

file 16 DSS

SUBJECT

vice MASTER



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10 DOWNING STREET

From the Private Secretary

29 May 1984

Dear David,

SEMINAR ON INDUSTRY AND EMPLOYMENT

I attach a checklist of conclusions and matters to be followed up arising from the meeting at Downing Street last Friday. The meeting was devoted almost entirely to the two papers submitted by the Secretary of State for Employment. The paper on wider ownership was touched on only briefly.

The Prime Minister would be grateful if the Ministers indicated could take the action attributed to them in the note, consulting with other colleagues as required (though in such cases no reference should be made to the origin of the remit). As proposals are developed they should be brought to Cabinet or its Committees as appropriate. Alternatively, papers can be circulated to ad hoc groups of Ministers. This Office will be happy to advise on the appropriate channels.

The Prime Minister expects to hold a further meeting of this kind in the autumn. It was agreed that a major part of the agenda should be devoted to deregulation. The Policy Unit will be preparing a paper suggesting areas for discussion.

This letter and the checklist are for the sight and use only of Ministers and their Principal Private Secretaries. The Prime Minister has asked that no circulation should be given to this letter or the list; that no copies should be made of them; and that action should be initiated by means of separate instructions and not by means of the list itself. In putting action in hand, no indication should be given as to the origin of the remit.

I am sending copies of this letter and the checklist to Elizabeth Hodgkinson (Department of Education and Science), Michael Reidy (Department of Energy), John Ballard

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-2-

(Department of the Environment), Alex Galloway (Chancellor of the Duchy of Lancaster's Office), David Normington (Department of Employment); to the Chairman of the Manpower Services Commission; and to Richard Hatfield and Peter Gregson (Cabinet Office). A copy also goes to Callum McCarthy (Department of Trade and Industry), whose Secretary of State was unable to attend the meeting.

*Your sincerely
Andrew*

Andrew Turnbull

David Peretz, Esq.,
H.M. Treasury.

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SEMINAR ON INDUSTRY AND EMPLOYMENT:
CHECKLIST AND CONCLUSIONS

- (i) The Secretary of State for Employment, in consultation with the Chancellor of the Exchequer and the Chancellor of the Duchy of Lancaster, to develop the "Passport for a Job" proposal, considering the problems of dead weight and displacement of other workers, the age group to be covered, and the cost in terms of tax and contributions foregone.
- (ii) The Secretary of State for Employment to bring forward a paper to E(A) on Wages Councils. This should indicate the extent to which modifications can be made to the operation of Wages Councils within existing ILO Conventions.
- (iii) The Secretary of State for Employment, in consultation with the Chancellor of the Exchequer, to put forward proposals for the Enterprise Allowance to be granted on demand, identifying offsetting savings within Department of Employment or MSC programmes.
- (iv) The Secretary of State for Education and Science, in conjunction with the Chancellor and the Secretaries of State for Trade and Industry, and Employment, to consider how best to carry forward Sir Christopher Lawson's ideas on improving understanding of the economic facts of life.

- (v) The Secretary of State for Employment, in conjunction with the Chancellor of the Exchequer, to provide material for a publicity campaign to get across the positive approach of the Government towards the generation of new jobs through freer operation of labour markets. This material should counter the view that the Government was removing rights and protections by emphasising the benefits of removing restrictions.

- (vi) Mr. Young to prepare a note on the work of the MSC in improving the quality of management in small and medium-sized enterprises.

- (vii) The Secretary of State for Employment to circulate a paper on the balance of power within unions.

- (viii) The Secretary of State for Employment to prepare a paper considering the case for repeal or amendment of statutory employment protections. This should cover the case for exempting enterprises up to a certain size; extending the qualifying period; or excluding new businesses. It should also consider ways of improving the tribunal system, for example by simplifying procedure and the use of a single stipendiary chairman rather than a panel.

- (ix) Mr. Young to consider how to develop further retraining packages to be offered in cases of major redundancies. He should continue discussions in this area with the NCB. Mr. Young to provide the Secretary of State for the Environment with material

on the operation of MSC programmes in Liverpool, in particular the supply of, and demand for, places on Mode B1 of YTS.

- (x) The Chancellor of the Exchequer, in consultation with the Secretaries of State for Social Services, Employment and Environment, to study, within the constraint of existing public expenditure totals, the cost-effectiveness of various measures and programmes relevant to employment. They should consider whether other measures, e.g. parts of the Urban Programme and other specific programmes which the Secretary of State for the Environment may wish to suggest, might create jobs at acceptable cost if adequate offsets could be identified.

- (xi) The Chancellor of the Exchequer to consider the evidence for capacity limitations within the manufacturing sector as the recovery continues.

- (xii) The Secretary of State for Social Services to consider, in the context of the reviews of social security, ways of reducing the poverty and unemployment traps.

- (xiii) The Policy Unit to prepare a paper for a meeting of the group in the autumn, identifying areas where deregulation could be carried forward.

- (xiv) The Chancellor of the Exchequer to consider the taxation of pension funds both as a way of seeking additional revenue to finance an increase in tax

thresholds and in the context of promoting wider direct ownership of shares.

- (xv) The Secretary of State for the Environment to pursue ways of forcing local authorities and public corporations to release surplus land and of requiring local authorities to let, or failing that, sell vacant dwellings.

25 May 1984