

APPOINTMENTS IN CONFIDENCE



DEPARTMENT OF TRADE AND INDUSTRY

1-19 VICTORIA STREET

LONDON SW1H 0ET

Telephone (Direct dialling) 01-215 5422

GTN 215)

(Switchboard) 01-215 7877

cc Q
Prep
TF
BG
VW

PS/ Secretary of State for Trade and Industry

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5 March 1986

David Norgrove Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON
SW1

Dear David,

BL : STATEMENT

... I attach a copy of the latest text of a Statement we propose to make this afternoon at 3.30pm. At present the final paragraph remains provisional on Mr Hares' agreeing some fairly detailed points on his terms and conditions. The hope is that there will be no problems and that the Statement will be given as drafted.

2 Copies of my letter and its attachment go to the Private Secretaries of the Lord President, the Chancellor, the Chief Secretary, the Chancellor of the Duchy, Foreign Secretary, the Chief Whip and Leader of the House.

Yours ever,

John Pogg

J F MOGG
Private Secretary

Encl

JF3ADS

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BOARD OF TRADE
BICENTENARY



STATEMENT : BL

As I informed the House on 19 February, an invitation was extended to interested parties to declare by 4 March a firm intention to make a bid for one or more of the Land Rover, Freight Rover, Leyland Trucks and related businesses.

I can now report to the House that appropriate declarations have been made to BL's bankers by Schroder Ventures on behalf of some institutions and certain members of BL management in respect of Land Rover, Range Rover and Freight Rover; by Lonrho in respect of Land Rover and Range Rover; and by Aveling Barford in respect of Land Rover only. General Motors have also confirmed their intention to make a bid for Land Rover, Range Rover, Freight Rover and Leyland Trucks.

The Laird Group and Aveling Barford are each in discussion with BL regarding the acquisition of Leyland Bus for which proposals on behalf of certain members of the management are also expected. Discussions in relation to Leyland Bus are taking place over a slightly different timescale from those concerning other Land Rover-Leyland businesses. I shall make a further Statement to the House on these in due course.

The BL Board are giving careful consideration to all the proposals received on or before 4 March and I hope to have their recommendations shortly. The Board and the Government remain anxious to end the present uncertainty surrounding these businesses as soon as possible in the interests of the companies, management and workforce and their dealers and suppliers.



I should also like to take the opportunity to inform the House of a forthcoming change in the Chairmanship of BL. Sir Austin Bide's appointment as Chairman of BL was extended in late 1984 on the basis that he would continue as Chairman until a convenient moment for his retirement was reached. Sir Austin has kindly agreed to remain as Chairman until decisions have been made on the future of the main Land Rover-Leyland businesses. This will represent the start of a new phase in the development of BL and, on my nomination, the BL Board propose to invite Mr Graham Day, at present Chairman of British Shipbuilders, to join the Board and to become full-time Chairman of BL at a date to be determined. I should like to express the Government's thanks, and to add my own warmest personal tribute, to Sir Austin under whose leadership BL has achieved notable progress in the most difficult commercial circumstances.

I am appointing Mr Phillip Hares CBE, the present Deputy Chief Executive and Board member for Finance of the Corporation to succeed Mr Graham Day as Chairman of British Shipbuilders.

JF3ADP