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P.0403

PRIME MINISTER

GREEN PAPER ON TRADE UNION IMMUNITIES
(E(80) 148)

BACKGROUND

The Secretary of State for Employment circulated a draft of his Green Paper on Trade Union Immunities under cover of his minute of 17 November to you. He has now revised the draft to take account of suggestions made in correspondence. The new text, with the amendments sidelined, is attached to his Memorandum E(80) 148.

2. The CBI have made clear that they need a consultative period of six months if they are to sound out their members fully. If the Secretary of State can get clearance this week he would propose to publish the Green Paper shortly after Christmas (the public undertaking is to publish "before the end of the year") and set a closing date for consultations at 30 June 1981.
3. In the correspondence the most fundamental suggestions came from the Chancellor of the Exchequer - his letters of 8 and 10 December - and from the Secretary of State for Industry in his letter of 10 December. The Secretary of State for Trade has also raised the question of whether the Green Paper should include a commitment to legislation to deal with the Nawala problem.
4. The Chancellor of the Exchequer's main criticism, on which he was supported by the Secretary of State for Industry, was that the November draft was too studiously neutral and that it failed to bring out the strong need for a change in the balance of industrial relations. The Secretary of State for Employment remains of the view that the introduction and discussion of such changes need very careful handling and timing. He has, however, made substantial changes to his introductory paragraphs in order to meet the Chancellor's point.

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5. In response to other major suggestions he has:-

(i) In paragraph 20 of the introductory chapter put the case for postal (ie secret) ballots for trade union elections more strongly, although he is anxious to avoid any suggestion that the Government is contemplating legislation to make secret ballots mandatory - see paragraph 2 of his cover note.

(ii) In Section A of Chapter 3 put the questions on immunity for trade union funds more positively (paragraph 34) and inserted a new paragraph 26.

(iii) Amended paragraph 30(ii) of Section E of Chapter 3 to refer more positively to the advantages of introducing legally enforceable agreements.

6. The Nawala case raised the issue of the blacking of international shipping in UK ports where there is, and has been, no dispute between the owner and the crew past or present. It is discussed in the section on international shipping in paragraphs 31-34 of Section D of Chapter 3. The Secretary of State for Trade, supported by the Lord Advocate, argued that the Green Paper should announce that the Government intends to legislate on this problem in due course (this is on the strength of your summing up at a meeting of E on 24 March when you said that industrial action in the shipping industry should be reserved for separate treatment in a later Bill - E(80) 11th Meeting, Item 2). The Secretary of State for Employment, supported by the Lord Chancellor, argues that it would be inappropriate to announce in the Green Paper a commitment to legislate on this particular issue in advance of general consultation on it and on other related matters. He points out that it has, moreover, yet to be decided how to tackle this complex problem in legislation.

HANDLING

7. In introducing his paper the Secretary of State for Employment will no doubt explain how he has handled the main points put to him and how

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he now sees the timing. You may wish to make clear to the Committee that you do not want to take drafting points which can be cleared urgently in correspondence and that the discussion should focus on major issues. The Chancellor of the Exchequer and the Secretary of State for Industry will wish to say whether they are now satisfied. In addition you may want to call on Mr Tebbit (representing the Secretary of State for Trade who will not be back from his trip to Spain) to speak on the Nawala issue.

8. The main questions are:-

i) is the Committee satisfied that the broad balance and approach in the Green Paper are now right?

ii) are there any major policy issues which members still think are not covered satisfactorily?

iii) is it accepted that there should be no specific commitment in the Green Paper, prior to consultation, to legislate on the Nawala issue?

CONCLUSIONS

9. In the light of the discussion you will wish to record conclusions:-

either approving publication of the Green Paper as soon as possible subject to clearance in correspondence of any outstanding drafting points;

or as above, but resuming discussion of any major issues if there is time at the meeting of E prior to Cabinet on Thursday morning;

or if it is clearly impossible to resolve the issues before Christmas, agreeing to resume discussion at an E as soon as possible in January, recognising that this will mean some amendment to the overall timetable - for example, postponing the closure date for consultation to the end of July 1981.