

SECRET



10 DOWNING STREET

From the Private Secretary

7 April 1982

Dear Barnaby,

LAY OFF

The Prime Minister was grateful for your Secretary of State's minute of 31 March.

She accepts your Secretary of State's arguments against introducing a general right of lay off. She agrees, too, that it would be useful to be ready to introduce legislation in the event of a national emergency; such legislation should be framed to cover not only such an emergency, but also similar future emergencies. The Prime Minister's understanding is that such legislation would permit employers to lay off their employees without pay when industrial action was being taken by employees of the same, an associated, or an unconnected employer, whether in the same or in a different industry, the test being whether the individual's normal work is affected to any extent by the industrial action. The Prime Minister would be grateful if work could be put in hand to draft such legislation on a contingency basis.

I am sending copies of this letter to John Kerr (HM Treasury), and to Jim Nursaw (Attorney-General's Office).

Yours sincerely,

Michael Scholar

Barnaby Shaw, Esq.,
Department of Employment.

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DSG

bc John Vereker

Ind. Pol.