

NATIONALISED INDUSTRIES POLICY GROUP

Minutes of the meeting held on the
12th January, 1977 at the House of
Commons.

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Present: The Hon. Nicholas Ridley, MP (Chairman)
Hamish Gray, MP
The Rt. Hon. Maurice Macmillan, MP
David Alexander, Esq.
John Wood, Esq.

Nicholas True, Esq.

The Oil and Gas industries formed the subject of discussion.

Oil

Mr. Gray emphasised that, although the Party had strenuously opposed the creation of BNOC, its existence and its consequent involvement in consortia with other offshore operators meant that severe difficulties would be presented by any simple public commitment to abolish BNOC.

Summarising the meeting the Chairman advanced several propositions:

- i) the dissolution of the BNOC was the long-term ideal.
- ii) while BNOC existed it must be subject to very strict financial control on its capital requirements and adequate targets for rate of return.
- iii) it ought to be possible to convert the BNOC into a holding company and to end its innovative aspect.
- iv) small subsidiary companies could be formed to facilitate eventual sale.
- v) a chairman should be selected as soon as possible who would be sympathetic to these objectives and who would be prepared to wind down BNOC. The timing and method of achieving those objectives would be left at the discretion of the Chairman.

Mr. Gray undertook to submit these observations to a meeting of the Oil and Gas Policy Sub-Group.

Gas

It was agreed that the denationalisation of the gas industry would be neither practical nor beneficial.

Certain propositions were advanced:

- i) BGC should be set firm financial targets to force it to look to efficiency of operations. Ultimately it should be in a position to generate its own capital.

- ii) a chairman should be selected sympathetic to the Party's objectives who would operate a system of targets in various aspects of the Corporation's operations.

Nicholas True
Secretary