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Prime Minister 2  
To note - the  
Chancellor also  
goes along with  
Sir Keith's  
proposals.

Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

PRIME MINISTER

BL CORPORATE DEVELOPMENT

R  
30/9

Keith Joseph in his minute of 22 September to you asked for my comments on the BL ideas for restructuring into four separate companies and for the LM10 medium car project.

2. I entirely agree with Keith Joseph that we should take no final decisions on any aspect of the BL problem until we have been able to study carefully the 1981 Corporate Plan and the implications for Government support.

3. Meanwhile I am convinced that the division into four separate companies is a desirable development on any view of the future of BL. I think that it is particularly desirable to make it easier to privatise Land Rover and Unipart as soon as the market is right.

4. On the LM10 medium car I recognise Michael Edwardes' dilemma, particularly in relation to his dealer network. But we must avoid piecemeal commitments in advance of our decisions on the next Corporate Plan. So I strongly support the non-committal line Keith Joseph suggests that you should take at your your SMMT Dinner.

5. I am copying this minute to Keith Joseph, Jim Prior, John Hoskyns, Robin Ibbs and Sir Robert Armstrong.

P.S. Jenkins.

PP (G.H.)  
29th September 1980  
Approved by the Chancellor and signed  
in his absence.