



Prime Minister ✓ SV

Excellent news. (2)

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PRIME MINISTER

DISMISSAL IN A STRIKE

Michael Scholar wrote to Barnaby Shaw on ^{pt 8} 26 February about the possibility of adopting an alternative approach to the problem of lay-off which would give employers a freer hand to dismiss employees on strike.

I have now given some further thought to this and have concluded that there is scope for building on Clause 7 in the present Bill which, as you know, seeks to correct an anomaly in the present law relating to dismissals in a strike. I agree that we should give employers more freedom to dismiss employees taking industrial action, especially where employers have a number of establishments and are faced by selective industrial action.

I therefore propose that the notice provision in Clause 7 should be removed and that an employer should be able to dismiss employees who at the date of dismissal were taking part in a strike or other industrial action at a particular establishment without being exposed to the risk of unfair dismissal proceedings, even though industrial action is being taken on the same issue at another of his establishments. In this way, the employer would be able to overcome the practical problem of ensuring that all employees, possibly at many different establishments, are treated alike. It would also provide the employer with a substantial tactical advantage in being able to deal selectively with industrial action if any one establishment could be closed or run down without permanent disadvantage or if the workforce there could be more readily replaced than elsewhere.

Furthermore I propose to correct another anomaly in the existing legislation to which Lord Weinstock and others have drawn my attention.



The amendment which I have in mind would enable employers after a period of 3 months safely to re-engage former employees who had been dismissed for being on strike. Under the present law there is no time limit after which an employer can re-engage (inadvertently or otherwise) such a former employee without the risk of unfair dismissal complaints.

I would propose to introduce these changes in Committee before the Easter recess by means of backbench amendments.

I believe that these amendments will go a long way towards meeting the concerns of those employers who have been pressing for wider powers to deal with selective strike action; and in this connection I am writing to you separately about possible legislation on lay-off without pay.

I am copying this minute to Geoffrey Howe.

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31 March 1982