

CONFIDENTIAL

3 December 1981 (1)

MR SCHOLAR ✓

? Prime Minister

Content to proceed, as proposed by Mr Tebbit? Orsh^d E discuss?
MCS 3/12

COMPENSATION FOR CLOSED SHOP VICTIMS

1. Norman Tebbit proposes that compensation should be extended to those dismissed during the 1974-80 period in similar circumstances to the three railmen who have successfully fought their case at Strasbourg. As he says, there is a moral obligation to compensate these victims, even though there is no legal obligation. There is obviously room for debate about the strength of the moral claim. He does not mention any pledge made by a front-bench spokesman which must be redeemed.

2. The decision rests on political grounds. On the face of it, the political case is a strong one. Paragraph 5 explains that the danger of setting a precedent is limited.
3. But there will be strong criticism. Our generous treatment of this group may be contrasted unfavourably with that of other deserving groups: war veterans; criminal victims; the disabled - especially the difficult borderline cases in each group. Will we be open to the charge that we are less scrupulous where the political dimension is less prominent? Equal justice is Government responsibility, not "compassion" (see Sir K. Pinner!)
4. If we are able to defend ourselves, well and good. We suspect that the gesture may backfire. It may be labelled humbug, and generate more grievance elsewhere than a strictly-maintained legal view of our obligations. We can still draw maximum political advantage from the contrast between the unfairness in 1974-80 and the position now.

JOHN HOSKYNS

I think we should consider E on 10/12

MT.

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