



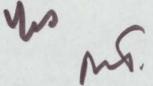


Prime Minister

Agree to Mis agenda?

Treasury Chambers, Parliament Street, SWIP 3AG MUS 8/12 01-233 3000

PRIME MINISTER



I was very glad to hear that you would like to chair the February meeting of the NEDC. It will take place at 10 am on Wednesday 3 February at Millbank Tower.

- 2. The agenda which has emerged, under my guidance, from the customary discussion with the CBI and TUC is as follows:
 - (i) inward and outward investment;
 - (ii) small firms:
 - (iii) Cancun;
 - (iv) the electronics sector Mr Baker's action programme.

The TUC have pressed for (i) and (iii); and (ii) and (iv) are ours. It is in fact a reasonable programme.

- 3. I expect that, on the inward and outward investment item, the TUC would want to criticise the Government for abolishing exchange controls, thus encouraging a large investment outflow. We, however, should be able to rebut this argument without too much difficulty. We could also point to what we are doing to encourage real investment in the UK from overseas, and explain how this is promoting jobs and activity.
- 4. The discussion on the small firms item would provide an opportunity for impressing on others the very real importance of the small firms sector in the economy. We would also be able to outline the many ways we are providing help for this particular sector.



- 5. The TUC have pressed very hard for a short discussion on Cancun. They feel that not enough was achieved at the Summit, and would like to put this point to you direct. We have already discussed Cancun twice once before and once after: but the TUC have strong and sincere feelings on this topic. If you agree, I think the best thing would be for you to make a short statement on what was achieved at Cancun. The TUC (and the CBI) could then have their say. The item need not take at all long.
- 6. The agenda would be completed with a report by Kenneth Baker on the Government's policy for the electroncis sector. This would follow an interesting discussion at the November Council, when the Chairman of the Electronics EDC, Sir Henry Chilver spelt out how he saw the industry developing.
- 7. The proposed agenda is inevitably something of a compromise. But it should form the basis of an interesting discussion, and allow us to put across our policies in a number of important areas. I hope you agree. Both the CBI and the TUC have indicated they would be content.

Sys

(G.H.)

4 December 1981

