



Cy the 1987/88

Prime Minister

CONFIDENTIAL

Are you content with the compromise proposal at x

*Has this been thought through
It can only apply to workers
who belong to a T.U. - not
to those who don't. But who belong?*

PRIME MINISTER

STRIKERS AND SUPPLEMENTARY BENEFITS

*are never the less known
out of work because
of a strike. 24/7*

We discussed at E(EA) on 18 July proposals for putting into effect our Manifesto commitment to ensure that unions bear their fair share of the cost of supporting members on strike.

*How can we know who belongs to a Union?
We haven't got access to the*

We accepted the view of Jim Prior and Patrick Jenkin that the basis of our approach should be to "deem" that a striker would be receiving a specified amount of strike pay from his union, and reduce the level of supplementary benefit to his family by that amount.

*T.U. membership lists?
Could we have a
detailed paper on the
"repercussions" before this
point is taken further.*

We left open how much that amount should be - though we felt that we might want to ensure that whatever figure we chose could easily be adjusted either in the light of experience or to take account of inflation. We also agreed that as consequential changes we should consider redefining the discretion of the Supplementary Benefit Commission to make payments in the case of urgent need, and that the £4 "disregard" which applies to strikers' income should be abolished.

We did not, however, reach firm views on the tactics and timing for the handling of this matter - though we felt that any announcement should be delayed at least until after the TUC Conference in September. Jim Prior's and Patrick Jenkin's original proposal was that we should make an announcement in the autumn giving the union about 12 months for them to bring their levels of strike pay up to a specified figure and improve their arrangements for paying it, and to promise legislation in the 1980/81 Session if they do not respond satisfactorily. They argued that early legislation would merely harden union

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attitudes, and would make progress on the other, more crucial, employment legislation planned for the autumn even more difficult.

However a number of other members of the Sub-Committee felt that we should not tie our hands by introducing a 12 month moratorium, and so should not rule out the possibility of introducing legislation this Session. It might prove useful to have a weapon available if strike action in the coming months led to increasing demands for action. A compromise, which appeared to be acceptable to most members of the Sub-Committee, would be to announce our intention in principle to introduce legislation unless the unions could show us convincing reasons - for example by increasing their levels of strike pay - why we should not do so. In this way we would put the burden of argument onto the unions' shoulders - without committing ourselves to a year's moratorium.

If we took this route we should still in all probability defer legislation beyond this session, and I do not think we need provide for it in the Social Security Bill. The essential point is that we would be keeping our options open for a Bill if necessary later in this session - although we all recognise that the constraints of the timetable would make that difficult.

I undertook to report the case to you and to ask whether you would be content to adopt a course along the lines of the compromise suggested above.

/I am.....



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I am copying this minute to members of E(EA), Patrick Jenkin, Norman St John Stevas, Michael Jopling and Sir John Hunt.

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K J
23 July 1979

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