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Any comments.

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CABINET OFFICE

70 Whitehall London SW1A 2AS Telephone 01-233 3299

From the Minister without Portfolio
The Rt Hon Lord Young of Graffham

Andrew Turnbull, Esq.,
10 Downing Street,
London, S.W.1.

21st May, 1985

Dear Andrew

Lord Young has been invited by the Sun to contribute a signed article (for publication later this week or early next) following on from his trip to China. He intends that the article, as well as highlighting the importance of trade to this country, should be a reaffirmation of the need for an enterprise culture and a soundly based economy.

I attach a draft of the article on which I would welcome comments by 4 p.m. tomorrow.

I am copying this letter, with a similar request, to Rachel Lomax (Treasury), Daving Normington (DE) and John Mogg (DTI).

Yours ever

Leigh

Leigh Lewis
Private Secretary

Subject: Sun Article

We were once a nation of small firms. But not for long. We went out in the world to make our fortune. That is how our great companies grew, and how we became not only the greatest manufacturing power but also one of the greatest trading nations that the world has ever seen.

We had customers here and customers overseas and we looked after both. But in time we forgot. The customers overseas forgot about us and before long they were selling to us.

Suddenly we were no longer one of the world's great manufacturing nations. We were hardly even an important trader. And then our firms started to close and unemployment grew.

That is why I led our biggest ever Trade Mission to China in March. And why Norman Tebbit went to Japan in April. And why many Ministers are leading Trade Missions around the world.

Because we can only live by the goods and services that we sell. And whether we can carry on selling and even increase our sales depend on whether our goods are as good and as reliable and as cheap as our competitors. And I believe that today they now are.

In the end this is what creates employment. Not Government schemes, nor unnecessary capital spending, but simply the ability to earn our keep in the world.

Let us not underestimate what we are doing. Today we have jobs for over 65% of all adults of working age, and the French and Germans can only manage 61% and the Italians far less. Even the Americans do no better than us. More than that, last year we created more jobs than the whole of the rest of Western Europe!

Of course we have unemployment. So do all European nations. And in many countries unemployment is increasing faster than us. What we are doing is to make sure that our jobs are built on secure foundations.

That means that our employment must be in industries and services that offer quality and value. Jaguar showed that it could be done, and many other companies are following in their footsteps.

But for far too long we had the lowest birth rate of new firms in Europe. It is little wonder for in the fifties and the sixties and the seventies everything was against people working for themselves. What we miss today is the one or two man firms that should have started ten or fifteen years ago that would be employing fifty or a hundred or even five hundred people today. We will have them again, but it is going to take time.

In the seventies we lost over 100,000 self employed people. They decided that it was not worth the effort. Since 1979 over two thousand people a week, week in and week out, every week during the life of this government, have decided to work for themselves.

Many come in through the Enterprise Allowance Scheme that helps the unemployed to work for themselves. But many are simply those who see the chance to work for themselves and take it.

So let us put on one side our national pastime of knocking ourselves. We have shown that we can again make the goods that our customers want. We can still give the service that our customers need. We have started again to work for ourselves and we are at long last creating the jobs and wealth that the nation needs so much.

The very best Government programme is you!



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