

Subject cc master*cc BG*

10 DOWNING STREET

From the Private Secretary

11 February 1986

Your Secretary of State and Mr. Morrison today discussed with the Prime Minister your Secretary of State's minute of 11 February.

It was rapidly agreed that most of the approaches listed in the annex to the minute were probably being made to try to block the GM deal. Nevertheless, the Government could not refuse to consider them. To do so would be politically very difficult, and in any case the Prime Minister had undertaken at today's Questions that the Government would consider any approaches. But they would need to be considered as quickly as possible, and a time limit should be set. It might be possible to ask the companies to put a price range of their interest within, say, a fortnight. Pressure would need to be put on the BL Board to ensure that they gave full and proper information to the companies which had expressed an interest.

The Prime Minister invited your Secretary of State to mention these further approaches at Cabinet on Thursday.

Your Secretary of State said that Mr. Graham Day had said he was ready to take over the Chairmanship of BL. Sir Austin Bide had on several occasions expressed his willingness to go whenever it suited the Government. It was agreed that Sir Austin Bide could be told that Mr. Day would be taking up the post at around the end of March.

Please keep the further circulation of this letter to a minimum.

I am sending a copy of this letter to Tony Kuczys (HM Treasury).

(DAVID NORNGROVE)

John Mogg, Esq.,
Department of Trade and Industry.