

Note of a meeting between the Prime Minister and the Officers' of the Conservative Trade Unionists at No 10 Downing Street on Friday 8th January 1982

Present: Secretary of State for Employment,  
Mr Norman Tebbit MP  
Mr Tim Renton MP (President) APEX  
Mr Geoff Campbell (Chairman) AUEW/TASS  
Mr Alan Paul (Vice Chairman) NALGO  
Mrs Margaret Daly (Hon Secretary) ASTMS  
Mr Ian Gow MP  
Mr Derek Howe

The meeting lasted for one hour.

Mr Campbell outlined the reasons for seeking the meeting. They were their growing concern at rising unemployment and worry about "light at the end of the tunnel". In particular, the CTU did not feel that the public heard enough of industrial success stories.

He went on to say that CTU welcomed the new proposals on training, but wanted to see them integrated into apprenticeship schemes.

The CTU feel that industry does not give enough attention to innovation and replacement of machinery. The way the Japanese tackled the problem gave firms more chance to do R + D and instal new equipment.

It is also felt that British industry is not doing enough in the training field to update skills of existing workers. We need a new breed of multi-skilled technicians.

Mr Paul stressed the need for more participation, particularly the provision of more information on a range of issues. CTU feel a useful legislative step would be to compel companies to state in the annual report the previous year's effort.

Mr Paul also referred to financial participation. What they had in mind were tax concessions to workers who invested in their company on the lines of mortgages or pensions.

The Secretary of State pointed out that any legislation on lines indicated by Mr Paul would present serious difficulties as it would mean that a Civil Servant would have to make a value judgement as to whether a company had fulfilled its expectation so far as information/participation was concerned. He would prefer voluntary effort in this area; witness the success of companies like Marks and Spencer, United Biscuits, Sainsburys. The German example is also good. Mrs Daly referred to British Steel workers at present as another good example.

/Continued ...

Tim Renton suggested that £500 a year investment to be set against tax on a 2 - 3 year holding period might be considered.

The Prime Minister took Japan as an example where legislation had not been necessary. Workers regard themselves as part of a company. There is no them and us outlook. In a well-run company it should be all of us. With regard to the tax concessions, the Prime Minister said - "Let's have a look at it".

The Secretary of State referred to the White Paper on Apprenticeships and drew attention to two paragraphs which do not seem to have been read together. Paragraph 20 supporting apprenticeships and Paragraph 47 on the future being conditional on necessary reforms. By 1985, apprenticeships would depend not on age/time but on standard reached.

Mrs Daly reported that the CTU are to hold a joint seminar with the Konrad Adenauer Foundation in May.

Tim Renton felt that there was a gap at present in industrial democracy and he urged that the Government should grasp this problem before and by the next General Election.

Mr Campbell said that he had complaints that the Government was building new factories when there are empty factories available. More should be done to utilise plant better and try to encourage round the clock working.

Mrs Daly (on behalf of Mrs Bushby, who was unavoidably absent due to the weather and is a Vice-Chairman (APEX)) raised the question of early retirement for men. Referred to British Leyland scheme (and others) when men 60+ were retiring and unlikely to get another job. Need for more flexibility for redundancy schemes. 12 months unemployed, but when they apply for Social Security they are turned down because of redundancy lump sum. Could redundancy be tapered in some way for those older people.

Mrs Daly also made the point that there is no CTU representatives on the Economic and Social Committee of the Commission. Secretary of State indicated he would look into this matter.

cc Andrew Duguid  
Norman Tebbit  
Ian Gow

DW.

D.W.

ACTUAL.

DRAFT STATEMENT

sent out from CGO.

Friday 8<sup>th</sup> Jan 1982

The Prime Minister met the Officers of the Conservative Trade Unionists, who represent millions of Conservative voters.

Leading the group was Mr Geoff Campbell, the Chairman, and a member of AUEW/TASS and Mr Tim Renton MP, the CTU President and a member of APEX.

Others present were ~~Mrs Joy Bushby, (APEX)~~ and Mr Alan Paul (NALGO), ~~who are~~ Vice-Chairmen, and Mrs Margaret Daly (ASTMS), Hon Secretary.

The meeting lasted for an hour, and there was a wide-ranging discussion which covered the unemployment position, training and apprenticeship, a code for increased worker participation, and <sup>a reduction in</sup> the retirement age for men. Following the meeting Mr Campbell said:-

*most constructive*

"We had a ~~useful and free ranging~~ discussion on matters which our members consider are important. The Prime Minister has always taken a close interest in our activities. She was unable to attend our Conference last November because of official business, and this meeting gave us an opportunity to state our members' views to the Prime Minister on important issues.

"The CTU welcomes the <sup>new</sup> ~~recent~~ training initiative to help young people. We should like to see <sup>still</sup> ~~more~~ done in the field of apprenticeships. The CTU feel that they ought to be standardised on European lines.

/Continued .....

MS

DRAFT STATEMENT (Continued .....)

"We would like to see a Government initiative on industrial participation.

ML) The CTU would like to see a <sup>statutory</sup> ~~legal~~, but flexible, Code of Practice which, we believe, would help to bring about better ~~working practices~~ <sup>team spirit</sup> and make us more competitive.

"The Prime Minister indicated that the Government would give careful consideration to our proposals." said Mr Campbell.

Box

CAROLINE STEPHENS

I attach the file for the meeting with  
CTU Officers.

It now incorporates:

1. The original correspondence with the resolutions  
passed at the CTU Conference last November.
2. A brief on the three resolutions from the Department  
of Employment.
3. A note from Bernard Ingham following a conversation  
he had with Margaret Daly.
4. A note about an additional point on apprenticeships  
which the Chairman of the CTU will raise, and  
a reminder to the Prime Minister about this year's  
Conference.
5. Cuttings which appeared over the weekend in the  
Sunday Telegraph and Daily Telegraph on Monday.

I think that a decision about any statement  
should be decided upon at the meeting.

*Derek*

Derek

7th January 1982

PRIME MINISTER

Meeting with CTU National Committee

Friday 8th January - 17.00 hrs

I have spoken with Margaret Daly following the reports which appeared in the Press on Sunday and Monday (cuttings attached).

She assures me that the headlines are misleading. She reiterated that the points on which the CTU will focus are the resolutions passed at last year's CTU Conference,

In addition, Geoff Campbell will elaborate on the need for the supervision of apprenticeships of which he claims special knowledge, in connection with the second resolution on training.

May I give you a further reminder about the 1982 CTU Conference to be held in Bristol? You will recall that you could not go to Sheffield in 1981, but promised that you would attend in 1982.

However, the date was fixed before the possibility of a weekend Euro-Summit planned by the Danes. I have checked with John Coles, who tells me that the Danes have been informed that the weekend is not convenient. There the matter rests for the moment.

As it is likely that the officers may mention this year's Conference to you, may I suggest that you stick to the line that you are looking forward to coming to the Conference in Bristol, without any indication that you might have to miss it for the second year running?



Derek

7th January 1982

## TORIES IN JOBS PROTEST

By Our Industrial Staff

**M**R S THATCHER will be told by the Conservative Trades Unionists group on Friday that the Government must do more to alleviate the unemployment crisis.

With the jobless figures certain to breach the politically sensitive three million barrier within the next month, the CTU, set up by the Tory party in 1976, has added its protest to that of the TUC.

Friday's meeting at 10 Downing Street will be the first between Mrs Thatcher and the CTU since she took office.

It will provide TUC leaders with the opportunity to use the event as a propaganda weapon designed to prove there is deep dissatisfaction within the Tory rank-and-file about the Government's economic policies.

But the CTU will tell the Prime Minister that although they want to see minor "adjustments" to some aspects of policy, they support the overall objectives of reducing inflation and becoming more competitive in international markets.

### Retirement at 60

The delegation will urge the Government to:

Lower the male retirement age from 65 to 60 to ease unemployment.

Tighten up training methods so as to guarantee more full-time jobs, prepare workers for skills at the end of the recession and stop employers using schemes as a means of cheap labour.

Increase worker participation by introducing a legal, but flexible code, under which employees could invest more in businesses and have a bigger say at the point of production.

Mrs Margaret Daly, director of the Conservative Trades Unionists, said last night: "Too often, people in industry do not know how their own company is run. This 'us and them' situation has no role to play as we come out of the recession.

"Participation by employees can generate co-operation and diminish the needless and damaging conflict we so often see in this country."

SUNDAY TELEGRAPH.

3rd JANUARY 1982.

# Tory trade union jobless protest

OFFICIALS of the Conservative Trade Unionists organisation intend to add its voice to the protests already lodged by the TUC over rising unemployment when they meet the Prime Minister this week.

The organisation is becoming much more of the traditional trade union organisation than was ever envisaged by the Conservatives when they set it up in 1976 in direct opposition to the TUC.

It has already shown its teeth to Mr Tebbit, the Employment Secretary over his proposed legislation dealing with labour laws. It bluntly told the Minister that many of his proposals had not been properly thought through and were ill-conceived.

## Fines warning

Officials also told him that they would not stand for the main plank of the proposed legislation, the ending of immunity for union funds and the granting of a right to employers to sue unions for up to £250,000 on a sliding scale, which depends on a union's size.

They warned the Minister that the plan could end up bankrupting some smaller unions. They also told him of their fears that, by outlawing labour-only sub-contracting clauses in agreements, there

By JOHN KESBY  
Industrial Correspondent

could be a revival of the "lump" system in the building industry.

Conservative union group has no official figures of its overall membership throughout the country; but it points out that more than five million trade unionists voted Conservative at the general election. Other official statistics show that 49 per cent of Welsh trade unionists voted Tory.

When the Conservative Trade Unionists organisation was formed it was officially active in 150 political constituencies. It is now active in 365.

It has 15 industrial groups covering most of the major areas, including the Post Office, railways, air transport, health, finance and the fire brigade.

Mrs Margaret Daly, its director, claims that the organisation is also active among the miners, even in Yorkshire. Mr Arthur Scargill's bastion of Left-wing militancy.

Apart from its head office staff in London, housed in Conservative Central Office, Westminster, it has regional offices in Scotland, Liverpool and Yorkshire.

Mrs Daly does not see her organisation as a rival to the

TUC. She said: "Some people might say we are an alternative to the TUC.

"But I see us as a group whose job it is to get more people active in their trade unions to ensure that the TUC is less politically motivated.

"I think the top TUC leaders spend far too much of their time promoting Socialism rather than the interests of their members. It might be more rewarding if they spent more time on their members."

She claims that the growth of the Conservative organisation has been dramatic. "The Government now certainly takes us very seriously," she said.

New groups were being set up all the time. She also said: "I think people are coming to us because they are so fed up with all the fighting in the Labour party."

The group believes that Left-wing politics have become far too deeply entrenched within the traditional trade union movement. It also claims to have given evidence of ballot-rigging to Mr Tebbit.

To counteract the fiddling of ballots it is urging Mr Tebbit to include legislation on mandatory secret ballots in his proposed labour laws.



NOTE FOR THE RECORD

cc Mr Scholar  
Mr Gaffin  
Press Officers  
Mr Howe ✓

VISIT OF THE CTU

I spoke with Margaret Daly, of Conservative Central Office today about the visit of the CTU delegation on Friday evening. She said that their principal objective would be to discuss unemployment and three resolutions from their annual conference covering (a) worker participation, (b) early retirement for those made redundant from the age of 60, and (c) industrial and vocational training - a subject which has to some extent been overtaken by the training package.

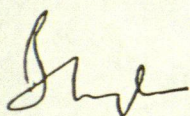
Mrs Daly said that they had already discussed industrial relations legislation with Mr Tebitt and would not be raising that on Friday. I particularly asked whether postal ballots or the closed shop would be discussed and she said that they would not be unless they happen to arise during the course of the discussion.

So far as the media is concerned I said that there was a considerable interest in the meeting and that it would help No. 10 Press Office, acting in the interest of the Prime Minister, as Head of the Government, to know what the CCO proposed.

Mrs Daly will be talking to Sir Harry Boyne and I will have a word with him tomorrow. It seems likely however that we shall have some television crews and journalists in the Street on Friday to see the delegation into No. 10.

Mrs Daly is thinking at this stage of a statement which could be issued after the meeting and she is to discuss with Sir Harry how they might handle the waiting cameras and journalists.

I will let you know the outcome of my talk with Sir Harry tomorrow.



B. INGHAM

6 January 1982



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Miss Caroline Stephens  
Private Secretary  
10 Downing Street  
LONDON SW1

6 January 1982

*Dear Caroline*

As requested in your letter of 18 December to Richard Dykes, I am enclosing briefing for the Prime Minister's meeting with the CTU National Committee on Friday, 8 January (which Mr Tebbit will also be attending).

The brief covers the three motions passed at the CTU Annual Conference at Sheffield, which we have already been warned they will want to discuss, on worker participation, the retirement age and vocational training. In addition, I am ... enclosing a short note on the proposed new industrial relations legislation.

*Yours  
Marie Fahey*

MISS M C FAHEY  
Private Secretary

## WORKER PARTICIPATION

- 1 The CTU publication "Participation: The Next Industrial Revolution" issued last year (copy attached) advocates:
  - (i) legislation requiring companies to enter into participation agreements with their employees within four years;
  - (ii) a Code of Practice, and
  - (iii) assessment of agreements reached by "an appropriate regulating body".
  
- 2 It also seeks an extension of employee share ownership schemes. The only specific proposals are:
  - (i) abolition of the seven year period during which shares must be held before full tax concessions are given;
  - (ii) employee profit shares to be lent back for investment in new plant, as in the USA.
  
- 3 Speaking Notes
  - Employee involvement is best developed on a voluntary basis. Genuine co-operation cannot be legislated into existence. There would be real difficulties in the enforcement of the requirement to enter into participation agreements, as suggested by the CTU. The Government will nevertheless continue to look for ways to promote positive progress.
  
  - The further incentives to encourage share ownership given in the Finance Act 1980 have led to a large increase in companies starting schemes. The need for further incentives is being kept under review.

Reduction in retirement age for men to 60

1. The proposal is very expensive. The latest estimate (given to the Commons Social Services Committee, which is studying the age of retirement) is that, even after allowing for savings in social security benefits paid to unemployed people, the reduction to 60 will cost a net £2.5 billion. The consequential reduction in the unemployed register has been estimated at 420,000, but this does not take into account the fact that financing the change will itself have an adverse effect on employment.
  
2. There are other possible disadvantages - the reduction in income for those retiring earlier than expected, the loss of skills and experience in industry, the strain on occupational pension schemes, and the long-term effect on the balance between the numbers of retired people and the working population which supports them.
  
3. As a way of reducing unemployment, the Job Release Scheme is three times more cost-effective than reducing the state pension age. The Government is reducing the JRS age limit for men to 62 from 1 February 1982.

## VOCATIONAL TRAINING

1. The CTU resolution was adopted in November, before publication on 15 December of the White Paper "A New Training Initiative: A Programme for Action". The White Paper clearly demonstrates the scale of the Government's commitment to promote and support vocational training. When the White Paper proposals are fully implemented in 1984/85, public spending on MSC training programmes alone will be close on £1.5 billion.
2. The White Paper was described by Mr Tebbit on publication as "the most far reaching and ambitious set of proposals for industrial training ever put before Parliament". The programme it sets out draws heavily upon recommendations by the MSC (on which CBI, TUC and education interests are represented) and includes:-
  - i) A £1 billion Youth Training Scheme which will build on the existing YOP and guarantee all 16 year old unemployed school leavers a full year's foundation training from September 1983;
  - ii) A target date of 1985 for establishing recognised standards for all main craft, technical and professional skills.
3. MSC is now working to bring into effect the White Paper proposals. They are examining urgently whether more emphasis should be given to developing the Youth Training Scheme to cover employed as well as unemployed young people, within available resources. They are also reviewing current provision for adult training.
4. Meanwhile the immediate priorities are to secure commitment by employers and others to developing new schemes for young people, and to design appropriate local machinery to co-ordinate delivery. Sound working links between MSC and employers, trade unions, colleges, local education authorities and others will be essential. New schemes will make maximum use of existing resources, whether in colleges or on employers' premises.
5. We have registered the changing pattern of skills and the growing demand for technicians, technologists and other professional people. MSC is supporting computer training; and the "Open Tech" programme is aimed at extending technician training. Continuing effort is however required to see that training needs are clearly identified and appropriate means adopted for meeting them.

## Industrial Relations Legislation

1. Representatives of the CTU have met the Secretary of State for Employment to discuss his proposals for further industrial relations legislation. They expressed general support for his proposals.
2. On the closed shop the CTU support the proposal for independent ballots every five years to test support (with a requirement that/a majority approval should depend on of at least 80% of those covered); the proposals for enhanced compensation; and the proposal that a trade union should be directly liable for compensation where it has forced an employer to dismiss a non-member.
3. The CTU welcome the proposal to make union labour only requirements in contracts unlawful but have reservations about the effectiveness of removing immunity from industrial action aimed at the employment of non-union labour on building sites.
4. The CTU have reservations about the proposal to remove immunity from trade union funds and in particular have suggested a modification of the proposed limits on damages payable by trade unions so as to give greater protection to smaller unions. [The CTU's proposal is that for each union the limit should be a sum arrived at by multiplying the total number of members by a fixed sum (unspecified).. This would have considerable disadvantages: for example, total membership is sometimes not an accurate measure of funds or income because the level of subscriptions and

(more importantly) investment income varies from union to union; and again the total number of members is often uncertain and a limit which depended on a precise figure in each case could put the Courts in difficulty. However, the Secretary of State is considering other ways to ensure that damages do not fall disproportionately on the smaller and less prosperous unions.)

5. Finally, the CTU are opposed to the proposal to allow selective dismissal in a strike on the grounds that it would enable an employer to sack union officials who organise strikes. (In fact union officials who were employees would be in exactly the same position as any other employees on strike: under the proposal they could be dismissed only after 4 days notice (the CBI have proposed 7 days: the length of notice is still under consideration.) The proposal is designed to remedy the present anomalous situation whereby an employer might be faced with claims for unfair dismissal if he dismisses those remaining on strike after some have been taken back.

D.R.

as file:  
I have taken copy.

MR HOWE

Jelly 24/12.

Here is the correspondence I promised you from Margaret Daly. The meeting will take place on Friday 8 January at 1700 hours. I have requested briefing.

CS.

21 December 1981