PRIME MINISTER

Dispersal

This letter from Mr. Edwards asks you to meet him along with Michael Roberts, Ian Grist, and John Stradling-Thomas later today. They want to press the case for more dispersal to Wales.

You decided in E Committee yesterday on Option 1 plus some possible dispersal to Scotland and Bootle - the latter to be settled by MISC 12. Option 1 includes dispersal of 800 ECGD posts to Cardiff (250 have gone already, 550 will go soon). E Committee effectively ruled out any further dispersal to Wales, beyond this ECGD move - and in particular, therefore, it ruled out the dispersal of MOD posts which Mr. Edwards' minute is addressed to.

MISC 12 metathis morning, and has found 2000 posts for Scotland, and had produced options for Bootle which will have to be settled in Cabinet tomorrow. It was not asked to come up with any further proposals for Wales.

Mr. Edwards' argument hangs basically on the fact that people in Cardiff think they are getting the MOD posts. He also says that "extensive preparatory work has been carried out there". I understand, in fact, that this involves no more than road works and drainage; and that the land could easily be sold off for either housing development or other office development.

Do you wish to see them? You could fit them in between the Debate on Southern Africa and your meeting with Junior Ministers probably. My own view is that you should <u>not</u>: dispersal will come up in Cabinet again tomorrow, and Mr. Edwards will have another opportunity to state his case then. He has done fairly well out of the public expenditure exercise, and I don't think he really has a case.

25 July, 1979.

8.30 1. 2 1/1/19

Lel KM Loven Duty Clerk. (PP Mr Lonkester)