

In its first 17 months, this government have laid the foundations for recovery. We have undertaken a heavy load of legislation, a load we do not intend to repeat because we do not share the socialist fantasy that achievement is measured by the number of laws you pass. But there was a formidable barricade of obstacles that we had to sweep aside. For a start, in his first budget Geoffrey Howe began to rest incentives to stimulate the abilities and inventive genius of our people. Prosperity comes not from grand conferences of economists but by countless acts of personal self-confidence and self-reliance.

Under Geoffrey's stewardship, Britain has repaid \$3,600m of international debt, debt which had been run up by our predecessors. And we paid quite a lot of it before it was due. In the past 12 months Geoffrey has abolished exchange controls over which British governments have dithered for decades. Our great enterprises are now free to seek opportunities overseas ... We have made the first crucial changes in trade union law to remove the worst abuses of the closed shop, to restrict picketing to the place of work of the parties in dispute, and to encourage secret ballots.

Jim Prior has carried all these measures through with the support

of the vast majority of trade union members ... British Aerospace will soon be open to private investment. The monopoly of the Post Office and British Telecommunications is being diminished. The barriers to private generation of electricity for sale have been lifted. For the first time nationalised industries and public utilities can be investigated by the monopolies commission – a long overdue reform ...

Michael Heseltine has given to millions – yes, millions – of council tenants the right to buy their own homes. It was Anthony Eden who chose for us the goal of “a property-owning democracy”. But for all the time that I have been in public affairs, that has been beyond the reach of so many, who were denied the right to the most basic ownership of all – the homes in which they live. They wanted to buy. Many could afford to buy. But they happened to live under the jurisdiction of a socialist council, which would not sell and did not believe in the independence that comes with ownership. Now Michael Heseltine has given them the chance to turn a dream into reality. And all this and a lot more in 17 months.

The left continues to refer with relish to the death of capitalism. Well, if this is the death of capitalism, I must say that it is quite a way to go.

But all this will avail us little unless we achieve our prime economic objective – the defeat of inflation. Inflation destroys nations and societies as surely as invading armies do. Inflation is the parent of unemployment. It is the unseen robber of those who have saved. No policy which puts at risk the defeat of inflation – however great its short-term attraction – can be right. Our policy for the defeat of inflation is, in fact, traditional. It existed long before Sterling M3 embellished the Bank of England Quarterly Bulletin, or “monetarism” became a convenient term of political invective.

But some people talk as if control of the money supply was a revolutionary policy. Yet it was an essential condition for the recovery of much of continental Europe. Those countries knew what was required for economic stability. Previously, they had lived through rampant inflation; they knew that it led to suitcase money, massive unemployment and the breakdown of society itself. They determined never to go that way again.

Today, after many years of monetary self-discipline, they have stable, prosperous economies better able than ours to withstand the buffeting of world recession. So at international conferences to discuss economic affairs, many of my fellow heads of government find our policies not strange, unusual or revolutionary, but normal, sound and honest. And that is what they are. Their only question is: “Has Britain the courage and resolve to sustain the discipline for long enough to break through to success?”

Yes, Mr Chairman, we have, and we shall. This government are determined to stay with the policy and see it through to its conclusion. That is what marks this administration as one of the truly radical ministries of postwar Britain. Inflation is falling and should continue to fall.

Meanwhile, we are not heedless of the hardships and worries that accompany the conquest of inflation. Foremost among these is unemployment. Today our country has more than 2 million unemployed.

If our people feel that they are part of a great nation and they are prepared to will the means to keep it great, a great nation we shall be, and shall remain. So, what can stop us from achieving this? What then stands in our way? The prospect of another winter of discontent? I suppose it might. But I prefer to believe that certain lessons have been learned from experience, that we are coming, slowly, painfully, to an autumn of understanding. And I hope that it will be followed by a winter of common sense. If it is not, we shall not be diverted from our course.

To those waiting with bated breath for that favourite media catchphrase, the “U” turn, I have only one thing to say. “You turn if you want to. The lady’s not for turning.” I say that not only to you but to our friends overseas and also to those who are not our friends.

Margaret Thatcher

10 October 1980