

Ref: A05521

CONFIDENTIAL

Prime Minister.

Agree :-

- ✓ (i) the terms of reference;
- ✓ (ii) the proposed membership, with the addition of Mr Jenkins as shown here;
- (iii) the attendance of officials as proposed in paragraph 6?

MR. WHITMORE

See para 6,

Nationalised Industries: Cabinet Committee

JW
16ix

When Ministers discussed the CPRS report on nationalised industries on 4th August, they agreed that there should be a new Committee to consider issues of nationalised industry policy, which the Prime Minister would chair, with the Chancellor of the Exchequer deputising for her as appropriate; and that the Ministerial Committee should be supported by a small review staff in the CPRS.

2. This minute makes proposals for establishing the new Committee.

3. I propose that the new Committee should be formally a sub-committee of the Ministerial Committee on Economic Strategy, but without any formal obligation to report to the main Committee.

4. For terms of reference I propose:

"To keep under review the Government's general policy towards the nationalised industries and major publicly-owned companies, to consider the objectives and monitor the performance of each of them, and to deal as necessary with specific major issues affecting them."

5. For composition I propose:

- Prime Minister
- Chancellor of the Exchequer
- Secretary of State for the Environment
- Secretary of State for Scotland
- Secretary of State for Trade
- Secretary of State for Transport
- Chief Secretary, Treasury
- Secretary of State for Energy
- Secretary of State for Employment

Secretary of State for Industry

The Secretariat will be provided by the Cabinet Office.

CONFIDENTIAL

6. I propose that the head of the CPRS and the head of the new nationalised industry review staff in the CPRS should attend meetings of the new committee. It is for consideration whether, when the affairs of a particular nationalised industry are to be discussed, the Secretary of State concerned should be free to be accompanied, if he wishes, by the head of the Departmental unit which deals with that industry. *Unusual.*

7. The Sub-committee on Nationalised Industry Financing (E(NF)) will be superseded by the new committee, and so will the Ministerial Group on Rolls Royce (MISC 22); but the Sub-Committees of E on Disposals (E(DL)) and Procurement Policy (E(PU)) will need to be retained.

8. It may prove to be convenient to set up an Official Committee, under Cabinet Office or CPRS chairmanship, to support the new Ministerial Committee; but I think that we should wait and see if that seems likely to be useful. I therefore make no proposal on this now.

REA

Robert Armstrong

15th September 1981