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Foreign and Commonwealth Office

London SW1A 2AH

12 November 1982

Jew John

State Visit of Queen Beatrix:
16-19 November

The Prime Minister has agreed to give a lunch in honour of Queen Beatrix on 17 November. The lunch will be followed by restricted discussions with only Mr Pym and Mr van den Broek, and possible Prince Claus, in attendance. The discussions will last approximately half an hour. (Queen Beatrix has to leave at 1510). The Dutch, for constitutional reasons, have asked that no record be taken.

/ I attach Points to Make on European Community and Defence Issues and Background Notes on Social Issues, prepared by the Departments of the Environment and Employment.

If the conversation moves to EC/US relations, the Prime Minister will wish to remember Dutch sensitivity over exclusion from the pipeline talks and the Versailles Summit.

Yours ever,
R B Bone

(R B Bone)
Private Secretary

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NETHERLANDS VISITS TO THE UK BY

QUEEN BEATRIX DEC 1981

FLAG: POINTS TO
MAKE

STATE VISIT OF QUEEN BEATRIX: 16-19 NOVEMBER 1982

THE PRIME MINISTER'S DISCUSSIONS WITH QUEEN BEATRIX: 17 NOVEMBER

Points to Make

A. EUROPEAN COMMUNITY

1. Britain utterly committed to the Community. With NATO, it has secured peace in post-war Europe, and represents bastion of freedom and shared democratic values in a dangerous world.
2. Like the Netherlands, concerned that Community not living up to full potential. Want to further process of Community development.
 - Enlargement;
 - Complete and perfect internal market;
 - Use our huge joint industrial base to innovate;
 - Expand Regional and Social Funds as a proportion of Community spending;
 - Political Cooperation.
3. Efforts hampered by reluctance of some partners to see Community as dynamic. Yet present effect of some existing policies/procedures clearly perverse.
4. EC Budget

Real and growing problem over distributing financial burdens and benefits fairly. Only two net contributors at present - one of them below average prosperity. Need fair and lasting arrangement which does not put intolerable burden on any Member State. Repeated rows damaging and hold up progress and development.



5. Common Agricultural Policy (CAP)

Recognise importance of CAP as major Community achievement. British agriculture, like Dutch, has benefited from stable framework. Concerned, like Dutch, at certain aspects and continuing cost. Remedy lies in tackling surplus production by setting realistic prices.

6. Common Fisheries Policy

Worked closely together on this. Hope Danes will re-consider, otherwise we shall all need to consider implementation of package nationally.

B. DEFENCE

7. INF modernisation programme test of NATO's will to take necessary measure for defence, even when unpopular. In US eyes, a test of European willingness to match US defence commitment to Europe. Aware of successive Dutch governments' difficulties over cruise missile basing. But very important that Netherlands should not reject basing. Signs of backtracking from modernisation programme would encourage Russians to withhold concessions in Geneva negotiations.

8. Attach great importance to UK/Netherlands Amphibious Force. Unique example of cooperation in NATO. Pleased that RN assault ships Intrepid and Fearless retained. Falklands campaign proved importance of amphibious forces.

State Visit of Queen Beatrix

Social Issues

Inner Cities

1. The inner areas of our major cities contain high concentrations of socially disadvantaged people living in bad housing conditions in a poor physical environment. The problems of the inner cities stem in the main from the long term decline of their economies. The mix of problems varies between the cities—housing problems are particularly severe in inner London, whereas unemployment is very high in the inner areas of the other conurbations. The attached graph shows details of the main partnership areas - in each case the England and Wales ^{average} is shown by the black line labelled n/r. Thus at the time of the 1981 Census unemployment in ^{inner} Birmingham was 2½ times the national average; 12% of households in the northern part of Lambeth were headed by a single parent, compared with a national average of around 5%, 11% of inner Liverpool households lacked exclusive use of basic amenities, compared with a national average of 4½%.

2. The Government does not believe that there is a single simple solution to inner city problems. Rather the need is to break down the traditional divide between the public and private sectors, and replaced with a shared commitment between all parts of the community - local and central government, industry and the voluntary sector. A wide range of initiatives have been taken, all aimed at achieving this co-operation:

(i) inner city partnerships. Established by the last Government, but mode of operation changed to reduce bureaucracy, give priority to economic regeneration, and environmental improvement, and to achieve full involvement of the private and voluntary sectors in their operation. Supported by special allocations under the Urban Programme, which also provides support to other urban authorities and is at its highest level ever (£270m) in 1982/3)

(ii) Merseyside Initiative. Michael Heseltine given special responsibility for Merseyside following last year's riots. Supported by Task Force consisting of Civil Servants from various Government Departments and private sector secondees. Pursuing a wide range of initiatives on Merseyside, almost all involving joint working between public and private sectors.

(iii) Financial Institutions Group. Group of managers seconded from Financial Institutions to Department of the Environment for one year following coach tour of Liverpool arranged by Michael Heseltine for Chairmen/Chief Executives of their Institutions. Now returned to their institutions, but various initiatives developed, main one Urban Development Grant described below.

(iv) Joint Public/Private Sector Projects (Urban Development Grants). Schemes launched under Derelict Land and Urban Programme where public sector resources are used to attract private sector investment in the inner city. Under Derelict Land scheme launched this year, £10m of public money will attract private investment of over £70m. Following invitations to bid for Urban Development Grant schemes to start next year, urban authorities have put forward projects where in total some £200m of public sector resources will attract some £550m of private sector investment.



(v) Enterprise Zones. 11 zones established in deprived urban areas in the UK - many in inner city areas. Following their success bids for a further 11 Zones have been invited. Decisions on where the second tranche of zones will be located will be announced shortly.

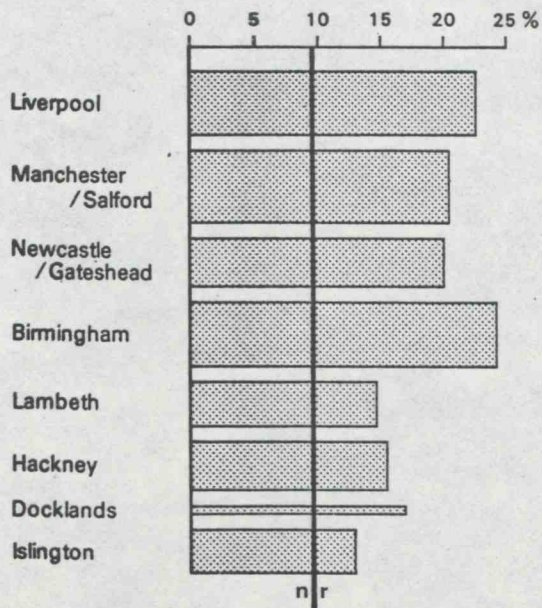
(vi) Land Registers. Aimed at securing the release of vacant and under-used land owned by the public sector. 362 registers have now been published covering all but 3 English districts. They contain details of over 96,500 acres on nearly 11,000 sites. Since the inception of the scheme over 2,500 acres have been disposed of or brought into use. Most of this land was on the 35 registers published in the first phase of the initiative, which concentrated on inner city areas. This represents about 10% of the land on those registers.

TABLE 1

INNER CITIES - 1981

UNEMPLOYMENT

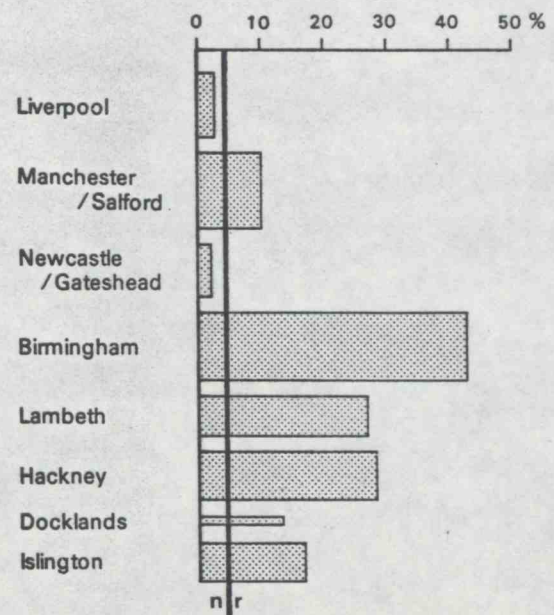
% Economically active persons unemployed



The depth of each bar is proportional to the economically active population living in each inner city : hence the area shaded is proportional to the number of people unemployed (i.e. scale of the problem)

ETHNICITY

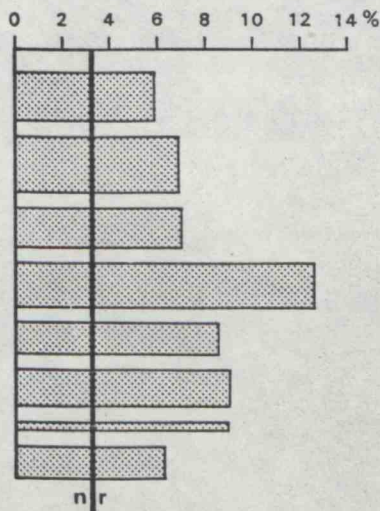
% Persons in households with head born in New Commonwealth or Pakistan



The depth of each bar is proportional to the population living in each inner city : hence the area shaded is proportional to the population in households with the head born in the New Commonwealth or Pakistan

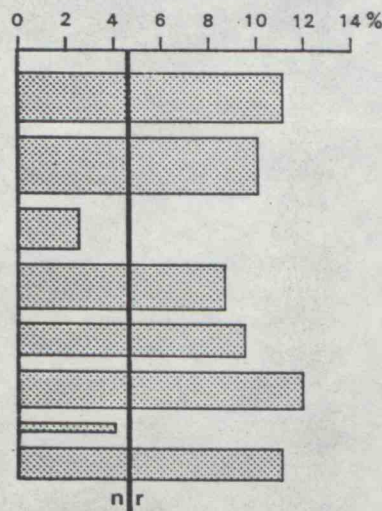
1. OVERCROWDING

% Households overcrowded (1+ persons per room)



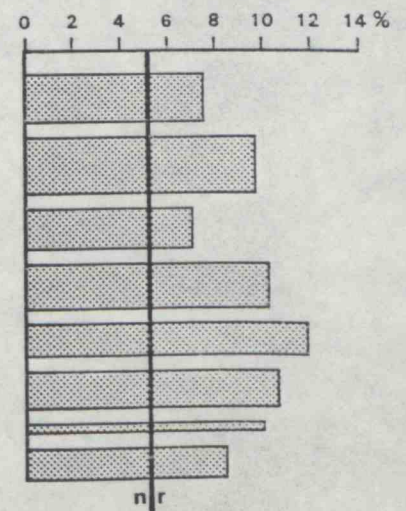
2. LACKING EXCLUSIVE USE OF BASIC AMENITIES

% Households lacking exclusive use of basic amenities



3. SINGLE PARENT HOUSEHOLDS

% Single parent households



The depth of each bar is proportional to the number of households in each inner city : hence the area shaded is proportional to the number of households - 1. Overcrowded 2. Lacking amenities 3. With single parents. (i.e. scale of the problems)

Note: 1 England & Wales National rate n|r

2 See annex for definitions of Inner City areas

FLAG: YOUTH
UNEMPLOYMENT
(UK)

STATE VISIT OF QUEEN BEATRIX:

YOUTH UNEMPLOYMENT IN THE UNITED KINGDOM

1. SCHOOL LEAVERS

Of the 900,000 young people reaching school leaving age each year in Great Britain, 200,000 carry on into further education; the remaining 700,000 enter the labour market. Over recent years there has been an increase in the number of school leavers due to the "baby-boom" of the 1960s. The numbers reaching school leaving age will decline markedly during the 1980s.

2. UNDER 18 YEAR OLDS ON LABOUR MARKET

The rate of unemployment among under 18 year old age group has continued to rise from 13.1% in 1980 to 23.2% in 1982 (unemployment rate for total labour force has risen from 6.2% in 1980 to 12.4% in 1982).

3. MAIN EFFECTS OF RECESSION ON YOUNG PEOPLE

Main reasons why young people particularly affected by economic recession:

- (i) Low level of recruitment particularly affects new entrants to labour force
- (ii) Inexperienced and unskilled, therefore productivity low in relation to older workers
- (iii) Unskilled jobs where age and experience are unimportant are disappearing
- (iv) Relative level of wage rates in comparison with adult workers are too high.

4. GOVERNMENT POLICY TOWARDS YOUTH UNEMPLOYMENT

Government is making great efforts on behalf of young unemployed within the context of its overall economic policy. Restored competitiveness of British industry equals more employment. Continuing fall in inflation will create right conditions for growth.

5. MAIN GOVERNMENT MEASURES TO COMBAT YOUTH UNEMPLOYMENT

- (i) Youth Opportunities Programme (YOP). Set up in 1978 to help disadvantaged young people with periods of work experience and work preparation. Initially a short term response to short term problem. With rapid rise in youth unemployment vastly expanded as follows:-

- (i) Expenditure seven times 1978/79 figure (1982/83 - £735 m)
- (ii) Covering four times number of young people compared with 1978/79 (630,000 in 1982).



- (ii) Youth Training Schemes (YTS) will replace Youth Opportunities Programme in 1983 catering for 460,000 16 and 17 year olds (300,000 unemployed, 160,000 employed) - will provide high quality training which is industrially/commercially relevant. £1.1 billion committed for first full year of operation (1984/85).

- (iii) Community Programmes: Introduced 1 October this year to replace the Community Enterprise Programme, open to 18-24 year olds who have been out of work at least six months and those over 25 + who have been out of work for more than a year. Largest ever initiative to help long-term unemployed.

- (iv) Job-Splitting: Will come into operation on 3 January 1983 - designed to increase numbers of part-time job opportunities available to young people.

- (v) Young Workers Scheme: Introduced at beginning of year and aimed to provide more jobs for youngsters by encouraging realistic rates of pay. Employers who pay a weekly wage of less than £40 may reclaim reimbursements of £15 per week. Payments of more than £40 but less than £45 attract a weekly reimbursement of £7.50. So far over 125,000 successful applications. Estimated 130,000 will be supported.

6. EC MEASURES TO COMBAT YOUTH UNEMPLOYMENT

EC Social Fund makes significant financial contribution to supporting training and other measures for relieving unemployment among young people in EC countries. Hope this will continue to have the highest priority.



FLAG: YOUTH
UNEMPLOYMENT
(NETHERLANDS)

STATE VISIT OF QUEEN BEATRIX

YOUTH UNEMPLOYMENT IN THE NETHERLANDS

1. At the end of September 1982 the seasonally uncorrected figure for unemployment rose to 579,403 which represented 13.3% of the economically active population (12.1% male plus 16.4% female). Young people under 24 make up 37% of the total. Unemployment as a whole has risen by 40% compared with September 1981 and youth unemployment by 31% over the same period. There are considerable regional variations in unemployment from 9.4% in Utrecht to 17.1% in Groningen.
2. Youth unemployment is a major consideration for the new Dutch government although there is also concern over the growing number of women who are returning to the labour market or entering it for the first time. Demographic factors are felt by the Dutch to be particularly unfavourable in their country as the economically active population is expected to continue to rise throughout the decade.
3. The Dutch have a wide range of employment measures but, at present, relatively few of these are targetted specifically at the young. The new government sees unemployment as one of its priorities and is expected to produce a new employment plan or a series of new measures in the next few months.
4. There are particular problems associated with ethnic minorities from former Dutch colonies in Surinam and the Netherlands antilles. Special programmes are in operation to provide language training, basic work experience and some social skills as well as basic vocational training.