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P 01920

From: J B UNWIN
19 February 1986

SIR ROBERT ARMSTRONG

cc Mr Wiggins
Dr Walker
Mr Norgrove - No 10

BL

The Prime Minister decided this morning to set up a small Ministerial
Group to consider handling and tactics in relation to the GM bid for
Land Rover Leyland (less Leyland Bus), following the decisions at E(A)
on 28 January and 6 February to support the GM proposals.

2.   The Prime Minister proposes to refer to this at Cabinet tomorrow
when the Trade and Industry Secretary reports on the current situation.
There is then likely to be a further substantive discussion at E(A)
and/or Cabinet when the negotiations have been completed, but the
timing of this is not yet clear. There would be great advantage in
getting this settled before Easter, but this may not prove possible.

3.   The first meeting of the new Group has been arranged for next
Monday morning. There would be advantage in announcing the Group and
issuing invitations to members as soon as possible. I attach suitable
drafts.

J B UNWIN

Draft letter of invitation from Sir Robert Armstrong to members

Ministerial Group on Land Rover Leyland

Following the decisions reached at E(A)(86)3rd and 5th Meetings, the Prime Minister has decided that a Group of Ministers should be set up under her chairmanship with the following terms of reference:

> "To consider handling and tactics in relation to the negotiations between BL PLC and General Motors for the acquisition of Leyland Trucks, Land Rover and Freight Rover and discussions with other parties on this and on Leyland Bus."

2.   The Prime Minister has instructed me to invite you to be a member of this Group. The Lord President of the Council, the Chancellor of the Exchequer, the Secretary of State for Energy, the Lord Privy Seal, the Secretary of State for Social Services, the Chancellor of the Duchy of Lancaster, the Secretary of State for Trade and Industry and the Parliamentary Secretary, Treasury [delete name of addressee] are also being invited to be members of the Group.

Sir Robert Armstrong