

SUBJECT

RESTRICTED

Title

JR



cc Master

10 DOWNING STREET

From the Private Secretary

22 April 1982

Dear John,

NATIONAL STANDARDS AND DEPARTMENTAL RESPONSIBILITY

The Prime Minister held a meeting this afternoon with the Chancellor of the Exchequer and the Secretaries of State for Trade and Industry to consider where departmental responsibility for national standards should lie. Sir Robert Armstrong and Mr. Sparrow were also present.

The Chancellor said that the report attached to Sir Robert Armstrong's minute of 5 March contained a full analysis of the arguments both ways. His conclusion was that this was a finely balanced matter, but the best course would be for responsibility to be transferred from the Department of Trade to the Department of Industry. The case for protection of the consumer's interest, which was more central to the Department of Trade's concerns, was, in his judgement, less important than the case for promoting improved quality and reliability of British goods in the market place, a more central Department of Industry responsibility. The Secretary of State for Trade strongly opposed this conclusion. The responsibility of those concerned with policy on standards was to protect the purchaser, who was not necessarily a consumer, against the manufacturer. It was a mistake to put this into the hands of those with primary responsibility for manufacturers. The Secretary of State for Industry said that in his view responsibility for standards had to go wider than consumer protection. There was a tendency to pick whatever standard would least discommode manufacturing firms so as to provide minimum standards for the consumer. He preferred the German approach, whose Standards Institution aimed to produce the highest possible standard. The result of this was that everyone across the world knew that if a product had met the requirements of this Institution it was of the best.

The Prime Minister said the arguments went both ways. But in her view the task had not been done well so far. A radical change was necessary in the exercise of departmental responsibility for standards. But these responsibilities should remain with the Department of Trade, for a trial period, until the beginning of October 1982. If the change which she desired had not taken place by then, she would review the whole position.

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-2-

I am sending copies of this letter to Jonathan Spencer (Department of Industry), John Rhodes (Department of Trade), David Wright (Cabinet Office) and Gerry Spence (CPRS).

Yours sincerely,

Michael Scholar

John Kerr, Esq.,
HM Treasury.