



Mr. Duguid

DEPARTMENT OF INDUSTRY
ASHDOWN HOUSE
123 VICTORIA STREET
LONDON SW1E 6RB
TELEPHONE DIRECT LINE 01-212 3301
SWITCHBOARD 01-212 7676

Secretary of State for Industry

29 October 1980

The Rt Hon James Prior MP
Secretary of State for Employment
Caxton House
Tothill Street
London SW1

12/11

Sean Sin.

M 12/11

CODES OF PRACTICE ON THE CLOSED SHOP AND PICKETING

Thank you for sending me a copy of your minute of 22 October to the Prime Minister.

Closed Shop Code

2 I endorse your view that we should not water down the Code's advice on the periodic review of existing closed shops. Indeed, I still believe that the Code should specify a normal maximum period of years (say three) between such reviews, as proposed by a few of the recipients of your consultation document. Employees subject to existing closed shops should have an opportunity to express their views regularly on this limitation of their human rights; we should not leave the period entirely at the discretion of their employer.

3 I have the following more detailed comments on the draft Code:

Paragraph 25

I notice that you have deleted the following sentence which appeared in the previous draft:

'It [the Closed Shop] might, for example, impede the flexible use of manpower or limit the field of choice in recruiting new staff'.

I appreciate that you do not wish to add fuel unnecessarily to union allegations that the Code is biased against them. But the warning in the deleted sentence is a fair one, and a consideration which employers should certainly bear in mind before agreeing to a closed shop. I hope therefore that the sentence can be reinstated.

/paragraph 34F ...

Paragraph 34F

I would prefer the following stronger form of words in the final sentence:

'The ballot should be secret and independently conducted'.

Paragraph 43

This CBI list of circumstances which should trigger off a review of an existing closed shop does not take into account sufficiently the possible need to make subsequent changes in the composition of the workforce e.g because of technological change. Because of its importance this should be explicitly mentioned as it was in the published draft Code.

Paragraph 54

I am not entirely convinced by the CBI's plea that the Code be more sympathetic to union discipline of members who cross an official picket line at their own place of work. It is up to the unions to attempt to convince their members of the case for taking industrial action or not crossing a picket line. If individual members then disobey union advice or instructions there may, in the absence of a closed shop, be a case for discipline; that is after all what union solidarity is all about. But where a closed shop exists, the threat of discipline can be compulsive and can even amount to taking away a man's job. The Code should not encourage this form of coercion. This is surely one of the most objectionable aspects of a closed shop and can effectively put the majority in the hands of the militants.

Code on Picketing

I have no comments on this Code. I agree that the limit of six pickets should remain.

Minor Amendments

I am content with your making minor drafting amendments to the Codes in the light of any last minute suggestions from the Select Committee on Employment.

Press Freedom

I have no objection to the repeal of the Press Charter provisions.

4 I am sending copies of this letter to the recipients of yours.

Yours ever,
Kain



12 NOV 1980