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070

Mr Noogrove



DEPARTMENT OF TRADE AND INDUSTRY  
1-19 VICTORIA STREET  
LONDON SW1H 0ET

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X is a very  
sensible suggestion,  
which the P.M. may  
wish to endorse, in order

Secretary of State for Trade and Industry

to keep the pressure on  
Progress on removing restrictive practices  
seems

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powerfully 23 June 1986

The Rt Hon Lord Hailsham of  
St Marylebone CH, FRs, DCL  
House of Lords  
LONDON  
SW1A 0PW

slow

cc - Mr Unwin  
Mr Wiggins

CABINET OFFICE
A 6360
24 JUN 1986
FILING INSTRUCTIONS
FILE No. ....

John Austin

25/6/86

REMUNERATION OF THE LEGAL PROFESSION

I have seen your and the Attorney General's paper of 16 June (E(A)(86)28) and I am content with your proposals on fees.

However, I have some comments on the memorandum on practice restrictions in the legal profession which was annexed to E(A)(86)24 and which the cancellation of the meeting means we shall not now have an opportunity to discuss.

I very much endorse what you say in paragraph 18 of the main paper about the need for our approach here to reflect our general policy on removing undesirable restrictive practices in the professions. The progress so far achieved in a number of areas is to be welcomed, and will I hope be maintained. Linking part of the legal aid settlement to productivity should also increase the pressure for greater efficiency.

It may well be, as you say, that the direct impact on legal aid costs of the removal of practice restrictions will be small. However, the greater scope for competition provided should lead to greater efficiency in legal services generally, which one would expect to be reflected in future legal aid settlements. For the same reason, whatever the other arguments, I am not clear how greater scope for using solicitors, or direct access to barristers, could actually increase costs, since with fewer restrictions, business would be free to go to the most competitive services.

JF3AMO

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BOARD OF TRADE  
BICENTENARY





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X | The importance of these issues in their own right, quite apart from their relevance to the remuneration question, leads me to hope that we can return to them once the dust has settled. Perhaps, if you are agreeable, a further report on the issues in the memorandum could be made to E(A) or E(CP) in, say, six months to a year's time.

Copies of this letter go to the Prime Minister, other members of E(A), the Attorney General, and to Sir Robert Armstrong.

*ms,*  
*Paul*

PAUL CHANNON







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*see SKW*

*cebg*

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

30 June, 1986.

*Dear Richard,*

**REMUNERATION OF THE LEGAL PROFESSION**

The Prime Minister has seen the Secretary of State for Trade and Industry's letter of 23 June to the Lord Chancellor in which he proposed that a report on issues of competition and restrictive practices in legal services could be made to E(A) or E(CP) in six months to a year's time.

The Prime Minister agrees with Mr. Channon that this would be useful.

I am copying this letter to the Private Secretaries to the members of E(A), the Attorney General, and to Sir Robert Armstrong.

*DM*

*David*

(David Norgrove)

Richard Stoate, Esq.,  
Lord Chancellor's Department.

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*CA*