

10 DOWNING STREET

HOD MENTES

From the Private Secretary

b.c: Mr. Hoskyns

8 December 1980

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Co

Long-Term Unemployment and the Young

The Prime Minister has read the Chancellor's minute of 5 December on the above subject and also the internal Treasury report which he enclosed with it. She has asked me to say that she found the latter report excellent and revealing, and she agrees - subject to any comments from Ministerial colleagues - with the Chancellor's proposal that the CPRS should now be asked to undertake a more detailed review with a view to making recommendations on the future course of policy.

The Prime Minister has noted that the proposal for a new young persons' benefit, which is described in H(80)81 and which is to be considered in H Committee tomorrow, would have implications for other decisions that might be taken to help alleviate unemployment amongst the young. She is concerned that the Government should not take piecemeal decisions in this area, and she wonders therefore whether it would not be better for the CPRS to complete their study before putting out a consultation paper on young persons' benefit (which is discussed as a possibility in the paper for H Committee).

I am sending copies of this letter to John Halliday (Home Office), Brian Norbury (Ministry of Defence), Richard Dykes (Department of Employment), Don Brereton (Department of Health and Social Security), Peter Shaw (Department of Education and Science), Godrey Robson (Scottish Office), John Craig (Welsh Office), Sir Robert Armstrong and Robin Ibbs.

T. P. LANKESTER

John Wiggins, Esq., HM Treasury.

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