

NOTE FOR THE RECORD

The Prime Minister saw Mr. Channon and Mr. Morrison briefly after the statement on BL today. They discussed the next steps both on policy and personnel in relation to BL. The Prime Minister expressed the view, which was shared by Mr. Channon and Mr. Morrison, that the Government should now press ahead as quickly as possible both with the General Motors negotiations and Unipart privatisation. Mr. Channon expressed the view that the General Motors negotiations ought to take about a month although the privatisation of Unipart would take rather longer. He undertook to get a plan of campaign to the Prime Minister within about a week.

There was also a brief discussion of the proceeds of the Unipart sale. The Prime Minister said that she thought that these, like the proceeds from Jaguar, ought to be set aside against the Varley Marshall guarantee.

On personnel it was agreed that changes of Chairmanship should not be made in the immediate aftermath of the decisions taken that day and probably not until the General Motors negotiations were finished. The alternative candidate could probably be held for a while yet although he had, it was understood, received another offer. He was in any event abroad for the next week or so. There was general agreement on the desirability of his being in post as soon as possible after the General Motors negotiations were completed.

There was a brief discussion of the procedures to be followed with colleagues to obtain agreement to the alternative candidate. The Prime Minister expressed the view that this should be done in such a way as to maximise confidentiality.

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