



FCS/83/129

SECRETARY OF STATE FOR EMPLOYMENT

PA (see N Tablin
9/15/77)
Mus 15/7

MF

C.C.N.O.

Prime Minister (2)

Mus 14/7

Employee Involvement

1. I have been following with interest the continuing exchanges on this subject, resting with Michael Heseltine's letter of 27 June. Voluntarism is clearly the best route if it works; and, unless we are convinced that something slightly different may offer better results in practice, we are obviously right to stick to the line we have been taking in the Community.

2. Turning now to the position at home, I continue to see some force in the arguments which Michael has put forward. There is a problem about the laggards, who are reluctant to follow good industrial practice; there are dangers in leaving the matter entirely to individual companies, and there is a danger of leaving a vacuum which some future British Government would certainly be tempted to fill and would very probably fill in a way which we would all come to regret. (Indeed, as our defeat in the Lords over the Esmond Bulmer/Lord Rochester amendment shows, there may be dangers even in the shorter term). We agreed about the importance of our Manifesto commitment to resist attempts to impose rigid systems of employer/employee relations in Britain; but the word 'rigid' is important and we should not completely close our eyes to the possible advantages of taking an initiative along the lines suggested by Michael Heseltine. If you felt the idea worth discussing informally among a small group of colleagues, I should be glad to take part. If we decided that a development of our present policy was justified on the merits in terms of British interests, I would not anticipate any difficulty in reflecting this satisfactorily in our position in the Community.

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3. I am copying this minute to the Secretary of State for Defence, members of E, the Lord Chancellor, the Attorney General, the Secretaries of State for Scotland and Wales and to Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to be 'G. Howe', written in a cursive style.

(GEOFFREY HOWE)

Foreign and Commonwealth Office

13 July, 1983

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Ind Pol : Matheis Pt 10