



Treasury Chambers, Parliament Street, SW1P 3AG

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15 July 1985

Min Flesher
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Dr
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NR 167

Dear Jim,

TREASURY MINUTE REPLYING TO THE 12TH AND 13TH REPORTS OF THE PUBLIC ACCOUNTS COMMITTEE

The Treasury wishes to publish as a Command Paper a Treasury Minute in response to the Public Accounts Committee's 12th and 13th Reports, 1984-85.

2. The PAC is currently rushing out as many reports as it can manage before the Summer Recess. It will not be possible to respond to those reports until Parliament returns in October. Meanwhile, the texts responding to the PAC's 12th and 13th Reports, which were published last month, are now ready. The Financial Secretary has approved the texts and authorised the Government's reply being presented in his name. With your agreement we should now like to publish these replies to the PAC before the Recess. It is not customary for the Treasury to publish replies to PAC reports while the House is not sitting.

3. Although the terms of the Treasury Minute are in no way controversial, extraneous factors could lead to its publication receiving some attention in the press.

4. The reply to the 12th Report deals with the pricing arrangements between DHSS and the British Oxygen Company for the supply of medical gases to the NHS. There had been allegations by Mr Campbell-Savours, MP and by the Guardian about excessive prices being charged and significant excess profits obtained by BOC in its contract with the NHS. In the event, the PAC found no substantiation of the allegations.

5. The reply to the 13th Report deals with the disposal of Forestry Commission land. The PAC, and some Opposition Members mainly in Scotland, were unhappy because the Forestry

Commission declined to disclose publicly the prices obtained for land sales. However, the Forestry commission will in future provide such information in confidence to PAC on request so the Committee can satisfy itself about sale prices on Parliament's behalf.

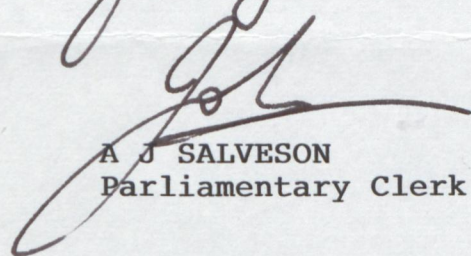
6. We propose publication of the Treasury Minute on Wednesday 24 July at 3.30pm. As usual, we expect to provide pre-publication (ie. CFR) copies prior to publication, for:-

- (a) laying the Command Paper before both House of Parliament at 3.30pm on Tuesday 23 July;
- (b) DHSS and the Forestry Commission (the relevant departments) on 23 July;
- (c) release to PAC members and the National Audit Office on 23 July;
- (d) Treasury Information Division to supply to the lobby on the morning of 24 July.

7. May we have your approval to these arrangements? In view of the tight publishing timetable, due to the imminence of the Recess, we need to conform with HMSO by the morning of Friday, 19 July whether publication is to go ahead.

8. I am sending copies of this letter to Murdo Maclean and David Morris.

Yours ays



A J SALVESON
Parliamentary Clerk