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Rt Hon Jim Prior MP
Secretary of State
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19 January 1982

D Jim,

INDUSTRIAL RELATIONS LEGISLATION

Thank you for your letter of 15 January about my proposals for further industrial relations legislation. I am glad that you agree with what I propose on 'joinder', 'contributory fault' in closed shop cases, as also the interval between periodic reviews and the date for the introduction of the periodic review requirements. I note too that while remaining sceptical on the general issue of making trade unions liable for damages which we agreed at E, you concur broadly with the modifications on vicarious liability I have proposed.

As regards your concern that the present proposals for the required percentage levels of support for existing closed shops may be pitched too high, I think it is important to remember that the EEF whose views on this matter you suggest we should particularly bear in mind start from the viewpoint of generally opposing further action on the closed shop now, and a general distaste for the idea of periodic reviews as such. As I said in my minute to the Prime Minister the general reaction of employers to my proposals has been favourable and very few opposed them. It is surely essential that for the continuation of a closed shop a very high level of support should have to be demonstrated. The addition of 85% of those actually voting as an alternative to 80% of those entitled to vote (which is the present requirement for new closed shops) is an important relaxation. My mind however is not closed on this matter. I believe that the present proposals (80 or 85% as the case may be)



are the right ones to start with in the Bill. I shall however listen carefully to what is said and may modify the requirements in Committee if this appears desirable.

Turning to the proposal to remove immunity from industrial action which interferes with the performance of commercial contracts on the grounds of union membership or non-membership, I would not wish to deny the risks which are inevitably involved. However I do not think that we should now set aside the strong views expressed by employers in the course of the consultations - the CBI confirmed their views on this matter to me when I saw them recently - nor the strong arguments in logic for this course. However if I were to delay the implementation of this provision I would not expect to have to introduce it at the first troublesome case to arise in the docks or elsewhere. I would make it absolutely clear that the purpose of the provision was not to seek to eliminate what are deep-seated practices of refusing to work alongside non-union labour, but rather to ensure that the provisions regarding union labour only requirements imposed by employers in contracts should not be rendered ineffective. However on this matter too my mind is still open. While I do not see that we now have any viable alternative to including the provision in the Bill, I would propose to consider further during its progress through Parliament whether there is a case for deferring its implementation.

I am sending copies of this to the Prime Minister and members of E Committee, the Chief Whip and Sir Robert Armstrong.

J. G. N.
Norman

9 JUN 1962

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