

2 June 1981

*Jan*

MR VEREKER

*CBI speech  
from  
12*

cc Mr Walters  
Mr Duguid  
Mr Lankester

CBI SPEECH, TUESDAY 16 JUNE

I have a further comment on Alan's note to you of 27 May. If the Prime Minister wishes to put a little extra bite into her speech, there could be a section commenting more generally on the insidious rise of "producerism" as against consumerism. Everywhere the organised lobbies, monopolies, oligopolies, and pressure groups are producer groups. Thus there is a danger that nationalised industries and, indeed, the CBI itself with their demand for Government funds for investment (on a basis of need, rather than by virtue of their actual financial achievement) and their demands for tariffs (the consumer should not be allowed to enjoy the interacting benefits of the sterling exchange rate and the value for money provided by the Japanese motor industry) are ~~not~~ better than the worst trade unions; conspiring together just as Adam Smith has always said they would. In other words, take Alan's paragraphs 2 and 3 and develop them into something controversial. I see no harm in the headline saying that "Maggie tells industry to put the customer first".

*JB*

*The point is that industry (trade unions, workers, managers, ~~and~~ shareholders) must satisfy customers before they can satisfy themselves. Customers don't exist to satisfy industry.*

JOHN HOSKYNS