

Covering Secret

①

PRIME MINISTER

UNEMPLOYMENT - CPRS AND MINFORD/SMITH STUDIES

As you requested, the CPRS have produced an action check-list (Flag A) as a follow-up to the evening discussion on 13 September. But I have been worried about the risk of leaks, particularly of the Minford/Smith proposals on capping unemployment benefits and on reforming the labour market. CPRS have therefore been constrained in setting in hand the action proposed (we have not, for example, sent a copy of Minford/Smith to Mr. Fowler's Office, and we cannot get very far in restructuring these benefits without DHSS involvement).

Peter Gregson (Flag B) suggests you have a small meeting, with the Chancellor, Mr. Tebbit and Mr. Fowler. Ferdie Mount (Flag C) suggests adding Mr. Whitelaw. Agree?

Yes - Patrick Tebbit could also come in.

Will the CPRS check-list suffice as an agenda for the discussion?

May I circulate the CPRS check-list to the Chancellor, Mr. Tebbit and (with the Minford Report) to Mr. Fowler?

Please see, too, Alan Walters' note (Flag D) on Hermione Parker's complementary study on unemployment and incentives.

MCS

27 September 1982

Yes - but NOT to go beyond the private offices.

Manpower (A) 259  
1A

file



cc: Mr. Mount  
Miss Stephens

10 DOWNING STREET

cc HWT DHSS  
Emp DOI

From the Private Secretary

30 September 1982

Dear John,

GOVERNMENT POLICY ON UNEMPLOYMENT

Earlier this year the Prime Minister asked the CPRS to undertake some work on the problem of unemployment. Later, she asked Alan Walters here - in conjunction with Professor Patrick Minford of Liverpool University - to produce a parallel study on the same subject. Both these pieces of work have now been completed, and the Prime Minister wishes to hold a small meeting with colleagues to consider the next steps.

We will be in touch with you and the other Private Offices concerned to arrange such a meeting in the week beginning 11 October. I attach a copy of a checklist, prepared by the CPRS, which will serve as an agenda for the discussion. I also attach copies of the summary of the CPRS's proposals and of those in the Minford Report. I am not copying with this letter the Annexes to the Minford Report - which are very lengthy - or the whole text of the CPRS Report. If you wish to see these, no doubt you will get in touch with me.

The Prime Minister has instructed that the copies of the two Reports should not go beyond the Private Offices concerned, and I would be grateful if you could ensure that the necessary arrangements are made to put this into effect.

I am sending copies of this letter and enclosures to John Kerr (HM Treasury), Barnaby Shaw (Department of Employment) and David Clark (Department of Health and Social Security), and Jonathan Spencer (Department of Industry).

Yours sincerely,

Michael Schölar

John Halliday, Esq.,  
Home Office.

259