

PRIME MINISTER

POEU ACTION

The Secretary of State for Industry's minute of 28 September which you saw at the weekend informed you that the POEU is taking industrial action on 2 fronts:

- (i) A work-to-rule in protest against privatisation;
- (ii) A refusal to undertake work in connection with the development of Mercury.

The minute stated that BT was likely to respond firmly by suspending striking engineers and that Mercury might seek an injunction against the union.

We have just heard that Mercury are likely to take legal action in the next couple of days. Mr. Gregson's advice that the Government should not become involved still holds. Mr. Tebbit is taking the same line. BT is likely to stay its hand on suspensions pending the outcome of Mercury's legal action.

4 October 1983