



MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON SW1A 2HH

From the Minister

CONFIDENTIAL

The Rt Hon Kenneth Clarke QC MP
Department of Employment
Caxton House
Tothill Street
London SW1H 9NF

2887
7 October 1986

at flap
MEASURES TO ALLEVIATE THE EFFECTS OF MAJOR REDUNDANCIES

Thank you for sending me a copy of your letter of 25 September in which you invite colleagues to let you have their views on whether an official group should be set up as outlined by officials in the paper attached to your letter.

I am sure that it is right that we should undertake contingency planning for tackling the effects of major redundancies. The officials' paper refers to the need for a more consistent and ordered policy response and this I fully support.

My main concern relates to how such an approach would be operated in practice. The remit of E(A) referred to the "impact of ship building and other redundancies on the worst affected areas". Inevitably, such a policy would be triggered by major redundancies in urban-based industries and hardly, if ever, by redundancies affecting rural communities and country towns. There, although the relative scale of the problem may be considered much smaller, the effect on whole communities of the less dramatic outflow from agriculture and its ancillary industries can be just as traumatic for those concerned. Experience shows that many country people who can no longer find a living off the land simply do not have the skill and experience needed to compete successfully in the urban job market away from their home areas. They also have to face the psychological impact of moving to what for them can be an alien urban environment.

The officials' paper rightly emphasises that the approach adopted should apply to the whole labour market of the area affected. I trust that this would include neighbouring rural areas. However, my point is that by adopting such a policy as you suggest, which I support, we must not lose sight of the difficulty that help given to particular disadvantaged areas will raise questions as to why similar help cannot be given to less publicised but, nevertheless, equally deserving cases such as some rural areas.

/I support your

I support your proposal for the setting up of the official group and that intervention should only operate if individually approved by E(A).

A copy of this letter goes to the Prime Minister and to other members of E(A).



Mr. Funn
Michael

MICHAEL JOPLING