

NBM AF 5/3

5 March 1984

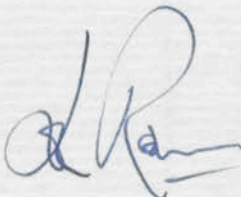
MR TURNBULL

BL

I note from the letter to Norman Tebbit from Austin Bide that BL have decided to use the decision to sell 100 per cent of Jaguar as a lever for extracting further money.

We should continue to resist the idea that we make available both the proceeds of the sale of Jaguar and additional equity. There is nothing in the original Corporate Plan to suggest that BL based its whole strategy on Jaguar proceeds as well as additional Government funding.

Nor could the clearing bankers legitimately request the full proceeds of sale and additional Government money. I am equally suspicious of the arguments for delay, but in this case the BL Board have too many cards stacked in their favour to make resistance likely to succeed.



JOHN REDWOOD