

E.R.

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267/79

① Mr Bell ✓  
② Mrs Davis ✓

cc: PS/Mr Bell ✓  
Dr Quigley  
Mr Bloomfield  
Mr Irvine

Mr Alison (L+B)  
Mr Mitchell (L+B)

~~Mr Sumner~~

~~Mr Wainwright~~

### PROBLEMS IN THE CONSTRUCTION INDUSTRY

David Mitchell and I recently discussed very briefly the possibility of an increase in some of his programmes such as housing, roads etc to try and improve the unemployment situation in the construction industry.

I also raised this subject with the Secretary of State after you had both left the PQ briefing and said I would be discussing the matter further with you both to see whether or not a joint presentation should be made to him.

It may be we could show that some additional expenditure in this area, rather than elsewhere, could be more cost effective. It would therefore be most useful to have a cost per job figure for some of the construction projects in the DOE roads and housing programmes.

I hesitate to suggest something which might result in a reversal of decisions taken only last summer, but the unemployment position in the construction industry is very serious indeed. It was significant that at the first formal meeting I had with the CBI, the Chairman, Sir Phillip Foreman specified increased public spending in support of the construction industry as a priority.

If you agree that some further examination of this proposal would be useful perhaps officials in our departments could produce a paper, but with some urgency.

A.

ADAM BUTLER  
12 February 1981