

FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 29,290

Thursday April 5 1984

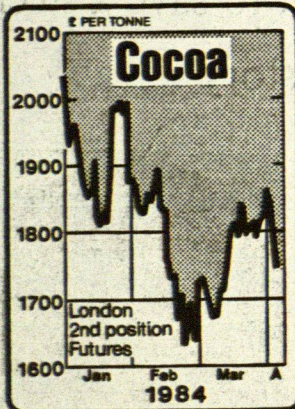
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BUSINESS SUMMARY

GM to spend £100m on UK plants

GENERAL MOTORS will spend £100m to modernise paint facilities at its Vauxhall car plants in Luton and Ellesmere Port, its largest single investment in the UK. The project commits the U.S. group to spending £260m in Britain to 1986. **Back Page**

COCOA prices fell by more than £100 on the London futures market after speculative selling.



The July position dropped to £1,740.5 a tonne, £102 down on Tuesday. **Page 40**

DOLLAR improved in quiet but nervous trading in London to DM 2.6145 (DM 2.61), FFr 3.045 (FFr 3.028) and Y225.25 (Y224.7). Its trade weighted index was up 0.1 at 127. Sterling added 20 points in London to \$1.433. Its trade weighted index was 79.9 (79.7). **Page 41**

EUROMARKETS: Compromise proposals to end Ireland's controversial efforts to renegotiate terms of its \$500m (£349.4m) Eurocredit were presented to banks. **Page 32**

LOAN GUARANTEE SCHEME introduced in 1981 as a three-year pilot project to extend the

Thatcher considers MSC chairman for Downing Street role

BY PETER RIDDELL, POLITICAL EDITOR

MRS MARGARET THATCHER is considering appointing Mr David Young, chairman of the Manpower Services Commission, to a chief of staff role in Downing Street to strengthen the Prime Minister's office and to liaise throughout Whitehall.

One option being discussed is that Mr Young would become a life peer and join the Government, probably in the Cabinet, as Paymaster-General or in some similar non-portfolio post.

No decision has been taken and Mr Young, who is abroad for the next week, was yesterday unavailable for comment.

The idea is causing controversy among the few ministers and officials who have been consulted.

Some senior Tories believe that, even if it is right to have a strong political chief of staff in Downing Street, it would be better to appoint a promising middle rank minister rather than a business executive with no experience of party politics or of Westminster.

The suggestion of strengthening the Prime Minister's office

has revived in the past couple of months following criticisms within the Conservative Party about a lack of grip and inadequate co-ordination in the Government.

There is still a reluctance to talk about a Prime Minister's department as such, but Mrs Thatcher has been expanding the size of her Downing Street staff, so far mainly in the Policy Unit under Mr John Redwood.

Advocates of having a chief of staff have argued that the Prime Minister needs a senior political aide in Downing Street, not only to co-ordinate the work of her own office but to liaise with other government departments and the Cabinet Office in the implementation of decisions.

Mrs Thatcher apparently thinks highly of Mr Young who has been in close contact with her. She has been impressed with his record as chairman of the MSC since 1982 while he had previously earned respect in other parts of Whitehall as an adviser to the Department of Industry. However, his per-

formance at the MSC has been highly controversial as underlined by the cuts in the job centre network announced yesterday.

Mr Young, aged 52, spent much of his business career in property development, notably in industrial estates. However in the late 1970s, he became involved as adviser to Mrs Thatcher via the Centre for Policy Studies.

Informal soundings have begun about a possible successor to Mr Young as chairman of the commission.

When the idea of a Prime Minister's department was last publicly debated, about a year ago, the suggestion was strongly criticised by Mr Francis Pym, the then Foreign Secretary, on the grounds that it would result in an excessive strengthening of Downing Street and would undermine the position of Whitehall departments.

Mr Pym's view is still shared by a number of senior ministers, quite apart from any objections they may have to the choice of Mr Young.

Job centre changes will cut staff by 1,400

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

RADICAL CHANGES in the job centre network, leading to the employment of 1,400 fewer staff by 1988 and saving £12m a year, were announced by the Manpower Services Commission

ment service "in a way that will secure its future."

The letter reminds staff of fears which have been expressed that the public employ-

to be made without undermining the quality of the service.

Job centres began assuming a prominent public profile—too prominent in the view of