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10 DOWNING STREET

WELSH Office
Dinner

From the Private Secretary

26 April, 1983

25.4.83.

Dear Margaret,

The Prime Minister is writing separately to your Secretary of State about last night's dinner. But you might like a brief summary of some of the points which were discussed by the Prime Minister and the Secretary of State's guests.

- (i) There was some discussion of the position of the Chairmen and Chief Executives of public sector bodies in the light of the experience of two of those present. It was noted there was a statutory requirement for an accounting officer which could not be the Chairman. But in a number of cases it seemed that the two roles could be combined successfully.
- (ii) There was some discussion of the success of the Welsh Development Agency in attracting industry to Wales. Although some concern was experienced that about 14% of the available factory area - some 3 million sq. ft. - was unoccupied there were areas such as Cwmbran whose occupancy was about 100%. Although some factory space remained unoccupied for longer than was desirable the proportion was falling and in any event a margin of unoccupied capacity enabled the Agency to respond quickly to requests from industrialists.
- (iii) Your Secretary of State with the support of a number of the guests pressed the case for a third nuclear power station in Gwynedd. Unlike a number of other areas the local population was used to nuclear power and would welcome the jobs that it brought.
- (iv) There was a lengthier discussion of management in the National Health Service in Wales. Both Chairmen of Health Authorities expressed concern at the lack of scope for firm management control, suggesting that a system of "management by consensus" by the medical profession had become so entrenched as to be immovable. This was compounded by obstructive unions and a planning system (or lack of it)

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which led to major capital projects such as the Bangor District Hospital taking 15 years to complete. The Prime Minister said that, while there was an encouraging story to tell in the Government's policy towards the private sector in Wales, public sector management remained one of the major problems facing them.

- (v) The Prime Minister noted the extent to which new firms establishing in Wales were either non-union or single union. Although there was some doubt about the legal position there was no question but that the workforce in much of Wales was prepared to work in non-union companies provided they were well managed.

*Yours ever,
T. F.*

(Timothy Flesher)

Mrs. Margaret Evans,
Welsh Office



10 DOWNING STREET

THE PRIME MINISTER

26 April, 1983

Mr Nicholas.

Thank you so much for arranging a most enjoyable dinner on Monday night. Your hospitality was as usual extremely generous and it was a particular pleasure to meet such a wide range of stimulating company. I certainly found the discussion interesting and I hope that your guests did too. I very much agree with your belief that you have a number of very impressive Chairmen in Wales.

Please pass on also my thanks to those of your staff who were involved in making the arrangements for the dinner.

*Y
Lansdown
Nicholas*

The Rt. Hon. Nicholas Edwards, M.P.

RWJ

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From The Secretary of State for Wales

The Rt Hon Nicholas Edwards MP

ms
22 April 1983

John Price Minister

I am very much looking forward to welcoming you to dinner at Gwydyr House on Monday night. Twelve is about the maximum number that we can sit comfortably, so that we can talk around the table. I have tried to bring together some interesting people from Wales. First, some of those whom I have appointed to important public sector jobs and secondly, a few representatives of private sector industry.

Michael Griffith, who is about my age, and was Conservative chairman of Clwyd, is a prominent North Wales farmer and a man of wide interests. He is proving to be one of the very best of our district health authority chairmen and in my judgement is one of the ablest men that we have in Wales. Mrs Noreen Edwards is our most recently appointed health authority chairman, having been the number two in the authority for some time before. She has taken over from a troublesome nationalist and is getting on with her task, in a difficult political situation, competently and sensibly.

John Williams, the recently appointed Chairman of the Welsh Development Agency, was recruited after an exercise involving head-hunters and public advertisement. He comes from outside Wales, after an outstanding career in BOC. Those of us who have worked with him in the last few months have been deeply impressed by his competence, energy and imagination. He has a particularly arduous task at the present time because of the death of the Agency's Chief Executive which means that he is having to do far more than the Chairman's job while a new Chief Executive is recruited.

John Jones is another outstanding capture from the private sector. For a dozen years he was Deputy Managing Director of Anglesey Aluminum and he was then recruited as Industrial Director at the Welsh Office, carrying out the vital job of liaison with the private sector and with particular responsibility for inward investment. He accompanied me on visits to the United States and Japan but it was a total surprise when he applied for the Welsh Water Authority

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The Rt Hon Margaret Thatcher MP



Chairmanship after we had again launched a recruitment process based on head-hunters and public advertisement. He also has a formidable load at work at the present, having, in this instance, got rid of the Chief Executive, he is having to do a double job whilst a successor is found. Giles Shaw told me on Thursday night that he is regarded as one of the very best Water Authority Chairmen in the country. He is a Welsh speaking Welshman, with a passionate loyalty to Wales and, in particular, Anglesey.

Leslie Morgan, a Conservative from Mid-Wales, is our appointment to the Chairmanship of the Development Board for Rural Wales. He also serves on the Welsh Development Agency. He is perhaps a less exciting and dramatic character than either John Williams or John Jones but is competent and sensible in his approach.

From the private sector, I have selected three people to represent three different kinds of company. Dr John Randall is the head of Avana, a long established Welsh group in the food business which has suddenly become expansionist and extremely successful and has made a number of acquisitions in recent years. He can speak about the experience of a long established company changing its face during a period of recession. Dr T P Jones represents something quite different, a high technology company enjoying rapid growth. He is an example of an academic who has turned an idea into a successful product, a range of breathalyser systems. Haydn Williams, like John Jones, could only be a Welshman. Formerly an actor he worked with Richard Burton as a young man. He runs Smith Kendon, the well known sweet manufacturers that are now owned and controlled by Beatrice Foods of the United States. Beatrice Foods have a very high opinion of our Welsh plants, as their Chairman has told me, and Haydn Williams can therefore speak as a representative of the many companies we now have in Wales that are American owned. Trevor Hughes, my Permanent Secretary, will also be at dinner. He has returned to Wales from the Department of Transport, and after 2 years at the Welsh Office he is in a good position to report on what we have achieved.

John and Wyn will I hope join us for pre-dinner drinks but will not be staying for dinner. I hope you will find the company stimulating. I know you will stimulate them. My only anxiety is that I may find some of my best Chairmen removed from me, to take up even greater responsibilities!

J. er

Near



Seating Plan

Mr John Jones

Dr Tom Jones

Mr Haydn Williams

Secretary of State

Mrs Noreen Edwards

The Prime Minister

Mr John Williams

Mr Michael Griffith

Dr John Randall

Mr T Flesher

Mr Leslie Morgan

Sir Trevor Hughes



MRS NOREEN EDWARDS

Mrs Noreen Edwards OBE TD JP DL SRN SCN of Colwyn Bay is Chairman of Gwynedd Health Authority. At 55 years, she is a former hospital matron, former Chairman of the Royal College of Nursing Council for the United Kingdom, the first Chairman of the Welsh Board of the Royal College of Nursing and 2 years its President. She has knowledge of Whitley Council for the National Health Service as member of Ancilliary Staff Council and made an outstanding contribution to nursing matters prior to her retirement following marriage.

She is a member of the Warnock Committee of inquiry into human fertilisation and embryology, a Justice of the Peace, first lady Deputy Lieutenant of Clwyd and a Governor of Rydal School.

Mrs Edwards is a competent and effective public speaker. Her contribution to the Health Authority has ben enormous. Her clinical knowledge, experience and judgement is extremely valuable and she is excellent in her committee work.

Prior to his retirement, her husband was Chief Executive of Colwyn Borough Council. He is currently chairing the Wayne Williams inquiry.



MR E MICHAEL W GRIFFITH, GREENFIELD, TREFNANT

Mr Griffith farms a total of about 700 ha of which 200 ha is rough grazing. The farming business is in two basic blocks:

1. A hill unit in Llangwm/Cerrig y Druddion with a hill cow herd of 160 and sheep flock of 1,770 ewes.
2. A lowland unit of about 310 ha at Ty Newydd, Trefnant with a beef cattle enterprise (linked with the hill unit), 560 ewes and corn growing enterprise.

He has given considerable service to Welsh agriculture, both locally (as President of the Flint and Denbigh Show, as member of the NFU County Committee and the Committee of the Vale of Clwyd Farmers' Co-operative) and on the all Wales level, being a member of the Agricultural Advisory Panel for North Wales from 1972 to 1977.

At the UK level his contribution has been as a lay member in the field of research and development. In October 1982 he completed a second-year term as a member of the Agricultural Research Council and is not eligible for re-appointment. He is past Chairman of the Arable Crops and Forage Board, one of the Committees to advise on sponsoring Government research and development in this field. He has been a member of the Consultative Board which advises on overall research and development priorities. He is current Chairman of the ARC visiting panel which is considering the future organisation and work of the Welsh Plant Breeding Station, the Grassland Research Institute and the Hill Farming Research Organisation.

Mr Griffith was appointed Chairman of the Clwyd Health Authority from 1 August 1980, having served briefly as a member. His decisive style of management has made a considerable impact and already he has shown himself to be a very able Chairman. Recently chosen by his fellow Chairmen to head the Health Management Efficiency Group set up in May 1982 within the NHS to coordinate a range of initiatives designed to monitor and improve the cost effectiveness of the Health Service operation in Wales.

John Elfed Jones - Chairman, Welsh Water Authority

Date of birth: 19 March 1935 - Age 48

Married; two daughters

Qualifications: CEng MIEE

Educated; Blaenau Ffestiniog Grammar School
Denbighshire Technical College, Wrexham
Heriot Watts College, Edinburgh

Career:

1949-1955	Electricity Supply Authority	Student Apprentice/ Graduate Apprentice
1955-1957	National Service - RAF Outward Bound School	Flying Officer Rock-climbing instructor
1957-1959	CEGB - South Wales Division	Assistant Engineer, Technical Department
1959-1964	CEGB - Northern Project Group	Deputy Project Manager/ Senior Electrical Engineer
1964-1967	CEGB N W Region	Deputy Group Manager, Mid Wales Group
1968	Connah's Quay Power Station	Deputy Manager
1969-1974	Anglesey Aluminium Metal Ltd	Engineering Manager/ Production Manager
1974-1979	Anglesey Aluminium Metal Ltd	Administrator Director/Deputy Managing Director
1979-1982	Welsh Office (on secondment)	Industrial Director for Wales
April 1982	Appointed a member and Chairman designate of Welsh Water Authority	
June 1982	Became Chairman of Welsh Water Authority	

Outside interests:

1964-1967	Treasurer, Urdd Gobaith Cymru (Welsh League of Youth)
1976	Hon Colonel, Commonwealth of Kentucky
1978-1982	Member of the Court of the University of N Wales, Bangor
1979	Member BBC Broadcasting Council for Wales
1981	Member of the Court of the National Eisteddfod of Wales

Hobbies: fishing for salmon and trout; reading; attending Eisteddfodau

Dr Thomas Parry Jones

Co-founder, Managing Director and Chairman of Lion Laboratories Ltd.
His particular responsibilities within the firm centre upon research and development and overseas marketing.

Aged 48. He obtained a BSc (Chemistry) from University College Bangor in 1958 and holds a PhD of the University of Alberta where he was a teaching fellow between 1958 and 1961. He was subsequently a senior research fellow at the Royal Military College of Science at Shrivenham and from 1964 to 1979 a lecturer in the Chemistry Department of the University of Wales Institute of Science and Technology.

Lion Laboratories was founded in 1967 in Cardiff. It manufactures breathalysers. Since then the Company has moved to Barry, where it employs about 50 people. It has concentrated on developing more accurate and a wider range of instruments including instruments for measuring alcohol levels in the breath, blood and in industrial processes. The Company's main customers are, and always have been, the police forces of many different countries. A new development is the Intoximeter which will be in use from 6 May this year and has been bought by 39 of the country's 43 forces, including the Metropolitan Police.

The Company also meets the developing demands of the medical and industrial fields for measuring instruments. Its range of products includes gas monitoring instruments for hospitals, industry and environmental uses and various types of fuel cells.

BIOGRAPHICAL DETAILS - MR F LESLIE MORGAN

Age: 56 Married (1962), 1 son, 2 daughters.

Honours: MBE (1973)

Education: Llanfair Grammar School
University College of Wales (BA Econ Hons)

Present and Past Appointments Held

PRESENT

1. Chairman Development Board for Rural Wales (appointed 1981) and has been member since its inception in 1977.
2. Member Welsh Development Agency since 1981 (ex-officio as DBRW Chairman under Development of Rural Wales Act, 1976).
3. Member Wales Tourist Board (appointed 1982).
4. Member Design Council Welsh Committee (appointed 1981).
5. Chairman Mid Wales Reservoir Defence Committee (appointed 1967).

PAST

1. Deputy Chairman Mid Wales Development Corporation - the Newtown development corporation for Newtown, Powys (from 1967-1977 when it was dissolved and subsumed by DBRW).
2. Member Development Board for Rural Wales (and Chairman of Newtown Committee) 1977 to appointment as DBRW Chairman in 1981.
3. Member Welsh Council 1971-1979 (when it was disbanded).
4. Member Development Corporation for Wales 1981-1983 (when DCW was dissolved).

CAREER DETAILS

1950-56 MOTOR INDUSTRY - post graduate trainee and parts executive.

1956- AGRICULTURAL MERCHANT - Chairman of family business of Morgan Bros.

OTHER INTERESTS

Founder member of University College of Wales Tory Society - 1949

Divisional Chairman Warwick and Leamington Young Conservative Association 1953-56

Conservative parliamentary candidate 1959

Chairman and President Montgomeryshire Conservative Association 1964 - 1981

Dr John Randall

Avana Group - Chairman and Managing Director. Aged 53. Started his career after University with Nestle (UK) London in their laboratories and worked with them until 1973. Moved from the laboratories into production with responsibility first for milk and dairy products, then for the production of instant coffee and tea. Was posted to Switzerland and on return to UK was appointed Technical Director with responsibility for Nestle and subsidiaries - Findus, Crosse and Blackwell and Keelers. Was engaged on commercial assignments - Switzerland and the United States. Joined Avana Group in 1973.

The Avana Group produces foodstuffs including confectionery, savoury products, jams and fruit juices. Pre-tax profits in 1982 were £10 million compared with £300,000 ten years ago. Forecast profits for 1983 are £13 million. Turnover and profits are both forecast to increase. Avana employs about 400 in South Wales with factories in Swansea, Rogerstone and Cardiff. The Rogerstone factory is to be extended and employment there more than doubled.

The company also has factories in England and Scotland.

Mr H L Williams OBE - Smith Kendon Ltd

Mr Williams is the Managing Director. He joined Smith Kendon in 1961 as Sales Director. Appointed Managing Director in 1964 and Chairman in 1978. Mr Williams is President of the South Wales Branch of the Institute of Marketing and former Vice Chairman of the British Food Export Council. He was awarded the OBE in 1975.

Smith Kendon manufactures confectionery (originally boiled sweets) from a factory at Bridgend. Originally a private company Smith Kendon were taken over by Beatrice Foods Co (USA) in 1978. In 1982 Beatrice Foods took over Callard, Bowsler and Nuttal and as a result are extending Smith Kendon's Bridgend factory. The company currently employs 130 but 370 new jobs will result from the expansion. Turnover in 1981 was over £3 million of which about 60% is exported. The company won the Queen's Award for Export Achievement in 1974. The project costs of the expansion are about £10 million of which £2½ million will be in grant from the Government.

Mr John Williams - Welsh Development Agency

Mr John M Williams was appointed Chairman of the Welsh Development Agency in December 1982. He is 56 years of age and lives in London and St Briavels near Chepstow. He was educated at Sherborne School and Trinity Hall Cambridge where he read natural sciences (chemistry). After national service he spent five years in India in a managing agency house involved in a variety of industries including cotton manufacturing, flour milling and coal mining. On return to the United Kingdom in 1954 he had a short spell with Unilever before joining BOC Ltd. He progressed from sales manager in a chemical subsidiary to Chief Executive of the Chemicals and Metals Divisions and in 1974 became Managing Director of BOC's British and European operations. In 1978 he was appointed Group Chief Operating Officer, this being seen as a stepping stone to the Chairmanship of BOC but some months later Mr Williams underwent major heart surgery and was obliged to retire from BOC.

Between 1980 and 1982 he was part-time Chairman of Newman Industries, a holding company with interests in electric motors, ceramics, valves and other products. He left this post when the Singapore-based majority shareholders decided to take a more active management role.

In addition to being part-time Chairman of the Welsh Development Agency Mr Williams is also a non-executive director of Harland and Wolff.



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FROM THE PRIVATE SECRETARY
TO THE SECRETARY OF STATE
FOR WALES

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22 April 1983

Dear N. Flesher,

... The Secretary of State has asked me to send you the enclosed extracts from material that he has just sent to the Conservative Research Office. He thinks this will be useful for the Prime Minister for the dinner on Monday evening.

*Yours sincerely,
Leighton Davies*

PP MARGARET EVANS

Tim Flesher Esq
PS/Prime Minister
10 Downing Street
LONDON SW1



WALES: ECONOMIC BRIEFING

In the midst of recession it has been the job of the Government to encourage changes in attitude, to prepare the infrastructure and to create the environment in which the economy of Wales, so long over-dependent on the old basic industries, can be diversified and rebuilt around the new technologies. The foundations for recovery have been firmly laid. Despite the scale of the recession new companies have been attracted into Wales in record numbers and these include many representing the new technologies and the service sector.

URBAN PROGRAMMES

Urban programme initiatives are being taken by the Government in Urban Areas throughout Wales. Schemes involving public expenditure of some £21 million have already been announced for 1982/83 and this represents a significant increase on the programmes in the previous year. The Urban Development Grant package which the Government announced as part of this programme will also stimulate a great deal of private sector investment. A total of over £29 million of investment is expected to be triggered by grants of about £5½ million, a private to public ratio of about 4 to 1. All these urban schemes will help to build on what has been achieved through the industrial and derelict land schemes of the Government Agencies, the new towns and the local authorities.

The Urban Development Grants scheme has provided the necessary stimulus to launch the immensely exciting Maritime Quarter Development in Swansea which, together with the Enterprise Zone in the lower Swansea valley, is helping to create a city for the 21st century out of the ruins of the first Industrial Revolution.

In Cardiff, another UDG has helped to make possible the Holiday Inn development, and has made possible the launching of a major initiative to rebuild South Cardiff.



ENTERPRISE ZONES

The Swansea Enterprise Zone was the first designated in Britain. Between designation and the end of February 1983, 69 firms had been attracted to the Zone including 24 (35%) completely new start-ups, 17 (24%) new branches and 28 (41%) relocations. In the final quarter of 1982 as many as 130 enquiries were recorded which is evidence of continuing interest. When the firms that have already committed themselves are fully operational about 1,000 jobs will have been created. About half the premises left by the firms that have relocated in the Zone have already been reoccupied by other firms. A second Enterprise Zone is being established in Flint in North Wales. A third Enterprise Zone has been chosen on the Milford waterway in South West Wales.

ENTERPRISE ALLOWANCES

The Enterprise Allowance is designed to help unemployed people who may find particular difficulty in starting and keeping a new small business going. It was introduced on a pilot basis in five areas in 1982. One of these was Wrexham where so far (end of February) 560 applications have been received, 356 approved and 280 were in receipt of allowance. The success of the scheme has encouraged the Government to make it available throughout Great Britain from August 1983. Wales will receive an appropriate share.

Advance factory building This has taken place on a massive scale under this Government.

Since 1979 Government Agencies in Wales have built well over 6 million sq ft of advance factory space. (WDA 5 million sq ft; DBRW over 550,000 sq ft; Cwmbran Development Corporation over 650,000 sq ft).



Allocations In 1981 Government Agencies allocated almost 300 units and 1.6 million sq ft of space and in 1982 388 units covering nearly 2 million sq ft of floor space. These figures do not include bespoke projects like those for Mitel, Inmos or the Titanium plant in Clwyd; nor do they include expansion projects such as those by 3 M's and Sony.

Selective Financial Assistance (Section 7 - Industry Act)

Offers Accepted

	<u>Value</u> (£000)
1978	8,499
1979	15,511
1980	15,714
1981	19,891
1982	24,863

The Government have achieved record figures of government factory building, allocation of those factories and value of Selective Financial Assistance given to firms in Wales.

UNEMPLOYMENT AND TRAINING

The Government is particularly concerned about those who have been out of work for long periods and they have introduced and extended the Community Programme as the main vehicle for helping them. The programme (costing £380 million in 1983/84) is designed to provide in the region of - 30,000 places a year nationally. Currently, over 2,700 people in Wales are being helped by the scheme. This is only one component of the programme of special measures to which the Government is devoting about £2 billion in the current financial year.



Nearly a third of last year's school-leavers in Wales had already found work by Christmas. For those school-leavers not fortunate enough to find jobs quickly, the work experience training and other support provided by the Youth Opportunities Programme will be of considerable help. The undertaking to find a place in the Youth Opportunities Programme by Christmas for those not yet in work has again been largely met throughout Wales. Only 170 young people still awaited the offer of a place on the programme at the end of the year.

The Government intends to spend approximately £1 billion next year on the new Youth Training Scheme. This is a vital part of the new training initiative which has three main objectives: the first is to develop skill training, including apprenticeship; the second is to move towards a position where all young people under the age of 18 have the opportunity either of continuing in full-time education or of entering a period of planned work experience combined with work-related training in education; the third objective is to open widespread opportunities for adults, whether employed or returning to work, to acquire, increase or update their skills and knowledge during the course of their working lives.

THE STEEL INDUSTRY

During a period in which there has been World-wide over capacity, Wales with its previous dependence on steel has suffered severely. The problem of overmanning and uncompetitiveness had to be faced. Since 1979 manning levels at the major plants have fallen by more than half, steel making at Shotton and at the Duport Work at Llanelli came to an end, and employment in both BSC and the private sector fell by about 32,000 (BSC from 50,500 to 21,000).

Productivity and performance at the remaining Welsh plants have improved dramatically. The achievement of "slimline" has given Llanwern and Port Talbot the chance to live. In a year, they have put themselves among the most competitive steel-making plants in Europe.



The Government has also made it clear that it recognises the need for continuing investment and modernisation of the industry. The CONCAST project at Port Talbot has been completed. The modernisation of the hot rolling mill at Port Talbot has been included in BSC's Corporate plan currently awaiting approval by the Government and the European Commission.

Special Aid In November 1979, the Government announced a number of special measures to help mitigate the effects of the reductions in manning levels on the areas most seriously affected by them. Shotton was given special development area status. The budget of the Welsh Development Agency was increased by an allocation of £27m in cash terms to enable it to press ahead with advance factory and site development works at the Deeside Industrial Park and other locations in NE Clwyd. A total of 136 factory units (over 1m sq ft) are in the Deeside Industrial Park. In February 1980, a further initiative was announced to help areas in South Wales affected by steel closures. Under this scheme £59m was allocated in cash terms to the Welsh Development Agency and Cwmbran Development Corporation to help them attract new industry to the area. In August 1980 Port Talbot was upgraded to special development area status and Newport to development area status. In June 1981 the Welsh Development Agency set in hand a special programme of factory building in the Llanelli area, and the Llanelli Travel to Work Area (part of which had been downgraded to Intermediate Area status in 1979) was given Uniform Development Area status in 1982.

THE COAL INDUSTRY

Because of its age and complex geology, the South Wales Coalfield contains a number of collieries at which coal can no longer be mined profitably. Heavy losses have been made by the NCB in its Welsh operation. Under successive governments it has been necessary to close pits. Labour Governments have



reduced employment in the South Wales Coalfield by 55,000 since the war. The numbers employed in the pits there fell by 18,000 between 1969 and 1970 and by over 5,000 in the period of the last Labour Government. Between April 1979 and February 1983 under the Conservative Government the numbers on the NCB's colliery books fell by a further 4,500.

The Conservative Government has given massive financial support to the industry. Capital investment is now running at £800 million per annum for the United Kingdom; and the total investment under this Government has been almost doubled than under Labour. It is for the NCB to decide where this investment is directed and inevitably much of it will be in the newer coalfields outside Wales. However, the NCB are currently spending about £30 million per annum in Wales and projects totalling about £40 million are underway. The heavy losses in the Welsh coalfield represent a heavy drain on NCB resources and the Board has made it clear future closures will be required, though the Energy Select Committee has confirmed that there is no "hit list". Decisions on pit closures are made individually at local level by the NCB, and the Unions are fully consulted.

The Government has offered £2.5 - £3 millions towards the estimated £30 million cost of the Coal Liquefaction pilot project at Point of Ayr in Clwyd. With Regional Development Grant the Government contribution could be about £5 million (of which £500,000 has already been made available).

AGRICULTURE AND ECONOMY

The agricultural industry has recovered substantially and incomes are now near the levels achieved in 1978/79 in real terms. This year has seen an increase of some 41% in net farm incomes in Wales. The Government is entitled to credit for the way it has been able to assist the industry during the recession and for their part, the farmers can take pride in



the fact that during a period of which the retail price index rose by 51%, food prices only increased by 35% and farm gate prices by about 24%.

Welsh agriculture has shared in this recovery in incomes. The sheep sector is very buoyant and now that we are in the third year of the sheep meat regime it is possible to say that this has been a major success in underpinning the product and giving confidence to producers. An application has been made to the European Commission for marginal land to be included in the less favoured areas. Milk remains the most important single sector in Wales accounting for just under half the total output value of Welsh argiculture. Returns to producers are now improving but increasing production and lower consumption is brining its own problems which will have to be resolved within the CAP.

The Government believes it is vitally important that the industry in Wales, not only farmers but wholesalers, retailers, food processors and everyone in the food chain should take advantage of this initiative and think positively about marketing. Last December Welsh Lamb Enterprises was launched at the Smithfield Show and other initiatives have included the successful marketing of Pembrokeshire early potatoes under the 'Puffin' brand.

TOURISM

The importance of the tourist trade to the Welsh economy as a provider of jobs and revenue has grown steadily over the years and is likely to increase still more with the need to create new job opportunities. The tourist industry and allied activities provides work for about 90,000 people and brings in about £450 million from British visitors alone each year. Even in 1981 when the industry suffered from a combination of the world recession and a strong pound which made overseas holidays very attractive to the British holidaymaker, the Wales Tourist Board estimated British and overseas visitor spending at £457 million.



ROADS

Under the Conservative Government (up to February 1983) we have seen the completion of about 23 miles of new or improved motorway and about 52 miles of trunk road improvements costing over £1 million each. In the next two to three years we expect to complete another 40 miles of trunk road at a cost of £275 million.

Attracting New Industry The Secretary of State has been working for a considerable time to improve our ability to attract new industries to Wales. In January he announced new arrangements with the object of making Wales a more effective force in the highly competitive inward investment market. The Development Corporation for Wales has been replaced by a new unit - WINVEST - Wales Investment Location, which will combine the inward investment functions previously carried out by the Development Corporation for Wales, the Industry Department of the Welsh Office and the Welsh Development Agency. From now on the potential inward investor will have to deal with only one organisation and as far as practicable, one individual will be his guide as to what is available in Wales.

The concept is being developed of the "ONE STOP SHOP". As part of that concept, alongside WINVEST will be another organisation - WINTECH - The Wales Industry Technology Centre which will act as a focus for what is happening and what is available in Wales in the field of technological change. It will incorporate INDIS, the computer-based information service first developed by the Mid-Glamorgan County Council which is now being extended to other South Wales counties and linked to similar arrangements in North Wales.

The WDA under its new Chairman, Mr John Williams, has been carrying out a review of its own activities and strategy in consultation with the Secretary of State and a similar review of the work of the Wales Tourist Board has also been carried



out. All this is part of a determined effort by the Government to see that the instruments of Government are flexible enough to respond to a rapidly-changing world and to ensure that Wales is ready to take advantage of the opportunities that such a period of change affords. Industry increasingly recognises that it has to shed its skin like a rattle snake. Any country, industry company that has its ever fixed on the past or spends its time bemoaning the destruction of old industries, will miss the chance of sharing in the prosperity that the new industries will bring.

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Oddi wrth Ysgrifennydd Gwladol Cymru

The Rt Hon Nicholas Edwards MP

From The Secretary of State for Wales

23 February 1983

Prime Minister

Dear Prime Minister

*Wouldn't it make
more sense to spend 2 hrs
mid-day at the Welsh
Office & thereby meet
more people. Agree? E.J.*

I told you on the flight back from Cardiff that we would very much like to have you and Denis to dinner at Gwydyr House and to ask a few interesting people from Wales to meet you. I don't think you have ever seen this rather fine building and I fear that there is little prospect of showing you the Cardiff office before the election. If you felt able to accept, I would ask our Private Offices to try and find a suitable date in March or April. We are of course on the Bell and no further from the House than No 10.

23/2

*J. ...
Ned*

*We had better
leave choice
of what to do
to Nick.
W.S. do*

The Rt Hon Margaret Thatcher MP
Prime Minister
10 Downing Street
LONDON

P. Fletcher
*Will you do
letter? E.J.*

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