

MR SCHOLAR

for CBI speech h l l

CBI

I had lunch today with John Caff, Economic Director of the CBI.

Mr Caff gave me the attached note on themes which he was thinking of suggesting to Sir Campbell Fraser for his speech at the annual dinner. He emphasised that Sir Campbell had not yet seen these and we should not assume that his speech would follow them. Mr Caff added the thought that Sir Campbell Fraser might start by saying that things were now very different from what they were like when the Prime Minister last attended the CBI dinner two years ago. I encouraged this approach.

Mr Caff mentioned that he had spoken to you. Commenting on the idea that the Prime Minister should recount some illustrative "success" stories, Mr Caff suggested that they should not concentrate entirely on small firms. Small, intermediate and big firms were interdependent.

Mr Caff said that it was still very much the mood of CBI members that it was up to them to put things right in industry. The theme of stability of Government policy was a popular one. They hankered after stability of exchange rates and interest rates, although they recognised the difference. A sentence in the Budget speech which had gone down very well was "We are well on the way to abolishing jobs tax" - both because it described the NIS as a "jobs tax" and because it contained the implication that the Government had the objective of abolishing.

Looking ahead, Mr Caff said that the CBI were thinking of taking as a theme "the problems of the '80s" for their conference in November: they had in mind concentrating on problems which industry would have to tackle. He was also thinking about the presentation on pay which the CBI would make to their council in July and then at subsequent regional meetings round the country. Most immediately, they were thinking of giving some advice on what should come out of Williamsburg, but

the nature of this advice seemed very uncertain as yet.

F.R.B.

30 March 1983

PRESIDENT'S SPEECH TO CBI ANNUAL DINNER

Theme:

We have successfully faced the problems of recession

We have begun to tackle the problems of restructuring

Evidence of light at end of tunnel

Now we need to grasp the opportunities of recovery

Certain things we must do - productivity, research, design, marketing

Certain traps we must not fall into: pay
working time
(interest rates)

We have a Government which sticks to its policies we have a
Prime Minister who sticks to her beliefs - that is good

But in the last analysis it's up to us.