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Dear Prime Minister

I have no magic formula to ensure that your meeting with the TUC is constructive, but I hope these personal thoughts might be helpful to you. First the background to the meeting. The Labour Party is wallowing, broken backed, and the TUC preoccupied with inter union disputes and the reprisandising of its most outspoken General Councilors. This leaves the Labour Movement bereft of leadership to a degree unprecedented in my experience. The implications for industrial relations are worrying. With a period of rising unemployment stretching ahead, the danger posed by Labour's self-persecution is that the frustration generated by prolonged and widespread unemployment might be turned into trade union militancy of a rebel kind.

For the moment, unemployment understandably is having the opposite effect. Wage bargaining in the private sector in particular, reflects the concern of people not to price themselves out of a job. Such common sense, however, needs reinforcing by sound leadership at the top of unions, pointing out the longer term benefits to workpeople and the country of moderation in wage claims at this time. Without such guidance, group loyalty in trade

unions might be exploited by the militants and extremists. Good sense could then be overtaken by misguided militancy. The TUC too, is confused and divided. Remember, it does not reflect the views of the rank and file membership.

It represents the activists, who run the branches, pass resolutions, elect delegates (and sometimes call strikes unofficially). Paradoxically, it is the democratic right of trade unionists to be apathetic towards trade union activities, which is preventing the TUC from reflecting the views of ordinary trade unionists. The TUC is clearly aware of this mammoth communications gap, but trapped by its remoteness and conservatism. The trigger to the changes needed is to release leadership initiative at the top and bottom of the movement and widen the use of the secret ballots. The method of electing the general council should be changed, to make the leaders of the small unions less dependent on the block votes of the big unions and accordingly more willing to speak their minds on the big issues of the day without losing their general council seat (as I did in 1972, after five years service).

Shop steward's duties should be clearly defined in union rule-books. This would produce a better type of shop steward and insulate them from political disruption. The increasing use of secret ballots for important union decisions

speaks for itself. It liberates the innate common sense, which is found in abundance amongst ordinary people. These are feasible reforms which would work wonders for British trade unions and the country - challenging, balanced leadership at the top, and less disruption on the shop floor. More decisions taken quietly in secret ballots would seal these democratic reforms. British unions may be the oldest in the world, but age is not a virtue unless it brings some degree of wisdom.

How for the meeting with the TUC

Despite predictable TUC fulminations at the meeting, I believe many General Secretaries want a regular dialogue with your and your ministers. Knowing the government is determined to bring down inflation, they realise that the stark alternative to voluntary incomes restraint is high unemployment.

On the other hand, the TUC is firmly committed to "free collective bargaining" - at least under the government. The deadlock could be broken by aiming for three or four meetings over the next few months, gradually broadening the scope of discussion at each stage. The scenario might look as follows -

First meeting.

Ritual denunciation of government policy and its defence by ministers. Also

presentation of TUC's own plan for the economy.

Second meeting

A follow-up meeting to discuss aspects of the TUC plan (young people - training - mobility, etc). (without commitment, of course).

Third meeting

CBI representatives brought in and issues like overtime, productivity, synchronised pay claims considered. Perhaps too, issues like the desirability of works councils being formed, as a basis for improved consultation systems and profit sharing schemes. This would be a desirable dialogue anyway, but it would stretch the TUC and CBI and deflect some of their fire power away from the government.

This strategy of phased involvement of the TUC/CBI would have the following implications.

- (a). It would help the TUC to keep itself busy turning it from mere denunciation to hard discussion.
- (b). You would also be keeping it busy with top-level discussions during its winter campaign on unemployment - so blunting the impact of demonstrations and rallies.
- (c). The government would be seen to be looking for solutions to difficult problems.
- (d). The TUC/CBI involvement might lead

to some interesting developments. CBI leadership is waxing as TUC leadership wanes. This may be the route to "concerted action programmes" at a later stage.

The formula I have set out is what I would like to see if I was with the TUC delegation coming to see - in short, if you get it working you will be giving a fillip to the moderate element on the General Council. I look forward to seeing you soon - meanwhile, good luck with the meeting.

Yours sincerely

Jack Peel

PS See the cover story in "Engineering Today"
- I am neither a "Judas" nor a "Saviour" of trade unions! As a modest Yorkshireman I consider myself as a mere "Good Samaritan" - binding up trade union wounds and pointing them in the right direction!!

YAP.