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cc BG
Prime Minister. ①
Content with the
revised draft Answer?

M&A 14/11

Treasury Chambers, Parliament Street, SW1P 3AG

David Norgrove Esq
Private Secretary
10 Downing Street
London
SW1

14 November 1985

Yes
no

Dear David

NATIONALISED INDUSTRIES' BILL

The Chief Secretary had a useful discussion this afternoon with Sir Robert Haslem and Mr John Dent, representing the NICG, about the decision not to go ahead with a general Bill and about the proposed Written Answer.

The NICG accept the reasons for not going ahead with the general Bill. They are anxious to make clear that there was movement in the discussions from the original proposals in the December consultative document and that they will have an opportunity to put forward ideas in further discussions. They seem to accept the best way forward is through trying out ideas in individual legislation where appropriate. While they agree that there might be scope for balance sheet restructuring in some industries they prefer not to quote it as an example in the Written Answer.

To meet these points the Chief Secretary agreed to some fairly straightforward changes in the draft, in the three sentences beginning "Discussions with NICG ...".

... I attach a copy of the revised Answer. The Chief Secretary proposes to give it tomorrow. The NICG will send copies to the individual chairman tomorrow morning.

I am sending copies of this letter to Private Secretaries of members of E(NI) and of the Lord Privy Seal and to Michael Stark in the Cabinet Office.

Yours ever
Richard

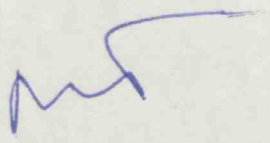
R J BROADBENT
Private Secretary

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DRAFT WRITTEN ANSWER

Q. To ask the Chancellor of the Exchequer what steps he proposes to take in the light of comments he has received on the Consultation Note on Nationalised Industries Legislation issued on 20 December 1984?

A. My predecessor announced on 9 May that the Government did not intend to propose general nationalised industry legislation in the 1985-86 Session. In view of the progress that is being made on the privatisation programme, and given other legislative priorities, the Government has now decided not to proceed with general legislation in any later Session of this Parliament. Discussions were held with the Nationalised Industries' Chairmen's Group, both on the proposals in the Consultation Note and on alternative approaches put forward by the Group with a view to increasing the Corporations' effectiveness and commercial vitality. Useful progress has been made in these discussions which will continue. The progress made will be borne closely in mind if further legislative proposals in respect of any individual Corporations are brought forward. The Government intends to continue to strengthen the industries to the point where they can either be transferred to the private sector or, where necessary, remain as successful businesses within the public sector.





10 DOWNING STREET

From the Private Secretary

15 November 1985

NATIONALISED INDUSTRIES BILL

The Prime Minister has seen your letter to me of 14 November. She is content with the revised version of the Written Answer giving the decision not to go ahead with a general Nationalised Industries Bill.

I am copying this letter to Private Secretaries to Members of E(NI), David Morris (Lord Privy Seal's Office) and Michael Stark (Cabinet Office).

DAVID NORGROVE

Richard Broadent, Esq.,
Chief Secretary's Office



Prime Minister 2
To note.

CCB
CST

DES

13/11

Treasury Chambers, Parliament Street, SW1P 3AG

David Norgrove Esq
Private Secretary
10 Downing Street
London
SW1

12 November 1985

Dear David

NATIONALISED INDUSTRIES LEGISLATION

Thank you for your letter of 1 November.

... I attach a copy of a letter the Chief Secretary has written today to Sir Robert Haslam informing him of the decision not to proceed with general legislation on the Nationalised Industries. Enclosed with the letter is a copy of a draft Written Answer which the Chief Secretary proposes to give on Friday, 15 November.

I am copying this letter to the Private Secretaries to the members of E(NI). If sponsor Ministers are writing to their own Chairmen the Chief Secretary would be grateful if they would do so at the same time as the Written Answer and broadly in the terms of his letter to Sir Robert Haslam.

I am also copying this letter to David Morris in the Lord Privy Seal's Office and to Richard Hatfield in Sir Robert Armstrong's Office.

Yours ever
Richard

R J BROADBENT
Private Secretary

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cc:Chancellor
FST
EST
MST
Sir P Middleton
Mr Bailey
Mr Byatt
Mr Monck

Treasury Chambers, Parliament Street, SW1P 3AG

Sir Robert Haslam
Chairman
Nationalised Industries' Chairmen's Group
c/o British Steel Corporation
9 Albert Embankment
London
SE1 7SN

Mr Scholar
Mr Culpin
Mr Robson
Mr Grimstone
Mr Colman
Mr Houston
Mr Palmer
Mr Moore
Mr ~~Lord~~ November 1985
Mr Lord

Dec 6th

NATIONALISED INDUSTRIES LEGISLATION

Ministers have now looked further at the proposals for nationalised industries' legislation which were discussed by my predecessor, Peter Rees, and the NICG.

We have decided on balance against a general Bill and any general statement. In reaching this conclusion we have been very much influenced by the decision on further privatisations taken since the consultations began and by the possibilities for further privatisations. In these circumstances we think that, rather than give legislative priority to a general Bill, it is better for sponsor Ministers to consider, when the need arises for legislation for a particular nationalised industry, whether some of the general measures discussed could be usefully applied to that industry. The sponsoring Minister would naturally want to discuss this possibility with the Chairman concerned if and when the time came. We will now need to look again at your paper on Board appointments though it is clear that a number of your proposals will not be possible without legislation.

I know from Treasury officials, and from looking at the papers, that the discussions over the past year or so have been very useful in exchanging ideas and developing our own thinking. I should like to thank you and the NICG for the work you have put into this and for your readiness to discuss. I hope that opportunities will arise to consider some of these ideas for individual industries.

... I must inform the House of that decision and I attach a copy of the Written Answer I am proposing to give, if possible on Friday, 15 November. I will confirm the timing of the Answer but in the meantime I should be grateful if you and your colleagues would regard the decision as

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confidential. In response to any Press enquiries we will emphasise that our decision has been very much influenced by the pace of privatisation; we will refer to the helpful discussions with you; and we will point to the possibility of carrying some of the ideas forward for individual industries, though without speculating on which industries these might be.

Y. ev,
jl

JOHN MacGREGOR

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DRAFT WRITTEN ANSWER

- Q To ask the Chancellor of the Exchequer what steps he proposes to take in the light of comments he has received on the Consultation Note on Nationalised Industries Legislation issued on 20 December 1984?
- A My predecessor announced on 9 May that the Government did not intend to propose general nationalised industry legislation in the 1985-86 Session. In view of the progress that is being made on the privatisation programme, and given other legislative priorities, the Government has now decided not to proceed with general legislation in any later Session of this Parliament. Discussions with the Nationalised Industries' Chairmen's Group have, however, made useful progress on approaches to increasing the industries' effectiveness and commercial vitality. To the extent that, for example, balance sheet restructuring or other measures are necessary in order to achieve this, legislative proposals in respect of particular industries will be brought forward as seems appropriate in due course. The Government intends to continue to strengthen the industries to the point where they can either be transferred to the private sector or, where necessary, remain as successful businesses within the public sector.

NAT. IND: Policy: PEIO

