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Well this morning's news of 4,000 ICI redundancies has come as a top level TUC delegation was preparing to see the Prime Minister in Downing Street this afternoon. According to one of them, David Basnett, they will be expressing their anger over the consequences of creating unemployment and urging the need to change Government policies so as to halt rising unemployment and the decline of British industry. I asked Mr. Basnett, the General and Municipal Workers' leader how he would answer Mrs Thatcher if she tells the TUC what she told the Tory Conference, that the Government is pursuing the only policy that gives any hope of bringing people back to lasting employment.

Mr. Basnett: We will say to her that the evidence is quite to the contrary. We have industries which are disappearing from the scene, will not return, we're losing export markets we won't be able to regain. Our country's being flooded with imports which are pushing aside and killing some of our industries. And she is, the Government itself, is directly curtailing public expenditure and killing jobs in the public services and the public sector. Now how that is a route to permanent employment, I don't understand.

Mr. Day: But she may put to you, Mr. Basnett, what she and certainly the Chancellor of the Exchequer have often said. That the way to get unemployment down or to stop is rising is for moderation of wage increases.

Mr. Basnett: Yes, she will certainly express that. But wage increases in themselves are clearly not the cause of inflation. You only have to read for instance the newspapers and listen to what the major companies which are becoming bankrupt say are the causes. They identify two causes. And we really should identify these. One is high interest rates and the other rate is the high exchange rate. And for the Government to go around pretending high wages increases is nonsense. And it's certainly something which industry itself doesn't accept.

Mr. Day: The Prime Minister may point out to you that one of the big unions, the AUEW, has agreed a settlement in single figures in the interests of keeping men in jobs in the Midlands.

/ Mr. Basnett:

Mr. Basnett: I've not the slightest doubt that there will be a chance, and not a faint chance, that the Prime Minister will mention that fact. In fact the engineering industry national settlement really, as we both know, doesn't affect the settlement in the engineering industry. Rather than the negotiations, the real negotiations which will go on at a local level for wage increases. But, trade unions do take into account the effect of what they're claiming on their members' situation and in industry, in the state of an industry. They'd be foolish not to do so. But you can't conclude on what has happened in one industry what is going to happen in another. For instance, I don't think for a moment that the miners would accept 8½% nor indeed do I believe the Government will even offer it to them.

Mr. Day: What is your view of what appears to be now the Government's target for public sector wage increases in the coming year, namely that they should be in single figures, that is to say below 10%?

Mr. Basnett: I'd prefer to answer that question when we see what they offer the miners. The Government have a very clear incomes policy. That policy is to try and restrict those in the public services their increases. But within that, the weak is the weak and the strong is the strong, we'll see how they behave in that during the coming wage round. Beyond that they rely on exhortation. There are things the Government could do at the moment to regenerate and help British industry and put people back in jobs. For instance in using properly our North Sea oil resources instead of wasting them as they are at the moment to subsidise unemployment.

Mr. Day: Mr. David Basnett, whose TUC colleagues will be seeing the Prime Minister at Downing Street in a couple of hours' time.

14.10.70

Lab Rd. - 72
cc B. L. Pla

THOSE ATTENDING THE TUC MEETING AT 1600 ON TUESDAY 14 OCTOBER

General Council Members

Mr. A.W. Fisher - Chairman
Mr. T. Parry - Vice Chairman
Mr. D. Basnett
Mr. J.R. Boddy
Mr. R.W. Buckton
Mr. F.J. Chapple
~~Mr. A.M.J. Christopher~~
Mr. L. Daly
Mr. G.A. Drain
Mr. T. Duffy
Mr. J.F. Eccles
Mr. A.M. Evans
Mr. K. Gill
Mr. W. Greendale
Mr. C.D. Grieve
Mr. L.G. Guy
Mr. T. Jackson
Mr. F. Jarvis
Mr. C. Jenkins
Mr. W.H. Keys
Mr. G. Laird .
Mr. G. Lloyd, CBE
Miss A. Maddocks
Mr. W.H. Maddocks, MBE
Mr. J.W. Morton
Mr. J.G. Murray
Mrs C.M. Patterson
Mr. A.L. Sapper
~~Mr. A. Seargill~~
Mr. A.R. Smith
Mr. L. Smith
Mr. T. Thomas
~~Mr. S. Weighell~~
Mr. W. Whatley
Mr. L. Wood

Mismanagement of Public Sector

→ ^{Cutting} Public ^{is} ^{run} ^{further}.
Public Pay.

Interdependence of Public & Private Sector.

Autonomous bodies for Dr. Jagan.

Autonomous health services. →

Nationalised Industries - Price.

Liquorisation → M.S.C.

World Economy - Recession.

World Econ. Problems.

Out-aid Budget - Co-ordinated Programme.

The Rt. Hon. L. Murray, OBE - General Secretary

Mr. N. Willis - Deputy General Secretary

Mr. K. Graham - Assistant General Secretary

Mr. D. Lea - Assistant General Secretary

Mr. B. Callaghan

Mr. B. Barber

Mr. A. Cave

