

21 November 1980

Policy Unit

PRIME MINISTER

WALES TUC

In principle, it must be right to respond positively to any TUC initiative which is non-political and is constructive and in line with our own thinking.

Whether or not the "resource centre" is the right way to encourage the creation of small business and co-operative ventures remains to be seen. But provided the feasibility study is being tackled in a realistic and practical way, we should be jumping at the chance to show that we support trade union activity when it is constructive, imaginative and apolitical. The money for the first step is not enormous and if we think that, politically speaking, it is an initiative we should support, then we should not appear too mean-minded about supporting it. The funds required look small enough beside the scale of the unemployment problem in Wales, which is unlikely to get better, given the outlook for BSC and NCB.

You may remember that we suggested inviting trade union leaders to discuss ways of tackling this type of problem, some months ago. But at that time, probably rightly, we concluded that there was too great a risk that any initiative from the Government would look as if we were seeking some sort of incomes policy deal. With the initiative coming from the Wales TUC, that problem does not arise.

I am copying this minute to Jim Prior and John Biffen.



JOHN HOSKYNs