

Prime Minister! BL FILE

ROWE & MAW

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MANDY WARNFORD-DAVIS
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M D REGAN

This is worth reading,
You might like to discuss
tomorrow whether and
how to use it
at Question
Time.

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Your Reference

Our Reference

Date

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28th February 1986

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The Right Honourable Mrs Margaret Thatcher MP
10 Downing Street
London SW1

Dear Prime Minister,

The "Keep Land Rover British" Campaign

Last Friday afternoon, 21st February, I was consulted by Mr Kelvin van Hasselt to see if I could come up with some ideas to help the Campaign.

I have seen a copy of Mr van Hasselt's letter to you of 18th February.

Mr van Hasselt explained that the Unions were apprehensive and unenthusiastic (to put it no higher) as to the possible acquisition of the Land Rover business by General Motors, and were not much more enthusiastic about the proposed management buy out.

I said that in my opinion, having regard to HMG's wish to see both the Land Rover business and the BL Truck business sold off together, it was unrealistic to think that words, petitions and speeches were any substitute for attractive alternatives. I said that that meant finding another possible buyer - one who ideally would take on both Land Rovers and Trucks, and I said that that, in turn, meant finding money, whether a bid was put in for one or both.

I was told by Mr van Hasselt that he had had discussions with the Unions, and in particular with the Transport and General Workers Union. I came up with an idea, which I am proud to see anticipated your own idea as expressed last Tuesday in the House in reply to the Leader of the Opposition.

My idea, as I in effect expressed it to Mr van Hasselt, was as follows:-

"Unions are, often unfairly, criticised for taking a destructive attitude towards the businesses and managements upon whom they are dependent for the job security of their members. These criticisms are particularly prevalent currently in connection with the newspaper industry. Surely Unions should be seen to be helping their members, not by (negative) protectionism of outdated practices which lead to the financial failure of the businesses in which they work, but by positive support of British Industry at its best - of which Land Rover (despite managements's alleged lassitude in exploiting export potential) is perhaps a potentially glowing example. Such positive support means the Unions concerned must put their money where their mouths are - and be prepared to put up equity (risk) money out of Union funds into seeking to secure a better future and job security for their members than might result from the (unacceptable) alternatives".

I told my client that I did not underestimate the problems, even if conceptually my idea found potential favour with the Transport and General Workers Union.

I was worried in particular about:-

- the time factor;
- the inter-relationship between a Union-Funds-backed project and the management-sponsored buy-out;
- the costs (which might in the result be spent on an abortive exercise) in studying the papers and seeking the necessary support: if these tasks are to be undertaken and an extension of time is obtained, such costs could be quite extensive;
- The presentation of a viable structure (including acceptable management) which would assure for the future (from national, international and institutional points of view as well as being in the long-term interests of Union members) a strong (and therefore profitable) enterprise of which we could all be proud, with the consequential benefits to the UK economy and real opportunities for further decreases being made in the all too-high level of unemployment from which the nation is so grievously suffering.

Mr van Hasselt wrote accordingly to Mr Ron Todd, General Secretary of the Transport and General Workers Union, setting out verbatim the section quoted above and also referring to my

"worries" (also as above). The letter was read over the telephone to Mr Todd and he apparently replied that the proposals did not represent a possibility so far as the Union was concerned, because the Union did not feel able to support any one company - and anyway the requisite Union Committee meeting had not been convened to take place until the end of March!

I consider that Mr Todd's response was (perhaps typically) disappointing.

My client has fully authorised me to write this letter to you and, to save any misunderstanding, you are free to make such use of this letter as you may deem fit. I am not sending a copy of this letter to anyone else.

I have the honour to be your most obedient servant.

Nigel Graham Maw

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