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I have 1 see a copy of NT's letter
searcher pps.

Prime Minister

25 January 1982 (1)

MR SCHOLAR

Are there any points here which you wish to insist on?

cc Mr Hoskyns

INDUSTRIAL RELATIONS LEGISLATION

Or are you content to let Norman Tebbit make his own judgements? MGS 25/1

1. Mr Tebbit's response on the three points raised by the Prime Minister is a little disappointing.
2. There is nothing more to be said at the moment about whether we wait 1 year or 2 years before requiring the first ballots for existing closed shops. Mr Tebbit will write again. We still think it may be politically advantageous for the new regime to become effective before the next Election.
3. On the percentage level of support required in closed shop ballots, Mr Tebbit concedes the possibility of collusive action between a trade union and a compliant employer. I am less confident that an employee subsequently dismissed could challenge the validity of such a ballot. Presumably the employer could defend a ballot based on those voting, on the grounds that the legislation made specific provision for this criterion. You will see that the Chancellor has supported the view that the test based on 80% of all those affected reflects the democratic principle much better. We still think this is correct. If very few closed shops can muster such support, so be it.
4. I think we shall have to accept Mr Tebbit's view that ballot funds should not be made available to employers where trade unions refuse to conduct ballots. It is a pity that more employers have not asked for this. The Construction Plant Hire Association had pointed out that in 1980 they suffered a damaging strike, on the basis of a series of very questionable "show of hands" votes. In 1981, the union refused to conduct a ballot, but tacitly accepted it when management did so. The result was acceptance of the pay offer. This successful experience led them to believe that there was much more scope than was generally recognised for ballots conducted by managements.

Please
Preserve
this
point
not

ANDREW DUGUID

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cc Mr. Jervis



10 DOWNING STREET

From the Private Secretary

3 February 1982

Thank you for your letter of 22 January about the Industrial Relations Bill.

The Prime Minister accepts Mr. Tebbit's view that the percentage level of support required in a ballot is a difficult matter of judgement. She remains, however, of the view that the test based on 80% of all those affected is the better arrangement without the option of 85% of those voting (she is less confident that an employee subsequently dismissed could challenge the validity of a ballot in which there had been a collusive action between a trade union and a compliant employer.

I have no doubt that your Ministers will face amendments to this clause in both directions when the Bill reaches Committee stage. I would be grateful if your Secretary of State would take into account the view of the Prime Minister (which is shared by the Chancellor in his letter of 25 January) when this point in the passage of the Bill is reached.

I am sending copies of this letter to the Private Secretaries to the other members of E Committee, the Chief Whip and Sir Robert Armstrong.

MCS

John Anderson, Esq.,
Department of Employment.

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