

CONFIDENTIAL FILING

Prime Minister meetings with the  
Secretary of State for Trade and Industry,  
Nicholas Ridley, and his successors.

PRIME MINISTER

September 1989


Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>6.9.89</del>							
14.10.89							
<del>15.11.89</del>							
5.1.90							
<del>16.1.90</del>							
<del>19.2.90</del>							
<del>15.6.93</del>							
<del>19.1.93</del>							
<b>CLOSED.</b>							

PRIME MINISTER

BILATERAL WITH THE TRADE AND INDUSTRY SECRETARY

You have time in the diary tomorrow for a talk with Mr. Ridley. He does not want to raise any departmental business but have a more general discussion (although he might tell you a bit about his visits to Japan and Korea). Europe is one of the main subjects on his mind. I showed you the draft speech which he is thinking of giving quite soon. You may want to let him have one or two suggestions about this, designed to avoid irritating the Chancellor and the Foreign Secretary unnecessarily. It is a very good speech but a bit too provocative towards the end.

A few weeks ago, he was rather exercised about what he saw as sniping at him by some colleagues through the press. But that problem seems to have died down.

C.D.P.   
(C. D. POWELL)

21 May 1990

a:\foreign\Ridley (srw)

PRIME MINISTER

BILATERAL WITH MR. RIDLEY: 20 FEBRUARY

Mr. Ridley asked you for a bilateral last week and we have arranged 45 minutes for tomorrow morning between the 9 o'clock Questions meeting and the first of your Ministerial meetings at 1030.

Mr. Ridley had not told his office what points he wishes to raise. As I understand it, he wants to talk through the implications of developments in Eastern Europe.

If time permits, you may want to mention to Mr. Ridley a couple of issues that came up in discussion at the Bank of England dinner last week:

- i) the complaints about the heavy-handedness and high compliance cost of regulation under the FSA, and the suggestion of a need for a lighter regulatory regime for "professional" investors. I have already minuted out the key points made in the discussions to the DTI and the Treasury.
- ii) The comments about the conduct by DTI and other Inspectors in relation to alleged fraud cases. Given the sensitivity I have not minuted out anything on this issue, but you may want to mention it privately to Mr. Ridley.

I have not yet received the material that a couple of those present at the dinner promised to send you on detailed points about market regulation in other European countries. You could mention to Mr. Ridley that you asked for this material, and will let him see it when it arrives.

*Recd.*

PAUL GRAY

19 FEBRUARY 1990

a:\economic\ridley.mrm

SECRET

file ECH

(a)

PRIME MINISTER

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PAUL GRAY

19 February 1990

C:\ECONOMIC\RIDLEY

SECRET

PERSONAL

PA

PRIME MINISTER

BILATERAL WITH MR RIDLEY: 17 JANUARY

Nick Ridley has asked for fifteen minutes with you this week.

My intelligence is that he wants to alert you to latest developments on the possibility of Lord Young joining Cable and Wireless. I am not clear what the position is and I should be grateful if you did not reveal to Mr Ridley that you know this is the purpose of his call.

You may also want to mention to Mr Ridley that you have now talked to the Chancellor about his paper on the ERM. But I suggest you avoid at this stage committing yourself to any further meeting or action.

PAUG

PAUL GRAY

16 January 1990

C:\ECONOMIC\RIDLEY.DAS

PERSONAL

CONFIDENTIAL AND PERSONAL

PRIME MINISTER

BILATERAL WITH MR. RIDLEY: 8 JANUARY

You have a bilateral with Mr. Ridley on Monday afternoon following your return from Warwick. You asked us to allow adequate time for this and have set aside one hour from 1700 to 1800.

The two main issues for discussion are:

- (i) the paper Mr. Ridley let you have last year on ERM and EMU (flag A);
- (ii) his paper on the Post Office which you also saw before Christmas (flag B) which you wanted to discuss with him before anything is circulated to E(A).

ERM and EMU

I understand that you asked Mr. Ridley to prepare this paper, but we are not quite clear what use for it you have in mind. As Charles' earlier covering note commented it is a useful piece but without any major new insights.

You will presumably want to talk this through with Mr. Ridley, and will need to decide whether there is any further use to which you want this or a revised paper to be put.

Post Office

You will recall that Mr. Ridley had a first talk with you in mid-November about his ideas for the Post Office. His subsequent paper at flag B fleshes out those earlier ideas, and you will want to talk them through with him. My impression from the earlier meeting is that you thought they did provide a reasonable basis on which to move forward.

Only the Treasury have so far been copied Mr. Ridley's paper, and

CONFIDENTIAL AND PERSONAL

- 2 -

they have yet to comment. You will need to decide whether to ask Mr. Ridley now to put a paper to E(A) or to take the issue first in a smaller Ministerial group.

Other issues

There are two other issues you may want briefly to touch on at the end of the meeting. These are:

(a) House of Fraser

The question of whether or not to mount a prosecution is still before the Attorney. I am told that he is likely to reach a decision in the second half of January. Depending on the nature of the decision that could then reopen the question of publication of the MMC Report. (If there is a prosecution, publication would presumably be blocked during the proceedings: if there is no prosecution the way for publication would be opened unless the Fayeds obtained an injunction to stop it.)

Later next week you will be seeing the Sultan of Brunei. I have asked the Attorney General's Office to let you have a brief on what you should and should not say to the Sultan on this issue.

(b) Petrol Retailing

Mr. Ridley now has the MMC Report on Petrol Retailing. He will be writing round on Monday to colleagues summarising the outcome. As I understand it the MMC have given the industry a clean bill of health, with no recommendations for action by the Secretary of State. In those circumstances he has no power to act. But the presentation of this outcome will need careful consideration, e.g. in relation to the position on brewing, and this will be particularly difficult at a time when, following the recent crude oil price increases, the oil companies may well be pushing up petrol prices.

*filed.*

PAUL GRAY

5 January 1990

CONFIDENTIAL

PRIME MINISTER

*Seen by P.M.  
during the meeting.*

*Re CG 16/11*

BILATERAL WITH MR. RIDLEY: 16 NOVEMBER

Nick Ridley has asked for a bilateral meeting with you. I gather he wants to raise two main issues.

Post Office

You will recall that, just before the summer reshuffle Tony Newton was due to make an announcement that the Post Office letter monopoly would be reduced from £1 to 50p. Nick Ridley decided not to proceed with that announcement, but asked for further time to consider possible more radical Post Office changes. You had one brief chat with him about this in September, and he is apparently now ready to give you his considered conclusions. I have not been able to establish what he will tell you.

In the light of your discussion you will want to consider how to carry matters forward. You might like to invite him to circulate a note to E(A). We are currently setting up a meeting of the Committee for early December to consider a number of outstanding matters, mainly on the Employment front, and if necessary the Post Office could be added to the agenda.

Chambers of Commerce

I gather Mr. Ridley is concerned with the poor quality of industrial representation compared with other countries. He feels this is shown most vividly in the personnel of Chambers of Commerce. He may want to suggest some ways of improving this.

*Paul.*

(PAUL GRAY)

15 November 1989

c:\wpdocs\economic\ridley.dca

CONFIDENTIAL

E.R.

2100 hours

Sunday

15/10/89.

has seen ✓

14/10

PRIME MINISTER

Charles telephoned to say that Mr. Ridley had been in touch with him again. Mr. Ridley would prefer to see you rather than speak on the telephone and ideally would like to do so before you see the Chancellor on Monday morning.

Would you like Mr. Ridley to call in to see you and have a drink at No. 10 tomorrow evening?

Lillian

14 October 1989

SECRET

PRIME MINISTER

BILATERAL WITH MR RIDLEY; 26 SEPTEMBER

Nick Ridley spoke to me this morning and asked if he could have ten minutes with you this week. We have now fitted him into the diary at 1400 tomorrow afternoon before you start your Party Conference speech session.

There are two main issues he wants to cover.

First, he has as you asked at your last bilateral been delving into various broadcasting issues, and he would like to report back on that. I gather he has been having some talks with Douglas Hurd, but will mainly want to cover the points you put directly to him.

Second, he tells me he is very concerned about the position on electricity now that he has read into the subject. You have a small meeting with the Ministers concerned on Thursday, but Mr Ridley wanted a private word with you beforehand. You will recall you had talked to John Wakeham a couple of weeks ago and agreed that he would bring forward papers for this week's meeting. These will probably not be available until tomorrow. Nick Ridley is however very concerned that the whole exercise is going badly wrong, particularly on the nuclear front. As far as I can gather he is attracted to pursuing the carbon tax route. But that would be a radical change of course at this late stage. Hence his request for a brief talk with you privately before he considers airing any points in a wider forum at Thursday's ministerial meeting.

*Paul G.*

Paul Gray

25 September 1989

SECRET

*C. Ridley (MJ)*



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

6 September 1989

SUBJECT CCMASTER.

PRIME MINISTER'S BILATERAL WITH MR. RIDLEY

Your Secretary of State came to see the Prime Minister earlier today.

I should be grateful if you could ensure this letter is given a restricted circulation.

Imports

The Prime Minister said that the level of UK imports of a wide range of products continued to cause her concern. In many of these cases the UK had a domestic production capacity which ought to be capable of meeting more of the demand. Following a brief discussion it was agreed that your Secretary of State would arrange for a detailed analysis to be prepared of those commodities where imports had increased substantially and where UK industry ought to be well placed to improve its performance.

Post Office

Your Secretary of State said that, as agreed before the holidays, he was now giving further thought to policy on the full range of Post Office issues. He hoped to be in a position to report back in a further month or so. But his present thinking was that a key issue to resolve before others could be tackled was the future of village Post Offices. It was essential that arrangements be put in place that ensured their continued viability. If the conclusion was that some degree of subsidy was required then it would be for consideration whether this was better channelled direct from the relevant arms of Government, rather than through the Post Office accounts.

The Prime Minister said that a lot of attention had been given to her comments on the position of the Royal Mail during the last general election campaign. The key point she had been seeking to get over at that time was that a national letter postal service with a single set of charges

would be preserved. But there was no reason why this should preclude contracting out or privatisation of a number of aspects of the business such as local delivery. Your Secretary of State agreed. He was clear that there were certain central functions of the system that would have to remain within the Post Office but he wished to think about the extent to which other operators could come in and provide effective competition in areas such as collection and delivery.

PAUL GRAY

Neil Thornton, Esq.,  
Department of Trade and Industry

## PRIME MINISTER

## BILATERAL WITH MR. RIDLEY

You wanted to have a talk with Mr. Ridley. We have now arranged this for tomorrow morning. He was not originally planning to return from Cumbria until Thursday, but is now coming back first thing tomorrow morning so that he can see you before you depart for Scotland.

I assume you will to discuss with him his first impressions of the DTI and the priorities he sees for the next few months. My understanding - which I should be grateful if you did not reveal to Mr. Ridley - is that his first conclusions are:

- he values and welcomes the redirection of the DTI that Lord Young has put in place, and does not want to make dramatic changes from it.
- but he will not want to adopt as much promotion of the department and its role. He feels that it now has a high enough profile.

Policy issues you may like to touch on include:

- (i) competition and mergers policy.
- (ii) the Post Office. You will recall that you agreed that Mr. Ridley should defer the announcement Mr. Newton had planned for late July on a reduction in the Post Office monopoly to 50 pence, so that he could undertake a more radical look at Post Office issues. He is not planning to report back on this until the autumn, but you might like to probe the direction of his thinking.

- (iii) inner cities policy. Lead responsibility has now gone from the DTI to DoE, but the issue of the future of the specifically DTI inner cities units was left unresolved before the summer. Further advice is awaited from Robin Butler. But you might want to test whether Mr. Ridley has strong feelings on the subject.
- (iv) commodity composition of imports. DTI has some detailed work on this under way, and will be letting you have a written report as soon as possible.

ffcc.

PAUL GRAY

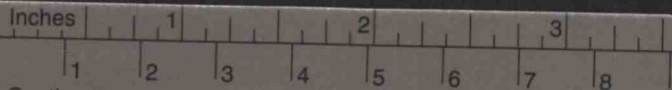
5 September 1989

KAYBAH

\_\_\_\_ Grey Scale #13 \_\_\_\_\_



**A** 1 2 3 4 5 6 **M** 8 9 10 11 12 13 14 15 **B** 17 18 19



**Colour Chart #13**

Blue Cyan Green Yellow

