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Qa 05722

9 November 1981

To: MR SCHOLAR

From: J R IBBS

Industrial Relations Legislation


1. I have the following brief comments on the Secretary of State's further Paper E(81)112.

2. Immunity for Trade Union Funds

The benefits that would come from the proposals to remove Trade Union immunities remain a matter of judgement and relevant evidence is very limited. As the Secretary of State points out, the immediate benefits may be to oblige Trade Unions to reform their rule books and reduce the likelihood of secondary action and political strikes. But as the CPRS observed in their study on pay, an important benefit may occur in the longer term if later there is legislation to reform the conduct of bargaining in the work place, such as secret balloting and legal enforcement of procedure agreements. If Trade Union immunities can be removed now for a limited range of unlawful acts, it should be easier later to extend this process by having the same effect on unions as on individuals when further aspects of industrial relations are brought within the law. If the first removal of immunities were to co-incide with a contentious extension of the law the problem would be made much more difficult.

3. Union Labour Only Requirements

I remain concerned about the practicability of the proposal to make unlawful any pressure or industrial action that is aimed at preventing the use of non union labour. In several situations unofficial grass roots opinion, over which neither management nor union leadership have influence, is likely to continue to insist that Trade Union labour be used, no matter what a contract may say. As closed shops are not being outlawed it may be unwise to impose sanctions against unions and individuals for local action pressing for the use of union labour. Indeed if Trade Union immunities are removed it would be better to have the legislation tested on cases such as secondary picketing which are more obviously objectionable to the public than on issues about


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union only labour which are likely to be more confused. I still believe it would be best to start by declaring such contracts unlawful and to leave for later legislation the question of making industrial action in this area illegal.

4. Measure to Improve the Conduct of Industrial Relations

In the Prime Minister's summing up of the discussion at E she noted that the balance of the package was about right provided that it was accompanied by a positive policy on improving management/labour relations within companies. I note that the Secretary of State makes no further proposals on this in his paper. Such an improvement in relations is very necessary and the CPRS in its study on pay emphasised the need for better communications. During the discussion of that study the Secretary of State for Industry was asked to consider the possibility of issuing a code of conduct covering communication and possibly greater employee involvement generally. I suggest it would be helpful if positive moves on this could be brought forward at the same time as the new legislation.

5. I am sending a copy of this minute to Sir Robert Armstrong.

