

E. R.  
PRIME MINISTER

September Seminar : Paper on Jobs

The Policy Unit have suggested that the Government publish a discussion document or Green Paper to get across its message on the origins of unemployment and what needs to be done to tackle it. A draft could be tabled for next week's meeting on industry and employment. (In addition there will be the paper on the costs per job of different expenditure programmes commissioned at the last meeting plus a note from Department of Employment on the Passport For A Job idea and a Treasury note on recent papers by the IEA and the Low Pay Unit arguing for and against the link between wages and jobs).

Mr. King has seen the Policy Unit draft and is said to be attracted by the idea of a discussion document. I understand the Treasury have reservations. They accept that the Government's message needs to be got across that unemployment arises from a variety of factors, e.g. excessive real wages, inadequate productivity, rigidities in labour markets, well meaning but misguided regulation etc., but they doubt if a Green Paper is the best way to put this across. They feel the Government is not consulting on a specific proposition but expressing its own view and seeking a reaction. They feel that a better approach would be to use the material in the Policy Unit draft for a series of speeches. This was envisaged at the last Seminar but, apart from the Chancellor's Mais lecture, little seems to have happened.

I doubt if there would be very much discussion about the basic thesis on the origins of unemployment but there could be dispute about:

i) What measures are feasible to tackle the problem.

ii) What is the best way to get the Government's message across.

I suggest that the Policy Unit's draft be tabled at the meeting with the following questions:

i) Is the diagnosis agreed?

ii) Have the responses been correctly identified?

iii) Is a Green Paper the best way to get the message across?

iv) If not, how should this be done, e.g. by a programme of speeches, the Treasury's Economic Progress Report or other Government publications?

Agree this approach?

Yes

Duty Clerk  
PP AT

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