

Tim Lankester

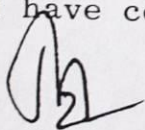
MR WOLFSON

STRIKERS AND SUPPLEMENTARY BENEFITS

Copy of KJ's memo to the Prime Minister returned herewith.

1. Important to show firmness, clear-mindedness etc in all our actions to give credibility in other areas (eg lowering inflationary expectations).
2. I think it's a mistake to offer a period of "consultation" unless we do believe that we cannot be sure of getting the formula right without such consultation. In other words, if the consultation is a fiction, forget it. If we are not sure that we have thought it through properly (or that we cannot think it through properly without the process of consultation - in other words without the unions themselves acting as devils advocate) then we had better have the consultation. But it is real. (And there are plenty of examples of Governments getting things wrong because they did not consult).
3. I would not try to introduce legislation this Session. I would allow whatever trouble we have this winter to create the climate for action - calm and deliberate - in time for the following winter 1980/81 (whether or not we decide as per 2. above that real consultation is needed).
4. The proposed compromise on page 2 looks confused and rather feeble. If we believe in the logic of our case, surely we should end up by legislating.
5. Since the decision whether or not to consult will be a matter of judgment, I would favour consultation (ie unless it can be seen to be transparently a fiction and thus insulting to the unions). The advantage of consultation - provided we use it sensibly - is that it can bring out various aspects of union behaviour, immunities etc, which help us in the general debate about the unions' future role. The more discussion there is, the stronger our position. If that is not the case - ie our position turns out to be weaker than we thought - then it's just as well we consulted rather than letting the thing go off at half cock.

I have copied this note to Tim Lankester.


JOHN HOSKYNS
26 July 1979