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DEPARTMENT OF TRANSPORT  
2 MARSHAM STREET LONDON SW1P 3EB

Prime Minister <sup>2</sup>

The Rt Hon Leon Brittan QC, MP  
Chief Secretary to the Treasury  
HM Treasury  
Treasury Chambers  
Parliament Street  
LONDON SW1P 3AG

Mus 13/4

12 April 1983

Dear Leon

CHANGES IN NATIONALISED INDUSTRY STATUTES

I think I ought to write to you, ahead of the discussion in E(NI), to record my major reservation about the method of proceeding that you suggest in your paper E(NI)(83)8.

As I said when I wrote to you on 3 March I am content with the substance of the proposals for piecemeal reform. But I hope that this would not in any way prejudice our search for more fundamental changes in the structure and relationships with the Government of the nationalised undertakings which are so clearly required and which we are pursuing presently in a party policy context.

My worry is that your proposal to proceed by omnibus legislation with the various technical changes that have been identified by officials would prove counter-productive. If we can contemplate a substantial bill, we ought surely to be thinking of fundamental changes of the kind now taking shape in our minds. Tuning up the present antiquated machine is

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something we can perfectly well do piecemeal industry by industry as occasion arises, but to bring in comprehensive legislation for this limited purpose could give quite the wrong thrust to our policy.

I am sending copies of this to the other members of E(NI) and to Sir Robert Armstrong and Mr Sparrow.

I am cc

David

DAVID HOWELL

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CC NO

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Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon David Howell MP  
Secretary of State  
Department of Transport  
2 Marsham Street  
London SW1P 3EB

21 April 1983

2 David,

#### CHANGES IN NATIONALISED INDUSTRY STATUTES

Thank you for your letter of 12 April. I certainly do not intend that an ombinus Bill (as I propose in my paper) should prejudice any more far reaching changes in structure and relationships with the nationalised industries that we might decide to make.

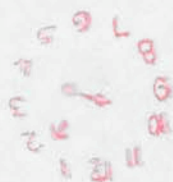
Nor do I think that this would be the effect. My paper proposes legislation early in the life of a new Parliament. In practice there is no possibility of legislation before the 1984-85 Session. This should leave ample time to modify the Bill in the direction of including any more fundamental changes that we decide to adopt. We are of course still some way off making such decisions. In the meantime preparation of the Bill should in my view proceed on the basis of the more modest proposals in the agreed check list.

I am sending copies of this to the Members of E(NI) and to Sir Robert Armstrong and Mr Sparrow.

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C

LEON BRITTAN

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12 APR 1983