

See Return for sheet

N.G.A.

EMPLOYMENT AND INDUSTRIAL RELATIONS

Text of a letter to Sir Keith Joseph from Mr James Prior

As I have already indicated to you it has not been possible for the policy groups in this field to carry out sufficient research to be able to come forward with specific interim reports on policy. There are three policy groups in existence:

*Overlapping
discussions
noting*

1. under Mr Leon Brittan, dealing with individual rights and the law on industrial relations,
2. under Mr David Madel dealing with employment, training and redundancy,
3. under Mr Esmond Bulmer dealing with employee participation.

Each has already met one or more times, but I think what may be most helpful to our policy discussions would be for me to give you a list of points from recent speeches I have made. These take into account the advice I received from my Parliamentary colleagues and others outside.

Industrial Relations and Law

In a speech to the Industrial Society on 29 May 1975 I said,

"The troubled field of industrial relations does not lend itself well to specifics. The detailed legislative approach has been tried. It may have deserved to have succeeded but we have to operate now in the knowledge that it failed."

I added, "I promise you no legislative field-day when the Conservatives are returned... At the present stage more is to be gained by observing the maxim "maximum law, minimum law"... you should not expect wholesale repeal of the Trade Unions and Labour Relations and the Employment Protection Bill if this subsequently reaches the statute book. There will be particular points that we shall wish to correct. We are, for example, determined to give effect to the principle that workers should be protected against arbitrary exclusion or expulsion from a trade union. Current legislation is introducing one sided rights, which cannot, in all justice, be allowed to survive."

Act

"We shall not be bulldozing away the conciliation and arbitration services. I think there could be a long term future for this body, although naturally we shall judge on the basis of its performance in these early years. I can envisage relatively minor changes in scope and function and the question of freedom of access comes to mind in this respect."

2. Employee participation in union membership
trade

In my New Year letter to Conservative unionists I appealed to moderate employees to join a trade union wherever possible. Since then we had a useful half day's supply debate encouraging the use of postal ballots in union elections. As I said in that debate:

"Our view is that the facilities (of financial assistance) should be made available to unions which wanted them. There is no element of compulsion in the proposal that we put forward in (the Standing Committee on the Employment Protection Bill) or in our Election Manifesto of October 1974."

I added, "I like to think of this as a twin exercise. We should enable those unions which wish to take advantage of the postal ballot to take the chance of having those expenses paid. Where we are talking about branch elections or shop floor elections where a branch is not confined to one establishment, it would be right for the employer to provide a place for the meeting and to allow it to take place in his time. The combined effect would be a remarkable help to greater participation in elections for union office." (Hansard 23 June, col 40)

I estimated that a postal ballot every twelve months for all unions for just one election of their national officials would cost about £1.1 million if everyone voted, but elections may take place at more frequent intervals during the year for other officials. Perhaps the solution would be to start with providing financial assistance to the election of national officials, and see how that works before extending it.

I added, "I think there should be one free post for the election address of candidates involved." (Hansard 23 June 1975, col 42)

3. Participation

In my speech of 29 May I said, "I question whether it is sensible practice to go for two tier boards or some such equivalent without having a framework of consultation throughout every level of a company. Secondly, I am unhappy about the thought of a rigid norm being imposed across the board Let there be a legal framework and goal whilst leaving the details to be worked out between individual firms and their employees, being guided possibly by a code of practice from the Government."

Mr David Mdel made a statement on the withdrawal of Mr Radice's Private Member's Industrial Democracy Bill from which the following is an extract.

".... Our approach will be prompted by these considerations.

1. Democracy should start on the shopfloor and operate at all unit levels. Industrial democracy is not just about two-tier boards.

2. The word "democracy" cannot be justified unless all employees are involved, although this could often mean using existing trade union machinery.

3. Within any factory or workplace is a complicated area of human relationships requiring much more study before appropriate methods of implementing industrial democracy can be prescribed. One of the things which has surely emerged from the debates of this Committee, is that the subject of industrial democracy is too complex and too sophisticated for mechanistic solutions to be satisfactory.

4. Employees and union officials will need continuous training if they are to participate increasingly in decisions. This will also require a more sophisticated approach by management.

5. Democracy does not exclude schemes of financial participation embracing all employees.

6. Revision of company law should not necessarily be confined to the rights of employees and shareholders. The rights of management, consumers, suppliers and the community as a whole should be reviewed in this context.

" 7. It is doubtful whether there is one perfect system to apply across the board to all companies in all industries. An appropriate statute might well be limited to the declaration of requirements and be accompanied by a code of practice. It would then be left to management and employees within a period of time to reach the desired end by whichever means make the most sense in their particular industry.

" 8. To avoid the charge that Government should not preach what it cannot practise, the publicly owned corporations might be chosen to lead the way to higher standards of industrial democracy.

" 9. Legislation must take account of developments within the EEC and of the practice of multinational companies.

" Not to give attention to all these matters will mean in the end inappropriate, piecemeal legislation which will in no way contribute to the industrial harmony and unity of purpose the country badly needs."

(Standing Committee on the Industrial Democracy Bill, 16 July 1975, cols 327-328)

4. Dealing with unemployment, especially of school leavers

In a letter to my constituency Chairman on 16 June 1975, I said,

"Instead of pretending to make people's jobs safe, the Government would be much better advised to explain honestly to the country the alternate dangers, risks, losses and opportunities which exist. What needs to be done?"

1. The Government should set up studies to see:

a) where jobs are likely to be lost, either because of wasteful overmanning or because other countries are now better placed to take over traditional British markets;

b) where the main areas of expansion are likely to lie and what needs to be done to make sure that opportunities for research development and export are fully exploited. Industry and the unions must be closely involved. The Government must believe in information sharing;

c) that employers, investors, managers and employees understand what has to be done.

2. We must learn from our European partners, whose practice is often far in advance of ours, what we need to do in the fields of training, retraining and redundancy provision, so that as the new industries are developed and the old ones decline, jobs can be changed with the minimum of economic waste and personal loss, be it measured in pride or cash.

3. Above all, we must ensure that young people - the school-leavers of this year and next - are shielded as far as possible from the grim recession which threatens. They share no responsibility for the crisis, and it would be the greatest folly to make them, especially those with least skills, shoulder the burden of unemployment. Yet this danger is about to engulf them.

"The clear duty of the Government is to give priority in its expenditure on employment matters to creating new training opportunities for all young people who may need them. It should also consider giving more substantial support to imaginative schemes such as Community Industry and those of the Trident Trust which assist the development of young people for whom suitable jobs might not immediately be available, through no fault of their own. This sort of expenditure, not extravagant by any test, would offer richer dividends than some of the half-baked ideas we have seen so far."

In a speech to the Personnel Officers Recruiting Conference on 16 April I described such above action as forming part of a "school leaver's charter."

5. Unemployment statistics

In a speech on 5 February 1975 I said,

".... they really are a sadly inadequate instrument for judging what is the true monthly situation with regard to this most sensitive of subjects.

" I am disappointed that Michael Foot has not taken up my suggestion of an inquiry into the method of compiling these statistics. At present we have no accurate knowledge of distinguishing between the transient unemployed, who affect the statistics because they take a little time to find the appropriate job for themselves, the long-term unemployed for whom jobs are just not available, those who are not over anxious to get a job, preferring to get by on a combination of casual work and state money, and the unemployable.

" We rely on a global figure and allow this to affect the formation of economic policy, just as it affects union attitudes in day to day negotiations. If we had a clearer picture we might be able to defuse much of the anxiety."

JAMES PRIOR