

PRIME MINISTER

CPRS STUDY OF THE UNIONS

John Sparrow's proposed remit for the CPRS study of the unions raises several questions:

Do we need to start thinking now beyond our present legislative plans?

Is a CPRS analytical study the right first stage? Would it tell us anything we don't know?

Can we commission work on sensitive areas without the risk of leaks outweighing the benefits?

Future Legislation

It may be tactically premature to start planning the details of new legal reforms until Norman's proposals on trade union democracy are under our belts.

But it might be a good idea to start preparing public opinion for the need for such reforms. My impression is that at present the trade unions are unpopular principally because of their excesses on the picket line. The economic damage they do (when behaving "legitimately") is still not widely understood.

The CPRS Proposals

An analysis of the impact of trade unions on the economy might be telling Ministers only what they already know. But to the public it would be less well-trodden ground.

There is still a lack of solid published analysis from official sources of how the unions inhibit competitiveness and economic growth. After all, the last major official study was the Donovan Report, which concentrated on "good industrial relations" - and which hence has been used ever since by the trade unions as a justification of their role.

When we have doubts about CPRS reports (eg Nationalised Monopolies) it is usually because they do not take their analysis to the point of an action programme.

But in the case of the trade union study, on reflection I think there is a good case for a mind-clearing exercise. But this would be most effective if it is aimed directly at the public. If the CPRS were to work on the assumption that the first stage analysis might be published, then they would, I hope, produce a more balanced and thoughtful effort which might help to educate public opinion in the realities of union monopoly.

So I suggest that we should agree the CPRS proposals, but subject to one or two safeguards:

- (i) As already planned, the first stage should be wholly confined to analysis, and should be considered by Ministers before embarking on stage two and trying to draw conclusions for policy.
- (ii) The study should concentrate on "the impact of trade unions on the working of the economy" and not directly upon the well-thumbed topics of privileges and immunities or upon sociological aspects of trade unionism.
- (iii) The study might be carried out in close consultation with the Policy Unit, to make sure that it does not go right off the rails.
- (iv) The CPRS should work on the assumption that the first stage might be published. That would make leaks less damaging, would enable us to start a useful public debate, and put on the defensive those who have an interest in defending union monopoly.


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