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PS/Secretary of State for Industry

11 July 1980

Tim Lankester Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

Dear Tim

Yes ref.

*The revised draft
attached meets*

Dear Tim

*Your points about
the risk of a leak*

POSSIBLE TRANSFER OF BL FROM THE NEB'S RESPONSIBILITY *but it is Sir Keith's
provisional*

Flug A

Thank you for your letter of 7 July conveying the Prime Minister's
views on his minute of 2 July on the above subject and on the *intention*
draft letter to Sir Arthur Knight which was attached. *to transfer*

...

2 Sir Keith was proposing that the Government should postpone
the decision on transfer, and not simply the announcement of it. *BL from*
In the light of the comments received, he intends to write to *the NEB.*
Sir Arthur Knight using a draft amended in the way suggested by *Content?*
the Prime Minister. A copy of this is attached. With the
removal of the reference in the earlier draft to his provisional
intention in respect of transfer of the BL shareholding, the
last paragraph of that draft becomes unnecessary. Its deletion
also meets the point made by Mr Prior.

3 I am sending copies of this letter to the Private Secretaries
to other members of E Committee, and also to David Wright (Cabinet
Office). If any of them have further comments, I should be
glad to have these by Monday 14 July.

*PL
11/7*

*Yours Sincerely
Catherine Bell*

CATHERINE BELL
Private Secretary



CONFIDENTIAL

DRAFT LETTER FOR THE SECRETARY OF STATE FOR INDUSTRY TO SEND TO:

Sir Arthur Knight
Chairman
National Enterprise Board
12-18 Grosvenor Gardens
London SW1

BL

Since our correspondence at the end of December last year on the relationship between your Board and BL, my officials have been considering the implications of the transfer of the shareholding of BL from your Board. I have noted in particular the views you have expressed on this aspect in your 1979 Report and Accounts.

The Industry Bill received Royal Assent on 30 June and this of course provides the statutory framework for such action. By October we shall expect to be considering BL's next Corporate Plan, and I am of the view that any decision on a transfer could most sensibly be made at the same time as the Government announces its decisions on the Corporate Plan. In the meantime, I should be grateful if the NEB could continue to manage the shareholding, and continue to rely on the advice of officials in my Department in this, recognising that NEB staff are now increasingly involved in other duties. My officials will discuss with yours before the summer recess any necessary arrangements.