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~~Robin~~

Any comments

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10 DOWNING STREET

Andrew

Absolutely first-class
Quite content

Robin

From the Private Secretary

19 October, 1983

Lord Mayor's Banquet Speech

We are beginning work on the Prime Minister's speech to the Lord Mayor's Banquet on Monday, 14 November. The Prime Minister is likely to take the opportunity to stress that at the beginning of a new term of office the Government is a reforming one with an ambitious programme to be completed. It has a clear idea of its role at home and abroad. The Government has broken away from a number of the conceived doctrines of the post-war period. In particular it is not seeking to be a big government; indeed it is trying to roll back the frontiers of the public sector - opening here for an extended passage on privatisation. While not seeking to be a big government it is seeking to be a strong government, in defence, in law and order and in stewardship of the public finances.

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On this point there is likely to be an extended passage on public expenditure which will be particularly topical as the Cabinet may have just completed its work on the public expenditure survey. The Prime Minister wants to discuss the way in which the demands for higher public expenditure build up, with the various lobbies, each with its captive section of the media, all pressing their own priorities. It is the hallmark of a weak government to appease them all by allowing public expenditure to rise. The hallmark of a strong government is to decide priorities within what the nation can afford.

A related theme which we may want to develop is that this is the first government which has taken management seriously. This does not mean management of the economy by fine tuning or by controls but by ensuring that the various parts of the public sector are efficiently managed - Civil Service, NHS, public corporations, local authorities.

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See

The Prime Minister will then want to move on to a passage on the world economy - how the recovery is progressing; what role the United Kingdom is playing in it; the way in which the United Kingdom is helping to lead the recovery having put its own finances in order; how the strength of the recovery is being held back by the problems of international debt. She will then want to discuss the debt problem, how it is being tackled and what role the United Kingdom can play.

The speech will then discuss a number of topical issues on defence, disarmament and Europe.

Could I ask for Treasury contributions in the following areas:-

- (i) the speech will provide a good opportunity to put on record the Government's objectives on privatisation. Could a passage be prepared on this, stressing not just the financial gains but the role of privatisation in promoting competition.
- (ii) a passage on the world recovery and the United Kingdom's role in it.
- (iii) the international debt problem. This should stress that the main responsibility lies with the debtor countries to put their own house in order. But that provided they do so the United Kingdom will play its part in assisting them through its banks, the government and through the international institutions.

The Prime Minister has asked that where possible the passages should contain illustrations of the general principles as a way of bringing the speech to life.

We are happy here to undertake the first draft of the section on public expenditure and the role of Government though we will, of course, be clearing it with you.

Could this material please reach me by Friday, 28 October.

(Andrew Turnbull)

J. Kerr, Esq.,
HM Treasury