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*Dear Mike,*

...  
In response to your letter of 17 December to  
John Halliday I enclose short notes on this  
Department's activities and achievements in  
1981 and outlook for 1982.

*Yours ever*  
*Richard Dykes*

R T B DYKES  
Principal Private Secretary

INDUSTRIAL RELATIONS

Extensive consultations followed the publication of the Green Paper on Trade Union Immunities (Command 8128) in January.

2. These showed a wide measure of agreement on the issues needing to be tackled and widespread support for further legislation in the current Session of Parliament.
3. In November the Secretary of State for Employment published proposals for legislation inviting comments by the end of the year. The Government intends to bring forward a Bill as soon as possible after the Christmas recess.
4. The proposals are directed (1) to safeguarding the liberty of the individual from the abuse of industrial power (2) to improving the operation of the labour market by providing a more balanced framework of industrial relations law.
5. On the closed shop, it is proposed to increase substantially the compensation for individuals dismissed because they are not members of trade unions; to provide for periodic ballots of existing closed shops; and to ensure that individuals can seek compensation from unions who exert pressure on their employers which results in their dismissal. Practices requiring contractors to employ only union members would also be unlawful.
6. It is also proposed that the unacceptably wide definition of a trade dispute, which largely determines the extent of immunity, should be narrowed. Finally, it is proposed that the immunity of trade unions themselves should be brought into line with the immunity for individual union officials and their members.





## MANPOWER

In 1981 the Government continued to work with and through the MSC to improve the efficiency of the labour market and to give special help to those hardest hit by unemployment.

### THE YOUNG UNEMPLOYED

2. The new Young Workers Scheme (to encourage employers to take on more young people at realistic wage levels) starts on 4 January.

3. The PM also announced in July expansion of the Youth Opportunities Programme so that in 1981-82 550,000 young people could enter and the MSC would have the resources needed for the undertaking to offer a place to unemployed school leavers by Christmas. By the end of November over 400,000 had already entered YOP since April - more than in the whole of the preceding year - and the MSC were well on the way towards the Christmas undertaking. [MSC will not have precise figures on fulfilment of the undertaking until the New Year, but - not for disclosure - it looks as though they will come very close (within 12-15,000) to meeting the undertaking despite the immense influx of unemployed school leavers.]

4. The PM also announced in July the Government's aim to reach the position where all young people, on leaving school, either move into further education, find a job or are given a chance of vocational training or community service. In pursuance of this the Government announced in December the provision of a full Youth Training Scheme for unemployed young people in the Autumn of 1983 to replace the YOP. Meanwhile, the YOP will be progressively developed towards the new Scheme by including in 1982-83 100,000 places with training of higher quality and longer duration, which will give young people with no experience of work a year's foundation training. In 1983 the new Youth Training Scheme will provide places of this kind for some 300,000 young people throughout the year at a cost of over £1 billion in a full year. All minimum age school leavers who cannot find a job will be guaranteed places.





#### OTHER SPECIAL EMPLOYMENT MEASURES

5. Temporary Short Time Working Compensation Scheme and the Job Release Scheme have both been extended to March 1984. In November the eligible age for men in the latter scheme was reduced from 64 to 63 and next February will be lowered to 62.

6. In total (including the help to the young) the special employment and training measures are currently (in November) helping some 650,000 people and expenditure in 1981-82 will exceed £1 billion. The numbers of unemployed are estimated to be lower by about 350,000 as a result.

#### TRAINING

7. The foundations for a more effective organisation of training were laid by passage of the Industrial Training Act in July 1981 and the subsequent decisions to replace 16 statutory industrial training boards by voluntary arrangements. In December the Government published a White Paper which, in the light of the MSC's consultations on the New Training Initiative document, set out a comprehensive programme for the reform and development of training at all levels (including the new Youth Training Scheme).

#### EMPLOYMENT SERVICES

8. The cost of effectiveness of the MSC's Jobcentres will be greatly improved by the decision announced in July that from October 1982 registration will no longer be a compulsory condition of unemployment benefit. A wider Rayner scrutiny of the service has been instituted and will be completed early in 1982. It has just been announced (December) that the Professional and Executive Recruitment Service is to be made totally self financing. Services provided specifically for the disabled have been maintained and will be reviewed in the course of 1982, in the light of consultations on proposed changes in the quota system.

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