CONFIDENTIAL

13 May 1981 MAY

Policy Unit

PRIME MINISTER

LEGISLATIVE PROGRAMME 1981/2

- 1. You recently wrote to Walter Goldsmith at the Institute of Directors assuring him that the Government would not hesitate to introduce further reforms if that seemed appropriate. We think a concerted call from industry for further action is likely.
- 2. The Home Secretary's memorandum refers (at paragraph 7) to the view of "some colleagues" that a major Bill will be needed on trade union law. Jim Prior has obviously not made the case and the strong implication is that, since policy is not yet decided, there will be no Bill.
- 3. It would obviously be premature to decide now on the need for a Bill. But I suggest you refer to it in passing so that Cabinet acknowledges tomorrow the <u>possible</u> need for one. After all, the letter you sent to Walter Goldsmith was drafted by the Department of Employment.

JOHN HOSKYNS