

D.R.

Prime Minister

Agree a progress checking letter?

AT 14/9

PRIME MINISTER

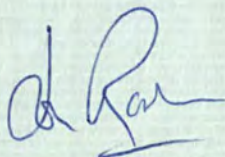
14 September 1984

BL

The DTI/BL approach to the agreed policy of piecemeal privatisation has become lackadaisical. In May, E(A) minutes recorded that a study of options for selling 4-wheel drive would be completed within 3 months. Where are the options for E(A) to decide the best route for extracting 4-wheel drive from BL?

It was also agreed that truck and bus combined would be offered for sale as a single unit to industry leaders as quickly as possible. In the likely event of the major companies turning down the proposition, bus, truck, Self-Changing Gears and the other component companies would be split up, and rapid progress made in selling the saleable parts. We do not think that either GM or Ford are seriously interested in the combined proposition, and so DTI should bring forward an action plan.

When Austin Bide was appointed Chairman, it was anticipated that two of the five main BL businesses would be sold within 2 years, and in practice only Jaguar has gone. We are therefore well behind target, and it is time the delays were brought to an end. Jaguar shows that the rewards in jobs, cash and PR can be considerable. Shouldn't this be pursued?



JOHN REDWOOD

Surely David Long
could have a word

with N.I. Smiley
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