

RESTRICTED

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Treasury Chambers, Parliament Street, SW1P 3AG

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

22 October 1986

Dear Ken.

~~CDP~~
22/10

EC EMPLOYMENT INITIATIVE

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Thank you for sending us a copy of your letter to Geoffrey Howe of 17 October.

I fully endorse the aim of changing the agenda of the Social Affairs Council away from the kind of "social engineering" proposals of the past; but I am sure you will be mindful that achieving this aim must not be at the cost of a resolution which increases pressure for looser Community Budget and public expenditure discipline, or for measures which sit ill with our overall policies.

I would be most grateful if you could keep my officials in touch with the progress of the draft resolution, and consult the Treasury before reaching agreement at important stages. The agreement of a text with the Danes is clearly one such important stage. The initial draft ought to be fairly uncompromising.

I am sending copies of this letter to the Prime Minister, Geoffrey Howe, Sir Robert Armstrong, and Sir David Hannay.

Lms eva
Pm

PETER BROOKE

Manpower: Special Employment Measures PT14

