

PRIME MINISTER

19 March 1986

GM TALKS

Given that the GM talks now seem unlikely to produce any wholly satisfactory solution, it is important that when MISC 126 meets it is faced with a clear choice. To this end:

1. The original holding board idea to safeguard GM's assurances should be worked up in detail and in particular the presentation improved.
2. Nigel Lawson's suggestion of selling just Trucks and Freight Rover but retaining Land Rover should be put to GM.
3. GM must give a categorical answer on whether they would be prepared to purchase Trucks only.
4. A definitive statement of the BL Board's position should be put to MISC 126.

Norman Tebbit played a constructive rôle in the last MISC 126 meeting; to keep him on side it is essential that he accepts that GM have reneged on the deal he and PC negotiated. Ideally, he should be invited to speak to GM himself, but whatever happens he should be brought into the discussions early.

AScola
pp PETER WARRY