

CONFIDENTIAL

DEPARTMENT OF INDUSTRY

ASHDOWN HOUSE

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PS/ Secretary of State for Industry

The House will be very angry with a written answer. One Minister go back to Minister. More on statement. K.S. memo. And press conference of his. And statement.

13 July 1979

Tim Lankester Esq
Private Secretary to the Prime Minister
10 Downing Street
LONDON SW1

Prime Minister,

Content with 'x'?

Dear Tim

*R Carter
Duty Clerk
13.7*

REGIONAL INDUSTRIAL POLICY

I promised to let you know about the Secretary of State's proposed timetable for making an announcement on regional industrial policy. I understand that at yesterday's Cabinet it was agreed that the timing of the announcement should be discussed between my Secretary of State, the Secretary of State for Scotland, the Chancellor of the Duchy of Lancaster and the Chief Whip. Subsequently the Secretary of State for Scotland telephoned my Secretary of State and said that he would be content for an early announcement to be made, provided this could be done on Monday 16 July, to avoid any discourtesy to the Scottish Grand Committee. My Secretary of State agreed to investigate the possibility of this ^{and} after consultation with the Welsh Office and the Offices of the Chancellor of the Duchy of Lancaster and the Chief Whip, it was agreed that an announcement could be made at 3.15 pm on Monday 16 July.

I have subsequently spoken to Mr Faulkner in the Cabinet Office and he has agreed that, since the small group of Ministers to consider the business of the last week before the recess is to meet at 1.30 on Monday 16 July, he sees no objection to this timetable.

My Secretary of State will be working on his written answer on regional industrial policy over the weekend and I will endeavour to let you have a copy of the final text as soon as possible on Monday morning. My Secretary of State is also making an announcement on the future of assistance under Section 8 of the Industry Act 1972 on the same day and I attach a copy of the text of the Question and proposed Answer.


I should perhaps add that arrangements have been made for my Secretary of State to hold a press conference at 3.15 pm on Monday 16 July and Mr John Lee, Nelson and Colne, has put down the necessary question which will appear on Monday's Order Paper.

I am copying this letter to the Private Secretaries to the Chancellor, the Secretaries of State for Employment, the Environment, Scotland, Wales and Northern Ireland, the Chancellor of the Duchy of Lancaster, the Secretary of State for Energy, the Minister of Agriculture, Fisheries and Food, the Chief Secretary, the Paymaster General and the Chief Whips in both Houses.

*Yours sincerely,
Peter Stredder*

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PETER STREDDER
Private Secretary



To ask the Secretary of State for Industry what decisions he has reached about assistance under Section 8 of the Industry Act 1972.

ANSWER

The Government have reviewed the operation of the various Schemes of Assistance under Section 8.

The Selective Investment Scheme closed for applications on 30 June. We will process all the applications received up to that date, but the criteria will be applied more stringently.

We will continue to use the powers of Section 8 to ensure that particularly worthwhile projects, especially internationally mobile projects or those producing very substantial improvements in performance or introducing new products, go ahead in the UK. It will have to be demonstrated that projects receiving support will produce a substantial net contribution to UK output or introduce a significant innovation.

The Energy Conservation, Footwear, and Redmeat Slaughterhouse Schemes, will remain open for applications until the closing dates already announced. All applications received under these, and the other Section 8 Schemes that have already closed, will be considered under the existing criteria and financial provision for each Scheme.

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