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FROM THE PRIVATE SECRETARY
TO THE SECRETARY OF STATE
FOR WALES

MBM
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4/6
1 June 1979

Dear Ian,

My Secretary of State recently met a delegation from the Wales TUC for a general introductory conversation. I enclose part of the note of the meeting. From this you will see that the Wales TUC referred to the custom which has developed over the last few years of their meeting the Prime Minister once a year and having occasional access to senior Cabinet Ministers over and above their contact with my Secretary of State.

The TUC place great value on these arrangements and have asked for a formal indication as to whether they will continue.

My Secretary of State has therefore asked me to write to you (copies to Andrew Duguid (Secretary of State for Industry's Office) and Tony Battishill (Chancellor of the Exchequer's Office)) to enquire whether your Ministers would be prepared from time to time to meet the Wales TUC.

In the light of the response to this I would then propose an approach to No 10, and in the meantime am copying this letter to Tim Lankester for information, on which basis a copy also goes to Kenneth Mackenzie in the Secretary of State for Scotland's Office.

Yours sincerely

Bob Delham

for G C G CRAIG

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2. Mr George Wright said that the TUC recognised that there would be differences between them and the new administration. However, they felt that it was their responsibility to put forward the views of working people in Wales in the sphere where decisions were made. They also had views about matters affecting the United Kingdom as a whole and would be speaking to the Secretary of State as Wales' representative in the United Kingdom Cabinet. In the past the Wales TUC had greatly appreciated the large measure of co-operation they had received both from Ministers and officials in the Welsh Office. It did not matter to them whether the Secretary of State agreed with them all the time but they certainly hoped to remain in regular contact, not just being consulted but, as the Secretary of State had already indicated, offering views and advice. Their aim was to establish a close and constructive working relationship.

3. There was a number of specific issues which they wished to register with the Secretary of State:-

/(1) They hoped



(1) They hoped to continue where they had left off with the previous administration in considering what to do in the aftermath of devolution and the referendum result. They hoped to continue the consultative process started under the last Secretary of State. The Wales TUC had, in fact, set up a working group which would be looking, not just at the administrative situation in Wales but more broadly at local and central government, parliament and indeed the new European representative institutions. The Working Group would be reporting to a Wales TUC Conference in the autumn and following this Conference they hoped to come and discuss its conclusions with the Secretary of State.

(2) In previous years the WTUC had met the Prime Minister and other leading Ministers for general economic discussions. Although the Secretary of State for Wales' responsibilities were wide ranging, the WTUC valued access, not only to the Prime Minister but other senior Departmental Ministers from time to time, and felt that as representatives of working people of Wales they had a right to it. They very much hoped this arrangement could continue and would be grateful for an early indication as to whether it would or not.

(3) They were very concerned about the future and functions of the Welsh Development Agency, and worried that the Government's intention to 'clip the wings' of the National Enterprise Board might damagingly limit the effectiveness of the WDA. In the WTUC's view, the WDA had done a very good job, its most important achievement being to begin to create a sense of order in the investment sphere. The WTUC would therefore urge that the WDA be retained and strengthened rather than limited.

(4) They attached importance to their proposals for an Economic Development Council for Wales on which Mr Paul would expand.

/(5) On industrial



(5) On industrial relations the WTUC had built up considerable experience in the last 5 years in Wales and, in particular over the last 5 months or so had been responsible and authoritative in handling what had at times been acutely difficult situations. They felt, therefore, that it was for the Government to justify any changes it might propose and to demonstrate how such changes would improve the industrial relations climate. They did not of course know what precise plans the Government had in mind but they hoped to be brought in to consultation by the Government before any proposals were made public.

(6) They wished to register their regret at the proposed abolition of the Price Commission whose role in combating inflation they had regarded as valuable.

(7) On economic strategy the WTUC considered that policies based on tax reduction, price increases, no direct control over prices and free collective bargaining could create an atmosphere which would damage their authority over their members.

(8) On regional policy they would urge stability and continuity. Sudden changes were very damaging to business confidence - for example the removal of REP had a lingering, damaging effect.

(9) They supported the Manpower Services Commission. The special measures which the Commission were administering on behalf of the Government had, in their view, had a major impact in Wales and been very helpful in ameliorating the impact of high unemployment. The Wales TUC had been closely involved in operating these schemes and had done a good deal of research into them and felt they had an important and constructive contribution to make to consideration of their future.

(10) They would stress the importance of the steel industry to Wales and the damage to the economy of

/the Principality