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The Rt Hon Cecil Parkinson MP
Secretary of State for Trade and Industry
Ashdown House
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5 August 1983

D Cecil,

DRAFT EC DIRECTIVES ON EMPLOYEE PARTICIPATION

In an exchange of correspondence last December, Arthur Cockfield and I discussed the handling of our consultation on the two draft EC Directives which have substantial provisions on employee participation - the Fifth Company Law and the so-called 'Vredeling' Directives. At that time I reserved judgement on the method and timing of consultation but suggested that it might be advantageous, if the timing was right, to consult on both Directives at the same time.

The revised text of the 'Vredeling' Directive was adopted by the Commission in June and has now been submitted to the Council. I understand that the Commission has also now adopted the Fifth Directive and that a text will be published in the next few weeks. In these circumstances I think that it would be best to consult on both draft Directives together. This would simplify matters for those being consulted, and would help to point-up the inconsistencies between the two texts.

To consult on both texts simultaneously will mean a little delay in the start of consultations on the 'Vredeling' text which has already aroused a fair degree of public interest: I understand that we are unlikely to be ready to launch our consultative document before October. However I do not think that we will be disadvantaged by this, since we are already well aware of the views of industry, and there may be certain tactical advantages to be gained in the negotiations in the Council machinery if we prolong the process of consultation.



If you agree that this is the right approach I suggest that the actual consultation on both draft Directives should be handled by officials in one Department, and I am happy that my officials should take this on. If you agree, our officials can work out the details between them. I have in mind that a press notice would alert those not consulted initially, and we would allow three months for responses.

I am copying this letter to other members of E(A) Committee, to the Lord Chancellor, the Attorney General, to the Secretaries of State for Scotland and Wales and Northern Ireland, the Foreign Secretary and to Sir Robert Armstrong.

J. Norman