

SUBJECT

FILE

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cc: D.EMP

cc: Master

10 DOWNING STREET

From the Private Secretary

13 March, 1981

pm

Dear Tony

David Watkins, MP: Meeting with the Prime Minister

David Watkins met the Prime Minister at 10 Downing Street at 1945 hrs on 11 March. Your Minister and Ian Gow were also present.

Mr Watkins said that closures in his constituency included not only the steel works but also the RHP Bearings factory, and a large number of others which had not received national publicity. Examples included the Ever Ready factory, the Anthony Carrimore specialised vehicle factory, Cumberland Fibres factory and so on. The whole economy of the area was in a state of collapse. What was more, many of the factories which were now closing had been established with the help of large regional grants and had seemed to have real prospects of success when they had opened.

In discussion of the steel works, Mr Watkins said that there had always been an argument for modernising medium sized steel works rather than investing in huge new plants on the Japanese pattern. All governments had followed the latter path; what resulted was the closure of Consett. The Prime Minister said that she agreed with much of what Mr Watkins had said. Mr Watkins reported to the Prime Minister on his discussions with Mr Ian MacGregor about Redpath Dorman Long in Consett. He said that his delegation had accomplished all that they could have expected. It was, however, unfortunate in his view that the heavy rolling machinery from Consett had been transferred to Stockton on Tees, so that further similar machinery would now have to be moved from somewhere else into the Consett plant.

Mr Watkins said that the most important general point he wished to make was that he hoped that everything that could be done to speed up the process of handling applications to open new factories in Consett would be done. He said that your Minister had a real

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commitment to Consett and that everyone involved in the Department of Industry and in BSC Industry were doing their very best to help. He had recently been involved in discussions with a group of companies who wished to manufacture electrical switches, and who were negotiating to takeover an advance factory in Consett.

Your Minister said that he had been in correspondence with Mr Watkins about the particular case and he would continue to watch it closely. He said that it was inevitable that there would in general be some delay in dealing with applications for regional development grants, if only because of the very large number of applications which were being received. He said that he would very much like to reduce that delay and that everything was going ahead in Consett as quickly as it could. The real problem was attracting industrialists to go there rather than to, say, Corby. He undertook that any proposal which seemed to present the possibility of offering a real breakthrough would be processed as quickly as possible.

Your Minister said that he had been greatly impressed by the constructive attitude of everyone that he had met when he had visited Consett. There was some discussion of the possibility of Consett residents working in the Newcastle area or at Team Valley. Mr Watkins said that the difficulty facing them was that public transport was very poor. He said that it was not practical to think of Consett and Stanley being dormitory towns.

Closing the meeting, your Minister said that he was very conscious of the problems facing Consett, which had the highest unemployment in the country. The important thing was to attract companies to the area, especially a good one to act as a magnet to other firms, and he and your department were doing all they could. The Prime Minister said that she was anxious that nothing which could be done should be held up by administrative difficulties.

I think there is no need for further action on the Prime Minister's part; no doubt your Minister will continue to keep in close touch with Mr Watkins.

I am copying this letter for information to Richard Dykes, (Department of Employment).

*Yours ever*

*Nick Sadler*