Conservative Central Office

NEWS SERVICE

Release time: 19.00 hours/MONDAY, 26th JUNE, 1978. 856/78

SUMMARY of a speech by The Rt Hon Sir Geoffrey HOWE, QC, MP, (East Surrey) the Opposition Spokesman on Treasury & Economic Affairs, speaking to the Bow Group on "Liberating Free Enterprise: A New Experiment", at the Waterman's Arms, Glenaffric Avenue, Manchester Road, Isle of Dogs, London E14, on Monday, 26th JUNE, 1978.

A ZONE OF ENTERPRISE TO MAKE ALL SYSTEMS "GO"

The novel suggestion of creating "Enterprise Zones" to bring speedy relief to the worst afflicted urban areas of Britain was put forward by Sir Geoffrey.

The Idea - a personal one - would be to set up test market areas in which to enable fresh policies to prime the pump of prosperity and to establish their potential for doing so elsewhere. In four or five places for a start - say, Clydeside, Merseyside, West Midlands and East London - substantial areas of land could be designated with the intention that most of them could be developed with as much freedom as possbile to make profits and create jobs.

Sir Geoffrey said the key elements might be:

1. Planning control of any detailed kind would cease to apply. Any building that complied with very basic anti-pollution, health and safety standards and was not over a stated maximum height would be permissible. IDC's and ODP's would not be required.

2. The Community Land Act would be put effectively into reverse. Public authorities which owned land would be required, within a specified time, to dispose of it to private bidders by auction in the open market. New developments in the area would be free from rent control.

3. Entrepreneurs who moved in would be granted exemption from Development Land Tax and perhaps exemption from rates, in whole or in part.

4. Businesses would be given a guarantee that the tax law - affecting investment, depreciation and so on - would not be changed to their disadvantage and they should be entitled to an undertaking that they would not be liable to nationalisation. No government grants or subsidies would be payable to any enterprise within the area.

/5. Certain

5. Certain other legal obligations or threats should be declared not to operate - price control and pay policy, for example. And other piece of legisation, such as some or all the provisions of Employment Protection, could be stated not to apply.

6. All these conditions would be guaranteed for a stated and substantial number of years.

Sir Geoffrey believed it would be necessary to establish a new model authority with some of the qualities of a new town to administer the zones.

His kind of agency would not primarily be acquiring property for the public sector but disposing of it for private development and there was no reason why private capital should not have a part in financing the agency.

The proposals, he emphasised, were intended simply to offer the chance of a new, more hopeful, way forward. They were not intended to be politically exclusive but an experiment that could fire the enthusiasm of people in all parties or none. Part of an Enterprise-Zone could be available to non-commercial groups who wished, for example, to establish experimental workers' co-operatives.

No-one could be sure whether his suggested approach would work but it was about time we were prepared to make some fresh starts. "Why not try to make all systems go for a change?"

Earlier, Sir Geoffrey had drawn attention to the dangerous extent to which Britain had been living off the industrial and social capital accumulated by earlier generations and resources diverted to maintain consumer living standards today.

The consequent lack of economic success was breeding social tensions and threatening to destroy the framwork of civilised existence. There were many things that could be undertaken only by government but for the mainspring of the economy Conservatives looked to private initiative.

"We must restore the legitimacy of becoming rich by taking risks ... That is the way to promote the creation of real new jobs...The other almost equally urgent need it to set about the sensible deregulation of our economy."

Public enterprise had not delivered the goods. Why not again seek a solution that was based primarily on the view that those who helped to restore prosperity were entitled to expect financial reward - and on a substantial scale.

FULL TEXT ATTACHED

Full text of a speech by the Rt. Hon. Sir Geoffrey Howe QC MP 856/72

Almost ten years ago I was walking with a Labour Councillor, whom I knew well, down a road in Poplar, only a short distance away from here.

As we passed beside a terrace of decaying houses, two up and two down and about a hundred years old, he observed "Are those not a dreadful monument to private landlordism?"

"Absolutely not", I replied. "The fact that they are here in such numbers is remarkable tribute to the speed with which nineteenth century private enterprise housed the newly urbanised working people of our country, to standards much higher than they had previously enjoyed. The fact that they are now in decay is a testimony to the impact of rent control, municipalisation and other manifestations of political folly".

My Councillor friend was not convinced; but I think I did open a window in his mind.

THE URBAN WILDERNESS

Since then, the site has been cleared and still sits vacant. And the urban wilderness, which does so little credit to the effectiveness of well-intended political initiatives, has spread still further.

London's dockland is far from being the only example of this. But since it is the birthplace of the Bow Group, it is as good a place as any to discuss a possible new approach to this problem.

Anything that can be seen beside the Thames can be matched by examples of dereliction on almost as large a scale beside the Mersey and the Clyde. Manchester, Leeds, the West Midlands - in almost every city of the same size one can see similar devastation. Even where some replacement has taken place, the results are often less than satisfactory. Some of the families will have been rehoused, but many businesses and most of the jobs will have disappeared. So too will far too many of the younger and more energetic inhabitants.

/THE DECLINING ECONOMY

THE DECLINING ECONOMY

All this is part of Britain's wider problem. For some years now, our economy has been sliding into decline. Our living standards have been falling relative to the rest of the world. Seediness is the order of the day. While whole communities have been virtually blitzed by "planning" and stagnation, whole industries (in which Britain should still have a stake) have fallen off the edge of our economic table. And the businesses and industries of the future have not sprung up in their place.

Look out of the window on a train journey to any corner of Britain, and you can literally see the dangerous extent to which we have been living off the industrial and social capital that was accumulated by earlier generations - and failing to amass our own. Resources have been diverted to maintain consumer living standards today. But no seedcorn has been saved for tomorrow.

This is the key to understanding the developing sickness of our society. The consequent lack of economic success is breeding social tensions and threatening to destroy the framework of civilised existence.

THE POLITICAL CHOICE

In face of these problems, two distinct philosophies are on offer.

On the one hand, there is the Socialist alternative. On this view, prosperity can be achieved only by State direction of our resources, with the trade unions in partnership with a less than entrepreneurial political elite; the capital that is necessary will have to be accumulated through the tax system.

It is in this stricly economic sense that we are entitled to argue that the route maps provided by Messrs. Benn and Bevan for Transport House will lead Britain to an East European destination. It is not a police state that they have on the drawing board - but an increasingly sullen and seedy economy, with authoritarianism as an inevitable consequence.

On the other hand, there is the liberatiar approach - which is, or should be, common not only to Conservatives, but to many Liberals and some Social Democrats as well. This does not imply any flat rejection of a role for public authority. There are many things that can be undertaken only by Government. But for the mainspring of the economy, we look to

/private

private initiative, widely dispersed and properly rewarded. In many areas, we believe, the burgeoning of State activity now positively frustrates many healthy private initiatives. Over-regulation is a major part of Britain's present disease.

The Conservative case is founded not simply on prejudice but on the proof of experience, in our own past and in the rest of the world even today.

The countries which are currently raising their living standards faster than any other, even in a hostile world economy, are those whose economic policies are still nearest to our ideal. We find surprising - but convincing - examples in Taiwan, South Korea, Hong Kong and Singapore And from the more successful developed economies - Germany, Japan and the United States, for example - the lesson is the same. We should take heed of the extent to which observers of even those economies are growing anxious at their development of some of the early symptoms of the British desease. The United States Secretary to the Treasury, Mr. Michael Blumenthal, observed the other day:

> "Investment is lagging for the simple reason that it has become less profitable ... For too many businesses, particularly small and new ones, the gap between a productive idea and a foreseeable profit has widened into a forest of red tape."

Even here in Britain, the positive side of our message still manages to get through from time to time. In South Wales about 10,000 men are employed to make 2.5 million tonnes of steel a year at British Steel's Llanwern. Only a mile or two away, at the privately-owned mini-mill of Alpha Steel, built and brought into production in under three years at a cost of less than £100 million, fewer than a thousand men will soon be producing 1 million tonnes a year. The comparison is revealing.

SELF-DEFEATING STATE INTERVENTION

Of course, the State can point to some apparent successes. Britain's post-war new towns have promoted the growth of prosperous communities. But it is anything but clear that their capital cost has even been properly counted. Operating on near green-field sites, armed with substantial State money and cut-price compulsory purchase powers, it would not have been easy for any management to fail.

/But in other

But in other more complex areas, the more the State has become involved, the less obvious its success in hitting even those targets for which the original intervention was designed.

For a quarter of a century, the centre of my hometown in South Wales saw its commercial life ebbing away while "plan" succeeded "plan". The citizens of Redhill have just celebrated the 20th anniversary of their first town centre development plan - with scarcely a brick to show for it so far.

Even the prosperity of county communities is now being stifled by structure plans which set out ruthlessly to limit future commercial activity to businesses that are already based within the county. Is it not perverse to be tearing down tariff barriers within Europe at the same time as we are erecting ring fences to prevent the movement of enterprises within our own country?

APPETITE WITHOUT RESOURCES

But it is in the big cities that the appetite of the State has almost out-run its capacity. In Liverpool in December 1976, 1100 acres of inner city land (15% of the total) lay vacant; but only 150 of these were included in any firm programme for development. A third of all this vacant land was allocated to highways, none of which were likely to be implemented; half of this land had been vacant for 5 years. The same story can be told of many other of our major cities.

Large parts of the London Borough of Lambeth, in which I live, continue to crumble in the name of "housing action areas", and the like. At the very gateway of Lambeth on the southern end of Vauxhall Bridge stands a huge site, that has been vacant for years. When Peter Shore recently asked Councils to provide a list of derelict land, this was duly reported to him by the Stockwell and Vauxhall neighbourhood Council. It is owned by the Department of the Environment!

The Broad Sanctuary site in Parliament Square has been empty for nearly thirty years. I daresay Vauxhall will have to wait longer than that.

The public purse has been quite unable to provide the funds, or the enterprise, to match the planners' aspirations. No wonder one Lambeth squatter, on whom I called not long ago, displays in his window the

/the mildly-worded

the mildly-worded poster: "More and more people are coming to believe that the Lambeth Council Planning Department are wreckers". It is easy to sympathise with the painted slogan on one Camberwell hoarding: "Corrugated iron is the character armour of the Council".

BUREAUCRATIC NIGHTMARE

This is the background against which successive governments have introduced Bill after Bill and shuffled much the same amount of money from one new fashionably-named urban programme to another. But all attempts at reform seem only to multiply the bureacracy. The Department of the Environment's 1976 Report on Birmingham's Inner Area is at its most characteristic with its proposal "to give initial momentum to industrial investment" by the establishment of a "multi-authority inter-departmental steering committee under the chairmanship of the Department of Industry, the county or the district as appropriate".

Is it any wonder that a New Statesman author, writing only two weeks ago about this part of London, observed that "the complex inter-relationships between the various local authorities and other agencies involved have created an inertia" which have turned London's docklands into a "bureaucractic nighmare"?

This "progress" seems to have reached its reductio ad absurdum with the recent failure of the Docklands Joint Committee to persuade either of the two very suitable top candidates (there were 260 applicants) to take on the job of Docklands Manager (at £24,000 a year).

As Judy Hillman wrote in the Guardian the other day, docklands are "sinking under the weight of the planners' grand design". The local MP, Ian Mikardo, apostle of an entirely planned Socialist society, has rightly defined the effect of planning on his constituency:

> "One does nothing until one is absolutely sure that it is right. Since it takes many years to ensure that one is doing the right thing one does not do anything at all for many years".

Tacitus put it more crisply (he was describing the Roman scorched earth policy in 1st Century Germany):

> "Faciunt solitudinem, pacem appellant".

/But, of course,

But, of course, London's dockland is only one example. The frustrating domination of more and more of our urban communities, by a combination of widespread public land ownership and public intervention into virtually all private activities, has produced a form of municipal mortmain which will not be shifted without a huge effort of will.

MUNICIPAL MONASTICISM

Henry VIII may or may not have had good reason to dissolve the monasteries Many medieval communities certainly gained a new lease of life from the dispersal of monastic property to freebooting individuals. And long before the monasteries were dissolved, it had proved necessary to pass Statutes of Mortmain, specifically to prevent land being held idle in moribund monastic ownership.

Today's prelates, at once the leaders and the prisoners of municipal monasticism, are in town and county halls or the head offices of nationalised industries and public corporations. I do not question their goodwill and sense of commitment to "the public interest". Just as zealously as the monks and abbots strove to do the will of God, today's chief executives and planning officers seek to serve the will of democracy - but alas, with less fruitful results.

In the outcome, tens of thousands of people are unwillingly involved in frustrating each other's efforts, as well as those of their fellow citizens. I sadly echo the comment of one frustrated planner* that:

> "One is forced to question the current priorities of a system of planning which spends so much time and energy exercising strict controls over the extensions of indvidual houses and minor changes of use, while allowing whole areas to be demolished and laid to waste for years, even decades, at the heart of the most populous cities in the country".

THE RETURN TO ECONOMIC VITALITY

This dismal story of disappointed expectations surely represents the highwater mark of our general case for the fundamental change of approach It is essential to restore the competitive diversity of our economy, as quickly as possible. Inventiveness, marketing and development -

/all must

* John Burrows, RTPI Journal, January, 1978.

all must be properly rewarded. New, small enterprises have a vital role to play. So too do established companies, with the experience which will enable them to respond to rapidly changing world trading conditions. The much-maligned multi-nationals have done, and can still do, more for economic progress than all the meditations of Karl Marx.

This return to economic vitality crucially depends upon the fundamental reform of our tax system. Post-tax differentials in Britain are now even narrower, according to a recent statement by a Treasury Minister, than they are in China or in Poland.

It is often said that prescription of tax reform has already been tried and failed. Sadly, even under the last Conservative Government, that was not really the case.

Between 1970 and 1973, income tax on wages and salaries plus surtax and employees' national insurance contributions declined, as a percentage of all wages and salaries, by only 0.3 per cent, from 20 to 19.7 per cent. And our top marginal rate of 75 per cent remained far above the average which prevailed in other countries.

Tax cuts have a real creative importance. For they can allow the rapid accumulation of post-tax wealth by that comparatively small (and necessarily unidentifiable) band of people who have the capacity to identify and exploit new commercial opportunities (in services as well as in manufacturing industry).

That is why we must restore the legitimacy of becoming rich by taking risks (apart from those which arise from doing the football pools). That is the way to promote the creation of real new jobs.

The other almost equally urgent need is to set about the sensible deregulation of our economy. By this I do not mean anything resembling a wholesale abandonment of those laws (for consumer protection or against racial discrimination, for example) which are an acceptable feature of most modern prosperous economies. I refer more specifically to economic interventionism - price and dividend control, for example; and to the consequences of our planning system, which I have already tried to spell out.

/That is our

That is our general case for transforming the tax system, so as to restore incentives, and for liberalising the entire planning system, for challenging the effectiveness of Industrial Development Certificates, Office Development Permits and all the other paraphernalia.

INNER CITY GHOST TOWNS?

But one must be very doubtful whether these general changes will bring speedy or sufficient relief to the worst-afflicted areas with which we are concerned.

Some might even argue that they are beyond help and would abandon them as inner city ghost-towns - a doleful monument to our collective incompetence. That would be a feckless and inhumane conclusion.

These areas are then the biggest challenge. Can we, if we have the courage and imagination, transform them into our greatest opportunities? Are we perhaps driven to the conclusion that the remedies that need to be applied generally should be even more dramatically applied in the worst afflicted areas?

They still have, after all, some very real advantages. They are often close to other thriving commercial centres, almost as often close to rivers that have been great harbours. Much of the land is already cleared: the dereliction is itself an opportunity. And they still house communities who cherish a sense of civic pride but yearn for jobs, real jobs - who are looking for a window of hope for the future.

Even in today's inhospitable, even hostile, conditions, some jobs are still coming into existence, some profits are still being made.

Some pioneering efforts (for example the 30 strong craftsmen's co-operative called Waterside in Rotherhithe Street; the Action Resource Centre or the Clerkenwell Workshops) arestill trying to blaze a trail, in the teeth of institutional inertia. But it isn't often fun. Nor will it be, if we go on as we are.

"Public enterprise", which has been making more and more of the running for the last thirty years, has certainly not delivered the goods.

/Isn't it time

Isn't it time to consider the alternative approach? The original prosperity of our cities was founded on the pursuit of profit. Why should we not again seek a solution that is based primarily on the view that those who help to restore prosperity are entitled to expect financial reward - and on a substantial scale?

TOWARDS A RICH SOCIETY

We cannot, I believe, create a rich society unless we are prepared to accept and welcome the fact that some people will, as individuals, become richer. Unless people are able to earn and keep significant reward for the investment and effort that we wish them to put into our urban deserts, they are just not going to be interested. More pleasant, they may well feel, to run an antique shop in Winchester, or a restaurant at Aldborough. Or, if they fail to get planning permission even for that, to settle for an inflation-proofed pension from something like the dis-location of Offices Bureau.

I repeat: it can hardly be said (even by Mr. Ian Mikardo) that the State-directed alternative has been a wild success.

HONG KONG IN GLASGOW?

Against this background, I was delighted last year to discover that a distinguished Socialist, Professor Peter Hall, was beginning to reach for the same prescription as myself - and I emphasise that I am now offering a purely personal view.

Why not, he argued (and so do I) consider highly unorthodox methods? Why not, he suggested to the RTPI Conference at Chester last year, aim to recreate the Hong Kong of the 1950s inside Inner Liverpool or Inner Glasgow? Small selected areas of inner cities, he argued, should be simply thrown open to all kinds of initiatives, with minimal control - based on the idea of "fairly shameless free enterprise". (Note the Fabian reserve which convinced Professor Hall that freedom could only be "fairly" shameless!)

/The germ of

The germ of this revolutionary idea springs from the experience of other communities where something like a Freeport solution has laid the foundations of economic liberation. Independent countries like Hong Kong and Singapore have been entirely free to make themselves magnets for enterprise, with generally benevolent tax and customs regimes, freedom from exchange control and an absence of unnecessary regulations and of heavy social or other obligations on commerce and industry. Special tax and other concessions for pioneer businesses have been guaranteed for a substantial period of time.

On a more modest scale, places like West Berlin (for special reasons) and Shannon in the Irish Republic have developed a similar approach. Even within our own Kingdom, the Channel Islands and the Isle of Man offer some instructive lessons.

THREE ALTERNATIVE IDEAS

It is important to distinguish between the three different concepts that are involved in all this:

1. The Freeport idea: A Freeport is simply a "free trade zone", generally near a sea or air-port. Customs and excise duties and tariffs are not payable on goods and raw materials imported into the zone. They may be exported from the zone similarly free of duty, generally after having been reprocessed. Such items as tobacco, food and drink, radio and television, cameras, chemicals and electrical equipment are the kind of products suitable for such treatment.

Freeport facilities already exist in several continental ports. Shannon is an example of the same kind of thing.

The Greater London Council are now considering a proposal to establish a Freeport on 300 acres of London's dockland. The idea certainly deserves consideration. But the Report submitted by the GLC's Controller of Planning and Transportation identifies some limitations:

> "The provision of such sites," he says, "is difficult in London and would almost certainly involve re-habilitating some land. It would also be impossible for the development to service interest on market value of 300 acres from the start."

Now is not this a little odd?

There are said to be 5,000 acreas of empty land in London's East End, more than half of them in public ownership. If 300 of these acres cannot be assembled fairly quickly, it is a further criticism of the existing state of affairs. And loan charges must surely be being paid, by one form of public authority or another,

on far more than 300 of the 5,000 acres now standing idle?

2. The "Crown Colony" idea: This is Professor Hall's fully-fledged proposal for a largely independent community - tariff-free - and exempt from most legislation and indeed from the Welfare State as well. In his own words it is an "extremely drastic last-ditch solution" which could be tried "only on a very small scale" - probably in an area that was "largely abandoned and denuded of people". UK passports, he observes, would still be valid in the area!

This proposal - which is not the one that I am putting forward - would indeed be "drastic", if only because those who already lived in the area would lose all State benefits along with most of their tax liabilities. If one went as far as this, then (as with the Channel Islands) it would be necessary to ensure that the new "colony" did not become a tax haven for every individual citizen and footloose company office.

As I say, I should not at this stage support an experiment as dramatic as this; but the idea should be kept at the back of one's mind - if only as a yardstick against which to judge more modest proposals.

3. The Enterprise Zone

This is the approach which I personally believe to be well worth studying. It would be designed to go further and more swiftly than the general policy changes that we have been proposing to liberate enterprise throughout the country.

This suggestion would not be based on considerations of regional policy (which is an entirely distinct subject, with its own complexities and counter arguments). Rather the idea would be to set up test market areas or laboratories in which to enable fresh policies to prime the pump of prosperity, and to establish their potential for doing so elsewhere.

Nor are these proposals suggested only for former port or dockland areas; although they would certainly be appropriate in some such areas, and could easily be combined with the simpler Freeport concept.

The idea would be to designate, in four or five places for a start - Clydeside, Merseyside, the West Midlands, and East London, say - substantial areas of land with the intention that most of them could be developed with as much freedom as possible - to make profits and to create jobs. The key elements might be as follows:

First, planning control of any detailed kind would cease to apply. Any building that

/complied with

complied with very basic anti-pollution, health and safety standards and that was not over a stated maximum height (that "did not threaten to frighten the horses in the streets") would be permissible, for any lawful purpose. IDCs and ODPs would not be required.

Second, the Community Land Act (itself a powerful obstacle to progress and in any case due for repeal) would be put effectively into reverse. Public authorities which owned land would be required, within a specified time, to dispose of it to private bidders, by auction in the open market. New developments in the area would be free from rent control.

Third, entrepreneurs who moved into this land would be granted exemption from Development Land Tax (without prejudice to the general case for lightening and simplifying the general burden of that tax) and perhaps exemption from rates, in whole or in part.

Fourth, businesses in the areas in question should be given a guarantee that tax law (affecting investment, depreciation and so on) would not be changed to their disadvantage. And they should be entitled to an undertaking from the Crown that they would not be liable to any future proposal for nationalisation. Marathon Shipbuilders were given such an undertaking on the Clyde, so that it is not without precedent. No government grants or subsidies would be payable to any enterprise within the area.

Fifth, certain other legal obligations or threats should be declared not to operate within the area: price control and pay policy, for example. There are other pieces of legislation that could be stated not to apply - such as some or all of the provisions of the Employment Protection Act.

Sixth, all these conditions would be guaranteed for a stated and substantial number of years.

MANAGING AN ENTERPRISE ZONE

How, finally would this kind of scheme be administered? Ir would be agreeable to believe that it could be managed by or through the existing framework of local government. Certainly it would be necessary to ensure an effective role for elected representatives of local people. But quite a lot of today's problems arise from the difficulty in securing a common view between overlapping or adjacent local authorities.

So, although I can sympathise with those (like Mr Horace Cutler) who would hope to

/avoid this need,

avoid this need, it would, I believe, be necessary to establish a new model of authority, as others have suggested, with some of the qualities of a new town corporation. As long ago as 1962, Godfrey Hodgson argued the case in Crossbow for the establishment of this kind of Old Town Renewal Agency - to be available as a kind of standard kit for those communities that wished to apply for it.

Certainly there would have to be differences from the standard New Town prototype. Most important is the fact that my kind of agency would not primarily be acquiring property for the public sector but disposing of it for private development. There is no reason why private capital should not have a part in financing the agency. In order to build the right kind of link with existing inhabitants of the area, it might be possible (as Godfrey Hodgson originally suggested) to arrange for them to be given a share in the action: a right to an equity stake in the new authority, perhaps? or a right to require the agency to buy up one's property - for those who did not like what was in prospect?

NO BIG BROTHER

Some people, of course will be all too ready to be alarmed by these proposals, or even to misrepresent them. Let me try to offer re-assurance.

The good people of the Isle of Dogs, for example, where I am speaking tonight, should not take fright at the prospect of some new big brother organisation being thrust upon them. My proposal (which will certainly require a great deal more analysis) is intended simply to offer the chance of a new, more hopeful way forward.

There are many who would like to see many of the elements which I suggest applied throughout the economy, forthwith. I can see their point. But in the present state of political argument, is it not suitable to carve out an opportunity for demonstrating on our own doorstep, that they will work?

If that happens, I hope we shall find communities queuing up to apply for Enterprise Zone Status. We shall have gone a long way towards winning the debate. Meanwhile my proposals are not intended to be a politically exclusive idea but an experiment that could fire the imagination of people in all parties or in none. I believe it would be worthwhile ensuring that part of any Enterprise Zone could be available to non-commercial groups, who wished, for example, to establish experimental workers' co-operatives - Mondrago fashion or any other. If the Tribune Group or the Socialist Workers' Party wanted part of an Enterprise Zone to themselves - well, why not?

/ALL SYSTEMS GO?

ALL SYSTEMS GO?

But no-one surely can doubt the need for dramatic change from the present position? In present circumstances, the enterprise - be it large or small - that wishes to move into these areas all too often feels reluctant even to start the bureaucratic battle of finding a way through. Despite the best intentions of many people, the prospect for the entrepreneur seems to be one of depressing hostility. Is it not worth taking some risks, departing from precedent, to replace this with an environment that is positively hospitable and inviting to enterprise? Why not try to make all systems go, for a change.

If the stormy waters of the North Sea can expect to attract £25,000 million of investment over the next ten years, because of the prospect of profit that is there, it should surely be possible for the same prospect to attract the same kind of skill and capital to work in partnership with the people of our great cities?

"THE GREY MEN"

Of course, the grey men whose job it is to consider the "administrative difficulties" of any new idea would be ready enough to start manufacturing the small print that could stop the initiative in its tracks. It might be argued, for example, that proposals of this kind would conflict with Treaty obligations to the European Community or in other directions. I suspect that these authorities would give a tolerant response if the model that I have in mind looked like offering a positive breakthrough to a more dynamic future for our society, and theirs as well. For it is high time for somebody, somewhere, to adopt a more dramatic and hopeful approach.

Winston Churchill, in 1940, was told that the idea of compensation for war damage was quite unthinkable. He was not prepared to take "no" for an answer. And the outlines of an entirely beneficent scheme were drawn up within three weeks.

No-one can be sure whether my suggested approach would work or not (and I emphasise that it is a personal suggestion).

But it is about time we were prepared to make some fresh starts.

END

JD/CR