

Sc J



Prime Minister (1)

Endorse this approach?

Ms 20/10

Yes not

PRIME MINISTER

EMPLOYMENT BILL

The Employment Bill is due to complete its passage through Parliament on Monday 25 October. I shall no doubt be pressed to make clear my intentions on commencement and other related matters either in that debate or at the time of Royal Assent later in the week. The purpose of this minute is to let you know what I propose.

I intend to bring most of the Bill's provisions into effect as swiftly as the practicalities of printing and distribution will allow. I therefore intend to announce that the date of commencement for virtually all the Bill will be Wednesday 1 December. I think it is important to announce a firm, early date for general commencement in order to prevent the Opposition claiming that we are at all hesitant about putting the legislation into effect and also to avoid arguments about the precise timing of the implementation of particular provisions.

Apart from Section 2 which provides compensation for people dismissed in closed shops between 1974 and 1980 and which comes into operation with Royal Assent, the only significant exception to general commencement on 1 December will be the balloting requirement for existing closed shops. As you know, I have told Parliament that I will announce at the time of Royal Assent whether the interval before this provision takes effect should be one or two years. It is clear that most industrial opinion favours a two year interval and there has been particularly strong pressure in this direction from the shipping employers as well as the CBI and the EEF. On balance I believe political considerations and the timing of our future legislative plans point to the same conclusion. However, I want to make it clear that this interval is not a breathing space but a time when management should be taking positive steps to hold ballots and test opinion. Accordingly I propose to make it clear that while my present





intention is that the balloting requirement should not come into effect until 2 years after Royal Assent I shall reconsider the whole matter in 12 months time. If by that time there is evidence that existing closed shop agreements are still being applied intolerantly or inflexibly and if, in particular, there is evidence that the freely expressed views of employees are being ignored, I shall not hesitate to bring the balloting requirement into effect earlier.

Finally, I propose to seek Parliamentary approval (which will require Affirmative Resolution) for a major revision of the Code of Practice on the Closed Shop. The revised Code would take full account of the changes in the law which will result from the current Bill. More importantly, however, I have in mind the need to strengthen the guidance to industrial tribunals on what constitutes unreasonable expulsion from a trade union so that it covers the disciplining of union members who refuse to take unlawful industrial action as well as those who refuse to strike in the absence of a ballot. The NHS dispute has afforded plenty of evidence of the intimidatory measures unions employ towards their own members in such cases and I believe that the changes to the Code I have in mind would significantly improve the protection of the law in this area. Under the provisions of the 1980 Act, the first step has to be the publication of a revised Code for consultation. I propose to publish this in the course of November with a view to laying the revised Code in Parliament in late February.

I am sending copies of this minute to the Chancellor of the Exchequer, the Lord President of the Council, the Lord Privy Seal, the Paymaster General and the Chief Whip.

N T

20 October 1982