

**SECRET**

AND PERSONAL

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cc Mr. Whitmore  
Mr. Vereker

MR. LANKESTER

NCB

- R*  
*make it*  
*Answer*  
*R*  
*24/5*
1. When we spoke yesterday, you said the Prime Minister had not yet reacted to John Hoskyns' paper on the NCB sent under cover of his letter of 22 May to the Chancellor.
  2. I thought you should know that Robert Wade-Gery is himself very conscious of the limitations of the terms of reference and the competence of his CCU-chaired group to examine wider questions of policy towards the NCB. He therefore welcomed John Hoskyns' proposal that a group be set up to look at these issues urgently. He hoped that the Prime Minister would authorise it, and was confident that with cross membership, it could work alongside his own group.
  3. You should also know that Ivor Manley, Deputy Secretary in charge of coal and electricity at Department of Energy, rang me this afternoon to say that his Secretary of State was very well disposed towards John Hoskyns' proposal. It is likely that David Howell will be minuting the Prime Minister to this effect shortly.
  4. From earlier minutes by Robin Ibbs, I think we can safely deduce that he would strongly favour work of the kind proposed by John Hoskyns.
  5. I have not yet been able to get in touch with Nigel Wicks at the Treasury to speak about this, nor have I heard whether the Chancellor has reacted. But Nigel's remarks at the CCU-chaired meeting of MISC 57 on Wednesday suggest that he is very conscious of the need for work which goes beyond the narrow issue of how best to withstand a strike.

What kind of group?

6. Ivor Manley is inclined towards a mixed group of one or two Ministers plus officials. He is, of course, thinking that John  
/Moore might chair

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Moore might chair the group. In principle this seems like a sound idea, but it may be that he would provide insufficient political weight. My own preference for speed and simplicity would be simply to expand the terms of reference of Robert Wade-Gery's group. Robert is an excellent chairman, and Peter Le Cheminant can provide first-hand knowledge of all the issues.

29 May 1981



ANDREW DUGUID