



CC JR  
29A

PERSONAL AND SECRET

Prime Minister

EMPLOYMENT

1. At last Thursday's discussions in Cabinet of the employment situation you said that you would be considering with me how best to look at future employment prospects and the scope for Government action to improve them.

2. I imagine that you may want to bring these matters back to Cabinet in due course, for a broad discussion on a prepared basis.

3. Certain work is already in hand:

(a) As my Private Secretary's letter of 2 March to Mr Turnbull reported, I have instructed my officials to review with your Policy Unit the state of work on constraints in the labour market. I shall then consider what further needs to be done on this aspect; and advise you of the position.

(b) Following your special meetings in September and December, there is an extensive programme of work in hand, and Andrew Turnbull's letter to the Treasury covers this.

(c) Following the Chancellor's November paper to the NEDC, NEDO is co-ordinating a programme of work under the Council's aegis on various employment-related topics, set out in NEDC(84)15.



PERSONAL AND SECRET

4. These various remits follow an extensive range of work over the past two or three years, including for example the deliberations of MISC 14 under the previous Chancellor and the CPRS report on employment, as well as the material prepared for your September and December meetings.

5. Given all this, I think what we now need is not a further set of reports but rather to value what we have done and determine our priorities for further action and presentation.

6. If I judge rightly that you would like to work towards a major Cabinet discussion in (say) fairly early summer, I offer the following suggestions on how we might proceed:

(a) The next meeting of your special group which I gather is planned for late May, could have a preliminary discussion in advance of a full Cabinet discussion of prospects for employment.

(b) In parallel with the continuing work on the various existing remits I would propose to bring to that meeting an appraisal of the work that is being done with any proposals for further work.

(c) I could also bring to that meeting either a summary paper (or possibly lay on a presentation) on current facts on employment and unemployment, demographic trends and also agree with the Treasury whatever could be usefully said about future prospects on existing policies and projections.



PERSONAL AND SECRET

8. I am not at this stage circulating elsewhere copies of this minute. You may wish to discuss it further with me.

*TK*

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8 March 1984

PERSONAL AND SECRET

SECRET

30

PRIME MINISTER

c.c. John Redwood

EMPLOYMENT

We had already suggested to Mr. King that he set up a departmental group of officials to identify obstacles to the good functioning of the labour market. He had agreed to do this. Following the discussion at Cabinet, a rather wider study is envisaged, leading to a Cabinet discussion in the summer. This would subsume the earlier exercise.

Mr. King has proposed that his Department should take the lead in preparing such a study which would be taken, in the first instance, at the next meeting of the Industry and Employment Seminar Group, now fixed for Friday, 25 May (immediately before the spring Bank Holiday).

I recommend that you ask Mr. King to provide a synopsis of the kind of exercise he has in mind at para. 6 (b) and (c) of his minute and then have a brief meeting with him to go over it. He should then be asked to produce the paper in collaboration with the Treasury and Cabinet Office.

Agree?

Yes  
mb

AT

Yes  
M

9 March 1984

SECRET



cc: MR REDWOOD  
30A  
R07

10 DOWNING STREET

From the Private Secretary

12 March, 1984

Dear David,

EMPLOYMENT

The Prime Minister has seen your Secretary of State's minute of 8 March suggesting how the remit from Cabinet on Employment should be handled. We have already suggested to your Secretary of State that an inter-departmental group of officials be established to investigate constraints on the labour market, particularly those arising from Government legislation and policies, and he has agreed.

BF | The discussion at Cabinet requires a rather wider remit. The Prime Minister has seen, and agrees with, your Secretary of State's suggestion that he should prepare a paper or papers, subsuming the earlier remit, to assess what the Government has so far done and what the priorities for further action should be. She agrees that this should be taken, in the first instance, by the special group whose next meeting is scheduled for 25 May, before being presented to a full Cabinet meeting in the summer.

The Prime Minister would like to have a short meeting with your Secretary of State to discuss this work. Could you prepare a short synopsis of what he has in mind in his paragraphs 5 and 6, to serve as an agenda for this meeting. This office will be in touch to arrange a time.

Yours sincerely  
Andrew Turnbull

(Andrew Turnbull)

D. Normington, Esq.,  
Department of Employment

R07