



Incl. Parl. & Juv
cc: Mr. Wolfson
Mr. Hookings

10 DOWNING STREET

From the Private Secretary

29 September 1980

The Prime Minister has considered your Secretary of State's minute of 22 September about British Leyland. Subject to the Chancellor of the Exchequer's views, she agrees with his two main proposals: first, that BL should prepare corporate plans for the four separate parts of the business, and second, that no decision on the LM10 programme should be taken until the four corporate plans have been considered.

Against the probability that BL will be asking for very substantial additional funds from the Government, the Prime Minister has asked if your Department would seriously consider the possibility of establishing a greater Japanese involvement in the Company. She wonders whether one possible approach might be to threaten the Japanese companies with import controls unless they were prepared to establish themselves in the UK on a much bigger scale.

The Prime Minister would be grateful if your Secretary of State could report back on this point when your officials and he have had time to consider it.

I am sending copies of this letter to John Wiggins (HM Treasury), Richard Dykes (Department of Employment), Gerry Spence (Central Policy Review Staff) and David Wright (Cabinet Office).

T. P. LANKESTER

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