

21 September 1982

MR SCHOLAR

I have seen a copy of the letter of 20 September from Mr Tebbit's private secretary to Tim Flesher, about Lord Rochester's amendment to the Employment Bill.

The main point at issue is the threshold figure for companies required to report to their employees. At present, the amendment sets this at 200; Mr Tebbit would like the threshold raised to 250. The Prime Minister has said that she would consider a figure of 500 employees to be preferable, and more acceptable to the CBI. Any further amendment will have to take into account the wishes of Lord Rochester, whom Mr Tebbit is to consult next week. Although it is my understanding that no formal written assurances have been given to Lord Rochester, it is clear that matters will become complicated if any change is not acceptable to him. Mr Tebbit should, however, seek to persuade him to agree to a significant raising of the threshold.

I suggest, therefore, that you write to Miss Fahey expressing the Prime Minister's view that a much higher figure is desirable.

On the other points we have little to add: the proposed drafting amendments to sub-section (3) do seem to improve its requirements in a way that is less likely to result in companies' performance being impeded and trade union influence enhanced.

FM

FERDINAND MOUNT

(Dictated by Mr Mount
and signed in his absence)