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1. MR. SCHOLAR ^{ms}
2. PRIME MINISTER

We had a word on Tuesday about Mr. Tebbit's wish to make a Statement in the House at the time of publication of the proposals for industrial relations legislation. You agreed that he should go ahead.

His intention had been to make the Statement on Thursday. This was deferred, because it looked as if we would be ready for the Statement on the Sinai Force. That one has now fallen through again, but Mr. Tebbit prefers to stick to Monday for his Statement. I attach the draft, together with the draft document. (It is a discussion document, not a White Paper).

At Flag A, I attach some comments from the Policy Unit.

AD GMAP
17/11/81

Would you like us to ask Mr. Tebbit to take account of the Policy Unit's comments before finalising his text?

I think we have MAD
 left it too late now
 ms.

18 November 1981

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MR. PATTISON

INDUSTRIAL RELATIONS LEGISLATION

1. I have a few comments to offer on the draft statement and working paper sent to you by Norman Tebbit's office today.
2. The statement seems to me to underplay slightly the purpose of the proposals. This is partly because the purpose is only stated in the last paragraph. The second purpose stated in that paragraph could be expanded a little in order to bring out the wider economic benefits. At the moment the economic case rests entirely on the rather low key claim "to improve the operation of the labour market". I suggest something along the following lines:

"It is widely recognised that an imbalance in our industrial relations has been one of the causes of our relatively poor economic performance in the past. The Government believes that further reforms have an important part to play in our economic recovery."
3. I imagine that supplementaries (if the statement is to be oral) would be used by Mr. Tebbit to make more explicit the connection between an improved labour market, economic recovery, and more jobs.
4. The other point which seems to be missing from the statement is a reassurance that nothing in these proposals will affect the right of ordinary trade union members and their unions to pursue claims with their employer.
5. The second sentence of paragraph 28 might be taken to refer to union members' unwillingness to work alongside non-unionists in the same company. In fact, the reference is to an unwillingness to tolerate non-unionists working for other employers. This could be clearer. The sentence also seems to me to appear to condone the practice.

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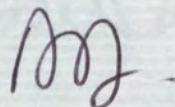
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6. The second sentence of paragraph 34 says that the Government are considering a presumption of liability in ambiguous cases unless a more senior body or official has repudiated the action. Surely this is a necessary element in making vicarious liability stick, and should not therefore be expressed in such tentative terms.

7. Finally, neither the statement nor the working paper emphasise that the Government is not proposing to go nearly as far as many of the Green Paper respondents recommended. In particular, it has not pursued the suggestion that procedure agreements should be made legally enforceable - with much more widespread loss of immunities. Should we not claim credit for realism and moderation? Perhaps this is best done in supplementaries too.

17 November 1981



ANDREW DUGUID

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