

E. P.
Prime Minister^②

To note

HT 22/10

MR TURNBULL

22 October 1984

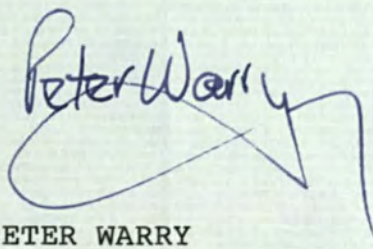
JAGUAR CARS: PAY CLAIM

The Prime Minister may be asked about this subject in the House.

The offer made by Jaguar has been represented in the press as 21% over two years. Actual new money amounts to 7% on basic rates in the first year and a further 7% one year later. The remaining increase is made up by consolidation of bonuses currently being paid. Unless productivity were to slump dramatically there is no give-away element in this. Jaguar also propose to increase the effective ceiling on bonus earnings from a maximum £30 per week to initially £36.25 per week.

Regrettably, this offer has been rejected by the union leaders. Shop stewards are now meeting to draft recommendations for industrial action commencing from 1 November. The outcome of such a recommendation is uncertain.

It is unfortunate indeed if privatisation is so swiftly followed by a strike. The offer is generous, but reflects the benefits to the employees of privatisation, especially where they have delivered significant productivity improvements.



PETER WARRY

