

cc Mr. Butler
Mr. Coles
Mr. Scholar

PRIME MINISTER

Speech in the Debate on the Address on The Queen's speech

We are due to meet at 1100 next Monday to discuss this speech, though you may want a word on Friday, now that the cancellation of the visit by the Danish Prime Minister has left some room in the diary.

I think the central part of your speech should be on the economy. Mr. Foot will probably argue that there is now no evidence of an upturn, and will urge the Government to act to stimulate the economy and to reduce unemployment.

I think you might argue that the Government's powers are not limitless, that compassion does not mean making rash promises of jobs to the unemployed, and that beating unemployment will need co-operation from industry, unions and management, and means regaining our competitiveness.

This could lead into a discussion of some of the specific proposals in the Legislative Programme, followed by an attack on Labour's policies. This could lead into a section on foreign affairs, and there would be a final section on law and order and "values", which would lead into the peroration.

Attached at Flag A is a skeleton for the speech on these lines. It covers most of the legislative proposals in The Queen's speech, which is attached at Flag B.

Would you like Michael Scholar and John Coles to commission material for their sections of the speech, or would you prefer to leave this until after you have had a chance to talk to us? ✓

WR

13 October 1982

E.P.

SPEECH IN THE DEBATE ON THE ADDRESS ON
THE QUEEN'S SPEECH

1. Tributes to mover and seconder

Economy

2. Heard the RHG opposite: - proclaim his compassion for unemployed;
- blame us for their plight and the state
of the economy;
- call for action from the Government;
- promise to reduce unemployment by any
number you care to mention.
3. But it's not that simple.
4. Scourge of the greatest inflation in living memory.
Ravaged the economies of Europe and Northern America (comparative
examples). If the answer is as easy as he thinks, why don't
these governments banish recession and unemployment? If I had
the powers the RHG attributes to me in causing unemployment, I
would act now to banish recession for ever.
5. Doesn't he remember that unemployment rose under the last Labour
Government? If he looked at the figures he would find it has been
rising steadily since the war. If the blame is only with
Governments then many have been to blame.

6. I am sure the RHG really knows that Governments do not have the powers he claims. I am sure he knows that he cannot simply promise to reduce unemployment by any of the extravagant figures he quotes. Because the solution is not in his hands only.
7. That is why his lack of compassion is so startling. He is holding out false hopes. He is making promises which he cannot keep. That is not what compassion means to me.
8. Beating unemployment needs the co-operation of industry, public and private sector, management and unions. We have brought down inflation, interest rates, etc. Should help to recapture our competitiveness. And that is one of the keys to beating unemployment (figures).
9. There is no shortage of money demand in the economy (figures). There is demand for motor cars, motorbikes, TV tubes (figures and other examples). What we lack is competitive supply. Must all strive to regain home and export markets. A challenge to the country.

Economy: technology, mention of specific legislative measures

10. That means new technology. Here you could say something about IT Year, the Hunt Report, and possibly the Data Protection Bill.
11. It means efficiency and competition at home Here you could talk about the Telecommunications Bill, the Shipbuilding Industry (Disposals) Bill, and that part of the Electricity and

Nuclear Installations Bill dealing with the private generation of electricity].

12. It means keeping down industry's costs [Here you could talk about rates, and the Transport Finance Bill dealing with transport subsidies, you could say something about the NIS, but most importantly you could say something about wages and defend the 3½% public sector guideline].

13. And it means all the other things that will make people want British rather than foreign goods, such as good design and good marketing [Here you could say something about the Agricultural Marketing Bill].

14. But recovery will not be quick. We never said it would be. That is one of the reasons why we have Youth Training Schemes that are among the best in the world (comparative examples). [Here you could also mention the Health and Social Services Bill and that part of the Housing and Building Control Bill dealing with Housing Benefit].

Labour Policies

15. Reflation is not an alternative to these policies. Nor are the other policies of the left. And these are the policies of the left, despite everything said about moderation at Blackpool: state control and nationalisation, withdrawal from the EC and protectionism. We need to fight for the markets of the world. Not sit back and rely on the promises of a party that would turn

us into a socialist island state.

/This would lead naturally into the next subject./

Foreign Affairs

16. Our commitment to the EC and the Commonwealth. The EC Budget and the CFP. /You could possibly say something here about the Commonwealth Development Corporation Bill and perhaps the Equal Pay Amendment Bill since these are two relevant legislative measures, but they may not fit in./
Our place in Europe would lead naturally to a discussion of

17. East/West Relations, which would lead into

18. Defence /including Disarmament (attack on unilateralism)/
which could lead into

19. The Falklands. (A tribute to those who gave their lives could lead into the next subject)

20. Northern Ireland, including the Northern Ireland Assembly. This could lead through a further mention of the security forces into a paragraph on

Law and Order

21. Including a mention of the Police and Criminal Procedure Bill, but perhaps saying something about the values of the family and the individual, which could lead into

22. The Peroration