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File 2B



Cabinet

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10 DOWNING STREET

From the Private Secretary

6 May 1982

The Chancellor of the Exchequer had a word with the Prime Minister this afternoon on several nationalised industries matters. The Chancellor said that he was concerned about the way in which the Government approached making new appointments to the Chairmanship and Boards of nationalised industries. It was often an unco-ordinated process, and there was a risk that the soundings of one sponsoring Minister might overlap, or be inconsistent with, those of another. He proposed that he should convene a meeting of the sponsoring Ministers in order to discuss how to improve co-ordination, and how to identify more effectively promising potential candidates for these posts. The Prime Minister said that it would be important not to set up a new piece of administrative bureaucracy. But she generally agreed with this approach, and hoped that some good would come of it.

The Chancellor also raised the Chairmanship, and the frequency of meetings of E(NI) Sub-Committee. The Sub-Committee had a good deal of detailed work ahead of it, and it was important, in order to keep up the momentum, to have fairly frequent meetings. The Prime Minister agreed, and said that she would like to chair the Sub-Committee when matters of particular moment were before it; otherwise, she was content for the Chancellor to chair its meetings.

I am sending copies of this letter to David Edmonds (Department of the Environment), Jonathan Spencer (Department of Industry), Anthony Mayer (Department of Transport), Julian West (Department of Energy), Muir Russell (Scottish Office), John Rhodes (Department of Trade), Terry Mathews (Chief Secretary's Office, HM Treasury), Barnaby Shaw (Department of Employment) and David Wright (Cabinet Office). A copy also goes to Gerry Spence (CPRS).

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