

PRIME MINISTERINDUSTRIAL TRAINING: E COMMITTEE, WEDNESDAY, 15 OCTOBER1. PRIORITIES

- 1.1 The inadequacies of our training 'system' lie close to the heart of our poor economic performance since the War. We agree with the first three of the CPRS recommendations in E(80)117 - particularly the priorities for spending in paragraph 8.

2. FLEXIBILITY

- 2.1 CPRS are right to say (paragraph 12) that our changes will not help much unless unions and employers become more flexible. Everything hinges on removing union-imposed rigidities. But we do not believe that a public campaign can make enough difference. CPRS say that "confrontation may be counter-productive". But do the alternatives, raised in our section 2.5 below, really amount to "confrontation"?
- 2.2 Jim Prior suggests (paragraph 3 of E(80)111) that "two of the fundamental weaknesses of the present system - restrictions on apprenticeship and the high wage costs of apprentices and other trainees - are ultimately matters to be remedied in industry through collective bargaining". He goes on to admit that the Government must "give a lead" in improving these matters. But successive Governments have said this and achieved very little.
- 2.3 In the brief discussion of the proper role of trade unions (page 12 of the officials' report) the following quotation appears:

"The Government's approach will depend on its approach to restrictive labour practices generally, which is under consideration elsewhere. Direct legislation, eg to outlaw age restrictions on training opportunities, would bear on the employer in the first instance, would involve considerable complexities, eg to allow legitimate restrictions, and might well be evaded in practice. . . . The Government's basic role is, as in collective bargaining generally, to maintain an economic climate which encourages employers to take the initiative, and puts pressure on unions to respond constructively."

W. Rankin
(in brief + backup)
Original returned to J. Hoskins

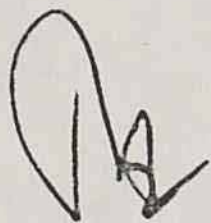
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- 2.4 It goes on to say that the TUC have a realistic stance on many training issues, but have failed to make much impact on individual unions and still less on local officials and members.
- 2.5 With so many years of failure in changing the outdated, union-imposed rules on apprenticeships, we should either:
- (a) Think seriously about outlawing restrictions. (This begins to make more sense if unions' immunities are removed. Perhaps where unions insist on trying to block - on grounds of sex or age - the progress of individuals who want to acquire skills, they could seek a legal remedy.) We would not tolerate collusion by companies to exclude certain age groups or to fix prices. Why should unions be able to do this? Or:
 - (b) At least consider striking a bargain with the unions in which they relax these rules in return for continued spending on training - or in return for the continuation of ITBs, or some other union-favoured objective.

3. PROMOTING SKILLED WORKERS

- 3.1 It is not immediately clear what it is proposed to do about the problem - identified on page 5 of the official report - of the lack of opportunities for skilled workers to train for promotion to managerial positions. This is of much wider importance for good industrial relations; there are many obstructive shop stewards who should become managers. Of course there are powerful cultural obstacles, but we should be working hard at overcoming these. We suggest this problem should be given further concentrated thought - preferably by CPRS who have done a good deal of work already in this crucially important area.

I am copying this to Geoffrey Howe, Jim Prior, Robin Ibbs and Sir Robert Armstrong.



JOHN HOSKYNS

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