to ridding Britain of restrictive practices. Jack Dash, one-time dockers' champion, considered that his men had been much maligned. Before he died he helped with the Museum of Labour, being built in Docklands as a memorial to times past. It is the story across Britain: a great industry diminished by a mixture of competition and modernization, ruined by the attitudes of management and men and finally reduced to a museum.

Needless to say, the regeneration of the Docklands has brought out some nastiness, a last fling from those who are locked into class warfare. A group who call themselves just that - Class War - have enjoyed a fair bit of Yuppie-bashing. They daub buildings: 'Yuppies Out', 'Mug a Yuppie', and write to the papers saying they are delighted at the sight of new trees being torn up and used to wallop incomers. They'd rather have weeds than wine bars. Others feel resentment because they see the present passing them by and have yet to see that their children will benefit from the future. The unemployed can only see that the new jobs are not for them: 'It's not for the likes of us,' they say, and resent the thought of ending their working days as doormen in fancy offices and porters in posh blocks; as servants to the new rich, when once with the cry, 'All Out,' they could prove that they were servants to no one. Some can see that their sons' and daughters' futures will be fine. The LDDC is offering courses to the unemployed under twenty-five to learn banking, computing, business studies, electronics - the skills of the future. And companies have signed contracts with schools in the area guaranteeing jobs for leavers who make the grade, who don't play truant, who are prepared to arrive on time and work for examinations and pass them. Real jobs with career prospects in exchange for real effort in acquiring the skills needed. I'm sure it isn't enough; I'm sure there are problems. It is inevitable in an age of transition. Like all times of transition it is full of opportunities for the active and the enterprising, and full of suffering for those who are neither, or who find themselves stranded with their acquired skills made valueless. And the suffering is made all the greater

by the sense of being excluded from the benefits of an enormous increase of wealth. Change the tense in that sentence and you will find that it was said by Dorothy George in her *Social History of Britain, 1690 to 1835*. We have been here before. At least nineteenth-century Britain did not have television to magnify the divide. The unemployed and the poor in modern Britain have relentless reminders of other people's fortunes; the unemployed in the Docklands have reminders on their very doorsteps. They stare across the street and look down the road towards the City and shake their heads.

It is events down the road which have brought about the renaissance of the East End of London. Two worlds as far apart as any have been forced to meet through goings-on in the City of London. The goings-on go under the name Big Bang. Before the autumn of 1986, stock-brokers cocooned themselves in a large number of restrictive practices - something the neighbouring dockers can readily understand. But rather than face lengthy legal action over these practices, the chairman of the Stock Exchange and the government did a deal - Big Bang - which allowed outsiders to move into the City and break up the established cartel. This was made physically possible by advances in technology; dealers no longer had to be on the floor of the stock exchange. They could operate efficiently in front of a computer screen with a telephone or three clapped to their ears. There would be competition and a better deal for the punters buying and selling shares; something to be encouraged when Mrs Thatcher was also in the process of trying to turn each and every one of us into shareholders. With the doors open wide, there was no shortage of offers to clear away the remaining cobwebs. Folk rushed in; clearing banks became market makers, as did American, European and Japanese finance houses, either buying up jobbing and broking houses, or starting their own. The City of London, once the capital of the financial world, looks all set to become the centre of a sea of electronic information. For a while business soared. If you smiled at shares they rose in value. There were jobs galore at salaries that astonished the rest of us. And all these newcomers needed somewhere to live. They went to Docklands and bought penthouses and studios where they managed to catch a few hours sleep away from the world of wheeler-dealing, which demanded attention from 7 a.m. until 10 p.m., whether you were on the top rung in a penthouse or the bottom step in a studio. For a year stories of conspicuous consumption, particularly of champagne, poured out of the media and on to a public who, steeped in *Dallas* and *Dynasty*, seemed amused rather than sickened, envious rather than appalled. It ended in tears, of course. One year later, in October 1987, the stock

market crashed, and crashed badly, badly enough to invite comparisons with events in the thirties. The City began shedding staff as quickly as it had hired them. None of this is to suggest that Big Bang was a bad idea; it was a good idea. Too many people rushed in, eager to expand, to get a foothold in the City and, once the bubbles have settled, the City will be a healthier place. For a start the toffs' hold on the City has been shaken. In the past, the place has been much criticized for its elitism and ridiculed as a damn great White's Club, run by public-school types for public-school types.

There is a story that one merchant bank said the reason for its success was the fact that it only lent money to people who had been at Eton. That sort of talk made the City much disliked. That sort of attitude hardly helped British industry. Labour-party research in the early 1980s showed that of the 150 directors of the ten main insurance companies, one third had gone to Eton and more than half had been at Oxbridge. Furthermore, the 150 directors held no fewer than 1,543 other directorships, linking them to clearing banks, merchant banks and a range of other institutions. In other words, economic power in Britain was in the hands of a small group of men from similar backgrounds and with similar likes and prejudices. And such people, the Labour party claims, gave them a hard time, again and again preventing them from doing what they wanted. In March 1977 Denis Healey introduced a budget that gave away to top earners ten times more than to an average wage-earning family, with the words: 'I would have liked to have done more for those at the bottom of the earnings scale, but I felt it necessary to concentrate relief where it was most needed.' Translators argued that this meant that the all-powerful City had leaned on him. It is an unconvincing excuse; the Labour party could have initiated Big Bang; it would have been to their advantage. It has unravelled the old, closely knit group of White's Clubbers, clobbered their supremacy by bringing in new blood, grammar-school boys who went to 'modern' universities and Americans and Japanese who laughed at City snobbery and forced the City Establishment to give way to the meritocracy. Suddenly it became more fashionable to be a barrow-boy than an old Etonian; fashionable enough for Caryl Churchill to write a play called *Serious Money*, fashionable enough for the play to move from the fringe into the West End and be a huge success. We are all City types now; we've all got shares, haven't we? In the early 1980s there were 2 million shareholders. There are now 9 million: privatization accounted for 4 million newcomers. But half the new shareholders have only bought one lot of shares. That figures; I'm one of them. I bought my Euro Tunnel shares, my only shares, to

demonstrate my belief in a project that demonstrates that our future rests in closer ties with Europe. But I assure you that it takes more than a handful of shares to convert an agnostic into a popular capitalist. The City remains shrouded in mystery and myth, deliberately keeping the rest of us at arm's length and tempting us to take a dockers' view: 'It's not for the likes of us.'

It was with some trepidation then that I headed off in my City suit to spend the day exploring the London International Financial Futures Exchange. Four futures brokers, part of a much larger company, had agreed to my visit on the understanding that they were not identified. One of the four had previously succumbed to the ego-flattering notion of seeing himself quoted in print and had been teased mercilessly as a result: the article had referred to him lifting a glass of champagne with difficulty because of the weight of his Rolex watch. The City has become fair game for this style of reportage; since Big Bang and *Serious Money* it has become the target of Serious Teasing. I shall refer to my anonymous four, in the spirit of Serious Fun, as the Four Ms, in honour of money, mammon and Melmotte. Mo is female and, twenty-three, the youngest member of the team; M₃ is the oldest, in his mid-forties, and the boss; M₁ is mid-twenties and the closest to the popular image of the new city slicker; M₂, also in his forties, kept something of a guard around himself and as a result seemed rather dull.

The two youngsters, Mo and M₁, sat opposite their middle-aged colleagues, M₂ and M₃. When I arrived some time after 9 a.m., they'd been at their desks for well over an hour. They had, they said, just finished a discussion on sex. Sex is a regular topic of conversation and on this occasion they had been tossing around the difference in attitude between those in their twenties and single and those in their forties and married. They apologized for any four-letter words I might hear during the day. They were worried about the impact of their language on me. Odd that, how the City worries about bad language.

The futures market, I was warned, was dead; it had suffered from the crash. Burned fingers needed time to heal before they could play again. That day in October 1987 is one that none of them is likely to forget. Those who had lost on the stock market were desperately trying to recoup something, anything, and my four had worked flat-out for fourteen hours.

Since the crash, even though punters are in short supply, they haven't bothered with private clients; they had been left with one extremely bad debt, so private clients aren't welcome. Banks and institutions are their main clients; they have millions to back them, and millions to play with – particularly the French. My day, they said, was

likely to be dull. We had chosen it because the trade figures were to be announced at 11.30 and could produce a little excitement, a little movement. The City expected that our balance-of-trade deficit, which had been worryingly large for some time, would reveal yet another set of bad figures, probably between £1.1 and £1.5 billion, and if such figures were announced, nothing much would happen. It had reached £2 billion a few months earlier. The interest rate stood at 12 per cent.

We talked at first of simple things like women in the city. They were welcome, but there were fears that they were being used as cheap labour. They could be hired for a lot less than a fellow, because they were so anxious for the chance to break into another male bastion. But cheap labour isn't all that cheap by non-City standards. Mo earns £14,000, but when the markets perk up she hopes that will be doubled at a stroke.

Mo fell in love with the City on the telephone. She was in the middle of her studies for a HND in business studies and determined to become a buyer in a department store. One day she learned it might take a while to reach the status of buyer and she had to be prepared to spend some time as an assistant buyer. The young in the eighties have no patience with this kind of time-serving attitude. They want it now. 'I knew I couldn't get stuck in a job with shit wages where you had to watch someone for ages before being allowed to do anything interesting.' She was nursing such thoughts when the phone rang. The caller happened to mention that a friend of his had become a yen dealer, and for the next hour she picked the caller dry of information. By the end of the hour she knew for certain that she had found the future. Her parents (her father works for an airline) were shocked. They thought the City immoral. Her careers adviser told her her ambition was pretty impossible. Some 120 letters and five interviews later she had her first job: she was to become a futures broker. Her first year was hard; the male voices on the phone treated her like a secretary. M₃ told her to keep going; once she had broken through, the fact that she was female would be an advantage. Mo thinks her job is the bee's knees; her voice is loud, her movements quick, her energy and enthusiasm are enviable and exhausting, and she admirably conveys the sense of excitement she feels about her career. She quickly sensed my anxiety as I gazed at green writing on black screens and tried to make sense of what was going on. 'Just concentrate on the essentials and forget the rest. Financial futures are speculative contracts on interest rates of the four major currencies: the dollar, yen, D-mark and sterling. They are traded four months of the year, March, June, September and December. Banks and insurance companies – building societies are not allowed to

speculate – try to make money out of predicting when and by how much interest rates are likely to move.'

We didn't have such a market in London until 1982. Then we copied the Americans, who had invented financial futures a decade before. The principle of futures trading is centuries old. It is an instrument used to protect producers and buyers of raw materials from price fluctuations. A futures contract enables a price to be set for a transaction at some point in the future. A farmer needing to iron out the highs and lows of producing coffee, sugar, oranges and so forth would sell a percentage of his crop in advance to buyers who also need a measure of price certainty. This principle was easily adapted to currencies: a buyer of Deutschmarks, dollars, yen or sterling locks in the cost of the currency, regardless of what happens on the currency markets. Banks and insurance companies have now gone one stage further and applied the principle to interest rates. They lend at one rate and try and recoup by speculating on that rate going up or down – a bit like a bookmaker laying off a bet.

The predictions are based on educated guesswork, making a pattern of umpteen people's opinions on things political, economic and psychological. There are no certainties, only hunches – one day a movement in oil prices can have an impact on the market and a month later a similar movement will be ignored. The skill is in taking a view and sticking to it. It sounds more of a lottery than reading the tea-leaves or following the stars; and since it is such a lottery, since it is so difficult, getting it right produces 'a buzz' – to use broker's language.

The phone rang from time to time. Most of the outward calls were made by M₁, who was attempting to solve a serious problem. His lunch date had been cancelled. He'd been looking forward to Mario and Franco's spare-ribs all week, and now his main task was to find another rib-eater. Much of our talk was interlaced with 'ribbing' between the four and with anecdotes. There was no danger of this quartet taking itself too seriously.

At 11.20 a phone call delivered the rumour that the balance-of-trade deficit was going to be £800 million. That figure was batted around the room, offering the opportunity to regurgitate old stories of similar phone calls that had looked hopelessly inaccurate and then turned out to be spot-on.

I knew 11.30 had arrived because M₃ stood up, prepared for action, his right hand planted in the waistband at the back of his trousers. 'Cor blimey,' he said. (He usually said struth.) The trade deficit was £2.43 billion; twice the figure the City had estimated; it was a colossal bill for imports, and our exports had dropped. The next five minutes

were a blur of comments: 'What a shambles!' 'What a mess!' 'The base rate will have to move.' 'Why does that Chancellor keep lying? Why does he keep saying the economy is in a good state? Why does everyone believe him?' Mo and I left the office before we had time to digest all this; she had got me a place on the floor of the LIFFE. Not in the public gallery, but on the floor, and we had been allotted half an hour between 11.45 and 12.15.

My first impression of the floor was of a jumble of youthful figures, male, in lightweight jackets, the colour, like jockeys' caps, denoting the company for which they worked. They were milling around in two main pits and a couple of minor pits, and around the edges were stalls, where more young men and a number of young women yelled into telephones. A four-letter word floated by. 'I'm so sorry,' said its owner. He could spot an outsider: I was wearing a badge. I was trying to listen to Mo describing the scene: 'That's gilts. That's short term. That's Eurobonds . . .' It wasn't easy to hear above the noise. As midday struck, I glanced at my watch. It was timely action and helped to cushion what happened next. It had been noisy; now it became frantic. Coloured jackets jostled for position, arms punched the air, grown men screamed, 'Watch me, for fuck's sake, watch me!' No one apologized. For a second I felt fear. I felt the mood of men out of control. My mind flashed to football crowds. Only Hogarth, or perhaps Hockney, could have done justice to this scene: these men were manic. My fear lasted only for a second, the time it took me to realize that interest rates had moved from 12 to 13 per cent. This was the sound of the City taken by surprise. I stood immobilized, catching mere fragments of the screams:

'100 at 08'; '350 aside Raz a small seller'; '100 at 18, we are the bid'; 'Done 39 working 11 at 00'. It didn't matter that I didn't understand the detail. I understood enough: I understood that this was the sound and these were the screams of money being made. I blinked at the scene, my mind able to focus only on tiny details; a 'No worries' button on a jacket; a host of bitten fingernails. I'd had enough before the half hour was up.

Back in the office M1 had secured a lunch partner and M3 was glancing at Garfield, the cartoon in the *Herald Tribune*. There was chat about the fast market and jokes about the quiet day I had chosen. I lapped up the humour. And then we settled down to discuss the deficit. Their view was that the trigger for the trade deficit could be traced back to the crash. Then the Chancellor and indeed everyone else in the City feared that a recession would follow and thus the obvious course was to stimulate the economy with tax cuts and lower interest

rates in order to lessen the impact of a recession. What no one saw at the time was that the economy did not need stimulating; consumers armed with credit-cards were in the mood to spend and industry of all kinds also needed to go on spending. Bringing interest rates down to 7.5 per cent had given the economy an injection it did not need. They blamed the Chancellor for not realizing all this more quickly than he did and changing course sooner. The result was a whopping trade imbalance and the reasons for the size of this were the topic of conversation over steak sandwiches and glasses of wine at the neighbouring wine bar. The reasons place a question-mark over the strength of our so-called economic recovery. We buy from abroad because we can't find the products we want and need with a 'Made in Britain' label. M3 told me about his yew trees. He's been planting yew trees at his country home and his attempts to buy British yew trees were stymied; he'd tried to buy British, but incompetence and inefficiency had caused him to lose patience. He bought his trees from Belgium.

'The other day I bought a sesame-seed snack and noticed that it said "Made in Poland". Why? Surely someone in Bradford can make a sesame-seed bar!'

These may seem to be trivial examples, but they more than adequately make the point. The building boom is hampered by the shortage of British-produced building materials. Cement, bricks, doors, locks and structural steel are all being imported, adding billions to the balance-of-payment deficit. There are serious doubts about the underlying strength of the economy: doubts about levels of investment and of productivity and doubts about the extent of the entrepreneurial revolution. The conversation took me right back to the beginning of my journey, to Shetland and to thoughts that we had mismanaged our great gift of oil; that the government should have used at least some of the oil money to invest in research and development that would enable our manufacturing base to shoulder more responsibility for our economic health. What is going to happen once our oil begins to run out and we find ourselves importing once more? What are we going to do once privatization has run its course and there is nothing more to sell to boost the Exchequer? The appalling trade deficit shows that we are not only not making the things we need, we are not making things that other people need either. And we haven't done so for years. The government has poured money into defence products and aircraft and done far too little to ensure our survival in the more mundane market place of mechanical engineering, electronics, cars and motor-bikes and consumer durables. We can't even take comfort from the fact that we make the best aircraft or the best defence equipment, because we don't.

The Americans do. Of course, industry itself could and should do more research and development of its own but, since much research is hugely expensive, it is an area in which the government could be of assistance. Industry, all too often geared only to the short-term interests of shareholders, needs to be chivvied, cajoled and encouraged to think long term. The Japanese have achieved miracles by this kind of coordinated approach. The Ms are scathing about industry or, rather, about the way in which industry is managed in this country. We don't train people; we don't work with the spirit of common purpose; we don't make the right decisions; we are inefficient. Still. There is no economic miracle. There is pessimism. And what progress we have made to become more efficient is being jeopardized by inflationary wage demands. M₃ was certain that the Chancellor intended his high interest rates to squeeze industry's profits so that they would not be tempted to give in to high wage claims and so help to undermine the all-important fight against inflation. Some argue that a glance at economic history shows that industry will respond to high interest rates and a strong pound – both of which make exports more expensive – by cutting the workforce. They predict a rise in unemployment. The Ms say that the workforce must break the habit of annual increases. It is hard to argue with them. They get bonuses when business is good, large bonuses that can double salaries *and* they get salary freezes and sometimes cuts and no bonuses when business is poor. Their earnings are geared to productivity.

I asked M₃ why he didn't go into industry, didn't go off and make the sesame-seed bars. He paused and answered by justifying what he had chosen to do. 'Our service is needed. We help industry to run better and more smoothly. Without us it would be like driving a car with a gear-box without synchromesh. With us there are fewer bumps.'

Behind the justification lay the truth. All of them came into the City to make money and to make money while they were young. Industry could not compete with lifestyles that included planting yew trees in Somerset. I find it refreshing to hear people *admit* that they like to be well rewarded for what they do and that they enjoy spending the money they earn. For too long many people have simulated disdain of money. That is hypocritical. For too long people have scorned those who work hard – the English way was to pretend that success was effortless rather than hard graft. Successful public figures when interviewed are still prone to deny that they are competitive and try to suggest, in the old-fashioned public-school manner, that they never set out to 'win', to reach the heights. What hypocrites! In Mrs Thatcher's

Britain at least we are free – some of us – to admit that we are prepared to work hard and that success in whatever field is a struggle and not some kind of magic dust that settles upon the chosen few. And of course in just the same way as sex has run riot, released from its Victorian corset in the sixties, so now we are making hay with our new-found freedom to acknowledge the value of success and the importance of money. To unthinking ears, it can sound vulgar. Sometimes it is vulgar. I'd prefer that to hypocrisy!

None the less I told the Ms that if I had a magic wand I'd ensure that some of the highly motivated talent in the City – and for that matter in advertising too – found its way into industry and teaching. Then perhaps we could once and for all get the economic recipe right. They answered by saying that I ought not to underestimate the worth of the City. The export of financial services helps our balance of payments. As we were the first nation to industrialize, so we were the first nation to need complex financial structures. The arcane world of high finance, being something 'in the City', seems to suit our temperaments. We remain an important financial centre because of our expertise, and also because of the language we speak. America speaks English and America is important. And we are halfway between New York and Tokyo. For all that, I can't help but see financial futures as gambling, sophisticated gambling. It doesn't seem so different, in principle, from betting on horses: you study the form and take a punt. And what is wrong with that, you say? After all, we've always been seen as a nation of gamblers. The betting industry is huge and growing. The most prosperous-looking shop at King's Cross is Mecca.

Watching people making money is exhausting; watching people making money out of a situation that showed the country to be in poor economic health depressed me. I do not know – and nor does anybody else – whether our trade deficit, our ugly credit boom, is merely a highly visible cold sore or a cancerous growth. I do not know and nor does anyone else whether the prosperity of the late 1980s will be sustained or whether it will crack and crumble, taking Mrs Thatcher and all that she stands for diving to the bottom of the political pond. All I do know is that there is much doubt.

And I do know that as the next election draws near the government will be assessed first and foremost on its economic performance. There are two reasons for this. We have not yet reached the magic moment when citizens become disillusioned with material growth; voters are still overly wallet-conscious and if on election day they feel prosperous and if they feel the country is padding up the right economic path they, for the most part, are prepared to overlook other shortcomings. And

secondly, the Conservative party has always been perceived as the party best able to manage, particularly the economy. It is the party that understands 'finance' and 'business'; it is the businessman's party. If then the Conservatives stumble on the economy, their unique selling-point disappears and they will be turned out of office in the decades-old seesaw between hard-nosed governments and soft-hearted governments. We know that the businessman's governments, instead of adding sweetness and warmth and grace to national life, add barrenness, and voters accept a touch of barrenness in order to promote material prosperity. But as soon as faith in the hard-nosed government's ability to deliver the pounds to our pocket begins to waver, voters start to focus on the barrenness and yearn for a touch of sweetness and warmth. The bottom line in the past has been that simple. However, when Mrs Thatcher won the 1979 election, there wasn't much sweetness and warmth emanating from the Labour party. The economy was sickly: the International Monetary Fund had been hauled in to help and it told the government to cut public spending. As a result, the government lost the support of its backbone, the trades unions, and the country was staggering under a series of public-sector strikes. And the party was full of left-right bickering. On its shelves were exciting plans for more democracy in the workplace and plans for revitalizing local government through a system of local income tax, but the party seemed incapable of doing anything, let alone anything exciting. As we floundered so we gained a reputation abroad both for our industrial militancy and for our national decline. The national psyche was sinking under a weight of both written and spoken words announcing and denouncing our decline.

In 1979 we needed Mrs Thatcher. We may not need her now; we may think that her reforms have gone far enough; we may wish that there had been another party fit to take the reins in 1987. But in 1979 we needed Mrs Thatcher. We needed someone who could take a cold, hard look at these ossified islands; someone not steeped in tradition and the old way of doing things. Someone who did not believe that politics was the art of the possible, but someone who was prepared to confront the impossible and who would kick us out of our fireside chairs, where we had grown complacent and unimaginative, melancholy and increasingly shabby. The world was moving on; industries demanding muscle had decamped to other countries in search of cheaper sweat. Our industrial base was slowly vanishing and could no longer support us; the future threatened us rather than excited us and our response was to sink into debilitating drift. Our distinguished past and our reputation as a civilized country were not going to help us

secure a place of significance in the new global economic order. For that we needed a strong leader with a vision. Mrs Thatcher's vision was to abandon the consensus which had shaped British politics since the war and replace it with a new, demanding credo based on individual responsibility that would flourish in a thrusting, more competitive, free-enterprise ethos. Public spending had to be cut; industries had to be privatized; taxes had to be cut; trades union power had to be curtailed; vested interests had to be dismantled; and institutions had to prove their worth. The state's role had to change from provider to enabler; citizens would cease to be passive workers who handed over money in the form of taxes and then expected the necessities to be provided. They would keep more of their money and become active, empowered to make their own decisions. And Mrs Thatcher had her own way of effecting this massive transition from pessimistic lethargy to optimistic, positive action. She may have been heading the party of tradition, but she was not shackled by history. Women are far less inclined to be sentimental about the past and far more irritated by tradition. The past for them has not been golden – it has been coloured grey by thankless, tiring work at home and tiresome, endless slog for recognition outside the home. Women whatever their lot are always more grounded in the present and more thoughtful about the future. Nature has made it this way and man has kept it this way: it is women who bear children and bring up children, therefore they have to be focused in the present and they have to worry more about the future: their children's future.

Mrs Thatcher, I think, shares much in common with Jeremy Bentham, a rare man who was not pickled in history nor ruled by tradition either, and whose mind was also free from professional and class feeling. Bentham too was inclined to apply the rigours of logic to the facts of society and he looked at institutions and asked them to justify their existence. His aim was the greatest good of the greatest number. Mrs Thatcher set about her reconstruction by looking at the institutions that are responsible for the prime needs of our lives: housing, health, education and jobs. Out went the nationalized industries; out went subsidies to firms who could not pay their way; in came small businesses and self-employment. She attacked the slumbering, lumbering, local authorities; out went their free-spending notions; out went their unquestioned control of housing and education. Their monopoly provision of rented houses was removed and in came self-managed estates and housing associations and private landlords. She formulated new patterns for education and freed schools, should they wish, from domination by local authorities. She attacked the

universities and the health service and social security benefits. She has attacked the unskilled workforce and offered them the beginnings of training schemes. She has attacked the toffs in the City of London and in the legal profession. She has attacked us all by telling us to stop blaming society for our misfortunes and instead take responsibility for our own futures.

And in challenging received wisdom on all these fronts she was bound to be attacked herself. Some of those who attack her do so out of a mixture of prejudice and fear of change. They are the ones who concentrate their criticisms on style rather than content; they sneer at her voice and her manner and claim that she is an authoritarian when what they mean is that the men around her have little idea how to respond to a woman in authority; when what they mean is that their own ideas are in a mess. One of the great ironies of the Thatcher years, with their emphasis on giving the consumer a choice, is that in the most important area of all – politics – there has been no real choice. Both Thatcher supporters and non-supporters know this and find it frustrating and fear-making. We feel trapped: our supreme right, our ultimate weapon to oust one government in favour of another, has been removed. Our options are no longer clear.

We are fretful: this shows most clearly with the appearance of Charter 88, signed by 250 writers, academics, lawyers and show-business personalities. They warn us that the future could be grim. They are bothered by threats to our civil liberties: to the independence of broadcasting by the setting-up of a watchdog body to keep sex and violence in check and by refusing to allow Sinn Fein, the political wing of the IRA, to be interviewed on television and radio; by threats to academic freedom with the abolition of tenure; to the right to join a trades union by the abolition of that right at GCHQ, the government's listening post; threats to freedom of expression by the passing of Clause 28, which prohibits councils from promoting homosexual and lesbian lifestyles. To combat such threats the charter signatories argue for a bill of Rights to enshrine our civil liberties, and for proportional representation so that we are never again exposed to a government with a whopping majority able to force through whatever legislation it likes. The chartists are right to be vigilant, but their remedies have unpleasant side-effects: a Bill of Rights would give lawyers power over a democratically elected parliament and PR promotes backstage deals and insincere pacts. In any event, their list is alarmist; for each of their arguments there are, as always, counter-arguments. I do not believe that the abolition of tenure is a threat to academic freedom; the banning of trades unions at GCHQ seems as

nothing compared to the way in which civil liberties are infringed by union closed shops. The Sinn Fein ban is of dubious help in solving the Irish question, and has certainly made TV and radio hopping mad, but the threat of a watchdog has made television companies update their own guidelines to programme makers. We are a funny lot when it comes to words like freedom and notions of liberty. We feel attacked by the most sensible provisions. Remember all the fuss about seat-belts? If we'd had the sense to wear them there would have been no need for a law ordering us to do so. The thought of random breath-testing rightly upsets a good number of people, but then, if we had the sense to leave our cars at home when we feel inclined to drink, it would not be necessary. And now we are making the same fuss about ID cards at football matches. It would make a lot of sense, and life would be easier if we all had them all the time. Most countries in the EEC already do. As it is, I constantly have to get separate cards to enter this building, or attend that conference, or merely to get a railcard or a bus pass or to rent a video or cash a cheque. If one ID card could cover everything, I'd be delighted.

The truth about the last decade is that we have faced so many radical reforms we are unnerved. By 1989 we – and that includes a number of Conservative MPs – feel battered. The government is swirling in legislation; it is almost as though Mrs Thatcher, for all her utterances to the contrary, knows her days are numbered and is continuing her spring-clean of the nation at top speed. And as reforms are rained upon us we float in uncharted waters with the media as our compass. Television is a blunt instrument that makes the complex accessible by ironing out the wrinkles and inviting those with polarized views to appear on our screens to explain themselves in thirty seconds or ninety words. Such techniques foster an adversarial culture in which serious analytical debate is not encouraged. The so-called quality newspapers have the space and the time, but their efforts are often spoiled by lack of balance. Journalists get approval and an audience by exaggerating; their success is gauged by the size of their mailbag. They feed off each other's ideas, particularly in the political arena, and rarely leave the hothouse atmosphere of London. The result is information overload; we know, but we do not understand. The truth is that we cannot yet measure the success or otherwise of many of Mrs Thatcher's measures. If we are fair-minded and optimistic we wish them well; if we have closed minds and are pessimistic we wish them ill. If we are realists we know that some of these radical measures are bound to be for the best and some will turn out to be for the worst. Such is the nature of change. It is never all progress, even when it is essential.

The battle for the soul of the Victoria and Albert Museum can be used as a perfect cameo for the eighties. The V & A is an institution that prides itself on its devotion to our glorious industrial past. It is a vast and imposing building outside, dowdy and depressing inside. It has been kept short of money by successive governments who have had a hard enough time finding funds for the essentials from our sluggish economy. Now the museum's roof leaks after years of neglect and the old-era scholarly staff lack the will and the inclination to do much about the situation. The keeper barons of the various departments enjoy competing with each other but not with the outside world. And it is useless to argue that in a civilized country the state ought to fund the museums as part of its commitment to the arts. So it should; but it will never be a top priority and it will never favour places riddled with intellectual snobbery; places that do not help themselves and who make little effort to reach out to the people. On to the scene came a new director, Elizabeth Esteve-Coll, who had been the keeper of the V & A's art library. She did not belong to the art establishment; she didn't go to public school, or Oxbridge and the Courtauld Institute, and she had radical plans to put an end to the debilitating drift to ensure the museum's survival. It meant getting rid of nine employees, most of whom enjoyed a high reputation, but who were considered unwilling or unable to adapt to a new way of doing things. She was attacked by the old school as being a 'vulgar populist' and her plans were called 'asinine and uneconomical and destructive to scholarship'. She denies this; she says she is just as passionate about the museum as any of the old school and believes her plans will improve the V & A's reputation. We will not be able to judge the new V & A for some time. It won't be the same; but with luck it will appeal to a wider, if less discriminating, audience. It isn't philistine to be popular. 'Something' may well be lost; the place will be more egalitarian and above all it will survive.

Chekhov, the son of a strict, Church-going grocer, wrote *The Cherry Orchard*, a play in which a grand and famous estate is deeply in debt, and its decaying, genteel owners lament the fact but seem incapable of finding a way of retrieving the situation. Once the orchard yielded marvellous cherries that were dried and sent to Moscow and earned much money. But such prosperity became a memory, the recipe was lost. An outsider, the self-made Lopakhin, whose father had owned the village shop, and who has worked hard and saved money, comes along and buys the cherry orchard: the successful plebian ousts the upper-crust no-hopers. He is unmoved by the past, by the fact that the orchard is mentioned in the encyclopaedia, and decides to make the

estate prosperous once more by chopping down the cherry trees and building summer cottages for rent. Chekhov insisted that Lopakhin was a subtle and sensitive businessman. The critics, at first, saw him as a vulgar son of a bitch.

If we are realists, we know that we needed Mrs Thatcher to curtail our decline; we needed her to find a way to renewed prosperity; we needed her to take the helm while the other parties regrouped and rearranged their thoughts. They have taken a long time, too long, to find the way forward. But when their time comes they will have a jolly task: it will be so much easier to ask us to pay more for the health service, for education, for measures to aid the environment. It will be so much easier for us to appreciate the case for having some essential industries in the public domain; it will be so much easier for us to see that while having money to spend is important, it is not all-important; it will be so much easier for us to look generously upon the poor and the unemployed. We will be yearning – when the time comes – to say a hearty farewell to hard noses and a warm welcome to soft hearts, who will offer us a kinder, gentler Britain. It will be so much easier to see the wood. We will undoubtedly find that too many cherry trees have been chopped down. The pendulum of change has a habit of going too far. But we can plant new cherry trees: it takes a mere dozen years for them to grow – strong and healthy, well pruned and groomed, this time, with care and understanding.