



FROM: THE RT.HON. SIR KEITH JOSEPH, Bt. MP.

KJ/SMC

Rt.Hon. James Prior, MP.

20th November 1978

I sent a copy of my talk - Conditions for Fuller Employment - to Richard O'Brien, Chairman of the Manpower Services Commission, before I actually delivered it, since as you know the talk is, in part, a response to his call for a public debate on the causes and treatment of unemployment.

I received a few weeks later a very brief and superficial letter from him, to which I replied saying that I was very disappointed that after he had actually called for a debate, he should deal so casually with my talk and make no effort to take the arguments in it into account.

I now enclose a copy of his reply.

You will see that he expresses his personal agreement with "many points" of my analysis. He accepts "that general economic considerations" of the kind I have set out in the talk "will have a substantial effect on levels of employment and unemployment, and we would include them in the debate for which we called". But he goes on to say that they are outside the reach of the Commission, presumably because the Commission is headed by a tripartite committee - *employers, unions, education*.

It does seem perverse that the body specifically set up, admittedly by us to advise on employment policy, should be unable - because of its constitution - to consider, let alone tackle, a number of the factors which the Chairman himself says are entirely relevant.

May we not have to consider whether we can rely upon the Commission, as at present constituted, to be our main guide in dealing with employment?

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I am copying this letter to Margaret and to Willie since it has implications for machinery of government.

C.c. Rt.Hon. Mrs. Margaret Thatcher, MP
Rt.Hon. William Whitelaw, MP.