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10 DOWNING STREET

From the Private Secretary

19 October 1982

Down John

Debate on the Address

I wrote to you on 15 October asking for contributions to the Prime Minister's speech in this Debate, dealing with the main items of legislation described in The Queen's Speech.

The Prime Minister has now given some thought to the structure of her speech. After the tribute to the Mover and Seconder, she will start with a passage defending the Government's economic policies. This will be followed by a passage describing some of the main items in the legislative programme, showing how they fit into the Government's overall policy. I attach an outline of the sections.

I am afraid that I must revise the request made in my letter of 15 October. Instead of free-standing passages on the main items of legislation in The Queen's Speech, I should be grateful if Departments could provide draft passages on the lines of the attached outline and if Departments could take responsibility for drafting these passages as indicated in the margin.

The passages described in the attached outline will make up the bulk of the Prime Minister's speech, and she will probably wish to devote to themabout 30 minutes of her 40 minute speech.

I hope that Departments can let me have the draft passages listed on the attached by close of play on Friday 22 October. I also hope that none of the work done in response to my letter of 15 October will have been wasted.

I am sending copies of this letter to John Kerr (HM Treasury), Robert Lowson (MAFF), David Edmonds (Department of the Environment), Jonathan Spencer (Department of Industry), Anthony Mayer (Department of Transport), Carole Souter (DHSS), Julian West (Department of Energy), Barnaby Shaw (Department of Employment), Murdo Maclean (Chief Whip's Office) and Richard Hatfield (Cabinet Office).

John Halliday, Esq., Home Office. Jours ever Costrie Richett



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

Economy

HM Treasury

- 1. 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.
- 2. This is a huge over-simplification.
- 3. Scene-setting paragraph (flesh-creeping) on the dangers of the world international economic scene.

 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.
- 4. 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.

- 5. 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.
- 6. 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.
- 7. 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).
- 8. 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

9. That means efficiency and competition at home. $\sqrt{\text{Here}}$ a mention of the Telecommunications Bill, the Shipbuilding Industry (Disposals) Bill, and that part

D/Industry consulting D/Energy and D/Environment

/of the

of the Electricity and Nuclear Installations Bill dealing with the private generation of electricity.

The Prime Minister will also wish to consider saying something about the Water Bill and the Heritage Bill.

10. It means new technology. $/\overline{H}$ ere something about IT Year, the Hunt Report, and possibly the Data Protection Bill. $/\overline{7}$

D/Industry consulting Home Office

11. It means keeping down industry's costs. $/\overline{\text{H}}\text{ere}$ something on rates, and the Transport Finance Bill dealing with transport subsidies, something about the NIS, but most importantly a passage on wages and a defence of the $3\frac{1}{2}\%$ public sector guideline. $/\overline{}$

Treasury consulting D/Environment and D/Transport

12. 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 something about the Agricultural Marketing Bill./

D/Industry consulting MAFF

13. 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 a mention of the Health and Social Services Bill and that part of the Housing and Building Control Bill dealing with Housing Benefit. 7

D/Employment consulting DHSS

/Labour Policies

Labour Policies

HM Treasury

14. Reflation is not an alternative to these policies. Nor are the other policies of the left. And these <u>are</u> 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).7



10 DOWNING STREET

From the Private Secretary

18 October 1982

dear brian ,

Debate on the Address on The Queen's speech

We have been giving thought to the speech which the Prime Minister will make in the above debate on 3 November.

The Prime Minister will wish to devote not more, and probably less, than 10 minutes of her 40 minute speech to foreign affairs. The enclosure to this letter lists the main headings which the Prime Minister may wish to cover, together with an indication of which Departments might take the lead in drafting.

A word of explanation is required on the heading "Trade problems". As was made plain at Cabinet last Thursday, Ministers are concerned at the accumulation of measures and situations which work to the disadvantage of our exports and against which we, apparently, have little capacity to act. There is to be a discussion of this problem in E on Tuesday, 26 October. I recognise that any passage drafted before that meeting will have to be redrafted afterwards. But it would help us here to consider the economy of the speech if a preliminary draft could nevertheless be provided this week.

I should indeed be grateful if all contributions could reach me by close of play on Friday 22 October.

A further point. The Prime Minister would like to read the full text of President Reagan's recent speech on the American economy. Would it be possible to let me have a copy, preferably in advance of the above deadline.

I am copying this letter and enclosure to Richard Mottram (Ministry of Defence), John Rhodes (Department of Trade), Jonathan Spencer (Department of Industry), John Kerr (H.M. Treasury), Robert Lowson (Ministry of Agriculture, Fisheries and Food), John Lyon (Northern Ireland Office) and Richard Hatfield (Cabinet Office).

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Brian Fall, Esq., Foreign and Commonwealth of Fice ENTAL

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OUTLINE FOR PRIME MINISTER'S SPEECH

Defence (FCO in conjunction with MOD)

Solid member of NATO

Disarmament policy - attack on unilateralism

East/West relations (FCO)

Poland

CSCE

Anglo/American relationship (FCO)

European Community (FCO in conjunction with Treasury and MAFF)

Commitment to Europe

Budget

Fisheries

Trade problems (DOT in conjunction with FCO and DOI)

Spain

Japan

Steel

Pipeline

CAP - possible US subsidies to agricultural exports

Falklands (FCO)

Brief account of progress in rehabilitation

Middle East (FCO)

Northern Ireland (NIO)

File



10 DOWNING STREET

From the Private Secretary

15 October 1982

Jens John

Debate on the Address

Whatever structure the Prime Minister settles on for her speech in this Debate, she will want to refer to the main items of legislation described in The Queen's Speech. I would therefore be grateful if you and the other recipients of this letter could let me have suitable passages dealing with the measures listed in the attached note. I suggest you aim at about 100 words for each item.

Perhaps Murdo Maclean could let me know in due course who the Whips wish to propose as Mover and Seconder. We will also need short notes that the Prime Minister can draw on in paying tribute to the Mover and Seconder.

It would be very useful if your contributions could reach me by 1300 on Friday 22 October.

I hope to be in touch with you shortly seeking other contributions to the Prime Minister's speech.

I am sending copies of this letter to John Holmes (Foreign and Commonwealth Office), Robert Lowson (MAFF), David Edmonds (Department of the Environment), Jonathan Spencer (Department of Industry), Anthony Mayer (Department of Transport), Brendan O'Gorman (DHSS), Julian West (Department of Energy), Barnaby Shaw (Department of Employment), Murdo Maclean (Chief Whip's Office) and Richard Hatfield (Cabinet Office).

Jours ever Willie Krikets

John Halliday, Esq., Home Office.

29

LEGISLATIVE PROPOSALS MENTIONED IN THE QUEEN'S SPEECH

- 1. The Telecommunications Bill
- 2. The Electricity and Nuclear Installations Bill: that part enabling private concerns to supply electricity
- 3. The British Shipbuilders Bill
- 4. The Agricultural Marketing Bill
- 5. The Data Protection Bill
- 6. The Housing and Building Control Bill
- 7. The Health and Social Services Bill
- 8. The Equal Pay (Amendment) Bill
- 9. The Police and Criminal Procedure Bill
- 10. The Passenger Transport Bill
- 11. The Commonwealth Development Corporation Bill

Parliament Queens speeches.