

CONFIDENTIAL



Prime Minister (2)

To note: for action in
the unemployment study follow-up.
Plus 29/7

Treasury Chambers, Parliament Street, SW1P 3AG

Michael Scholar Esq
10 Downing Street
LONDON
SW1

27 September 1982

Dear Michael

UNEMPLOYMENT BENEFIT

During the seminar on unemployment on Monday 13 September the Prime Minister asked John Wakeham to investigate her recollection that at one time it was necessary for a claimant to be 'actively seeking employment' to qualify for Unemployment Benefit whereas now it is only necessary to be 'available for employment'.

The particular qualification the Prime Minister recalls was probably one introduced in the Second Unemployment Insurance Act of 1924 which added to the then existing condition that 'a claimant must be capable and available for work' the new and further condition that 'a claimant must be genuinely seeking work but unable to obtain suitable employment'. In January 1927 the Blanesburgh Committee recommended that the 'genuinely seeking work' condition be statutorily defined. This was not done, however, and in 1929 the Morris Committee recommended that the 'genuinely seeking work' condition be abolished. The Unemployment Insurance Act 1930, brought in by the new Labour administration, adopted this recommendation by repealing the 'genuinely seeking work' rule and replacing it by a condition that any claimant who failed to apply for a job vacancy notified to him, refused a job without good cause or failed to carry out a written direction from a Ministry or Labour official, should be disqualified from benefit for up to six weeks.

If the Prime Minister would like further information on the introduction or more probably the withdrawal of the 'genuinely seeking work' stipulation I suggest you contact the Secretary of State for Social Services' office. Briefly, I understand that

CONFIDENTIAL

CONFIDENTIAL

the Morris Committee's recommendation that the rule be dropped was based on their view that it was too subjective - trying to ascertain the unknowable : the state of a man's mind - and that it became unworkable when a trade depression occurred. Mr Wakeham's own personal observation based on this brief summary of the Morris Committee's reasoning, is that we are now 50 years on, Unemployment Benefit is not such a new thing and perhaps now we would be better able to assess whether someone is 'genuinely seeking work'.

Yours sincerely

Jim Milner

J C MILNER
Assistant Private Secretary

CONFIDENTIAL

CONFIDENTIAL

File

88

30 September 1982

UNEMPLOYMENT BENEFIT

Thank you for your letter of 27 September about the qualification for claimants for unemployment benefit.

I showed this to the Prime Minister on her return from the Far East, and she has read it without comment.

M. C. SCHOLAR

J. C. Milner, Esq.,
Minister of State's Office,
H.M. Treasury.

CONFIDENTIAL