



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

PRIME MINISTER

NRSM - to late

M 21/17

BL: FUTURE STRUCTURE

attached

As you know, Keith Joseph copied to me his minute of ~~24~~ 24 July covering the letter from Michael Edwardes to him of ~~24~~ 24 June ^{attached to SLG letter} which set out his confidential thinking on the future organisation of BL. Keith and I have discussed this briefly at a meeting at which Robin Ibbs was also present.

2. I agree with the course Keith recommends in paragraph 5 of his minute. Clearly it would be premature for us to come to any firm conclusion about the Edwardes' proposals at this stage. While I can see there may be some advantages in what is suggested from the point of view of management succession planning, clearly this can only be one factor in deciding on the future structure of the organisation. Robin Ibbs pointed out that there appears on the face of it to be some contradiction between the Board's strong insistence thus ~~far~~ that a disposal of Land Rover would be wrong and Edwardes' apparent willingness to countenance separation of Land Rover into a company quite distinct from the Cars and Unipart groups.

(G.H.)

31 July 1981