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Secretary of State for Industry

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Nigel Lawson Esq MP
Financial Secretary
HM Treasury
Parliament Street
London SW1

25 July 1979

Dear Nigel,

You asked in your letter of 16 July for my views and those of others on whether various legislative measures should be included in the Industry Bill which we intend to introduce as soon as possible after the House reassembles.

I entirely agree that we must avoid so overloading this Bill that its timetable is put at risk. The timetable is already tight if we are to have a reasonable chance of completing the NEB disposals necessary to meet the target of £100m before the end of this financial year. Since there is a real possibility of our having to use the guillotine to achieve this in any event, there is a case for including within the Bill other measures which are at least as urgent as the NEB provisions; but even so we do not want to overload the Bill.

Before we have another Ministerial discussion I think it would be useful if officials could meet and prepare a paper setting out the options for our decision. I am asking my officials to put this in hand as soon as possible.

Nevertheless it may be helpful to colleagues if I identify the main items I am considering for inclusion in the Industry Bill. In addition to the NEB, you have mentioned provisions to dispose of British Steel Corporation assets and Cable and Wireless shares; in the case of BSC it is most unlikely that the provisions would ever be invoked and my present expectation is that they will not be needed. It will however be necessary to take powers to cover the disposal of assets by the English Industrial Estates Corporation, and to increase the statutory borrowing limit of British Shipbuilders; the latter provision is in fact even more urgent than the NEB provisions, and might have to be dealt with separately for that reason. We also wish to extend the shipbuilding home credit scheme to cover conversions (which will be coupled with the change in the British Shipbuilders borrowing limit),



and I am also considering the possibility of various other amendments to the Industry Act 1975.

Evan

Kerr

26 JUL 1979

