



DEPARTMENT OF TRADE AND INDUSTRY
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From the Minister of State for Industry

Private Secretary to
THE HON PETER MORRISON MP

David Norgrove Esq
Private Secretary
10 Downing Street
London
SW1

Prime Minister

Agree that

3 March 1986

Mr Morrison should

Agree

not use vi in his line to take, below.

The timetable should stand. DFW

Dear David

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BL : POSSIBLE ALTERNATIVE BIDS

Jack Straw MP tried unsuccessfully to obtain a debate under S.O 10 today over Lancashire Enterprise Ltd's attempt to get the 4 March 'deadline' extended and complaint about the non-provision of information.

The background and draft briefing for Prime Minister's questions tomorrow are attached. As you know Mr Straw is to see Mr Morrison tomorrow at 9.30 am with Alan Williams MP and Stan Thorne MP, and it seems very likely that the outcome of that meeting will be thrown back at the Prime Minister in some way or other at her questions tomorrow.

Subject to the Prime Minister's views, the ^{line} ~~time~~ Mr Morrison proposes to take tomorrow morning is:

- i he has naturally had enquiries made as to the approaches on behalf of the enterprise boards to Hill Samuel;
- ii he understands that there were two approaches to Hill Samuel last week, with the Enterprise Board's interest only disclosed in one; that each was told that the information sought could be disclosed under confidentiality undertakings provided the identities of the interested parties were disclosed and there was some reasonable prospect that they could raise the sort of money at issue;

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- iii that neither enquirer had come back to Hill Samuel;
- iv that Hill Samuel remained ready to provide information on the basis stated already (point ii);
- v that March 4 was and remains the deadline for expressions of firm intentions to make an offer (a copy of the Hill Samuel letter is attached).
- vi but that he would have to consult his Ministerial colleagues and the BL Board before the present timetable could be adjusted, in the light of the urgent need to stop uncertainty and reach conclusions as soon as reasonably possible on the future of the businesses.

If the Prime Minister has any comment on this line I should be grateful if you could let me have them by 9.15am tomorrow.

Yours sincerely

Malcolm McHardy

MALCOLM MCHARDY