

CONFIDENTIAL



cc Mr Coles

10 DOWNING STREET

From the Press Secretary

SIR ROBERT ARMSTRONG

TUAC

Your minutes to John Coles of May 22 (ref AO84/1528) and to me of May 24 (AO84/1558).

First, yours to John Coles

The Prime Minister has approved the draft press release as amended at Annex I. You will see that the Prime Minister's amendments are minimal. Paragraph 2 - lines 7-10 inclusive should read:

"...countries. The Summit came at a crucial time: the economic recovery foreseen at Williamsburg is now under way. What is important now is to establish it as a basis for sustainable..."

Para 5 - 4th line from end - delete "technological"-

Para 6 - line 7 add at end, after a semi-colon, "and".

I have fed these amendments in to the TUC (Brendan Barber, press secretary) who took them without demur.

In his turn he has suggested the following amendments:

- i. A new para 1 which sets out more precisely TUAC's needs; I think this causes no difficulty. Their re-draft is:

"On 31 May 1984 the Prime Minister, the Rt Hon Mrs Margaret Thatcher FRS MP, received a delegation of leaders of the trade unions in the major industrial countries participating in the London Economic Summit. The delegation, which was led by Mr David Basnett, presented a

/submission

CONFIDENTIAL

- 2 -

submission prepared in the framework of the TUAC (Trade Union Advisory Committee of the OECD) to the Summit on the main issues facing the international economy. Other members of the delegation were: ..."

ii. Para 3 - Insert as the penultimate sentence four lines from the bottom the following:

"They said that reductions in working hours needed to accompany higher growth levels if lower employment rates were to be achieved."

Put in these terms, I see no objection, especially as:

i. In para 5 the Prime Minister makes it clear she parts company with some aspects of TUAC diagnosis and presentation - a point I would highlight in briefing.

You will no doubt resubmit the revise, taking into account all the amendments, at the appropriate time. Or would you prefer me to clear?

Second, your minute to me.

I had discussions with the TUC today and we have agreed the following:

- Photocall: We shall arrange for a still and television photocall in the State Dining Room before the meeting. The pool will be able to (film those present sitting at the table. This (ideally requires a square table format as at the (European Community to facilitate photography.
- Press Notice: I pressed the TUC to allow me to issue the press statement before they went into bat first. Unhappily, they were reluctant because they wished to avoid having their entire delegation clear the press statement. Consequently, they hoped we would take responsibility for issuing

Action
Mr Coles

/the statement

CONFIDENTIAL

- 3 -

the statement after they had held their press conference in No 12 Downing Street. I reluctantly agreed (though I will find a way of feeding it out rapidly so that a march is not stolen upon us). They will trail the statement's issue in their press conference.

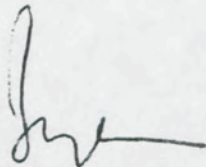
TUAC Press Conference

I have arranged for Len Murray and David Basnett to give a press conference in No 12 Downing Street after the meeting; and subsequently to give radio and television interviews in a separate room.

Government Presentation

The Prime Minister agrees with me that the Secretary of State for Employment should take a press conference afterwards and give radio and television interviews. I am arranging this with Department of Employment. I urged this because of the need to get the Government's views on the record.

Content?



BERNARD INGHAM
25 May 1984

CONFIDENTIAL

DRAFT PRESS RELEASE

On 31 May 1984 the Prime Minister, the Rt Hon Mrs Margaret Thatcher FRS MP, received an international delegation of members of the Trade Unions Advisory Committee (TUAC). The delegation, which was led by Mr David Basnett, presented a submission by the TUAC to the London Economic Summit on the main issues facing the international economy. Other members of the delegation were:

2. The Prime Minister, opening the discussion, welcomed the delegation to 10 Downing Street. As Chairman of the London Economic Summit she valued the opportunity of hearing the views of the international trade union movement on the issues facing the world economy, and particularly the industrialised countries. The Summit came at a crucial ^{time} ~~junction~~: the economic recovery foreseen at Williamsburg ^{is} ~~could not~~ ~~be seen to be~~ under way. What ^{is} ~~was~~ important now ^{is} ~~was~~ to establish it as a basis for sustainable growth and to spread its benefits widely not only in the industrialised countries but in the rest of the free world. That would be the best possible basis for creating new and lasting jobs and reducing the levels of unemployment about which she and other Heads of State or Government were no less concerned

than the trade unions. But the achievement of sustainable growth would entail unremitting efforts to bring inflation down still further and to reduce the levels of interest rates, which were too high.

3. Mr Basnett, introducing the TUAC submission, said that it was based on the main objectives of creating jobs, and achieving technological and structural change in a way which enhances rather than ~~degrades~~ ^{improves} people's lives. The trade unions remained deeply concerned about the high levels of unemployment. They agreed that recovery and growth were essential conditions for reducing unemployment; they were not convinced that they were sufficient conditions, or that market forces alone would bring about the fall in unemployment which all desired to see. They emphasised the need for an internationally co-ordinated approach, with particular reference to investment in infrastructure, and the need to avoid cuts in wages or undermining of workers' rights in the name of labour market flexibility. They also stressed the need for co-operation with and support for the developing countries, so that those countries too could enjoy the benefits of economic recovery and growth.

4. Mr Basnett emphasised that the trade unions were the supporters, not the opponents, of change. They recognised that growth, employment and living standards depended on technological and structural change; they stressed that change could be successful only if it was based on understanding and at least some degree of consensus.

5. After other members of the delegation had spoken, the Prime Minister, summing up the discussion, once again thanked the delegation for coming and for the clear expression of their views. The delegation would not be surprised if she said that she would herself part company with them on some aspects of their diagnosis and prescription; but on the main objectives, as defined by Mr Basnett, there was a large measure of agreement. It was necessary to secure and establish the recovery, and to achieve sustainable growth. This was a necessary condition of bringing down levels of unemployment. The Prime Minister very much endorsed what had been said about the importance of technological and structural change in the creation of new jobs, and about the need to increase public understanding and acceptance of ~~technological~~ change: this had been a theme which she herself had stressed at the Versailles and Williamsburg Summits, and would stress again in London.

6. She also endorsed what had been said about the need to spread the benefits of growth to the developing countries. They stood to gain just as much as industrialised countries from economic recovery, since a growth in world trade associated with economic recovery would enable them to increase their exports to the industrialised countries; and (in the case of the debtor countries) would help them to meet the cost of servicing the debts which they had incurred. In this connection it was much to be hoped that the benefits of increasing exports would not be eroded by increasing debt service costs as a result of rises in interest rates: another reason why it should be an object of policy in the industrialised countries to create the conditions in which interest rates would fall rather than rise.

7. The Prime Minister concluded the meeting by repeating her thanks to the delegation for their visit, and her assurance that she would convey their views to her colleagues at the London Economic Summit.