



Secretary of State for Industry

DEPARTMENT OF INDUSTRY  
ASHDOWN HOUSE  
123 VICTORIA STREET  
LONDON SW1E 6RB

TELEPHONE DIRECT LINE 01-212 3301  
SWITCHBOARD 01-212 7676

30 September 1982

The Rt Hon Geoffrey Howe QC MP  
Chancellor of the Exchequer  
HM Treasury  
Parliament Street  
London SW1

Dear Geoffrey,

PRIVATISATION: DEPARTMENTAL RESEARCH LABORATORIES

Today I attended the launch of the National Maritime Laboratory Ltd (NMI) as a private company. We have therefore successfully completed the first of the privatisations of our laboratories which I mentioned in the Report I sent you on 16 September. We remain committed to the privatisation of the Computer Aided Design Centre (CADC) with 1 April 1983 as the target date.

2 In sending over my Report I undertook to let you have my further conclusions on the Department's Research Laboratories. Apart from the privatisation of NMI and CADC we have already set up, through the National Physical Laboratory (NPL), the British Calibration Service (BCS) and the National Testing Laboratory Accreditation Scheme (NATLAS). I regard the way in which these involve the private sector as wholly successful: NPL has been enabled by their existence to make its services more effective and to play an expanding role in supporting industry, without increasing Civil Service staff numbers.

3 I said in my Report that discussions are being held with the customer Departments of the Laboratory of the Government Chemist (LGC) to determine what, if any, of the work they contract to the Laboratory could be done by the private sector instead. I believe that there is scope for some of this work to be transferred, and we will continue in the interim to move towards this. I must, however, continue to be assured that the Government Chemist himself remains fully able to discharge properly analytical responsibilities (some laid upon him by Acts of Parliament) which it is difficult to see being performed outside the public sector.

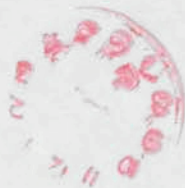




4 Our other laboratories (NPL, National Engineering Laboratory (NEL), and Warren Spring Laboratory (WSL)) like LGC all carry out a wide variety of work which underpins the activities of Government and industry. Wherever possible (as with BCS and NATLAS) our policy is to transfer work to the private sector and programmes of work are reviewed with this in mind. However, in view of the Prime Minister's minute, I have asked my Chief Engineer and Scientist to carry out a special review and to report back to me by the end of the year. In particular I understand that he will be looking at procedures in other countries, particularly in the USA and the Federal Republic of Germany.

5 I am sending copies of this letter to the Prime Minister and to the other member of E(DL).

*You are*  
*Patel*



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*Public Sector assets*