



Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

PRIME MINISTER

NBN

BL

In his minute of 16 April, Paul Channon summarised the bids for Land Rover. In my view none of the offers is outstandingly attractive. As of now the runner appears to be J C Bamford, but the price depends very substantially on the future performance of the company.

As he mentions, there are two other possible courses. One is implicit in paragraph 5 of his minute. The other is to retain Land Rover with a view to flotation by BL. But the attraction of this latter option depends on feasibility, timing and the sale price that might reasonably be expected. I would like to suggest that DTI and Treasury officials, with the financial advisers, be commissioned to produce quickly for us an assessment of this possibility. We can then consider the full range of options open to us.

The Government's position could be made difficult (politically, and possibly in relation to the minority shareholders) if the BL Board takes a formal decision different from the course that we wish to adopt. Therefore if we have a firm preference, it would be advantageous for the Board to be aware of this before it takes a final decision.

I am copying this minute to Willie Whitelaw, Norman Tebbit, Paul Channon, Nicholas Ridley and John Wakeham.

A handwritten signature in dark ink, appearing to be 'N.L.'.

N.L.

21 April 1986

IND POC

BCL

PT 11

