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Prime Minister

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PRIME MINISTER

OVERSEAS PROMOTION BY LOCAL AUTHORITIES

On 4 August I minuted you about overseas promotion of inward investment by local authorities. I noted that a problem of undesirable duplication and competition remained, principally in relation to England, although some progress had been made on co-ordinating local authority campaigns abroad.

2 I suggested that:

a we should continue present action to contain the problem;

b we should further review the situation in mid-1984 when the arrangements for all Governmental overseas representation in the USA and elsewhere fall to be reviewed, and

c in preparation for the mid-1984 review, we should set in hand a Rayner-type scrutiny of UK inward investment promotion during the first half of 1984 covering, inter alia, both the overseas representation arrangements and

Agree to X & Y subject to colleagues?

AT 30/9

very much doubt

whether any thing will

come out of such a review.

Is it really worth doing? No

Generate a lot of paper & be very expensive to do.

no



local authority activities as a basis for taking decisions in mid-1984 on the future form and nature of inward investment promotion.

3 In their responses, colleagues have not indicated any disagreement with (a) or (b). Reaction to (c) has been mixed with a number of colleagues strongly of the opinion that the first half of next year would be too early to undertake a Rayner-type scrutiny of arrangements that had been agreed only in mid-1982. It has also been suggested that if a Rayner-type scrutiny were to be undertaken in early 1984 it should be restricted to reviewing the arrangements within the UK, or within England.

X 4 I accept that there is force in the arguments on timing in relation to the overseas arrangements and, since I do not believe it would serve a useful purpose to scrutinise the arrangements within the UK, or within England, in isolation, I do not wish to press further my suggestion that a Rayner-type scrutiny should be undertaken ahead of the mid-1984 review. However, this in no way changes my own view that there is a wasteful proliferation of this kind of activity. If we do not have a Rayner review then I believe that the mid-1984 review should be a very searching one indeed.

Y 5 George Younger sees the primary purpose of the 1984 review as ensuring that our efforts are cost-effective and properly



co-ordinated, and he accepts that there would be a need to look again at our policy if the review revealed problems which were to question the basis of our present activities.

Y 6 I hope that colleagues can accept this as the primary purpose of the review subject to two provisos. The first is that the review should cover all substantially public funded promotional activities on behalf of the UK as a whole or on behalf of distinctive parts of it. The second is that the review should consider whether there might be ways in which the overall resources devoted to such promotional activities could be deployed more productively and cost-effectively in the national interest.

7 There is one further point which arose from colleagues' responses. Arthur Cockfield is clearly right in saying that we have to keep the overseas promotion of tourism in mind when reviewing industrial promotion. I am in the process of completing a separate review of tourism: I hope to present my conclusions to colleagues next month and Norman Lamont has already discussed, in this context, with Scottish and Welsh colleagues how overseas promotion of tourism should be handled. In this way I intend to ensure that consistent policies are pursued in these two related, yet distinctive, areas.

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

C P

TRAC, Inward Investment  
Feb 8



A. A.  
1908

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10 DOWNING STREET

*From the Private Secretary*

3 October, 1983.

*Dear Jonathan,*

The Prime Minister has seen your Secretary of State's minute of 29 September proposing a review of overseas promotion of inward investment by local authorities. She very much doubts whether anything will come out of such a review, and questions whether it is really worth doing. She feels it could generate a lot of paper, and prove to be an expensive exercise.

I am sending copies of this letter to the Private Secretaries to the members of E(A), and to Brian Fall (Foreign and Commonwealth Office), and Richard Hatfield (Cabinet Office).

*Yours sincerely,*

*Andrew Turner*

Jonathan Spencer, Esq.,  
Department of Trade and Industry.

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