

PRIME MINISTER

Thankyou - you
have done a
wonderful job
is sort of
this out,
not

EMPLOYMENT MEETING AT CHEQUERS

You wanted to write to those present at the meeting here on Wednesday, commissioning papers for the September Chequers discussions.

I attach a letter for your consideration. You will see that it suggests adding the Environment Secretary to the group. I know you want to keep it small, but I do not see how the group could properly discuss labour mobility, or the lifting of restrictions on business without him. Agree he be included?

Mr. Tebbit has sent the suggestions in the attached letter. (tag A) You will see that on pensions portability, I have suggested that the Treasury start from the CPRS paper: do you agree that I should send them the CPRS paper for this purpose?

Agree I write as in the attached draft?

MCS

The Chapter on
portability only.
not

① Letter to go out

under very severely restricted circulation
to Ministers only and for them to
decide on a need to know basis who
should know what. Most of these

1 July 1983

papers will be ~~to~~ commissioned without
any knowledge of the existence of the group

② Surely each dept. should only be told about
their papers & not about others.

DRAFT LETTER FROM MICHAEL SCHOLAR TO THE PRIVATE SECRETARY TO THE
CHANCELLOR OF THE EXCHEQUER

COPIED TO: PRIVATE SECRETARIES TO: S/S EDUCATION & SCIENCE
S/S EMPLOYMENT
S/S TRADE & INDUSTRY
CHANCELLOR DUCHY/LANCASTER
S/S ENERGY

SIR ALAN WALTERS
MR. D. YOUNG

S/S ENVIRONMENT

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The Prime Minister plans to hold meetings at Chequers on Tuesday 6 and Wednesday 7 September, to consider what the next steps should be in the Government's strategy for creating a more enterprising and prosperous British economy, and thus reversing the growth of unemployment.

Mrs. Thatcher would be grateful if the Ministers who will be attending would provide papers for discussion at Chequers under the following headings:-

Chancellor of the Exchequer

1. What changes should be made to the taxation system, to tax rates, thresholds, allowances and other aspects of tax legislation or administration to reduce costs for industry and to stimulate the creation and expansion of new enterprises and to reduce unemployment?
2. Can the resources currently devoted to regional policy be better deployed to encourage the growth of lasting jobs?

3. What further progress can be made in the lifetime of this Parliament in privatisation, contracting out, and, generally, the opening up of the public sector to market forces?
4. Could public expenditure policies be altered to bring more to the fore the improvement of employment prospects?
5. Can an affordable scheme for portable pensions be devised? As an input to a paper on the subject, I am sending you, under separate cover, a paper produced by the CPRS ~~before the Election~~.

Secretary of State for Trade and Industry

1. What more can be done to eliminate or reduce restrictions on the wealth-creating part of the economy - e.g. building, planning and environmental regulations?
2. What can the Government do, without higher expenditure, to encourage growing industries rather than support declining ones, and in particular to help industry to adapt to, and to exploit, new technology?

Secretary of State for Employment

1. How can we reduce more quickly barriers to employment, for example, Wages Councils, and some of the requirements of the Employment Protection Act?

2. What changes should be made, in trade union law and otherwise, to reduce trades union power to obstruct change, reduce labour mobility and generally to damage employment prospects?

Secretary of State for the Environment

Mr. What changes should be made in the Government's housing policies to assist labour mobility?

Secretary of State for Education and Science (in consultation with the Secretary of State for Employment)

by How can the efforts of schools, higher education, the MSC and industry be best deployed to give workers and managers the skills ^{and enterprising approach} they require? Should we, for example, shift support of first degree students from the mandatory grant system to employers' sponsorships?

How can we best give teachers a better insight into the requirements for success in industry commerce.
The Prime Minister would also be grateful for any papers which the Chancellor of the Duchy, the Energy Secretary, Sir Alan Walters or Mr. Young might wish to offer on any of the above topics, or in any other areas in which they believe decisions are required to encourage enterprise, wealth creation and employment opportunities.

→ What education are required to the present arrangements for technical education.

Mrs. Thatcher particularly hopes that each paper will avoid generalities and will concentrate on the specific decisions which need to be taken.

/ I would

I would be grateful if you and those to whom I am copying this letter would ensure that these papers are sent to the Prime Minister by Friday 26 August at the latest. The Prime Minister intends thereafter to have circulated an agenda and summary of the decisions required. I would be grateful, too, if you could ensure that, during the preparation of these papers within Departments, the existence of this group of Ministers and advisers, and the fact of the Chequers meetings, will be closely guarded.

1 July 1983