



Not And
Steel
TL 19/12

PRIME MINISTER

I have seen a copy of the paper by the Secretary of State for Industry (E(80)144) about the financial problems of the British Steel Corporation. I shall not be able to attend E Committee tomorrow afternoon, ^{as I have to be in the Chamber} but I should like to record a very strong preference for dealing with the difficulty outlined by the Secretary of State without the need for a separate Bill on the BSC's borrowing limit. Although I accept that such a Bill would be short and unlikely to be obstructed by the Opposition, it would give them yet another opportunity for a debate on the steel industry, and would be something of a dress rehearsal for the major and heated debates which we can expect when the Iron and Steel Bill already in our programme is brought forward early in the New Year. From the point of view of our own supporters, I would have thought that we would be less vulnerable to criticism if the measures necessary to deal with the immediate financial crisis were put in the context of our longer term strategy for the Corporation than if we bring forward a Bill which simply acknowledges the existing financial situation.

I am copying this minute to the other members of E Committee, to the Chief Whip, and to Sir Robert Armstrong.

NSHS.

16th December 1980