

PRIOR
TUP.

Prime Minister

Jim Prior called on Lord Thorneycroft this afternoon (Tuesday) at his own request. But there was no meeting of minds.

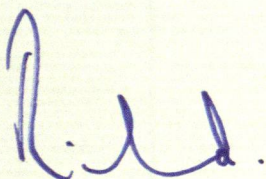
1. Jim Prior outlined the problems about Employment legislation in terms which will be only too familiar to you. In discussing possible options for the future Jim Prior made it plain that the present Bill only limits secondary strikes outside the area of first suppliers. It did, however, outlaw picketing in the case of first suppliers.
2. Lord Thorneycroft asked Jim Prior what his reaction would be if the Bill was strengthened by removing the trade union immunity for strikes and picketing.

In reply, Jim Prior was adamant that such a move would be counter-productive and indicated that he would not go along with it; leaving Lord Thorneycroft in no doubt that if it went forward his resignation would ensue.

3. Lord Thorneycroft then went on to ask him about the Clause of the 1974 Act concerning union funds. In reply, Jim Prior stressed that any procedure for attacking union funds would be impracticable - moreover it would not be considered seriously by industrialists.

From this conversation Lord Thorneycroft formed the conclusion that Jim Prior would leave the Government if we did anything about immunities or union funds.

4. Lord Thorneycroft's strong advice is that if we fall short of minimal reform the Government will be in deep trouble.



Richard

12.2.80.