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(iii) On Unipart, Policy Unit share Mr. Tebbit's doubts about the wisdom of privatising Unipart separately. In the past we have lost out from the Edwardes' theory of holding on to the prosperous bits of BL for the good of the organisation as a whole. Jaguar, Land Rover and Leyland Buses have suffered in consequence. It is possible, however, that Unipart might be the one case where it is better to hold on. One needs to decide whether the privatisation of Austin-Rover is a genuine possibility in the foreseeable future. If it is, there is a case for retaining Unipart. Alternatively, one might conclude that the privatisation of Austin-Rover is unlikely to be achieved, in which case it makes sense to dispose of Unipart as soon as possible. If Unipart is to be sold, there is a case for acquiring Edmunds Walker first. Certainly these issues merit further discussion.

(iv) On Land Rover, Policy Unit agree that a study of early privatisation should be undertaken and propose a deadline of three months.

Agree Mr. Tebbit's proposals, subject to the qualifications suggested by the Policy Unit?

ANDREW TURNBULL
11 May, 1984

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AT
Andrew - DT is a
director of P.H. It
seems to me therefore that
I can't enter into
discussion of Unipart at
all in view of the proposed client study
no