

Prime Minister

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cc J. Vereker  
A. Walters  
A. Duguid

MS 26/10



Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213.....6400.....GTN...213

Switchboard 01-213 3000

Rt Hon Sir Geoffrey Howe QC MP  
Chancellor of the Exchequer  
Treasury  
Great George Street  
LONDON SW1A 0AA

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## INDUSTRIAL RELATIONS LEGISLATION

Thank you for your letter of 16 October in which you ask me to re-examine the ideas put forward by the Engineering Employers Federation of giving powers of lay-off to employers whose operations are disrupted by industrial action in one part of the plant or when large sections of the economy are paralysed due to widespread industrial action.

Of course I have considered very carefully these proposals as possible candidates for inclusion in my forthcoming legislative package and for the reasons summarised in paragraph 11 of Annex B of my memorandum to E have concluded that we would not be justified in adopting them for this Bill. The CPRS, you may remember, also took a close look at the EEF proposals in the context of their report on Pay and likewise decided against them. Their reasoning was very similar to my own and I would accept their additional argument that such a move could give a major boost to white collar unionism. I also agree with the CPRS that the time for considering the second of the EEF proposals would be in a major national strike when the need for it would be clear and public support assured.

I doubt very much if the EEF proposals "could usefully be placed alongside the proposal that collective agreements could, with agreement from both sides, be legally enforceable". Employers and unions are of course free under the law as it now is to conclude legally enforceable collective agreements. I do not see that trade unions would be attracted by legal enforceability to return for an undertaking from an employer not to avail himself of such new statutory rights, which he would be legally entitled to go back on. This is on the assumption that the operation of the proposed provisions could not be excluded by an "agreement" which union power might well otherwise exact.



I am not in a position to comment on the operational handling of TRD in the Inland Revenue but I would make two comments on Arthur Cockfield's note generally. First I do not share his lack of enthusiasm for TRD. In my Department's experience, TRD was put to the test during the civil service dispute this summer, and proved an adaptable and effective tool. Secondly the new legislation Cockfield is suggesting in his note is of course quite different from the EEF proposals but no less difficult.

Lastly it is important to remember that the EEF put forward these two proposals as alternatives to any early narrowing of immunities for industrial action. Given the further legislative measures which I am proposing for introduction this session, I have concluded, and I trust that you will agree, that we should not consider the EEF's proposals for this Bill.

I am copying this letter to the Prime Minister.

*J. Norman*

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