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CC NO

NBPM 24/11

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

23 November 1983

The Rt Hon Norman Tebbit MP
Secretary of State for Trade
and Industry
1-19 Victoria Street
LONDON SW1H 0ET

Dear Secretary of State

FUTURE REGIONAL INDUSTRIAL POLICY:
DRAFT WHITE PAPER

You copied to me your minute of 14 November to the Prime Minister, enclosing a draft of the White Paper on regional policy. I have seen the responses from the Prime Minister and from George Younger, Nick Edwards and Jim Prior.

I hope it will be possible to publish the White Paper as soon as possible: speculation about its content is increasing and we should not prolong the uncertainty.

I understand my officials have been in touch with yours about a number of detailed drafting points. Provided you can accept these, I am content with the draft as it now stands.

I have a few comments on the suggestions put forward by George Younger and Nick Edwards. While I understand George's position, I think that the existing reference to the effects of regional policy (paragraph 2) is an accurate reflection of the evidence available and I would not wish to see it changed. I am, however, attracted by the way in which Nick has proposed that the opening section should be reformulated and I would be content with that, subject to some small qualifications. First, I would delete the second sentence of his fifth paragraph: this is a White Paper about regional industrial incentives,

/and I think

CONFIDENTIAL

LEGISLATION FOR
Review Pt 6

CONFIDENTIAL



and I think it would be inappropriate to make such a far-reaching commitment to continue all the other activities mentioned in the earlier paragraphs as part of the general background. Second, for the same reason, in the first line of his sixth paragraph, I would replace "these", with "regional". Third, on a drafting point, the reference in the fourth paragraph to innovation and small firms measures seems to me misplaced: such measures undoubtedly help in the assisted areas, as elsewhere, but are by no means "of special value for regional development" in the same way as support for tourism, for example. If these measures are to be mentioned at all, I suggest they should be included in the fifth paragraph.

Finally, on paragraph 30, I am in favour of the proposition to exclude from assistance those relocation projects where there is no net increase in jobs: I see no point in paying simply to transfer jobs around the country. For the purpose of a consultative White Paper, I could however accept the formulation Nick proposes.

I am copying this to all other members of E(A) and to Sir Robert Armstrong.

Yours sincerely,

Margaret O'Hara

NIGEL LAWSON

*(approved by the Chancellor and signed in
his absence)*

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AT 22/11

CENO



NORTHERN IRELAND OFFICE

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SECRETARY OF STATE
FOR
NORTHERN IRELAND

The Rt Hon Norman Tebbit MP
Secretary of State for
Trade and Industry
1 Victoria St
LONDON
SW1H QE1

21 November 1983

Dear Secretary of State

FUTURE REGIONAL INDUSTRIAL POLICY: DRAFT WHITE PAPER

Thank you for sending me a copy of your minute of 14 November to the Prime Minister enclosing a copy of the draft White Paper.

I believe early publication of the White Paper will serve as an important contribution to the public debate on regional policy and as a statement of intent by Government.

I note that the White Paper will apply only to Gt Britain and I believe that this is correct given the particular difficulties of Northern Ireland. Nevertheless I recognise the wider United Kingdom framework set by the document and in this context we will of course be examining our own system of aids. I understand that my officials have been in touch with yours and have agreed to the addition of a sentence making it clear that the proposals in the paper have been drawn up principally with Gt Britain in mind.

My officials will be in touch with yours once the likely date of your announcement is known to provide you with defensive briefing material with regard to the reference to Northern Ireland.

I am also asking my special adviser to get in touch with your office to pass on some detailed points on the general issues which I hope

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CONFIDENTIAL

you will take into account.

I am copying this letter to recipients of your minute of
14 November.

Yours sincerely

Derek Hill

Approved by the Secretary of State
and signed in his absence



22 NOV 1983



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AT 22/11

2 MARSHAM STREET
LONDON SW1P 3EB
01-212 3434

My ref:

Your ref:

22 November 1983

Dear Mr Tebbit

FUTURE REGIONAL INDUSTRIAL POLICY: DRAFT WHITE PAPER

Thank you for sending me your minute to the Prime Minister of 14 November ^{attached} attaching a copy of the draft White Paper on Regional Industrial Development.

I am generally content with the draft, and I suggest that the last sentence of para 18 (in square brackets) can be omitted since the previous sentence already refers to local authority functions.

On paragraph 20, I understand that it is proposed to add a reference to the objectives of rural policy on the lines "Rural policies have been developed largely to stem depopulation and to encourage an adequate supply and variety of employment. The economic objectives underlying rural policies are consistent with regional industrial policy". Although the aim of stemming depopulation was the original objective of rural policy, this is no longer a serious problem in most rural areas and the emphasis now is on improving the economic viability of rural areas and their social infrastructure. I suggest that the draft might be amended to reflect this.

I am copying this letter to members of E(A) and Sir Robert Armstrong.

Yours sincerely

A.H. Davis

PP PATRICK JENKIN

Approved by the Secretary of State
and signed in his absence

The Rt Hon Norman Tebbit MP

Regional Policy : Review 176

23 NOV 1983

