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From the Minister of State for Industry

Norman Lamont MP

Prime Minister

To note

AT 15/11

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The Prime Minister
10 Downing Street
LONDON
SW1

15 November 1984

Dear Prime Minister

[Handwritten mark]

AUSTIN ROVER (ARG) STRIKE

You will wish to have an account of the latest position in this dispute and of expected developments over the next few days.

All of the smaller ARG plants are now working normally. But turnout at the main Cowley and Longbridge plants is still only modest and, while some limited operations are now possible, there is no immediate prospect of resuming large-scale car production. Despite intensive efforts directly and through the local media to win round the workforce, the company have no grounds for believing that the strike is likely to crumble.

Yesterday the company withdrew its appeal against the court decision not to grant an injunction against the AUEW. This followed the advice given, after a closed hearing, by Sir John Donaldson that a seven-point repudiation of the strike made by the union in open court was a sufficient indication to the union's members to the union's officials attitude to the strike, notwithstanding that it fell short of recommending members to return to work. Sir John said that it would be unusual to order a union to instruct its members to go back to work. (The injunctions obtained last week against six other unions ordered them not to induce, persuade, direct, instruct or encourage their members to strike.)

Separately the company are proceeding with civil action for contempt against the six unions who failed to respond within the time allowed to the injunctions granted last week (although one small union has subsequently urged a return to work). Hearings are

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likely to take place early next week. If the various court and other actions fail to secure a return to work, Austin Rover intend to consider issuing individual workers with letters warning them that by striking they are breaking their contracts of employment and that unless they return by a specified date they will be deemed to have dismissed themselves, under which circumstances they would not qualify for redundancy pay. This tactic has been successfully used by BL on a number of previous occasions. Ray Horrocks has however assured the Department that no action will be taken with the workforce until the outcome of the contempt hearings is known; and he has also said that he would consult Ministers before taking final decisions on this.

I am sending copies of this letter to the Chancellor of the Exchequer, the Secretaries of State for Employment and Energy and to Sir Robert Armstrong.

A handwritten signature in blue ink, appearing to read 'Norman Lamont', written in a cursive style.

NORMAN LAMONT

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