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PRIME MINISTER

Your visit to Mid Wales

In this folder is briefing from the Welsh Office on your programme and on the general economic position of mid Wales together with your Central Office brief. You may wish to look through both over the weekend.

The major problem about the visit is the announcement on Monday of the withdrawal from much of mid Wales of its Assisted Area Status. You will recall that this was discussed in Cabinet on 17 June when it was explained that the changes had to be implemented on 1 August in order to prevent some Areas losing their Status automatically. Cabinet decided to postpone the announcement for further discussions at Ministerial level and Patrick Jenkin minuted you on 18 June proposing that the announcement be made on Monday 28 June. This is of course less than 40 days before 1 August and our advice is that a further postponement would not be possible. It is likely that there will be some reaction to the announcement during your visit. As you know, a package of compensatory rural measures for mid Wales has been agreed and these are set out at Flag 3 of the general economic brief. In normal circumstances Nicholas Edwards would have been able to brief you on reaction to the announcement but since it is possible that his indisposition will prevent him from coming on the visit I have asked the Welsh Office to let us know during the course of next week.

You might also like to note that the programme includes a visit to Knighton Hospital. I have asked Derek Howe to take soundings on the possibility of trouble arising from the NHS strike there and he tells me that both Conservative Central Office in Wales and the hospital administration are optimistic. I have also asked for an assessment from the Welsh Office which has not yet arrived. Do you wish to proceed on the assumption of visiting the hospital?

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25 June 1982