



MCS
✓NO
NEW ST. ANDREWS HOUSE
ST. JAMES CENTRE
EDINBURGH EH1 3SX

PA
(annex from
minute from
DTI, promised by Steve Nicklen.)
MCS 20/9

PRIME MINISTER

E(A): OVERSEAS PROMOTION BY LOCAL AUTHORITIES

Cecil Parkinson minuted you on 4 August about the results of the review of the co-ordination of promotional campaigns overseas by local authorities and New Towns.

The review acknowledges that the problem of coordination is now largely confined to England and that the steps we have taken in Scotland to bring such activities under one umbrella are effective. We did, of course, take statutory powers in 1982 to control such spending by local authorities; but I can say that most of the Scottish bodies involved now appreciate the benefits of a coordinated approach and are content to accept both the limitations and opportunities provided by a properly managed promotional activity for Scotland as a whole which takes advantage of the marketability of Scotland as a distinctive entity within the UK. All this is very recent and the result of much effort. What is needed now is that the machinery is given time to settle down. I would therefore be most reluctant to see the ambit of a Rayner scrutiny extended to cover the promotional activities of Scottish New Towns and local authorities.

For the same reason I am not in favour of extending the scrutiny to cover overseas representation arrangements. It is not much more than a year since we agreed the overseas arrangements for Scotland, Wales and Northern Ireland. It has taken some time to put the framework in place, and it was part of the agreement that these arrangements were to be subject to further review in the summer of 1984. Our success in controlling local authorities' ambitions in this field is at least partly attributable to the increased credibility of our own arrangements. Here again the new operation should be given time to

settle down. There is increasing competition from other European countries, some of whom have greater resources in this field than we do. My last visit to the United States convinced me that the American economic recovery is opening up new investment opportunities, which we will risk losing if the effort which should be devoted to securing them is diverted to further questioning of the arrangements. We must, of course, ensure that our efforts are cost effective and properly coordinated: I see this as the primary purpose of the review by officials next summer. Of course, if that review reveals problems which question the basis of our present activities, we should need to look again at our policy.

Finally, I am not persuaded that we should follow Arthur Cockfield's suggestion to include in the study overseas promotion by the four tourist boards. This area has already been thoroughly examined in Norman Lamont's review of tourism policy, the outcome of which is to be announced shortly after the House reassembles. As H Committee colleagues will know, we have already put forward for general policy clearance proposals for a short Scottish Bill early this session to extend the powers of the Scottish Tourist Board to include promotional activity overseas - thus fulfilling the commitment in our Scottish Manifesto. We have agreed that control over STB's overseas activities would have to be included in the legislation to preserve the coherence of the British Tourist Authority's overseas programme and we have therefore proposed that STB's overseas promotion proposals be subject to my consent.

I am copying this minute to E(A) colleagues, to Geoffrey Howe and Sir Robert Armstrong.

Am...

G.Y.

6 September 1983

(Approved by the Secretary of State
2. and signed in his absence)

7 SEP 1981



Trade : Inward investment
Feb '81



Prime Minister

*I have asked
the Cabinet Office
for advice on how
to handle these papers
at chase next
Wednesday.*

E(A): OVERSEAS PROMOTION BY LOCAL AUTHORITIES

*LD
24/8*

Cecil Parkinson minuted you on 4 August about overseas promotion. I have also seen Barney Hayhoe's letter to Cecil Parkinson of 12 August, Timothy Raison's of 12 August and the letter from Arthur Cockfield's Private Secretary of 11 August to Cecil Parkinson's Private Secretary.

2. Northern Ireland - like Scotland and Wales - enjoys a useful degree of autonomy in industrial promotion overseas, particularly in the USA. Eight of the British Consulates there have Investment Officers who are on secondment to the FCO from the Industrial Development Board (IDB) in Northern Ireland. These officers act for the UK as a whole, but their personal knowledge enables them to speak to potential investors with added authority on opportunities and life in the Province. The IDB itself has a small office in New York. These arrangements ensure a unified promotion effort for the whole of NI and render any separate initiatives by the 26 District Councils here unnecessary.

3. The problems which Cecil Parkinson outlines in his minute stem from the activities of certain English local authorities. I accept that there is a need for control of these activities but believe that the measures recently recommended by officials should be given time to be fully implemented and assessed. If, however, colleagues feel that there is a need for immediate action, I would not oppose a study confined to co-ordination arrangements for local authorities in England alone. I do not see any case for NI to be included.



4. Cecil Parkinson's minute also proposes that next year's overall review of the UK's overseas promotion representation should be preceded by a Rayner-type scrutiny. In the case of our USA representation, I am concerned that such an enquiry would be detrimental to the success of the existing arrangements, which have been in place for less than a year. More time is needed before any adequate assessment could be made of their effectiveness, and an accurate assessment would be made all the more difficult by the current low level of outward American investment. The review proposed for next year would normally be carried out by officials from the interested Departments and I believe that it should go ahead on this basis.

5. The letter of 11 August from Arthur Cockfield's Private Secretary raises the question of consistency between our arrangements for the overseas promotion of tourism and those for industrial development. While a study into our arrangements for promoting tourism overseas would not cause me any difficulties I am unconvinced of the benefits of doing so. The promotion of investment and tourism should in my view remain separate.

6. I am copying this minute to E(A) colleagues, to Geoffrey Howe and Sir Robert Armstrong.

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a 'P'.

J P

24 August 1983

TRADE: Inward Investment

Feb '81

24 AUG 1983



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From The Secretary of State for Wales

RESTRICTED

6 September 1983

In Cēn

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7/9

E(A): OVERSEAS PROMOTION
BY LOCAL AUTHORITIES

I have seen a copy of your minute of 4 August to the Prime Minister, and I have read the report on local authorities' activities overseas.

I was pleased to note that the report recorded the success with which local authorities in Wales are kept in check and I note the steps that are proposed to improve upon the position in respect of English authorities.

I note too your suggestion that officials be asked to consider and put forward proposals for a Rayner-type study as a basis for decisions we will have to take next year. I do very much agree with Jim Prior and Timothy Raison that these are very early days indeed to be judging the new arrangements. WINvest, the single one-stop body that I have established in Wales with responsibility for inward investment, has been in existence only since 1 April. I would certainly want my officials to be closely involved with any discussions on terms of reference for a study.

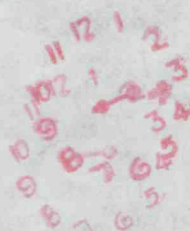
I am copying this letter to the recipients of yours.

J. P.
Nia

The Rt Hon Cecil Parkinson MP
Secretary of State for Trade and Industry
Ashdown House
Victoria Street
LONDON
SW1

Trade
Feb 81
Inward Investment

7 SEP 1983
6 SEP 1983



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Foreign and Commonwealth Office

London SW1A 2AH

From The Minister of State

Rt Hon Timothy Raison MP

12 August 1983

Don Cecil

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15/8

INWARD INVESTMENT : OVERSEAS PROMOTION BY LOCAL AUTHORITIES

You sent Geoffrey Howe (who is away) a copy of your minute of 4 August to the Prime Minister.

The FCO's main concern is that all the Departments and agencies involved in this field should work together effectively overseas, so as to maximise inward investment into the United Kingdom as a whole. We therefore support the proposal for a study of the problem of better coordination of the activities of local bodies, and in particular those operating in England. Such a study would, of course, take account of overseas activities. But, as Francis Pym suggested in his minute of 16 May to the Prime Minister, it is perhaps still too soon to judge whether the arrangements on overseas representation agreed by Ministers in mid-1982 need substantial modification. I therefore suggest that the study should concentrate on our arrangements within the UK and only later consider the implications for overseas activity in the run-up to the Ministerial review next year.

I am sending copies of this letter to the recipients of yours.

Er
T

TIMOTHY RAISON

The Rt Hon Cecil Parkinson MP
Secretary of State for Trade and Industry
1 Victoria Street
LONDON SW1

RESTRICTED

Trade,
Feb '81,
Inward Investment.

15 AUG 1983



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ECNO



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Cecil Parkinson MP
Secretary of State
Department of Trade & Industry
Ashdown House
123 Victoria Street
LONDON SW1E 6RB

12 August 1983

Cecil

DO
12/8

E(A): OVERSEAS PROMOTION BY LOCAL AUTHORITIES

Your minute of 4 August to the Prime Minister, copied to E(A) colleagues, enclosed a report by officials on overseas promotion by local authorities.

For my part, I accept your proposal that we can endorse this report without further discussion at this stage; and agree that a Rayner-type scrutiny of UK inward investment promotion might be helpful.

I am copying this letter to E(A) colleagues, Sir Geoffrey Howe and Sir Robert Armstrong.

[Signature]
[Signature]

BARNEY HAYHOE

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Trade ; Inward investment

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56789

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CABINET OFFICE,
WHITEHALL, LONDON SW1A 2AS

Chancellor of the Duchy of Lancaster

11 August 1983

Dear Caroline

DB

12/4.

OVERSEAS PROMOTION BY LOCAL AUTHORITIES

The Chancellor of the Duchy has seen your Secretary of State's minute of 4 August to the Prime Minister proposing a Rayner-type scrutiny of UK inward investment.

Lord Cockfield has two comments. First, though the study was confined to the activities of the local authorities and the new town development corporations, there is also a similar problem in relation to Northern Ireland, to Scotland and to England and Wales as a whole, as the Hyster case, in his view, illustrated. He has asked whether the Rayner study should not cover that area as well.

Secondly, in a separate but related field, there is the question of overseas promotion by the four tourist boards. No doubt your Secretary of State has this aspect of the matter in hand, but Lord Cockfield would simply like to draw attention to the need to make sure that we do not go in one direction on promotion of inward investment and in the opposite direction over the promotion of tourism.

I am copying this letter to the Private Secretaries to the Prime Minister, other members of E(A), the Foreign and Commonwealth Secretary and Richard Hatfield.

Yours sincerely
Sebastian Birch

SEBASTIAN BIRCH

Ms Caroline Varley
Private Secretary to the Secretary
of State for Trade and Industry
1 Victoria Street
London SW1H 0ET

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TEDE.
Howard Investment
Feb 8,

12 AUG 1961

