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## SPEECH FOR LORD MAYOR'S BANQUET

My Lord Mayor etc.

I wish to begin, my Lord Mayor by thanking you for your generous hospitality this evening.

Such warmth is traditional to Lord Mayors and on behalf of all your guests may I say: we are in your debt.

You spoke of St Paul's Cathedral. In the mind's eye forever is that image of the great dome defiant in the blitz. It is an enduring symbol of London.

A previous Dean - anxious to capitalise on the Cathedral's position - is said to have put up a sign that is not entirely flattering.

It read: "Last chance to pray before you enter the City of London".

But I wonder whether it would have been built today?

After all, Christopher Wren was a very difficult man. He kept changing the design. The planning committee would have had a fit. Nowadays he'd get an enforcement notice.

What's more, it took 44 years to complete. Today, if a public building, would Parliament wait that long? If a private venture, would shareholders be patient?

Would there not be pressure to change it to an hotel or an office block?  
Probably.

With such difficulties you are absolutely right to preserve the assets London already has.

But not only preserve them - capitalise on them.

### London

No other city has more to offer in terms of art, recreation, music, theatres, museums, parks and gardens - the list is endless. I should like to see us parade these virtues more often.

The Government will spell them out - next week - in a document we're publishing that will celebrate London. It will emphasise the best aspects of our capital city.

It will contain a questionnaire asking Londoners how we can make our city a better place to live and work. It will be the biggest consultation exercise ever in London.

What Londoners tell us will help the Government, and the partnership working on London Pride - the prospectus for the capital.

We have invited the City Corporation and the London boroughs to work with the private and voluntary sectors to prepare this, with Allen Sheppard, the chairman of London First, bringing the team together.

If London is to stay ahead, it must develop and compete. And it is doing.

Transport has often been a theme of this occasion.

Well, work has begun on the Heathrow Express.

Last month we gave the go-ahead for the £1.9 billion Jubilee Line Extension.

We are working urgently to bring private finance into the CrossRail project.

And we are seeing improvements to the East Thames Corridor and the Lea Valley.

When next year Parisiens come to London in three hours, they will come to a great city determined to be greater still.

More and more businesses are already coming here. They're welcome. And so are the jobs and growth they bring.

The City Corporation and others intend to set up an inward investment agency for London and I can promise tonight that the Government will help make this a reality.

But while we can be misty eyed about the glories and opportunities of London, let us not forget the flipside. As we dine in White Tie off Gold Plate other Londoners do not. Nor do many others across the country.

### Building for the future on basic values

The recession is over but it has left its scars. We are on our way to rebuilding prosperity. But we must also rebuild confidence and that feeling of security that is so important to individuals and to families.

They are concerned about their livelihoods, their security, their families, their prospects.

I have spoken about getting back to basics.

That is not nostalgia. Personally, I have no reason to be nostalgic.

It is the future that concerns me. In fashioning policy for a world that is swiftly changing we must have an eye to the underlying values and instincts with which, as a nation, we are comfortable.

Basic economic values like low inflation, free markets and a climate that encourages enterprise. An understanding that we compete or we decline.

Basic social values like self-discipline. Respect for the law. Concern for others. A greater acceptance of personal responsibility and family obligations. A concentration on education, with an understanding that it is not just about training for work. It is a wider preparation for life and it involves parents as well as teachers. It means learning the values of our society as well as the rules.

Some will say these values are obvious. If so, why have so many people forgotten them?

We made huge strides towards commonsense policies in the 1980s. Many problems were overcome. But others remained. And new problems have arisen. We must now move on and tackle the most urgent tasks for this decade.

## Free Trade

Most urgent of all we must complete the GATT round of world trade talks.

It is not going to be easy. We have only 30 days left.

30 days in which over 100 countries must put their weight behind GATT and get the deal done.

The United States Administration has been preoccupied with the Congressional vote on the North American Free Trade Area.

In Japan, there are problems in the Diet.

In Europe, the French have problems with agriculture.

I understand how hard it can be to pursue the greater national interest against tough political opposition. But a GATT deal would be good for French industry, and for the European economy as a whole.

Nothing will do more to increase world trade than a success in this round.

And, conversely, nothing would do more damage to world confidence than a failure.

## Flexible labour markets

Free trade will not on its own be enough to build prosperity in the 1990s - particularly in Europe. There are some uncomfortable issues we must confront. The plain fact is - much of Europe is becoming uncompetitive.

During the 1980s, labour costs in Europe rose by 50 per cent. In the US the increase was 10 per cent. In Japan there was no increase at all.

The result has been predictable - fewer jobs in Europe and 18 million unemployed. If Europe had done as well as others in the OECD there would be 9 million more people at work in the Community today.

And if the EC continues to lose its share of world trade at the present rate, by the year 2000 Europe will have been overtaken as an economic power by the countries of the Pacific basin. It is time, past time, to sound the alarm.

Against that background our competitors in Japan, South East Asia and America must be astonished at calls in Europe for the introduction of a 35 hour or 4 day week. And I must say it takes my breath away too.

This message is beginning to be understood in the Community.

At Copenhagen, we put competitiveness at the top of the agenda, and we asked the Commission to produce a White Paper.

In Brussels last month, I found more agreement than ever before about the fundamental problems that Europe faces. In December, we will discuss the Commission's White Paper. Let me tell you what I think it needs to contain.

It needs to set out ways to make labour markets more flexible.

Ways to improve skills and control costs.

Ways to create a climate for enterprise and to cut red tape.

We must start finding ways to make Europe more competitive and stop taking measures which unnecessarily destroy jobs.

If we don't then that 18 million unemployed will become 20 million. Then 25 million. Then 30 million. And the hopes and prospects for Europe will be smashed.

### Restoring Competitiveness: Enterprise

In the UK unemployment has steadied and is now gently falling. But the policy prescription we offer to Europe is right for us domestically as well.

Not only must we work for enterprise in creating the right framework. We must also work with business.

We don't want to prop up or bail out.

We do want to build a partnership with industry.

Let me tell you what has been happening since last year.

We are giving much greater support to British exporters, including access to credit on competitive terms.

Ministers have led delegations of industrialists around the world. I myself have led groups to India, Japan, Malaysia and the Middle East. And on those trips we have won confirmed orders for over £7½ billion for British industry.

We are determined to use private finance to help bring about the capital and infrastructure projects that both the Government and industry wants. We have

ripped up restrictive Treasury rules.

But some blockages still remain.

And so the Chancellor has today appointed Sir Alastair Morton to chair a working group charged with removing them.

The opportunities are immense. We are already seeing private finance for rail, for roads, for prisons, for hospital building. If we can fully mobilise the power of private finance then we will have taken a giant stride towards the infrastructure development that we need for the next century.

#### Restoring Competitiveness: Education

But for industry and the economy to prosper, we need another basic ingredient - a well educated, skilled work force.

The best of our schools produce pupils educated as well as any in the world. We can be proud of them. But too many do not.

As a result, standards have slipped below those of our competitors.

Let me give just one example. In arithmetic, 13 year olds were asked to multiply 9.2 by 2.5. In Korea and Taiwan 70 per cent got it right; in Western Europe 55 per cent; in England just 13 per cent.

Against this background I cannot understand opposition to simple tests in maths. If we allow Korea and Taiwan a competitive advantage in schools today, then we are handing them a competitive advantage in industry in the future.



Raising standards in education will be difficult. But our children must be taught what they need to know to succeed in later life. That's why we need rigorous inspection. A national curriculum. National testing. And openness about results.

Later this week we will publish this year's public exam results for all schools. And for the first time, national tables on truancy. They will point to an alarming problem - one which many determined headteachers have shown can readily be solved. We must help them to make sure that it is.

#### Northern Ireland: the opportunity

My Lord Mayor, you have already paid tribute to the work of the City Police. I fully support that.

But I would also applaud the quiet but effective way the City responded to the Bishopsgate bomb. Business life went on. And practical measures were taken to reduce risks in the future.

The fact that terrorists bombed and murdered on the mainland make us all much more aware of the feelings of people in Northern Ireland as they contemplate the horror of the terrorist murders in their community. And of the bravery of the security forces there.

There may now be a better opportunity for peace in Northern Ireland than for many years.

There are several important elements coming together.

First, there is a burning desire on each side of the community for peace.

Not a peace at any price - but a peace that is fair and just.

This strength of feeling is far more intense than we have seen before. No one wants to continue living with death and terror and fear for another 25 years. This desire for peace gives an opportunity we must try to take.

Second, the Irish Government have shown a new understanding of the rights and concerns of Unionists. They are willing to reach out to them and, I believe, to make constitutional change a part of an overall settlement.

They accept, rightly, that it is for the people of Northern Ireland, freely and democratically, to determine their own future.

Third, most of the constitutional parties in Northern Ireland are engaged purposefully in discussions about a political settlement.

They accept that flexibility is needed to achieve a settlement. That some cherished positions will have to be modified.

All accept that no change can be made to the status of Northern Ireland without the consent of its people.

These elements present the opportunity we are determined to pursue.

Against the sombre history of Ireland, many will say that the odds are against us.

I accept that. I accept that all concerned will have to show courage, court unpopularity, break down old barriers, and take risks.

That is why we are, for our part, now actively seeking a framework to deliver peace, stability and reconciliation.

I shall not raise false hopes or set deadlines. We need both a permanent cessation of violence and intensification of the political talks.

democratic party and join the dialogue on the way ahead.

These objectives are complementary.

There can be no secret deals. No rewards for terrorism. No abandonment of

We shall press forward in all three areas of the political talks.

In developing democratic and accountable structures within Northern Ireland.

life to all the people of that troubled land.

In the search for a new relationship between the North and the South of Ireland.

International Security

And in building closer cooperation between the United Kingdom and the Republic of Ireland.

only in Northern Ireland that we search for peace.

→ And when a true basis for an agreed package is established, we aim to bring all participants back around the table to secure a lasting settlement.

We shall work to protect all the people of Northern Ireland and of Britain from terrorism; and to convince the men of violence in both communities to end violence, unconditionally and forever, and to choose instead the path of legitimate and democratic political activity.

in Africa, in countries of the former Soviet Union, and right across the world.

Some would deny them that path on account of their past and present misdeeds.

I understand that feeling, but I do not share it.

Let me make explicit what has always been implicit.

Frankly, its record has been mixed.

Those who decline to renounce violence can never have a place at the conference table in our democracy.

But if the IRA end violence for good then - after a sufficient interval to ensure the permanence of their intent - Sinn Fein can enter the political arena as a democratic party and join the dialogue on the way ahead.

There can be no secret deals. No rewards for terrorism. No abandonment of the vital principle of majority consent.

But there is the incentive that peace would bring a new and far better way of life to all the people of that troubled land.

### International Security

It is of course not only in Northern Ireland that we search for peace.

The end of the Cold War may have lifted the threat of a nuclear holocaust. But it also brought great political and economic uncertainty.

In the former Yugoslavia, that uncertainty has turned into tragedy - human suffering on a scale unseen in Europe since the Second World War.

And not only in Europe. Every night the television brings us images of tragedy in Africa, in countries of the former Soviet Union, and right across the world.

We cannot ignore the suffering and conflict.

The United Nations is striving to help keep the peace and aid the afflicted.

Frankly, its record has been mixed.

It has no troops and no money of its own. It relies on the contributions of member states, whose governments are bound to weigh the national interest before they commit their own people to the expenditure of blood and treasure.

But the world community is learning - slowly and painfully - how to cope with the tragedies and challenges of uncertainty.

So too are the Europeans.

Those of us who were fortunate enough to preserve our liberty and prosperity during the Cold War have a duty towards our fellow Europeans who were less fortunate.

That is why I hope that the new democracies of Central and Eastern Europe can qualify as members of the Community in the not too distant future.

We won the Cold War because the Americans were willing to commit themselves to the defence of Europe.

That commitment is just as important today.

In January the leaders of the NATO Alliance will meet. NATO's transformation has gone a long way. It will go further.

At the Summit we must adapt the Alliance. It must be able to contribute to peace and security in the wider world. We must bring our fellow Europeans into new kinds of partnership.

Today's uncertain world offers opportunities as well as challenges. We intend to grasp them.

The next Parliamentary Session

My Lord Mayor, this week sees the beginning of a new Parliamentary session. Tonight let me tell you what will dominate the political debate:

First, there will be a wide-ranging Criminal Justice Bill to tackle crime and to strengthen the powers of police and courts in catching, convicting and punishing criminals.

Second, we will be introducing a substantial bill to cut red tape and bureaucracy. It will give us powers to scrap unnecessary or burdensome rules more easily.

Third, we will be introducing a bill to reform the training of teachers.

We intend to increase the school based element in teacher training and encourage more graduates to come into the profession.

1993: A launching pad for the future

My Lord Mayor, I believe it is right to concentrate on these core issues. We have an enormous task ahead to make sure Britain and Europe can meet and beat the competition. But in Britain we start from a sound base.

If I had predicted last year that by now we would have inflation below 2 per cent for 9 successive months:

that interest rates would be lower than in the rest of Europe;

that unemployment would be falling;

that output would rise by 2 per cent;

that British industry would be cutting its unit costs;

and that Britain would be set to grow faster than any of our main competitors in Europe;

you would not have believed me. Yet that is where we are.

My Lord Mayor, this is a basis for sustained recovery. It is a beginning of renewed prosperity. It is an opportunity for the future. And we must take it.