

MR. TURNBULL

Prime Minister's Speech on World Economic Issues

Many thanks for your synopsis which the Prime Minister has approved subject to two points:

(i) the need for rather fuller treatment of measures to promote freer trade, particularly in services and to integrate the more advanced developing countries into the GATT system of reciprocal rights and obligations;

(ii) a more forward looking section on policies for the future.

I suggest that you might like to pass the synopsis and these comments to someone in the Treasury to have a go at producing a draft in the course of this week with such further guidance as you want to give. I am also proposing to ask the Policy Unit to do some work on it and will invite the DTI to do a bit on a new GATT round.

C.P.P.

(Charles Powell)

11 March 1985

MR. REDWOOD

Prime Minister's Visit to South East Asia: Speeches

The Prime Minister will be making a number of speeches during her visit to South East Asia. I wonder if I could ask the Policy Unit's help on a couple of points:

(i) In Singapore, the Prime Minister will be speaking about Britain's achievements and a good draft on this has been produced. But she would like to follow it with a section on what still needs to be done. By this, she means both the economic and social policies which we should pursue in this country; and more widely those which the industrialised countries in general together with the more advanced developing countries ought to follow. It would be very helpful if you could let me have a passage of say 500 words or so on this theme in the course of this week.

(ii) The Prime Minister will be addressing the Institute of Public Administration in Malaysia on world economic issues. I enclose a synopsis of the speech. If the Policy Unit had time, in the course of this week, to produce some material for a speech of some 2,000/2,500 words that too would be extremely helpful.

C.P.

(Charles Powell)

11 March 1985



10 DOWNING STREET

From the Private Secretary

11 March 1985

Dear Callum,

Prime Minister's Visit to South East Asia: Speeches

One theme which the Prime Minister will want to pursue in the various speeches she will be making during her visit to South East Asia is that of a new GATT round, the need for liberalisation of trade in services and the importance of securing the integration of the more advanced developing countries into the GATT system of reciprocal rights and obligations.

I should be grateful if the DTI could let me have by Thursday evening a substantial passage - say 600/800 words - which could be used in speeches.

Yours sincerely
Charles Powell

(Charles Powell)

Callum McCarthy, Esq.,
Department of Trade and Industry.



10 DOWNING STREET

From the Private Secretary

11 March, 1985.

Prime Minister's Visit to South East Asia
Speech to British Business Association in Singapore

There is a point on this speech which I forgot to mention in my earlier letter of today.

We need 250/300 words on the role and work of the British Business Association, which I should like to have by close of play on 14 March. You may like to ask the High Commission in Singapore to provide it.

(C.D. Powell)

P.F. Ricketts, Esq.,
Foreign and Commonwealth Office.

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MR. FLESHER

British Business Association, Singapore

The Prime Minister was very grateful for your excellent draft speech for this occasion. Her comments:

1. We need to be careful not to go over the top in beating the drum for Britain's achievements, to the extent of provoking ridicule. She also thought that it went on a bit too long on this theme, and began to pall around pages 12/13.
2. She would like to add a perceptive piece on our view of the future, i.e., of the policies and objectives which ought to be pursued by the UK and others in economic, social and trade matters.
3. There is a need for a piece on the work of the BBA.

I am obtaining 3. from the Foreign and Commonwealth Office. If you had time to think of 2. - to which I have also asked the Policy Unit to contribute - and 1., that would be immensely helpful.

EP

11 March, 1985.



10 DOWNING STREET

From the Private Secretary

11 March, 1985.

Prime Minister's Far East Tour

During the course of her Far East tour, the Prime Minister wishes to devote one of her speeches to world economic issues. This is likely to be the speech to the Institute of Public Administration in Kuala Lumpur. We have prepared a synopsis, and would be grateful for Treasury help in filling it out. A copy is attached. Could a draft speech of approximately 2,000 words be produced on these lines by the end of the week?

(Andrew Turnbull)

Miss Margaret O'Mara,
HM Treasury.

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CPLABD

SYNOPSIS OF A "WORLD ECONOMIC ISSUES" SPEECH

- I. Success of post war recovery; combination of fixed exchange rate providing financial discipline and dismantling of wartime controls giving impetus to enterprise.

- II. Petering out of longest sustained growth in 1970s; frequently attributed to oil but part of deeper malaise, warning signs appeared

earlier. Performance of industrial economies deteriorated, with more inflation and less growth.

III. Misconceptions and errors of policy

- attempt by Governments to underwrite output jobs succeeded only in underwriting inflation;
- change resisted rather than promoted through protectionism and subsidy;
- growth of public expenditure, especially welfare, undermined self-reliance and

produced a claimant/wage demand society.

Taxes rose to stifle initiative.

- Government regulation began to expand again, often in an effort to make good failure of policy.

- Governments borrowed too much and banks lent too much.

IV. Problems especially acute in Britain, but common to most of industrial world.

V. Attitudes are changing as successive Summits have shown. Not just under

so-called Conservative Governments but
Socialists as well.

Budget deficits are being cut.

Public expenditure restrained.

New emphasis on private sector;
recognition that people not Governments
create jobs.

VI. Malaysia has shown the way - anatomy of
its economic success.

VII. Still challenges facing world

- protectionism; (not just need to promote freer trade in goods but extension to services; need to integrate developing countries into GATT system of reciprocal rights and duties);

- international debt;

- strong dollar;

- poverty, especially in Africa.

VIII.

Upbeat conclusion - forward looking
section on policies for the future.

These challenges are being met, new
solutions devised, world economy
expanding again, etc.



10 DOWNING STREET

From the Private Secretary

11 March 1985

Dear Peter,

Prime Minister's Visit to South East Asia: Speeches

We shall need to look to the FCO for a lot more help on the speeches for the Prime Minister's visit. This letter deals with two important tasks.

I enclose a synopsis for a speech to the Sri Lanka Parliament. It tries to introduce a few facts on the basis of my scanty knowledge of Sri Lanka. One additional section which it needs is on regional issues. I should be grateful if the synopsis could be worked up into a draft of some 2,500 words by 1.00 pm next Friday. We need some substantial material in it not platitudes.

The various speeches submitted for banquets in Malaysia, Singapore and Indonesia need far more in the way of useful historical points, allusions and quotations, as well as facts about the countries concerned, particular bilateral problems, our trade with them and regional questions. I should be grateful if someone could do some work on producing these and again let me have them not later than lunchtime on Friday.

Yours ever,

(Charles Powell)

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.