

PRIME MINISTER

LEGISLATIVE PROGRAMME 1981-2: SELECTIVE STRIKES AND LAY-OFFS

1. Last year it was decided to prepare legislation on a contingency basis to correct a glaring anomaly in our industrial relations system. On 9 February, Lord Soames minuted you (Flag A) to say this had been done. On 19 May, your meeting on the Civil Service strike agreed that this measure was desirable on wider grounds and decided that action in the next Session of Parliament should be considered further.
2. The papers on this subject have been very tightly restricted, and we expect few colleagues are aware of the issue.

The problem

3. At present, when a minority of a white collar work force takes selective strike action, it is not possible for the employer - whether public or private - to lay off other white collar employees without pay. In this way a union can ensure heavy costs are imposed on employers, at very little cost to itself and its members. This weapon was used in the Post Office strike in 1979 and more recently in the Civil Service dispute. (In the case of manual workers, lay-offs are possible. They are often the subject of explicit collective agreements, specifying the circumstances and notice required before lay-offs without pay can begin.)

Private sector concern

4. The private sector has now become more aware of the dangers of the present legal position. As companies become more and more dependent on small groups of people (like computer operators) the threat posed by selective action grows. In private, Terry Beckett has told us of his view that the law needs changing, though this has not yet been adopted as CBI policy as far as we know. Although this subject was not explicitly raised in the Green Paper on Trade Union Immunities, a number of firms and organisations have referred to it in their responses. These include:

- EEF - who make it their number one priority. (See Flag B)

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- GKN (their particular concern is the ability to lay off their own employees in response to strikes among their customers, rather than strikes within their own company).
 - Times Newspapers - where presumably there are vivid experiences of paying salaries to people for doing nothing (although the letter is from Rupert Murdoch).
5. We have not combed through every submission. No doubt others have also mentioned it.
6. It has sometimes been suggested that this position should be rectified for the public services only. Contingent legislation has been prepared on two different bases: public services only; and all salaried employees. We strongly recommend that a change should be made soon, but that it should apply to all white collar workers.
7. The Bill required is, we think, short. Of course it would also be controversial. But as soon as the issue is raised publicly, we think the Government's position will secure very widespread support. Some white collar unions will protest vociferously - and some of their members will feel aggrieved at a change in the implied terms of their contract of employment. But, provided it is explained, the public will applaud a restriction on the new and sinister weapon of the selective strike which has been recently deployed in a most unpopular way against the taxpayer, passport applicant, benefit recipient etc. Furthermore, many manual workers and their unions must resent the privilege given at present to salaried employees.
8. The subject was recently aired at QL, with little enthusiasm. It is not mentioned in the Home Secretary's paper for Cabinet on Thursday on the next Session's legislative programme (C(81)41). Without preparation and advocacy, it might get a hostile reception at Cabinet at present. The Home Secretary's paper already stresses the heavy and controversial nature of the programme. Several alternatives are possible:
- (1) You could raise it at Cabinet.
 - (2) We could copy a minute along the lines of paragraphs 1-7 above to all Cabinet colleagues, or to those likely to be sympathetic, as a way of raising the issue.

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(3) You could ask Jim Prior to add this change to his legislative proposals on the trade unions, which you are due to discuss in outline with him next week. He may, however, be opposed to including any such change in his package. There may also be valid reasons for making any such change the subject of separate legislation.

9. Of these three alternatives, we think that option (2) is probably the best. However, there may be other approaches and I am copying this minute to Geoffrey in case he has other thoughts.

John Hoskyns

JOHN HOSKYNs

I support this. But I think the best way of approaching Cabinet would be to ask Keith Joseph to send a letter round to colleagues. Shall we suggest it to him?

Yes not

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