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PRIVY COUNCIL OFFICE
WHITEHALL, LONDON SW1A 2AT

4 February 1980

The Rt Hon James Prior MP
Department of Employment
Caxton House
Tothill Street
SW1

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4/2

Dear Jim,

Thank you for sending me a copy of your draft Working Paper on Immunities for Secondary Industrial Action, with your covering minute to the Prime Minister.

As you know, I have (both before and since the Election) supported your general line of moving one stage at a time, in step with public opinion, towards a reform of industrial relations law which would restore a fair balance between the rights and powers of unions and those of management. But I am bound to say that I believe the most recent events have changed both the political situation and the state of public opinion (including that of rank-and-file trade unionists) to such an extent that it would be unwise to commit ourselves now to the limited reforms suggested in your paper without further consideration by Cabinet.

I am not sure, in any case, that I understand the need for haste suggested by your timetable. Surely really major amendments to this politically sensitive Bill ought to be debated by the House rather than in Standing Committee, so that discussion time could be extended until nearer the beginning of Report Stage?

You will have read Peter Thorneycroft's paper circulated to members of Cabinet. I agree entirely with his views and with his assessment of opinion in the Party. However, since it is my job to advise colleagues on what can be effectively presented to the public, I would myself go further. I just do not believe that your proposals are now adequate to satisfy public opinion and remove the disquiet of rank-and-file trade unionists (which has been repeatedly shown in opinion polls - to say nothing of the last Election). Things really have changed significantly since 'E' Committee discussed these proposals on 15 January.

You say that 'Whatever we may decide to do ultimately ... our aim is to start the process of putting industrial relations in Britain on a sound legal footing for the future'. On the contrary, I believe that if we do not get it right this time, and be seen to remove the injustices and put the law beyond reasonable doubt, we shall get the worst of all worlds. We may well never get a second chance at a politically suitable moment; we shall miss the tide of public opinion; we shall appear to have let down the responsible rank-and-file trade unionists (including many in the private steel firms) who look to us for protection; we shall get a bad Press; and we shall forfeit most of our credibility.

/You say

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The Rt Hon James Prior MP (contd.) 4.2.80


You say that to go further would provoke extreme opposition by union leaders, and that John Methven and the employers who have advised you 'are emphatic that at this stage we should go no further than these proposals'. I am bound to say that this does not appear to me to be what John Methven was saying yesterday in the attached statement, in which he speaks of 'industrial anarchy' and calls for 'profound changes' in the law.

In any case, surely we have a much wider responsibility as a Government, to the public at large as consumers, as workers, and as the main sufferers from industrial disputes as at present conducted? We shall not be forgiven if we appear to let this majority down in deference to minority vested interests.

Finally, let me tell you what worries me most. We are continually being told that 'we are not getting our message across' - on the economy, on spending cuts, money supply and interest rates, etc. I am absolutely sure that, if we do not by adequate action now convince people that we have the will to deal effectively with industrial relations law, we shall never get any economic message across at all. Most people believe that excessive trade union powers and immunities are at the root of our industrial and economic problems. If, however, we do get this one right now, I believe our gain in credibility and support will enable us to carry the majority of the people with us on all the rest.

I am sorry to have written at such length, but I feel strongly that this is perhaps the most important and critical decision this Government will ever have to make, and that it should not be taken in a hurry. I hope, therefore, it may be possible to discuss it further in Cabinet.

I am copying this to the recipients of your paper.

Yours ever,


ANGUS MAUDE

TIDE FOR AN END TO INDUSTRIAL
ANARCHY - SIR JOHN METHVEN

Sir John Methven, Director General of the Confederation of British Industry, said today (Sunday February 3rd) : "This country is now entering a dangerous period with the steel union leaders losing no time in seeking to put a stranglehold on the British economy by extending their dispute to the private sector, whilst other trade union leaders still claim to preserve their right to stand above the law and to inflict immense damage upon our society - a right unparalleled in our history, and open to no other set of people in the UK.

"Many not involved in the steel dispute now stand, if the strike continues, to lose their jobs as orders are lost both at home and overseas. No wonder our overseas customers are beginning to write Britain off as a land controlled by unions who seem determined to make it impossible for industry to operate in a normal commercial manner.

"The general public, having lived through three major strikes in the last 12 months are sick and tired of the overwhelming power of the trade unions and the industrial anarchy which springs from it.

"The law as it stands is a licence for trade unions to destroy at their will individual businesses and even to blockade and throttle the trade of our country. No country can tolerate laws which are against natural justice. Whatever the resistance, profound changes must now be made in the laws relating to trade unions. They must be supported and enforced by all those of us who believe in fairness and equity, if we are to bring sanity back to our industrial relations scene".

ENDS. February 3rd., 1980.