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in the Hon

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

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PRIME MINISTER

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BL

In his minute of 22 January Keith Joseph pointed out that there is a penalty in removing all reference to collaboration from next week's BL announcement. In my view there is a strong case for making our policy of attracting private capital and seeking partnerships for BL as convincing as possible in our public presentation.

2. Nevertheless the fear expressed at E yesterday that BL could lock us into collaborative arrangements which might not be in the interests of the Government or the taxpayer remains valid. I welcome the proposal that the statement should endorse a policy of collaboration, but that Michael Edwardes should give a private written assurance on coming to the Government before the Board makes firm commitments on disposals and collaboration.

3. I am content therefore that the statement should indicate our general support for collaboration, and with the terms of Annex B.

4. On a separate point I am concerned that the references to funding for the next two years taken with the proviso of regular monitoring by the BL Board could leave the impression that only BL were concerned with their own progress.

5. The Government has a vital interest, both as shareholder and paymaster. I suggest that this passage should add the

/words "in consultation

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words "in consultation with the Government" before "by the BL Board". The plain implication is, as it must be, that if progress is substantially off course the provision of funds is not automatic either this year or next.

6. I am sending copies of this minute to members of E Committee, Francis Pym, George Younger, Sir Robert Armstrong and Robin Ibbs.

Indygin

for

(G.H.)

23 January 1981

(Approved by the Chancellor &
signed in his absence)