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SH

10 DOWNING STREET

From the Private Secretary

8 July, 1983

Thank you for your letter of 6 July with which you enclosed the draft statement which your Secretary of State proposes to make on Tuesday, 12 July. This is just to confirm that the Prime Minister has agreed to the statement.

TF

Ms. F. M. Everiss,
Department of Employment

A handwritten flourish or signature mark consisting of a long, sweeping line that curves downwards and then back up.

VCC MCS



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Prime Minister

Willie Rickett Esq
Private Secretary
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You agreed in Cabinet that
Mr Tebbit should make this
statement. content with the
draft? 6 July 1983

Dear Willie

Yes not WM 7/7

TRADE UNION BILL

My Secretary of State will publish on Tuesday 12 July a paper explaining the provisions he intends to include in the Trade Union Bill (as agreed by E on 28 April E(83)4th and set out in the Conservative Manifesto).

... Mr Tebbit also proposes to outline his proposals in a statement to the House on Tuesday, and I enclose a copy of the draft.

I would be grateful to know whether the Prime Minister is content, and for any comments on the draft statement from you and other recipients by close of play on Monday 11 July.

I am sending copies of this letter to Murdo Maclean, David Beamish, David Heyhoe, Steve Godber and to the Private Secretaries to other members of E(A), Richard Hatfield and Bernard Ingham.

Yours Sincerely

Felicity Everiss

MS F M EVERISS
Private Secretary

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TRADE UNION BILL

DRAFT STATEMENT

I am now able to announce the conclusions the Government has reached as a result of the consultations on the Green Paper "Democracy in Trade Unions" and to outline the legislative proposals I propose to lay before Parliament when the House reassembles in the autumn. I am publishing today a paper explaining these proposals and providing an opportunity for consultations on them.

Numerous detailed and thoughtful responses to the Green Paper were received from employers, employers organisations and individual trade unions, including some affiliated to the TUC.

These confirmed that there is widespread concern about shortcomings in trade union procedures for elections and for consulting their members on major issues, particularly on strike decisions. There is undoubtedly widespread support for legislation to safeguard the rights of members in relation to their unions.

As foreshadowed in our election Manifesto the legislation will cover three main issues: trade union elections, strikes and the political activities of trade unions.

First, elections. The legislation will require elections to the governing bodies of trade unions to comply with the following principles:

- voting must be secret and by ballot paper
- there must be an equal and unrestricted opportunity to vote
- every union member should be able to cast his vote directly.

These principles are not a legal strait-jacket. They are the minimum necessary to ensure free, fair and democratic elections. Within them, trade unions will be free to constitute their governing bodies in the way they judge will best serve their members' interests and to decide on the form of ballots.

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Secondly, strikes. The consultations have shown continuing concern about the way in which strike decisions are taken. Accordingly I propose that if a trade union orders or endorses its members in industrial action in breach of their contracts of employment without first consulting those members in a secret ballot, that trade union should lose immunity from the normal civil law consequences of its action. This will give the community more protection against irresponsible industrial action and provide new safeguards for trade union members themselves against being required to strike without their consent.

I intend in due course to undertake consultation on procedure agreements in essential services. The honouring of agreements which have been freely negotiated is fundamental to orderly industrial relations. In essential services in particular the public has a right to expect that they will not be flouted and that precipitate industrial action will be avoided. I therefore propose to consult particularly on the need for industrial relations in specified essential services to be governed by adequate procedure agreements, breach of which would deprive industrial action of immunity.

Thirdly, the political activities of trade unions. The Government accepts that a trade union should be able to adopt political objectives and to set up a political fund. However, I believe that the authorisation of a political fund should be subject to review by a periodic ballot of the membership. The present members of trades unions should not be bound forever by ballots that may well have been taken before any of them were born. I propose that the 1913 Act should be amended to require that political objectives and funds should be submitted to ballot at least every 10 years.

For some years there has been disquiet over the operation of the system for contracting out of the political levy. I therefore intend to invite the TUC to discuss the arrangements which trade unions themselves might take to ensure that their members are fully aware of their statutory rights and able to exercise them freely and effectively. I hope that the trade unions will be willing to take such steps. If that hope is disappointed I would be ready to introduce measures, as we made clear in our Manifesto, to guarantee a free and effective right of choice.

Mr Speaker, the events of recent weeks have made it abundantly clear that trade unionists are now insistent that they should have a greater democratic voice in the affairs of their unions and the Bill which I shall bring forward will respond to that demand.

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