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Secretary of State for Trade and Industry

17 February 1984

The Rt Hon Nigel Lawson MP  
 Chancellor of the Exchequer  
 HM Treasury  
 Parliament Street  
 London SW1

Prime Minister (2)  
 To note  
 AT  
 17/2  
 ms

*D. Nigel.*

COMPETITION POLICY

You will have seen the Prime Minister's Personal Minute of 1 February on Competition Policy (M1/84) and have begun to identify what contribution your area of responsibility can make to the promotion of competition. The Prime Minister has given me the general co-ordinating responsibility for developing a programme of action and I am writing now to let you know how I propose to structure the initial exercise.

2 I am required to provide the new Sub-Committee of E(S) by the end of May with a report on the basis of which the Sub-Committee can decide upon a programme of action. The report is to be drawn up in the light of discussions with individual Ministers concerned. By way of preparation for these bilaterals I would be grateful if you would let me have by 9 March a note giving the information at annex A to this letter and if you would let me know at the same time with which Minister (or Ministers) you would wish Alex Fletcher to discuss the note. I would be grateful if your office would also let mine have the name of an official who can act as a contact point for my officials in this exercise.

3 I would emphasise the terms of the Prime Minister's Minute. The objective is to develop a programme of action and initiatives which will make a real contribution to the creation of a more competitive economy within the lifetime of this Parliament: that will be the approach of my report.

4 Action might take many different forms - deregulation, the removal of barriers to entry to a market (or a profession), changes in public purchasing procedures, removal of price control, more information for the consumer, removal of restrictive practices. It may involve direct action by Government (e.g. legislation), or use of the Government's capacity to influence others to change their practices, or use of the existing competition mechanisms such as the MMC and the OFT or other mechanisms.



5 I hope that you will take a keen personal interest in the possibilities within your Department. At this initial stage of identification I hope all colleagues will be willing to contemplate the removal of even the most deep-rooted and established of restrictions, and to come forward with wide-ranging, radical proposals. We should have particular regard to restrictions that affect citizens and consumers in a direct and personal way, for example in such areas as housing, travel, professional services, financial services, food, books, even funerals. The current activity in the field of house purchase procedures and conveyancing indicates just how the promotion of competition can not only offer the prospect of a much better deal for the consumer but also make a very wide appeal.

6 I am writing in similar terms to other members of the Cabinet and am setting comparable action in hand within my own Department. I am also sending a copy of this letter to the Prime Minister and Sir Robert Armstrong.

*J. C.*  
*Norman*

NORMAN TEBBIT

COMPETITION: PROPOSALS FOR AN ACTION PROGRAMME

- 1 What actions have Government taken in your field since 1979 to promote competition?
- 2 What actions are already in train in your field to promote competition?
- 3 What firm plans do you have to promote competition in your field in the next three years?
- 4 What further action to promote competition could be taken in your field in the next three years? Please specify the form of action required (e.g legislative, administrative, voluntary etc).
- 5 What further action to promote competition in other fields would you like to see taken in the next three years?

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