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1 October 1984

PRIME MINISTER

NATIONALISED INDUSTRIES BILL

The Nationalised Industries Bill sets out important provisions to standardise accounting, to give powers to remove members and chairmen, to facilitate the sale of parts of the businesses, and to enable Ministers to set proper borrowing and financial targets.

The Bill will be opposed by the Nationalised Industries Chairmen's Group. They are annoyed at the tight timetable for consultation, and are attempting to represent the Bill, with the help of their friends in the Alliance and Labour Parties, as another attack upon nationalised industry autonomy. The Treasury have worked out a strategy for arguing the Bill through the Commons, and have a fallback position for the opposition to setting financial targets, and to the provisions over dismissal if opposition becomes too strong.

Our one caveat is that the Treasury will have to mobilise support in sponsor departments, and win the argument that this is in the main a tidying up measure with no deep constitutional significance. If necessary, concessions can be made by toning down the dismissal provisions a little and

The Chief Whip is sceptical about the strategy and is talking the Chancellor so privately before E(N1)

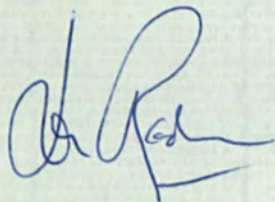
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by incorporating some power for Parliament in connection with targets.

The Bill should be supported and every encouragement given to the Treasury to meet the tight timetable.



JOHN REDWOOD

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