

LPO

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file
cc POT

10 DOWNING STREET

THE PRIME MINISTER

9 March 1982

Dear Dan

When we met on 22 February about Lucas Aerospace redundancies, you mentioned your concern about the sub-contracting practices of Rolls Royce Limited, on the basis of a letter dated 4 February which Mr. A. F. Robinson, the Burnley District Secretary of the AUEW had addressed to you and some other Members.

At my request, the Department of Industry have made some enquiries. The company disputes much of what Mr. Robinson says in his letter. It seems that some of the contracts referred to were placed with overseas suppliers both because there was, at the time, insufficient capacity to meet the demand at home and because the company's own in-house facilities were insufficient. It appears too that at least two of the contracts referred to were placed overseas with the full knowledge of the Rolls Union Side. In the case of RR Miami the company has taken a deliberate decision to set up the facility in order to establish a manufacturing 'presence' in the company's most important overseas market. The plant employs only 70 people and its work is unrelated to anything which goes on at Barnoldswick.

/I understand

I understand these matters have already been discussed very fully with the Joint Shop Stewards Committee at Rolls Royce. If they wish to discuss the matter further there is established machinery at local level to enable them to do so. The company has already made it clear that it too is concerned to undertake as much work as it can domestically, but that its long term commercial interests require that it maintains a balance between what it buys in from home and abroad. Rolls Royce is operating in a highly competitive international business and the policies it pursues over sub-contracting must be left to its commercial judgement.

I am sorry that I cannot offer your constituents a more encouraging reply on these concerns at present.

Yours sincerely
Margaret Thatcher

Dan Jones, Esq., M.P.

CF pps.

PO? PM

no

RS

Continue?



HOUSE OF COMMONS
LONDON S.W.1.A. 0.A.A.

na MJD

DJ/EH

27th March, 1982.

R3-13

The Rt. Hon. Margaret Thatcher, M.P.,
Prime Minister,
10, Downing Street,
LONDON, SW1.

Dear Prime Minister,

Thank you for your letter of the ~~22nd~~ March, 1982 and I do appreciate the fact that you have made it possible for me to see Norman Lamont, and I am in the process at this moment of trying to see a gentleman who held a position of power within the Lucas Group. I hope as a result to obtain his advice so that in fact I know what I am talking about when I meet Norman Lamont.

In the meantime, again thank you very much for your courtesy.

Yours sincerely,

Dan Jones
EW

Dictated by Dan Jones, M.P.
and signed in his absence.



Prime Minister ✓ *8W*
cc 19
D/1

10 DOWNING STREET

THE PRIME MINISTER

22 March 1982

Dear Dan,

Thank you for your letter of 13 March, following our meeting on 22 February.

I know that Norman Lamont will be ready to pursue these matters further with you when you have been in touch with the Joint Shop Stewards.

Yours sincerely
Norman Lamont

Dan Jones, Esq., M.P.

DL

PO checking

COPIED TO IAN GOW



HOUSE OF COMMONS
LONDON S.W.1.A. 0.A.A.

Lib
pps

DJ/EH

13th March, 1982.

The Rt. Hon. Margaret Thatcher, M.P.,
The Prime Minister,
10, Downing Street,
LONDON, SW1.

Dear Prime Minister,

I acknowledge yours of the 9th March, 1982 with appreciation.

In reply may I say I have sent a copy of the message to Mr. A. F. Robinson with a request that we should both meet the Shop Stewards Committee. I think it would be wiser if, at this moment in time, I made no further comment except perhaps to say that I am more than a little surprised to observe in your message that this issue has been discussed with the Joint Shop Stewards Committee at Rolls Royce. I would think that the best plan I could adopt is for myself and the District Secretary to have further discussions with the Shop Stewards at the Lucas establishment in Burnley and to obtain further information from them.

I think I ought to add that I cannot be too consoled with the knowledge that you make in your letter where you say "Rolls Royce is operating in a highly competitive international business and the policies it pursues over sub-contracting must be left to its commercial judgement." I am not by any means consoled with that for reasons that I will go into with your Minister. I must keep in mind how very tied up with commitments you regularly are.

I note too where you say - "that you are sorry you cannot offer my Constituents a more encouraging reply on these concerns at present."

I conclude by saying that I shall, when the considered reply of the Shop Stewards is to hand, pursue the matter further with the Minister who was present at our meeting.

Yours sincerely,

Dan Jones
EH

Dictated by Dan Jones, M.P.,
and signed in his absence.

Prime Minister



DEPARTMENT OF INDUSTRY
ASHDOWN HOUSE
123 VICTORIA STREET
LONDON SW1E 6RB

TELEPHONE DIRECT LINE 01-212 5902
SWITCHBOARD 01-212 7676

From the
Minister of State
PS/Norman Lamont MP

M Pattison Esq
Private Secretary
10 Downing Street
London SW1

8/13
Tym for PM
cc IG
MAP

5 March 1982

Dear Mike

Thank you for your letter of 23 February 1982 about the Prime Minister's meeting with Mr Dan Jones MP in which he referred to the sub contracting practices of Rolls Royce Limited. The letter from the Burnley District Secretary of the AUEW (Mr A F Robinson) which Mr Jones left with the Prime Minister has been copied to other MPs and officials here have discussed its content with Rolls Royce Limited. The company itself has written very fully to Sir John Boyd - the General Secretary of the AUEW pointing out that the allegations made about the company are generally misleading. It is evident that some of the contracts referred to were placed with overseas suppliers at a time when there was insufficient capacity to meet demand from home sources or because the company's in-house facilities were insufficient. It appears, too, that at least two of the contracts were placed overseas with the full knowledge of the union side at Barnoldswick. As regards the Miami facility, the union knows full well that Rolls took a deliberate decision to set up the facility in order to establish a manufacturing 'presence' in the company's most important overseas market. The plant employs only 70 people and its work is unrelated to anything which goes on at Barnoldswick. In replying to Dan Jones I suggest the Prime Minister should say that Rolls' management is as concerned as its unions to carry out as much work as possible in the UK, but believes that its long term commercial interests will continue to be served by maintaining a balance between sub contracting work at home and overseas. Rolls are operating in a highly competitive international business and the policies it pursues over sub contracting must be left to its own commercial judgement.

... I attach a draft letter for the Prime Minister to send to Mr Jones.

Yours,
John Alty

JOHN ALTY
Private Secretary

DRAFT

File No.

Addressed to :

Dan Jones Esq MP
House of Commons
London
SW1A 0AA

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(Initials and date)

DEPARTMENT OF TRADE AND INDUSTRY

When we met

~~During your call to see me on 22 February about~~

Lucas Aerospace redundancies you mentioned your

concern about *the subcontracting practices of Rolls Royce Ltd Limited, on the basis of* a letter dated 4 February which

Mr A F Robinson, the Burnley District Secretary

of the AUEW had addressed to you and some other

Members which ~~included a reference to the sub~~

~~contracting practices of Rolls Royce Limited.~~

At my request,

~~Officials of~~ The Department of Industry have

made some enquiries, ~~of~~ The company, which

disputes much of what Mr Robinson says in his

letter. It seems ~~clear from the company's~~

~~explanation~~ that some of the contracts referred

to were placed with overseas suppliers *both* ~~either~~

because there was, at the time, insufficient

capacity to meet the demand at home *and* ~~or~~ because

the company's own in-house facilities were

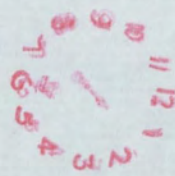
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File No.

insufficient. It appears too that at least two of the contracts referred to were placed overseas with the full knowledge of the Rolls Union Side. In the case of RR Miami the company has taken a deliberate decision to set up the facility in order to establish a manufacturing 'presence' in the company's most important overseas market. The plant employs only 70 people and its work is unrelated to anything which goes on at Barnoldswick.

I understand these matters have already been discussed very fully with the Joint Shop Stewards Committee at Rolls Royce. If they wish to discuss the matter further there is established machinery at local level to enable them to do so. The company has already made it clear that it too is concerned to undertake as much work as it can domestically, ^{but} ~~it believes~~ ^{its} ~~however~~ that ~~the~~ long term commercial interests of ~~the company~~ require that it maintains a balance between what it buys in from home and abroad. Rolls Royce is operating in a highly competitive international business and the policies it pursues over sub contracting must be left to its commercial judgement.

I am sorry that I cannot offer your constituents a more encouraging reply on these concerns at present.



8 MAR 1982