CONFIDENTIAL



Prime Minister

Mus 18/5

MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

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MO 21/8/5

16th May 1983

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EMPLOYEE INVOLVEMENT

I have seen your minute of 20th April to the Prime Minister and the subsequent correspondence.

I do not myself believe that it is sufficient as you propose, to follow the voluntarist line and to oppose initiatives in Europe.—
The voluntarist approach is most unlikely to achieve the substantive benefits which we are all seeking in terms of economic performance and better industrial relations. Its attractions to the CBI and other interests may reflect their own ambivalence towards progress in this whole area. While we need to avoid an over-bureaucratic approach, this need not rule out sensibly framed legislation to give a new impetus to involvement.

Moreover there is an important presentational issue here. We must guard against being outflanked by our political opponents who must not be allowed convincingly to argue that their more extreme legislative solutions have been shown to be the only viable way forward.

Copies go to the other recipients of your minute.

Michael Heseltine

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