

cc: B. Ingham ✓



John Smith

Miss Lockes a

reasonable agenda.

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

Content-?

PRIME MINISTER

Yes not

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FEBRUARY NEDC: AGENDA

I wrote to you on 7 October about the agenda for the February meeting of the National Economic Development Council, which you will chair. It would be helpful if we could now firm up on it.

2. My minute suggested a number of possible items. We have given further thought to the matter since then, and it has also been discussed in the Co-ordinating Committee (involving the TUC and CBI) which prepared NEDC business. The following agenda is suggested:-

- (i) Industrial trends and prospects (follow-up of previous macro-economic discussions).
- (ii) Capital projects overseas.
- (iii) Sectoral report: diesel engines.

3. The paper on industrial trends and prospects will include an analysis of past trends in UK industries, and examine factors - such as the threat of the newly-industrialising countries, technological developments, high energy prices, the availability of North Sea oil, etc. - which might make the future of these industries somewhat different from the past. It will make clear that there are opportunities as well as problems. The discussion on this item would be one of a series of discussions that we have been having in the Council on general macro-economic and industrial issues,

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such as the use to be made of North Sea oil tax revenues, and the relationship between wage increases, inflation and unemployment. The aim of the NEDO in preparing a paper about industries at a more disaggregated level is to try to find a fresh approach to macro-economic questions and avoid what might be sterile discussion going over ground covered at recent meetings. The paper had originally been intended for January but the CBI and TUC took the view that its importance justified its postponement for your visit.

4. The NEDO paper on capital projects overseas would investigate why the UK fails to win its fair share of orders for large overseas capital projects. There will be a second paper from the nationalised industries representatives. John Nott would be the chief participant for the Government. The subject is important and interesting, as we have recognised in establishing EX Committee, under your Chairmanship, to consider among others related the problems in this area. John Nott has already put in a paper, and I will be doing so too, and I understand it is to have its first meeting fairly soon. I hope that the work of the Committee will lead to some useful conclusions which would be relevant to the NEDC meeting.

G.H.

(G.H.)

21 November 1980