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AR/JMH

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MRS THATCHER

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BNOC

I was slightly puzzled by two points about BNOC which emerged from Anthony Shrimpsley's Sun interview with you the other day. These relate to the future of that body's "commercial" and "regulatory" functions. I asked Michael Portillo to do me a quick note setting out the position (of which a copy is attached), and you will see that what we want is on the face of it the opposite of what Shrimpsley reports. Specifically,

- 1 do
- a) the commercial function is not in itself something we object to. It can be undertaken safely without the special privileges BVOC enjoys today and one can see ways to privatise it and detach it from H.M.G. and the public sector.

- This was what we were going to do with it in the second of all other points
- b) the "regulatory" or advisory role is the one we should be worried about and to which we should wish to seek a very different solution. ref 1

The article seems to have got these points the opposite way round.

Copy sent
2/8/78

AR

Adam Ridley