

Prime Minister ①

Agree to publication next week?

CONFIDENTIAL

PPS P' -

MR TURNBULL

Yes mr

AT 5/4

5 April 1984

EXPORT CREDITS GUARANTEE DEPARTMENT

The report by Sir Peter Matthews comes down pretty much as expected on the major issue which confronted his committee - whether ECGD should continue as a Government department. The report recommends that ECGD should be replaced ("become" would have been a more reassuring term) by a publicly-owned corporation, which would operate within a new financial structure.

We think that this is a helpful recommendation. Independent status would assist ECGD to operate more commercially and more flexibly (inflexibility was the main criticism levelled against ECGD by exporters). ECGD would be less susceptible to pressure from Government departments to depart from its own commercial judgements, in the "national interest". Risk exposure which ECGD judge to be beyond their capacity to take on would be reinsured with the Government. This would have the advantage of placing the costs squarely where they belong. This would encourage a more realistic approach to such risks, and further the Government's objective of getting paid for exports.

We regard the general sense of the report as helpful, therefore, and see no objection to its publication in its present form, in the non-committal fashion proposed by Mr Channon.

I will be attending a meeting at the Treasury on Friday 13 April to discuss the report.

NICHOLAS OWEN

Nicholas Owen

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10 DOWNING STREET

From the Private Secretary

6 April 1984

Dear Sir

EXPORT CREDIT GUARANTEE DEPARTMENT

The Prime Minister has seen Mr. Channon's minute of 2 April. She agrees that the Matthews Report should be published next week, accompanied by a non-committal announcement.

I am sending copies of this letter to the Private Secretaries to members of EX and to Richard Hatfield (Cabinet Office).

Yours sincerely
Andrew Turnbull

(ANDREW TURNBULL)

Steve Nicklen, Esq.,
Department of Trade and Industry.



Treasury Chambers, Parliament Street, SW1P 3AG

Robin Butler Esq
No. 10 Downing Street
LONDON
SW1

6 April 1984

*Dear Robin
with AT?*

The Chief Secretary has seen Mr Channon's minute to the Prime Minister of 2 April, and has asked me to say that he is content with the proposal to publish the Matthews Report next week. He hopes there will be a chance for Ministers to discuss the recommendations in due course, and agrees that no public comments should be made at this stage.

I am copying this letter to Private Secretaries to other members of EX and to Sir Robert Armstrong.

Yours sincerely

John Gieve

JOHN GIEVE
Private Secretary



Trouw, Charles, L'Esclapart Street 2719 3/4

5 APR 1984



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