



Agree draft
reply.
not.

Prime Minister

PRIME MINISTER

✓ Mr Lyden
Mr Dennis
Mr Verker

Mr Price has
pulled back somewhat
from the line agreed
in E. But the "employee"
departments agree with his
approach.

ARBITRATION IN THE PUBLIC SERVICES

We agreed at E yesterday that I should arrange as soon as possible to answer a question about arbitration so that the Government's views about unilateral access to arbitration are on record.

Contact with draft answer?

I attach a draft Question and Answer. I am arranging for the Question to be put down today for Answer tomorrow. This tight timetable is essential if we are to provide cover for the letter Mark Carlisle will be sending tomorrow to the local authorities and teachers' unions starting the consultation process aimed at removing the teachers' right of unilateral access to arbitration. The draft has been agreed at official level with the principal departments concerned.

I understand that the minutes of yesterday's meeting record that my Answer should make it clear that the Government proposes to start consultations with all the employers and employees concerned in the public services with the intention of withdrawing the right of unilateral access to arbitration in all appropriate cases.

On reflection I am firmly of the view that this would be an unfortunate way to proceed. It would be likely to provoke unnecessary backlash and give hostages to fortune. It could well upset the local authorities whose arbitration arrangements are a matter for them rather than for the Government. It could exacerbate an already serious situation in the water industry. It could make our forthcoming negotiations with the Civil Service unions more difficult. And perhaps raise unnecessary fears on the part of the police.

I am sure the best way to achieve our objective is to proceed in a low key, to place on the record a firm statement of the Government's view on the general principle, and then make progress on a case by case basis.



Accordingly I propose to give written answer tomorrow in the terms of the attached draft unless you or other colleagues dissent.

Copies of this letter go to other members of E, to Mark Carlisle, to George Younger, and to Sir Robert Armstrong.

J P

15 January 1981

Mr Carlisle has asked me to
say that it is most important
for him that the Answer goes
down tomorrow.

12
1571

CONFIDENTIAL

DRAFT ARRANGED WRITTEN QUESTION AND ANSWER FOR THE SECRETARY
OF STATE FOR EMPLOYMENT

Q What is the Government's view about arrangements which provide for the unilateral reference of disputes to arbitration.

A The Government's view accords with the principle reflected in Section 3 of the Employment Protection Act 1975: and is that, except in special circumstances, arrangements about arbitration should provide for access to arbitration only with the consent of both sides to the dispute.