

SECRET.



Manpower 3
bpc: Alan Walker
John Verker.

10 DOWNING STREET

From the Private Secretary

6 July, 1982

Unemployment

Thank you for your letter of today's date about my record of last Thursday's discussion on unemployment.

I have checked these points with the Prime Minister. She has a clear recollection that the conclusion of the meeting was that Job Splitting was the only one of the new proposals worth pursuing; and that this was to be discussed with the Chief Secretary. She reiterates that her preference is for genuine schemes with an end product like new drains or new roads; or for tax cuts.

I am sending copies of this letter to John Kerr (Treasury), Jonathan Spencer (Department of Industry), Terry Mathews (Chief Secretary's Office) and to David Wright (Cabinet Office).

M. C. SCHOLAR

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

SECRET



10 DOWNING STREET

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Prime Minister

I am astonished by Mr's
Dep Employment letter.

Mr Tebbit's memory does not
accord with mine, or with my notes.
I have checked with Alan Walters
and the Chief Secretary, both of
whom strongly support my version
of events and disagree with
Mr Tebbit's.

May I gently but firmly say I
have checked with you, and you
agree with my recollection?
MCS 6/3

Memorandum 127



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I have a very clear
recollection. Job splitting is the
only one of the new proposals
worth pursuing. 6 July 1982

Dear Michael
UNEMPLOYMENT

Otherwise I prefer flexible
schemes with an end product
like new drains, new roads or

Thank you for your letter of 2 July recording the main
conclusions of last Thursday's discussion.

late cuts

The Secretary of State has asked me to say that your report
does not accord exactly with his recollection. He formed
the impression that it was the Prime Minister's view that
Job Splitting was a good runner and since it had very low
costs should be pursued; that the modification of JRS,
though less promising should not be entirely ruled out; and
that whilst the Enterprise Allowance Scheme should not at
present be extended this possibility should be reviewed later
in the light of the pilot scheme.

ref.

Incidentally, I understand that Mr John Sparrow was present.

- True; an

I am copying this to the recipients of your letter.

error on
my part.

Yours ever

MCS

Barnaby Shaw

J B SHAW
Principal Private Secretary