

cc Mr Cow Nat of 2

PRIME MINISTER

Mr. Fowler's statement on the National Freight Company did not occupy the House for long. I attach a copy.

For the Opposition, Albert Booth attacked the Government for its haste in seeking to dispose of this profitable nationalised corporation. But he found hardly any Labour backbenchers prepared to rise in support of him. The exception was Frank Dobson, who observed that the sum of £50m. mentioned in the statement was less than the 1968 valuation of NFC's land and property.

From the Government side, Jim Lester, Roger Moate, Matthew Parris and Gerry Neale all welcomed the Secretary of State's announcement, Mr. Booth had another go, asking why the TGWU had not been consulted before the morning of the statement. Mr. Fowler's response was that they had made themselves unavailable.

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MAJ

18 June 1981

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STATEMENT BY THE SECRETARY OF STATE

THE NATIONAL FREIGHT COMPANY LIMITED

The House will know that under the provisions of the Transport Act 1980, the National Freight Corporation comprising British Road Services, National Carriers, Pickfords and other well known subsidiary companies, was wound up and the assets transferred to the National Freight Company Limited. This was done with the intention of selling the shares to private investors as soon as possible. The Act made special provisions to allow me to fund the deficiency in their pension scheme from the proceeds of sale.

Flotation has not so far proved practicable, but I can now tell the House that I have, within the last few days, been approached by a group of the Company's senior managers. They are seeking outside financial backing with the intention of putting together a widely based consortium of managers and employees to purchase the Company. Their proposal, which indicated an offer worth in excess of £50 million, is at present at an early stage and there are still a lot of details to be worked out. I have encouraged them to press on with their plans. At the same time I am considering it with my financial and legal advisers. All this will take a few weeks.

This is an imaginative and exciting proposal and I have told the managers concerned that I hope it will prove possible to achieve such a sale.

Booth
mobile Currier

Ross

Hester

Dobson

£50m less than
1968 valuation of NTC
land + property

Meate

Paris

Booth

Was TGWU consulted
before this am.
Fowler

Neale