

EnergyPM/79/95PRIME MINISTER

1. I have just learned that E Committee on 26 November, which Ian Gilmour will attend, will be looking at a memorandum by David Howell on the future structure of, and private sector participation in, BNOC.
2. Although we have had some previous discussions on the future of BNOC, this will be the first time we have had a chance to look at the precise proposals in David Howell's paper. As an annex indicates, there are important Community legal considerations on which we will have to form a judgement. More generally, I have been concerned recently about the extent to which the Government is coming under criticism abroad - on both sides of the Atlantic - because it is held responsible for BNOC's activities while we do not always in practice exercise the full extent of the powers laid down in the constitution of the Corporation. I hope that questions about our North Seal oil policies are not going to cause us needless difficulties at the Summit, but the issues in any case go rather beyond that.
3. I believe, therefore, that the discussion on Monday should be in the nature of a first reading of David Howell's paper and that we can also take a broad look at the issues I have mentioned. I have no wish to hold up the introduction of private capital but we do need to consider how the responsibilities of Government will be discharged thereafter.
4. I am sending copies of this minute to Members of E Committee and to Sir Robert Armstrong.

(CARRINGTON)

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