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3 May 1983

Ken Chris

My Secretary of State has asked me to let you have the attached first draft of the material he was invited to produce for the Prime Minister's speech at Perth next week. He asked me to say that he has included appropriate references to other Scottish Ministers in the Government but that modesty has forbidden that he should draft any tributes which may be thought appropriate for himself and his team - that is a job for other hands!

The Secretary of State asked me to send a copy of this material to Mr Gow at No 10.

A Muir Russell

A MUIR RUSSELL
Private Secretary

Through all the major difficulties of the last few years, Scotland has battled through the recession with determination and much common sense.

Thousands of Scots have been busy building up the most technologically advanced oil industry in the world. Scottish exporters have kept their markets and are now literally leading us all into the recovery.

A whole new generation of high technology industry has been running into Scotland and the flow is getting faster. Scotland is now without doubt the preferred location for these industries to serve the European market - the biggest in the world. This factor alone makes it amazing to me that the Labour Party (which likes to make out that it understands Scottish problems) blindly intends to tear us away from Europe. It is very hard to imagine a quicker way of destroying the jobs of nearly one third of the Scottish workforce overnight.

Scotland now comes into the world recovery with a new and broader industrial base and better placed to take advantage of expansion than she has been for many years. All of this comes from the skill and determination of the Scots themselves, but much is due to the remarkable leadership that has been given by our Scottish Office team.

May I remind you that four years ago we had just been through the fiasco of the Labour Government's Devolution Bill and Referendum. Scotland clearly showed it didn't want that scheme, but the confusion and uncertainty that it left behind could have harmed the Scottish Administration for years. Our team set out to repair this damage as quickly as they could, and they have succeeded beyond all expectations. Scottish Ministers are clearly in charge of named Departments, and are better known by the public than any of their predecessors have ever been. They have covered the length and breadth of Scotland to hear and discuss people's problems more widely and energetically than any previous team.

Not only that, but I can tell you that they, and all the other Scots in Government, have made a powerful contribution to the general work of Government as a whole.

I have deliberately encouraged and backed George Younger in carrying through government policy in a distinctively different Scottish way wherever this was wanted by the Scots, and whenever it made sense to do so. I see no benefit in uniformity for uniformity's sake. This is entirely in the Conservative tradition - it is real devolution of power in a practical way.

As long as I am leader of this Party we will never be a centralising, bureaucratic, "Whitehall knows best", administration. And this works both ways too. Scottish Ministers abound in this Government, and they make and influence decisions for all Britain. Hamish Gray had more than anyone to do with putting together the Chancellor's widely welcomed changes in oil taxation in this year's budget.

Alex Buchanan-Smith has done a truly outstanding job in helping the UK agriculture and fishing industry through these most difficult years, ably supported from the Scottish side by William Mansfield.

Malcolm Rifkind is now a key figure in our Foreign Office team after his highly successful work in the Scottish Office. ^{We are grateful on his handling of this} And ^{Malcolm} we now have Iain Sproat too making his mark very effectively in the Department of Trade. ^{n'at}

I can assure you too, that our Scottish Office has greatly influenced Government with its views on many important issues. On nuclear power, regional policy, taxation, defence, industry and trade, to name only some subjects, this Government would have been the poorer without Scottish advice.

We need more such people as these, and its up to you to provide them.