



SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

CONFIDENTIAL

5 May 1983

PRIME MINISTER

*attached.*  
I am grateful to Patrick Jenkin for sending me a copy of his minute of 4 May about his visit to the United States. Certain of his references to Scotland's inward investment work (in his para 11) cause me considerable concern, however.

In the first place, my Offices in the USA do not compete with the Diplomatic Service Posts: they work with them to extend the UK's effort in accordance with Guidelines agreed inter-Departmentally. If the Posts have complaints about their operation or observance in practice, I would expect to be informed by Francis Pym and to take action to put matters right.

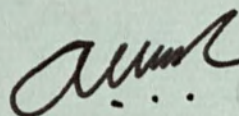
Secondly, the comparison between New York/San Francisco and Houston is misconceived. I have placed staff - again with collective Ministerial agreement - where inward investment is most likely to be found. That includes Houston, where there is a 'Locate in Scotland' representative, on secondment from a Scottish Bank.

Thirdly, I do not know what survey, and by whom, Patrick is quoting. Since a main plank of our publicity is to present Scotland as an ideal point of entry to the European Market through UK membership of the European Community, I find the comment reported by Patrick incomprehensible. A more immediate problem for me is to get it across that England does not include Scotland.

This leads me to say that I shall be resolutely opposed to reopening prematurely in E(EA) the agreement we reached less than a year ago to review the arrangements then decided in mid-1984. That review should proceed on facts - what

contribution in terms of visits and cases has the UK and territorial representation respectively made to inward investment to the UK - rather than an impression and anecdote. It is far too soon to assemble the factual material needed for a judgement.

I am copying this minute to Patrick Jenkin, Geoffrey Howe, Francis Pym, Jim Prior, Michael Heseltine, Nicholas Edwards, Nigel Lawson, Arthur Cockfield and to John Sparrow.

A handwritten signature in dark ink, appearing to be 'J. Sparrow', written in a cursive style.

Approved by the Secretary of State  
and signed in his absence



6 MAY 1985

