

Week Briefing (Mike Edwards 16 June 86)

Goodies

1a South Cardiff - v. early. <sup>9</sup> transformed shopping  
Urban renewal center, class through  
urban  
redevelopment from

+ b) launched redevelopment. with UPG.

c) how self in bed - build a barrow.  
hope to take a domain in action  
(written Anne due on Thursday.)

+ maritime zone in Swansea. want to link  
to this valley.

2b { Valley initiative - to involve public & private sectors.  
including  
British Rail imports

In this way tackling mid-level.

2 ARS  
National Assembly  
Day Committee work for arts  
redevelopment.

3 Rural initiative

#### 4. Second Senate Group

still to be made in Dept  
decision to be announced v. soon after.

Hope to go to College in next few days.

Hope for answers in July.

ME - will <sup>probably</sup> say - hope to make an announcement soon.

#### Borders

##### 1. Agriculture

take NFU fears

##### 2. Health - mainly with Law go up.

##### 3. Education - GATE seen as English seen

But universities. Overstated pressure is seen as  
large in Wales

Cardiff & UWIPT merger - general agreement met  
then should take place.



1. Number of Con mfr. - 13? (cham)

2. HTV opinion pres.

3. Key issues - education  
health.  
agriculture.

4. Steel v. good stly.

13,000 org in coal (at bottom - now fully  
some machines)

5. Hops. - brief

brigi

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the following:-

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6. National Health Service
7. Lamb and radio-caesium
8. Agriculture
9. Steel : closure rumours
10. Vision

Appendix : Draft speech at the  
Conference by Nick  
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For the attention Steven Sherbourne, No 10,  
 The Parliamentary Candidate for Wrexham, Roger  
 Graham Palmer, is becoming very excitable about  
 this issue, since he believes that a decision for  
 the £25m investment to go to Aldwarke at  
 Sheffield could well foreshadow the closure of  
 the Bymbo plant at Wrexham and the loss of 1170  
 jobs. While I appreciate that the decision is  
 not ~~so~~ directly ~~to~~ controlled by the DTI,  
 I understand that the Department does have  
 the power to intervene, so I have advised  
 Mr Graham Palmer that his best action would  
 be to seek an early interview ~~of~~ with Peter  
 Morrison whom I believe is the responsible  
 Minister.

### Background information:

May 1986 Unemployment in Wrexham		Travel to Work Area		Total	
Males	%	Females	%		%
5539	20.1	2353	12.5	7692	17.0

It is estimated that some 1500 jobs have been lost in  
 the Wrexham area in the last year in various  
 industries.

Wrexham suffered the loss of its Courtauld's  
 acetate yarn works, with 508 resulting job losses.

Bersham Colliery is to close this year with the  
 loss of 480 jobs.

Liz Morgan Lewis



For the attention of Stephen Sherbourne,  
Number Ten Political Office.



Ysgrifennydd Gwladol Cymru  
Secretary of State for Wales

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*Gyda Chyfarchion yr Ysgrifennydd Preifat*  
*With the Compliments of the Private Secretary*

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*Telephone:*  
*01-233 6106 or 8545*

*Y Swyddfa Gymreig*  
*Welsh Office*  
*Whitehall,*  
*London, S.W.1.*

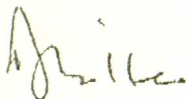


PRIME MINISTER'S VISIT TO WALES : BRYMBO STEELWORKS

As requested, I attach briefing on Brymbo for use by the Prime Minister when he visits Wales on Saturday.

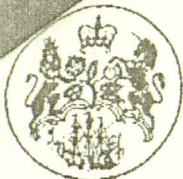
The company informs me that there are strong rumours in Wales that the major caster investment will take place in Rotherham and not Brymbo, and that Brymbo will be run down and then closed. As the briefing indicates however, the UES Board have not yet taken a formal decision on the investment (although it probably will tomorrow) and no public announcement will be made until the end of next week. The line to take stresses that decisions on investment and rationalisation/closures are matters for the company.

As agreed, I am sending a copy of this brief to PS/Secretary of State for Wales and to the Welsh Office in Cardiff.



DAVID MILLER





## BRYMBO STEELWORKS

### Line to take

Will Brymbo close? : Decisions on the future of individual plants are a matter for the UES Board, in the light of market conditions. When UES was set up the company said they did not envisage any major plant closures in the immediate future.

Where will Caster Investment take place? : UES is a free-standing private sector company. Within the financial framework which was agreed when the company was set up decisions on the timing and location of future investment projects will rightly be a matter for the UES Board.

### Background

Brymbo is one of the former GKN works which comprise the United Engineering Steels (UES) joint venture (Phoenix II) between BSC and GKN which was set up earlier this year. The Government agreed the provision of funds to BSC to subscribe to UES on the understanding that the new company will undertake further investment, particularly in continuous casting. The timing and location of such investments will rightly be a matter for the UES Board.

[**COMMERCIAL IN CONFIDENCE** : It has always been envisaged that the major planned investment in continuous casting will take place at the ex-BSC Aldwarke plant in Rotherham rather than Brymbo, but this has not been made public because of the speculation it would cause about the future of Brymbo. It is planned that Brymbo would in fact close in due course (probably in 1988/9) after the Aldwarke investment has been completed. The UES Board are expected to decide formally to place a contract for the caster at Aldwarke at their Board meeting on 19 June and would announce their decision about a week later.]



**Tourism.** According to estimates made by the Wales Tourist Board, the tourist industry provides employment for about 90,000 people in Wales. The Government believes that the industry could provide jobs for many more, if restrictions which hamper its development were removed.

The Government's publication, *Pleasure, Leisure and Jobs* (1985), showed how obstacles could be removed to enable this private sector industry, largely composed of small businesses, to grow and flourish in the years ahead.

The Government has given increasing financial support to the industry through the Wales Tourist Board which administers grants available under section 4 of the Development of Tourism Act.

**Annual Expenditure of the Wales Tourist Board since 1979-80**

	<i>Grant in Aid</i>	<i>Projects (S4)</i>	£000s <i>Total</i>
1979-80	2,000	1,700	3,700
1980-1	2,600	1,700	4,300
1981-2	3,166	1,911	5,077
1982-3	4,047	1,515	5,562
1983-4	3,823	1,209	5,032
1984-5	4,565	1,800	6,365
1985-6	5,196	2,500	7,696

(Source: Welsh Office)

Other sources of funding for tourism-related development are the Urban Programme and Urban Development Grant, Rural Enterprise, the Welsh Development Agency and Mid Wales Development. Contributions have been made to projects as varied as the tidying up of the summit of Snowdon and the establishment of the Holiday Inn at Cardiff — the first truly international hotel in the Principality.

While the British Tourist Authority is primarily responsible for attracting visitors from overseas to Britain, it is the Wales Tourist Board's job once they are here to get them to holiday in Wales. To help achieve this aim, the Government backed the Board's efforts to secure a better Welsh tourist centre in London, opened by the Secretary of State in June 1985.

Never before has there been such close and effective co-ordination between all the bodies involved in tourism — from hoteliers' associations and local authorities to national agencies and international commercial concerns. The Government has played a leading part in fostering Wales' well-organised tourism campaign.

### 3. TRANSPORT

**Roads in Wales** have been transformed by the most extensive programme of upgrading and new road construction ever undertaken in the Principality. The Government's review of the Welsh road programme, *Roads in Wales 1985*, was published in December 1985.

Since May 1979 some 22 miles of new or improved motorway and 84 miles of

BUSES

(over leaf)



trunk road have been provided. A further 26 miles of trunk road improvements, costing some £92 million, are currently under construction, most of which should be completed before the end of 1987.

*Expenditure.* In the three years 1979-80 to 1981-2, expenditure on new construction and improvements of trunk roads averaged £84 million a year; in the period 1982-3 to 1985-6 it averaged £107 million a year, and in the years 1986-7 to 1988-9 it is expected to rise to an average of some £123 million a year.

*The main objectives* of the road programme are to upgrade the east-west A55 route in North Wales and further improve the M4-A40-A48-A477 routes in South West Wales. Substantial improvements have already been made to, and more are planned for, the A470 main north-south route.

The priority given to the A55 route has been maintained, and the improvements already carried out should provide additional incentives to tourism and other industry, and bring substantial traffic relief to communities on the existing road.

The M4 between the Severn Bridge and Pont Abraham is now complete apart from the Baglan to Lonlas section, which is already served by a dual carriageway. A scheme for the completion of the motorway is now being planned at an estimated cost of almost £90 million.

Discussion of a new road programme has now begun, following the recent publication of a consultative paper, *Roads for Wales: the 1990s and Beyond*. It deals with strategically important trunk roads such as the A470 and the A5 on Anglesey, and considers the extent to which they should be upgraded as part of a comprehensive programme. Commenting on the proposals, **Mr Edwards** said:

'By the early 1990s most of our present aims will have been achieved, and it is not too soon to start thinking about the next 20 years . . . I want to consult widely so that I can consider different views and reach informed decisions in the light of public comment' (Welsh Office Press Release, 14th January 1986).

**Buses.** Bus services have been in decline for some years, but following the implementation of the Transport Act 1985 there is new hope and opportunity. About 1,000 services have been registered in Wales, representing a substantial proportion of existing services. Allegations that this level of registration will result in a worsening of services are baseless.

Local authorities will continue to be able to provide revenue support for socially necessary services that cannot be provided commercially: contracts to provide subsidised services will be awarded to operators offering the best value for money.

*Rural Services.* Operators of local services in eligible rural areas will benefit directly from the transitional rural bus grant to be administered by the Department of Transport. Local services, both urban and rural, will also benefit under the fuel duty rebate scheme.

Another new grant — the Rural Transport Innovation Grant — has been available from 1st April 1986 to provide starter assistance for innovatory



transport schemes. The grant, which will be administered by the Welsh Office, is specifically designed to encourage new and improved passenger transport services for the benefit of the rural communities. As **Mr Wyn Roberts** pointed out:

'Taken together, those measures constitute a substantial and imaginative package of support for rural transport in Wales and one which, I believe, all those with a genuine concern for the future of the rural areas should welcome' (Welsh Grand Committee, 26th March 1986).

**Railways.** Extra resources have been made available to British Rail so that it can finance its major development programme, in partnership with the county councils, for the Cardiff valleys network. Rolling stock is being replaced, new stations will be built and existing stations improved. Cardiff in particular will benefit: it will have one of the finest inter-city services in the country. The scheme amounts to a £20 million vote of confidence in the Cardiff-Valleys network — and sets the scene for the new Valleys Initiative. In **Mr Edwards'** words: 'With other important road schemes planned to improve access to the valleys still further, this is the moment to launch a fresh initiative to help ensure that the valleys share in the regeneration of the rest of South Wales' (*Hansard*, 3rd March 1986, Col. 32).

Major investment is also being put into Mid Wales, Central Wales and the Cambrian Coast lines. A new station has been opened at Cwmbran and another is planned for Conwy. The Barmouth viaduct was reopened to passenger trains on 13th April 1986. Inter-city services have been introduced between London and Aberystwyth and Pwllheli.

**Air Travel.** The runway at Cardiff-Wales Airport has been extended to accommodate aircraft capable of direct transatlantic flights. The airport is to be run as a public limited company in local authority ownership. As **Mr Edwards** said:

'This Government is determined to ensure that Wales has the communications that it needs if we are to succeed in our objectives of attracting new industry and creating a strong and diversified economy' (Welsh Grand Committee, 26th March 1986).

#### **4. AGRICULTURE AND RURAL ENTERPRISE**

**Help in a Period of Difficulty.** The Government made extra assistance available to Welsh farmers to help them through their recent difficulties. £1.6 million has been provided in weather aid to help the worst-hit areas. Hill livestock compensatory allowances have been increased and part of the sheep premium for farmers in Less Favoured Areas has been paid early. The extension of Less Favoured Areas in 1984 has been of particular benefit to Welsh farmers; some 80 per cent of all agricultural land in the Principality is now covered by them.

**New Incentives.** The new capital grant arrangements for agricultural improvement, which took effect in October 1985, will assist small farmers, part-time farmers and younger people entering the industry (newcomers to farming



1. By what means do you think that peaceful political reforms can best be achieved in South Africa?
2. What reassurance can you give to parents about raising standards in schools?
3. What is the Government doing to tackle the various problems of drug abuse?
4. How do you see job prospects in the coming years?

How do you think East-West relations can best be improved?

Don't you find it frightening that some people are saying that the country can now afford a little more inflation?

Do you consider that the enterprise culture is becoming more widely established in Britain?

What further industries does the Government intend to privatise?

How important is it to reduce income tax still further?

Do you see an increasingly important role for the service sector in providing new jobs?

How satisfied are you with the trade union reforms passed by this Government?

How can the Conservative Party convince more people of our commitment to the National Health Service?

What are your hopes for Britain as we approach the twenty-first century.

18th June 1986



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NOTES FOR OPENING SPEECH AT WELSH PARTY CONFERENCE

GOOD TO BE BACK IN PORTHCAWL AT THE WELSH CONSERVATIVE PARTY CONFERENCE. I WANT TO THANK EVERYONE FOR ALL YOU DO FOR OUR PARTY.

THIS GOVERNMENT HAS ACHIEVED SO MUCH. THERE IS STILL SO MUCH TO DO. IT IS VITAL WE WIN A THIRD TERM.

● IN OUR FIRST SEVEN YEARS, WE HAVE DEALT WITH PEOPLE'S MAIN WORRIES:

- PROPER MANAGEMENT OF THE NATION'S FINANCES.  
NO FINANCIAL CRISIS WITH THIS GOVERNMENT
- INFLATION DOWN TO ITS LOWEST LEVEL SINCE THE 1960S
- TRANSFERRED POWER FROM THE TRADE UNION BOSSES TO RANK AND FILE MEMBERS.
- CUT INCOME TAX: BY £350 A YEAR FOR THE AVERAGE FAMILY
- MORE PEOPLE BUYING AND OWNING HOMES
- MORE PEOPLE BUYING AND OWNING SHARES
- INDUSTRY MORE COMPETITIVE, MORE PROFITABLE
- A MILLION NEW JOBS OVER THE LAST THREE YEARS.

Finance (

● T.U's

Popular Capitalism (

Wealth Creators (

....!



DON'T TAKE THOSE ACHIEVEMENTS FOR GRANTED. THEY WEREN'T GAINED EASILY.

NOW PEOPLE ARE SAYING YOU SHOWED THE DETERMINATION TO SOLVE THOSE PROBLEMS. DO THE SAME WITH WHAT'S WORRYING US TODAY, IN:

- EDUCATION
- HEALTH
- RATES AND LOCAL GOVERNMENT
- DRUGS
- JOB CREATION.

THIS TAKES ME STRAIGHT INTO THE QUESTIONS YOU WANT TO PUT TO ME. ....



## SOUTH AFRICA

NO MAJOR INDUSTRIALISED WESTERN COUNTRY HAS DONE MORE

- AN EMBARGO ON EXPORTS OF ARMS,
- REFUSAL TO CO-OPERATE IN THE MILITARY SPHERE,
- RECALL OF MILITARY ATTACHES,
- DISCOURAGING SCIENTIFIC EVENTS, EXCEPT WHERE THOSE  
CONTRIBUTE TO THE ENDING OF APARTHEID,
- CESSATION OF OIL EXPORTS TO SOUTH AFRICA,
- PROHIBITION OF ALL NEW COLLABORATION IN THE NUCLEAR  
SECTOR,
- CESSATION OF EXPORTS OF SENSITIVE EQUIPMENT TO  
POLICE,
- BANNING ALL NEW GOVERNMENT LOANS,
- A COMMITMENT TO TAKE UNILATERAL ACTION ON THE BANNING  
OF IMPORTS OF KRUGERRANDS,
- END OF GOVERNMENT FUNDING FOR TRADE MISSIONS,
- BANNING THE IMPORT OF ALL GOLD COINS FROM SOUTH AFRICA.



SOUTH AFRICA

recommending a course  
which can only lead

South  
Africa

SOUTH AFRICA

Points to make

On British measures

to further violence  
rather than one which  
could lead to resolution

I remind the Rt hon Gentleman that this country has probably  
taken more measures against South Africa than any other <sup>major</sup> industrialised  
country, and certainly <sup>with international agreement</sup> more measures than were adopted under  
the last Labour Government.

On the UN vote

We voted against the resolution calling for mandatory economic  
sanctions for the same reason as the last Labour Government  
consistently voted against such resolutions - because mandatory economic  
sanctions would not work. I remind the House of what the hon  
Member for Merthyr Tydfil said in the House on 16 January 1978  
when explaining one such vote:

"We voted against, together with France, West Germany,  
the USA and some other Western countries because we do  
not agree that the far-reaching economic measures which  
the resolution calls for would produce the changes in South  
Africa which we would all like to see."

House of Representatives

I doubt whether that would be the last word of the United States  
Congress on this matter. I also note that the House of Representatives  
wanted to impose total trade sanctions against South Africa  
but they still expected South Africa to continue to supply  
the United States with strategic materials. That seems rather  
an optimistic approach.

Parsons

19 June 1986

KK8/22



RESTRICTIVE MEASURES TAKEN BY BRITAIN IN RELATION TO SOUTH AFRICA  
(CHRONOLOGICAL ORDER)

*Remain  
negotiated*

1977

Britain commits itself to the "Gleneagles" Commonwealth Statement on Apartheid in Sport.

*Told to  
who*

4 November 1977

UN Security Council Resolution 418 imposes an embargo on exports of arms and para-military equipment to South Africa. Britain has fully implemented this embargo.

*Rev  
Miller  
of S. Africa*

13 December 1984

UN Security Council Resolution 558 calls on States to refrain from importing arms, ammunition and military vehicles from South Africa. Britain has implemented this policy.

*See  
Annex*

25 September 1985

Britain agrees to implement measures decided at Meetings of the Ten in Luxembourg including:

*Explores*

i. Refusal to co-operate in the military sphere (confirmed existing practice).

*Violence*

ii. Recall of Military Attaches accredited to South Africa and refusal to grant accreditation to Military Attaches from South Africa.

*Sandwich*

iii. Discouraging [cultural] and scientific events, except where these contribute to the ending of apartheid or have no possible role in supporting it; freezing of official contacts and international agreements in sporting and security spheres.

iv. Cessation of oil exports to South Africa (confirmed existing practice).



**CONFIDENTIAL**

v. Prohibition of all new collaboration in the nuclear sector  
(confirmed existing practice).

vi. Cessation of exports of sensitive equipment to police and armed  
forces of South Africa (confirmed existing practice).

20 October 1985

Britain agrees to adopt the following additional restrictive measures at  
the Commonwealth Heads of Government Meeting in Nassau.

i. Banning all new government loans to the South African Government  
and its agencies.

ii. Commitment to take unilateral action on the banning of the  
import of Krugerrands. *Prohibit*

iii. Ending Government funding for trade missions to South Africa or  
for participation in exhibitions and trade fairs in South Africa.

15 November 1985

~~Recall of British Military Attaches accredited to South Africa.~~

23 May 1986

Britain bans the import of all gold coins from South Africa.

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# EPG Report

349. Indeed, in recent weeks, the Government would appear to have moved consciously away from any realistic negotiating process. It is not just their communications with us which have indicated a hardening of attitude. The same message has been clear in the State President's speech in May, the bombing of three neighbouring Commonwealth countries even while we were in discussion with senior Ministers, the denigration and smearing of the ANC, the retreat from the earlier readiness to accept "suspension" as opposed to "renunciation" of violence, the seeking of greater security powers for the police and military on top of the massive powers they already have, the renewed determination to suppress public meetings and free speech and to harass black leaders, and not least the more recent raids on Angolan ports.

350. For all the people of South Africa and of the sub-region as a whole, the certain prospect is of an even sharper decline into violence and bloodshed with all its attendant human costs. A racial conflagration with frightening implications threatens. The unco-ordinated violence of today could become in the not too distant future a major armed conflict spilling well beyond South Africa's borders. In such circumstances the entire economic fabric of the country would indeed be destroyed. Up to now those responsible for the armed resistance in South Africa have shown great regard for innocent lives. Unless the cycle of violence is broken, full-fledged guerrilla warfare as practised in other parts of the world, in which "soft" civilian targets become prime targets in a reign of terror and counter-terror, may come to pass. In the absence of significant moves to break the cycle of violence we see the prospect as inevitable and that in the very foreseeable future.

351. What can be done? What remaining influence does the international community have? What can major states do to help avert an otherwise inevitable disaster? There may be no course available that can guarantee a significantly more peaceful solution. But against the background in which ever-increasing violence will be a certainty, the question of further measures immediately springs to mind. As the Nassau Accord makes clear, Commonwealth Heads of Government have agreed that, in the event of adequate progress not having been made in South Africa within a period of six months, they would consider further measures.

352. While we are not determining the nature or extent of any measures which might be adopted, or their effectiveness, we point to the fact that the Government of South Africa has itself used economic measures against its neighbours and that such measures are patently instruments of its own national policy. We are convinced that the South African Government is concerned about the adoption of effective economic measures against it. If it comes to the conclusion that it would always remain protected from such measures, the process of change in South Africa is unlikely to increase in momentum and the descent into violence would be accelerated. In these circumstances, the cost in lives may have to be counted in millions.

353. From the point of view of the black leadership, the course now taken by the world community will have the greatest significance. That leadership has already come to the view that diplomatic persuasion has not and will not move the South African Government sufficiently. If it also comes to believe that the world community will never exercise sufficient effective pressure through other measures in support of their cause, they will have only one option remaining: that of ever-increasing violence. Once decisions involving greater violence are made on both sides, they carry an inevitability of their own and

EPG  
REPORT



are difficult, if not impossible, to reverse, except as a result of exhaustion through prolonged conflict.

354. The question in front of Heads of Government is in our view clear. It is not whether such measures will compel change; it is already the case that their absence and Pretoria's belief that they need not be feared, defers change. Is the Commonwealth to stand by and allow the cycle of violence to spiral? Or will it take concerted action of an effective kind? Such action may offer the last opportunity to avert what could be the worst bloodbath since the Second World War.

355. We hope this Report will assist the Commonwealth - and the wider international community - in helping all the people of South Africa save themselves from that awesome tragedy.



LABOUR QUOTES - SOUTH AFRICA

*P  
South Africa*

16 JANUARY 1978

MR HOOLEY ASKED THE SECRETARY OF STATE FOR FOREIGN AFFAIRS, IF HE WILL GIVE THE REASONS FOR THE VOTE OF THE UNITED KINGDOM IN UNOA ON 14 DECEMBER 1977 CONCERNING MANDATORY ECONOMIC SANCTIONS AGAINST SOUTH AFRICA.

*Reiths, Sydney*  
MR ROWLANDS - "WE VOTED AGAINST, TOGETHER WITH FRANCE, WEST GERMANY, THE USA AND SOME OTHER WESTERN COUNTRIES BECAUSE WE DO NOT AGREE THAT THE FAR-REACHING ECONOMIC MEASURES WHICH THE RESOLUTION CALLS FOR WOULD PRODUCE THE CHANGES IN SOUTH AFRICA WHICH WE WOULD ALL LIKE TO SEE."

7 DECEMBER 1977 (COL 770, WRITTEN ANSWER)

MR ROWLANDS - "ECONOMIC SANCTIONS WOULD HAVE GRAVE CONSEQUENCES FOR ORDINARY PEOPLE HERE AND THROUGHOUT SOUTHERN AFRICA."

28 JUNE 1978 (COL 554, WRITTEN ANSWER)

MR ROWLANDS - "MY RHF IS WELL AWARE THAT ANY WIDE-RANGING SANCTIONS AGAINST SOUTH AFRICA COULD HAVE IMPORTANT AND SERIOUS CONSEQUENCES FOR THE UK ECONOMY."

*h*  
4 DECEMBER 1974 (COL 1555, STATEMENT)

MR CALLAGHAN - "IN MATTERS OF CIVIL TRADE AND WHERE INTERNATIONAL OBLIGATIONS DO NOT CONFLICT, IT IS NOT THE POLICY OF HER MAJESTY'S GOVERNMENT THAT COMMERCIAL TRADING RELATIONS SHOULD BE BASED ON CONSIDERATIONS OF THEIR INTERNAL OR EXTERNAL POLICIES."

24 APRIL 1978 (COL 992, ORAL ANSWER)

MR DELL - "I DO NOT SEE THAT IT HARMS THIS COUNTRY, PARTICULARLY AT A TIME OF HIGH UNEMPLOYMENT, IF WE MAINTAIN CREDIT TERMS FOR SOUTH AFRICA IN LINE WITH THOSE OF OUR MAJOR COMPETITORS."

24 March 1985

As the Rt Hon Gentleman the Member for Devonport said in an article in the Sunday Times on 24 March 1985:

"Total or even selective trade sanctions will not succeed."



## SIR GEOFFREY'S CAUTION

It was quickly pointed out that Sir Geoffrey Howe's speech on South African sanctions in the House of Commons on Tuesday committed the Government to nothing specific: the Government is agreed on the importance of 'measures', no more. This is true, but it does not follow that Sir Geoffrey was being cowardly. In fact, he was being quite brave. It is always easier for a government to bow to 'world opinion', Eminent Persons, Commonwealth leaders (especially when there are veiled threats about upsetting the Queen), than to Tory backwoodsmen and people without much power whose jobs happen to be at stake, but Sir Geoffrey has refused to take this course. The Government remains in a position to deal with South Africa, and capable of arguing that such dealings do have some good effect. Sir Geoffrey rightly mentioned that there have been reforms in South Africa — the abolition of petty apartheid, the reform of the pass laws, the granting of freehold rights to urban blacks. These changes were not brought about by the formal demands of external governments, but they would never have happened if South Africa had had no interest in working with the western world. By remaining part of the free trading world economy, South Africa is restrained from some of the extremes of Afrikaner tribalism. 'Dialogue' is acknowledged to be

important in dealings between East and West: it is important with South Africa too. One of the most extraordinary claims of the out-and-out supporters of sanctions, such as Mr Neil Kinnock and Mr Oliver Tambo, is that not to support them is to make a 'bloodbath' 'inevitable'. It may be that the bloodbath will come whatever happens, but this claim about sanctions is not backed up by any argument at all. Would sanctions stop the black violence in the townships? Would they persuade freindly Afrikaner policemen to lay aside their sjamboks? Mr Tambo must know that he is not telling the truth; Mr Kinnock ought to know that he is not. The difference between supporters and opponents of sanctions is not between those who abhor and those who apologise for apartheid, but between those who make moral gestures without thought of the consequences, and those who think that it is moral to care about consequences. The anti-apartheid activist has developed a vocabulary which makes the destruction of white supremacy the main religious duty in the world (there is even bogus theology about apartheid being the 'Anti-Christ' written to back this up). This position is as evil, although fortunately less world-shaking in its effects, as the belief that the wickedness of Communism demands a world war between Russia and America. It has produced many

deaths in South Africa and is working to produce more. Opponents of this view see apartheid very differently. For them it is one of many of the evil political doctrines alive in the world, a world in which the majority is denied the rights which we in Britain take for granted. Opposition to apartheid must be practical, and practice is always tempered by an understanding of danger. So, just as one would say that it is better for Poland to remain under the Soviet yoke for another generation than that Eastern Europe should go up in flames, one should also admit that the temporary preservation of white supremacy in South Africa is better than revolution and civil war there. This is a moral position, and no one should be afraid of adopting it. What makes life so difficult for western governments, however, is that their stand on South Africa is very exposed and yet their power is so limited. South Africa is not a Phillipines or the Nicaragua of Somoza, where a corrupt dictator is propped up by a foreign power. It is a resilient, thoroughly independent state with a long tradition of defying what the rest of the world wants of it. Britain should not make a fool of itself by insisting on what it cannot achieve, or worse than a fool by destroying where it cannot control. We should be grateful to Sir Geoffrey Howe for seeing this, and almost saying it.

## LABOUR'S ARTS

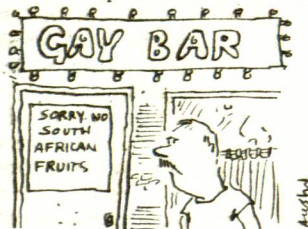
IT IS known that Mr Kinnock has already been seduced by the emotional rhetoric of the Greek minister of culture and apparently believes that the Parthenon Marbles should be sent back to Greece regardless of the British Museum's legal and honorable title to them. Further clues about the arts policy of a future Labour government emerged last week at the debate at the Oxford Union at which Mr Norman Buchan MP, shadow minister for the arts, supported the motion 'That the Elgin Marbles must be returned to Greece'. Apart from being anxious to oblige Melina Mercouri, who delivered yet another impassioned plea for the Marbles before the debate, Mr Buchan seemed greatly exercised by the iniquity of museum charges. He was presumably oblivious to the fact that if the Marbles do go to a Greek museum, visitors will have to pay to see them, whereas the public has

always been able to see the sculptures in the British Museum for nothing. It is the trustees of the Victoria & Albert Museum who offend him, and he announced that if they do not agree to abolish entrance charges, a future Labour government will abolish the trustees, just as it will abolish the trustees of the British Museum if they continue to oppose the Greek government's demand. But Mr Buchan was also anxious to deny that to send back the Elgin Marbles will create a disastrous precedent which will empty our museums of anything foreign, for only objects of 'cultural significance' will be repatriated. 'But who will

decide what is culturally significant?' asked a bright undergraduate. Politicians, of course — who may not always be such objective and sensitive connoisseurs as Mr Buchan and Miss Mercouri. We must therefore look forward to unprecedented state control of the arts and museums in Britain if a Labour government is returned at the next election.

## MUAMMAR TO KURT

THERE could be no more fitting finale to the black comedy called the Austrian presidential election than the telegram sent by Colonel Gaddafi warmly congratulating President-elect Waldheim for having struck 'a blow against Zionism'. But alas, we fear this is not the finale, more like the opening act. For Austria, under President Waldheim, there are surely many more embarrassments to come. By electing him, the Austrians have indeed struck a mighty blow — against themselves.





## EDUCATION

1. PUPIL TEACHER RATIOS ARE AT RECORD LEVELS IN WALES.
2. IN WALES, AS IN THE REST OF THE COUNTRY, MORE IS BEING SPENT ON EACH PUPIL THAN EVER BEFORE.
3. THERE IS GOOD NEWS IN EDUCATION. THERE ARE MANY GOOD SCHOOLS WITH DEDICATED TEACHERS AND EXCELLENT RESULTS. MORE PUPILS ARE LEAVING SCHOOLS WITH QUALIFICATIONS. BUT WE NEED TO BRING THE REST OF THE SCHOOLS UP TO THE LEVEL OF THE BEST.
4. THE TEACHERS HAVE A VITAL CONTRIBUTION TO MAKE.
5. WE WANT TO INVOLVE PARENTS MORE.
6. WE WANT TO SEE BASIC LEARNING IN THE CLASSROOM AND NOT POLITICAL INDOCTRINATION.
7. STANDARDS MATTER IN SCHOOLS - THEY SHOULD TEACH THE FIVE RS.





## EDUCATION

Despite the level of education expenditure there are areas of serious concern.

### SCHOOLS

School building stock is becoming increasingly dilapidated through lack of maintenance. This is exacerbated in some areas, eg Dyfed and Mid Glamorgan, by the significant proportion of pre-1903 buildings still in use (Dyfed 39 per cent, Mid Glamorgan 25 per cent). The other area of concern is shortage of books and equipment. The situation varies from authority to authority. In secondary schools in particular, books and other materials are increasingly worn in appearance, with frequent sharing of books. Texts are frequently issued for use in class only with usually adverse implications for methods of teaching and learning, revision and homework. In those departments in secondary schools which make heavy use of consumable materials, eg science and crafts, class demonstration tend to supplant individual work by pupils.

### AFE

Pressure on local authorities (LA), expenditure is reflected in the resources available to the LA higher education institutions in Wales - particularly the Polytechnic of Wales (the only polytechnic in the Principality). Its cost weighted unit of resource per student for the academic year 1986/87 will be £1,411 compared with figures for the English polytechnics ranging from £1,525 to £1,578. Since 1979 student numbers in the LAs higher education institutions have been increasing very rapidly - outstripping the increase in funding which the LAs have been able to allocate to them.

### RESOURCES

Current Expenditure: In real terms increased from £601.8 million in 1979/80 to £628.5 million in 1984/85.





**Pupil Numbers:** 74,500 fewer pupils in 1984/85 than there were in the peak year of 1976/77 (a 13% reduction).

**Pupil Unit Costs:** In real terms over £100 more being spent per pupil in 1984/85 than in 1979/80.

**Pupil/Teacher Ratio:** Improvement from 18.1:1 in 1979/80 to 17.6:1 in 1984/85.

**Capital:** Planned provision for educational capital building in 1986/87 is £39 million, an increase of 30 per cent in cash terms on the 1985/86 figures.

**Management:** Need for better management of the resources devoted to education; a view reinforced by the independent findings of the Audit Commission and Her Majesty's Inspectorate. The best practices and policies found in some authorities need to be extended to all aspects of the service, and to be pursued by all authorities.

#### SURPLUS SCHOOL PLACES - Thousands

##### (PRIMARY AND SECONDARY)

LEA	STOCK	PUPILS AT 1985	SURPLUS AT 1986	SURPLUS AT 1991
Dyfed	69.3	55.2	14.7	16.3
Clwyd	87.5	68.0	20.7	24.3
Gwent	98.7	74.0	24.7	30.8
Gwynedd*	42.1	39.5	3.2	5.3
Mid Glam	126.1	96.9	31.2	36.5
Powys	22.7	19.0	3.9	4.9
South Glam	85.7	63.2	23.4	24.4
West Glam	74.4	60.1	15.3	17.8
TOTAL	606.5+	475.9	137.1	160.3

\*Stock N/A:- pupil population at January 1981 used (the real surplus will therefore be considerable greater than is shown above)

+ LEAs have collectively taken 19,967 places out of use up to January 1984 giving a run of figures as follows:

586.5	475.9	117.1	140.3
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## FURTHER AND HIGHER EDUCATION

Course enrolments at maintained major establishments

	WALES		
	1979/80	1984/85	% Change
Advanced Further Education	8,623	12,715	+ 47.5
Non Advanced Further Education	24,802	28,290	+ 14.1
Total	33,425	41,005	+ 22.7

Advanced and non-advanced student numbers in Wales have increased steadily over recent years, the most rapid being in advanced education.

Staff/Student ratios have tightened somewhat from 7.6:1 in 1979/80 to 8.8:1 in 1984/85. This is still well short of the 12:1 which is considered to be the ultimate goal.

### GCSE

1. Following 10 June announcement of a further £20 million increase in expenditure for books and equipment in the current financial year, the Wales/England split has been agreed with DES officials pro-rata to the numbers of schools and pupils in both counties.

2. The available total of £20 million is new money for the education service over and above present plans. This total is to be made available to LEAs through Education Support Grants (£15 million) and the Manpower Services Commission (£5 million for the provision and scientific and technological equipment).

3. The Wales share of the total is:-

Education Support Grant	£0.9m
MSC	£0.3m
	<hr/>
	£1.2m





4. The £0.9m will be an addition to relevant expenditure for local authorities and will be supported by Education Support Grant at the rate of 70%. Grant-related expenditure will be raised to take account of the 30% contribution made by LEAs.

5. The MSC £0.3m will not require any contribution from LEAs.

6. Distribution arrangements will very shortly be notified to LEAs.

7. The following additional special resources have also been allocated:

a. 1985/86: £45,000 - Teacher training materials (guides and videos) and seminars.

b. 1986/87: £11,800 - Teacher training seminars.

c. 1986/87: £15,000 - Re-running of teacher training seminars.

d. 1986/87: £75,000 - Syllabus-specific training  
1987/88: £75,000 - Syllabus-specific training.

e. 1987/88: £590,000 - Books and equipment.  
1988/89: £590,000 - Books and equipment.

f. Assistance is also being provided to the WJEC with the translation into Welsh of the most popular GCSE syllabuses.

g. Assistance has also been provided to enable the SEC to issue training materials to teachers, in the Welsh Language.

#### **THE UNIVERSITY OF WALES**

There have been strong complaints that the criteria used by the UGC for allocating grants to the universities for 1986/87 have discriminated against the University of Wales. Certainly the University of Wales fared





less well than the average English and Scottish universities. Its grant is increased by 0.2 per cent as compared with 1985/86. The average increase in England is 1.16 per cent and in Scotland is 0.5 per cent. Whilst no doubt there is need to rationalise provision in some subject areas the continued weakening of the research base within the University will have serious implications for proposals for industrial/economic regeneration within the Principality. The allocations which were based upon positive judgements about the needs of teaching, the quality of research and the rewarding of institutional enterprise appear to have discriminated against most of the colleges of the University of Wales. There is no reason to doubt the quality of the objective nature of the UGC assessment and it is up to the colleges themselves to grasp every opportunity of improving their academic standards, management and use of resources. The University of Wales overall is geographically well placed to secure far seeing plans for restructuring and rationalisation and if they can show evidence of real progress in implementing change they could be considered for the further financial provision in 1987/88 and the following years announced by Sir Keith Joseph in the House on 20 May.

A table setting out the amount of recurrent grant for 1985/86 and 1986/87 is shown below.

University College	1985/86 Grant £m	1986/87 Grant £m	% Change
Aberystwyth UC	10.120	10.075	- 0.4
Bangor UC	10.961	10.906	- 0.5
Cardiff UC	17.009	16.965	- 0.3
St David's Lampeter	1.939	1.954	+ 0.8
Swansea UC	13.533	13.465	- 0.5
UWCM	6.520	6.693	+ 2.7
UWIST	8.434	8.562	+ 1.5
Welsh Registry	2.180	2.202	+ 1.0
Total Wales	70.696	70.822	+ 0.2

There was an exchange about this subject during the Welsh Grand Committee debate on 21 May 1986. A copy of a question put to the Secretary of State for Wales and his reply is attached.



## DRUGS

Points to make

- (i) In March 1986 we published a new edition of our strategy document which set out the main elements of our comprehensive policy for tackling drug misuse. Individual copies were sent to every Member of this House.
- (ii) In 1984 we pledged £1 million to assist Pakistan in its efforts to eradicate opium poppy cultivation. Last year we increased this sum by £2.4 million. And we are also providing £1 million over three years to help combat cocaine production and trafficking in Latin America.
- (iii) We have concentrated more resources on detection. We have doubled the number of Customs specialist drugs investigators since 1979. Customs have also provided 160 new preventive posts over the last two years. 150 extra posts are being allocated to drugs work in 1986/87, and a further 200 posts are being added to maintain levels of control over passengers and freight. We are also providing £10 million for drug detection equipment over the next three years. In 1985, Customs seized £107 million worth of drugs, including nearly 350 kilograms of heroin.
- (iv) The police are devoting more officers to drug investigations. All police forces in England and Wales, except the City of London, and 7 of the 8 Scottish forces now have specialist drugs units. Their strength increased by 28% during 1985 (from 630 to 809 officers). As announced in July 1985 by my Rt Hon and Learned Friend the then Home Secretary, Regional Crime Squads are being strengthened by the creation of drug "wings" (an increase in manpower of 20%); and we have created a new National Drugs Intelligence Unit headed by a National Drugs Intelligence Co-ordinator, Mr Colin Hewett, who will ensure that drugs intelligence is co-ordinated with the operation of Regional Crime Squads.
- (v) The Commissioner of Police of the Metropolis, who names the detection of drugs offences as one of his six operational priorities for 1986, last year increased the strength of the Central Drug Squad from 38 to 57 officers, from within existing resources. And on 20 May my rt hon Friend the Home Secretary confirmed an increase of 50 in the force establishment agreed in principle last October, specifically to strengthen the force's efforts against drugs; and also announced a programme of manpower increases over the next four years which will enable the Commissioner to reinforce further the drive against drug trafficking.

DRUGS



(vi) My Rt Hon and Learned Friend the then Home Secretary announced in 1983 that drug traffickers sentenced to more than five years would be released on parole only in exceptional circumstances. Under the Controlled Drugs (Penalties) Act 1985 the maximum penalty for trafficking in drugs such as heroin and cocaine has been increased to life imprisonment. Legislation is now before Parliament to give the courts and the enforcement agencies significant new powers for seizing and confiscating the proceeds of drug trafficking. The Bill will also make it an offence to sell cocaine kits and other drug-taking paraphernalia.

(vii) The number of people convicted of trafficking in 1984 was over 4,000 - an increase of 800 (24%) on 1983.

(viii) We have mounted a major information and education campaign in England and Wales. The campaign is subject to independent monitoring and evaluation. The initial evaluation results are encouraging. They suggest that our anti-heroin advertising has hardened young people's attitudes to heroin and increased awareness of its harmful effects without encouraging experimentation. We have therefore decided to make a further £2 million available for work on the campaign in 1986-87. A separate campaign is being run in Scotland.

(ix) My Rt Hon Friend the Secretary of State for Education and Science announced on 30 December 1985 that all 96 LEAs in England and Wales would receive grants (normally over £20,000 each) to promote drug misuse prevention initiatives in the schools.

(x) My Rt Hon Friend the Secretary of State for Social Services has made available some £17.5 million for pump-priming of local initiatives in prevention, treatment and rehabilitation. A further £5 million per annum is being made available through Regional Health Authorities for services for drug misusers from 1986/87 onwards.

(xi) My Rt Hon Friend the Social Services Secretary has sent guidelines to all doctors on the best clinical practice for treating drug misusers.



## JOB

### May figures

Seasonally adjusted unemployment + 6,000 to 3.209 million  
(highest ever)

Headline total - 54,000 to 3.271 million

Employment figures + 995,000 since March 1983  
~~+ 997,500~~

### General line to take

The latest figures confirm the pattern of increases in both employment and unemployment. Growth in the economy has produced one million new jobs in the last three years but an increasing population of working age, together with excessive growth in unit wage costs, means that jobs are still being lost.

### Employment flows

Over the last month 417,000 people left <sup>in</sup> employment, compared with 358,000 who became unemployed. There are about 7 million job changes each year or 30,000 each working day.

### Why is unemployment still rising?

- (i) Unit wage costs rising faster than elsewhere, eg 6 per cent in this country compared to 2 per cent in the United States and not at all in Japan and Germany. The latest figures show average earnings increasing at 7½ per cent.
- (ii) Continued increase in population of working age. 1.3 million between 1979 and 1985 and a further 200,000 over the next two years.
- (iii) Continued reduction in over-manning in manufacturing industry.

### What is the Government doing for the unemployed?

- (i) Creating climate in which the number of jobs has increased by almost one million in the last three years.
- (ii) In the last five years spent over £8.5 billion on employment measures and YTS.

JOB 23  
8

Costs  
Higher on  
labour  
costs  
not that  
of all

means that unemployment  
is not falling

JOB 23



- (iii) YTS has taken more than one million trainees and is now expanded to a two year scheme.
- (iv) Community Programme expanded in the budget to 255,000 places: over ½ million participants since inception.
- (v) Enterprise Allowance Scheme expanded to annual rate of 100,000 entrants.
- (vi) New Workers Scheme introduced in budget. 100,000 entrants in 1987/88.
- (vii) Job Restart Programme will offer help to all long term unemployed.
- viii) The MSC Corporate Plan show that they expect to help almost 4 million people find work, train or update their skills this year compared to 3 million last year.

#### Positive points

- (i) Labour Force Survey confirmed overall increase in the number of jobs in the last three years to be one million.
- (ii) The rate of increase in the number of jobs since 1983 is the fastest in the European Community and the fastest rate of growth since 1973.
- (iii) The OECD forecast that this country will have the fastest rate of growth of employment in the Community in 1986.
- (iv) OECD figures show that in 1984 the population of working age in work was higher in the United Kingdom (65%) than in France (60%), Germany (59%), Italy (54%) and the OECD European average (58%). [NB: USA 68% and Japan 71%].
- (v) The number of businesses in the United Kingdom increased by 140,000 between the end of 1979 and 1983.
- (vi) Self-employment has risen by 700,000 since 1979 after declining in the 70s.

11 June 1986

KK8/7



JOBS

Jobs



Y SWYDDFA GYMREIG  
GWYDYR HOUSE  
WHITEHALL LONDON SW1A 2ER  
Tel. 01-233 3000 (Switsfwrdd)  
01-233 8545 (Llinell Union)

WELSH OFFICE  
GWYDYR HOUSE  
WHITEHALL LONDON SW1A 2ER  
Tel. 01-233 3000 (Switchboard)  
01-233 8545 (Direct Line)

ODDI WRTH YSGRIFENNYDD  
PREIFAT YSGRIFENNYDD  
GWLADOL CYMRU

FROM THE PRIVATE SECRETARY  
TO THE SECRETARY OF STATE  
FOR WALES

17 June 1986

Dear Mr Alison

At his meeting with the Prime Minister on 16 June the Secretary of State undertook to let her have details of this project which is the first to set up on the site following Courtaulds' withdrawal and the Prime Minister's personal involvement with Sir Christopher Hogg in the redevelopment of the land.

The project is seen as an ideal start to the Business Park venture undertaken by the Borough Council and the level of investment attracted to it augers well for employment prospects in the area.

Yours sincerely

R.C. Williams

R C WILLIAMS

The Rt Hon Michael Alison MP  
10 Downing Street  
London  
SW1



NEW JOBS FOR CLWYD

A Welsh Office grant will help bring 300 jobs to Holywell, Clwyd.

Breger Gibson will be making disposable nappies on Greenfield Business Park and is the first company to set up on the site transferred to Delyn Borough Council by Courtaulds.

Seventy jobs are forecast by September with a further 70 within the first year, and potential for 300 jobs in three years. The company and its backers are committed to expansion.

The Secretary of State for Wales, the Rt Hon Nicholas Edwards, MP, said: "This is a prime example of how the Government's regional aid policies and special aid in cooperation with the council are helping to ease the blow of Courtauld's departure."

Delyn BC is investing in the project. Private investors are Investors in Industry, PK Christiana Bank (UK) the London operation of one of Norway's leading commercial banks. The bankers are the Royal Bank of Scotland.

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## NATIONAL HEALTH SERVICE

1. THE GOVERNMENT IS SHOWING ITS COMMITMENT TO IMPROVED HEALTH CARE BY INCREASING THE RESOURCES OF THE NHS IN WALES TO RECORD LEVELS.
  2. WE ARE CARRYING OUT ONE OF THE LARGEST PROGRAMMES OF HOSPITAL BUILDING IN WALES EVER.
  3. THE REDUCTION OF WAITING LISTS <sup>(in Wales)</sup> IS HIGH ON THE LIST OF THE GOVERNMENT'S PRIORITIES.
  4. THERE HAS BEEN AN INCREASE IN WALES IN THE NUMBER OF DOCTORS, DENTISTS AND NURSES.
-



[From Welsh  
Central  
Office]

Agriculture in Wales.

Farmers in Wales have demonstrated that they feel unloved and hard done by. The point was made clearly in Carmarthen in 1984 when milk quotas caused angry scenes and again in Brecon last summer when a hefty agricultural protest vote secured the election of a Liberal Member of Parliament.

One of the most effective statements which should be reinforced now, was that made by the P.M. in her speech to the Wales Conservative Party Conference at Llandudno last summer that the problems of the industry are the problems of success, not failure.

---

Milk.

MILK

Most Welsh milk producers have adjusted to the quota regime better than was expected a year ago. Extra quota has been directed to the small family farms that are so important to Wales and as a result all small milk producers have been restored to 1983 levels of production. There is, however, still the bitter after taste of this upheaval and farmers are anxious for assurances that they can expect future adjustments to be less sudden, to allow them planning time.

Less Favoured Areas

The extension in 1984 of Less Favoured Areas has been of particular benefit to Welsh hill farmers. Now some 80 per cent of Welsh agricultural land has LFA status. Hill Livestock Compensatory allowances were substantially increased this year, and will considerably benefit Welsh farmers on marginal land.

Severe Weather Payments

Following the exceptionally severe weather of 1985, the Government announced payments worth £1.6 million to farmers with suckler cows and breeding ewes in the worst hit areas. In addition, Welsh farmers were helped by the Government's negotiation of the early advance payment of the sheep annual premium to LFA farmers following the severe weather.

AGRICULTURE



### Interest Rates.

Most frequently mentioned amongst farmers is the cost of borrowing and it was a particular problem for Welsh dairy farmers when interest payments remained high whilst their output was cut. Falling interest rates are particularly good news for Welsh farmers, therefore.

### General Points and Line to Take.

Clearly action has to be maintained in the CAP to contain costs. This year's CAP price-fixing settlement represents a further step in the right direction. We shall continue to press for further steps to be taken to cut the expensive surpluses and keep the cost of agricultural support within the funds available. A major element of the policy must be prices which reflect market demands more realistically.

In the U.K. Government's view farmers in the U.K., so long as they are able to compete on fair terms, are as well placed as any in the Community to take advantage of the opportunities that increased competition and a more market orientated CAP would bring. Agriculture is going through a period of change but we are confident that farmers and those industries which support farming have the enterprise, resilience and adaptability to cope with the challenges that lie ahead and that the industry will continue to be economically viable.

A policy of realistic CAP prices would put the CAP on to a firmer foundation and is in the best long term interests of producers, manufacturers, consumers and taxpayers alike.

June 1986.





## AGRICULTURE

### MILK QUOTAS

1. The introduction of milk quotas on 2 April 1984 caused severe problems for milk producers throughout the country, especially for those in areas which are heavily dependent on dairying, such as South West Wales. Dyfed is the main dairying area in Wales, contributing about 55% of total milk sales off farms and a similar number of registered producers. This represents about 4,000 milk producers with an average herd size of 47 cows.

2. However, the Government has taken a number of measures to help those in greatest difficulties:-

- i. Additional quota was made available for special cases (producers who were expanding or whose production had been significantly affected by exceptional events);
- ii. Claims for additional quota as "exceptional hardship" cases were also accepted from producers who had undertaken commitments before April 1984 and whose quotas, if any, were insufficient to meet those commitments;
- iii. The Government made up to £50 million available over five years to finance an Outgoers' Scheme to compensate those wishing to give up milk production and to purchase their quotas for reallocation to other producers. Small producers with under 200,000 litres of quota have done particularly well through firstly being restored to their 1983 levels of production and secondly being allocated their development awards in full. This means that for over half the producers in Wales the worst effects of quotas have been substantially mitigated. In addition all exceptional hardship claims have been met in full, and development awards originally abated by 35% because of insufficient availability of quota for redistribution have now





been restored to 90% of the level of what a producer's total quota would have been without abatement (ie basic quota plus development quota).

iv. The situation facing dairy producers in continuing trouble will have been eased by the announcement on 12 March that provision was being introduced into the Dairy Produce Quotas Regulations to allow the leasing of milk quotas for up to one quota year. This facility is available to producers as from 1 April 1986 and all leases are to be registered through the Milk Marketing Board. Similarly the recent CAP price negotiation agreement to introduce a Community Outgoers' Scheme will be a source of alleviation for some producers. The Scheme will aim to purchase 2% of the UK quota in 1987-88 and a further 1% in 1988-89. The EC will provide funding of up to 18.3p per litre, and Member States will be allowed to top this up with national funds. No decision has yet been taken on whether the UK will make use of this option. Existing national Outgoers' Schemes are to be allowed to continue and will be able to provide for partial surrender of quotas. This facility could prove beneficial to producers in financial difficulty.

3. Despite these measures, it is inevitable that there are some cases which cannot be accommodated. Some producers' positions remain unviable and a number of bankruptcies is therefore possible.

4. The Secretary of State and Mr Norman Tebbit are meeting representatives of the National Farmers' Union on 20 June to discuss the situation of producers who were apparently advised to appeal as development cases but not as exceptional hardship cases. Such producers are presumably unhappy with their development awards and may feel that they could have been awarded more quota as exceptional hardship cases. However, the choice of applying as a developer or an exceptional hardship case was essentially one for each individual producer to make in the light of his own particular circumstances. Many producers sought advice on whether they qualified under the exceptional hardship category and officials of the Welsh Office





Agriculture Department and the Agricultural Development and Advisory Service were instructed to inform producers that where any doubt existed they should apply under both categories. The NFU were presumably advising along similar lines.

#### **WELSH DEVELOPMENT AGENCY AGRI-FOOD INITIATIVE**

An Agri-Food Initiative has been introduced to foster the development of the agriculture and food industries in Wales. It includes: a promotional campaign, the development of product plans and encouragement to potential producers.

#### **HILL LIVESTOCK COMPENSATORY ALLOWANCES - 1986 SCHEME**

1. Total payments in 1986 are expected to be in the region of £28.3 million to about 14,000 claimants. This compares with £25.3 million paid to 14,100 claimants in 1985.
2. Claims are submitted from 1 January and to ease cash flow problems arising from the adverse weather in 1985 advance payments of 75% for 1986 were made as claims were received.
3. At 31 March 97% of claimants had received payments at 75% of the amounts due to them totalling £20.5 million.
4. At 6 June 84% of claimants had received 100% payments totalling £25.2 million and the remainder will receive their 25% balances before the end of June.
5. Allowance rates for sheep range from £2.25 to £6.75 per head and for cows from £27.25 to £54.50 per head.

#### **FARM CAPITAL GRANTS**

Farmers in Wales have for many years received substantial Government assistance to improve their farm buildings for land improvements etc.





Increasingly most of these payments have been to hill farmers in the less-favoured area which now covers some 80% of Wales.

In 1985 over £27 million was paid in grant in Wales, over £22 million was in the LFA.

#### **RURAL ENTERPRISE**

Rural Enterprise was announced by the Secretary of State for Wales on March 24. The broad objective of the initiative is to stimulate economic projects that will contribute to rural prosperity.

The specific elements of the package announced under Rural Enterprise are:-

- i. a new grant scheme, the Development of Rural Initiative, Venture, and Enterprise (DRIVE), aimed at attracting private sector investment in services, tourism related, leisure and craft projects. The scheme is operated by the Welsh Development Agency (WDA) and Mid Wales Development (MWD). £1m is available over two years, after which the scheme will be evaluated.
- ii. the definition of rural areas for the WDA's various schemes of assistance was broadened to include all parts of Wales with a population below 15,000.
- iii. enhanced assistance by the WDA for the conversion of redundant rural buildings, with local authorities eligible for grant at up to 50% for the provision of managed workshops.
- iv. streamlined administration and more flexible security arrangements were introduced throughout rural Wales or loans to new and small firms of up to £7,000.
- v. WDA and MWD adopted a new marketing approach. The wide variety of forms of assistance available in rural Wales are now marketed under a common Rural Enterprise umbrella.





- vi. experimental Rural Enterprise groups are being established in a few areas by the WDA and MWD: their objective will be to stimulate local thinking about development opportunities and to provide fresh momentum in carrying them through.



STEEL RUMOURS.

To:  
MR WHITTINGDALE

cc: PS/Secretary of State  
PS/Mr Morrison  
Mr Mountfield  
Mr Murray  
Mr Spencer

From:  
DAVID MILLER  
MM2b  
903 Ashdown Hse  
212 0205

① BRYMBO

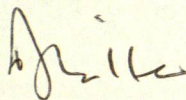
18 June 1986

**PRIME MINISTER'S VISIT TO WALES : BRYMBO STEELWORKS**

As requested, I attach a briefing on Brymbo for use by the Prime Minister when she visits Wales on Saturday.

The company informs me that there are strong rumours in Wales that the major caster investment will take place in Rotherham and not Brymbo, and that Brymbo will be run down and then closed. As the briefing indicates however, the UES Board have not yet taken a formal decision on the investment (although it probably will tomorrow) and no public announcement will be made until the end of next week. The line to take stresses that decisions on investment and rationalisation/closures are matters for the company.

As agreed, I am sending a copy of this brief to PS/Secretary of State for Wales and to the Welsh Office in Cardiff.

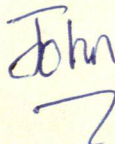


DAVID MILLER

Stephen

Ted Thurgood has phoned me to say that the North Wales press are saying that the decision has been taken to put the investment into Rotherham and it will be announced next week. The truth is that the formal decision will be taken very shortly and announced next week; however, the intention has always been that it should go to Rotherham. Nevertheless, as the note overleaf says, the plant ~~will~~ is safe ~~until~~ for at least two years. If you need any more information, either give me a ring or have a word direct with the AS, Jonathan Spencer (who you will remember) on

212 - 6303.







## BRYMBO STEELWORKS

### Line to take

Will Brymbo close? : Decisions on the future of individual plants are a matter for the UES Board, in the light of market conditions, When UES was set up the company said they did not envisage any major plant closures in the immediate future.

Where will Caster Investment take place? : UES is a free-standing private sector company. Within the financial framework which was agreed when the company was set up decisions on the timing and location of future investment projects will rightly be a matter for the UES Board.

### Background

Brymbo is one of the former GKN works which comprise the United Engineering Steels (UES) joint venture (Phoenix II) between BSC and GKN which was set up earlier this year. The Government agreed the provision of funds to BSC to subscribe to UES on the understanding that the new company will undertake further investment, particularly in continuous casting. The timing and location of such investments will rightly be a matter for the UES Board.

[**COMMERCIAL IN CONFIDENCE** : It has always been envisaged that the major planned investment in continuous casting will take place at the ex-BSC Aldwarke plant in Rotherham rather than Brymbo, but this has not been made public because of the speculation it would cause about the future of Brymbo. It is planned that Brymbo would in fact close in due course (probably in 1988/9) after the Aldwarke investment has been completed. The UES Board are expected to decide formally to place a contract for the caster at Aldwarke at their Board meeting on 19 June and would announce their decision about a week later.]



To:  
Mr Whittingdale

cc PS/Secretary of State  
PS/Mr Morrison  
Mr Mountfield  
Mr Murray  
Mr Spencer

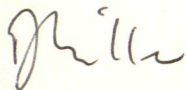
From:  
David Miller  
903 Ashdown  
212 0205

19 June 1986

**BRYMBO STEELWORKS**

Further to my minute to you of 18 June you may wish to know that UES have issued a press statement in response to the rumours which have been circulating concerning the future of the Brymbo steel plant. I attach the text of the company's statement.

I am also sending copies to PS/Secretary of State for Wales and the Welsh Office in Cardiff.



DAVID MILLER





TEXT OF PRESS STATEMENT BY UNITED ENGINEERING STEELS 18 ~~MARCH~~<sup>JUNE</sup> 1986


"This is a reply to the speculation that UES will make their major investment in continuous casting at Aldwarke and not at Brymbo - thus leading to the rundown and closure of Brymbo.

The UES Board have not yet made a decision on its continuous casting facilities.

Any decision by UES will depend on satisfactory tenders for the plant involved being obtained.

At the time of the formation of UES the Chief Executive stated that following the closure of the Tinsley Park billet plant it was not envisaged that any other major plant closure would take place in the short-term ie within 2 years.

There is no guarantee of continued operation of any steel plant. This will depend on the market opportunities in the medium and long-term, whether the plant has continuous casting facilities or not. It has been amply demonstrated in the last few years that the market opportunity has governed capacity and it will be remembered that Round Oak Steel works who operated a bloom caster as well as ingot casting, was in fact a casualty to it".





Reference.....

STEEL RUMOURS

To:  
John Whittingdale

cc PS/Mr Morrison  
Mr Spencer MM2  
Mr Worman MM1  
Mr Johnston MM1a

From:  
Ruth Thompson  
MM2a  
Room 907  
Ashdown House  
212 8605

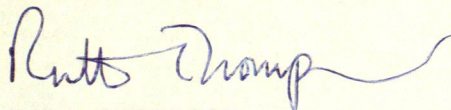
(2) BSC:  
PANTEG.

20 June 1986

**PRIME MINISTER'S VISIT TO WALES, 21 JUNE**

We spoke about rumours (in the Western Mail of 19 June) about cut-backs in production at BSC's Panteg works, which have aroused parliamentary interest (Dafydd Wigley, P Cymru).

2 I enclose a short note for the Prime Minister's briefing, which you agreed to relay to No.10.



RUTH THOMPSON





## PRIME MINISTER'S VISIT TO WALES, 21 JUNE

### STEEL: FUTURE OF BSC'S PANTEG WORKS

#### LINE TO TAKE

Plans for Panteg and BSC Stainless's operations are for the Corporation's commercial judgement. [If necessary] I understand that the products of Panteg are not covered by the Community production quota system.

#### BACKGROUND

On 19 June the Western Mail carried reports of stainless steel production cut-backs at BSC's Panteg works, linking them with "European quotas". BSC Stainless, like other stainless producers, are suffering from very sluggish demand and poor profitability, and have been reviewing market prospects and the action they might take with other European stainless steel producers of the "Sendzimir" Group. But the production at Panteg - stainless flat products - is not covered by the EC system of steel production quotas.



## VISION

EXTRACT FROM 1985 PARTY CONFERENCE SPEECH

LET US TOGETHER SET OUR SIGHTS ON A BRITAIN WHERE THREE OUT OF

FOUR FAMILIES OWN THEIR HOME, WHERE OWNING SHARES IS

AS COMMON AS HAVING A CAR, WHERE FAMILIES HAVE A

① DEGREE OF INDEPENDENCE THEIR FOREFATHERS COULD ONLY  
DREAM ABOUT; A BRITAIN WHERE THERE IS A RESURGENCE

② OF ENTERPRISE WITH MORE PEOPLE SELF-EMPLOYED, MORE  
BUSINESSES AND THEREFORE MORE JOBS; A BRITAIN WHERE

③ THERE IS A STANDARD OF HEALTH CARE FAR BETTER  
THAN ANYTHING WE HAVE EVER KNOWN, WHERE SAVINGS

④ KEEP THEIR VALUE AND WHERE PEOPLE CAN LOOK FORWARD  
TO THEIR RETIREMENT, CERTAIN OF THEIR PENSION AND  
CONFIDENT OF ITS BUYING POWER; A BRITAIN WHERE

⑤ STANDARDS IN OUR SCHOOLS ARE A SOURCE OF PRIDE AND  
WHERE LAW-ABIDING MEN AND WOMEN GO THEIR WAY IN

⑥ TRANQUILITY WITH THEIR CHILDREN, KNOWING THAT  
THEIR NEIGHBOURHOOD IS SAFE AND THEIR COUNTRY SECURE.

VISION



EXTRACT FROM A SPEECH BY THE RT HON NICHOLAS EDWARDS MP (PEMBROKE)  
SECRETARY OF STATE FOR WALES, SPEAKING AT THE CONSERVATIVE WALES  
AREA CONFERENCE ON SATURDAY 21 JUNE 1986 AT THE GRAND PAVILION,  
PORTHCAWL AT APPROX. 11.45 AM

It is natural and it is right that this Conference should have expressed its deep concern about unemployment. The motion calls for further action by the Government to create jobs; that is a demand which I accept and to which we shall respond.

Pivotal Moment

We are at one of the pivotal moments in the history of the Welsh people. I am confident that history will record that the 1980s were the years in which Wales moved from the long era of industrial decline and social distress into a period of growing economic strength and social advance.

I will be asked how can that be when there are 179,000 men and women out of work and when so many communities live under the dark cloud cast by that fact? . Of course, those afflicted, don't easily recognise the turning point. The depression has endured in Wales for too long and the changes of recent years have been too violent for those who have suffered from these events to see that there is now a great prize within our grasp.

Not only is the psychology of hopelessness deep seated and damaging, but our opponents seek every opportunity to maintain it. They have failed to remove its miseries themselves, but they belittle our measures; they decry our progress; if they think it will do them political good, they are always ready to sell Wales short.

/ Against that background

NICK  
EDWARDS



MIS

FIRS

U. S. A. India



Against that background, let me then give a few reasons for my confidence.

First :

*Economic foundations*

the economic foundations have been soundly established, as Nigel Lawson was able to tell us yesterday.

Second :

*To health industry*

we have made enormous strides towards improving the industrial infrastructure and the conditions in which business can succeed; a fact proved by the rapid increase in the number of new small firms, and very clearly recognised by those outside who now identify Wales as one of the industrial areas of Europe in which they would most like to put their factories: the fact that we have attracted around a fifth of the new inward investment projects that have come to Britain over the last three years is proof enough of that.

Third :

*4 Social Program*

It isn't just a question of industrial infrastructure; we are carrying out by far the largest programme of urban improvement, hospital building, expansion of facilities for the sick, mentally handicapped and the old ever attempted in Wales - and are doing more for our heritage, the arts and the environment as well.

Fourth :

*3 Rural Britain - Agriculture*

we have launched a string of major policy initiatives which prove conclusively that by combining the resources of the public and private sectors together, we can stimulate investment and creativity in Wales on a scale which previously seemed impossible.

You might have thought that it wasn't necessary to remind anyone that we were called to govern at one of the greatest periods of change in human history; yet a majority apparently think that unemployment and the other consequences of that change are all the fault of the present Government. As David Howell observes in his new book, you have to "adapt or die". Perhaps we wish that we weren't in

/ that kind of world, but



that kind of world, but it is an unmistakeable fact that whatever the Government and whatever the policies followed, change will be rapid and remorseless. That is something we can't avoid. The kind of lives that we all live will depend on the way in which we respond; and thank God we live in a free society; the kind of lives we live will also depend on our remembering that it has to be defended.

Rod Richards moved this motion on behalf of the Carmarthen Association and reminded us, if any reminder was needed, that rural Britain is having to respond to changes quite as sharp and painful as those in the industrial areas. Our technical ability to produce has overtaken our needs as consumers.

The cost of producing these enormous unwanted surpluses cannot be borne; but equally our society couldn't bear the cost of a decimated agricultural industry or a ravaged rural economy. Enough of the resources of the European Community must be directed to sustain an agricultural industry that will produce the food we do need, preserve the environment that we all enjoy and underpin our rural economies.

I can't deal adequately with the vast and important subject of agriculture in this short debate; I just want to say this. Don't let our opponents create the total delusion that it's possible to condemn what they call the "obscenity" of surpluses and at the same time to offer stability, security and an easy life to the farming industry.

Farmers need time to adjust, but change must take place. We have underpinned it by our continued support for the less favoured areas, the extension to cover marginal land, our robust defence of the sheepmeat and beef regimes and our fight to avoid discrimination against UK farmers. Extra milk quota has been directed to the small family farms that are so important to Wales and those worst hit by the



introduction of the system. Through leasing we have begun to introduce more flexibility. We are leading the way in the structures debate that seeks to give aid to rural businesses and to the care and protection of the countryside. We have launched very important initiatives; the Farm and Countryside Initiative in February; the Rural Initiative by the Welsh Office in March with its system of grants for small businesses; and only last week, the "Good Food From Wales" promotion by the WDA which has the crucial objective of encouraging farmers to produce products for a growing rather than a shrinking market and of selling them effectively.

One other word on this subject, and it is relevant to every other industry and business. Farmers are pressing for further reductions in interest rates which are already down 2½% from their peak. This country has come through a halving of our income from North Sea Oil without a financial crisis, a tribute to the underlying strength of the economy. If people don't throw it all away with excessive wage claims, we can bring interest rates down further as inflation falls if we do it in a measured way that the market supports. That is a prospect that only THIS Party can offer to the country because the wild spending policies of our opponents would send inflation and interest rates spiralling upwards again.

The motion refers to the continuing massive investment in Welsh infrastructure which has attracted record inward investment, broadened the base of the Welsh economy and transformed the competitive performance of traditional industries. Yes, that IS the record and the achievement and let no one forget it.

Faced by inevitable change in the old traditional industries, we accepted the unmistakable reality that after years of dithering, political cowardice, weak management and over-manning, they had to face the real competitive world if they were to survive and prosper. We as a Government had to support the state owned

/ industries with capital



industries with capital investment and we had to seek to cushion the consequences of change.

Almost as soon as I became Secretary of State, I was faced with the decision of BSC to close steel making at Shotton and slimline the South Wales plants. Immediately, we raised the development status of the areas. We spent £41 million in Clwyd building over a million square feet of factory space and preparing sites while in the South, we spent over £94 million on those special measures, which have attracted large numbers of new companies which are creating thousands of new jobs.

It was a painful period, more painful than it need have been because for almost seven years, necessary decisions had been postponed or avoided. Once they had been taken, the response of the industry at every level was magnificent and has set an example for the whole of Britain. The Welsh steel plants now proudly form the core of a competitive British Steel Industry that can face the world with confidence. Firmly backed by the Government throughout, the BSC has made massive new investment.

Two weeks ago, I opened the new coating line at Shotton built at a cost of £30 million, the culmination of a capital programme totalling £100 million. Last week, the Prince and Princess of Wales visited Port Talbot for the opening of the £171 million hot strip mill project, part of a £600 million total refurbishment of the plant; and the work on the installation of Concast at Llanwern is well underway.

We have supported major investment in the modernisation of the aluminium industry.

In the coalfield where so much damage was done by Scargill's strike, supported throughout by the Labour Party, there is, in the words of Cliff Davies, the South Wales Director, "a new mood of confidence". Mines have had to be closed, but even

/ with the pressures of



with the pressures of falling oil prices, there are now good grounds for believing that we are at about the end of the period of decline that has lasted for so many decades in South Wales. More than £80 million has been invested by British Coal in the South Wales field since the beginning of the financial year. The field has moved dramatically from huge losses last year into profit this March; that is something that one could hardly have believed possible even months ago,

I start with the conversion and modernisation of our existing industries because I think it needs to be emphasised that even more important than attracting new companies from outside is the task of ensuring that existing British industry adopts the new technologies that alone will enable it to compete in a fast changing world; steel, coal and aluminium are doing just that and in doing so, are setting an example to other businesses, large and small.

Inward investment is important too, because it also encourages the new technologies, sets standards and creates jobs. That is why I have devoted so much effort to encouraging inward investment with trips to the Far East, to North America, to Scandinavia, and Wyn Roberts has led investment missions to Germany.

You can't sell if you haven't got a good product. We have been able to sell Wales because of the performance of its workforce, because of its adaptability, because of its good industrial relations. We have been able to sell it as an attractive place to live and work; and if we have been able to change the image from one of dereliction and decay, it has been because this Government, more than any other in Welsh history, has attacked the problem of dereliction, has tackled the problem of urban regeneration and has built the roads and infrastructure that business needs.

Mark was able to tell you yesterday that we had completed the largest



programme of hospital building ever undertaken in Wales. The process continues: on Wednesday, of last week, the Princess of Wales opened one District General Hospital while Mark was doing the start of work on another. Around 90% of the more than 10 million square feet of advance factories built in Wales by the Government agencies in the last dozen years or so have been built by this Government. Our motorway and trunk road expenditure has risen steadily to record levels: and over the next three years, we plan to make a start on more than sixty miles of major trunk road and motorway improvements. We are supporting an increasing County Road Programme. We've gone out to consultation about the form that the road programme should take into the 1990s and all this is on top of the 22 miles of new motorway and 84 miles of trunk road that have been built in Wales in the last seven years and the additional 26 miles which are under construction at present. This year, we will start work on the tunnel crossing of the Conwy; The whole of North West Wales will be as eager as I am to see it completed. As to a second Severn Crossing, I can tell you that the studies are on schedule, and that both Nick Ridley and his successor John Moore, have in every way matched my determination to ensure that all this work receives the priority that it deserves; we will announce our conclusions later this Summer.

I have talked about roads. I remember going during the last General Election campaign to Barmouth at a time when there was great uncertainty about the future of the Cambrian coast line. What a change there is today, with major investment in mid Wales, central Wales and the Cambrian coast line; the Barmouth viaduct reopened to passenger trains; and inter-city services to West and South West Wales.

In the Valleys, British Rail is undertaking a £20 million modernisation programme to ensure that Cardiff and the Valleys have one of the finest commuter services

/ anywhere in the country.



anywhere in the country. At Cardiff/Wales Airport, the runway has been lengthened. In Delyn, in Swansea and in Milford Haven, major investment in Enterprise Zones is creating new jobs. In the tourist industry, we have increased Government support and we have used urban programme and urban development grant to trigger private sector projects as varied as the New Holiday Inn in Cardiff and the tidying up of the summit of Snowdon.

All this is an exciting record, but I can tell you that there is a great deal more to come. This is not a team that has run out of energy and imagination. In the last six months, we have launched a series of initiatives which by harnessing the combined resources of the public and private sectors together are capable of creating an entirely new Wales; a Wales that will produce the jobs that we want; a Wales fit for our children to live in.

There are still those who believe that problems can only be tackled by chucking public money at them. Neil Kinnock would throw it around as freely and as uselessly as he throws around his own rhetoric. Barry Jones is as ready to promise other peoples' money as he is eager to see his photograph grinning at us from the pages of the Daily Post. It's yesterday's concept; it's the politics that produced the grim housing estates and urban ghettos that shelter drugs and violence in our communities today.

This Government found South Cardiff an empty desert. It is we who made possible the great redevelopment around the Bute/East Dock which is now underway. Last year, we put forward the proposal that a barrage should be built across Cardiff Bay; and Jones, Lang Wooton have just produced their initial appraisal Report. The consultants say that this is "a major innovative redevelopment scheme of regional, national and possibly international importance .... which will enhance



Cardiff as a capital city and also help the economy of South Wales more generally by attracting investment and creating employment". They say "there is a rare opportunity to develop a superb environmental setting which will have few, if any, competitors in Great Britain". The preliminary Report provides firm evidence of the technical feasibility and financial viability of the Cardiff barrage scheme. In a Parliamentary answer on Thursday, I announced the further studies we would now urgently undertake with a view to taking final decisions on this great project in the Autumn

Schemes of this kind are long term and they will require commitment and vision and quality and I would add co-operation right across the field of politics. We have been able to achieve that in the Bute/East Dock Development and I am determined that we should achieve it with this project as well.

We are not confining our efforts to Cardiff. It was our Urban Development Grant Scheme that turned from plan to reality the very exciting rebuilding of the maritime zone in Swansea, just as it is making possible important developments in Rhyl, Colwyn Bay, around Milford Haven and in the industrial Valleys. In March, we launched yet another major new undertaking; The Valleys Initiative. The cities and the ports on the South Wales coast and the industrial communities in the Valleys were created together. They have become separated physically and psychologically; the Valleys have suffered disproportionately from economic decline and urban decay.

The time is right to change all that. The new roads to Merthyr and the Cynon Valley, at the entrance to the Rhondda and past Rogerstone and Risca, and the railway modernisation I have described are all removing the physical barriers. What we want to do now is to improve the development prospects and environment of the Valleys, particularly in the town centres and the areas leading to them. We are seeking to trigger off a series of co-ordinated initiatives by people who live in the communities.

/ We are determined to get



We are determined to get the multiplier going. So far, £20 million of UDC expenditure in Wales had generated £120 million of investment. We want much more than that and we want a great deal of it to go into the Valleys. We are told that the additional funds we have made available this year are small, £3 million; but is it only a start and the projects will not come forward until the second half of the financial year. If we get a response, we will build on that start; if we do what the motion encourages us to do; we will reinforce measures already under way.

In talking about industrial and commercial development and the drive for jobs, we must never forget that there are other objectives as well. We set up CADW to care for our historic heritage and to reveal it more effectively to a growing public. I was proud to be present in Japan when the great collection of the National Museum went on display. We are fortunate to have in Cardiff one of the best concert halls in the whole of Europe. We have an opera company of international reputation; theatre, dance and music deserve our support as well. Theatr Clwyd is performing brilliantly in London Haymarket at the moment. It is because I think these things are important that I launched my study on the housing of the visual arts in Wales and joined with the Welsh Arts Council in a parallel study on the housing of the performing arts. The Report on the visual arts has received an enthusiastic reception from all parts of Wales. I am quite clear that we have got to improve the conditions in which our great national collections and visiting exhibitions can be housed and displayed. We are examining the practicalities of the very exciting proposal that the Report contains that we build a new national theatre for opera, dance and drama in the court-yard of the National Museum; and the other ideas for displaying the arts in North, South and West Wales.

Jobs are created not just by seeing that there are factories and offices and

/ still less by throwing



still less by throwing Government grants at them. Jobs are created and social conditions improved when firms and organisations want to be in an area and people want to come there to live, work and play.

We can create those conditions; we have started the process. It will need the support of the communities in Wales; it will need the support of people and organisations from far outside; it's a bold dream.

"Make no little plans, they have no magic to stir men's minds". If I dream a dream, I do it without apology. We have started on a great task with a great objective. Go out and sell it; we shall need not just your support, but the support of the people of Wales.