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/ March 1983

Secretary of State for Industry

Rt Hon Nigel Lawson MP Secretary of State for Energy Department of Energy Thames House South Millbank London SWIP 4QJ

Dea Nigel,

PROPOSED IMPROVEMENTS IN REDUNDANCY TERMS FOR MINEWORKERS

You sent me a copy of your letter of 17 February, and I have since seen Leon Brittan's and Norman Tebbit's of 24 February.

- I can certainly confirm to Leon Brittan that I should not, as a consequence, come forward with proposals in respect of my scheme. None the less, the proposals could increase the risk that steel and shipyard workers will also press for increases. However, these schemes are very difficult to compare with one another taking into account the whole range of age points throughout the schemes and I would not expect that comparability arguments would be strong.
- 3 We must obviously assess the political implications of such enhanced public sector redundancy schemes against the substantial criticism of their generosity as compared with most private sector schemes. We must have very sound grounds on which to defend the proposed improvement, but you and Leon must be the best judges of that.
- I am copying this letter to the Prime Minister, the Home Secretary, the Secretaries of State for Scotland and Wales, the Chief Secretary, the Secretary of State for Employment, Sir Robert Armstrong and John Sparrow.

Vacce

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