



Treasury Chambers, Parliament Street, SW1P 3AG
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8 June 1981

Ian Ellison, Esq.,
Private Secretary,
Department of Industry

Dear Ian,

PRIME MINISTER'S SPEECH TO THE CBI

You sent me a copy of the draft text for the Prime Minister's speech to the CBI dinner on 16 June, under cover of your letter of 1 June (which actually reached me on 4 June). As you said, the draft already reflects a good deal of consultation with Treasury officials. Our most substantial remaining point is that the paragraphs about the exchange rate will need to be reconsidered nearer the event, so as to take account of the rapidly developing situation. Our people will be looking at paragraphs 17 to 19 again at the beginning of next week.

Other points we have are as follows:-

(i) the square brackets in paragraph 3 can be removed, since the May figures will not be published until 19 June.

(ii) Our inclination would be to delete "more help for the third world" from the penultimate sentence of paragraph 10.

(iii) The reference to "in the upturn" in the last sentence of paragraph 15 may be unduly optimistic. It would be safer to say "as output levels out, and starts growing".

(iv) Paragraph 26 would be strengthened if it were pointed out that BSC and BL are themselves being subjected to drastic restructuring by tough managements - heavy redundancies, product rationalisation, etc.

(v) The flavour of the last sentence of paragraph 28 is wrong - but the changes announced by the Government last week seemed to have been rather well received. We will provide a revised sentence in a few days time.

I am copying this letter to Tim Lankester and John Rhodes.

yours ever

John Wiggins

A.J. WIGGINS