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SUBJECT.

10 DOWNING STREET

THE PRIME MINISTER

Personal Minute

No. M11/81

Le Manset det  
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SECRETARY OF STATE FOR TRADE

This morning we accepted the main recommendations made by the CPRS in their report on "The Relationship between Government and the Nationalised Industries" but agreed that further consideration needed to be given to the proposal on Business Groups. The need for staff in sponsor Departments who are concerned with nationalised industries to have greater experience and understanding of business was accepted; we agreed that each sponsor Department should now put forward proposals on how in their particular situation this greater experience and understanding could be introduced rapidly and brought to bear effectively on the Department's dealings with nationalised industries.

Merely to provide more training on business matters, or to introduce advisers, will not be sufficient. It was clear from this morning's discussion that at each level the civil servants dealing with the industries need to have greater awareness of the business implications of policy issues and be better able to probe and weigh up the arguments put forward by the industries. We have to achieve a change of culture; this means that whatever is proposed must be capable of being sustained and must be organised in such a way that it will not be stifled by the present environment.

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CONFIDENTIAL

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I should be grateful if you and other sponsoring Ministers could let me have by September 18 proposals for providing new arrangements in your respective Departments that would ensure the necessary change takes place as rapidly and effectively as was envisaged by the CPRS in their proposals on Business Groups.

I am sending a copy of this minute to the Chancellor of the Exchequer, to the Secretaries of State for Energy, Scotland, Industry and Transport (who were at or were represented at this morning's meeting) and also to the Secretary of State for the Environment, the Lord President, Sir Robert Armstrong and Mr. Ibbs.

R.H.T.

4 August 1981

Trade are  
not taking  
the lead -  
all depts who  
were sent a  
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