

PRIME MINISTER

cc Mr Lankester
Mr Wolfson
Mr Ingham
Mr Duguid
Mr Gaffin
Mr. Gow

WELSH CBI SPEECH

I attach a draft of your speech to the Welsh CBI on 11 December, which we are to discuss tomorrow. This follows the broad format you discussed with Tim and me at the beginning of last week, and it incorporates comments from David Wolfson and from the Policy Unit.

The format is roughly as follows:-

Introductory courtesies

Wales is suffering particularly severely from the recession: but

- a) Unemployment was on a rising trend anyway, and
- b) The Government will see that Wales is in a position to benefit from the upturn.

- a) Unemployment: Causes -
 - Increase in the labour force
 - Women seeking work
 - Capital intensive technology
 - The recession
 - Wage increases

- b) Government's role:
 - References to the demonstrators

What we can do:

- i) Provision of infrastructure
- ii) Facilitating change
- iii) Constructive intervention

Peroration: Wales will be able to do it.
But it has to be a partnership
Realism must last

J.V.

J M M VEREKER

4 December 1980