



Prime Minister (1)

✓ JV

PRIME MINISTER

Agree this 3-tiered approach?

Mus 28/7

Yes not

NI OBJECTIVES - POLICY LETTERS

We have agreed on the content of the policy letters which might be sent to the Chairmen of the NCB and CEGB, incorporating our objectives for these bodies. The new Chairman of the NCB has accepted the objectives for his industry and will endeavour to persuade his Board to be guided by them.

However, we have not yet decided how we propose to deal with requests to see policy letters from, for example, Select Committees, the MMC, the trade unions and the press. (The Daily Telegraph reported on 17 June that we were working on a policy letter for the NCB.) We must clearly do so before I send any policy letters out.

We have always recognised the risk that they would leak and we have acknowledged that some of our objectives might be too sensitive to communicate in writing to the industries, let alone published. At the same time the objectives set out in the policy letters will be mostly of a kind which we will want the Chairmen to communicate fairly widely within their industries. There are obvious advantages in a common approach to handling this problem. I am writing now to let you know what I propose.

For every industry there should be some statement of objectives which should be published. Since we announced in the House on 15 March that we intended to agree such objectives with the industries, this is unavoidable. Moreover, in the note we sent to the NICG we spoke of objectives being agreed "with chairmen and boards". It would be best if we took the initiative in publishing the letters at a time of our own choosing. I therefore suggest that as a matter of course our communications to the Chairmen should be published, probably by means of a Written Answer, though this would be a matter for each Minister's discretion.

I doubt whether all the policy letters could take a common form. What we say in each published policy letter will have to take account of the particular circumstances of each industry. In some cases the objectives we publish may be no more than a



simple statement of the few strategic points which we recognised as the ideal at E(NI)'s third meeting this year. In other cases there may be no problem about publishing a policy letter giving a more extensive exposition of our objectives. Where the published letter is confined to only a few strategic points, it will be necessary to decide how best to convey our more sensitive objectives. The most sensitive of these should, I suggest be conveyed orally to the Chairmen on a personal basis and a record of the points made (and of the Chairman's agreement) could be kept in the Ministers' Private Offices for reference as necessary. Other material which, although less highly sensitive, is nevertheless unsuitable for publication, could be conveyed in writing in the form of a separate letter forming part of our normal confidential correspondence with the Chairmen on current policy issues. Such a letter would of course be circulated by the Chairman to Board Members. Responsible Ministers could discuss with individual Chairman how best to proceed.

With these considerations in mind, I have looked again at the draft policy letters for the NCB and the CEGB and have taken into account the comments of Norman Siddall and Walter Marshall. Siddall has accepted all the points in the text enclosed with my letter of 18 June to the Chief Secretary. But to publish a letter on these lines would play into the hands of Arthur Scargill. I therefore propose to send Siddall a letter which I would subsequently publish containing a slightly modified version of paragraphs 1 - 3 and paragraph 16 of that text. I would deal separately, in one or other of the ways I have proposed in the preceding paragraph, with the points in paragraphs 4 - 13. I have recorded separately that Siddall has already accepted paragraph 14.

My policy letters to the Chairmen of other energy nationalised industries will reflect the procedure I have suggested. I hope that you and other colleagues in E(NI) agree that we should follow this essentially three-tiered approach generally and that you are content for me now to proceed on the lines I have proposed.

I am copying this minute to other members of E(NI), the Secretary of State for Wales, Sir Robert Armstrong and Mr Sparrow.

Secretary of State for Energy

27th July 1982

FILE

bc JV
cc CPRS D/hnd
CO 80
WO BOE
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10 DOWNING STREET

From the Private Secretary

9 August 1982

Dear Julian

Nationalised Industry Objectives - Policy Letters

The Prime Minister has seen your Secretary of State's minute of 27 July, and the subsequent minutes from Mr. Sparrow of 2 August and from the Chancellor of the Exchequer of 5 August. She is content with your Secretary of State's essentially three-tiered procedure for the publishing of statements of objectives for the nationalised industries, subject to the qualifications expressed by the CPRS and the Chancellor of the Exchequer.

I am copying this to the Private Secretaries to other members of E(NI), to Adam Peat (Welsh Office), Richard Hatfield (Cabinet Office) and to Gerry Spence (CPRS)

Yours ever

Willie Rickett

Julian West, Esq.,
Department of Energy.

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Prime Minister 2 ^{50/11} 2

Both the Chancellor and the
CPRS (minute attached below) agree
in general with Mr Lawson's

Treasury Chambers, Parliament Street, SW1P 3AG approach to
01-233 3000

PRIME MINISTER

publishing statements of
nationalised industry objectives.
They add only minor qualifications.

NATIONALISED INDUSTRY OBJECTIVES - POLICY LETTERS

with PM

Nigel Lawson sent me a copy of his minute of 27 July on the
publication of policy letters agreed for the nationalised
industries.

2. I agree with Nigel that we are clearly committed to
publishing some statement of objectives for each of these
industries; that what is said would depend on the circumstances
of the particular industry; that publication should be at a
time of the Government's choosing; and that the form of publi-
cation should be at the discretion of the sponsor Minister.
I also agree with his proposals for handling the more
sensitive material excluded from what is published.

3. I would make two qualifying points. First, given the
public interest in the objectives, the normal presumption
ought to be in favour of fairly full publication, although I
recognise that this must stop short of revealing objectives
which are at all sensitive. Second, the timing and form of
publication should be decided in consultation with the Chairman
concerned. As Nigel points out, the objectives will have been
agreed with the Chairmen and Boards. We want the industries
to feel fully committed to the objectives and their publication
will be an event of some importance for them. It therefore
needs to be handled sensitively.

4. As far as the NCB is concerned, Nigel's proposals for
publication involve a fairly drastic pruning of the policy
letter to the Chairman. However the NCB is a particularly
sensitive case; and much of the letter was concerned with

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tactics which would in any case be unsuitable for publication. While I can therefore go along with what is proposed we may well want to somewhat fuller publication in other cases.

5. Finally, I note that Nigel proposes some modification of the particular paragraphs for the purpose of publication. The letter was of course collectively agreed; if the modifications are at all substantial, therefore, I should be glad if we could be consulted at official level.

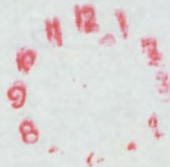
6. I am copying this minute to other Members of E(NI), the Secretary of State for Wales, Sir Robert Armstrong and Mr Sparrow.

(G.H.)

5 August 1982




~~JUL 1981~~
5 AUG 1982



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Qa 06008

To: PRIME MINISTER

2 August 1982

From: JOHN SPARROW

NI Objectives - Policy Letters

1. I have seen the Secretary of State for Energy's minute of 27 July about the publication of policy letters. - TPM
2. In the CPRS report, the intention was that, once they had been agreed by Ministers collectively, clear objectives would form the framework for the relationship between the sponsor Minister and the Chairman. Whether such objectives were to be made public or not would be at the discretion of the Secretary of State. E(NI) took the view that some might even be too sensitive to be written down and circulated within Government, and might have to be agreed orally.
3. Nevertheless the direction in which a major nationalised industry should move is a matter of legitimate public interest, and Ministers have recognised all along that some version of the objectives would be likely to become public knowledge. Indeed, as a result of the Secretary of State for Industry's March 15 announcement of the changes the Government propose to make in their relationship with nationalised industries, objectives will inevitably be a matter of interest and public debate.
4. In my view it should be the objectives that are considered for publication. The objectives represent a clear and concise statement of the strategy approved by the Government for each industry at any time, and if anything is to be published it should in general be a suitably edited version of those objectives. Policy letters, on the other hand, have so far only been written for the NCB and CEGB, and this was mainly because in each case the appointment of the Chairmen was so pressing that there was no time to prepare objectives as such. I would therefore agree that in these two cases the policy letter should be published, whilst expecting that the normal course would be to publish the objectives alone.



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5. I also support the three-tier approach put forward by the Secretary of State, distinguishing between objectives that are to be conveyed orally, confidentially in writing and those that are to be published.

6. I suggest that, once the Chairman and Board have agreed to a version for publication, this might be published jointly by the Secretary of State and Chairman. This would have the advantage of securing the Chairman and Board's public commitment, and reduce the risk that any debate on difficult points could be reopened in public.

7. Once the objectives for NCB and CEGB have been published, there will no doubt be pressure for objectives for all the other industries to be published as well. As a matter of handling, I would not recommend that the remaining sets of objectives should be published as a group; indeed, it would be advantageous if the publication could be kept fairly low key. While the setting of objectives is an important development, the publishable versions are likely to omit or play down the more contentious points, and the Government could be criticised for avoiding key issues. The justification for publishing objectives for NCB and CEGB first is that they have been agreed as part of the process of appointing a new Chairman. Objectives for other industries will be agreed in due course, and in appropriate cases Ministers may wish to link their publication with the appointment of new Chairmen.

8. I am sending copies of this minute to other members of E(NI), the Secretary of State for Wales, and to Sir Robert Armstrong.

BS.