

PRIME MINISTER

Your meeting with Sir Derek Rayner: 1445 on 7 September

You will no doubt want to start with your regret that his commitment to Marks and Spencer entails formally giving up the leadership of his unit and with your thanks for the enormous contribution he has made.

I suggest that you then say that you agree that we should make an announcement, but would like first to be clear about the future organisation of the work of his unit, which you will be discussing with Lady Young and Sir Robert Armstrong later in the week; and then invite Sir Derek Rayner's views.

You might say that it is not easy to decide what the best arrangements are. On the one hand, a lot of the unit's effectiveness hangs on its being seen to be closely under you: on the other hand, it has now been integrated with the MPO's work on efficiency, and it would greatly weaken the MPO to take it away. I suggest that you hear Sir Derek Rayner's advice without committing yourself on what arrangement you are going to make.

Sir Robert Armstrong has mentioned to me today that Lady Young is likely to take it as a major blow if this work were removed from the MPO. He has suggested that you might like to have a word with him about this before you see Lady Young and him together. If you agree, I will try to fit this in before your talk with Lady Young on Thursday.

F.R.B.

6 September, 1982.



Sat  
Mach

10 DOWNING STREET

Mr. Butler

TUE 7 Sept  
14.45 for  
Derek Rayner

THU 9 Sept.

1700 for  
LPS & RTA.

Will you be  
sending the LPS  
any papers?

es.

31/8.