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FROM: CHIEF SECRETARY

DATE: 25 February 1986

PRIME MINISTER

TIN

WITH DN
The Secretary of State for Trade and Industry has sent the Chancellor a copy of his minute of 25 February, reporting the latest state of the negotiations.

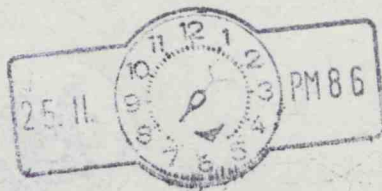
2 As the Chancellor and I have repeatedly made clear £50 million was our final offer, and we should stand firm on that. The putative move to £55 million was made without the UK's agreement, and DTI officials very rightly protested about it at the time. Even at £50 million, we would be providing about one-third of the equity required for the establishment of "Tinco". There is no way in which we can be blamed if the negotiations collapse.

I am sending copies of this minute to the Chancellor of the Exchequer, to the Foreign Secretary, the Solicitor General and the Governor of the Bank of England.

A handwritten signature in blue ink, appearing to be 'jm'.

JOHN MacGREGOR

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