

CONFIDENTIAL

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Secretary of State for Industry

25 January 1982

The Rt Hon Norman Tebbit MP  
Secretary of State for Employment  
Caxton House  
Tothill Street  
London SW1

Prime Minister

MUS 26/1

*[Handwritten signature]*

*Dear Norman,*

LEGISLATION ON INDUSTRIAL RELATIONS MATTERS

Thank you for sending me a copy of your minute to the Prime Minister reporting your conclusions on the outcome of the consultations.

2 I am sure that you are right to go some way towards meeting the concern of the CBI and other employers over the prospect of unduly high awards in closed shop dismissal cases, especially for opportunists who have no genuine objections to union membership. However, I wonder whether we should not build in some safeguards for the smaller firm with a limited amount of money and facing a powerful union. Well publicised generous awards which bring a firm close to bankruptcy would be no help to our cause (and we must remember that these same awards would apply also to allegations of dismissal because of membership of a union). This risk is increased if, as you propose, a union should not be liable unless it has put pressure on the employer to dismiss rather than merely consenting to the dismissal.

3 Can we be confident that industrial tribunals will fully take account of the administrative and financial resources of the "guilty" employer? Or should we have some analogue of section 6 of the Employment Act 1980 which requires tribunals to do so?

4 I am sending copies of this letter to the other recipients of yours.

*Yours ever*  
*Patel*



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26 JAN 1982