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Zear Michael

COAL

When we spoke on Friday you mentioned three aspects of the scale and extent of Pit Closures where the Prime Minister would find it helpful to have further background before the party conference, namely:-

- 1) pit closures over the last 10-15 years on a year by year basis;
- 2) any evidence of the effect on communities at that time and what, if any, special aid was given; and
- 3) the current proposals for helping affected communities (ie NCB Enterprise Ltd).

The attached list details NCB's full closures since 1974/75. The main burden both pre-1979 and post 1979 has fallen on Scotland, North East England and Wales. One of the major points to make is that under the last 11 years of Labour Government 330 pits closed, many more than the 180 that now exist.

Without having had time yet to instigate an exhaustive trawl of the many interested Government agencies, officials here have with other departments attempted to identify examples where individual pit closures under the last Labour Government had serious local employment consequences.

A general survey revealed that no specific assistance was given to areas affected by pit closures other than the general provision of regional policy. The rise in unemployment in these regions (as mentioned predominantly Scotland, NE England and Wales) during the period 1974-9 was governed essentially by national forces rather than pit closures in particular. (This is in contrast to the position in the 1960s when regional policy was sometimes directed to providing aid for areas affected specifically by pit closures).



Nevertheless pit closures can be seen to have played a part in contributing to rising levels of local unemployment. Two particular pit closures were examined in some detail at the local level:-

- (i) Dalquarran (Ayrshire): April 1977
- (ii) Metal Bridge (County Durham): July 1978

In both cases there were significant increases in unemployment in the months around the pit closures. In the case of Dalquarran, the job losses resulting from the closure appear to have accounted for most of the subsequent rise in unemployment since there were no other significant industrial failures at that time, but the region's economy as a whole was severely depressed with unemployment at a significantly higher level than the Scottish average. At Metal Bridge a much greater rise in unemployment took place, although there were several other and larger industrial closures at the same time, notably Courtaulds. The jobs lost at the pit therefore added to, but were in absolute terms a small part of, the significant rise in local unemployment.

It is a moot point how much can be drawn from these figures. Certainly of the two, the Dalquarran closure appears to be the more identifiable as the specific cause of the rise in unemployment and the Metal Bridge closure could be criticised on grounds of timing - but any comparison with individual pit closures since 1979 could well be unfavourable. Unemployment has risen faster since 1979 and in the sphere of regional policy the rates of grant to many of the areas affected by pit closures were halved in 1980. For example Girvan Employment Exchange, was downgraded to Development Area Status in 1980.

A note on the two individual closures is attached.

As regards current proposals, you will know that the NCB announced on 3 August their intention to launch a company called NCB (Enterprise) Ltd to support and initiate job creation efforts in coal industry areas where unemployment is already substantial.

It is the Board's intention that the company will have access to up to £5m and together with the Board itself will offer assistance in the following ways:-

- (a) by aiding new or existing firms to obtain premises, either by rent subsidies or by converting buildings no longer required for coal mining;



- (b) through equity or loan capital financing;
- (c) by retraining miners for work outside the coal industry;
- (d) by giving direct support to established enterprise agencies.

The new company will be seeking to tap additional sources of finance, including ECSC aid.

The Board are on the point of writing to seek formal Government approval for setting up the company and the use of funds. The registration of the company is at an advanced stage and preliminary interviews have been held for the post of Executive Director.

Early last week a conference was held by the Board to brief NCB area representatives for those areas where the Board expect the company to be active. So far the Board have agreed a secondment to one Enterprise Agency, Leicestershire Venture.

The important point about this policy is that this effort to help the community overcome the effects of pit closures is completely new and never attempted by a Labour Government. (I understand Peter will be making much of this in his speech tomorrow).

Yours ever

David

I shall be at the Grand for tonight and can help as and when required

DAVID HUNT

NCB FULL CLOSURES (EXCLUDES MERGERS AND PARTIAL CLOSURES)

COLLIERY	NCB AREA	DATE CLOSED
<u>1974/75</u>		
Oxcroft	North Derby	April 74
Barley Hall	Barnsley	May 74
Glappwell	North Derby	June 74
Littlemill	Scottish	June 74
Kingshill	Scottish	July 74
Whitworth Park	North East	July 74
Usworth	North East	August 74
Nettlesworth	North East	September 74
Kibblesworth	North East	October 74
OGILVIE	South Wales	March 75
<u>1975/76</u>		
Beynon	South Wales	April 75
Langley Park	North East	October 75
Burradon	North East	November 75
Minnivey	Scottish	November 75
Glyntillery	South Wales	December 75
<u>1976/77</u>		
Ammanford	South Wales	September 76
Havannah	North East	October 76
Cairnhill	Scottish	November 76
<u>1977/78</u>		
Dalquaharran	Scottish	April 77
Duddley	North East	April 77
Norton	Western	June 77
Bargoed	South Wales	June 77
Caerau	South Wales	August 77
<u>1978/79</u>		
Kinneil/Valleyfield	Scottish	June 78
Graig Merthyr	South Wales	June 78
Wentworth/Silkstone	Barnsley	June 78
Pennyvenie	Scottish	July 78
New Stubbin	South Yorkshire	July 78
Metal Bridge	North East	July 78
Rainton	North East	July 78
Langwith	North Derby	August 78
Dalkeith	Scottish	Dec 78

COLLIERY**NCB AREA****DATE CLOSED**1979/80

Granville	Western	May 79
Hylton	North East	July 79
Deep Duffryn	South Wales	Sept 79
Rockingham	Barnsley	November 79
Walton	North Yorkshire	December 79

1980/81

Blaenavon	South Wales	April 80
Eden	North East	July 80
Eccles	North East	July 80
Teversal	North Notts	July 80
Roger	Scottish	September 80
Cwmgwili	South Wales	November 80
Peckfield	North Yorkshire	December 80
Woodhorn	North East	February 81
Lady Victoria	Scottish	March 81

1981/82

Blackhall	North East	April 81
Lofthouse	North Yorkshire	July 81
Houghton	North East	September 81
Orgreave	South Yorkshire	September 81
Newmillerdam	Barnsley	November 81
Coegnant	South Wales	November 81
Manor	North Yorkshire	December 81
Bedlay	Scottish	December 81
New Hucknall	South Notts	February 82
Newdigate	South Midlands	February 82

1982/83

Hapton Valley	Western	April 82
Boldon	North East	June 82
Victoria	Western	July 82
West Cannock	Western	December 82
Kinneil	Scottish	December 82
Parkhill	North Yorkshire	January 83
Marley Hill	North East	March 83

1983/84

Highhouse	Scottish	April 83
Sorn	Scottish	April 83
Tymawr/Lewis Merthyr	South Wales	June 83
East Hetton	North East	June 83
Blaengrach	South Wales	July 83
Cardowan	Scottish	August 83
Brynlliw	South Wales	September 83
Newmarket Silkstone	North Yorkshire	September 83

COLLIERY

Elsecar
Britannia
Rothwell
Wyndham/Western
Desford
Westhorpe
Cronton

1984/85

Bearpark

NCB

South Yorkshire
South Wales
North Yorkshire
South Wales
South Midlands
North Derby
Western

North East

DATE CLOSED

October 83
December 83
December 83
January 84
January 84
February 84
March 84

April 84

(A) DALQUARRAN (Ayshire)

Pit Closed: April 1977

Employment Exchange Area (Special Development Area) Girvan

119 men employed at time of closure

109 (92%) made redundant

9 transferred to other pits (Scope for transfer limited due to fact that transfers from an earlier pit closure, Cairnhill in November 1976 had filled up available vacancies)

Most men lived in village of Daly, nearest town of alternative employment Girvan - few prospects.

<u>Unemployment:</u>	<u>Girvan Empl. Exch. Area</u>		<u>Scotland (average)</u>
April 1977	370	13.8%	9.2%
July	453	16.9%	10.1%
Sept	450	16.8%	9.7%

By December 1977 the numbers on employed had fallen slightly to 431.

There were no other major specific industrial closures during this period.

(B) METAL BRIDGE (County Durham)

Pit Closed July 1978

Employment Exchange Area (Development Area) Central Durham

357 men employed at time of closure

120 (34%) made redundant

Main job transfers: 90 men to Easington colliery (12 miles distant)
53 men to East Hetton (4 miles) and 50 men to Blackhall (12 miles).

No single pit cillage - so effects of redundancy spread. However prospects for finding alternative employment hit by closures in summer of 1978 of:-

Courtaulds 1600 jobs lost;
Advance Textiles 400 jobs lost;
Cheerex Plastics 98 jobs lost;

Unemployment position ^{was} alleviated by opening of Carrevas Rothman Factory - 700 new jobs 1978-80.

cont.

<u>Unemployment:</u>	<u>Central Durham Empl. Exch. Area</u>		<u>England (average)</u>
May 1978	4374	6.6%	5.7%
June	4818		
July	5501		
August	5601	8.5%	6.6%

By December 1978 the unemployment rate in Central Durham had fallen to 7.1% probably as a result, in part, of the Carrevas Rothman opening.