



10 DOWNING STREET

From the Press Secretary

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5 November 1985

Dear Brian,

The Lord President, meeting with the Chancellor of the Duchy of Lancaster, Lord Privy Seal and the Chief Whip, today approved the attached Speaking Note on the Queen's Speech for circulation to members of the Government and to be available in the Whips Office from lunch time tomorrow.

I would be most grateful if you would clear those bits affecting your Department overnight and let me know of any amendments by 10am tomorrow. I would also like you to ring me if you have no comments.

I am copying to other Heads of Information with the same request to meet the same deadline, and to ring in nil returns as well as any changes.

John Samuel

Bernard

BERNARD INGHAM

DRAFT SPEAKING NOTE - QUEEN'S SPEECH

The Queen's Speech sets out the most substantial and radical programme of legislation for many years.

It builds on policies of sound money and enterprise which have already brought substantial economic and industrial progress in Britain.

The programme gives the lie to the claim that the Government is running out of steam.

In fact, the Government is building up a head of steam which will carry it to a third victory at the next election.

First, let us examine what the Government has achieved. Nothing less than the dream of all Governments since the war - sustained growth with low inflation and a balance of payments surplus.

This is our fifth year of continuous growth and we face the certain prospect of a sixth. At the same time inflation will probably be below 4% by the middle of next year. The CBI's latest survey shows the number of firms expecting their prices to rise is the lowest for 17 years.

And manufacturing is doing well, too - output up 4% last year - the highest growth since 1973; investment up 14%; exports up 11% to a record.

We are also creating new jobs, though not yet fast enough to offset the combined effects of the 1960s' bulge in the birth rate and the temporary effects of new technology and changing patterns of international trade.

The Government's determination to promote a new spirit of enterprise in Britain has produced a substantial increase in the number of self employed since 1979 of 500,000. The number of British businesses is up by 140,000 since 1980. And in the last two years Britain has generated 675,000 new jobs, the fastest rate of job creation since 1973.

This is the success on which the Government's new legislative programme aims to build.

First, private ownership. Twelve state-owned companies, employing 400,000, have already been transferred to private ownership. Most of those employees have acquired shares in them. The British Telecom share issue alone doubled the number of shareholders in Britain.

This session the Government will pave the way for more with Bills to:

- transfer British Gas to the private sector
- introduce private capital into the British Airports Authority and establish private sector companies to operate major local authority airports
- move the Atomic Energy Authority further towards a fully commercial basis of operation
- introduce commercial management into the Royal Dockyards.

These measures, with the forthcoming flotation of British Airways, represent the greatest privatisation programme in any year since the Government came to office. And there is more to come after this.

By the end of this Parliament the Government expects to have transferred 40% of the State sector it inherited in 1979 to private ownership.

But that is not the end of the effort to make the economy more competitive. Other measures directed to this end are Bills to:

- reform the ban on shop trading hours and to end the present confusion arising from illegal trading on Sundays
- removal of the dead hand of Wages Councils from wage rates for young people because all the evidence suggests existing rates are reducing job opportunities for youngsters
- simplify planning zones to reduce the burdens on business while protecting the environment
- liberalise the operations of building societies and promote more competition in the City whose financial services are a big money spinner abroad.

These are the economic policies which provide the money to pay for better social services.

And this session will bring a Bill to implement the most fundamental review of the Social Security system for 40 years. It is aimed at:

- directing resources to those most in need
- strengthening the incentive to work
- simplifying the system to make it easier to understand and administer.

But the Government is concerned not merely to provide better social services, but also to ensure that the money spent on them already gives value for money.

That is why there will be Bills to:

- provide a national system of appraisal and better training for teachers
- end the unscrupulous use of ratepayers' money by some local authorities for political ends.

The Government will also be publishing shortly its proposals for reforming the rating system as a whole. We can no longer tolerate a system of local taxation which falls on less than half the electorate and positively encourages extravagance by some local authorities at the expense of the unrepresented business ratepayer.

Finally, to complete a major programme relevant to the country's needs, the Government will bring forward a Bill to help the police deal with violence and disorder - balancing freedom of speech and the right to protest with effective police powers against the violent.

It will also legislate against the drugs menace which is confronting our society - and principally to trace and confiscate the proceeds of drug trafficking.

All this - and the Government's determination to promote peace with security at a lower but balanced and verifiable level of armaments - demonstrate conclusively the Government's continued radicalism, vigour and resolve to make Britain a strong, secure, decent and fair society.