

SECRET*From the Secretary of State*

Jonathan Spencer Esq
Principal Private Secretary
Secretary of State for Industry
Ashdown House
123 Victoria Street
London SW1

30 April 1982

Dear Jonathan,

PRIVATISATION OF LAND ROVER

Following Ministerial discussion on 21 April on BL's future structure and the prospects for the privatisation of Land Rover, my Secretary of State feels that it should be recorded that the sale of Land Rover to another company would almost certainly come within the mergers provisions of the Fair Trading Act 1973 thus involving his responsibilities together with those of the Director General of Fair Trading under those provisions. (The same could be true, though it would be less probable, under a disposal by flotation; for example if another enterprise acquired a substantial holding at or after the flotation).

If any existing enterprise acquires shares sufficient to put it into a position to exercise material influence or control over the policies of Land Rover, this would almost certainly result in a qualifying merger situation which would have to be considered for possible reference to the Monopolies and Mergers Commission under the usual procedures. This in no way means that the options for privatisation through an outright sale should not be thoroughly explored, but only that the Secretary of State should be kept fully informed and, as soon as it is appropriate, the Office of Fair Trading.

I am sending copies of this letter to the Private Secretaries to the Prime Minister, the Chancellor of the Exchequer, the Secretaries of State for Defence and Employment, Sir Robert Armstrong and to Mr Sparrow.

Yours sincerely,

JOHN RHODES
Private Secretary

SECRET

30 APR 1982





NBPM

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DEPARTMENT OF INDUSTRY

ASHDOWN HOUSE

123 VICTORIA STREET

LONDON SW1E 6RB

TELEPHONE DIRECT LINE 01-212 3301

SWITCHBOARD 01-212 7676

Secretary of State for Industry

12 May 1982

John Rhodes Esq
 Private Secretary to the
 Secretary of State for Trade
 1 Victoria Street
 London SW1

cc JV

Dear John

PRIVATISATION OF LAND ROVER

Thank you for your letter of 30 April conveying your Secretary of State's view that the sale of Land Rover to another company would almost certainly come within the mergers provisions of the Fair Trading Act 1973.

2 We shall keep this point well in mind and the Department of Trade and the Office of Fair Trading will be informed, as necessary, of any developments.

I am sending copies of this letter to the Private Secretaries to the Prime Minister, the Chancellor of the Exchequer, the Secretaries of State for Defence and Employment, Sir Robert Armstrong and to Mr Sparrow.

*Yours sincerely,
 Jonathan Spencer*

J P SPENCER
 Private Secretary