

Parliament

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON S.W.1



From the Minister

VMS

CONFIDENTIAL

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Michael Heseltine

LEGISLATION ON PRIVATISATION ETC

I am joining in the correspondence which has followed your letter of 5 February to Christopher Soames because the Lord Chancellor has referred in his letter of 23 February to an idea which I advanced some time ago. This idea was to frame an enabling Bill under which quangos could be abolished by order. The Bill would have been in essence two schedules - one listing or describing the bodies to which the Bill applied and the other spelling out the provision that could be made in relation to each.

The present suggestion is quite different in character: it would try to cover everything that might be required for privatising activities at present carried on by Government. David Howell in his letter of 20 February suggests taking power to create quangos. In view of our professed attitude to quangos I cannot see our supporters in the House or in the country reacting with any enthusiasm. In any event it would only take us part of the way. In some cases we could surely disengage without creating a new body to discharge the function.

Generally, I share the doubts expressed by Francis Pym in his letter of 12 February and by Christopher Soames in his letter of 20 February. Even if (which seems highly doubtful) a Bill could be drafted, it would be a most dangerous precedent. Moreover use of its powers could result in a string of orders which would certainly have to be subject to affirmative resolution and might be hybrid. So I would even doubt the value of putting officials to work on the possibility - particularly as we still have to decide just what is to be privatised.

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