

CONFIDENTIAL

24 March 1981

MR LANKESTER

cc Mr Sanders

TRADE UNION REFORM

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1. As you know, the deadline for the Green Paper consultative exercise is 30 June. In our notes to the Prime Minister of 28 November 1980 and 15 December 1980, we expressed concern that this timescale might effectively rule out even the possibility of taking a further legislative step during the 1981/2 session. The Chancellor expressed the same anxiety in his letter to Mr Prior of 8 December.

2. Department of Employment suggested that the June deadline did not preclude action during the 1981/2 session, although Mr Prior told us he thought it might turn out to be a better tactic to use the prospect of further legislation as a Sword of Damocles, until the next Manifesto was written. No decision was taken on timing; by implication it was left to be considered in the summer.

3. Could you tell me whether the contingency need for legislation - for which the Chancellor and, I think, the Prime Minister are convinced - is reflected in the arrangements for forthcoming legislation, including the contingency arrangements? If not, do you not think we should consult the Prime Minister about this?



ANDREW DUGUID