



CC JV
Prime Minister (4)

Caxton House Tothill Street London SW1H 9NAXF

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

GTN 213

The Rt Hon Leon Brittan QC MP
Chief Secretary
HM Treasury
Great George Street
LONDON SW1

Ms 7/17
used for?
5 January 1982

D Leon.

TRADE UNION EDUCATION AND TRAINING

will request is required
Your letter of 20 January 1981 to my predecessor questioned whether the Government's grant to the TUC and non-affiliated trade unions in support of trade union education and training should continue in perpetuity and you suggested collective consideration before we took decisions for 1982/83.

The grant is paid jointly by my Department and the Department of Education and Science. I have therefore been considering with Keith Joseph whether it should be continued, and if so, at what level.

My instincts are against Government subsidies for shop steward training in principle since I do not believe that this is a proper use of taxpayers' money. However, the funding arrangements were introduced in 1976, and we would be open to criticism if we were suddenly to terminate them, with all the disruption which this would cause not only for the TUC and other unions who rely on the grant, but also for the colleges up and down the country which currently run courses for shop steward training. We do receive occasional complaints about the use of the grant and alleged political bias by the course tutors. But so far I have not received evidence sufficient to justify cancellation at short notice of the current arrangements.

The most important consideration weighing with me, however, is the reaction of the TUC and its potential ability to make a great political issue of any drastic pruning or cancellation of the



grant. It is clear that they attach a great deal of importance to it, and I would be very reluctant to do anything which would enable them to portray the Government as seeking to take vindictive measures against trades unions. At present we are winning the presentational battle hands down and if we can continue the arrangements, albeit at a reduced level, it would help me to rebut the parrot cry charges of union bashing which will inevitably be made during the passage of the industrial relations legislation.

My conclusion, with which Keith concurs, is therefore that we should continue the grant to the TUC for this year, but reduce it to £1.6 million for 1982/83. This would amount to a reduction in real terms of about 20%; and we would make a similar reduction in the year to the non-affiliated unions. This cut is not out of line with the savings required elsewhere in the education sector and can be defended against trade union criticism. We would propose to review the future of the grant again next year.

In writing to the TUC about the grant we would make clear that its renewal this year is no guarantee of continuation in future years, and that they cannot continue to rely on taxpayers' money for the training and education of shop stewards whilst banning their affiliated unions from applying for the use of taxpayers' money to hold secret ballots.

When I discussed this issue with you some time ago in connection with my Department's public expenditure requirements, you agreed that the amount involved was comparatively small and that it was not worth provoking a disproportionately sharp reaction from the TUC over the issue. I therefore hope that you can agree to our proposal.

Similar considerations to those I have outlined above also apply to the grant which the ODA makes to the TUC in connection with its overseas aid programme. The sum involved is far smaller, currently some £75,000; but the TUC attach enormous symbolic importance to it. I know that Neil Marten has doubts about the priority which the grant should be given in the aid programme. However, given the TUC's attitude and the very small amount involved, I hope that you and he will be able to agree on a course of action which prevents the complete disappearance of the grant at this particular juncture.

Copies of this letter go to our colleagues on E Committee, Peter Carrington and Neil Marten.

7-6 JUN

11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31



Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon Norman Tebbit MP
Secretary of State
Department of Employment
Caxton House
Tothill Street
London SW1H 9NA

11 January 1982

2 Mon,

Thank you for your letter of 5 January about the grant for Trade Union Education and Training.

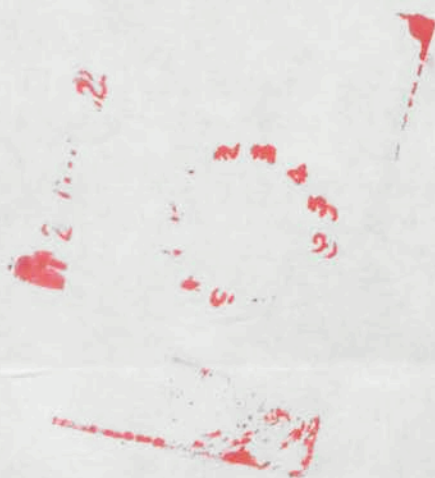
I share your instincts about this, but also your anxiety about the political and presentational implications of suddenly discontinuing the grant. But there is a strong case for reducing it in real terms and I think that the total of £1.6 million for 1982-83 which you suggest is realistic. I welcome your intention to make it clear to the TUC that renewal of the grant this year is no guarantee of its continuation in future years.

You should by now have received a copy of my letter to Neil Marten agreeing the level of the ODA grant to the TUC in connection with its overseas aid programme.

Copies of this letter go to our colleagues on E Committee, Peter Carrington and Neil Marten.

Leon

LEON BRITTAN



PRIME MINISTER

Trades Union 2
PRIME MINISTER

Reluctant acquiescence

MS

4/1

TRADE UNION EDUCATION AND TRAINING

In the light of your views the Secretary of State for Education and Science and I will make arrangements to inform the TUC that the Government is prepared to maintain the level of annual grant for trade union education and training for 1980/81 at its current real value. This will not, of course, commit us to indexing the grant for later years.

On the National Centre for Trade Union Education, I remain convinced that it would be of significant industrial and political value to the Government to assist the TUC with this project. I agree reluctantly that at the moment circumstances do not permit us to provide material support and we will respond to the TUC accordingly. However, we should be prepared, in my view, to reconsider the matter if at a later stage, in different circumstances, the TUC approach us again.

I am copying this to the Chancellor of the Exchequer, the Secretary of State for Education and Science and Sir Robert Armstrong.

ms.

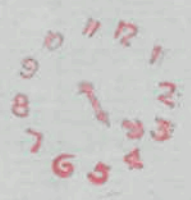
J.P.

J P

3 January 1980



3 JAN 1960



CONFIDENTIAL

Trades Unions DSG



10 DOWNING STREET

From the Private Secretary

17 December 1979

TRADE UNION EDUCATION AND TRAINING

The Prime Minister has considered your Secretary of State's minute of 13 December on the above subject. She agrees that the annual grant to the TUC for trade union education and training should be maintained in real terms in 1980-81, but she has asked that there should be no commitment to indexing the grant for later years. (In the light of recent Ministerial discussions on public expenditure the Prime Minister is concerned that every effort must be made to avoid further commitments to indexing).

As for the proposed grant for a new trade union education centre, the Prime Minister is not prepared to agree this. Quite apart from the political arguments mentioned in the minute, the Prime Minister thinks that it would be wrong - particularly at this time - to provide this further provision for training trade unionists when there is already substantial provision within the existing educational set up. Moreover, she is not persuaded that Government involvement in the proposed education centre would necessarily be considered a "considerable prize for a Conservative Administration".

I am sending copies of this letter to Martin Hall (HM Treasury), Peter Shaw (Department of Education and Science) and Martin Vile (Cabinet Office).

J. P. LANKESTER

Ian Fair, Esq.,
Department of Employment.

CONFIDENTIAL

GC

CONFIDENTIAL



Prime Minister,
Are you willing to
agree to Mr. Prior's
proposals?

PRIME MINISTER

TRADE UNION EDUCATION AND TRAINING

Please see end.

ABJ
Duty Clerk
15. Dec 79

The TUC have requested a modest increase in real terms in the annual grant for trade union education and training and a capital contribution to their proposed National Centre for Trade Union Education (NCTUE). The Secretary of State for Education and Science and I agree that we cannot possibly meet this request in full in present conditions. We think it right, however, to maintain the annual grant (at present £1.455 million) in real terms and to offer to provide a one-off capital grant of £500,000 (at 1980/81 prices) towards the establishment of the NCTUE. This could be accommodated within our PES limits for 1980/81.

I have discussed this with the Chancellor. He is reluctantly prepared to see the level of the annual grant maintained in real terms, but sees great difficulties in defending a decision, particularly to some of our own supporters, to grant the TUC £500,000 for a new education centre at the same time as we are cutting back finance for building schools, hospitals and old people's homes.

I think we might be criticised in that way from some quarters. But the advantages that would flow from offering a capital contribution towards the NCTUE far outweigh that consideration in my view.

First, it is an industrial commonplace that inadequate training of shop floor representatives produces ineffective leadership and poor industrial relations. Our policies on industrial relations, including our commitment to employee involvement, make it essential to encourage and support TUC efforts to extend and improve trade union education and training. Little enough is spent on it at the moment.

Secondly, we want to avoid this training being sharply conflict-oriented. If the TUC is not given strong support in its educational efforts, more training will be left to individual unions whose training programmes can be expected to be more slanted and generally less well conducted. The HMI monitors the training conducted under the TUC's auspices which



is supported from public funds, but does not have similar access to training conducted by individual unions from their own funds. If the NCTUE is established with Government help, the HMI's access would be further established and, under the proposed arrangements, the Government would be able to nominate four nominees (two each from DES and DE) and two assessors to the Centre's governing body. This participation would be a considerable prize for a Conservative administration. It is surprising that it is still on offer to us and we ought to seize it.

Finally, to let the TUC know soon our readiness to support the NCTUE to this extent would help in maintaining reasonable relations with the unions in a situation where we are necessarily having to take action objectionable to them. It would help counter criticism that the Government is unremittingly hostile to them and thereby assist those who are seeking to maintain communication with the Government.

I believe that the industrial arguments are quite sufficient for public defence of the decision and I am confident that our own supporters in Parliament will generally appreciate the political advantages. Subject to your views, therefore, Mark Carlisle and I propose to make known to the TUC at an early opportune moment the Government's readiness to offer support as outlined in the first paragraph of this minute.

I am copying this minute to the Chancellor of the Exchequer, the Secretary of State for Education and Science and to Sir Robert Armstrong.

Agree ① that annual grant is increased this year - but
in view of our discussion the other day we can't
agree to withdraw it.

Approved by Secretary of State Employment
and signed in his absence.

13 DECEMBER 1979

Disagree most strongly should the
NCTUE grant. As this note
shows there is already provision for training T.U.'s
within the ed. system. It seems absurd to duplicate it
especially at this time. However I don't accept the 'economic
fact' since 2 other things. I have seen some of these boxes but not a



13 DEC 1979

