

PRIME MINISTER

MEETING WITH SECRETARY OF STATE FOR TRADE AND INDUSTRY

Mr. Channon has been Secretary of State for some two months now. The purpose of this general chat is to hear from him his current concerns. The discussion need not presumably cover GM/Leyland since this is likely to be discussed in other meetings early next week.

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Mr. Channon's office tell me that he may wish to raise:

- (i) the future of the shipbuilding industry;
- (ii) the Manifesto for the next Election.

More generally, you may want to discuss the workings of the Department. For the moment at least, the Department of Trade and Industry is the Government's "bed of nails". Its work does not have much operational coherence. Lots of unrelated crises - in recent months: tin, Westland, VSEL, BL, etc. It is very much affected by unpredictable events outside its control. It therefore is an extremely difficult department to manage - a large disparate empire, as is reflected by the fact that it has a dozen officials of Deputy Secretary rank. (To some extent, the Treasury is an easier department to manage because its operations are given coherence by the annual Budget, Public Expenditure Survey and the annual rolling forward of the MTFS.)

Would Mr. Channon accept this diagnosis of the Department's tasks? Could anything be done to help him in its management? How are his Junior Ministers performing?

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N.L.W.

N L WICKS

11 April 1986