

PRIME MINISTER

INDUSTRY BILL:
FINANCIAL LIMIT FOR BRITISH LEYLAND

I reported to you some time ago that Legislation Committee had run into difficulties over the handling of the Industry Bill, which is to increase the NEB's financial limits to cater for BL among other things.

Since I last mentioned this difficulty to you, there has been another meeting - and a very bad tempered meeting it was - of Legislation Committee. The result is the minute to you from the Lord Chancellor at Flag A, which sets out the facts very clearly. The minutes of the L meeting are at Flag B. Keith Joseph has also commented (Flag C).

I have consulted the Departments principally involved in all of this, and would strongly recommend that you need not call a meeting of colleagues, since it would only go over the same ground again. The choice is quite simply between the views of the policy Ministers (the Secretary of State for Industry and the Chancellor) on the one hand and the business managers on the other. My own view, which I think would be accepted by the business managers without too much fuss, is that you should say that you have looked at the arguments on both sides and have concluded the Bill should be in the form suggested by the Secretary of State for Industry, on the clear understanding that he recognises problems may arise in the House.

Are you content to rule in this way?

Agree with Sec of State for Industry - Include a remark of the
13 November 1980
to be revised later. We cannot
pre-empt the decision. MS