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Ref. A09795

PRIME MINISTER

Industrial Relations Legislation

(E(79) 10)

BACKGROUND

The general background should have been covered in discussion of Item 1. This paper deals with the three specific and immediate proposals set out in the Manifesto (pages 9-11).

2. The present Government's policy was largely worked out when in Opposition, and the issues for consideration at this meeting are mainly ones of detail. You have already discussed the main points with the Secretary of State. However, there has been informal consultation with the CBI and the TUC, and the Solicitor General has been closely concerned and there is quite a lot to discuss.

3. There is also a problem of timetable. The Secretary of State intends to introduce the Bill in November, with the hope of reaching Committee stage before Christmas. This fits in with the Legislative programme which Cabinet approved last week. But there is little time for more formal consultations with the TUC or the CBI. The Department of Employment believes it is important that these should begin as soon as possible, to avoid giving the TUC any excuse to complain that they were not properly consulted. It would therefore be useful to get agreement at this meeting if possible, so that the subject can be brought back to the Committee or Cabinet (before the Recess) if there are any uncompleted loose ends.

HANDLING

4. You might take the three main parts of the Secretary of State's proposals, and end with a short discussion of tactics.

- (a) Picketing. These proposals are much the most important and raise difficult issues of implementation. Again, you might take them in series, asking the Secretary of State for Employment to introduce each point, followed by the Solicitor General.

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The picketing proposals divide into two: those concerning trade union immunity, and those concerning individuals.

Under trade union immunity, the three main points are:

- (i) Civil or criminal liability?
- (ii) Tort or not?
- (iii) The exact restriction of picketing: the formula proposed is set out in paragraph 4 of Annex I, and comes quite close to that in the "Code of Conduct" negotiated between the TUC and the past Labour Government. (This makes it harder for the TUC to resist it).

On individuals, (paragraph 6 of Annex) the proposal is to postpone action until the Courts have decided on a current case in the autumn.

- (b) Closed shop. There is little possibility of getting agreement with the TUC on this. The most that can be done is to present it in a way that is not deliberately provocative.

In this connection, the status of the proposed "Code of Practice" is important. It is suggested that it should have the same force as the Highway Code i. e. not statutorily enforceable as such, but a factor for the Courts to take into account in deciding cases. The Solicitor General has accepted this suggestion, but you might see whether the Lord Chancellor accepts it on wider constitutional grounds.

- (c) Balloting. The proposal is not to make balloting compulsory, but merely to facilitate it. This is of course a Manifesto commitment. You will want the Chief Secretary's views on the cost to public funds of these proposals.
- (d) Tactics. You may then want a more general discussion on tactics for handling consultation, and publicity about it. There have already been informal soundings. How does the Secretary of State for Employment propose to structure the more formal discussions? How much time will he give the TUC? Will he seek to reach a deal with them before the TUC conference? What happens if the conference records an adverse vote on these proposals? Is he prepared to negotiate? Is he prepared

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to publish a consultative document, given that the proposals will almost certainly leak anyway? The Paymaster General's views on these points will be important.

CONCLUSIONS

5. You might aim to record general support for the detailed proposals set out in the Secretary of State's paper, subject to any reservation agreed during the meeting. You might then invite the Secretary of State to open consultations with the TUC and CBI on his proposals, and to report the results to the Committee, either before or immediately after the Summer Recess, so as to secure policy approval for the drafting of a Bill which would then be considered by Legislation Committee and introduced early in November.

John
.. /
(John Hunt)

18th June, 1979