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From The Secretary of State for Wales

25 July

Den Prime Minister

I have sent you a minute
about Dispersal that I shall be most
grateful if you could consider urgently.
I have discussed the issue with
Michael Roberts, Ian Grist and
John Shadling. Thomas and Tony have
asked whether you would be willing
to see them as they are so
concerned about the implications of
the decision. I realise the difficulties

but I should be out tonight
if you could find time to see
me later to-day

Jim Love

Nick

CONFIDENTIAL



PRIME MINISTER

DISPERSAL

At our meeting yesterday morning it was established that priority as regards the major long term dispersal should go to Glasgow; and I agreed with this.

I am nevertheless extremely concerned about reaction in Wales to the announcement that there is to be no major dispersal to South Wales, despite all expectations. This will come shortly after announcements about Assisted Area status and steelmaking which bear particularly harshly on Wales: and when there is also anxiety about future employment in coal.

A decision which gives substantial long term dispersal to Scotland only will, without the slightest doubt be regarded as an abandonment of the Welsh interest, particularly in view of the long standing commitment to Cardiff as a dispersal area, and the extensive preparatory work which has been carried out there, both by the local authorities and the Ministry of Defence. In my judgement very serious consequences will only be averted if the announcement included a measure of dispersal to Wales, perhaps on similar lines to that now contemplated for Glasgow.

I of course recognise the financial constraints under which we are working; but I believe that this is sufficiently important for the Government's standing

/in Wales,



in Wales, in the context of other recent decisions, to justify our retaining a more substantial part of the planned dispersal to Cardiff, albeit at a reduced level.

One possibility worth pursuing urgently which has been suggested by Michael Heseltine, would be that of persuading the private sector to provide the office accommodation for which we would then pay rent. This would overcome - one of the major difficulties we currently face - the PESC implications of our meeting the capital costs of the move. I think this is so important a proposal that we should not close the door on future study of it in our statement tomorrow. I hope therefore that until we can have a chance of examining this possibility we can at least keep the option open of a move to Cardiff.

As the political argument has been considered paramount as far as Scotland is concerned, I would point out that in and around Cardiff there are 4 Conservative seats that cannot be regarded as secure in the meantime, and that there is the potential for a Conservative gain on the retirement of the Speaker. In that sense the political impact is much more immediate than anything that is likely in Glasgow.

/ I am sending



I am sending copies of this minute to members of E Committee
and to Sir John Hunt.

NR .