Economic Policy

CONFIDENTIAL

Qa 04164

To: SIR JOHN HUNT

From: SIR KENNETH BERRILL

The Chancellor. FYI
I saw my minute of 22 June below. You may like to see Sir K Berrill's comments also.
MA 1/25/6

Council of Economic Advisers

1. Thank you for letting me see Adam Ridley's paper. When I wrote my own note I was not aware that Ministers had discussed the concept of a Council of Economic Advisers in Opposition and agreed that what was wanted was something along the lines of the American model.

2. On this assumption I find little to quarrel with in Adam Ridley's paper. On the pointsyou make, I agree completely that the Council should be set to work as quickly as possible on its six monthly regular reports and that the idea of reports on 'special subjects' should be left for consideration when they have been going for a while.

3. If they are to be got into action quickly then approaches will have to be made to individuals very soon. Academics can usually revamp their summer programmes (holidays, consultancies, etc.) but they need to be given some notice. (Mr Ridley suggests that the three to five members should not be all academics but I would expect that say three out of the five would be.)

4. I agree very much with Adam Ridley that the standing and personality of the Chairman is of the utmost importance. This is not only because he will inevitably have a major influence on the content and style of the reports. If these reports are to have the public impact that Ministers require he will have to go on television and appear before Select Committees in the same way as, say, John Methven has to do.

5. The onlypoint on which I have doubts about your own comments is on the location of the Council. I agree that it would be wrong to base it on the Treasury or as an adjunct to a Parliamentary body. I am more attracted

to NEDO than you seem to be. If the forum were in fact to be NEDO-based then I see considerable advantage in this from the point of view of convenience, support services, etc.

6. As for an independent quango, this is in one sense an obvious way out but it is bound to be rather expensive and would not stand too well with the Government's determination drastically to reduce the numbers of quangos.

KB.

25 June 1979