



Prime Minister (4)

Mes 27/7

PRIME MINISTER

## SPECIAL EMPLOYMENT MEASURES

PART 9

1 At the meeting of E(A) on 29 June, I was asked to report back to the Committee on a number of points which arose in our discussion of special employment measures (E(A) (83) 1st Meeting).

2 During our discussion of the Young Workers Scheme the point was made that the operation of the Wages Councils and the Agricultural Wages Boards tended to work against the aim of reducing the relative level of wages paid to young people so as to improve their job prospects. I was asked to consider whether it would be possible, by attaching conditions to our adherence to the relevant Conventions of the ILO, to make it easier to reduce the relative level of young people's wages.

3 Colleagues will recall that in previous discussions we considered the option of legislating to remove young people from the scope of the Wages Councils but that the Attorney-General, in his letter of 24 February 1982, confirmed that to do so would be likely to be held in breach of our international obligations under IL Convention 26. At the same time he pointed out that Convention 99 (on minimum wage-fixing machinery in agriculture) was worded rather differently and more flexibly.

4 Whatever may or may not be possible within the actual terms of these Conventions, it is clear that they contain no provision which would enable a ratifying Government to attach conditions to, or qualify its acceptance of, their operative articles. Having ratified the Conventions, non-compliance with any of their articles would be a breach of our international obligations.



5 I was also asked to investigate the practice of the Manpower Services Commission regarding the imposition of trade union membership as a condition of approval for projects under the Community Programme. I understand from the MSC that this is not their practice and they do not know of a case where such conditions have been applied. If any colleague has evidence on this point, I will be happy to take the matter further with the MSC.

6 I was asked whether anything could be done to reduce trade union opposition to the provision of part-time employment under the Community Programme. There certainly have been some difficulties on this point, particularly on Merseyside with UCATT and the TGWU. Fortunately, however, the difficulties have been confined to local branches of a few unions, and our policy of encouraging local negotiations to overcome this opposition has so far proved surprisingly successful. Overall over 25,000 part time jobs have already been filled under the Community Programme, and more are in the pipeline. We will keep the situation under review.

7 I am sending copies of this minute to other members of E(A) and to Sir Robert Armstrong.

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27 July 1983



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