

Prime Minister

This is in line  
with the Policy Unit's  
recent view on the subject.



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The Rt. Hon. Norman Tebbit, MP  
Secretary of State for Employment

*Norman*

#### INDUSTRIAL RELATIONS LEGISLATION

When we discussed the other day your forthcoming E Committee paper on industrial relations, I forgot to mention one proposal which does, I think, deserve to be re-examined.

I have in mind the idea put forward by the Engineering Employers' Federation of giving powers to lay off other or all employees without pay when the employer's operations are disrupted by industrial action in one part of the plant. The EEF have suggested that this power might also apply when large sections of the economy were paralysed due to widespread industrial ~~reaction~~ and the employer was unable to continue operations.

Robert Carr and I considered and, after a good deal of thought, rejected this idea in 1973-1. But a lot has changed since then. The selective strike by a small group of workers has become an increasingly powerful weapon. It inflicts maximum economic damage on the employer while minimising the economic repercussions for the employees, the majority of whom can often find themselves suspended on generous lay-off or even full pay. This tactic is also becoming more widely used. As you will see from the enclosed note which Arthur Cockfield has prepared for me, it was used to disrupt Inland Revenue operations most effectively during the recent Civil Service dispute. Only a negligible proportion of those involved in the disruptive action paid the full economic consequence of lost pay. But vast amounts of revenue were delayed.

I believe that giving power to employers to suspend other employees without pay when their operations are being disrupted by a small group of workers could be an important

/step in



step in redressing the current imbalance in industrial relations. Perhaps it could usefully be placed alongside the proposal that collective agreements could, with agreement from both sides, be legally enforceable. For it would give to employers something of real value to bargain away, for the sake of securing an enforceable agreement.

At all events, I hope you are willing to consider including the idea as an option for colleagues to consider.

I am copying this letter to the Prime Minister.

A handwritten signature, likely "Geoffrey Howe", with a large flourish above it and a horizontal line below it.

GEOFFREY HOWE

1. It proved impossible in the recent strike to use suspension as a weapon for dealing with Civil Servants refusing to carry out their normal duties because of the elaborate procedures involved including rights of appeal. I do not know whether this was a reflection of the statutory position: or of agreements with the Civil Service Unions: or of the generally weak attitude of CSD.

2. The chosen weapon was "Temporary Relief from Duty" or "TRD". The CSD have claimed that this was an effective weapon. In fact it was nothing of the sort. Half of the total staff on strike, or "TRD'd", were in the Inland Revenue, and we, and not CSD, are in a position to know what the true position was.

3. The Unions learned very quickly how to circumvent TRD. This took two forms. First evasion of the service of the notices involved eg by absenting themselves when the senior office deputed to serve the notices appeared. To a limited extent we were ourselves able to counter these tactics on the basis of legal advice that the full procedure originally laid down was not necessary.

Second by a process of "box and cox" operated by the Unions. As soon as one group of staff were TRD'd, another group would start disruptive action. When the second group was TRD'd, the first group would return to working claiming that they were prepared to work normally in which event, under the TRD rules they had to be allowed to resume work and of course receipt of pay. The success of this manoeuvre is illustrated by the fact that after three months we had only succeeded in TRD'ing about an eighth of the Collection Staff despite the fact that virtually all of them were failing to work properly. (Another eighth were on strike but less than a quarter of the Collection Staff and a negligible proportion of the total staff engaged in the disruptive action lost their pay and were a charge on the Union).

4. To some extent these problems may have been due to a failure to take advantage of the letter of the law in the way that the Unions did. With a much tougher attitude on the part of CSD, possibly more could have been done. But basically the difficulty is that the law is loaded, or appears to be loaded, against the employer. What is

needed is a clear right on the part of the employer where a trade dispute exists to suspend members of the staff who are engaged in disruptive activity without going through the elaborate procedures laid down for TRD, and without the obligation to allow staff to resume duty (and receipt of pay) on a claim that they are now prepared to work normally.

5. I suggest that the letter to Mr Tabbitt says that experience in the current Civil Service strike, which affected the Inland Revenue more than any other Department, demonstrated clearly that the TRD procedure was a broken reed and of little use against determined Union tactics. What is needed is a statutory right for the employer, where a trade dispute exists, to suspend employees without pay if they refuse to carry out their normal duties and to continue this suspension as long as the dispute continues even if the employees claim subsequently that they are prepared to work normally.

A C

7 October 1981