



10 DOWNING STREET

From the Private Secretary

13 January 1984

POLITICAL LEVY

The Prime Minister held a meeting yesterday with your Secretary of State to discuss implementation of the Manifesto pledge on the political levy. Also present were Mr. Gummer and Mr. Alison.

Your Secretary of State said that the Government's approach was that it should seek a voluntary agreement with the TUC which would ensure that union members were in a position to decide for themselves whether or not to pay the levy. Legislation would be introduced only if agreement to satisfactory procedures could not be achieved. He had discussions with the TUC's EPOC on steps to implement this and he would shortly be seeing them again. Following the first meeting, the TUC had put forward a revised document setting out a Statement of Guidance on good trade union practice. While he would be pressing for some further improvements, these might not be achievable and his inclination was that the document as it stood (a draft of which he handed to the Prime Minister) was satisfactory. Before entering final negotiations, he would welcome the Prime Minister's views.

In discussion it was noted that the letter by Sir Len Neal to the FT of 12 January, which warned against accepting any voluntary agreement with the TUC, appeared to be based on a misconception. The voluntary procedure for informing members of their rights was in addition to the provisions in Part III of the current Bill providing for periodic ballots on political funds. It was argued that there were advantages in reaching an agreement with the TUC on procedures as it would give a flavour of acceptance by the TUC of Part III.

Your Secretary of State said that he had considered whether he should approach the TUC and propose dropping the proposals for ballots on the political funds in return for agreement that there should be contracting in. He had concluded against this as it would represent a change from the provisions of the Manifesto. The Prime Minister agreed as contracting in could represent a step towards state financing of political parties.

The Prime Minister said she was satisfied with your Secretary of State's approach. While he should seek some further improvements in the document it could be accepted as it stood. It should, however, be made clear that if the TUC did not accept EPOC's recommendation or if, subsequently, the union movement did not implement

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- 2 -

the provisions the Government would be prepared to introduce legislation.

The Prime Minister also asked your Secretary of State to discuss further with Mr. Woodrow Wyatt his criticisms of the provisions for work place ballots.

I am sending a copy of this letter to Emma Oxford (Department of Employment).

ANDREW TURNBULL

David Normington, Esq.,
Department of Employment.

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