

MR RICKETT

UNQUOTED COMPANIES GROUP SUBMISSION ON TU GREEN PAPER

Green Paper filed with CUP 15/1/81.

1. This is a masterly critique - pointing out many of the Green Paper's omissions and misinterpretations. It recommends changes in industrial law which would, in time, lead to a much better balance of bargaining power in industry, more responsible trade unions and greater protection for the individual. Many of its recommendations amount to a return to the 1971 Act.
2. The Prime Minister knows that we are following the submissions on the Green Paper closely. There is an unmistakeable groundswell of management opinion <sup>in favour</sup> of further changes, with plenty of broad, though less informed, public support. There is also strong back-bench pressure, though this is narrowly focused on the closed shop at present.
3. Many of the measures supported by other employers' associations are also found in this submission. Its main recommendations are:
- Exposing trade union funds, by removing the S14 immunity and establishing vicarious responsibility unless a union has taken "all reasonable steps" to prevent unlawful action.
  - Ending immunity for all forms of secondary action.
  - Restricting the definition of a trade dispute.
  - Providing for enforceable collective agreements - with provision for explicit opting out. (CBI's Jarrett group - not yet endorsed - have proposed an arguably tougher version of this change.)
  - Restoring the right not to belong to a trade union. (But UCG are not apparently suggesting a change in the remedy for an unfair dismissal. Others have suggested reinstatement or much larger compensation terms.) UCG accept the requirement for a contribution to charity where a closed shop has been validated by 80% of those eligible to vote.

Prime Minister 2

wh  
12/6

12 June 1981

Would it

be a good idea to publish all the submissions on the Green Paper in one volume?

File into PA wh 15/6

- (f) Responsibility for industrial disputes to go Industrial Tribunals and a new National Tribunal.
- (g) Discretionary powers for Government to order the cooling-off period and a secret ballot in the national interest.
- (h) Some extension of the coverage of the Emergency Powers Act (this is being studied in Government).
- (i) More rigorous application of standards to unions, through registration.

4. We are in no doubt that all these measures would be worthwhile. The difficult political judgment will be:

- How soon should the next step be taken? (We agree with the UCG that this should be the next session.)
- How much should be done in one step? (There is a strong political case for proceeding step by step. A powerful myth - which UCG convincingly expose as such - has built up that the 1981 Act tried to do too much and was therefore unworkable. This viewpoint cannot be ignored.)

5. If the political judgment is that an all-embracing Act cannot be risked, we think the most important single next step is to establish the liability of trade union funds. Nothing else will be so effective in requiring unions to behave more responsibly and exert greater control over their members. This is the way to a more ordered system. We do not believe that big steps can be taken on the closed shop, but some movement here may help to galvanise political support.



ANDREW DUGUID

W Hampton

hd BE



10 DOWNING STREET

POLICY UNIT

28 May 1981

Dear Clive,

GREEN PAPER ON TRADE UNION IMMUNITIES

I should be very grateful if you could send me copies of all responses to the Green Paper as they arrive at your Department. If you see any difficulty about this, please let me know.

Yours sincerely,

A handwritten signature in cursive script, appearing to read 'Andrew'.

ANDREW DUGUID

Clive Tucker, Esq.,  
Department of Employment.



# INSTITUTE OF DIRECTORS

From the Director General

*T.K. Reply after May 12<sup>th</sup>*

5 May 1981 *CF*

*p.a.*

Director General  
Walter Goldsmith

Dear Member

## The Green Paper on Trade Union Immunities

The Institute of Directors will next month submit its views to the Government on the questions raised by the Green Paper on Trade Union Immunities. The Institute's views are at an advanced stage of preparation, following research effected through branch discussion papers and the work of the Industrial Relations Committee. The Institute's principal proposals are set out below. You are asked to read them carefully, and then to answer the single question set out on the tear-off portion of this letter. Please return the tear-off slip to me in the reply paid envelope enclosed, if possible not later than Tuesday 12 May 1981.

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## Amongst Main IOD Proposals

The Institute believes that any further employment legislation should be designed to improve the nation's economic performance and to increase opportunities for union members' views to influence union decision-making.

Current legislation should therefore be amended so that:

- a. it becomes possible to sue trade unions (rather than individuals alone) for unlawful actions;
- b. industrial action becomes unlawful where it is in breach of agreed procedure;
- c. secondary industrial action (eg blacking) becomes lawful only after a secret ballot of those to be involved in the secondary action;
- d. the definition of a trade dispute is narrowed to exclude from immunity against actions in court industrial action taken for political purposes or as a tactic in inter-union disputes;
- e. closed shops are further discouraged by increasing compensation paid to those unfairly dismissed to a punitive level.

## Timing of legislation

The principal arguments for and against legislation during the 1981/82 Parliamentary session are as follows.

- For:
- a. The action the Government has taken so far in the Employment Act 1980 does not tackle the fundamental problems and falls short of what was expected before their election. The situation should be redressed without delay.
  - b. If these proposals for further legislation will help

improve industrial performance, they should be implemented right away.

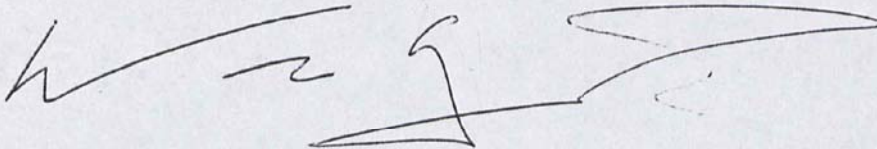
- c. The time is right for taking action now. There is no indication of public sympathy with trade union opposition to further legislation, and little likelihood that trade unions could rally support, given current levels of unemployment. This position might not outlast the recession.

Against:

- a. Fresh legislation should not be introduced until it is possible to judge the extent to which the Employment Act is proving successful.
- b. Immediate further legislation might be sufficient to mobilise massive trade union opposition which would jeopardise both the Employment Act and the Government's prospects of re-election.
- c. The Government should first seek voluntary reforms from trade unions. If these were not forthcoming, then legislation should be introduced.

It is on the timing of legislation that the Institute seeks your advice.

Yours sincerely



Walter Goldsmith

The Question

The Prime Minister has assured the Institute that time will be provided during the 1981/82 session of Parliament for further legislation if that were shown by the consultations on the Green Paper to be necessary or desirable. Should the Institute urge the Government to legislate during the 1981/82 session of Parliament?

Please place your tick in the appropriate box.

YES

NO

Position held:.....

Nature of business:.....

No. of employees:.....

CONFIDENTIAL

24 March 1981

MR LANKESTER

cc Mr Sanders

TRADE UNION REFORM

Ind Pd

1. As you know, the deadline for the Green Paper consultative exercise is 30 June. In our notes to the Prime Minister of 28 November 1980 and 15 December 1980, we expressed concern that this timescale might effectively rule out even the possibility of taking a further legislative step during the 1981/2 session. The Chancellor expressed the same anxiety in his letter to Mr Prior of 8 December.
  
2. Department of Employment suggested that the June deadline did not preclude action during the 1981/2 session, although Mr Prior told us he thought it might turn out to be a better tactic to use the prospect of further legislation as a Sword of Damocles, until the next Manifesto was written. No decision was taken on timing; by implication it was left to be considered in the summer.
  
3. Could you tell me whether the contingency need for legislation - for which the Chancellor and, I think, the Prime Minister are convinced - is reflected in the arrangements for forthcoming legislation, including the contingency arrangements? If not, do you not think we should consult the Prime Minister about this?



ANDREW DUGUID