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David Norgrove Esq  
Private Secretary  
10 Downing Street  
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Prime Minister 2

24 October 1986

DLW  
24/10.

Dear David

#### UK REGIONAL DEVELOPMENT PROGRAMME

The Prime Minister asked for comments following the publicity about the UK Regional Development Programme recently submitted to Brussels.

The Scottish profile is one section of the UK submission. There has been similar critical publicity, initiated by Gordon Brown MP, in the Scottish media to that in England. This we have already sought to refute through a forceful article which Mr Ian Lang contributed to the Glasgow Herald and appears today on page 12.

So far as Scotland is concerned, we consider the problem is not the overall content of the programme but the very selective quotation from it. The material is not inconsistent with other published figures and, as its purpose is to provide the background to maximising European assistance. Our Ministers think it is naive and mischievous of their opponents, as Mr Lang's article stresses, to expect that the weaknesses and problems of regional development will not be highlighted. The Scottish profile, as no doubt also the English and Welsh volumes, also contains substantial evidence of the growth and potential of the Scottish economy. While clearly the difficulties facing traditional industries such as steel, shipbuilding and heavy engineering are recognised, there is also considerable stress on the encouraging prospects for electronics, high technology and especially health care and biotechnology, the food and timber industries, service industries such as insurance, finance and banking, and in particular tourism. The shopping list of potential ERDF applications for Scotland in the programme, if approved by Brussels, will, if achieved, make a very substantial impact on the infrastructure and other problems properly recognised in the profile.

If Dr Brown and his colleagues choose to pursue the issue, my Secretary of State believes that the Government have a sound rebuttal on these lines, although clearly, in doing so, it will be necessary to be careful also not to undermine the UK case with Brussels before the programme is discussed and formally adopted next year.

I am copying this letter to the Private Secretaries to the Secretaries of State for Trade and Industry, Environment, Transport, Health & Social Security, Wales, Northern Ireland, Employment and the Chancellor of the Duchy of Lancaster.

Yours  
Andy

**ANDY RINNING**  
Private Secretary

