



PRIME MINISTER

Prime Minister ②
As warned yesterday

AT 6/10

MS

POEU INDUSTRIAL ACTION: BT AND MERCURY

Further to my minute of 28 September, Kenneth Baker met Sir George Jefferson this afternoon, who reported on the latest position on industrial action aimed against our telecommunication privatisation and liberalisation policy.

2 As has been reported in the Press, POEU workers in the International Division started a work to rule this week. BT management were afraid that this would result in a very serious disruption of a significant part of their international services. The local BT management has therefore been instructed to require the workforce to "carry out management instructions".

3 The result of this action is not yet known, but there is a strong possibility that it will result in a number of people being sent home or walking out. The same approach has been adopted towards those taking action affecting BT in the main exchange in Aberdeen, and the most likely outlook would seem to be escalation of action in the near future.

4 Meanwhile, Mercury has sought an injunction against the POEU,



naming Bryan Stanley personally, to force them to desist from action which they believe they can prove is causing Mercury major economic harm. Sir Michael Edwardes has spoken to Norman Tebbit about this. The line Norman has taken, with which I fully agree, is that Government should refrain from involving itself in a dispute between BT and its unions. I believe we should keep to this as long as possible.

5 I am copying this to the Chancellor of the Exchequer, the Home Secretary, the Secretary of State for Employment and Sir Robert Armstrong.

C.P.

C P

6 October 1983

Department of Trade and Industry

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