

Thursday 14 March 1985

(Answered by the Prime Minister on Monday 18 March 1985)

UNSTARRED  
No. 113

Mr Charles Irving: To ask the Prime Minister, if she will list in the Official Report the main achievements of Her Majesty's Government since June 1983.

**THE PRIME MINISTER:**

Since the 1983 Election, the inflation rate has remained low at around 5 per cent; Gross Domestic Product has continued to grow; total investment has reached a new all-time high; profits have recovered substantially; retail sales and the standard of living have also hit new peaks. Between June 1983 and September 1984, the estimated number of people in work rose by 453,000.

A major reform of taxation was commenced, with a plan to cut the Corporation Tax rate to 35 per cent by 1986/87. The small firms rate has been reduced from 38 per cent to 30 per cent. Personal tax thresholds for income tax have been raised in real terms, stamp duty has been halved; the National Insurance Surcharge and the Investment Income Surcharge abolished.

The forces of competition in the economy are being strengthened. Legislation to end the solicitors' conveyancing monopoly and a Bill to introduce competition into the bus industry are before Parliament. A White Paper on airline competition has been published and practical steps, through bilateral agreements, are being taken towards liberalising aviation in Europe. The optician's monopoly to supply spectacles has been abolished. The financial services White Paper which proposes a new framework for investor protection is also aimed at improving the competitiveness of the financial services industry.

The large programme of privatisation has continued. The successful privatisation of British Telecom in November 1984 was the largest ever flotation and led to a massive increase in the number of people holding shares. Wytch Farm, Enterprise Oil, Sealink, Jaguar, INMOS, Scott Lithgow, and several other smaller public enterprises have also been transferred to the private sector. There has been substantial progress in this direction in respect of British Airways, the Royal Ordnance Factories, the National Bus Company, the warship-building yards of British

Shipbuilders, and the remaining Government holding in British Aerospace. The Government has also announced its decision to abolish the British National Oil Corporation.

The Government has launched a more cost-effective and job-related regional industrial policy; has backed the Alvey programme for research into advanced information technology; and has allocated substantial funds for the promotion of new technology.

In transport, London Transport has been transferred from the GLC to London Regional Transport, and targets set for better value for money. Similarly, British Rail, under its new Chairman, has been given targets for the reduction of subsidy and the improvement of customer service.

New initiatives have been announced to control drug misuse, and the Government supported the Video Recordings Act to control video nasties. Legislation has been put through for data protection; to provide a framework for the development of cable television; to set out a new framework for police powers and for handling

complaints against the Police, in the Police and Criminal Evidence Act; and to enhance both the powers available to deal with terrorism and the safeguards for the citizen under the Prevention of Terrorism Act. Measures have been taken to ensure that the terms of imprisonment served by violent offenders fully reflect society's abhorrence of their crimes.

In education the Government has launched a major initiative to raise standards in schools including the publication of broad curricular objectives for the 5 to 16 age group, the reform of the 16 plus examination system, and the decision to introduce records of achievement for school leavers of all abilities. The Technical and Vocational Education Initiative had been introduced to boost practical elements in the 14 to 18 curriculum. The Council for the Accreditation of Teacher Education has been established to evaluate teacher training courses and a discussion paper on school teacher numbers and deployment in the longer term has been published. In higher education, record numbers of students were admitted in the academic year 1984, and the Government endorsed plans which provide for a continuation of the significant shift towards

science and engineering and other subjects in the public sector of higher education.

In the social security field, the Government has maintained the protection of Social Security Benefits against inflation. The retirement pension is at a record real level. Legislation has been introduced to improve the position of early-leavers from pension schemes, and proposals have been set out to encourage personal portable pensions. The Government has launched the most far-reaching review of Social Security provisions since Beveridge.

In the Health Service, we have continued to develop services for patients and waiting lists have fallen. NHS spending has been maintained at record levels, and the drive for better management continues with the appointment of General Managers throughout the Health Service.

The Youth Training Scheme has given new training opportunities to some 700,000 young people since it was launched in 1983. The number of

adults benefitting from training programmes is being doubled. The Enterprise Allowance Scheme has been expanded.

The Trades Union Act was passed extending the rights of members of trades unions to influence the affairs of their unions.

In energy, Government policies on taxation and licensing have made 1984 a record year for oil and gas exploration and development in the North Sea, and the North Sea contribution to United Kingdom employment has been further expanded. New reserves of gas have made it possible to scale down the need for imports in the years ahead. With Government support the electricity and coal industries have enabled the electricity system to withstand a year-long coal strike without power cuts and with only limited damage to the rest of British industry.

In local government, the Rates Act is protecting rate payers from huge increases in rates in the highest spending councils. The Bill to abolish the GLC and the Metropolitan County Councils is making good progress. The right to buy their homes

has been extended to more council tenants, discount terms have been improved for many, and assistance has been provided to the owners of defective houses previously in the public sector. We are consulting on proposals to increase competitive tendering by Councils.

In the environment, research into acid rain is increasing and steps have been taken to end the pollution of our rivers, estuaries and beaches. The successful international garden festival was mounted in Liverpool, and other disused land in the inner cities brought into use. 14 new Enterprise Zones have been designated.

In defence, the capability of our Armed Forces has continued to be strengthened by further increases in the defence budget. The Government has played its full part in implementing NATO's 1979 decision to modernise intermediate range nuclear weapons. Increased efficiency is being pursued by the continuing transfer of resources from the support areas to the frontline, and by introducing increased competition in defence contracts and promoting collaboration with our international partners. Finally a major

re-organisation of the Headquarter structure of the Ministry of Defence has been introduced.

In foreign policy, the Government has maintained Britain's strong commitment to the NATO Alliance. British Ministers and representatives have been active in building up an East/West dialogue, with high level visits in both directions, and in promoting the arms control process. Within the European Community the Government achieved a refund for 1983 of £430 million; a lasting settlement on budgetary imbalances, under which our net contribution will be reduced by about half; measures to control Community spending, especially on agriculture; and the successful conclusion of the third Lome Convention. An agreement was signed with China last December about the future of Hong Kong. Over Gibraltar an agreement was reached with Spain in February, and the border is now open.