

cc Mr. [unclear]
Mr. [unclear]
Mr. [unclear]

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Prime Minister

This can be considered
at E Committee along
with Mr Nott's promised
paper (on Monday).

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

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PRIME MINISTER

QUEEN'S SPEECH - ABOLITION OF THE PRICE COMMISSION

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I have seen a copy of John Nott's minute of 7th May
about the future of the Price Commission.

2. The wording we have agreed for the Queen's Speech leaves open the exact form of legislation we will be proposing and it is not therefore necessary to take final decisions this week.
3. My present view is that there is no need for the Price Commission to survive as a separate organisation. It could be absorbed into the Monopolies and Mergers Commission with the resulting body being given added powers to investigate matters referred to them quickly. We can decide exactly what would be appropriate when we have reviewed the operations of the Price Commission, the Monopolies and Mergers Commission, and the Office of Fair Trading.
4. At the moment the immediate need is to relieve industry and the nationalised industries of the burden of Price Commission investigations and prenotification of proposed price increases, and to remove from the Price Commission its powers of independent initiative. I do not think that Sally Oppenheim's proposals go nearly far enough in this direction. On the other hand I would not favour John Nott's suggestion for establishing ad hoc boards. If, as I think will prove to be the case, we need to have a small outside body who can

/undertake

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undertake independent investigations at the request of the Government, then this is best done by a standing body rather than trying to assemble individuals for a particular enquiry when cases arise.

5. I suggest that, before decisions are taken, the Ministers concerned should discuss John Nott's proposals when the further option which I have put forward could be considered. I am copying this minute to other members of the Cabinet and to Sir John Hunt.

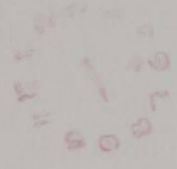
A handwritten signature in dark ink, appearing to be 'G.H.' with a flourish.

(G.H.)

9 May, 1979



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