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NOTE OF A MEETING IN THE HOUSE OF COMMONS AT 1020 P.M. ON WEDNESDAY  
18 JULY ON DISPERSAL POLICY

Present:

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|---------------------------------|---------------------------------|
| Prime Minister                  | Mr. Iain Sproat                 |
| Secretary of State for Scotland | Mr. Allan Stewart               |
| Minister of State, CSD          | Mr. John MacKay                 |
| Mr. Ian Gow                     | Mr. Ian Lang                    |
| Mr. Mike Pattison               | The Hon. Thomas Galbraith       |
|                                 | Mr. Barry Henderson             |
|                                 | Mr. Michael Ancram              |
|                                 | Mr. Alex Pollock                |
|                                 | Mr. David Myles                 |
|                                 | The Lord James Douglas-Hamilton |

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Mr. Sproat, as Chairman of the Committee, thanked the Prime Minister for receiving them. Speaking on behalf of the Committee, he set out three basic political arguments for maintaining dispersal for Scotland. First, this had been a consistent commitment by the Conservative Party in Scotland. Secondly, a reversal of this policy would fan the dying embers of nationalism. The Conservatives had stressed that the best argument against devolution was in this form of decentralisation: an independent Scotland could have no claim on dispersed jobs from the British Ministry of Defence. To go back on dispersal would be a shot in the arm to the nationalists. The position of the Secretary of State, and of Mr. Teddy Taylor, in Scotland would be seriously undermined. Scotland had already undergone two shocks. One was the announcement of regional policy - this was not as bad as expected, but had had a bad press. The second was in the accelerated run down of shipbuilding, a symbolic industry in Scotland. Dispersal, if abandoned, would complete the trilogy, and would raise the question whether the Tories were serious about Scotland. The third political argument was that he and his Scottish colleagues firmly believed in the need to have top job opportunities in Scotland,

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and indeed elsewhere outside London. This did not involve removing jobs from Bath or Harrogate: they were examples of what the Committee wanted for Scotland. A good example for Scotland now would be a reversal of a trend away from such job opportunities in the regions.

The Prime Minister asked whether any other members of the Committee wished to add to this cogent presentation. Mr. Galbraith said that this was a much more serious matter than it might appear. Over a period of 50 years there had been a diminution of top jobs in the provinces. One appeal of the Scottish nationalists had been their attempts to counter this. The Scottish Tories had argued that the Government was responding to this need: the National Savings Bank had been moved to Glasgow; the Forestry Commission to Edinburgh; British Shipbuilders Headquarters had been put into the provinces by the last Labour Government. He added that he was well aware of the subtlety of argument of Defence officials from his own Admiralty days. They would settle their personal goals and then construct a convincing argument with which to persuade Ministers. The Government should tell the MOD that, if Britain was one country, then decision-making jobs must be spread around. Mr. Heath had made a major error in his Perth declaration in 1968, where he had not taken Scottish advice. If dispersal was now abandoned, he personally saw a future where Britain was not one country.

Mr. Ancram said that he did not represent a Glasgow constituency, but supported the call for dispersal: this was a major symbol for all of Scotland. Mr. MacKay pointed out that, in his Argyll constituency, there was already a major western military base at Holy loch. Security must therefore already have been found adequate. Mr. Henderson said that a third of the Royal Airforce was already in his constituency; but the decision-makers and administrators remained elsewhere. Mr. Pollock added that the RAF were also based at Lossiemouth. The Prime Minister observed that all this seemed to indicate considerable dispersal already.

Mr. Myles said that any reversal would be ammunition for the SNP. Mr. Galbraith said that it would take the heart out of those who believed in the union. He personally could not fight again in those circumstances.

/ Mr. Lang

Mr. Lang argued that dispersal was a form of devolution consistent with Tory philosophy. Mr. Stewart said that one argument advanced against dispersal had been the growing unemployment in London. But this was a result of industrial decay, and was not in the white collar jobs proposed for dispersal. Lord James Douglas-Hamilton added that the party in Scotland was unanimous in its approach. The several Scottish MPs who had remained in the Chamber for the Finance Bill debate wholeheartedly supported the approach. Mr. MacKay re-emphasised that dispersal was a crucial symbol, even if the immediate beneficiary would be Labour-held West Glasgow.

The Prime Minister said that the Committee had put its case clearly and unequivocally. She had taken no decision yet, and had wanted to hear views before the Government reached a decision. She had taken careful note of what had been said.

19 July 1979