

FOCUS

CBI

You would not expect British business to be monolithic in its views on politics and society. And neither is it.

The CBI conference in Eastbourne early in November demonstrated with a surprising clarity that the major fissure in business ranks lies along the stratum of industrial relations law. The 'wet' and 'dry' division inside the Tory cabinet and Party had its counterpart in Eastbourne's conference hall.

This year's CBI was obsessed with industrial relations and pay: its first message, on the Sunday before the two-day event got underway, was that some 250,000 workers had foregone their annual pay rises, because of their employers' problems. More than half of these worked for British Airways or British Steel: the remainder were heavily concentrated in West Midlands engineering companies. 'If you haven't earned the money you can't pay it out,' intoned Sir Raymond Pennock, the CBI President at the opening press conference.

Indeed. Outside the chamber in what the delegates liked to call the real world, Sir Michael Edwardes, chairman of BL and manager of large amounts of no money, was facing the roughest test of his three-year stint. He had offered his 58,000 manual workers 3.8% on basic rates and told them to take it or he would close the plants. Fed up with years of such threats, and with seeing themselves slip remorselessly down the earnings league, the BL workers had rejected it.

On the Sunday during which Sir Raymond was giving the country the benefits of his sentiments, Edwardes and union leaders had agreed (though opinions, especially within the Transport and General Workers Union, differ on how far that agreement went) on a marginally improved package which kept the basic rate increase at 3.8% but pushed up the premium rates and guaranteed a £3.75 bonus.

In the two days of the conference, BL workers remained on strike until the vote was taken on Wednesday morning. As CBI delegates called for wage restraint, pickets showed their wage slips on television: take-home pay of £70 for a semi-skilled worker

with a mortgage and a growing family was commoner than most believed.

On the day after the conference ended, the BL vote went narrowly against continuing the action (though a week later, the Metro lines closed down as workers protested against a cut in their break time). Edwardes *had* won again: the fear of unemployment was too vivid in the West Midlands, the alternatives available to workers too nebulous. Unemployment and fear were his allies, out there in the real world.

Back in the warm of the Eastbourne centre, the morality play of Edwardes versus the workers was regarded in different lights by different delegates. There was a strong 'wet' lobby who didn't like confrontation: they called for a new 'action group' to be formed with the TUC which would address itself specifically to reducing unemployment. Mr Chris Walliker of the Delta Group and Mr Rowland Long of International Harvester both opposed legislation: Walliker thought it 'would come from the extreme Right', and begged Norman Tebbit, the new Employment Secretary not to 'put as much emphasis on the closed shop as the Conservative Associations of Cheltenham or Ascot do'. (In vain, Mr Walliker!). Long was even more radical: he said it would be reprehensible of the Government to use a surfeit of industrial relations legislation as a diversion from the consequences of adherence to a 'rigid piece of economic dogma'.

Mr Anthony Frodsham, director general of the Engineering Employers Federation and doyen of employer negotiators, smoothly intervened to say he was sure that Mr Tebbit would continue the step by step approach mapped out by his predecessor, Mr James Prior. (Mr Frodsham is consistent: after Tebbit's legislation appeared — legislation which for the first time in 75 years exposes union funds to liability — he *congratulated* Mr Tebbit on his step by step approach).

But the 'wets' were not to be allowed to drip unattended: on Tuesday, Mr Sayne Vernon of Ash and Lacy said that the previous day's speeches on industrial relations had been monopolised by the 'soft-centre Left': *he*, hard centred man that he took himself to be, wanted a law to allow

workers to sue their unions for loss of earning sustained during a strike. (Mr Vernon clearly regards his Christian name as an embarrassment and does his best to disprove it).

Three weeks later, of course, the delegates got some of what some of them wanted. Few stormed into print or on the media to denounce Tebbit's legislative proposals: the CBI, indeed, welcomed them heartily.

So did the evident split in the ranks mean nothing? Was it merely seaside rhetoric? (After all, the CBI conference decides nothing and commits no-one).

It would be unwise to assume so: for two reasons. First, Tebbit, too, inhabits the real world. As Prior was fond of saying, industrial relations law framed by a Tory government depends on employers to take the initiative — to sue a union, for example — and the experience of Heath's 1971 Industrial Relations Act showed few were fighting to get to the barricades first. If the employers, or many of them, are genuinely reluctant to back Tebbit, his laws will not work and he knows it.

Second, the employers, like everyone else, have another party to back now, something they have not had before. The Social Democratic Party remains too left for many of them, but suits as many more: its continuing successes are attracting serious business interest, and its clear endorsement of the need for profits, and of a mixed economy with little, if any, more state companies is perfectly acceptable to the more liberal industrialists and bankers. In this respect, the Tory Party's relationship with business closely resembles that of the Labour Party's with the trade unions: both need each other, but neither party can take the grass roots support of its adherents for granted. As Labour sees working class votes going to the SDP, so the Tories could see business money being redirected towards the same party.

We can expect, therefore, the 'wet' strain in business to become somewhat more vocal, especially if the new employment legislation is shown to be unworkable or ineffective. And we can expect *next* year's CBI conference to demonstrate how far that strain has grown.