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Prime Minister

The Chancellor is expected to comment on Monday, but I have been unable to find out in what terms. In the meantime, shall I

Qa 05361

To: MR LANKESTER

From: J R IBBS

Yes please. I just explore the "way out" suggested in para 6 below?
don't test we are getting at the heart of the matter
8 May 1981

New Training Initiative

with TPL
TL
9/1

1. The Government faces a difficult choice in deciding how to deal with the document attached to the Employment Secretary's letter of 1 May.
2. In Mr Prior's view the Government must accept the document as it stands, or risk losing entirely the chance of publication of an agreed document jointly with the MSC. The background to this is apparently that the TUC representatives on the MSC are becoming increasingly unhappy with certain Government manpower policies (e.g. on registration for work) and would be likely to throw the NTI document out if it had to be referred back to the MSC.
3. Both publication and failure to agree a document entail risks. Publishing the document means accepting obscurely worded statements (para 40 and 51) which in my view create a presumption that there will be more public resources for training, even though - as Mr Prior says - these statements avoid giving a definite commitment. There is a danger that these paragraphs will produce a cynical response or else arouse expectations which it may not be possible to fulfil.
4. Another unsatisfactory paragraph is para 34.2 which pulls its punches so much on trainee's pay rates that it implies that present apprentice/craftsman pay ratios are not too high.
5. On the other hand, failure to agree a document is likely to result in:
 - a marked deterioration in the Government's relationship with the TUC representatives on the MSC
 - loss of the TUC representatives' endorsement of the need to reform apprenticeships which might be valuable in leading to action at company and industry level.
6. It is difficult to assess where the balance of advantage lies. A way out of the difficulty would be to accept the document for publication


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as an MSC document, removing all attributions of Government opinion.
The Government could provide a foreword broadly on the present lines,
but welcoming the MSC's initiative, rather than describing it as a
joint venture.

7. I am sending a copy of this Minute to Sir Robert Armstrong.

SR