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10 DOWNING STREET

From the Private Secretary

13 July 1982

Dear Jill,

Mossmorran; ICI/Wilton

The Prime Minister had a brief discussion with the Chancellor this morning about Clause 129 in the Finance Bill, and its effect on the ICI plant at Wilton. Mr. Middleton was also present.

The Prime Minister said that the Government should continue in the course upon which it was now embarked. But, with hindsight, it had been a mistake to take last autumn's action in regard to Mossmorran without any assessment of the likely impact on ICI. It was surprising that ICI had not at that point made strong representations to the Government. It would be necessary to watch events at Wilton carefully: there would be a strong temptation for ICI to blame the Government for any reduction in capacity there, even where such reduction was likely to take place in any event because of the poor condition of the petrochemical market. The Prime Minister commented that it might prove necessary to consider some form of assistance to ICI, if events so developed.

Yours sincerely,

Michael Scholar

Miss Jill Rutter
HM Treasury.

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