



PRIME MINISTER

I have looked at the latest draft of the Cardiff speech and tried it on my colleagues in the Welsh Office. Broadly I think the note is about right; but I propose the following amendments.

Page 5. I am very unhappy indeed about this page (a feeling shared by Michael Roberts who has seen it). What it says is right; but at a time when the BSC plan is awaited and the Tripartite Alliance is reforming I think the specific reference to pits, steel and railways will create the impression that a gauntlet is being thrown down. I would also prefer to omit the reference to ordinary people at the bottom of page 4. I therefore strongly urge that the same point be made in more general and neutral terms as follows: "A large part of our unemployment is caused with the very best of intentions, by the attempt to protect jobs from change. Of course, I understand this, particularly at a time when jobs seem threatened. Unfortunately the result of overmanning, of restrictive practices and demarcation disputes is that as a nation we get fewer and fewer orders for ships, for cars, and for North Sea oil rigs for example; and jobs in the motor car industry in coal, steel, rail and shipping are lost. No one has benefited from all this "protection" of jobs. It is a vicious self-defeating circle; and the go slow strikes and stoppages in the assembly plants"

On page 8 last paragraph, I think the phrase "It is old industries that are saddled with the old union structure" is a great mistake. It is not only the old industries and it can be taken to imply a lack of concern for the old industries which are particularly important in Wales. I suggest: "Too many industries are saddled with the old union structures and with all the restrictive practices that go with them. Fortunately many of them are now dispensing with these old ways and the great majority of new industries are set up without them. I am glad to hear that in most of the new factories the Wales TUC has supported the introduction of a single union structure and the best modern industrial practices have been willingly accepted. The result has been that they achieve productivity that compares with anything elsewhere in the world."

On page 10, I question the phrase "Borrowing by the private sector is coming down". Surely the rate of increase is slowing down but the actual level has not fallen.



On page 14, I think the reference to sunblinds and industrial cleaning should be dropped. It invites ridicule and will not be thought relevant against the scale of the problem. I suggest instead: "This is showing results. I am glad to hear that small factory units are being taken up almost as fast as they can be built. And that there are many examples of industrial enterprise such as the 4 redundant managers who have set up their own plastics business in the Rhondda, with advice, investment funds and a factory from the WDA. Encouraging though this is it does not disguise the fact".

I hear that the passage on page 15 about special measures has been omitted from the latest No 10 draft. I would strongly urge that it be left in on an amended basis, as I think that this is a valuable passage. I would propose: "And as a result of the measures we recently announced the number of entrants into the Youth Opportunities Programme in Wales will be increased from 27,000 this year to 43,000 next year, and all unemployed school leavers next year should be offered a course or a work experience scheme before Christmas".

Again on page 15 on the penultimate paragraph. Strictly it was not "our" decision but the company's. I therefore suggest: "The decision to locate it in South Wales is an indication of confidence in the ability of the Welsh people to make a success of it".

M. RNE

(Dictated by the Secretary of State
and signed in his absence)

10 December 1980