

SUBJECT

S
cc Mastercc DHSS
Tnd
HMT

10 DOWNING STREET

From the Private Secretary

15 October 1982

Dear Barnaby,

Unemployment

The Prime Minister held a discussion yesterday afternoon, on the papers attached to my letter to John Halliday of 30 September, with the Home Secretary, the Chancellor of the Exchequer, the Secretaries of State for Industry and Health and Social Services, and your Secretary of State.

The Prime Minister asked your Secretary of State, in consultation with Mr. Fowler, to take forward the proposal for some kind of 'workfare' scheme - perhaps on the lines set out at (a)(iii) in the CPRS check-list attached to Mr. Bailey's minute to me of 21 September, to collect a larger pool of vacancies and other community work, so as to move to a system where unemployed people would be obliged to make some contribution to the community as a condition for receiving their benefits.

The Prime Minister also asked your Secretary of State, in consultation with the Secretary of State for Industry, to consider the proposal at (c)(i); and, in consultation with Mr. Fowler, that at c(iii) (particularly for those, e.g. occupational pensioners who are on the unemployment register in order to get their national insurance contributions paid). Action on (c)(ii) and (c)(iv) should be postponed for the time being; it was hoped that action under (c)(v) and d(ii) would be taking place in any event. No further action was commissioned on (d)(i), and (iii); but the Prime Minister asked your Secretary of State, in consultation with the Secretary of State for Industry, to carry forward the proposals in (e)(i) (but not in (e)(ii)).

The Prime Minister also asked your Secretary of State to consider whether to bring forward proposals for the extension of the short term temporary working scheme.

The Prime Minister asks that your Secretary of State consults the Chancellor of the Exchequer as necessary in these matters; and that he reports progress to her as soon as he judges desirable, but in any event by end-November.

/I am

SECRET AND PERSONAL

By

-2-

I am sending copies of this letter to Jonathan Spencer in Mr Jenkin's Office, to David Clark in Mr. Fowler's office and to John Kerr in the Chancellor's office. I should be grateful if you and they would show this letter (together with the papers referred to in the letter) only to those specifically authorised by your Ministers to see them.

Yours sincerely,

Michael Scholer

J.B. Shaw, Esq.,
Department of Employment.

SUBJECT

FIS JR
4
Emp
AMT



10 DOWNING STREET

From the Private Secretary

15 October 1982

Dear Secretary of State,

I am writing to you personally, as you asked me to do, to record the outcome of the discussion the Prime Minister held yesterday afternoon with the Home Secretary, the Chancellor of the Exchequer, the Secretaries of State for Industry and Employment and yourself.

The conclusions of the meeting centred upon the check-list attached to the CPRS minute to me of 21 September. The Prime Minister asked you, in consultation with Mr. Tebbit as necessary, to consider the proposals listed at (a)(i), (ii) and (v) and c(iii). The proposal at (a)(iv), to limit benefit entitlement to some percentage of previous income in work was not to be pursued further. She also asked you to consider the proposals at (b)(i) and (ii) (but not b(iii)), including the suggestion raised in the discussion that FIS might be renamed to make its purpose clearer, in the hope of ensuring greater take-up.

The Prime Minister asks that you consult the Chancellor of the Exchequer as necessary on these matters; and that you report progress to her as soon as you judge desirable - if possible, in time for remaining relevant decisions on the forthcoming upratings and in any event by end-November.

I am sending copies of this letter to Barnaby Shaw in Mr. Tebbit's office and to John Kerr in the Chancellor's office. I would be grateful if they would show this letter (together with the papers referred to in the letter) only to those specifically authorised by their Ministers to see them.

Yours sincerely,

Michael Scholar

The Right Honourable Norman Fowler, M.P.