

Spring
1982

SPEECH TO 1922 COMMITTEE.

1. Thank them.

- (a) Very arduous session.
- (b) Finance Bill, British Nationality Bill, British Telecommunications Bill, Representation of the People Bill, Social Security Bill, Wildlife and Countryside Bill - and No Canadian Constitution Bill!
- (c) Very grateful to all who serviced on Select Committees and Standing Committees - and particularly to those who are unpaired.

2. Just over two years ago we sought and won the approval of the British people for a programme which would halt the long years of decline and restore our solvency and our self respect. May I remind you of what we said in our Manifesto:-

"It is not a recipe for an easy life. But it sets out a broad framework for the recovery of our country based on reason, on commonsense, on the liberty of the people under the law. Too much has gone wrong in Britain for us to hope to put it all right in a year or so. Most people want to be told the truth and to be given a clear lead towards the action needed for recovery".

3. We are some times not sufficiently vigorous in proclaiming our achievements. We are often much too defensive. There are more than 250 trumpeters for the Conservative cause here this afternoon and this is no time for any of the trumpets to give an uncertain sound.

4. (a) Manufacturing output has stabilised since the turn of the year.

(b) Unemployment is rising more slowly. The underlying increase of 30,000 in this month was the smallest increase since May 1980. More than 70,000 find new jobs every week. Vacancies reported to employment offices are settling to a steady level after a period of fall.

(c) Average weekly hours worked in manufacturing are increasing.

(d) Britain is now well placed to respond as the Recession recedes.

(i) Average earnings are now rising at about 10% p.a. and falling, after peaking at 20% a year ago.

(ii) British manufacturers are increasing their share of the home market.

(iii) Working days lost in the first five months of 1981 were fewer than in any comparable period since 1967 with the exception of 1976. The number of reported stoppages has been at exceptionally low levels.

/(iv) Inflation

- (iv) Inflation has fallen to almost half of the peak last year.
- (v) The Aerospace industry is thriving. Last year the newly privatised British Aerospace Company made a profit of £92 million.
- (vi) The Haemorrhage of the public sector is being reduced. In the last 70 weeks, the British Steel Corporation has shed 70,000 jobs. BL is approaching its target of 4500 Metros a week from its highly automative, competitively manned Longbridge plant. Ford UK plan to invest £1.4 billion in the UK in the next three years. Nissan have announced their intention to seek an 800 acre site in a assisted area to manufacture 200,000 cars a year from 1984, using up to 80,000 British produced components.
- (vii) Since the Loan Guarantee Scheme was started in June 150 bank loans to small businesses totalling £5.3 million have been guaranteed by the Government. The Business Start Up Scheme allows small outside investors to claim significant tax relief for investment in new businesses which is unparalleled anywhere in the world.
- (viii) Last year over 3500 jobs were created by businesses

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which had been helped by the Department of Industry Small Firms Counselling Service. In the second quarter of 1981 the number of people availing themselves of the service was up by 68%. The first Enterprise Zones for Swansea¹ and Corby² came into operation last month. Dudley³, Newcastle⁴, Clydebank⁵, Wakefield⁶ and Speke⁷ will all be in operation before the end of next month; Hartleypool will follow in September and Belfast in October and the Isle of Dogs before the end of the year. As you know, in these zones businesses will be relieved from many controls and will have total exemption from rates for many years.

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(ix) Today, output per man hour is at record levels. At Port Talbot and Llanwern the time taken to produce a ton of molten steel has fallen from 9 1 10 man hours a year ago to 4½ - 5½ hours now. Productivity at Rolls Royce has improved by 25% in two years. It is through improvements of these kind that prosperity will return to British industry.

5. Though no one doubts the importance of economics, man does not live by economics alone.

6. (a) Sale of Council houses.
(b) More nurses and shorter hospital waiting lists.
(c) Trade union reform.

/(d) Privatisation.

- (d) Privatisation.
- (e) Choice in Education.
- (f) More Police.

7. Special responsibility rests on all of us. Of course we are going through a difficult time. None of us ever thought that it would be otherwise. We have set our hands to the task with which we were entrusted by the British people. They want us to succeed. We are not going to let them down.

"Oh Lord God, when Thou givest to Thy Servant to endeavour in great matter, grant us to know that it is not the beginning but the continuing of the same until it be thoroughly finished which yieldeth the true Glory".

(Sir Francis Drake before destroying the Spanish Fleet at Cadiz).

FOOT.

3.33

GULY FIGURES

MAPS

unemployment of 87 1,500,000

monthly rise of 30,000 in demand alone.

- a. We must not make 1 job
- b. We must be doing down output & output jobs

Times 22/7

1974-75 - Front of Labor Force.

Shift fall: labor force.

Fall: output with productivity.

Home building.

Exports, mail services, housing.

DEFINITE LAM - OADR.

CONSEQUENCES DA AVINIS

COAR, CONS, SBAW & AME.

INSTRUMENTAL effect of decay.

New growth relies on output in our volume.

5% of our labor force in the past year.

SCAPE GOATS

a. DISCRETION

b. LOCAL ACTIVITIES

OUR STRATEGY

1. REFLECTION.

2. Full Employment = EXPANSION.

3. Low level of our labor output.

Exports and services low.

MULTIPLY THEM:

Domestic & debt.

Low wage.

INCOME TAX