

MR. LANKESTER

Wales CBI speech: 11 December 1980

We are to discuss the outline for the Welsh CBI speech with the Prime Minister tomorrow morning, on the basis of the Welsh Office draft forwarded under cover of the Private Secretary letter of 20 November. It may be helpful if I record a few comments first.

1. As you know, I have felt for some time that the Prime Minister should consider making some substantial remarks about unemployment before long, and a speech in South Wales would be a suitable opportunity. Points to make include the causes of unemployment (recession and pay bargaining); the buyers market for labour that will exist even when the upturn comes because of the 1960s birth rate bulge, women seeking work and structural changes in manufacturing industry; the need to run fast in order to stand still - the latest figures are in one sense the worst since February 1933, but at least 24 million new jobs have been created since then, and 100,000 jobs a year still need to be created to stop unemployment getting worse; therefore continued restraint in pay bargaining will be appropriate, and therefore also society has a responsibility to help the unemployed - hence the recent increase in contributions from employed people, and hence also the expansion of the Youth Opportunities Programme.

2. The Welsh Office text contains useful material on Government assistance to Welsh industry, but it needs to be livened up considerably, especially since this is to be an after-dinner speech.

3. Clearly a substantial part needs to be added following yesterday's announcement, and the aftermath.

4. The Prime Minister may feel that seven references to Mr. Edwards's recent announcements is slightly excessive.

5. It is important for the publicity surrounding the Prime Minister's speech at Bulmers the following day for there to be a trailer in the CBI speech on employee involvement.

A handwritten signature in dark ink, appearing to be 'J. Vereker', with a vertical line extending upwards from the top of the 'V'.

John Vereker

25 November 1980