



From the  
Minister of State  
for Consumer Affairs

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*cc David Wright (C.A.)*

*Energy Community*

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*D. P. Minister*

MMC REPORT ON GAS APPLIANCES

I thought I ought to write to you about the decisions which Cabinet reached last week on this Report, which of course have considerable implications, both practical and presentational, on the next steps which the Government should take.

The agreement which Cabinet reached that powers should be taken to direct British Gas to dispose of specified interests will be an essential step towards putting in hand our decision on the disposal of the Corporation's showrooms; and I welcome the confirmation that this is to form part of the legislative programme. There remains the question of legislation on safety; and I do not accept that it need be the case, as Cabinet appear to have envisaged, that in the case of the gas showrooms the exercise of the power to require disposals will need to be deferred until time can be taken for passing the relevant safety legislation. This is because the Department of Energy's view, as I understand it, primary legislation may not be a prerequisite for improving Safety Regulations, and that the scope for using existing powers should first be explored, and may prove adequate.

Presentationally a delay until the session after next could be very serious, particularly as it is now a year since the Monopolies and Mergers Commission reported. It could postpone the start of the five-year programme of disposals from (say) the middle of next year until the middle of 1983. Whether this delay is unavoidable depends, as

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have said, on the need for legislation on safety, its scope, and the time it is likely to take in Parliament. If no primary legislation were required, the time taken in Parliament would be negligible. Even if primary legislation were required, it would not necessarily take long; and I have been glad to note Willie Whitelaw's understanding that even where reference to legislation is omitted from the Queen's Speech, that would not necessarily prevent relevant legislation being brought forward later if the Parliamentary situation proved less difficult than at present feared.

It therefore remains important for us to settle the scope and content of any primary legislation on safety which is considered necessary. In his minute to you of 5 August on this point, David Howell promised to work out detailed safety proposals, after consultations between his officials, and those of the Departments of Industry and Trade. If you agree, I think that it would now be useful if Nigel Lawson could circulate his proposals to colleagues as early as possible so that we can take the measure of the range of safety measures which he considers necessary, and the extent to which they will require primary legislation. We can then decide whether our decision on the gas showrooms is to be subject to what is effectively a year's delay, or whether the Government can avoid the criticism which this will attract by proceeding at a faster pace.

I should add one further point. Any delay in our implementing our decision will have implications for the private sector's plans in this field. The Association of Multiple Regailers have recently made representations to me underlining the importance which they attach to the action which the Government is taking, and the effect which any apparent indecision could have on their members' plans.

I am copying this to members of the Cabinet.

Yours truly  
Sally

SALLY OPPENHEIM