



10 DOWNING STREET

From the Private Secretary

19 November 1984

AUSTIN ROVER

The Prime Minister has been following with interest the progress that Austin Rover has been making in the integration of their computer-aided design and manufacture. Britain, and BL in particular, appear to be leading the world in this field. This success has been founded on first-rate computer work, and the melding of the manufacturing and the engineering functions under a single head.

BF The Prime Minister understands, however, that BL are considering some reorganisation of management responsibilities which could lead to a division of the design and management functions, and which could cause this technological lead to be lost to this country. She would be interested to know whether Mr. Lamont has discussed such a reorganisation with Sir Austin Bide and Mr. Musgrove; whether he shares her concern about this development; and, if so, whether there is anything that can be done to forestall it.

I am copying this letter to David Peretz (HM Treasury).

AT

Edmund Hosker, Esq.,
Department of Trade and Industry.

G R Please type

Prime Minister (1)

(1) Agree a letter to DTI as suggested? Yes

(2) A draft reply to Professor B is attached. AF 16/6

15 November 1984

Yes

MR TURNBULL

Amq

AUSTIN ROVER

Austin Rover (AR) have established a world lead in the integration of computer-aided design and manufacture. This has created dramatic improvements in productivity, quality and - most importantly - lead time. It has been achieved through Professor Bhattacharyya's work on the computer side, and the integration of the manufacturing and engineering functions in AR under Andy Barr.

Harold Musgrove, in pursuit of internal politics, now intends to redivide manufacturing and engineering: the key to their success.

The Prime Minister could consider writing to Norman Lamont in the following terms:

PS letter to Edmund Healey DTI

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melding of the manufacturing and the engineering functions under a single head.

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(a copy of the letter to David Parry (Treasury))

Linda Kent

PP. PETER WARRY

A-T