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PRIME MINISTER

12 October 1984

CONVEYANCING

The discussion in H yielded a weak package - a quango for non-solicitor conveyancers and deferral of a decision on employed solicitors. The Lord Chancellor's legal prestige proved too much for the junior Ministers who attended.

The DTI, Treasury and DoE have been given a short time to consider a simpler solution for the non-solicitors. My expectation is that they will settle instead for:

- (1) A degree of Government control over the Council's appointments and rules. Provided that the Lord Chancellor consulted his colleagues - an important proviso - this condition would prevent the Council turning into a mini-Law Society, with unduly restrictive codes and entry requirements.
- (2) An energetic effort to resolve the employed solicitors' "severe problem" of conflict of interest. This has to be resolved by December to enable Treasury to instruct Counsel on the Building Societies' Bill in time for its 1985-86 slot.

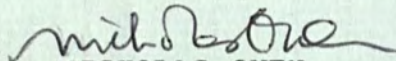
In our view, these steps are essential to retain the initiative on conveyancing. The Lord Chancellor's Department has been totally supine on employed solicitors. It has merely contemplated the conflict of interest problem during the last 4 months. The Lord President's Report of H underlined the marginal nature of the conflict, which concerns financial advice outside solicitors' area of expertise.

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It is likely that the Chief Secretary will write to the Lord President early next week. It would be helpful if the Lord President could persuade Quintin Hailsham to accept that:

- (1) The Administration of Justice Bill should retain for the Government some power of appointment to the Conveyancers' Council in its initial phase and that the Lord Chancellor will consult colleagues in exercising that power.
  
- (2) That a December deadline should be set for resolving the conflict of interest in respect to employed solicitors. This could still keep open the option of legislating in this Session.

  
NICHOLAS OWEN