

MR SCHOLAR

28 March 1983

cc Mr Mount

CUTLERS' FEAST SPEECH: 28 APRIL

LOCAL BACKGROUND

I think that this speech will require unusually careful handling. The Sheffield area is the home of traditional skills, prominent in the three mature industries represented by the Cutlers - cutlery, special steels, machine tools. All three have had a difficult time and have their grievances which will no doubt be raised by the Master Cutler in his speech:

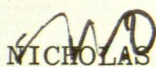
- import penetration in cutlery (40% in 1982) and machine tools, and preferential treatment for BSC (and higher electricity prices) which might be claimed to disadvantage the private steel sector.

The new technology theme will need to be played appropriately (how it can help mature industries). Something may also need to be said on trade policy (eg VRA on cutlery imports, origin marking order to help those who wish to buy British).

The other local concern is rates. 'Red' Sheffield indulges in GLC-style policies (cheap fares, support for minority groups). Rates have more than doubled in Sheffield in three years, almost doubled in the County. The Government can take credit for action taken on curbing rates, but speech may need to acknowledge case for further action.

SUGGESTED THEMES

1. Responsible handling of economy - (a lot of sympathy in Yorkshire for this).
2. Recovery in progress (the better and longer-lasting for being gradual and soundly-based).
3. Need to adapt to new competition: new technologies can help mature industries: Government is assisting this (local examples?).
4. As a nation we live by trade (but prepared to temper the wind etc)
5. Lifting the weight of Government off industry: action to roll back local Government (supplementary rates banned, increased home ownership, LAs' direct labour must compete with outside contractors, rate reform proposals, if available).

  
NICHOLAS OWEN



10 DOWNING STREET

*From the Private Secretary*

30 March 1983

The Prime Minister is making a speech in Sheffield at the Cutlers' Feast on 28 April. I wonder if I could seek your help (and that of Julian West and John Rhodes, to whom I am copying this letter) in putting together some factual material from which we here can draft?

The Prime Minister has it in mind in this speech to address the general themes that the industrial strategy of the future depends on the inventiveness and adaptiveness of individual companies and their workforces; on their adoption of new technologies; and that Government has to be clear about what it can, and cannot do to assist industry to achieve these objectives. The way in which these themes will be developed will depend, of course, on the factual material on the Sheffield economy which is presented to her. She attaches particular importance to having a sound factual understanding of the industrial position in Sheffield. I would be grateful therefore if you could provide information as set out in the attached note, by Wednesday 13 April.

M. G. SCHOLAR

Jonathan Spencer, Esq.,  
Department of Industry.

VK