

SUBJECT

MRJ

cc Master
OPS

10 DOWNING STREET

THE PRIME MINISTER

Personal Minute

No. M1/84

SECRETARY OF STATE FOR TRADE AND INDUSTRYCompetition Policy

The promotion of competition is one of the Government's most central and fundamental policies. It can bring lower prices, better services for the consumer, products better able to hold their own in world markets and ultimately more jobs. Your Department has the general responsibility for competition policy, although many other Ministers have sponsoring, regulatory or other responsibilities which provide opportunities for promoting more competition in the economy. Some of these opportunities will arise as part of the privatisation programme. In addition however the time has now come to seek out, wherever we can, opportunities for fostering more competition and to develop a programme of action for bringing this about during the remainder of this Parliament.

I should be grateful if you would assume the general co-ordinating responsibility for this task. As a first step it would be helpful if all members of the Cabinet would examine their areas of responsibility with a view to identifying what contribution they might be able to make to the promotion of competition, aside from any action which is already in hand as part of the privatisation programme. I should be grateful if

/you would

you would then arrange a series of discussions with other Ministers with the aim of preparing a report not later than the end of May.

I think that it would be helpful to set up a new Sub-Committee of the Ministerial Steering Committee on Economic Strategy to consider issues of competition policy, other than those arising in connection with the privatisation programme, which will continue to be dealt with as now in E(A) or E(DL) as appropriate. The new Sub-Committee would consider your report, agree on a programme of action, and provide a forum for the discussion of individual issues. I hope that these initiatives will make a real contribution to the creation of a more competitive economy within the lifetime of this Parliament. I am asking the Chancellor of the Exchequer to chair this Sub-Committee. The other members will be yourself, the Secretaries of State for Energy, the Environment, Social Services, Employment and Transport, the Chancellor of the Duchy of Lancaster, the Minister of Agriculture, Fisheries and Food, the Financial Secretary, Treasury and the Parliamentary Under Secretary of State for Corporate and Consumer Affairs in the Department of Trade and Industry.

I am sending copies of this minute to all members of the Cabinet and to Sir Robert Armstrong.

(sgd) MT

1 February 1984

LPO