



HOUSE OF COMMONS
LONDON SW1A 0AA

23rd December, 1976

After discussions with the various people concerned and, of course, with Keith, we have agreed that the policy groups on the economic side should now proceed as follows:

Economic Reconstruction: Chairman - myself.

Public Sector: Chairman - David Howell, with an important sub-group studying Public Sector Manpower Pay and Pensions under Kenneth Baker's chairmanship.

Taxation: Chairman - Peter Horder

Nationalised Industries: Chairman - Nicholas Ridley

As part of the work of the economic reconstruction group John Nott was leading our studies on the technical aspects of the monetary policy and we are in agreement that it would be sensible for him to continue this.

John and I have also discussed the future of his role as the liaison man with the Banking and Insurance Industries, particularly on the issue of nationalisation and since insurance is specifically within his responsibility for trade, we both feel that it is best to maintain continuity by leaving him with this function.

We all believe that there is now a case for reconsidering the emphasis on some of our economic policy work and hope to consider this fairly early in the New Year - but it should not involve any significant alteration in the main structure of the policy groups.

I am sending a copy of this note to Margaret, Keith, David Howell, John Nott, Peter Horder, Chris Patten and Adam Ridley.

Angus Maude, Esq., M.P.