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PRIME MINISTER

EMPLOYEE INVOLVEMENT

I have seen a copy of the Secretary of State for Employment's minute of 20 April. I agree broadly with his emphasis on the undeniable need for more employee involvement in British industry and with his argument for a voluntarist approach to this end.

I have no doubt whatever that an approach which treats all employees equally, irrespective of the union to which they belong or whether they belong to a trade union at all, has a vital part to play in our dual objective of strengthening the employee's sense of identification with the company for which he works and diminishing the power of the unions.

It is also important that we should be seen to be in favour of employee involvement. Such a stance would be both a demonstration that we are in no sense 'anti-worker' and a complement to our desire to give the unions back to their members. We cannot allow the SDP/Liberal Alliance to make the running on this issue which is likely to become increasingly prominent.

Therefore, while the achievement of employee involvement throughout large scale British industry by the voluntarist route is highly desirable, the conclusion I reach is that we must not rule out the possibility of some kind of legislation on this issue should voluntarism fail. Indeed, it may be only the knowledge that there would be legislation if voluntarism failed that will enable it to succeed.

I am copying this minute to the Secretary of State for Employment, other members of E Committee, the Lord Chancellor, the Secretaries of State for Scotland and Wales, the Attorney General and to Sir Robert Armstrong.

Secretary of State for Energy 76 April 1983

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