

From: The Rt. Hon. Sir Geoffrey Howe, QC MP *G. Howe NY*



HOUSE OF COMMONS
LONDON SW1A 0AA

*This paper
pushes me to death
even more - we*

26th May, 1977

Margaret

I was not at all surprised to see your reaction to the Economic Reconstruction Group paper on "concerted action" since, because it identifies every conceivable complication and explores all their implications, it is certainly calculated to scare one off the whole thing.

As you know, however, we are only half-way through our discussion of the paper which is really an examination of the way in which we should approach and seek to use the NEDC institutions in such a way as to promote our objective of getting away from social contract-type deals with the unions while nevertheless seeking general understanding of our policies in such a way as to place on the shoulders of union leaders a responsibility for hostility from their side.

At the risk of burdening you with even more paper, I am enclosing the first few pages of a paper on "concerted action" which was prepared for us by Konrad Zweig. You will remember that he wrote for CPS the pamphlet (to which I wrote the foreword) on the way in which the German social market economy had much more successfully negotiated recession than our own.

The German background of social unity and political sense is, of course, much stronger than our own so that the point made on the middle of Page 10 is one which I think we all feel we ought not to ignore; but I can assure you that our approach is one of great caution and scepticism and we are certainly not contemplating multiplication of institutions or any extension of bureaucracy.

ERG's conclusions will, of course, be brought forward for full consideration in due course.

The Rt.Hon. Margaret Thatcher M.P.

cc Adam Ridley.

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some of the
must avoid
this
picking shop
works because
it is
Germany
out*