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# How high-speed Lawson stirred up Energy

When Nigel Lawson, newly appointed Secretary of State for Energy, first walked into his new office he was less than happy at what he saw. Since the time of Tony Benn, it seemed, British energy policy had been run from a passable imitation of a bar in a Bayswater guest house. The dominant features were a desk and assorted tables in shiny-black African wood, with even shinier stainless steel legs. The "matching" chairs were in tropical green leather. And there were mysterious dark stains on the walls, the largest betraying where Mr Benn had paraded the banner of the National Union of Mineworkers.

At the Treasury, Lawson had been used to palatial elegance and old masters. He knew what he wanted at Energy. What he found was not what he wanted. So he changed it — propelling the offending furniture swiftly down the corridor to the office of a new junior minister who was still too new to argue.

He took the same attitude to his predecessor's privatization policy — although he was less surprised by it than he was by the furniture. In two and a half years as Energy Secretary David Howell had carried out virtually none of the privatization pledges which the Government had made before coming into power. Opposition from trade unions, Treasury officials, nationalized industry chiefs and prophets of "oil doom" had ensured that the Government still had monopoly ownership of the British National Oil

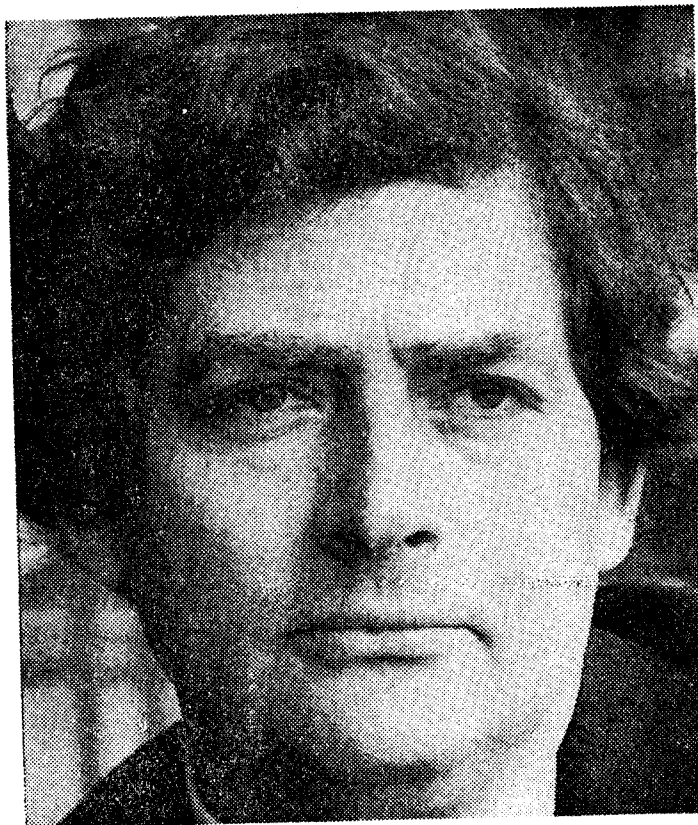
Corporation, and that British Gas still had (in the department's own wonderful word) "monopsony" powers to buy every cubic foot of gas produced from the North Sea.

British Gas was still in the oil production business, and in the business of selling £280m a year of servicing, and appliances. The files bore massive evidence of "initiatives" and "official committees" — but little prospect of action.

Lawson arrived with the reputation of an intellectual bully who was good at getting his own way. But even his greatest admirers were surprised when on Monday — the first day after MPs returned to Westminster — he was able to announce "without doubt the biggest programme of privatization ever to come before parliament".

British Gas, he announced, was to lose its oil production interests and its right of first refusal to all North Sea gas. New legislation would be capable of forcing it to sell its gas showrooms — though not immediately. BNO's oil fields were to be transferred to the private sector — with the state keeping only a minority stake.

The question that was immediately asked — particularly by Lawson's political enemies on his own side — was how much of the blitz was the Secretary of State's own doing, and how much the inexorable result of long slow workings within the department. The answer now seems almost unanimous: that without Nigel Lawson some of the package



Nigel Lawson: rat-a-tat with the intellectual rabbit punches

might have been the same, but nothing would ever have been put forward on the same massive scale.

Lawson began the task with the advantage of a deep gut belief in the benefits of bringing private capital into the publicly owned industries. He stuck to his views on the general benefits of wider ownership, even when it became clear that the cash accruing to the Treasury from many sales would be comparatively small.

Lawson also has greater political authority than David Howell in the Cabinet and its committees. As one senior Energy Department official put it: "When David was here we rarely seemed to win our case or emerge with a clear line that we could follow. Nigel is more politically attuned to what he can get away with and infinitely tougher in pursuing it to the finish."

The major obstacles to change on the British Gas

side were the truculent independence of its chairman, Sir Denis Rooke, and the fact that in the short term it could mean much higher gas prices for industry. Lawson is perhaps the one politician who can beat Rooke at his own heavy-weight game.

On gas prices, Lawson formed the view that high prices to industry now were the only way to ensure continuous supplies to industry in the future. He stuck to his guns through all opposition and won out.

As far as BNO was concerned, most of the obstacles to the sale had already been overcome before Lawson took office. There did remain, however, objections from ministers and officials who still argued airily about "control mechanisms", "national security", and "Britain's fate when the oil runs out".

As a close ally of Lawson's put it: "Nigel is at his very best when he's cutting through general arguments which he feels are irrelevant to the issue upon which he has decided. The classic Lawson style is to raise his chin, lower his voice and rat-a-tat with the intellectual rabbit punches till he's got his way. It's never won him friends. But now, at least, it is winning results."

Lawson has never been known for his skill at public relations. At the Treasury it was John Biffen who grabbed headlines with his arresting phrases and dire prophecies, while Lawson became accused of delivering lectures and speeches only for the five people in

Britain apart from himself who understood the policy.

Yesterday's public relations splash on the first day of the new Parliament was, true to form, more by luck than judgment. On the previous week the *Daily Express* had carried an exclusive story that Lawson, far from going ahead with his ambitious plans, had backtracked on selling off the gas showrooms out of deference to union threats.

In one sense, this was true. The sell-off of the showrooms will not take place this session although it will be included in the Bill. But it threw the Energy Department into a frenzy of activity, culminating in a rush announcement to Parliament just as it was becoming impossible to refuse further clarification to the press.

It could be some time before that Energy Department frenzy will be allowed to abate. In order to meet Lawson's timetable, one of the most complex Bills of the Government's entire term of office needs to be ready in about three weeks.

The new Secretary of State will have to be as disagreeably persistent with his officials as he has been to his ministerial and industrial opponents. Many are sceptical of whether both he and they can deliver. But everyone, not the least Mrs Thatcher, knows that if Nigel Lawson cannot bludgeon it through Whitehall and the House of Commons probably no one can.

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