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10 DOWNING STREET

From the Principal Private Secretary

14 January 1982

Der Branky,

CPRS PROGRAMME OF WORK, 1982

The Prime Minister had a brief word with your Secretary of State after E this morning about the CPRS's work programme for 1982. Sir Robert Armstrong and Mr Ibbs were also present.

The Prime Minister said that she wanted the CPRS to undertake a major study on the underlying causes of unemployment and the obstacles to the creation of new jobs. Professor Patrick Minford had already done a good deal of valuable work in this area, and her hope was that the CPRS would carry further what he had done. It might indeed prove to be sensible for the CPRS to work in conjunction with Professor Minford. She thought that it would be helpful if, as part of the study, an examination could be made of unemployment in a number of other countries to see why many of them had a smaller proportion of their labour force without work. She also believed that it would be valuable if a thorough and detailed analysis could be made of the different categories of people who made up the unemployment register. In undertaking this study the CPRS would of course need to work very closely with the Department of Employment.

The CPRS would also be carrying out a study of the state monopolies, with a view to identifying ways in which their power could be reduced. It would be useful if a careful examination could be made of United States legislation for dealing with monopolies. The American system required monopolies to obtain the approval of an independent body established by the federal government for proposed price increases.

The Prime Minister said that she had also asked the CPRS to set in hand a study of the black economy. This was something about which we knew very little; yet the black

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economy had a direct relevance to the level of unemployment. Again, the CPRS would need to work with a number of depart-

I am sending copies of this letter to David Wright (Cabinet Office) and Gerry Spence (CPRS).

Barnaby Shaw Esq. Department of Employment.