

Confidential Filing

Request from Welsh TUC for
 assistance with the cost of a
 Feasibility ~~Study~~ Study into the
 setting up of a resource centre
 in Wales.

INDUSTRIAL POLICYNOVEMBER 1980

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
19.11.80							
25.11.80							
PREM 19/270							



cc Mr Dwyer
NBPM Ind
M.P. Policy

PRIME MINISTER

WALES TUC

I have seen the letter of 19 November to your Private Secretary from the Welsh Office, about the Wales TUC's request for assistance towards the cost of a feasibility study into setting up a "resource centre" in Wales. I have also seen John Hoskyn's minute of 21 November, and your Private Secretary's subsequent letter of 24 November.

I agree with John Hoskyns that this looks like a good opportunity of showing that we are prepared to encourage trade union activity of a practical and non-political kind. It would have been a shame to let the initiative lapse at this stage for want of the modest funds involved. I am sure there can be both long- and short-term benefits in terms of our relations with the unions.

I am copying this minute to Nicholas Edwards, John Biffen and John Hoskyns.

J P

25 November 1980

25 NOV 1987

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cc D/M
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Press

10 DOWNING STREET

From the Private Secretary

24 November 1980

Thank you for your letter of 19 November, about the Wales TUC's approach for assistance with the cost of a feasibility study on a "resource centre" in Wales.

The Prime Minister is grateful to have been consulted on this. She endorses your Secretary of State's conclusion that an offer of £40,000 is the correct, positive response in this case.

I am sending copies of this letter to Richard Dykes (Department of Employment) and Roger Watts (Chief Secretary's Office).

M. A. PATTISON

J.F. Craig, Esq.,
Welsh Office.

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PRIME MINISTER

Mr. Edwards has been asked by the Wales TUC to help meet the cost of a feasibility study for a "resource centre" in Wales.

He thinks it right, on balance, to help, and the Chief Secretary has agreed that Mr. Edwards might offer £40,000 towards a likely cost of £70,000.

John Hoskyns strongly supports - 'A' below

Are you content for him to do so?

Yes m

MA

21 November 1980

21 November 1980

A

Policy Unit

PRIME MINISTER

WALES TUC

In principle, it must be right to respond positively to any TUC initiative which is non-political and is constructive and in line with our own thinking.

Whether or not the "resource centre" is the right way to encourage the creation of small business and co-operative ventures remains to be seen. But provided the feasibility study is being tackled in a realistic and practical way, we should be jumping at the chance to show that we support trade union activity when it is constructive, imaginative and apolitical. The money for the first step is not enormous and if we think that, politically speaking, it is an initiative we should support, then we should not appear too mean-minded about supporting it. The funds required look small enough beside the scale of the unemployment problem in Wales, which is unlikely to get better, given the outlook for BSC and NCB.

You may remember that we suggested inviting trade union leaders to discuss ways of tackling this type of problem, some months ago. But at that time, probably rightly, we concluded that there was too great a risk that any initiative from the Government would look as if we were seeking some sort of incomes policy deal. With the initiative coming from the Wales TUC, that problem does not arise.

I am copying this minute to Jim Prior and John Biffen.



JOHN HOSKYNs

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From The Secretary of State for Wales
From the Private Secretary

Mr Dargatzis
Press

IN CONFIDENCE

19 November 1980

Dear Nax

WALES TUC

Some time ago the Wales TUC asked the Welsh Office whether they would be prepared to assist with the cost of a feasibility study into the possibility of setting up what they refer to as a "resource centre" in Wales. The purpose of such a centre, should it ever be set up, would be to advise on the creation of small businesses and co-operative ventures; and to make available financial resources from a fund which would be derived from contributions from pension funds and from the savings of working people, eg from redundancy payments.

The Wales TUC think that such a study would cost about £70,000 to mount. The Welsh Office have agreed with the Treasury that, if the Office were to make any contribution at all, it should be strictly confined to an offer of \$40,000. The fact of our having made the offer would not imply any further obligation as regards the feasibility study or any proposals that might result from it.

My Secretary of State now has to decide whether or not the offer should be made. The issue is finely balanced. It cannot of course be denied that the Wales TUC is strongly opposed to the Government's economic policy; and has advocated courses of action which Mr Edwards could not condone. On the other hand, in his private meetings with TUC leaders in Wales, my Secretary of State has noted, with approval, their strong wish to be associated with positive measures for creating employment in Wales, and not to be left with no role other than one of strident opposition to the Government. The present Chairman of the Wales TUC, Mr John Griffiths, gave substance to this by accompanying my Secretary of State on his recent inward investment mission to the United States, where he did an excellent job in selling the positive side of industrial relations in Wales.

/The Wales ...

N Sanders Esq
Private Secretary
10 Downing Street
London SW1



The Wales TUC's proposal may be worth trying, although since it is a feasibility study there is no certainty that it will come to anything. My Secretary of State has, however, hesitated before turning it down out of hand. On the face of it - and there is no reason to disbelieve the Wales TUC - it is a genuine attempt to find new ways of stimulating enterprise and employment in Wales and is not solely aimed at advancing the interests of the trades union movement. Mr Edwards is a little anxious not to rebuff this attempt by the Wales TUC to come forward with a constructive proposal; and he is therefore minded to make an offer of £40,000. Before doing so, however, he has asked me to ascertain from you whether any objection is seen to his determining the matter in this way.

/ I am sending a copy of this letter to the Private Secretaries to the Secretary of State for Employment and to the Chief Secretary.

John Lewis
J. F. Craig
J F CRAIG



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