

CONFIDENTIAL

file

de



cc CO

bc JV

10 DOWNING STREET

From the Private Secretary

15 December 1982

Dear John,

Appointment of the Comptroller and Auditor General

The Prime Minister and the Chancellor had a word about the problems raised in the Chancellor's minute of 10 December on this subject.

As I told you on the telephone yesterday, the Prime Minister agreed, without enthusiasm, to the notion that, as part of a compromise with Mr. St. John-Stevas, Mr. Barnett and Mr. Du Cann, the Government could make a move in the direction of the proposal that the Comptroller and Auditor General should be appointed by the Crown upon the joint advice of the Prime Minister and Mr. Speaker. The Prime Minister agreed that the essential point was to maintain and enhance the Comptroller and Auditor General's independent status, so that he should not be an Officer of the House and subject to its direction. On the scope of the audit, the Prime Minister said she shared the Chancellor's dismay about the idea that the Comptroller and Auditor General should scrutinise the accounts of nationalised industries, and private sector companies who had been recipients of Government funds. This would be a snoopers' charter. The Prime Minister suggested that a list be drawn up, constituency by constituency, of the companies (including, presumably, Lonrho) who had received public funds from whatever source: such a list, or even the threat of producing such a list, should do much to alert Members of Parliament to the unpopularity of what was being suggested. I have since passed on this idea to Jonathan Spencer (Department of Industry); but, clearly, if it were to be pursued it would involve many other departments.

I am sending a copy of this letter to Richard Hatfield (Cabinet Office).

Yours sincerely,

Michael Scholar

John Kerr, Esq.,  
HM Treasury.

CONFIDENTIAL