

1. MR BUTLER
2. PRIME MINISTER

AFTER THE NUM STRIKE

I promised a paper on how we might manage a return to "normal" after the NUM strike and use this as an opportunity to strengthen moderate trade unionism.

Objectives

2. The Government has three objectives:
 - i. to secure an end to the strike on acceptable - ie NACODS - terms which clearly shows that militancy does not pay and that an attempt to subvert our Parliamentary democracy has been beaten off;
 - ii. to turn the experience to positive account by convincing trade union members and, if possible, union officials that there is no future for wreckers in our society; and
 - iii. to promote and encourage a British trade union movement with a new ethos - namely one committed primarily to the creation of wealth through successful enterprises rather than to the distribution of wealth regardless of whether that wealth is created.
3. In my view, given that we can no more disinvent trade unions than we can nuclear weapons, the greatest prize to be won for Britain is a positively inclined rather than the present negative trade union movement. The implications for our economic health of such a change of approach are immense and are worth striving for.
4. Moreover, there are already signs that the trade union movement is increasingly inclined to live with and adapt to Government policies and legislation.
5. We must not write off the British trade union movement as a hopeless case, however abysmal its present leadership may be, when there are signs that the Government's policy of restoring unions to their members' influence is beginning to work.
6. It would admittedly be the ultimate paradox if Scargill, the arch-wrecker, were instrumental in bringing about a more rapid change in trade union attitudes. But Mr Scargill has created turmoil in the trades union and labour

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movement and the Government should seek to turn this to the country's good.

7. The question is how this might be done and the three objectives in Para 2 realised.

Managing the Dispute

8. From now on we need to strike attitudes which serve our long term objective of a more positive trade union approach to industry.

9. First, in the interests of Parliamentary democracy, the general populace, the forces of law and order, the working and striking miner, the poor bloody infantry in a whole range of industries whose livelihood remains at the whim of militants and the moderate trade union leader, all efforts to secure the Government to intervene must be resisted. Nothing would more undermine the Government's industrial relations policies than now to show what would be taken for weakness. To coin a phrase, we have gone too far in the defence of democracy - and won too much ground - to capitulate now.

10. It may be objected that this is a diamond hard line. It is. But it is the only one which offers two possible glittering prizes:

i. an impotent or, more beneficially, a deposed Scargill; and

ii. the positive trade union movement ordinary trade unionists as well as Government actually want.

11. Politically, this may not always be a comfortable stance. We need therefore to strike the following attitude, and keep cultivating public opinion in this way:

- there is no justification for the coal strike and the miners have been and are still being cruelly used by their leadership
- a perfectly satisfactory settlement is available and the miners increasingly recognise it
- many crimes against democracy have been committed during this dispute, but the democratic forces in this country, and those responsible for maintaining law and order, have held the line; we owe them a debt

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- only the ordinary mineworker can solve the problem for it is his union and his industry; thus when the industry is back at work the victory will be his - and his alone
- the future of any industry and indeed this country lies with those who wish to work and create wealth and not with those who strike and destroy markets, business and jobs.

12. You can do much in Prime Minister's Questions to get over this point of view, but a firm, sympathetic and forward looking speech before Christmas might have considerable effect in support of the Government's objectives.

13. I do not believe anything more should be done covertly while the strike is collapsing. Almost any move, covert or overt, the Government might make would be open to mis-interpretation. This is the time for sitting on one's hands so far as intervention is concerned. It is, however, a time for action when it comes to encouraging better attitudes towards industrial relations.

14. In this context it is for consideration whether the Government should not marshal its and industry's forces for such an educative effort bringing in eg the CBI etc and heavyweight industrialists. I volunteer to draft a model speech.

After the Strike

15. The end to the strike will probably be as messy as its start. But there will come a time when it is clear that to all intents and purposes it has collapsed, even though a number of pits may well be strike-bound. It will require care in determining when that is.

16. However, when that point is reached the Government's demeanour and conduct will be crucial. The following will be required:

- no self-congratulation, crowing or gloating; instead a sadness that this unnecessary strike ever occurred; deep sympathy for the much abused individual miner; satisfaction that the forces of law and order have prevailed;
- a persistent message that the Government only did what unfortunately it had to do in the interests of a rationally based coal industry and subsequently in the interests of law and order and democracy

- some disappointment that too few in the Labour movement who profess to be democrats stood up for what they believe in
- the real and only victory goes to the ordinary member of the NUM who progressively, in the face of much violence and intimidation, rescued his union from dictatorship
- the need now to put the strike behind the country, to get the coal industry into better, more economic shape and to try to encourage constructive trade unionism which is concerned to secure real jobs and real advances in wealth for its members.

17. The last point of course begs a substantial number of questions about action to follow the end of the strike, for actions will in the end speak louder than words. The rest of this paper concentrates on this on the assumption that actions up to the effective end of the strike are confined to:

- the Prime Minister possibly chairing a meeting of Neddy (which would put a more positive gloss on the Government's approach to the unions, though beware the TUC's attempt at Neddy to involve the Government in the coal strike)
- the effective launching of NCB Enterprise Ltd and the organisation of early success
- a new drive, being planned by Lord Whitelaw, to put over the Government's employment and social policies in a more favourable light (which is a necessary preparation for any attempt to strengthen moderate trade unionism); this could include an employment White Paper being planned by Tom King
- carefully worded signals, on the lines of speaking notes outlined above, to moderate trade unionists that the Government wishes to reinforce them provided they are prepared to adopt a positive approach to industry

18. At the end of the strike you may wish to make a major speech, supplemented by radio and television interviews and meetings with Fleet Street editors, putting the strike in context and looking forward. This would be seen as national leadership.

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19. But such a speech could only be firmly founded if Government was clear about the pit closure, redundancy, employment (of convicted miners), deployment and investment policy to be pursued by the NCB. Equally, the Government will need to know its wider energy investment - nuclear power - and coal stocking policies, and how the cost of the strike is to be met.

20. Nothing would appear worse to the public at the end of this strike than the Government not to know where it is going. You will need to strike a decisive as well as a sympathetic tone and that will be necessary whether you make a speech, give interviews or simply answer questions in the House.

21. But it is just as important to know how you intend to fulfil your repeated wish to "do as much as we possibly can to build on moderate, responsible, reasonable and constructive trade unionism". This has been picked up and the media, if not the TUC, will wish to know what you have in mind.

22. I believe that words and tone do count here, and why an end-of-strike speech would be important. Again, I volunteer a first draft.

23. As for how "moderate, responsible, reasonable and constructive trade unionism" might be encouraged by actions rather than words, I offer the following ideas:

- strictly private meetings by the Prime Minister with individual moderate trade unionists, taking care not to embarrass them, with the objective of asking them how moderate trade unionism might best be supported, a positive approach to industry and profit encouraged, and negative militancy defeated; I believe it would be quite wrong to appear to be running after the TUC - any meeting with the TUC, or its Committees, outside the Neddy framework, could well be counter productive and dismissed as gimmicky; in a sense your task with British trade unionism is similar to that with the Russians over disarmament: to convince them of your strength of purpose and sincerity
- carefully planned contacts by a number of other Ministers to the same end so that a general message is propagated: consistent with the Government's policies, how can we help reinforce moderation?

- involvement of prominent businessmen in this exercise - perhaps with the knowledge and support of the CBI - all designed to show that, while the Government will stand no nonsense from militants, it will help wealth creators
- much greater identification of the Prime Minister with positive aspects of employment and social policies as, for example, "Fit for Work" (which, while not attracting much publicity, will have registered); the best examples of the Community Enterprise programme; companies like National Freight, Amersham International and the Tyne repair yards where workers are feeling the benefit of share ownership; and positive achievements with pensions policy
- visits to factories or establishments where workers have distinguished themselves with productivity, adoption of new technology, creation of wealth in which they have shared
- possibly the production of Green Papers on a variety of topics which either excite the interest of moderates - eg employee participation and identification with the firm - or steer thinking in the direction the Government wishes it to go - eg wider share ownership

24. In short, this paper argues that the Prime Minister and other Ministers and supporters should privately and professionally take an interest in moderate trade unionists, consulting them on how moderates can be reinforced; and that the Prime Minister should use regional and other visits, and speeches, to encourage and promote a more positive, constructive trade union identity.

Summary

25. Bearing in mind history and prevalent attitudes, the Government will not be able to achieve much quickly to secure a predominantly positive trade union movement. But attitudes are changing and, against the background of a collapse of the coal strike, it will never have a better opportunity to promote a different trade union approach.

26. To achieve this will require:

- a. a dogged determination to sit out the strike;
- b. the steady propagation of the idea that militancy fails and moderation wins;

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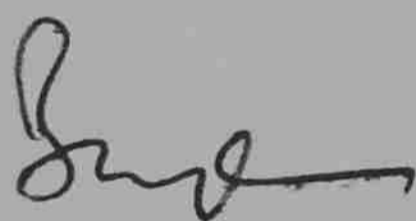
c. clarification of coal and energy policy objectives once the strike is over;

d. one or two major speeches by the Prime Minister to strike a new Government attitude and to make the trade union movement re-think its purpose;

e. the patient private cultivation of trade union moderates by Ministers and industry;

f. clear signals that the Government, by its policies as well as its words, is seeking to reinforce "moderate, responsible, reasonable and constructive trade unionism".

27. You may care to discuss.



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