



Overseas Aid

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Qa 05296

To: MR LANKESTER
From: J R IBBS

20 March 1981

Merseyside

1. I attach a note on possible measures to help Merseyside, as requested in your minute of 5 March. We are grateful for information supplied by Departments, particularly the Departments of Industry, Employment, Environment and Transport. In the limited time available Departments have not had an opportunity of commenting on our proposals. Hence this note is a preliminary look at the problem.

2. The note does three things. First, it puts in context the exercises which the Secretaries of State for Industry and for the Environment are carrying out at the Prime Minister's request (your minute of 4 March and Mr Heseltine's minute of 18 March respectively). Second, it suggests one or two steps which the Prime Minister might herself take in the immediate future:

- be ready (if this seems necessary in the light of the Department of Industry's report) to put more pressure on Tate and Lyle to commit themselves to a worthwhile enterprise scheme (paragraph 9 and Appendix 3 of this note)
- visit Merseyside in the near future (paragraph 10).

3. Third, it presents a range of ideas which in my view merit further study. The most positive of these are that more should be done to exploit the natural resources of the area - its seaport, airport and close proximity to an extensive motorway network (paragraphs 13 - 18). We also have some suggestions for manpower policy and regional policy which, although of wider application, could benefit Merseyside (paragraphs 26 - 28 and Appendix 5). Our main conclusion, however, is that there is need for

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an economic strategy for the area to provide a realistic and coherent framework for the wide range of Government policies affecting the area (paragraphs 20-24). Our proposals and suggestions for further examination are summarised at the end of our note in paragraph 29.

4. For my part I should be glad to commit some CPRS resources to a fuller study of Merseyside's problems, not least because it could produce lessons of wider application in relation to unemployment, regional and urban problems.

5. I would suggest a fuller examination by about the end of April of the feasibility of the ideas in the note. This would both enable us to evaluate some measures which might be taken quite soon, and to assess the feasibility of developing an economic strategy for the area.

6. I should be glad to know whether the Prime Minister is content with this approach and whether there are any points which she would like us to consider as a matter of urgency.

7. I am sending a copy of this minute and the attached note to Sir Robert Armstrong.

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