



JF4740

Secretary of State for Trade and Industry

CONFIDENTIAL

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7 November 1983

Prime Minuted

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D. Patrik,

Thank you for your letter of 31 October. You will have seen John Biffen's letter to me of the same date; and will know that he has now agreed to introduction of the regional legislation as rapidly as possible.

See Pt5

- I will be circulating a draft White Paper on future regional industrial policy very soon. I fully appreciate your concern over the long time that will elapse before we can both implement the new scheme and announce a new Assisted Areas map; but I do not see how the position would be exacerbated by early publication of the White Paper. There is already much uncertainty over regional industrial incentives and their availability. The White Paper will do much to contain this uncertainty. Not only will it describe the proposed changes to the structure of regional industrial incentives, but it will also make clear that there will be transitional provisions to safeguard those who have made investments on the basis of the present map and scheme.
- One of the advantages of the timetable is that it will allow real consultation on the Assisted Areas map: the basis for designation; total coverage; number of tiers; as well as the future status of areas. Obviously map coverage and grant levels will be the major determinants of what savings we achieve with the new scheme. It is precisely because these key factors are for decision later that it is possible for us to have consultation on the map.
- I am copying this letter to the Prime Minister, other members of E(A), First Parliamentary Counsel, and Sir Robert Armstrong.

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