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PS/ Secretary of State for Industry

16 October 1981

Michael Scholar Esq
 Private Secretary to the Prime Minister
 10 Downing Street
 London SW1

Prime Minister

We thought you would
 like an up-to-date report.

MUS 16/10

Dear Michael

BL PAY DISPUTE

... As requested this morning, I enclose a note for the Prime Minister about the BL pay dispute. The Secretary of State for Industry is seeing Sir Michael Edwardes on 19 October and a further report will be sent to you thereafter, if appropriate.

I am copying this letter and the enclosures to the Private Secretaries to the Chancellor and the Secretary of State for Employment.

Yours sincerely
 Catherine Bell

CATHERINE BELL
 Private Secretary

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BL: PAY DISPUTE

plants employing
The latest news from BL is that voting by a show of hands at mass meetings at car plants today was (provisionally) *plants employing* 39,000 in favour of a strike on 1 November and 19,000 against. About 7,000 employees did not attend the mass meetings. Again provisionally, 14 plants voted in favour of a strike and 18 against. However, those in favour of a strike included Longbridge and Cowley while those against included a number of BL's smaller plants. The Land Rover and Jaguar assembly plants voted for a strike. The Jaguar engine plant voted against as did Common Lane (van assembly), Drews Lane (components) and Pressed Steel Fisher at Swindon.

BL are not commenting in public on these results except to say that they stand by the letters issued to their employees earlier this week about the likely consequences if the dispute continues. A copy of the letter is at Annex A to this note.

BL were in a similar situation last October/November, and some contingency planning was done both by the company and the Government. This work is currently being reviewed and further consultations between Department of Industry and Treasury officials, including a joint meeting with BL staff, will take place early next week.

The Secretary of State for Industry will be meeting Sir Michael Edwardes on 19 October, and will ask him for an up-to-date assessment of the situation. At present there is no clear indication of how the dispute will develop, but there are no plans for the BL Board to meet again before 28 October. It is very unlikely, therefore, that decisions will be required of Ministers in the week beginning 19 October.

Department of Industry
16 October 1981