CABINET

A POLICY FOR INDUSTRIAL RELATIONS:
DRAFT WHITE PAPER

Memorandum by the First Secretary of State and Secretary of State for Employment and Productivity

I attach for my colleagues' consideration a draft of a White Paper on our future policy for industrial relations. This draft has already been considered, at the Prime Minister's request, by a small number of Ministers, and it incorporates suggestions made by them.

2. The proposals for action in the draft White Paper are carefully balanced, and together comprise a radical programme for reform, designed both to strengthen trade unionism and make it more accountable, going well beyond the Donovan recommendations in certain respects. In my judgment this is the right approach for the Government though there will inevitably be opposition on individual points from vested interests.

Theme of the Draft White Paper

3. Conflict in industrial relations is unavoidable and not necessarily anti-social. In our present system, however, that conflict is in some ways out of control and damages our society and economy. This situation is the result of defects in our collective bargaining arrangements, which are also responsible for failure to deal adequately with workers' rights in matters other than pay. Changes in the institutions and practices of collective bargaining are required. These changes must be initiated not only by both sides of industry. Government intervention, too, is necessary to ensure reform and safeguard the interests of the community.

4. After introductory sections on the role of the Government and the present state of industrial relations, the draft White Paper sets out the following main areas for action:

   The Reform of Collective Bargaining (paragraphs 19-47)
   The Extension of Collective Bargaining (paragraphs 48-58)
   Aids to Collective Bargaining (paragraphs 59-71)
   New Safeguards (paragraphs 72-107)

The following paragraphs draw attention to major proposals in the draft White Paper. New proposals and those which depart from the Donovan recommendations are sidelined in the draft White Paper.
The Reform of Collective Bargaining (paragraphs 19-28)

5. The draft accepts in principle the Donovan Report's analysis of present collective bargaining arrangements and its recommendations for the reform of both industry-wide and company-workplace bargaining, while pointing out that there is room for discussion on their application in different industries.

A Commission on Industrial Relations (paragraphs 29-34)

6. The draft proposes that a Commission on Industrial Relations (CIR) should be set up by Royal Warrant at once, and later put on a statutory basis. There should be no objection to this proposal from the CBI or TUC, to judge from their comments so far received. However, there will be criticism from other quarters of the establishment of yet another public body and of the possible duplication of its functions and those of the National Board for Prices and Incomes (NBPI). There is some force in these objections. Yet on balance I am in favour of the immediate creation of the CIR because I believe this is necessary to give impetus to the reform of collective bargaining. This could not at present be successfully initiated by the NBPI in view of its identification with the application of prices and incomes policy. The words used in the draft leave open the possibility of putting the CIR on a statutory basis which will not necessarily demand its continued existence as a separate body.

7. The functions proposed for the CIR in this part of the draft White Paper are on the lines recommended by the Donovan Report, and are not likely to arouse controversy.

Registration of Agreements (paragraphs 35-37)

8. The draft proposes that procedure agreements of employers employing more than 5,000 workers should initially be registered on a voluntary basis with the Department of Employment and Productivity (DEP); and that later this should be made compulsory. No doubt these proposals will be strongly opposed by the Conservative Party on the grounds that they would lead to unnecessary interference with industry; and there will also be left-wing suspicion that this system of registration will be used for incomes policy purposes. But I am convinced that such a system is necessary to secure the required managerial initiatives towards the reform of collective bargaining, and their early comments do not suggest that it will be opposed by the CBI or TUC.

Collective Agreements and the Law (paragraphs 38-42)

9. Under existing law an employer can sue an individual employee for breach of that employee's contract of employment (for example, when the employee goes on strike without giving proper notice). It is also possible for an individual employer to conclude a legally binding agreement with a trade union if both parties so wish. However, as explained in paragraph 42 of the draft White Paper, Section 4(4) of the Trade Union Act, 1871 precludes the direct legal enforcement of collective agreements between an employers' association and a trade union. The draft White Paper proposes to modify this provision, and so remove the barrier to legally binding collective agreements of this kind. But it is important to emphasise that the draft White Paper takes up a neutral position regarding the desirability of making collective agreements legally enforceable; it merely proposes a change in the law which will enable employers' associations and trade unions to make a collective agreement legally enforceable if both sides want to do this.
10. Some trade unionists may object that the policy set out in this part of the draft White Paper is similar to proposals by the Conservatives in their booklet "Fair Deal at Work" and in their mid-term policy statement "Make Life Better". There are in fact very important differences between what the draft White Paper proposes and what the Conservatives have suggested. The draft proposes that parties should be enabled to make legally enforceable agreements if they wish; the Conservatives say that they would "make agreements between employers and unions legally binding except where both sides specifically agree otherwise". The Conservative proposal is ill-judged because it ignores the fact that the great majority of collective agreements are not in a form which can be enforced in the courts. They are too vague and informal. Moreover, the Conservatives do not seem to have realised that what they want to achieve will call for more legislation than the simple repeal of Section 4(4) of the Trade Union Act, 1871.

11. Some trade unionists have already expressed fear that the repeal of Section 4(4) will automatically make all industry-wide agreements legally enforceable. This fear is quite unfounded, as to make such an agreement enforceable the parties would have to intend it to be enforceable and draw it up in a form capable of enforcement. But to avoid any misunderstanding I propose to provide that an agreement can be made legally enforceable only if it includes an express provision in writing to this effect.

12. A more general criticism, for example from the CBI and from a section of the daily and weekly press, will be that these proposals in paragraphs 38-42 are too weak on the enforcement of collective agreements. But in my view the draft strikes the right balance on this subject. It is sensible to give parties the opportunity to make collective agreements legally enforceable if they wish; it is not sensible (for the reasons set out in Chapter VIII of the Donovan Report) to compel parties to make legally enforceable agreements. Even "Fair Deal at Work" states very firmly that "it would be wrong to accord to collective agreements the quite exceptional status of a contract which must be enforceable regardless of the wishes of the parties".

Disclosure of Management Information to Trade Unions and Employee Participation (paragraphs 43-45)

13. The draft White Paper points out that employees' representatives need adequate information if they are to play an effective part in collective bargaining and joint consultation. It therefore proposes that the Government should have further discussions, with a view to giving trade unions a statutory right to certain sorts of management information. The provision of such a right would be in line with proposals made in the Labour Party's 1967 report on 'Industrial Democracy' and in this year's statement by the National Executive Committee to the Party Conference.

14. The suggestion that the Industrial Relations Act should facilitate (not require) the appointment of trade union representatives on boards of undertakings is in line with the recommendation on this subject of a minority of the Donovan Commission (Lord Collison, Professor Kahn-Freund and Mr. Woodcock).
Trade Union Membership, Recognition, Inter-Union Disputes (paragraphs 50-58)

15. This section of the draft puts forward far-reaching suggestions for strengthening trade unionism and extending collective bargaining. I draw my colleagues' attention particularly to the proposals that no employer should have the right to prevent or obstruct an employee from belonging to a trade union, and for the use of selective unilateral arbitration to assist the growth of collective bargaining, and to the proposals for dealing with inter-union disputes. I attach importance to the suggestion that the TUC should have an opportunity of solving inter-union troubles before the proposed new legal provisions are invoked. These provisions will, in inter-union cases, make an employer liable to a fine if he failed to observe an order requiring him to recognise a union; and in inter-union disputes not solved by the TUC a union which infringed an order requiring the recognition of another union would also be liable to a fine. The draft White Paper comes down firmly against the Tory proposal for withdrawing the protection of the law from trade disputes resulting from inter-union difficulties.

A Trade Union Development Scheme (paragraphs 64-68)

16. The draft puts forward the idea of grants and loans by the CIR for trade union development, to support efforts to raise the efficiency of the trade union movement. I attach a great deal of importance to this proposal for giving impetus to trade union reform without in any way encroaching on the autonomy of the trade union movement.

 Strikes and the National Interest (paragraphs 79-85)

17. The proposals in paragraph 81 that the Secretary of State should have reserve powers to require secret ballots before official strikes are called, and to require a maximum of 56 days postponement in the case of unconstitutional strikes, are highly controversial, especially as they envisage fines on unions failing to carry out ballots and on individuals failing to observe a period of postponement. But the Government has a responsibility to safeguard the interests of the community in certain circumstances. The two measures are therefore needed.

Strikes and the Law (paragraphs 86-91)

18. We should reject the majority recommendation of the Donovan Commission that the protection given by Section 3 of the Trade Disputes Act, 1906 and by the Trade Disputes Act, 1965 should be limited to registered trade unions and employers' associations. Such a limitation would be at best useless (because employers would probably still shrink from suing unofficial strike leaders) and at worst it would embitter industrial relations and encourage local breakaway unions.

19. There might be criticism from the trade unions of the proposal not to make any change in the law relating to picketing. The Donovan Report recommended that Section 2 of the Trade Disputes Act, 1906 should be amplified so as to give express permission to the peaceful persuasion of any customer or potential customer of an employer in dispute, and a minority proposed that picketing at a person's home should not be allowed. I think it is best to leave the law as it is, as proposed in paragraph 80.
Safeguards Against Unfair Dismissal; Contracts of Employment Act; Jurisdiction of Industrial Tribunals (paragraphs 92-95)

20. These important proposals will call for legislation of a fairly complex kind and will require a relatively large number of extra staff. The CBI is likely to oppose them all. The TUC is against the extended jurisdiction of the Industrial Tribunals except in cases of unfair dismissal.

Trade Union Rules and Registration (paragraphs 96-101)

21. Broadly speaking, the draft accepts the recommendations of the Donovan Report concerning trade union rules and registration; but not the recommendation that trade unions should be given corporate status. My colleagues should note that it is proposed to provide for a financial penalty on unions refusing to register.

An Independent Review Body (paragraphs 102-107)

22. Paragraph 103 of the draft suggests the setting-up of an independent review body, as proposed by the Donovan Report (but with the modification that it should be manned by the President and trade union members of the Industrial Court), to adjudicate in disputes between trade unions and individual members. The TUC has expressed opposition to the idea of an independent review body, and has suggested that the trade union movement itself is capable of setting up any necessary machinery for this purpose. The CBI, on the other hand, has expressed the view that it would be wrong for trade unionists to be in a majority on the independent review body.

23. I think it would be wrong, and unacceptable to public opinion, to rely on machinery set up by the trade union movement itself to deal with disputes between trade unions and individuals. This is pre-eminently a situation in which justice must be seen to be done. There would always be a lack of confidence in judgments made by a tribunal composed only of trade union nominees against individuals who had been in dispute with their trade unions. On the other hand I think that the public would accept an independent body headed by the President of the Industrial Court even if a majority of its members were trade unionists.

An Industrial Relations Bill

24. The provisions which might be included in an Industrial Relations Bill are set out in Appendix I of the draft White Paper.

Sanctions

25. The draft White Paper proposes several new legal sanctions. It is for consideration whether the new sanctions should be imposed, when necessary, by the ordinary courts or by a special Court. The advantage on the latter would be that it would help to avoid any appearance that the application of the criminal law is being extended in industrial relations.
Conclusion


27. I invite my colleagues to consider the general approach of the draft White Paper, and to give special attention to the major subjects.

B. A. C.

Department of Employment and Productivity, S.W. 1.

30th December, 1968
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ANNEX I

People At Work

A Policy for Industrial Relations

1. There are necessarily conflicts of interest in industry. The objective of our industrial relations system should be to direct the forces producing conflict towards constructive ends. This can be done by the right kind of action by management, unions and Government itself. This White Paper sets out what needs to be done.

2. Our existing system of industrial relations fails to prevent inequity, disorder and inefficient use of manpower. It perpetuates the existence of groups of workers who, as the result of the weakness of their bargaining position, fall behind in the struggle to enjoy the fruits of an advanced industrial economy. In other cases management and employees are able unfairly to exploit the consumer and endanger economic prosperity. Small groups of strategically placed individuals, often relatively well paid, can produce widespread disruption by lightning strikes. The present institutions of industrial relations contribute little to increasing efficiency. There are still areas of industry without machinery for collective bargaining.

3. Until action is taken to remedy such defects, conflict in British industry will often be damaging and anti-social. The Government places the following proposals before Parliament and the nation convinced that they are justified on two main grounds. First, they will help to contain the destructive expression of industrial conflict and to encourage a more equitable, ordered and creative system of industrial relations, which will benefit both those involved and the community at large. Second, they are based on the belief that the efforts of employers, unions and employees to reform collective bargaining need the active support and intervention of government.

4. The reasons for the first of these propositions must emerge as the Government's proposals are stated and explained in turn. But there is need, at the outset, to say something about the role of Government in industrial relations in the 1970s.
5. The State has always been involved in the process of industrial relations. It has always had to provide a framework of law for dealing with the activities of individuals and groups struggling to advance and protect their interests. The development of stable trade unionism in the nineteenth century faced Governments with the need to provide laws recognising and regulating the activities of trade unions. In the ensuing debate on the principles to be applied, two conflicting philosophies emerged in reports of successive Royal Commissions and enquiries. The first was this. Trade unions should be accepted as lawful and given the right to organise. The State should recognise the right to strike and the right to bargain collectively to improve wages and conditions. But so long as the 'rules of the game' were roughly fair to both sides the State should not be concerned with its consequences. In effect the Government should provide facilities to help the parties agree, but should not interfere to impose a settlement upon them. It is worth stressing that it was never any part of this view that industrial relations in general or trade unions in particular should be outside the law; it was merely felt that so far as possible the law should not interfere with the day to day results of collective bargaining.

6. But from the very beginning of this debate there was an alternative view: while the periodic 're-adjustment' of bargaining power was an essential part of the Government's role, it was not in itself sufficient. The State also had to act at times to contain the disruptive consequences of the struggle for those not immediately affected - especially if non-intervention was likely to result in widespread damage to the interests of the community at large. Linked with this argument to an increasing extent was a related one: Governments might be forced to intervene still further if it could be shown that certain important economic or social objectives were not sufficiently furthered or were frustrated by collective bargaining.

/7. Within
7. Within the last hundred years, an example of Government action to contain the effects of disruption was Sections 4 and 5 of the Conspiracy and Protection of Property Act 1875. This was designed to limit the freedom to strike where it was likely to have undue effects on essential services or life and property. The Truck Acts, the creation of Wages Councils, and the establishment of a State insurance scheme were examples of intervention to advance objectives which could not at the time be met by collective bargaining.

8. More recently intervention has become much more necessary and pronounced. The Government has increasingly had to play a part in the industrial relations of the motor industry. Far-reaching reforms have been initiated in the industrial relations system of the docks. The State has laid down minimum periods of notice in contracts of employment in the Act of 1963. Action has been taken to secure improvements in the quality and use of labour by creating Industrial Training Boards and the Redundancy Payments Scheme, both financed by compulsory levies on industry.

9. As a result of these and other developments both management and trade unions have come to accept, and in many ways positively to welcome, a development of Government involvement in industrial relations that in practice goes far beyond the confines of the theory of non-intervention by the State. While often still voicing the doctrine of non-intervention, managements and unions have entered into a positive and mutually beneficial partnership with the State to secure common objectives. Indeed in their evidence to the Royal Commission on Trade Unions and Employers' Associations, and in their representations to Government, bodies representing both employers and trade unionists have urged further intervention and involvement - at least where they see it as advantageous to them. Demands have been made by employers for new laws to discourage strikes; requests have been put forward on behalf of trade unions for minimum wage legislation and Government action to force employers to recognise trade unions. In short the doctrine of non-intervention is not, and never has been, consistently preached. The need for State intervention and involvement, in association with both sides of industry, is now admitted by almost everyone. The question that remains is, what form should it take at the present time?
10. The answer to this question is to be found in an analysis of the present state of industrial relations in Britain. The report of the Royal Commission on Trade Unions and Employers' Associations contains the essential material necessary to enable both the Government and the country to decide what should be the shape of industrial relations in the 1970s.

11. It shows that at its best our industrial relations system works well, and that many criticisms which have been made of it are largely unjustified. There are many companies, and even industries, in which industrial relations are well conducted. In general, managers who have recognised and dealt with union officials and shop stewards testified to their reason and good sense. Similar statements about managements were made to the Royal Commission by many union officials and shop stewards. Research revealed few signs that trade union members were dissatisfied with their unions. Most union officials said they appreciated the work of stewards and the relationship between them and their stewards appeared to be good.

12. It is not even true to say that the Royal Commission's inquiries and surveys reveal a state of general complacency and disinclination to change. Managements have in recent years successfully carried through some remarkable experiments in the field of collective bargaining - many of them connected with the growth of productivity agreements. Rapid changes are taking place in trade union organisation. Indeed, there has probably never been a time when more amalgamation schemes and mergers have been under discussion by the trade unions of this country. On both sides of industry there is a growing awareness of the need for change, and many managers and trade union officials are making strenuous efforts to bring this about. The measures proposed in this White Paper should not be interpreted as a criticism of their efforts. The Government's proposals are designed to assist the forces of change and to direct them into the most constructive channels.

13. Nevertheless, our present system of industrial relations can be criticised on three main counts. First, imperfect competition in many industries and the market power exercised by many firms enable unions and employers to combine together to raise wages without regard to the effect on costs and prices, and so to advance their own claims at the expense of other members of the community.
Secondly, the growing inter-dependence of most industry enables strategically placed groups to exact advantages for themselves by inflicting disproportionate harm on the rest of the society. The right of a worker to withdraw his labour is one of the essential freedoms in a democracy and the existence of this right has undoubtedly contributed to industrial progress and to the development of a more just society. But it is also true that in certain situations to-day the use of the strike weapon can damage the interests of others so seriously - including the interests of other trade unionists - that it should only be resorted to when all other alternatives have failed.

In comparison with many other countries, Britain has a large number of strikes in relation to its workforce, although our record, if measured by the number of workers involved and the number of working days lost, is relatively good. In industries other than coal-mining the number of strikes has gone up considerably in recent years (see Appendix 2). The typical British strike is unofficial and usually in breach of agreed procedures; it comes with little warning and is soon over. It is commonest in a small number of industries such as motors and components, the docks, and shipbuilding. Other industries often have long periods without strikes, but they may suffer indirectly because of a strike at a key point. This type of strike can cause disproportional harm and is at times exercised in complete disregard of its consequences for the community.

Finally, our organised system of collective bargaining has not got to grips with a number of economic and social problems. As the Donovan Report indicated, it has often failed to provide for effective and acceptable collective bargaining arrangements covering matters of common concern to employees and employers. Little has been done to reform outdated and generally condemned procedural agreements - such as those now existing in the engineering industry. Too often employees have felt that major decisions directly concerning them were being taken at such a high level that the decision-makers were out of reach and unable to understand the human consequences of their actions. Decisions have been taken to close down plants without consultation and with inadequate fore-warning to the employees. Outdated social distinctions between hourly paid employees and those on staff conditions have been perpetuated. At the same time, some employers have opposed and obstructed the spread of collective bargaining to new sections of the labour force, especially those increasing numbers employed in 'white-collar' jobs. Unions too have often failed to involve their members closely.
closely enough in their work, or to tackle with sufficient urgency the problems of overlapping membership and unnecessary rivalry, which always diminish their effectiveness and sometimes their reputation. Many employers' relations with unions have been greatly complicated by the large number of unions that may have members in a single factory.

17. The combined effect of such defects in our system of industrial relations is to increase the feeling of many employees that they have no real stake in the enterprise for which they work. There are of course other factors too. Britain is passing through a period of rapid technological change. New processes and methods of production are combined with changing patterns of company ownership and management structure. Established jobs and ways of work are disappearing to be replaced by unusual and unfamiliar tasks in surroundings often equally strange. This naturally reinforces feelings of insecurity among employees and even management itself and results in lack of co-operation and resistance to change, especially if systems for dealing with legitimate grievances and problems of all kinds do not adapt themselves to the demands placed upon them. Efficiency suffers and the community pays.

18. Yet there can be no reversal of the forces of change. On the contrary, the Government has taken action to accelerate change. This is necessary if Britain is to survive and prosper. But it means that we must make sure that all employees have the opportunity to participate in deciding the direction of change, that we must overhaul arrangements for dealing with the consequences of change as they affect all who work in industry, and that we must remedy the defects described in the preceding paragraphs. This requires policies to secure four objectives:

(i) our system of collective bargaining needs to be reformed;

(ii) it needs to be extended;

(iii) those who are involved in it need to be assisted and if necessary strengthened; and

(iv) the community and individuals need new safeguards.

The next four sections of this White Paper explain the major measures proposed by the Government to deal with each of these questions.
Collective bargaining is essentially a process by which employees take part in the management decisions that affect their working lives. If it is carried on by efficient management and representatives of well organised unions, negotiating over a wide range of subjects, it represents the best method so far devised of advancing industrial democracy in the interests of both employees and employers. It offers the community the best opportunity for securing well ordered progress towards higher levels of performance and the introduction of new methods of work.

Yet as the Donovan Report has shown this is far from being the situation in the economy as a whole. Even where collective bargaining is well developed it has many defects. Very often there is a marked difference between the formal collective bargaining system and what actually happens. It is often supposed that formal industry-wide negotiations are the only important method of collective bargaining; but in practice an increasing amount of bargaining, and an increasing proportion of the wage packet, is settled outside the 'formal system' by informal understandings and arrangements between shop stewards and managers or foremen at workplace level. Yet this concentration on 'informality', and the network of shop floor arrangements and understandings that result from it, lead to serious problems. Few clear principles and standards are developed to settle shop floor grievances. Management and unions react to passing pressures, especially when applied by determined groups/resolved to exploit their strategic position to the full—often at the expense of their fellow trade unionists. Anomalies develop in wage payment systems. There is no stable or equitable relationship between payment and performance. Those who are dissatisfied take unconstitutional action when formal systems for dealing with their grievances are not effective and do not deal rapidly and equitably with the problems of the shop floor.
21. Most important of all, perhaps, this disparity between the formal system and the realities of shop floor life is often not fully appreciated or even understood by senior management in the enterprises where it occurs. As the Donovan Report said, the assumptions of the formal system still exert a powerful influence over men's minds and prevent the development of effective and orderly methods of collective bargaining. Too often senior management continues to regard industrial relations as a matter for employers' association officials or lower levels of management, rather than as one of its primary responsibilities. On the union side many national leaders continue to uphold the assumptions of increasingly ineffectual industry-wide negotiating structures.

22. There is room for debate about how far this description of the decay of our formal industry-wide system of collective bargaining applies from industry to industry. It is obviously true of large parts of private industry. Some firms in these industries have taken action to tackle the situation, and thus thrown into sharper relief the problems elsewhere in their industries. In most of the public sector, including national and local government service and the nationalised industries, and in a few industries in the private sector — for example electrical contracting — effective industry-wide collective bargaining still exists. There, actual wages and conditions continue to be settled by the national officials who bargain on both sides. There is no equivalent of the disordered pay structures, or the chaotic and inflationary shop floor pressure, that is so pronounced a feature of industries like engineering.

23. However, it does not follow from this that collective bargaining in such industries cannot be improved. Their procedures may not extend to all the questions that ought to be covered. For instance, there may be no adequate procedures to deal with redundancy, or the effects of introducing new machinery and methods of work. Shop stewards may have few formal rights to represent their members. There may be no proper agreement to deal with disciplinary questions, including unfair dismissal. Pay systems may still be largely unrelated to performance and productivity.
24. There is therefore need for the reform of collective bargaining both where industry-wide bargaining has become ineffective and where it still determines actual pay and conditions. What can be done to accelerate reform?

25. The solution to this problem calls for the right kind of re-appraisal by managements and trade unions of collective bargaining arrangements. The initiative must lie with employers, and notably the boards or chief executives of undertakings, for they are best placed to set in train the kind of detailed study of existing systems and their defects and to make the right kind of positive approaches to trade unions. Such appraisals will often show that the best way forward is the negotiation of formal, comprehensive and authoritative company and factory agreements. Negotiation at these levels is often the best way to arrive at stable and equitable pay structures, adequate procedures for the settlement of disputes and the extension of collective bargaining into matters such as discipline, redundancy arrangements and other similar questions which directly concern employees.

26. The Government welcomes the readiness expressed by the C.B.I. and the T.U.C. in their joint statement of 23rd October 1968 to ask employers' associations and trade unions to examine the situation industry by industry and to ask managements in consultation with the unions to review industrial relations in their undertakings. Such re-appraisals are essential if the defects of collective bargaining are to be remedied. They should be prompt and thorough. There is a special need for them in industries where the defects described in the Donovan Report are apparent. The Government will follow closely the progress of these reviews, both at company and industry level. If assistance is needed the D.E.P.'s Manpower and Productivity Service will be available to help.

27. The Government urges employers, in the course of these reviews, to examine fully and sympathetically the possibility of removing unnecessary and outdated distinctions between "staff" and other employees. These are sustained chiefly by tradition and inertia, and cause much unnecessary ill-feeling. Some large employers have already found it possible to abolish them. The Government suggests that the T.U.C. and C.B.I. should jointly encourage the
encourage the abolition of these distinctions throughout industry, and make arrangements to keep the matter under review.

28. The Government broadly accepts the views of the Royal Commission concerning the principles which should inform a satisfactory set of agreements. These should assist the negotiation of pay structures that are comprehensive, fair and conducive to efficiency. They should also provide a link between pay and the improvement of performance or results within the individual plant or company. Subjects which should be dealt with should include the handling of redundancies, the provision of effective rules and procedures governing disciplinary matters, including dismissal, and the rapid and effective settlement of grievances. Wherever possible provision should be made for previous conditions to be maintained while any dispute is being considered in accordance with agreed rules. Agreements should provide adequate facilities for shop stewards to consult their members and to negotiate, reasonable access for trade union officials, and the holding of necessary union elections. Managements should make available to employee representatives the information necessary for them to do their work. There should be provision for important matters to be raised with the highest levels of management. So far as possible agreements should be clear and precise.
4. The Government, too, through the work of the Department of Employment and Productivity, has a responsibility to bring about the necessary changes in our system of industrial relations. This has caused it to expand and extend its existing arrangements for conciliation and to create a Manpower and Productivity Service. But as the Donovan Report pointed out, and as both the U.C. and C.B.I. recognize, there remains a major gap in the public apparatus for change. There is no institution primarily concerned with the reform of collective bargaining. This is why the Government proposes to establish a Commission on Industrial Relations.

5. The relationship between the Department of Employment and Productivity and the Commission on Industrial Relations will be close and continuous. The Commission will work on references by the Secretary of State. It will report to the Secretary of State and its recommendations will be followed up by the D.E.P.'s Manpower and Productivity Service. In these respects the C.I.R.'s relationship with the D.E.P. will be similar to that of the National Board for Prices and Incomes. But the C.I.R. is needed to do a different job, and its methods of operation and therefore its relationships with both sides of industry will be rather different from those of the N.B.P.I.

6. The C.I.R. will be concerned with ways of improving and extending procedural arrangements. This will involve it in questions different from those which are the subject of references to the N.B.P.I. - how to promote suitable company-wide procedures in important firms, how to develop acceptable rules governing disciplinary practices and dismissals, how to encourage effective and fair redundancy procedures, how to bring shop stewards within a proper framework of agreed rules in their firm, how to ensure that they are provided with the right kind of facilities to do their job. To decide on the adequacy of existing arrangements for dealing with such matters, the C.I.R. will have to find out about many aspects of industrial relations in particular industries and firms - for example, the rate of labour turnover, the arrangements for negotiation over productivity and wages, and the causes of recent strikes. It will be authorized to obtain such information as is necessary for its work. The C.I.R., unlike the N.B.P.I., will not be concerned with the application of prices and incomes criteria to particular disputes or settlements; nor will it be directly concerned to secure improvements in productivity.

11. The
32. The C.I.R. will also be required, by reporting on references by the Secretary of State, to assist other reforms that are not now undertaken by any public agency, and which represent a novel extension of public involvement in industrial relations in this country. They will include the investigation of trade union demands for recognition; encouragement of reforms in trade union structure and services; examining cases in which companies report failure to negotiate satisfactory agreements; and reporting on general questions related to its responsibilities, such as deficiencies in factory disputes procedures or in disciplinary procedures, over an industry, part of an industry, or an undertaking. It will also be asked to give advice to the Secretary of State from time to time on the reform of the industrial relations system, and to report periodically to Parliament.

33. Its contacts with trade unions, employers' associations and individual firms will be regular and continuous. It will need to gain their confidence and co-operation while remaining an independent and candid critic. For this reason the Government does not propose to give it any legal sanctions, apart from authority to obtain information. It looks on the C.I.R. as a disseminator of good practice and a focus for reform by example. The Government hopes that the work of the C.I.R. will help to bring about a general move towards the reform and restructuring of collective bargaining arrangements, not least because it will be able to suggest to the parties mutually beneficial improvements from practices which have been tried and found to work in other industries and undertakings.

34. The C.I.R. will have a full-time chairman and several full-time and part-time members with relevant experience. It will be established initially as a Royal Commission, to enable it to begin its work without delay. Provisions to put it on a statutory basis will be included in an Industrial Relations Bill which the Government intends to present to Parliament as soon as possible.

Registration of Agreements

35. The Government will also set up a register of collective agreements. This will emphasise to managements their responsibility for the efficient conduct of industrial relations in their undertakings, and will provide information which the Department of Employment and Productivity and the C.I.R. will need in implementing the policies set out in this White Paper. Registration will at first be voluntary but the Government intends to include provisions in the Industrial Relations Bill to make it a statutory requirement. Consultations on the scope of voluntary registration are now in progress with the C.B.I., T.U.C. and nationalised industries. It will include:-
36. The Government will shortly invite all companies and other undertakings employing more than 5,000 to register their procedure agreements and arrangements with the D.E.P. or to inform the D.E.P. of the absence of such agreements and arrangements. Some smaller employers may also be asked to give information about their procedure agreements and arrangements if the D.E.P. considers this necessary. The scope of the eventual statutory requirement to register and, within it, the subjects for registration, will be decided in consultation with industry in the light of experience with the voluntary system.

37. The Manpower and Productivity Service of the D.E.P. will use the registered agreements to ascertain where improvements are most needed and where advice will be most helpful, and will take appropriate follow-up action. Special attention will naturally be paid to companies failing to register or making "nil returns" for all or parts of their undertakings, or whose procedure agreements seem seriously inadequate.

38. The present legal position is that an individual employer and a trade union can, if they so decide, make a collective agreement between them legally binding. However, because many employers' associations fall within the legal definition of a trade union, collective agreements between them and trade unions happen to be subject to section 4(4) of the Trade Union Act 1871, which (for other reasons altogether) precludes the direct legal enforcement of agreements between trade unions. Agreements between trade unions and such employers' associations therefore cannot be made directly legally enforceable even if both parties should want this.
It has been suggested that collective agreements should be made legally binding unless the parties specifically decide to the contrary. This suggestion ignores the fact that it is already open to individual employers and trade unions to make their agreements legally binding, and that they do not do so. Nothing would be gained by requiring them to say that they do not want legal enforcement, when this is already so clearly indicated by their actions.

Some therefore go further and suggest that all collective agreements should be made legally binding, whatever the wishes of the parties. The Government rejects this view. It does not believe that a more ordered system of collective bargaining can be achieved by changing moral obligations into legal obligations against the wishes of those on whom the obligations rest. In particular it would be an ineffective way to tackle the very serious problem of unconstitutional strikes to give legal force to procedure agreements which are not designed for this purpose, and then look to employers to sue unconstitutional strikers. Employers can usually sue such strikers already for breach of their individual contracts of employment. In fact they hardly ever do so, because they think it will exacerbate their industrial relations. The evidence is that they would do no more to secure the enforcement of legally binding agreements.

It has therefore been suggested that collective agreements should not only be made legally enforceable against the parties’ wishes, but be enforced by proceedings in the courts, initiated by the Government or a specially created public agency, against those striking in breach of agreement. This is equally unacceptable. Employers may well be justified in striking in breach of procedure, in defence of their interests, if the procedure is slow and clumsy and protects an employer who has taken unilateral action such as victimisation. It is the responsibility of employers and trade unions to reach agreements which they think they will be able to keep, and then to see that they are observed.
42. The task of the Government is to ensure there is no legal impediment to the observance of collective agreements negotiated between employers or employers' associations and trade unions by any method freely decided upon by the two parties. For this reason it will propose in the Industrial Relations Bill the modification of section 4 (4.) of the Trade Union Act 1871, so that agreements between trade unions and employers' associations will be put in the same position as those between trade unions and individual employers. The Bill will further propose that agreements could be made legally binding only by an express written provision in the agreement. It would thus have no effect on the legal status of existing agreements, or of future agreements if the parties did not expressly decide in writing to make them legally binding.

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//Disclosure of Management
Disclosure of Management Information to Trade Union Representatives

If employees' representatives are to participate with management on equal terms in the extension of collective bargaining and consultation at company or plant level, they will need adequate information to allow them to form an independent judgment on management proposals, policies and decisions. Many managements already recognise the need to disclose such information if negotiations are to be carried on in a climate of confidence, and find no difficulty in making adequate safeguards for any information disclosure of which might cause risk of harm to a firm's commercial interests. But other firms are unwilling to disclose relevant information in the course of negotiations or consultation, even when no risk is involved. This limits the scope for informed discussion between the two sides, encourages an early retreat to entrenched positions, and thus damages industrial relations.

The Government proposes to have further consultations about this problem, with a view to including in the Industrial Relations Bill a provision to enable trade unions to have from employers certain sorts of information that are needed for negotiations. The safeguards needed to protect firms' commercial interests will be fully considered.

Appointment of Trade Union Representatives to Boards of Undertakings

The Government favours further experiments with the appointment of trade union representatives to the boards of undertakings, and will include in the Industrial Relations Bill provisions on the extent to which such representatives should share the powers, and the legal and financial responsibilities, of directors.

Restrictive Labour Practices

There can be no doubt that equipment and manpower are not always used as efficiently in this country as in other comparable industrial countries. This is partly due to customs and practices which restrict the effective use of resources including manpower, for example overmanning or unnecessary overtime. On the whole such practices are operated, not by the unions, but by small unofficial groups of employees, who see them as a way of protecting their jobs or of maintaining earnings. Because of this, any attempt to get rid of such practices without adequate compensation is seen as a threat, either to earnings,
or security of employment. Their abolition therefore requires negotiations initiated by employers. This is often best achieved in the context of wider negotiations aimed at producing a comprehensive agreement, since such an agreement can include alternative provisions for such matters as minimum earnings and job security, which are equally acceptable to the employees and more compatible with increasing efficiency. The overhaul of our collective bargaining system will facilitate such agreements, and will thus help to raise productivity. The Government agrees with the majority of the Royal Commission that penal powers would be of no value in this field. In the N.B.P.I., the proposed C.I.R. and the D.E.P.'s Manpower and Productivity Service, this country will have three valuable instruments for tackling the problem of out-of-date restrictive or protective working practices.

**Training**

An adequate supply of skilled workers is essential to the development of the economy. In certain areas there are continuing shortages of some types of skilled men. Even in the less prosperous areas experience has shown how quickly the demand for skilled labour can grow and outstrip the supply. These shortages can prevent employers from using modern equipment to the best advantage or even from buying it. Likewise they can seriously hinder attempts to set up new industries in areas with a high general level of unemployment. Both the Government and industry already train adults to the skilled level, and the need for this will continue to grow. However, in the engineering industry, in particular, all such trainees are normally registered as "dilutees" and opposition is still found in some areas to allowing them to exercise fully the skills they have acquired or to have the status of skilled workers when they are employed on skilled work. This opposition is misguided as it discourages workers from coming forward for retraining to the skilled level and reduces the ability of industry to grow and adapt itself to technological change or even to set up establishments in certain areas. The Government believes that the least required now is the freer implementation of existing dilution agreements but also that in the longer term these should be replaced by more flexible arrangements designed to see that men and women are employed according to their ability to do skilled jobs. For this reason the Government has welcomed the recent statement by the Central Training Council on the urgent need to develop new attitudes to training for skilled work and is discussing with the T.U.C. and the C.B.I. the best way of making progress on the problem of adult trainees.
The Need for an Extension of Collective Bargaining

Even though well ordered and effective collective negotiations and discussions are the best method so far devised for the involvement of employees in the objectives of industry and in the acceptance of the changes necessary for economic progress, for many workers such arrangements do not exist. Major changes in the composition of the labour force have steadily reduced the relative size of many traditional areas of trade union membership - for example mining, the railways and the docks. At the same time the number of employees in areas traditionally difficult to organise into unions has been increasing - most notably in the field of white-collar employment. The result has been that the proportion of the total labour force belonging to trade unions has actually declined in the last few years.

Yet this does not mean that trade unionism is not needed by those who have so far not been able to develop effective organisation. On the contrary, the number of recognition disputes, and the continued growth of the white-collar unions, show that this is not so. White-collar employees have to overcome strong prejudices among many managements to gain recognition of their right to bargain. The Government will encourage and help the extension of collective bargaining, and intends to take steps to remove unjustifiable obstacles to the growth of collective bargaining based on strong and independent trade unions. If unions had to rely on industrial sanctions to compel employers to recognise them or if they engaged in unrestricted competition among themselves, the result would be serious damage to the industrial relations system. With the help of the C.I.R. the Government will therefore seek to avoid this situation. It looks to unions, with the guidance of the T.U.C., to co-operate in using the new opportunities that will be created to extend their role and membership, without wasting their energies, and resources, in unnecessary competition.

Trade Union Membership

The Industrial Relations Bill will lay down the principle that no employer has the right to prevent or obstruct an employee from belonging to a trade union. This principle will become a part of all contracts of employment, and the Bill will provide that any stipulation contrary to it should be void in law. The Bill will further provide that no Friendly Society should have a rule debarring trade unionists from membership. Employees will also be given a remedy if they are dismissed on account of trade union membership.
Recognition of Trade Unions by Employers

Recognition disputes are of two kinds:

(a) where an employer refuses to engage in genuine collective bargaining with any unions, and

(b) where he bargains with some unions but excludes others.

In both cases the Government will empower the C.I.R. to investigate and report on such disputes referred by the Secretary of State. It will be able to take evidence from management and unions, and to look into the facts of the situation, such as the degree of support for the union or unions involved. It will be empowered to hold a secret ballot, if this is thought to be desirable.

In cases of type (a) the Government will expect the C.I.R. normally to favour recognition, if the union is appropriate and can establish that it has reasonable support. A ballot is one way of showing this, but the question cannot be settled by ballot alone, for a union can often find little immediate support where there has hitherto been little hope of recognition and, perhaps, little opportunity for recruitment; increased support and membership follow, not precede, recognition.

The Government expects that in such cases most employers will agree to accept an independent and unbiased recommendation by the C.I.R. It proposes, however, to provide in the Industrial Relations Bill that where, despite a C.I.R. recommendation in favour of recognition, the union meets continuing refusal to recognise, or a refusal to enter into genuine negotiations, the Secretary of State should be able to take action to break the deadlock. It has been suggested that in such circumstances the Secretary of State should order the employer to bargain in good faith, subject to a penalty if he does not. But this would be an inadequate way of resolving the position, since it would often be very difficult for the courts to decide whether the employer was refusing to bargain in good faith or simply taking a tough bargaining position. Instead, therefore, where the C.I.R. recommends in cases of type (a) that a union or unions should be recognised, the Industrial Relations Bill will enable the Secretary of State by Order to require the employer to recognise and negotiate with the union. If he does not the union will be able to take him to compulsory arbitration before the Industrial Court. Employers will usually prefer negotiation to arbitration.

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54. In cases of type (b) where a union is seeking recognition and negotiating rights instead of, or in addition to, an already recognised union, the Government will look to the T.U.C. where appropriate, to seek to resolve the conflict between the unions. If they fail to do so within a reasonable time the matter will be referred by the Secretary of State to the C.I.R., which will take full account of any action the T.U.C. have taken or recommendations they have made. In these conflicts which stem from the problem of multi-unionism, the C.I.R. will often be able to produce a durable solution only if its recommendations exclude one or more unions from recognition. If such a recommendation is initially not accepted, the T.U.C. will be invited to use its influence to secure acceptance. To deal with cases where this is inappropriate, e.g. where a union is not affiliated to the T.U.C., or where the T.U.C.'s efforts are unsuccessful, the Industrial Relations Bill will propose a power for the Secretary of State where necessary to give effect by Order to the C.I.R.'s recommendations. The employer will then be liable to a fine if he refuses to recognise the union or unions which the C.I.R. recommended should be recognised, or recognises one against which it recommended. A union which used coercive action to obstruct the implementation of the C.I.R.'s recommendations would also be liable to a fine.

55. It has been suggested that inter-union disputes should be tackled by amending the legal definition of a "trade dispute" to exclude disputes between workmen and workmen. People who went on strike in an inter-union dispute might then be liable in some circumstances to be sued for damages, and even to be prosecuted. However, as already explained in paragraph 40, employers have shown little enthusiasm for using the law in industrial relations problems, particularly against their own employees. But the chief objection to the suggestion is that it makes no contribution to finding a fair solution to the point at issue between the unions. Their dispute may involve difficult questions of industrial relations which require careful examination by people who are familiar with the problems. If such an examination is available, it will often be possible to avoid a strike altogether; this is much better than changing the law to make strike action in these circumstances liable to penalties, while leaving the basic problem untouched. In disputes over recognition, which are the most important type of inter-union dispute, the procedure proposed in the previous paragraph will permit a full examination of the dispute by the T.U.C. and if necessary the C.I.R.
The Royal Commission also recommended that the Secretary of State should have the power on the advice of the C.I.R. to make unilateral legally binding arbitration available by an Order in industries, sections of industry, or undertakings where the C.I.R. has advised, after investigation, that it would contribute to the growth or maintenance of sound collective bargaining machinery. The Industrial Relations Bill will include a provision for the selective introduction of unilateral legally binding arbitration before the Industrial Court. The Government will have further consultations with both sides of industry about the situations in which this provision should be used.

The Royal Commission drew attention to ways in which the Wages Councils system has impeded the growth of voluntary collective bargaining and of strong trade unionism in the industries covered, to the detriment of the workers in those industries. It recommended:

(a) that the law should be amended to make it easier to abolish Wages Councils;
(b) that the Wages Inspectorate should be empowered to enforce statutory minimum rates for a limited period following abolition;
(c) that it should be possible for undertakings with satisfactory collective bargaining arrangements of their own to be excluded from the scope of Wages Councils; and
(d) that Wages Councils should be empowered to establish voluntary disputes procedures.

The Government's objective is to stimulate and strengthen voluntary collective bargaining in Wages Council industries to the point where a statutory Wages Council is no longer necessary. The Royal Commission's recommendations are in line with this policy, and the Government is consulting the T.U.C., C.B.I. and Wages Councils about them.

Section 8 of the Terms and Conditions of Employment Act 1959

Section 8 of the Terms and Conditions of Employment Act 1959 enables a trade union to oblige an employer to observe the recognised terms and conditions (or others not less favourable). The Government accepts that the Section should be amended to provide that in the consideration of claims not only the particular term or condition to which the claim relates but the terms and conditions observed by the employer as a whole should have to be taken into account. This change will be included in the Industrial Relations Bill. The Government is consulting the T.U.C., C.B.I. and Wages Councils about the recommendation that, as one way of strengthening voluntary collective bargaining, the provision which prevents Section 8 applying in Wages Council industries should be repealed.
AIDS TO COLLECTIVE BARGAINING

The Need for Further Aids

59. When the State has intervened in industrial relations, it has often done so in order to assist employers and unions in the conduct of collective bargaining. The development of the Ministry of Labour's conciliation service and of arbitration facilities and, most recently, the establishment of the D.E.P.'s Manpower and Productivity Service are all examples of this. The reforms proposed above will increase the need for further bargaining aids, particularly in the fields of trade union development and industrial relations training.

Employers' Associations

60. Employers' associations are closely linked with industry-wide bargaining. The changes that are made in collective bargaining in their industries will decide their future role. Amalgamations and changes in organisation will be needed. Many associations will in future find that their main work lies in assisting members to develop collective bargaining machinery and to improve industrial relations in their undertakings. Associations should carefully review the adequacy of their advisory services to meet such needs. The Government will consider these questions with the C.B.I. and, where necessary, individual associations. It intends to ensure that general references to the C.I.R. concerning an industry or a part of an industry include consideration of changes needed in employers' organisations.

Trade Union Re-organisation

61. On the trade union side the problem is different. British trade unions are undermanned and under-financed, even in relation to their present functions. As the Donovan Commission showed, most comparable countries have two or three times as many full time officials in relation to the number of members as British unions. It is true that in Britain great reliance is placed on voluntary officials, for the most part shop stewards, but the Donovan Report also indicates that contacts between stewards and their officials are often infrequent and that they vary very much from union to union. There are also very considerable communication problems arising from many unions' defective
and out-dated organisation. It would often be better for union branches to be based on the place of work. Too often the existence of multi-unionism means that in order to discuss common problems and work out a response to management initiatives shop stewards and their members have to meet in 'unofficial' ways which cut across the formal provisions of union constitutions and are outside the framework of the formally constituted negotiating machinery.

62. This means that to take their full part in a reformed and extended system of collective bargaining trade unions themselves need to be reformed and extended. Among other things they need fewer areas of overlap, more amalgamations, additional officials, specialised services, improved constitutions, better communications, and more adequate contributions and funds.

63. As the Royal Commission said, the initiation and encouragement of trade union reforms of this sort are in the first place the responsibility of individual unions. The Government looks to their executives to take urgent action. A major role could be played by the General Council of the Trades Union Congress. It could urge upon member unions the Royal Commission's proposals for the reduction of areas of competition over membership, the rationalisation of recruitment policies and the improvement of career prospects for full-time officers. It could also encourage unions to make better provision for dual membership or easy re-admission where this would help job mobility. The Government will pursue these questions with the T.U.C. and individual trade unions as appropriate.

A Trade Union Development Scheme

64. But the Donovan Report does not go far enough in its recommendations for modernising the trade union movement. The Industrial Relations Bill will provide for grants and loans to be made for this purpose by the C.I.R. These grants and loans will be made on the advice of a committee of independent and trade union members of the C.I.R.

65. The Bill will define the purposes for which assistance can be provided; these are expected to include the stimulation of union mergers, the expansion of training for union officials including shop stewards, the employment of management consultants and the development of research facilities.
66. Unions will be able to apply to the C.I.R. for grants or loans. By analogy with the I.R.C., the C.I.R. will make sure that what is asked for will help to improve union efficiency. Unions wanting assistance will therefore have to submit a scheme to show how they intend to use the money, and to satisfy the C.I.R. that they will be able to carry through the scheme; the C.I.R. will ensure that the grants or loans made are used in accordance with the scheme. The C.I.R. will take account of a union's own financial resources and the scope for increasing subscriptions; it will normally provide only part of the total funds required. There will be no conditions intended to influence a union's behaviour in day-to-day collective bargaining.

67. Any union or federation of unions will be able to apply for development aid. The T.U.C. itself will also be eligible. The Government will have further consultations with the T.U.C. on the details of this radical new scheme and the provision to be made for its administration by a Trade Union Development Office within the C.I.R., including the ways in which the T.U.C. might most usefully be associated with its operation.

68. Any union that regards all forms of state aid as undesirable and unnecessary will of course be free not to make use of this scheme. But the Government hopes that unions generally will share its belief that such help will contribute to greater trade union effectiveness without compromising trade union independence.

**Training in Industrial Relations**

69. Most training of full-time trade union officials, and much of the training of shop stewards, is undertaken by the T.U.C. and the unions themselves. Courses for trade unionists including shop stewards are also provided by adult education organisations, technical colleges and other bodies. The Industrial Training Boards are making increasing contributions towards the cost to employers of sending shop stewards on training courses. A reform of the collective bargaining system will make it even more necessary than it is now that trade union officers at all levels, full-time and voluntary, should be well trained. The Trade Union Development Scheme will be able to help with the cost of new courses provided by the T.U.C. and the unions.

/The Government
The Government will also consider whether additional help should be given from public funds for courses provided by other bodies. It attaches particular importance to the provision of sufficient teachers for this type of course, and the development of suitable teaching methods and materials. The Government will also discuss with Industrial Training Boards how their help can best be developed.

Some employers find it useful to give their employees, for example during induction training, some guidance on the main provisions of the collective agreements which apply to them. Such guidance, which need not be elaborate, helps to avoid misunderstandings and to develop a sense of participation. Other employers should consider introducing it in co-operation with unions.

On the management side there is an equally urgent need for training in the techniques of industrial and human relations. Few companies in Britain have senior managers with a knowledge of the full range of options available to them as a result of recent developments in payment systems, manpower planning, industrial sociology and psychology, or ergonomics. Particularly where company and factory-wide bargaining needs to be put on an orderly and equitable basis, management at all levels and especially at the top will need more systematic training in these matters. The Government is considering urgently ways of improving the situation, including the possibility of grants to encourage more training in industrial relations.

NEW SAFEGUARDS

Tackling Strikes

Strikes are inevitable in a system of free collective bargaining. But many strikes in contemporary Britain are avoidable. No Government concerned with the economic advancement and prosperity of the country can afford to neglect any reasonable and practical proposal for reducing their incidence and effect.

The solution lies in the re-structuring of our present system of disordered and defective collective bargaining. Outdated and overloaded procedural systems, such as that in engineering, can no longer be accepted as reasonable means of resolving disputes. Wage systems which are out of control
control produce unstable and inequitable pay differentials which create serious and continuing problems for management and unions. National wage negotiations are increasingly irrelevant in many industries. In situations of this sort the occasional use of the strike weapon is understandable, even by men who would welcome alternatives. But in addition to the changes in collective bargaining already outlined, the Government proposes new developments which it believes will enable it to deploy its services more effectively and intends to take new powers.

/ The Services of the D.E.P. /
The Department of Employment and Productivity has recently re-examined the services it and other Government-sponsored agencies provide to industry. As one aspect of this it has considered the nature and adequacy of its services for tackling strikes, lock-outs and other forms of industrial action. The aim of the Department's conciliation service is to assist the parties to a dispute to reach a settlement for themselves or to persuade them, where appropriate, to allow it to be referred to arbitration. Where a dispute concerns a matter of major importance affecting the public interest and it cannot be settled in other ways, the Secretary of State may order an inquiry. The Conciliation Act 1896 and the Industrial Courts Act 1919 provide the statutory framework for these services and no major amendment of these Acts is proposed.

The conciliation work of the Department's Manpower Advisers (formerly known as Industrial Relations Officers) very often makes a valuable contribution to promoting good industrial relations and to settling a dispute. No basic changes are proposed, but the following important developments are to be introduced:

(1) In the past the Department has preferred to act only if invited by one or both parties. In future the Department will be more ready to take the initiative and to proffer its help.

(2) Manpower Advisers will continue to encourage observance of agreed procedures for dealing with disputes. They will however recognise that, as some existing procedures are defective, "following procedure" should not be regarded as an end in itself. In disputes where this applies they will regard working for a satisfactory settlement as more important. They will, of course, do all they can to secure the introduction and observance of improved procedures; and conciliation will often provide opportunities for this.

(3) In some circumstances other independent persons might with advantage be used to chair negotiations, and Manpower Advisers will suggest this where appropriate.

(4) In some
In some cases prompt informal investigations may avert a strike or help to promote a settlement. Where possible it is preferable for this to be done before a dispute has resulted in a dislocation of work. Where appropriate such informal investigations will be carried out by Manpower Advisers (with employer and union representatives where this would help). In the light of experience the Government will consider whether further statutory powers are needed for this purpose.

76. The Service will be adequately staffed at all levels with officers trained and experienced in conciliation and with knowledge of the functions of managers and trade union officials. The development of the Manpower and Productivity Service will make technical knowledge available when needed, for example on work study or job evaluation.

77. Strikes are often evidence of fundamental weakness in the system of industrial relations in an undertaking, e.g. defective disputes procedures, or unsatisfactory pay structures. Manpower Advisers will consider what assistance they can give in remedying such underlying problems. In appropriate cases references will be made to the C.I.R.

78. The Government will examine further the extent to which other Government-sponsored technical advisory services can be co-ordinated with the resources of the Manpower and Productivity Service in the interests of simplicity, efficiency and economy.

Strikes and the National Interest

79. The reforms the Government intends to initiate and encourage may take some time, and even when they are complete there is still the possibility of disruptive and economically disastrous strikes which Britain can ill afford. Strikes may be official (i.e. sanctioned by the union or unions concerned in accordance with their rules) or unofficial; they may be constitutional (i.e. called only after the exhaustion of any appropriate procedure for handling disputes agreed by the union or unions and the employer or his association) or unconstitutional, or may take place where there is no agreed procedure. Unconstitutional strikes are usually also unofficial. 95% of all strikes are unofficial, and three-quarters of the working days lost because of strikes are due to unofficial strikes.
There have been suggestions that the Government should take powers, on the American pattern, to delay a major official strike for two or three months while further negotiations take place and a ballot is taken on the employer's last offer. The Royal Commission examined this but concluded that the Government's powers of conciliation, arbitration and inquiry, and its power to declare an emergency, were adequate, and that it was preferable that the Government's freedom of action should be preserved. The Government agrees with this view.

Major official strikes normally occur in this country only after full negotiations. If the Government took powers of the sort proposed, it would be easy for unions to allow for them by introducing the threat of strike action at an earlier stage of negotiations than at present. If they did this, the actual strike would be no more delayed by a statutory procedure than it is at present by the normal course of negotiations. Even if this were not done, there is no reason to think that in this country a period of delay between the end of normal negotiations and the beginning of a strike would significantly increase the chances of an agreed settlement. The situation is different in the United States where agreements normally run for a fixed period and a strike may quickly follow if a new agreement has not been negotiated by the time that the old one expires.

It is, however, a matter for concern that at present it is possible for a major official strike to be called when the support of those concerned may be in doubt. The Industrial Relations Bill will therefore propose powers for the Secretary of State, where an official strike is threatened, to require the union or unions involved to hold a ballot on the question of strike action. The ballot will be conducted by the union, in accordance with rules approved by the Registrar of Trade Unions and Employers' Associations and in consultation with the D.E.P., which would have to be satisfied on the question to be put to the vote. This power will be discretionary and will only be used where the Secretary of State believes that the strike proposed would involve a serious threat to the general economy or public interest, and there is doubt whether it commands the support of those concerned. The Secretary of State will be able to stipulate the majority needed before a strike could go ahead, which will be either a majority of the union members involved in the dispute or two-thirds of those who voted, depending on the circumstances. Where there is no doubt...
about this support, and the union itself sees no need to call a ballot, there is nothing to be gained by imposing one. The object of the legislation is not to place a bar on such strikes, but to help to ensure that before strikes of this importance take place the union members themselves are convinced that they are right to go on strike.

82. For the most part unconstitutional strikes - i.e. strikes which involve breach of procedure - take place suddenly and without the permission of the body authorised under union rules to sanction them. Most unions are not prepared to recognise or support strikes in breach of procedure. Yet strikes of this sort are increasing in many industries and their effect can be very serious. Technological change and economic progress are leading, over much of industry, to an increasing interdependence between firms. This is true both within manufacturing industry, and between manufacturing industry and the services such as transport on which it depends. A strike by a key group in the long chain of production or distribution can thus put many people out of work in other firms and even other industries. It has a cumulative effect which can lead to disproportionate harm elsewhere and can be extremely costly to the nation. In such circumstances the Government needs a reserve power to avoid precipitate strikes and to create an opportunity for further negotiation on the grievance at issue. Such a power would not be justified where a strike, whether official or unofficial, is constitutional and takes place after the exhaustion of an agreed disputes procedure: it would be an intolerable interference with the right to strike in circumstances where employees might have no other way of remedying a legitimate grievance. It is however quite a different matter for the community to have a right, through the Government, to insist that groups of workers shall not take strike action which may seriously damage the economy and their fellow workers in circumstances where an agreed procedure for handling disputes has not been observed or does not exist.

/83. The Government will
The Government will therefore propose in the Industrial Relations Bill the introduction of a further discretionary reserve power for the Secretary of State for Employment and Productivity for use where groups of workers strike without the use of procedure and the effects are likely to be serious. In such cases the Secretary of State will be able to issue an order requiring those involved to assist from any strike or lock-out. For a period of up to twenty-eight days, renewable for a similar period by a further order. This peace pause will enable every opportunity for negotiation to be explored. In particular, it will allow time for any disputes procedure to be used. Under a good procedure, it should be possible for an urgent matter normally to be fully considered within twenty-eight days, or within fifty-six days if it is particularly complicated. Unless the Secretary of State is satisfied that adequate machinery for reaching a settlement exists and will be used, a suitable form of public inquiry or investigation will be held. The terms to be observed during such a peace pause will be those that existed before the dispute arose, so that the delay will not protect an employer who takes provocative action. After the maximum period there will be no further power to delay or restrict a strike or lock-out arising from the dispute in question.

In both cases the requirement will need to be backed by financial penalties. In the case of the compulsory ballot in respect of official strikes this will take the form of a fine against the union or unions concerned, if they fail to comply. In the case of the peace pause, if the requirement is not complied with individual strikers will be liable to fines.

The Government believes that these two measures, taken together, represent a sensible, fair and practical policy for tackling serious strikes. They have the merit of being capable of being used flexibly, when required, to help deal with individual strikes. In this respect they are greatly to be preferred to measures, such as have been proposed in some quarters, which would penalise important and unimportant, justifiable and unjustifiable strikes alike; or would be invoked haphazardly; or (if they depended upon employers) might not be invoked at all.

The Present Law on Strikes

The new powers proposed above are selective. They will reduce the harm caused by too precipitate decisions to strike, without limiting the basic freedom to strike or giving employers a free hand to take provocative action. This is the only acceptable way to change the law on strikes.
The Government has therefore decided not to accept the Donovan Report's majority recommendation in favour of limiting to trade unions the protection given by Section 3 of the Trade Disputes Act 1906 and by the Trade Disputes Act 1965 in relation to inducement of breach of a contract of employment. The implementation of this recommendation would place leaders of all unofficial strikes at risk of being sued by employers for inducing employees on strike to break their contracts. The Government does not believe that this would improve industrial relations. In the first place, the great majority of employers would probably not be prepared to take advantage of the change in the law; this change would therefore be useless in practical terms, while creating uncertainty and thus worsening the general atmosphere in industrial relations. For example, unions might declare all strikes by their members official to safeguard them from legal action; or groups of unofficial strikers might constitute themselves as trade unions, in order to obtain the law's protection. Far from helping to establish greater order in collective bargaining, therefore, the limitation of the protection given by Section 3 of the Trade Disputes Act 1906 and the Trade Disputes Act 1965 could have a seriously disruptive effect.

The Government has reviewed the law on picketing, but does not propose to make any changes in it. It believes that the present law does not place any unreasonable limitations on picketing, and that properly enforced it provides sufficient safeguards against violent or intimidatory behaviour.

The Government has decided to accept the recommendation of the Royal Commission that the inducement of breach of a commercial contract in the circumstances of a trade dispute should be protected in the same way as the inducement of breach of a contract of employment. The law on this is complicated; sympathetic strikes and other ways of bringing indirect pressure on an employer during a dispute are regarded by the present law as legitimate, but they face legal hazards in some circumstances. This anomalous situation must be resolved. The alternative is to outlaw sympathetic action. But trade unions have a long tradition of relying on the solidarity of union members working in different places, and it would be wrong to attach legal penalties to the practical expression of this. It will of course be open to the Secretary of State to require a ballot before an official, or a peace pause in an unconstitutional, sympathetic strike.
14. The Royal Commission recommended changes to Section 22 of the National Insurance Act 1965, which concerns the disqualification of persons for receipt of unemployment benefit when there is a trade dispute at their place of work. If these changes were made, a claimant for benefit would no longer have to prove that he is a member of a "grade or class" of workers any of whom are participating in or financing or directly interested in the dispute; and a claimant would not be regarded as "financing" a trade dispute simply because he is a member of a trade union paying strike pay to those on strike.

4. The Government is considering these recommendations in the light of comments so far made by the C.B.I., T.U.C. and nationalised industries, and it intends to have further consultations with them on this matter.

Safeguards against Unfair Dismissal

52. The Government proposes to end the anomalous situation by which, although the individual employee is protected in many other ways by legislation or collective agreements, he often has no effective safeguard against arbitrary or unfair dismissal. While it is desirable that voluntary procedures relating to dismissal should be improved and extended, the development of such procedures is much too slow. There is a need for legislation to establish statutory machinery to safeguard both unionists and non-unionists against unfair dismissal. In a period when increasing and necessary change must be accepted by large numbers of people, legislation will provide some guarantee that the inevitable uncertainties which this situation creates will not be added to by an employer's high-handedness or prejudice. One effect of legislation will undoubtedly be to encourage the development of clear rules as to the circumstances in which employees may be dismissed and for what reason.

33. The Industrial Relations Bill will state that dismissal is justified only if there is a valid reason for it connected with the capacity or conduct of the employee or based on the operational requirements of the undertaking, establishment or service; and that in the absence of such valid reasons it is unfair. Certain specific reasons which are not valid will be laid down, such as trade union membership, race, colour, sex, marital status, religious or political opinion, national extraction or social origin. Employees who consider themselves unfairly dismissed will have a right to complain to the present Industrial Tribunals, which will have to be extended and equipped to deal with this additional role. Compensation or re-instatement may be awarded by the Tribunals. The exact form of the procedure and of the machinery to operate it, and the extent to which voluntary procedures can be exempted, will be discussed in detail with the C.B.I., T.U.C., nationalised industries and other interests.

Contracts of Employment Act

54. There is a strong case for revising the Contracts of Employment Act, for example to increase long-service employees' entitlement to notice before dismissal, to shorten the minimum period of service needed to benefit from the Act, and to require employers to give employees fuller particulars of their contracts of employment. This will be considered further in consultation with both sides of industry.

SECRET
The Government in principle accepts the Royal Commission's view that it is desirable to improve the present arrangements for the judicial determination of disputes arising out of individual contracts of employment and statutory claims between employers and employees at present dealt with in the ordinary Courts. For this purpose the Report proposed that the Industrial Tribunals' jurisdiction should be extended to cover such disputes. This will require further consultations.

Trade Union Rules and Registration

Prejudices and unfair treatment are not a management monopoly. They can arise among employees and in trade unions. The Donovan Commission found no evidence of widespread abuse of union power. But when union membership is accepted as desirable and actively encouraged, it is essential that unions should be able, and be seen to be able, to conduct their business according to clear and comprehensive rules, and to deal fairly with any dispute between the union or its officers and the individual member.

This must be done in ways that are compatible with trade union internal self-government and independence. Employees must retain the right to combine together in ways that seem to them to advance their interests. But this must also be seen to be compatible with generally accepted standards of tolerance and fair-play. For this reason, while the Government does not propose to regulate union rules in detail, it considers that the present legal requirements relating to the rules of trade unions are inadequate, and should be extended in the interests both of the unions and their members.

The Industrial Relations Bill will therefore propose that trade unions should register with a new Registrar of Trade Unions and Employers' Associations within a prescribed period. In view of the experience gained by the Registrar of Friendly Societies in dealing with trade union matters, the new post will for the present be combined with that of the Registrar of Friendly Societies. Refusal to register will lay a trade union open to a fine. Registered unions will be required to have rules governing admission, discipline, disputes between the unions and their members, elections, strike ballots, and the appointment and functions of shop stewards. Unions will be free to frame these rules to meet their own requirements and (except in the case of strike ballots - see paragraph 81) it is not proposed that the Industrial Relations Bill should enable them to be challenged except
SECRET

of the ground that they do not adequately cover the subjects mentioned. This
right will lie with the Registrar of Trade Unions and Employers' Associations,
whom unions will be required to submit their rules. If he refuses to register
a union, appeal will lie to the Courts. Trade unions will be allowed reasonable
time to make any necessary amendments to their rules. Employers' associations
gill also be required to register and to comply with appropriate requirements
about rules.

9. The Royal Commission recommended that trade unions should be given corporate
status. The T.U.C. has represented that this would be undesirable, as it would
have no significant advantages and would not be appropriate to unions' constitu­
tional structure. The Government accepts these arguments and does not propose to
implement the Royal Commission's recommendation.

10. The Industrial Relations Bill will further propose that all but the smallest
unions should be required to employ professional auditors and that new requirements
regarding superannuation funds for their members should be introduced.

101. At present trade unions are protected from actions in tort by Section A of
the Trade Disputes Act 1906. This means, for example, that a union cannot be sued
for libel or negligence (although it is possible in some circumstances to sue the
trustees or the officers). This restriction is unrealistic, and the Industrial
Relations Bill will provide for removal of the immunity except in the circumstances
of a trade dispute. The Government agrees with the T.U.C. that this change will
only be acceptable if the definition of a trade dispute is watertight, and will
consider carefully what changes (if any) should be made in the present definition
for this purpose.

An Independent Review Body

102. These reforms will provide additional safeguards for union members, and do
much to enable unions themselves to escape unjustified suspicions. But for them
to be seen to deal fairly with members, it is necessary that the administration
of their rules should be subject to independent review. This does not imply that
there is any reason to suspect frequent injustice any more than the creation of the
Parliamentary Commissioner implies that maladministration is common in Government
departments. But it is right and healthy in a democracy that any powerful body
should be subject to outside scrutiny where abuse of its power can most harm the
individual.

/103. Complaints
103. Complaints by individuals against trade unions will be considered in the first instance by the Registrar, who will have the duty of advising the complainants and trying to promote an amicable settlement. In some cases where this cannot be achieved there is already a legal remedy in the ordinary courts, but in others there is no remedy at present. The Industrial Relations Bill will provide for a new independent review body to which may be referred complaints by individuals of unfair or arbitrary action by trade unions resulting in substantial injustice.

104. In cases heard by the independent review body, every opportunity will be given to the trade unions concerned to prepare their own answers to complaints. The object will be to ensure fair play and justice, rather than to put obstacles in the way of unions. If complaints are found to be justified, the review body will have power to award damages, or admission or re-instatement in a union.

105. The review body will be headed by the President of the Industrial Court, and its membership will consist of the members of the trade union panel of the Industrial Court. Each case will be considered by the President or a legal chairman drawn from the independent panel of the Industrial Court plus two members of the trade union panel.

106. The Donovan Commission rejected the prohibition of the closed shop and said that, under proper safeguards, it could serve a useful purpose. A closed shop might be needed by a union to establish an effective and stable organisation or in order to deploy workers' bargaining strength to the full. Nevertheless the Commission recognised that the closed shop was liable from time to time to cause injustice to individuals and it therefore proposed safeguards. The Government generally agrees with this assessment. It has proposed above in paragraphs 96-98 measures to protect the trade union member; it is also necessary to consider those who have conscientious grounds for not joining a union and who are dismissed from their employment in consequence.

107. Before agreeing to a closed or union shop, employers should seek to obtain suitable protection for people who refuse to join trade unions on conscientious grounds. Many unions are prepared to accept such people in a closed or union shop, if they in their turn are prepared to show good faith, for example by contributing to charity instead of paying a union subscription. When such employees are dismissed from employment because they will not join a union, the Government proposes that the initial right of complaint should be to an Industrial Tribunal as a case of alleged unjust dismissal.

/ The Government
The Government agrees with the majority of the Donovan Commission that the Tribunal should have power to award compensation to be paid by the employer since it is his responsibility in concluding a closed shop agreement to bear in mind the interests of existing employees who are not in the union, and to ensure that they are adequately safeguarded. It will also be possible for the Tribunal to award compensation to be paid by the employer if the closed shop is not a formal one established by agreement with a union, but an informal one resulting from the unwillingness of employees to work with a certain non-unionist. The Tribunal will have to consider whether the employer should in any way be liable for acquiescence in the development of such a closed shop, and the extent to which the employer should compensate an employee whom he has dismissed because he considered it to the advantage of his business to do so in the circumstances.

A NEW OPPORTUNITY

108. These are the major measures, initiatives and policies which the Government proposes to deal with the industrial relations problems now facing this country. They are intended to retain the best aspects of our traditional system – its freedom, its flexibility, tolerance and general sense of reasonable compromise. At the same time they should enable us to grapple with what is wrong; with disorder, injustice, occasional near chaos and damaging disruption. They involve the Government more closely in the processes of industrial relations, but they do so without weakening the responsibility of management and unions for the proper conduct of their affairs. On the contrary they are designed to highlight and strengthen that responsibility. In effect they offer both management and unions an opportunity and a challenge. The Government proposes a joint effort to remake and improve the relationships of people at work.
Proposals for an Industrial Relations Act

The Government intends, after further consultations, to introduce an Industrial Relations Bill, including provisions:

(1) To establish a Commission on Industrial Relations (paragraphs 29-34);

(2) To require employers to register procedure agreements and arrangements with the Department of Employment and Productivity (paragraphs 35-37);

(3) To modify section 4(4) of the Trade Union Act 1871, to facilitate the direct legal enforcement, where the parties wish, of agreements between trade unions and employers' associations, and to provide that agreements should only be legally binding if they include an express written provision to that effect (paragraph 42);

(4) To give trade unions the right to have certain sorts of information from employers, subject to safeguards for confidential commercial information (paragraph 44);

(5) To facilitate the appointment of trade union representatives on boards of undertakings (paragraph 45);

(6) To establish the principle that no employer has the right to prevent or obstruct an employee from belonging to a registered trade union (paragraph 50);

(7) To stop Friendly Societies from having rules debarring trade unionists from membership (paragraph 50);

(8) To empower the Commission on Industrial Relations to look into recognition disputes, and to arrange a secret ballot if it thinks this desirable (paragraph 51);

(9) To enable the Secretary of State, where the Commission on Industrial Relations recommends that an employer shall recognise a union but there is continuing difficulty,

(a) to make an order requiring the employer to recognise and negotiate with the union and, in default, giving the union the right to take the employer to arbitration at the Industrial Court (paragraph 53), and

(b) if necessary to make an order excluding one or more unions from recognition, with penalties for breach of the order by either the employer or a union (paragraph 54);

(10) To enable
(10) To enable the Secretary of State by order to make unilateral legally binding arbitration before the Industrial Court available in some situations (paragraph 56);

(11) To amend the law relating to Wages Councils and section 8 of the Terms and Conditions of Employment Act 1959 (paragraphs 57-58);

(12) To provide for the Commission on Industrial Relations to make grants and loans for trade union development (paragraphs 64-69);

(13) To empower the Secretary of State, where an official strike is threatened, to require a ballot (paragraph 61);

(14) To enable the Secretary of State to require those involved to desist for up to 28 days (and for a further period of up to 28 days if necessary) from a strike or lockout without the use of procedure (paragraph 83);

(15) To protect inducement of breach of a contract other than a contract of employment, in the circumstances of a trade dispute (paragraph 89);

(16) To introduce safeguards against unfair dismissal (paragraph 92);

(17) To require trade unions to register, and to have rules concerning admission, discipline, disputes between union and member, elections and strike ballots, and shop stewards (paragraph 96-98);

(18) To create a new Registrar of Trade Unions and Employers' Associations - the post to be combined for the present with that of Registrar of Friendly Societies (paragraph 98);

(19) To require all but the smallest unions to have professional auditors, and to make new provisions regarding superannuation funds for members (paragraph 100);

(20) To enable a union to be sued in tort, except in the circumstances of a trade dispute (paragraph 101);

(21) To make any necessary amendment to the definition of a trade dispute (paragraph 101);

(22) To establish an independent review body to hear complaints by individuals of unfair or arbitrary action by trade unions (paragraphs 102-107).
Incidence of Strikes in the United Kingdom

A country's pattern of strikes and other stoppages due to trade disputes can be analysed in various ways, for example according to the number of stoppages in relation to the number of employees, the average number of persons involved per stoppage, the average duration of stoppages and the number of working days lost in relation to the number of employees. The following table comparing the strike patterns of different countries is based on one published in the Donovan Report, brought up-to-date as far as possible.

INTERNATIONAL COMPARISONS OF STATISTICS RELATING TO STOPPAGES DUE TO INDUSTRIAL DISPUTES IN MINING, MANUFACTURING, CONSTRUCTION AND TRANSPORT

Average annual figures based on latest available information supplied by International Labour Office

<table>
<thead>
<tr>
<th>Name of Country</th>
<th>Period</th>
<th>Column (1)</th>
<th>Column (2)</th>
<th>Column (3)</th>
<th>Column (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of stoppages per 100,000 employees</td>
<td>Average No. of persons involved per stoppage</td>
<td>Average duration of each stoppage in working days</td>
<td>No. of working days lost per 1,000 employees</td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1963-67</td>
<td>130</td>
<td>184</td>
<td>3.4</td>
<td>136</td>
</tr>
<tr>
<td>Australia</td>
<td>1963-67</td>
<td>350</td>
<td>1.8</td>
<td>165</td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>1963-67</td>
<td>680</td>
<td>9.2</td>
<td>893</td>
<td></td>
</tr>
<tr>
<td>Denmark</td>
<td>1963-67</td>
<td>430</td>
<td>14.0</td>
<td>104</td>
<td></td>
</tr>
<tr>
<td>Finland</td>
<td>1963-67</td>
<td>370</td>
<td>7.3</td>
<td>114</td>
<td></td>
</tr>
<tr>
<td>German Republic</td>
<td>1963-67</td>
<td>1,090</td>
<td>0.8</td>
<td>347</td>
<td></td>
</tr>
<tr>
<td>Ireland</td>
<td>1963-67</td>
<td>1,090</td>
<td>0.8</td>
<td>347</td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>1963-67</td>
<td>360</td>
<td>2.1</td>
<td>114</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>1963-67</td>
<td>2.1</td>
<td>414</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>1963-67</td>
<td>360</td>
<td>2.1</td>
<td>414</td>
<td></td>
</tr>
<tr>
<td>New Zealand</td>
<td>1963-67</td>
<td>1,090</td>
<td>0.8</td>
<td>347</td>
<td></td>
</tr>
<tr>
<td>Norway</td>
<td>1963-67</td>
<td>1,090</td>
<td>0.8</td>
<td>347</td>
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</tr>
<tr>
<td>Spain</td>
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<td>1,090</td>
<td>0.8</td>
<td>347</td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>1963-67</td>
<td>1,090</td>
<td>0.8</td>
<td>347</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>1963-67</td>
<td>1,090</td>
<td>0.8</td>
<td>347</td>
<td></td>
</tr>
</tbody>
</table>

Because countries adopt different statistical practices, the figures are not strictly comparable in every respect. The most important variation is in the level below which strikes are regarded as too small to be included; some other countries adopt levels lower than the United Kingdom, notably Australia, Canada, Japan, Norway and the United States. Some countries, unlike the United Kingdom, exclude from their statistics workers laid off as a result of stoppages at their place of work. The footnotes which follow record the more important other variations.

1) Including electricity and gas.
2) Manufacturing only.
3) Figures not available.
5) All industries.
6) Including electricity, gas, water, sanitary services.
Column (1) of this table shows that in comparison with many other countries the U.K. has a fairly large number of strikes in relation to the size of its workforce. In this respect the U.K. has in recent years been worse off than nine of the other countries listed, but better than five (Australia, France, the Republic of Ireland, Italy and New Zealand). As regards average number of employees involved per stoppage (column 2), the U.K. figure falls below the figures for twelve of the other countries; and as regards the average duration of each stoppage (column 3) our figure falls below those for nine of the others. Judged in terms of number of working days lost in relation to numbers employed (column 4), the U.K.'s record has been about average compared with other countries. The pattern which emerges for the U.K. is therefore one of a comparatively large number of short stoppages involving, on average, a fairly small number of employees.

2. The number of stoppages in industries other than coal-mining has increased steadily over the last few years, as the following table shows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Coal-mining</th>
<th>In the rest of the economy</th>
<th>Altogether</th>
</tr>
</thead>
<tbody>
<tr>
<td>1957</td>
<td>2,224</td>
<td>635</td>
<td>2,859</td>
</tr>
<tr>
<td>1958</td>
<td>1,953</td>
<td>666</td>
<td>2,629</td>
</tr>
<tr>
<td>1959</td>
<td>1,587</td>
<td>786</td>
<td>2,373</td>
</tr>
<tr>
<td>1960</td>
<td>1,666</td>
<td>1,166</td>
<td>2,832</td>
</tr>
<tr>
<td>1961</td>
<td>1,438</td>
<td>1,228</td>
<td>2,666</td>
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<tr>
<td>1962</td>
<td>1,203</td>
<td>1,246</td>
<td>2,449</td>
</tr>
<tr>
<td>1963</td>
<td>967</td>
<td>1,061</td>
<td>2,068</td>
</tr>
<tr>
<td>1964</td>
<td>1,058</td>
<td>1,466</td>
<td>2,524</td>
</tr>
<tr>
<td>1965</td>
<td>740</td>
<td>1,514</td>
<td>2,354</td>
</tr>
<tr>
<td>1966</td>
<td>553</td>
<td>1,554</td>
<td>1,937</td>
</tr>
<tr>
<td>1967</td>
<td>594</td>
<td>1,722</td>
<td>2,116</td>
</tr>
<tr>
<td>1968</td>
<td>173</td>
<td>1,752</td>
<td>1,926</td>
</tr>
</tbody>
</table>

(Provisional figs. Jan-Oct.)

Source: Department of Employment and Productivity
3. One important feature of the strike pattern in the U.K. is that the great majority of strikes (about 95%) are unofficial, (that is, not sanctioned or ratified by the union or unions concerned), as illustrated by the following table:

**OFFICIAL, UNOFFICIAL AND OTHER STOPPAGES OF WORK DUE TO INDUSTRIAL DISPUTES**

<table>
<thead>
<tr>
<th>Type of Stoppages</th>
<th>No. of Stoppages</th>
<th>No. of Workers Involved (2)</th>
<th>No. of Working Days Lost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Official Strikes</td>
<td>82</td>
<td>84,700</td>
<td>643,000</td>
</tr>
<tr>
<td>Partly Official (3)</td>
<td>2</td>
<td>600</td>
<td>6,000</td>
</tr>
<tr>
<td>Unofficial</td>
<td>2,125</td>
<td>663,300</td>
<td>1,857,000</td>
</tr>
<tr>
<td>Others: i.e. lockouts or strikes by unorganised workers unclassified</td>
<td>24</td>
<td>3,200</td>
<td>24,000</td>
</tr>
<tr>
<td><strong>All</strong></td>
<td><strong>2,233</strong></td>
<td><strong>751,600</strong></td>
<td><strong>2,530,000</strong></td>
</tr>
</tbody>
</table>

Source: Department of Employment and Productivity.

(1) Figures relate to stoppages beginning in years covered and the total number of working days lost due to them.

(2) Includes workers thrown out of work at establishments where stoppages occurred, although not themselves parties to the dispute.

(3) i.e., Strikes involving more than one union and recognised as official by at least one but not all the unions concerned.

These unofficial strikes are also nearly always unconstitutional - i.e. they take place in breach of the appropriate procedure for dealing with disputes.

4. Official strikes, although few in number, tend to involve more employees and to last longer than unofficial strikes. An official strike, because of the number of employees involved, can often result in a very large number of working days lost. For example, the total number of working days lost through stoppages in the first eleven months of 1968 was 4,570,000; of this, the one-day engineering strike in May accounted for about 1½ million.

5. Official strikes have not shown any consistent tendency to grow in number in recent years, the figures since 1960 being as follows:
The figures include "partly-official" strikes, i.e., strikes involving more than one union and recognized as official by at least one but not all the unions concerned.

By contrast, the numbers of unofficial strikes have steadily risen in recent years. The general increase in the number of strikes in industries other than coal-mining has been almost entirely due to an increase in unofficial strikes. Certain industries have been especially prone to unofficial strikes, as the following table shows:

### AVERAGE ANNUAL FIGURES RELATING TO INDUSTRIES IN WHICH MOST UNOFFICIAL STRIKES TOOK PLACE IN RELATION TO NUMBERS EMPLOYED, 1964-1967

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of unofficial strikes per 100,000 employees</th>
<th>Number of days lost in unofficial strikes per 1,000 employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal mining</td>
<td>127.7</td>
<td>416</td>
</tr>
<tr>
<td>Docks (port and inland water transport)</td>
<td>65.6</td>
<td>1,766</td>
</tr>
<tr>
<td>Shipbuilding, ship repairing and marine engineering</td>
<td>45.2</td>
<td>412</td>
</tr>
<tr>
<td>Motor vehicle manufacturing</td>
<td>34.3</td>
<td>831</td>
</tr>
<tr>
<td>All industries</td>
<td>9.2</td>
<td>84</td>
</tr>
</tbody>
</table>

Statistics relating to the causes of strikes have to be used with caution; a strike may have several causes, and the immediate cause (according to which the strike is classified) may not be the most important one. Most official strikes result from a breakdown of negotiations at industry level about trade union claims for improved terms and conditions of employment.
As far as unofficial strikes are concerned, nearly half of them in recent years have been due to disputes over pay. The other most frequent causes are "working arrangements, rules and discipline" (about 30%) and "redundancy, dismissal, suspension etc." (about 15%). Other causes, including recognition, demarcation questions, hours of work and closed shop issues account for about 8% of unofficial strikes.