

FROM: NIGEL LAWSON MP



HOUSE OF COMMONS
LONDON SW1A 0AA

1st March 1976

Dear Margaret,

I note that you said
in your speech over the weekend
that "We do not intend any major
legislation, like the Industrial Relations
Act, to regulate the affairs of Unions. The
Labour Government of 1966/70 and ours
of 1970/74 learned that such major
changes can lead to more disharmony
than they are worth."
I am sure that this is
right for the immediate future as you

Your first administration - although
the Day may well come when
major legislation (albeit very different
from the IRA!) is required.

But, in the meantime, I feel
that the important lesson of the
period 1966-74 is that attempts
at an incomes policy, whether
statutory or voluntary, in the end
always tend to "have disastrous
policy are worth", to use your own
phrase. This seems to me the
that trap we have to avoid. We need
to treat the union leaders with similar
neglect - and with an incomes policy,
that is not possible.

John G. ...
Nigel