

SECRET

laa

✓ Mr Hodgins
✓ Mr Wolff



Friday for
Monday 16.15

PRIME MINISTER

ICL

I gather that there is a strong chance of ICL going into Receivership on Tuesday if the Government takes no action. We are going to discuss Sir Keith Joseph's proposals for support on Monday.

I drew attention to our vital dependence on ICL in my minute to you of 9 February. By far the most important part of this is the need to keep our present machines going. If the Company goes into Receivership there is no certainty that this will be possible; at best there is likely to be a break in maintenance cover, and this could mean some machines stopping work within hours, and almost all within days. My colleagues will be best able to judge what effect this would have on their operations.

I am driven unwillingly but remorselessly to the conclusion that it is essential to prevent the Company from collapse in order to avoid this situation, and therefore hope colleagues will support Keith Joseph's proposal to do so. Even so, uncertainties about the nature of the future partnership, which it is still vital for the Company to seek, will make it necessary to look very carefully at any proposals to place new orders.

I am copying this to Geoffrey Howe, Keith Joseph, Francis Pym, Kenneth Baker and to Sir Robert Armstrong.

S.

SOAMES

5 March 1981

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