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Tory leader denies split in party over closed shop

Mrs Thatcher yesterday firmly denied reports of a split among Conservative Party leaders over industrial relations policy. But she appeared to come down on the side of Mr Prior in his argument with Sir Keith Joseph. Mr Peter Walker also attempted to heal the breach between the two men.

Conservatives would 'mitigate' injustices

From Our Own Correspondent
Washington, Sept 13

Mrs Thatcher denied today that there has been a split in Conservative ranks over the closed-shop issue. Speaking in Washington, after a meeting with President Carter at the White House, which lasted 45 minutes, she said that her party's attitude to legislation enforcing the principle of closed shops was unchanged. "We do not like it and we are opposed to it", she declared.

But the Leader of the Opposition said she did not believe that a Conservative government could introduce legislation against the closed shop on taking office.

What it must do, however, was to "mitigate" some of the injustices inherent in present legislation. It was unfair, for example, that someone who had worked with a company for many years could now be dismissed not because he was inefficient but because he refused to join a trade union. Moreover, if he was dismissed he was not entitled to compensation.

Mrs Thatcher was responding to what Mr Prior, the Conservative Party spokesman, on

of living of their members through free collective bargaining, with due regard to the national interest and without the imposition of irksome legal restrictions.

Mr Prior has accordingly argued that it should be possible to resolve disputes over the operation of the closed shop by voluntary agreement rather than recourse to law. As he explained in a BBC interview on Sunday, the Conservative Government, in the Industrial Relations Act, 1971, gave workers the absolute right not to join a union if they did not wish to do so. But it was never able to enforce it, and closed shops continued to operate as before.

The Conservative Party conference at Blackpool is to debate a motion on the operation of the closed shop, and there are signs that it may be one of the liveliest arguments.

But the motion selected for debate is said to be "innocuous". There is every likelihood that it will be carried by the conference, in spite of strong opposition from right-wing MPs who support the stand being taken by the National Association for Freedom.

Mr Prior has said that a

vative Party spokesman on employment, has described as "differences of emphasis" between himself and Sir Keith Joseph, the party's spokesman on industry, on the closed shop. From her remarks to journalists outside the White House, Mrs Thatcher appears to be aligning herself with Mr Prior and other voices in the Conservative Party urging moderation rather than "union bashing" in its approach to the closed shop.

Our Political Correspondent writes: Mr Peter Walker, Conservative MP for Worcester and a former Secretary of State for Trade and Industry in Mr Heath's Administration, also attempted yesterday to quell rumours of discord inside the party over industrial relations.

Sir Keith Joseph had been depicted as an "enthusiastic union basher", which he certainly was not, Mr Walker said. It was also totally false to describe Mr Prior as a person who would capitulate to any demand of the unions in order to appease them.

Mr Walker told the Institute of Buyers in Birmingham that there was no need for those two sincere and passionate men to become the focus of dangerous disunity. "The Tory Party has need to bring into its programme for industrial relations both the principles that Sir Keith Joseph has expressed his passionate feelings about, and the practical realities of working creatively with the unions to which Mr Prior has devoted so much of his time."

That was reference to the instructions Mrs Thatcher gave Mr Prior soon after being elected leader of the party. He was asked to make wide contacts with union leaders and to assure them that there would be no question of a future Conservative government seeking a confrontation.

The aim of the party, as Mrs Thatcher saw it, was for policies that would enable the unions to maintain the standard

dom.

Mr Prior has said that a "charter of individual rights" is the best way to safeguard the interests of workers who may have a strong personal and conscientious objection to joining a trade union. If that could not be established on a voluntary basis, a Conservative Government would bring in legislation.

He said yesterday that he would like such a charter to include five principles. Closed shops should operate only with the consent of a majority of the workforce; existing employees should not be forced to join a union against their will; a worker with strong personal objections to union membership should not be compelled to join; an independent tribunal would adjudicate in cases where workers had conscientious objections to union membership; and the tribunal would have power to make awards of compensation where a worker was unfairly discriminated against.

Mr Robert Moss, director of the National Association for Freedom, commented yesterday: "It is an astonishing charter that Mr Prior proposes. He appears to be confused about everything, except the need to appease the unions by giving them a licence to conscript labour."

"For example, he is not sure whether a simply majority vote would be sufficient to impose a closed shop. He cannot understand that there are such things as individual rights if he proposes that they can be swept away at the whim of a transient majority."

The association believed that nothing short of the abolition of the closed shop would do, and that a majority desired that.

Mr Walker, who was excluded from the Shadow Cabinet when Mrs Thatcher succeeded Mr Heath, suggested that there was a programme that could unite the Conservative Party and

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would be seen by most employees, union and non-union alike, as fair, just, and in the interest of improved industrial relations.

His programme would assist moderate and sensible unions seeking recognition by an employer, and would provide a conscience clause for workers who did not wish to join a union. It would provide for secret postal ballots for all important union offices, synchronize big wage negotiations and suggest ways of sharing profits throughout industry.

Mr Michael Latham, Conservative MP for Melton, said in Nottingham that the closeness of the alliance between the Labour Party and the union leadership had suddenly become a source of great weakness to the socialist cause.

But the Tories should not throw away the results of all the patient work of Mr Prior and his industrial relations team of MPs since 1974.

"Of course, the next Conservative government will need to see that there is a proper conscience clause to allow people who do not want to join a trade union to opt out of closed shops without the threat of victimization or dismissal without compensation", Mr Latham said.

"The present socialist law and practice is clearly intolerable. But Jim Prior's common sense approach is in the great Conservative tradition of dealing with problems as they arise in a pragmatic and non-ideological way rather than by mouthing slogans. . . . I am sure that Jim Prior's work will help us to win the next election."

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IT WON'T GO AWAY

The debate inside the Conservative Party about the trade unions is at least a real debate; it would be a good thing if a similar debate were taking place inside the Labour Party as well. The unions are the biggest national problem. It is not however a debate in which it is easy or appropriate to take sides. Both Sir Keith Joseph and Mr Prior have a point of truth which they have perceived and both of them show a certain blindness to the point of truth which the other has perceived.

On the simple merits of the Grunwick issue, Sir Keith Joseph is surely in the right. The Scaman report was unsatisfactory; there ran through it the implication that the spirit of the law was on the side of the trade unions even in those rare cases where the letter of the law had failed to provide in their favour. Its main recommendation was that Mr Ward should take back the strikers. Yet it is clear that the main work force who did not strike do not want the strikers to be brought back. They have run the gauntlet of the strikers week after week and naturally resent what has been done to them on their way to work. If Mr Ward did take the strikers back he would be introducing an element of disruption into his factory and his whole business would be prejudiced. He has therefore very good reason not to do so.

tionary way and equally, though again rather inconsistently, with imposing a form of incomes policy which was unfair as between different groups. They are suspected of having been infiltrated by Communists and by other agents of the far left. They are regarded as a hostile power, probably by a majority of those who do not belong to them but also by a substantial minority of those who do.

Some of these charges are contradictory and some of them turn out on examination to be exaggerated. There are fewer strikes in Britain than in the United States and last year ninety-eight per cent of establishments were free of strikes altogether. Of course freedom from strikes does not imply freedom from restrictive practices. The fear of trade union power is real enough, and is not unjustified. Nor is the public wrong in thinking that the trade unions fail to produce the goods.

They fail in two ways. The first is that they have been extremely successful in pushing up money wages but, by international standards extremely unsuccessful in raising real wages. If you have a British trade union to represent you, you may get £1.50 where you only had £1 before, but the £1.50 is quite likely to have only ninety pence purchasing power.

More important is the failure of trade unions to help in raising

efficiency is that they protect to the limit the right of a worker to perpetuate low productivity. In the nineteenth century employers may well have been too powerful; now British employers are not powerful enough to do their job, which is to organize production efficiently and sell goods at a competitive price to British and overseas customers.

Unions also earn distrust among Conservatives—but not only among Conservatives—because of their political influence. Since 1969 they have shown that they can dominate Labour governments; they have used that power in order to persuade Labour governments to follow policies of expanding the bureaucratic power of the state. There has never been broad public support for the great increase in the state ownership which has taken place since 1964, or for the great increase in state interference which has taken place since 1974. Without the unions this damage to freedom and efficiency would not have occurred.

Unresolved issue

A large section of the electorate, including most of those who vote Conservative but including a lot of those who vote for the Liberal and even Labour parties as well, see the trade unions as

Strategic policy

Yet, even if one holds that Sir Keith Joseph is right on the immediate issue, it does not follow that he was justified in making the speech he did, because it cut across the strategy which Mr Prior is following with the consent of the Shadow Cabinet. That strategy is to reconcile the trade unions to the Conservative Party so that it may be possible for a Conservative government to work peacefully with the trade unions. His objective is undoubtedly a very important one; from his point of view it must require the avoidance of unnecessary conflict with the trade unions. This is normal industrial relations practice. Nobody who deals with the trade unions, and wishes to deal with them satisfactorily, goes out of his way to enter into dispute with them. If Sir Keith Joseph were the shadow minister responsible for relations with the trade unions he could handle the matter as he liked, but it is not right for him to cut across the strategy of his colleague, particularly when it is a strategy which the Shadow Cabinet have approved.

One can therefore say that Sir Keith Joseph was right on the particular points he made, but that he was wrong to prejudice a colleague's strategy by making the speech he did. Yet one has to go further than that. Conservative backbenchers are calling into question the whole strategy and it will certainly be called into question at the Conservative Party Conference.

The trade unions are at present very unpopular. There are various criticisms made of them. It is said that they are too powerful and, rather inconsistently, that they have allowed industrial anarchy to develop. They strike, though often unofficially, for quite inadequate reasons and to the excessive inconvenience of the public. No rational man would try to cut off the nation's bread supply on as minor a dispute as led to the official bakers' strike. In our own industry the great majority of unofficial strikes have concerned matters which were disproportionate to the damage done, though official strikes are extremely rare.

The demonstrations of force at Grunwick, as they have appeared on television, have made the public very uneasy. The assertion of the right to a closed shop has led to the victimization or attempted victimization of individuals and to exclusion of outsiders from certain highly paid types of employment, particularly often at the expense of women and coloured people. The trade unions are associated with forcing up wages in an infla-

of trade unions to help in raising productivity. This is not so much because trade unions themselves—or at any rate their national executives—are opposed to increasing productivity, but because the members of unions support restrictive practices. The power of unions makes it difficult or impossible for employers to overrule this resistance. There is little incentive to introduce new equipment when existing equipment is overmanned; British industry has too many men on too many obsolete machines, and the unions are primarily to blame both for the overmanning and for the consequent lack of attraction of investment in modernization.

There are considerable variations from industry to industry and company to company. Our situation in the newspaper industry is particularly bad, but it is no worse than that of the motor industry and probably better than the average of public corporations. Any national average must be a guess. But the best available guess is that British industry taken as a whole is overmanned on present equipment by a factor of about thirty per cent, and that given the capital equipment which would be introduced if manning levels were internationally competitive British industry is on average overmanned by about fifty per cent. We do indeed have about half the productivity and half the standard of living of our most efficient competitors.

Overmanning in industry

Is this the fault of the unions? Not directly. The system works like this. A manufacturer wishes to introduce a more efficient piece of equipment. His men refuse to work it because, although it would mean higher wages, it would mean fewer jobs. They are little concerned with the way in which higher efficiency creates jobs, because it does not necessarily create jobs in their corner of the plant. In the absence of trade union power the men would be instructed to work the new plant; if they refused to do so they would be replaced by men who would. That is the industrial discipline both of efficient capitalist economies and of efficient socialist economies; it obviously needs to be tempered with care for the safety and welfare of those working the plant. The question is whether the monopoly of the workers or the productivity of the operation is to prevail; in Britain the workers monopoly, even if both selfish and short sighted, is paramount and their productivity is subordinate.

The reason that unions are so potent a cause of industrial in-

as well, see the trade unions as the main cause of the cycle of inflation and unemployment, as the main cause of Britain's industrial inefficiency, as oppressors of individuals and as the political godfathers of bureaucratic socialism.

These views should be set beside the sociological case for the trade unions, that they are a necessary form of communal organization, a kind of church for workers who would otherwise feel themselves to be isolated and helpless in an industrial society which operates on an inhumanly large scale. Even if all the criticisms of the trade unions were true—and many of them are—the members of trade unions would need to have a social organization to belong to. It is no doubt the confused and anxious attitudes of their members which make the trade unions behave in the obscurantist way to which we are all accustomed.

This will not stop people wanting to see the trade unions reformed, difficult though that may be to achieve. They must at least be brought under a framework of law. If the political pressure was sufficiently strong to induce Mr Harold Wilson as Prime Minister eight years ago to attempt the reform of the trade unions, and to induce Mr Heath to make the same attempt, it will scarcely let up now when the consequences of trade unionism outside law are so much more obvious.

The likelihood is therefore that Mr Prior's strategy—while it may be a most reasonable strategy to try—will not work. It will not work because neither Conservative nor general public opinion has sufficient confidence in the trade unions to allow it to work; the trade unions are not in a sufficiently modest and moderate mood to avoid creating situations of challenge to any government, let alone a Conservative one. Since the late 1960s when Mr Wilson in a memorable phrase asked Mr Scanlon to "take your tanks off my lawn", the issue of the relationship between the trade unions and the rest of society has been unresolved; indeed the unions have not allowed it to be resolved.

Like most such issues it has not gone away; it has become more serious. It has not become easier to resolve, but more difficult, yet at the same time an eventual resolution of it has become more clearly inevitable. It is like looking forward to the assertion of parliamentary authority in the 1630s, or to Parliamentary Reform in the 1820s; you cannot tell when it will happen, in what precise form, or after what bitter conflict, but you can tell that trade union reform will come, and the longer delayed, the more root-and-branch it will be.