



10 DOWNING STREET

A. Layton

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C.F. per.

① Mr. L. ...
② Prime Minister.



Mr.

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27th February 1980

The Rt. Hon. Margaret Thatcher, M.P.,
Prime Minister,
10 Downing Street, London SW1.

Your New Tasker,

Thank you very much for inviting me to your lunch discussion last Friday. It was a most enjoyable occasion and it was very encouraging to hear the views being expressed round the table on the need to change the immunities of union funds.

I am also very grateful for the convincing and forthright way in which you put over the Government's views on the steel strike in Panorama on Monday night. It will go a long way towards helping us to settle the dispute and I am sure that it has already accelerated the return to work in the private sector.

I am rather puzzled about what is happening in the communications process between the CBI and your Cabinet. In your letter of 10th February and at the lunch meeting, you implied that the CBI was advocating a 'softly softly' approach and that this was acting as a restraint on the extent to which you could push forward trade union reform at the present time. On the other hand, at the CBI Council we are being asked to accept restraint and adopt the 'softly softly' approach because we are told this is what the Government wants at the present time!

I am proposing to look further into the matter from a CBI point of view, but at this stage I can assure you that the mood of the CBI Council is very much in line with your own thinking. We shall be commenting on the latest consultative document very soon now and I hope that the recommendations on this occasion will more accurately reflect our views.

With many thanks to you and Mr. Thatcher for inviting me to lunch.

Your Sincerely,
Ron Valerio
R. Halstead