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20 January 1982

Dear Michael

INDUSTRIAL RELATIONS LEGISLATION

Thank you for your letter of 15 January conveying the Prime Minister's agreement, subject to the views of colleagues, that my Secretary of State should proceed on the lines he proposed in his minute of 23 December without a further meeting of E.

On the three specific points the Prime Minister raised, Mr Tebbit has asked me to reply as follows

(a) Periodic Review Ballots

Mr Tebbit is giving this matter further thought and will write to the Prime Minister later. As you say, it does not affect the drafting of the Bill.

(b) Ballot Percentage

The percentage level of support in a ballot to be required is a difficult matter of judgement. Clearly a very high level of support should need to be demonstrated. On the other hand it should not be so high as to be unattainable in practice. Mr Tebbit understands the Prime Minister's concern about possible collusive action between a trade union and a compliant employer but it would always be open to an employee subsequently dismissed to challenge the validity of such a ballot. He believes that a required turn-out of 80% of those entitled to vote, particularly in the case of larger closed shops, would be unrealistically high and criticised by some employers and that therefore the alternative of 85% is necessary if the provision is to be industrially credible.

(c) Secret Ballots

With the possible single exception of the Construction Plant-hire Association, there has been no demand from industry in the



consultations for ballot funds to be made available to employers where they are not taken up by trade unions. Mr Tebbit is not inclined to support this proposal. The purpose of the scheme is to encourage the greater use of secret ballots by unions by removing the strongest argument against them, the expense involved: it is not to provide an additional facility for management. Trade unions would be unlikely ever to make use of these funds if they were being used to finance management ballots.

I am copying this letter to the recipients of your letter.

Yours sincerely

John Anderson

J ANDERSON
Private Secretary



25 JAN 1982

