



DEPARTMENT OF TRANSPORT
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The Rt Hon George Younger TD MP
Secretary of State for Scotland
Scottish Office
Dover House
Whitehall
LONDON SW1A 2AU

26 April 1984

Dear George

Thank you for your letter of 5 April about the control of harbour development.

You will have seen that the Prime Minister subsequently agreed to the removal of this control and to my announcing it on 9 April, which I did.

I note what you say about the risks involved in leaving it to the market to determine whether or not to back entrepreneurial projects. But to refuse the market the opportunity to consider the risks is directly contrary to our whole philosophy. In the case of the Falmouth proposal I concluded that removal of the control mechanism was preferable to authorising the project, with the spurious appearance that would give of "Government backing". I am sure the potential backers will take a much more realistic view of what is a very expensive, risky and speculative project than they might otherwise have done, no matter how carefully qualified my authorisation might have been.

The Falmouth promoters have a long way to go, first to raise the money and secondly to bring their proposed terminal into being. Even if they are successful, it will be some two or three years before they have to be reckoned with. Such competition will be an invigorating stimulus to the existing ports to improve the cost and efficiency of the service they offer, although I am sure that Clydeport cannot be faulted on the efficiency of their service at the container base.

/ I am copying this letter to the Prime Minister and colleagues in E(A), and to Sir Robert Armstrong.

Yours sincerely
Nicholas

NICHOLAS RIDLEY

Ind. Bl. : Abolition of control
over forest development March 8th

27 APR 1984





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SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

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The Rt Hon Nicholas Ridley MP
Secretary of State for Transport
Department of Transport
2 Marsham Street
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SW1P 3EB

5 April 1984

Dear Nick,

CONTROL OF PORT DEVELOPMENT

Thank you for sending me a copy of your minute of 29 February to the Prime Minister about your wish to relinquish the control of port developments under Section 9 of the Harbours Act 1964. I have also seen your further minute of 23 March about planning aspects.

I think the principle of what you propose is right. But we must be clear that if the Falmouth project goes ahead, whether with or without your consent, it could only succeed by taking existing traffic away from other ports, particularly those on the south and west coasts. I fear that in those circumstances the Clyde, whose finances are already shaky, would be likely to lose its one remaining container service, that by Hapag Lloyd to North America.

I am sending copies of this letter to the Prime Minister and colleagues in E(A), and to Sir Robert Armstrong.

Yours sincerely,

George

Industrial Policy

March 84 ¹⁹⁸⁴

Absolution of Control over Port
Development

