

1. We are considering legislation which will restrict the power of the unions. We believe:

- (i) We have public support.
- (ii) Our election manifesto and campaign implied that we would take effective action to control the unions.
- (iii) Reduction of union power is morally and economically right.
- (iv) The public expect us to achieve results, not pretend to go through the motions. They want us to solve the problem: we will lose credibility if we just avoid the problem pro tem.

2. Do we accept an unsatisfactory package, which will be seen not to have worked in a year or two, because a satisfactory package might cause a general strike? Do we buy peace now, and leave the unions the choice of date for confrontation, while leaving them the weapons whose removal they would fight?

3. If we show our cowardice now, with a mandate for effective action, a big election victory, and public memory of last winter, the unions will know we are not prepared to fight. We will encourage the very action we fear, by making the unions believe we feel they are invincible. The story of the 1930s.

4. Is it not clear that in 12-18 months' time:-

- (i) If unions are quiet, we will not have a cause for action. The unions can wait until 1982-3 to cause trouble and win the next election for Labour.
- (ii) If we have union problems in a year or more, the public will blame us for incompetence! We told them that we dealt with the unions in 1980. Will the public support us then, or prefer peace? If they think we are not competent to win a war, they will choose peace.

5. It may be now or never! Have we asked ourselves if our first package must be sufficient, not just necessary.

6. The area of law covering trade unions is immense. Therefore

(i) We cannot put it all right at once.

(ii) But we must deal with enough to affect

balance of power between:

union and member

union and employer; union (and union members);

and other employers

union and general public; union and taxpayer.

7. So we must make union liable in certain cases, e.g. for wrongful expulsion or exclusion, unjustifiable fines, etc., vis-a-vis individual members or would-be members.

8. We must act on secondary picketing and secondary blacking.

If we do too little, we will throw too great a burden on the police and the criminal law. Arthur Scargill has thrown down a gauntlet which we can not now ignore. If 1% of closed shop members are militant would-be martyrs, we must

(i) build 50,000 more prison places

OR

(ii) put immense financial pressure on unions to control their own militants in order to protect their non-militant majorities.

(No other pressure can possibly succeed!)

9. We must consider the problem of taxpayers finance for strikers.

It was a manifesto commitment. Can we do nothing and remain credible? Would ISTC be out now without social security benefits for wives? i.e. is it more important than appears from financial totals paid annually, to balance of power in disputes?

#### CONCLUSION

10. The experts must draft the necessary legislation.

But Cabinet must decide strategy on which they must draft.

Is it:-

(i) to do minimum to appear to be carrying out our manifesto

OR

(ii) to do maximum which TUC say (privately) that they can bear. (This may be more or less than (i) )

OR

(iii) to do minimum to make a real change in balance of power, even at risk of maximum trade union opposition.

11. The choice of 10(iii) must be based on a judgement that both

(a) these changes are necessary if British industry is to have a chance (in a free society)

AND

(b) our best chance of success is by acting now rather than trying to do a little at a time. Refer back to 4 (on page 1).  
Are 4 and 5 the best judgement, or will slowly, slowly catch the union monkey?

12. If Cabinet opt for 10(iii), then a small group of, say, 2 Department of Employment officials, 4 industrialists with suitable I.R. experience, and Solicitor-General/a legal expert could fairly quickly put together a reasonable package for Parliamentary draughtsmen to work on (3 weeks work).

13. Parliamentary handling of amendments to present Bill or a new Bill must be considered.