

MR SCHOLAR

cc Mr Gow  
Mr Owen

CBI SPEECH

Sir Terence Beckett called on the Prime Minister at 4 pm this afternoon. The conversation was almost entirely about the CBI dinner.

Sir Terence Beckett described briefly Sir Campbell Fraser's speech, referring particularly to his quotation from Baghot. The Prime Minister said she would try to find a quotation from Baghot to match it.

Sir Terence Beckett suggested three main themes for the Prime Minister's speech:

1. The opportunities for expansion

Sir Terence Beckett suggested that the Prime Minister should treat with care the indications of recovery given by the CBI survey. He reminded her that the survey was built on a balance of optimism over pessimism, and while this balance was moving strongly in the direction of optimism there would be many businessmen present who were still pessimistic and had seen no sign of recovery. Sir Terence Beckett's personal view was that the recovery in the manufacturing industry would be even stronger than the Government was forecasting because the extent of destocking had been greater than ever before and the consequent rebuilding of inventories would be more extensive. But he suggested that the right note for the Prime Minister to strike was that there were now real signs of recovery but that it was up to industry to grasp the opportunity and exploit it. If they did not do so, the opportunity might pass them by.

2. Unemployment

Sir Terence Beckett said that it would be well received if the Prime Minister were to congratulate those present on the contributions which they were making to training. He had suggested that real progress was being made on the youth training scheme, and he referred the Prime

*for CBI speech  
folder please.*

Minister to his Stamp Memorial Lecture (page 12), which quoted the number of jobs which had been created in earlier periods of this century. For example, between 1932 and 1937 two and a quarter million new jobs had been created, which could not have been foreseen in 1930. In each of the periods 1952-56, 1959-62, 1962-66, and 1969-74 one million new jobs had been created. So it could be done.

3. Encouraging the spirit of enterprise

Sir Terence Beckett said that it was the particular genius of the British to take opportunities as individual entrepreneurs. The Government had created a climate in which such opportunities could be taken. Those conditions could encourage the growth of separate manufacturing units of a size in which those qualities of the British character could show themselves at their best.

Sir Terence Beckett also mentioned one or two other ideas which interested the Prime Minister, for example the fact that Japanese manufacturing operatives themselves repaired all faults in the production line which could be repaired within ten minutes. He also encouraged the idea of trade unions being held to their bargains, and losing their immunities if they did not.

F E R BUTLER

12 April 1983