

## NEWS SERVICE

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Text of a Party Political Broadcast by the Conservative Party, on Wednesday, 9th December 1981.

The Chancellor of the Exchequer, the Rt. Hon. Sir Geoffrey Howe, QC, MP, said:

"I dare say that to most people things don't look much brighter today than they did a year ago. In fact there's quite a difference. The difference is that now we're just beginning to see the first signs of success.

"I'd like to say it's all the Government's success. But that wouldn't be true. Certainly not the whole truth anyway. Probably the most important thing we have done has been to give people more of a chance to get on, for themselves, with some of the changes we've all known were necessary for years.

"So how does it look? Well unemployment's still desperately high, I know. I'm afraid it's going to stay like that for quite a time. But good things are beginning to happen. Let's look at a couple of signals of success.

"Industrial production. We all know, that's been falling for some time. But now -- that's turned. It's started the slow but steady rise everyone's been waiting for. It started in the spring and it's been going up since then.

"There are other encouraging signs. Orders in the engineering industries, for example. In the last three months, home orders are up 4½%; export orders are up 14%. That's not the Government at work. That's Britain at work.

"And there's something more important than figures. In the last year or so we've seen a growing spirit of determination, and realism. We still read about strikes and disputes of course. Though less often than we did. What doesn't make the news -- it's less dramatic but far more significant -- is the thousands of sensible pay settlements that are being made all over Britain. And the thousands of firms that are producing as much as before with fewer people.

Strange as it may seem, that's the only way to more jobs in the long run. Starting to make British goods competitive again with the very best the foreigners can produce.

"The measures I've just announced are simply the ones we need to keep us on that course. It would be madness to throw that progress away in a huge burst of Government spending to create a few, temporary, extra jobs. We'd soon see prices shooting through the roof again. When you hear people talk about 'reflation' rather than careful control of spending, that's what it would mean. And that's not on. Those few extra jobs would soon disappear. Because what we've got to do is to make it possible for new, lasting jobs to be created.

"And that means a long, determined fight to win back the customers our industries have lost. The reason we've lost them is shown here. The wages cost in what we produce almost doubled in the five years from 1975. It rose much less in most other countries. In Japan it didn't rise at all. That's how they kept their prices down, sold more and earned more -- and have jobs for all their people. And that's why in those same five years, our output went up only 8%, and theirs by 28%: nearly four times as much. That's true not just for the last few years; and not just compared with Japan. Look at the way in which we've been losing our share of world trade over the last twenty years. If we had done as well as other major exporters, we'd be exporting nearly twice as much as we are today.

"With much higher living standards. And much lower unemployment. // In 1979 the country voted for a Conservative Government because Margaret Thatcher promised we'd give people the chance to tackle those basic problems. Because people were fed up with promises of instant 'solutions'. We all knew it would be tough. And would take time. We said that Government couldn't create prosperity. And certainly not by itself. But that Government could give the people of Britain a better chance to start creating prosperity for themselves. And that's just what is starting to happen. It doesn't mean our troubles are over -- but it means that for the first time for many years we've real hope for the future".

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