



PS/ JF3552  
Secretary of State for Industry

Prime Minister<sup>2</sup>  
Ms 2075  
DEPARTMENT OF INDUSTRY  
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CONFIDENTIAL

20 May 1983

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

Dear Michael,

BL : STRIKE AT ALBION PLANT IN GLASGOW

We provided briefing for the Prime Minister's use at Question Time in the House on 12 and 14 May about the current strike at Leyland Vehicles' axle plant at Albion, Glasgow. The most recent developments in the dispute, which could reach a critical stage by the beginning of next week, are described in the following report.

2 The strike, which has been in progress since 9 May, is against the alleged threat of compulsory redundancies to achieve the necessary reduction of 110 in hourly-paid staff at Albion, despite the fact that the management have made clear their intention of using voluntary redundancies if at all possible. I attach a copy of a letter sent to all Albion employees on 16 May by the Chairman of Leyland Vehicles, Mr Ron Hancock, which set out what was at stake, including the risk to the future of 10,000 employees of Leyland Trucks at Bathgate in Scotland and Leyland in Lancashire, whose factories depend on axles from the Albion plant.

3 On 18 May, shop stewards at Albion voted against holding a mass meeting of the workforce on 20 May to decide whether or not to continue the strike. Because Leyland Trucks is in a serious financial position and would not be able to ride out a prolonged strike at Albion, the management would have had little alternative but to send out letters early next week to all their employees on strike threatening them with dismissal unless they returned to work at an early date. However, Leyland Vehicles' management had a helpful meeting on 19 May with Mr Russell, the national official of the AUEW responsible for the north of Britain, which could lead to a solution of the dispute. It was

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agreed at this meeting that a mass meeting would, after all, be called at Albion on Monday, 23 May to discuss the dispute. Meanwhile, the threat of lay-offs at Bathgate and Leyland would be suspended. BL have told us in strict confidence that the national officials of the AEUW will try to ensure that their view that there should be a return to work will be communicated to the mass meeting. If this is agreed, Leyland Vehicles will continue to seek voluntary redundancies and if insufficient can be found, another meeting will be held between the company and national officials in 4-5 weeks' time. Everything now depends on the vote at the mass meeting. We will keep in close touch with the company and I shall write again after the vote.

4 I am copying this letter and the attachment to the Private Secretaries to the Chancellor, the Secretaries of State for Scotland and Employment and Sir Robert Armstrong.

Yours sincerely,  
Jonathan Spencer

J P SPENCER  
Private Secretary

Encl



# Leyland Vehicles

From the office of the Chairman



Leyland Vehicles Limited

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London  
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Telephone: 01 486 6000  
Telex: 263654

16 May 1983

TO ALL ALBION EMPLOYEES

The strike at Albion has now lasted one week. No mass meeting has been called, despite the fact that the dispute now involves less than 20 redundancies. With 7 weeks still to go, the chances must be high that these can be filled by volunteers. Your convener has indicated that he sees no reason to hold a meeting - he says that there is no reason to call off the strike.

Leyland cannot allow this situation to continue. It was today announced that vehicle assembly at both Bathgate and Leyland will stop next Friday night. Next week several thousand of your fellow Leyland Vehicles workers will be laid off and losing earnings which they - like you - can never hope to make up.

One of the few non-Leyland customers for Albion axles has today told us that he will now purchase axles from one of our competitors.

As you know, there is world-wide over-capacity in the axle business and our competitors are able to offer attractive delivery dates and competitive prices to all our customers, and of course to Leyland.

I have to tell you, that today we decided to commence work to resource to other makers the axles and gearboxes Albion currently supply unless we know through a mass meeting held at the latest by Friday morning, 20 May, of a full return to work on Monday, 23 May.

I am writing to each of you to ensure that you know the full consequences of your actions.

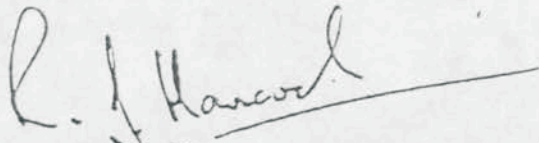
I am not prepared to stand by and allow you to place in danger the jobs of 10,000 employees and the future of Leyland Trucks.

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It is vital that a mass meeting is held at the latest by Friday and that you return to work not later than next Monday. If you do not, then Albion will have written itself out of Leyland's long-term plans with dire consequences as Albion will be closed - permanently.

Can less than twenty jobs be worth that?

Yours sincerely,

A handwritten signature in cursive script, reading "R. J. Hancock", written over a horizontal line.

R J Hancock  
Chairman & Managing Director  
Leyland Vehicles Limited