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PRIME MINISTER

ROVER GROUP

When Graham Day came to see me today on other Rover Group matters (reported in my separate minute of today's date) he told me of impending changes in the management of Austin Rover.

2 Harold Musgrove will take early retirement from the end of September. Graham Day himself will take over the Chairmanship; Mr Les Wharton, the Managing Director of Leyland Trucks, will become Managing Director of Austin Rover. It is likely that several of the senior managers of Austin Rover will also leave.

3 Graham Day's judgement is that Harold Musgrove himself will wish to go quietly. Nevertheless given the sensitivity of the issues it is likely that his departure will arouse a good deal of interest, especially in the West Midlands.

4 Graham Day hopes that this will not emerge until the second half of September. I have asked him to consult us about the timing of any announcement, but realistically we must assume that it could become known at any time from now. I intend to stick



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strictly to the line that this is a matter for Mr Day and the individuals concerned, on which the Government has no comment whatsoever.

PC

PAUL CHANNON

September 1986

Department of Trade & Industry

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file 46

cc of Griffin

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

8 September 1986

ROVER GROUP

The Prime Minister was grateful for your Secretary of State's minute (undated) reporting proposed changes in the management of Austin Rover.

David Norgrove

Timothy Walker, Esq.,
Department of Trade and Industry.

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