

By copy into Don

SIR WILLIAM ARMSTRONG

Preliminary points

? responsibility for the legislation - ? Treasury in the lead

" " incomes aspect - ? D/Employment

Main answer

Yes, manageable subject to:-

(i) Personal relations between JD (who will presumably be recognised as Head of the Dept. of Benn and Lever) and MT.

MT critical of Nat. Inds., especially gas

may cause friction with Boardman (policy) and

Heseltine/Chataway (loss of status in the Dept.)

Pile says highly subjective in her reaction to people.

(ii) Eleven Ministers in the Dept. being acceptable

Drumalbyn should stay (provided he is prepared

to work for MT) because (a) he has impressed

JD and the Dept. with his knowledge of consumer

problems and (b) the Dept. needs two spokesmen

in the Lords. Bring him fully within the Dept.

He is at Minister level.

(iii) Some help at official level.

(a) extra Dep. Sec. (Shovelton) or U.S. - if not now, later.

(b) exemption from manpower reduction exercise (of MOD).

(c) exemption or postponed postscriptum from

Hardman exercise (prime need is for concentration) or at any rate acceptance of minimum/painless level of dispersal.

Titles

Drumalbyn is Minister without Portfolio

MT - ?? Minister of Fair Trading ("the Fair Trader")

Organisation

Our proposal is best: Minister for Trade covering all overseas and home commercial (insurance and companies and competition, consumers, and price restraint).

Optimum solution: direct replacement for Noble

BUT if this is not senior enough and MT personally is wanted doubtful whether (a) she has the international capability (yet) and (b) would be acceptable to JD in that role specially as she is to remain a Cabinet Minister and if there is to be a Minister for Europe in addition.

So, if she comes, best for her to concentrate - in the first instance anyway - on the Package, consumer affairs (including consumer credit perhaps involving legislation in 1973, metrication, standards and weights and measures), and competition policy including the legislation in 1972 (monopolies, mergers and restrictive trade practices). Later perhaps also insurance and companies (but see below on Limerick). She should be located - somehow - at 1 Victoria Street.

Minister for Trade post would then cover only overseas trade (commitment growing however) and insurance and companies (proposals for important strengthening now finalised at official level within DTI).

Noble has now more or less given up trying (though he remains very shrewd on anything commercial).

Suggest seriously consider promoting Limerick who has much impressed JD and is already covering the ground as PUSS (Trade). Advantage of having Minister for Trade in the Lords as he needs to travel. If this is done, need for new PUSS (Trade) in the Commons.

Problems at Official Level

Under our proposal Max Brown would have handled overseas trade, insurance and companies and also competition policy and consumer affairs (as he is doing now, except for the Package) with Peter Carey reporting to Max on all this and to me on central industrial policy.

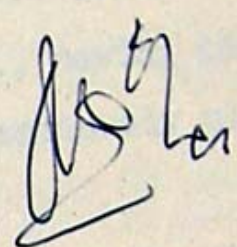
Difficult for Max who lacks drive and has plenty else to do to handle a statutory (and more abrasive) Package and an additional Minister (i.e. 3 in all).

Not entirely satisfactory for me to give full support to both JD and MT, though it would help co-ordination - and avoid Mintech-type schisms.

Best for Carey in practice to report direct to MT with me holding a close watching brief; but to show him as responsible to me.

Chequers 7/8/72 copy

MESSAGE NO 3
NO 10 TO CHEQUERS
4 NOVEMBER 1972



SECRET

SIR WILLIAM ARMSTRONG TO PRIME MINISTER - IN CONFIRMATION OF
TELEPHONE CALL OVER THE WEEKEND OF 29 OCTOBER

POSSIBLE FUNCTIONS OF A NEW MINISTER OF FAIR TRADING AS
MEMBER OF CABINET IN DTI WOULD (SUBJECT TO VIEWS OF JOHN DAVIES
AS SECRETARY OF STATE IN CHARGE OF THE DEPARTMENT) BE:-

- (A) THE PROPOED NEW POWERS ON PRICES
- (B) CONSUMER AFFAIRS (INCLUDING CONSUMERS CREDIT,
METRICATION, STANDARDS AND WEIGHTS AND MEASURES)
- (C) COMPETITION POLICY, INCLUDING THE FORTHCOMING LEGISLATION.

NEW MINISTER WOULD BE LOCATED IN 1 VICTORIA STREET AND
HAVE SERVICES OF MINISTER WITHOUT PORTFOLIO WHO HAS SPECIAL
KNOWLEDGE AND EXPERIENCE IN THESE AREAS.

END OF MESSAGE