

Prime Minister

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25 February 1982

MR SCHOLAR

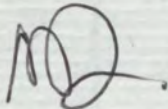
May I write as suggested?

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Yes m

EMPLOYMENT BILL: LAY-OFF PROVISION

1. My note below to the Prime Minister coincided with the arrival of two letters from Norman Tebbit's office setting out his views on the lay-off provisions.
2. Mr Tebbit is quite clear that he does not want to use the present Employment Bill as a vehicle for making any change affecting employers' rights to lay off their employees.
3. In any event, he says he is not attracted to legislation to permit lay-offs in response to selective strike action by some of the employees of the company concerned. If the Prime Minister accepts this conclusion, it would still make sense to consider the "freedom to dismiss" option instead. I hope, therefore, that the Prime Minister will agree to you sending a revised draft letter, asking Mr Tebbit to consider this idea.
4. Mr Tebbit is more willing to contemplate legislation covering lay-off during national emergencies. Obviously we should welcome some further thinking on this. As our earlier notes have indicated, we doubt whether Parliament could or should give Government the power to override contractual obligations in these circumstances. But there can be no objection to further study of the issue.



ANDREW DUGUID