

of Mr Duguid

to Mr Wright 1



Prime Minister

We are already expecting an E discussion on further zones. Should we ~~now~~ ask for papers to be ready within the timetable suggested by Mr Heseltine?

Yes
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Prime Minister

ENTERPRISE ZONES

MR 5/1

I agree very much with the points made in Geoffrey Howe's minute to you of 17 December and am pleased to see that other Departments are being consulted on the possibility of a further Enterprise Zone on Deeside. Shotton must have a strong case for an EZ, which I am sure we would want to consider sympathetically. However, I feel we must be careful not to allow Enterprise Zones to be seen as an answer for steel closures. Corby, which has been selected for an Enterprise Zone, is a steel town, as are three of the candidates for the outstanding Enterprise Zone in the Northern Region - Sheffield, Hartlepool, and Scunthorpe. Consett, Stoke and Wolverhampton, which we have rejected as candidates for Enterprise Zones, have also suffered steel closures. Thus an EZ at Shotton is bound to increase pressure for similar treatment for some of these English towns.

I have particularly in mind that the financial institutions have recently been telling us that they will not invest anywhere near a prospective Enterprise Zone until things are settled. Because of this blighting effect, it seems to me very important to put a quick end to uncertainty. I would hope therefore that we could



arrive at and announce a decision on the possible Deeside EZ, and the remaining Northern one, as quickly as possible - perhaps we could aim for the end of January. After that we ought to make it as clear as we can that unless there are unforeseen changes in circumstances we do not intend to establish any more.

I am sending copies of this to Geoffrey Howe, Keith Joseph, Jim Prior, Nicholas Edwards, George Younger, and Humphrey Atkins.

Michael Heseltine

for MICHAEL HESELTINE
Approved by the Secretary
of State and signed in his absence.

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