Petrolen rock Shap. Ref: A04050 CONFIDENTIAL PRIME MINISTER Parliamentary Affairs: Legislative Programme 1980-81 BACKGROUND On 19th January, QL Committee considered a memorandum by the Chancellor of the Duchy of Lancaster in which he argued that delays in bringing forward some of the major outstanding programme Bills for this Session had made it extremely difficult for the business managers to fit the programme into the Parliamentary time available without an undesirably extended spillover period of the kind which proved necessary at the end of last Session. proposed that in order to give the business managers more room for manoeuvre, and to allow some margin of safety in case time had to be found for additional legislation later in the Session, the Health and Social Services and Petroleum and Continental Shelf Bills should be dropped from the 1980-81 Session, and the Companies Bill confined to those provisions needed to enable the Department of Trade to achieve the required manpower and public expenditure savings, principally through the abolition of the Register of Business Names. The Committee reached agreement on dropping the Health and Social Services Bill, and decided to leave the Chancellor of the Duchy to pursue the question of the shortening of the Companies Bill separately with the Ministers The Secretary of State for Energy was, however, unable to accept the view of the majority of the Committee that the Petroleum and Continental Shelf Bill should be dropped. He argued that both you and he were now publicly committed to the introduction of the Bill, which was specifically mentioned in The Queen's Speech, this Session. Any further delay in seeking powers to permit the introduction of private capital into BNOC would provide ammunition to the Opposition, and cause dismay among the Government's own supporters. If the Bill were deferred until next Session, the Government would probably not be ready to offer shares in BNOC until 1983-84. It might then be found that the market would not be suitable for the sale of BNOC shares until after the next General Election. The Secretary of State for Energy also pointed out that the -1-CONFIDENTIAL

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Bill would deal with a number of subsidiary issues, including the improvement of safety standards in the North Sea, which would be widely welcomed and which ought not to be delayed. He gave notice of his intention to raise the matter at Cabinet under Parliamentary Affairs, and the Home Secretary subsequently reported the outcome of the meeting to you in his minute of 20th January. HANDLING

- 3. You may wish to begin by asking the Home Secretary to outline the position reached in QL Committee, and then to ask the Chancellor of the Duchy of Lancaster and Paymaster General to explain the difficulties he sees in proceeding with the Bill this Session. Are the business managers being over-cau cautious? QL agreed to some lightening of the programme last December to take account of the late start to the Session and the time unexpectedly used for the Social Security (Contributions) Bill. The late delivery of some Bills has undoubtedly caused problems, but it was not entirely unforeseen; the Bill to patriate the Canadian Constitution may not take up very much time in the House of Commons if it is unamendable; will not the dropping of the Health and Social Services Bill and the possible shortening of the Companies Bill give the business managers enough elbow room, without having to put off yet again one of the Bills central to the Government's economic strategy? Does it matter if the autumn spillover has to be rather longer than was originally hoped? The Lord President and the Chief Whip may also wish to comment.
- 4. The Secretary of State for Energy will be able to explain why he is reluctant to see the Bill put off yet again. Would postponement involve any financial penalties? Whatever happens, it is unlikely that shares in BNOC can be offered for sale before 1982-83; would delaying the introduction of the Bill by a further 8 or 9 months necessarily affect this timetable? How would the Opposition and the Government's own supporters receive an announcement that the Bill would not now be introduced this Session, but would be brought forward as a matter of priority at the beginning of the 1981-82 Session? The Chancellor of the Exchequer may have views to offer on the timing of the sale of shares in BNOC.

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CONCLUSION

from this Session's programme override the timetable difficulties identified by the Chancellor of the Duchy, you will wish to guide them to the conclusion that it should be introduced as soon as possible after it has been considered by Legislation Committee at their meeting on 28th January. If, on the other hand, Cabinet decide that the need to avoid the risk of a repetition of the difficulties experienced at the end of the last Session justify the dropping of this Bill in addition to the action already taken on the Health and Social Services and Companies Bills, you may wish to guide the Cabinet to invite the Secretary of State for Energy to consider with the Chancellor of the Duchy of Lancaster and Paymaster General how best to minimise the political embarrassment which might be caused by the announcement of the further postponement of the Bill.

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Robert Armstrong

21st January 1981