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24 May 1979

Dear Tim

... As you requested in your letter of 23 May I
attach a brief for the PM's meeting with
Mr Murray on Thursday. I understand the
Treasury will be providing the briefing on wider
economic issues which you also requested.

I am sending a copy of this letter and its
enclosure to Tony Battishill and to Martin Vile.

*Yours sincerely
I A W Fair*

I A W FAIR
Private Secretary

MEETING WITH TUC GENERAL SECRETARY: 31 MAY

BRIEF FOR THE PRIME MINISTER

The Prime Minister will want to use the meeting mainly to establish personal contact and a mutually improved understanding of Government and TUC positions. Mr Murray will be concerned to ascertain the manner in which the new Government will be approaching the unions.

THE NATURE OF THE TUC

2. Mr Murray is the chief official and spokesman of an expanding organisation which claims to speak for over half the population - 12 million trade unionists and their families. It sees its role as the defence of the interests of this section of society, largely as represented to it from the ranks. It tends to regard the interests of its members and their families as being also the interests of the community. Any policy and any trend affecting their interests is therefore seen as a legitimate area for representation to Government.
3. The unions affiliated to the TUC are very diverse in structure and organisation. There are over 100 of them - though 25 account for over 70% of the membership - and they are jealous of their autonomy. The TUC has to persuade - it cannot dictate to - its constituents and this has constantly to be borne in mind when dealing with the TUC leadership.
4. There is a sense of common purpose in the movement, but these divergent interests among its membership inevitably militate against the development of any detailed and coherent strategy and encourage the pursuit of simple and at times contradictory objectives (like free collective bargaining and better treatment of the lower paid). There is a strain of opinion in the current leadership which favours involvement of the TUC with Government and employers in "concerted economic action" of the German or Scandinavian type, but sharing in the management of the economy is not wholly attractive to them. They find it difficult to reconcile responsibility for a centrally ordered policy with representation of shop floor opinion. They tend to be reluctant cooperators.
- /5. In part

5. In part this reflects the post-war weakening in the authority of central union leadership. This is part of the social trend and not unique to the trade unions, but it has evidenced itself there in the growth of plant bargaining and shop floor power and the comparative unimportance of official union support to those taking industrial action. As a result the "leadership" practised by most trade unions officials is to represent with vigour the claims of powerful groups of their members with an eye to immediate rather than longer term interests.

6. Nonetheless, there is a strong feeling of revulsion in the unions from the excesses of action in the winter, as recently illustrated by the public criticism by a GMWU leader (Mr Donnet) of NUPE for their action in the hospitals dispute and by the rank and file motions demanding secret ballots on industrial action which are being tabled for the TGWU delegate conference in July. It would be wrong, however, to under-estimate the solidarity that the unions demonstrate when they feel under attack, particularly when they consider that their legitimate freedom of action to pursue their aims in collective bargaining is being put under legal restraint. "Legal restraint" is highly charged emotionally for them and memories of the Pentonville Five (dockers imprisoned under the IR Act provisions in 1972) are readily recalled. Their moments of really effective concerted action come usually when they feel themselves given to close ranks on such a subject.

7. There is a special relationship between the TUC and the Labour Party and the present mood of the unions towards the new Administration is one of coolness and suspicion. There are already calls on the Left to refuse to cooperate with the Government's proposed industrial relations reforms, but the unions are essentially pragmatic. Union officials are negotiators by job and inclination, readier to react than initiate. The TUC has a long tradition of representing their members' interests with Governments of any complexion and they will wait to see how they are treated and respond accordingly.

THE POSITION OF MR MURRAY

8. No current union leader has emerged to dominate the General Council in the way that Mr Jack Jones did in recent years. The present General Council (41 members) is fragmented. This leaves Mr Murray with great responsibility, though he has no authority to command. The Annex gives a pen picture. He is not a forceful leader, but he is shrewd, astute and cautious. He will want to avoid a collision with Government - and his public comments have been carefully balanced to indicate willingness to talk and cooperate - but he will resolutely and capably present the TUC view and will consider Government as having the main responsibility to avoid a collision.

POINTS MR MURRAY MAY RAISE

9. We do not expect him to use this meeting to go into specifics. His main message may well be that:

(a) the TUC's relationship with the Government will be determined by its conception of the impact of Government decisions on its members' interests. They will not oppose for opposition's sake.

(b) the TUC are particularly concerned with inflation and unemployment and the whole direction of the economy. He can be expected to argue that these are the real issues, and that the Government's approach as so far unfolded seems to place too much faith in monetary discipline and lower public expenditure and to give too little importance to the immediate problems of unemployment and the greater problems which lie ahead through the development of micro processor technology.

(c) the Government should avoid pursuing courses and using language which highlights conflict with the unions to no practical purpose. He may instance here the legislative changes intended on picketing and the closed shop and urge that these matters are better dealt with through voluntary action rather than through the law, which risks leading Government and unions into troubles that neither wants.

10. He may, however, raise the question of the handling of consultations with the TUC by Government on which he wrote on 23 May to the Prime Minister on the General Council's instruction. Although the letter is in quiet and general terms, it follows strong complaints at the Council at the way the recruitment freezes in the Civil Service and local government were made known to the unions concerned, with meetings allegedly convened at short notice and without regard to the inability of union leaders like Mr Basnett to attend. Mr Murray may therefore emphasise to the Prime Minister that genuine consultation with the TUC must have regard to the institutional arrangements by which the TUC forms its views and which inevitably take some time. The peremptory way in which the TUC was dealt with before the IR Act 1971 still rankles. And Mr Murray may press home the point that, unless consultation is conducted in an orderly way and in accord with long standing arrangements, this will itself create ill feeling and bitterness between the TUC and the Government.

POINTS FOR THE PRIME MINISTER

11. The Prime Minister will wish to reassure Mr Murray that the Government are by no means hostile to trade unions as such and fully recognise their role in a democratic society. She may accordingly wish to register the following points:

- (a) there are differences in approach between the Government and the TUC in economic and industrial policies, but the ultimate objectives are the same - a strong economy, better standards of living and high employment.
- (b) the Government has no quarrel with the trade union movement. It wishes to see a strong and responsible trade union movement making its essential contribution to economic recovery. It does not think, however, that present arrangements are suited to enabling trade unionists to do this, particularly as the balance of power seems to have been tipped away in recent years from responsible trade union leadership towards militants and unofficial groups.
- (c) the Government is not going to repeat the mistakes of the early 1970s in its relations with the trade union movement, but

there are some limited but vital reforms on picketing and the closed shop that are necessary and that the Government believes most unionists would themselves be glad to see. The Government is not thinking solely in restrictive terms, but is eager to encourage wider participation of workpeople both in union affairs and at the place of work. As Mr Murray will know from his discussions so far with Mr Prior, the Government is genuinely anxious to proceed through full and genuine consultation to undertake these reforms to which they are committed on a realistic timetable. [Mr Murray has been told informally that the Government are aiming at a Bill on trade union reform in the late autumn and possibly another amending the Employment Protection Act in the spring of next year]. The Government hopes that the TUC will help in these consultations to ensure that the changes are made are practical and sensible. She does not see why there has to be a sharp choice between the law and voluntary action by the TUC. Both are needed and the object should be to get them working in harness.

(d) in the wider field of pay bargaining the Government's approach seems close to the TUC's own and, if companies and unions do bargain responsibly when left to themselves, this must be beneficial. The Government's approach is to make sure that those involved are quite clear about the implications of their demands and actions, both for prices and jobs.

(e) she will consider very carefully and reply soon to Mr Murray's letter on arrangements for consultation, but can immediately confirm the Government's intention that consultations should be properly conducted with good time allowed wherever possible.

CONCLUDING THE MEETING

12. The Prime Minister might wish to conclude by expressing her satisfaction that Mr Murray is already in close touch with Mr Prior and her wish that those close relations should be maintained. If the

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PM were further to indicate that she would welcome further occasional informal exchanges of this kind, that would undoubtedly be well received by Mr Murray.



ANNEX

MR LIONEL (LEN) MURRAY

Age 57, General Secretary of the TUC since 1973.

OBE 1966. Privy Councillor.

Degree in PPE (London University; and New College, Oxford).

Joined the TUC as an official in 1947 and worked his way up (Assistant General Secretary 1969-73).

Mr Murray is well-educated, intelligent and shrewd, whilst maintaining in his general approach and style of speech a suitably down-to-earth, provincial flavour.

A tough "moderate" in trade union terms, he has a difficult role in seeking faithfully to represent a wide spectrum of mood and opinion within the trade union movement. His period of office has coincided with a greater-than-usual TUC involvement in national politics and many would say that he has handled this with considerable skill.

An instinctively cautious man, sensitive to slights and can be a bit dour and unforthcoming at times; though when relaxed is a good conversationalist with a dry sense of humour.

Had a serious illness a year or so ago (heart) and frequently looks strained. Sometimes difficult to follow because of a tendency to drop his voice during conversation.