



DEPARTMENT OF INDUSTRY
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*From the
Parliamentary Under Secretary of State*

M Scholar Esq
Private Secretary to
the Prime Minister
10 Downing Street
LONDON SW1

*Prime Minister
David Clark comes in for a
3rd time on Tuesday.
Note 4 is the most
informative. MAD
22 April 1982*

Dear Mr Scholar

As requested I am attaching briefing for the
Prime Minister's meeting with Dr David Clark on
27 April. Mr MacGregor will also be able to attend.

Yours sincerely

Elizabeth Duck

ELIZABETH DUCK
Assistant Private Secretary

Encs.

1. Mr Andersen *E* 20/4
2. Mr Mills, APS/Mr MacGregor

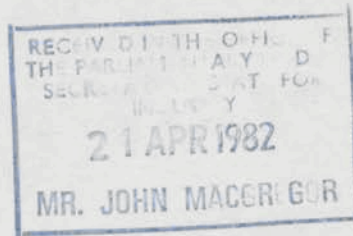
MEETING BETWEEN THE PRIME MINISTER AND DR DAVID CLARK MP

Attached is a brief for the Prime Minister for her meeting on Tuesday 27 April with Dr Clark, together with the following:

- Annex 1 - A copy of the note of the meeting between the Prime Minister and Dr Clark on March 4.
- Annex 2 - A copy of the Prime Minister's letter of 5 April.
- Annex 3 - Press cuttings relating to factory closures in Dr Clark's constituency.
- Annex 4 - Background note on South Tyne TTWA.
- Annex 5 - Background note on the North Eastern Region.
- Annex 6 - Mr Lamont's statement on the European Regional Development Fund - UK shipbuilding programme.

E. Dracup.

Mrs E Dracup
20 April 1982





UNEMPLOYMENT - SOUTH SHIELDS

MEETING BETWEEN THE PRIME MINISTER AND DR DAVID CLARK, MP ON TUESDAY
27 APRIL AT 3.30 PM

BRIEF FOR THE PRIME MINISTER

1. Dr Clark's interest in environmental matters, as a front bench spokesman for the Opposition, was reflected in the 4 major proposals he put forward at a previous meeting with the Prime Minister on March 4 and to which she replied in her letter to Dr Clark dated 5 April. A note of the meeting is attached at Annex 1 and a copy of the Prime Minister's letter at Annex 2.
2. Dr Clark has requested a further meeting because the unemployment position in his constituency has deteriorated further with the closure, during the last week of March 1982, of Tone Class Ltd, South Shields and Crushing, Screening and Engineering Ltd, Jarrow, involving a loss of 92 jobs. Local press cuttings are attached at Annex 3.
3. The two factories are situated in the South Tyne travel-to-work area, and lie within Dr Clark's constituency. Over the past 2 years, Dr Clark has become increasingly concerned about the erosion of the manufacturing base in the area.
4. A background note on the South Tyne travel-to-work area is attached at Annex 4 together with a general note on the North East region at Annex 5.
EUROPEAN REGIONAL DEVELOPMENT FUND - UK SHIPBUILDING PROGRAMME
5. Further to the Prime Minister's comments of 5 April, Mr Lamont confirmed, in a statement in the House on 19 April, that approval for the shipbuilding closure area programme was expected to be announced very soon (See Annex 6).



RECENT POSITIVE DEVELOPMENTS IN SOUTH TYNE TTWA

6. a. Over 100 companies, including many local organisations, have taken exhibition space to promote their products and services at the South Tyne Fair 82 to be held at Bede Industrial Estate from April 22-24 1982.
- b. NEI Power Engineering Ltd, Gateshead have introduced a new £6m robotic production line, creating 100 new jobs. (The Prime Minister visited the plant on her visit to the Region on 11 March).
- c. The Louise Argyl textile factory at Hebburn is operating at full capacity and a number of orders have had to be refused. Expansion plans involving taking over a nearby empty factory, creating 25 jobs are being discussed.

DR DAVID CLARK MP FOR SOUTH SHIELDS

MEETING WITH THE PRIME MINISTER TUESDAY 27 APRIL 1982 15.30 hours.

TO DISCUSS UNEMPLOYMENT POSITION IN SOUTH SHIELDS.

PROPOSALS

- a) Building of small advanced factories and nursery workshop units.
- b) Work on sea defences under Coastal Protection Act 1949 and EEC finance.
- c) Speed up the processing of EEC 'non-quota' application for riverside improvement.
- d) Increased cash for local authority building, possibly sheltered accomodation.

SOUTH SHIELDS

UNEMPLOYMENT STATISTICS

MARCH 1982

SOUTH SHIELDS					
MALE		FEMALE		BOTH	
NO	%	NO	%	NO	%
5729		1933		7662	
	26.4		12.2		20.4

Unfilled Vacancies

	EO	CO	BOTH
SOUTH SHIELDS	119	6	125

SOUTH SHIELDS

DURATION OF UNEMPLOYMENT

APRIL 1982

Age and Duration Summary JAN 82 E O data UNEMPLOYED OVER 6 MONTHS

Males	%-age	Females	%-age	Total	%-age	(AOA) Name
3039	52.97	905	53.90	3944	53.18	SOUTH SHIELDS

Age and Duration Summary JAN 82 All data UNEMPLOYED OVER 12 MONTHS

Males	%-age	Females	%-age	Total	%-age	(AOA) Name
2020	33.66	499	25.58	2519	31.67	SOUTH SHIELDS

INCREASE IN UNEMPLOYMENT

MAY 1979

Men	3646	(15.7%)
Total	4964	(12.8%)

MARCH 1982

Men	5724	(26.4%)
Total	7662	(20.4%)

SOUTH SHIELDS JC

NUMBER OF UNEMPLOYED REGISTRANTS IN SELECTED OCCUPATIONS

MARCH 1982

Occupation		Male	Female	Total	Unfilled Vacancies
Carpenters	(671)	106	-	106	3
Painters	(811)	485	1	486	1
Bricklayers	(861)	45	-	45	4
Plasterers	(862)	41	-	41	-
Semi-skilled/unskilled	(868)	139	-	139	2
General Labouring heavy labouring	(991.10)	1339	-	1339	4

Source EDS68

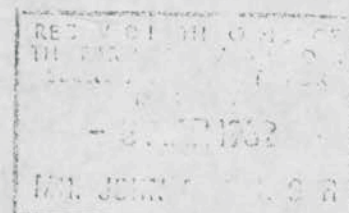
NB painters category includes ships painters



10 DOWNING STREET

From the Private Secretary

4 March 1982



Dear Anthony

As you know, the Prime Minister had a meeting today with Dr. David Clark, M.P., following the announcement of the closure of two factories owned by Mary Harris Limited. Mr. MacGregor was present.

Last year, Dr. Clark had seen the Prime Minister to discuss the closure of Ferrograph Limited. On that occasion, Mr. Tebbit was at the meeting, and the discussion centred on the possibilities of tackling urban dereliction in the constituency, and the problems of stimulating new industrial investment. This time, Dr. Clark had come equipped to raise with the Prime Minister some specific possibilities for generating new economic activity in the area. The Prime Minister welcomed this approach and will want to follow up the four specific points raised by Dr. Clark, which I set out below. The first of these is for your Department, but the remaining three are perhaps primarily for the Department of the Environment.

1. Dr. Clark said that the area had submitted two schemes as candidates for European Community assistance. The applications had been made eighteen months ago. The Commission reported that action was being held up in the Department of Industry. Mr. MacGregor said that the problem lay with the Commission, because a Community decision on the final parameters of the scheme was still awaited. He would nevertheless check the exact status of the applications.
2. Dr. Clark reported that he had privately been in touch with senior management at the Bradford and Bingley Building Society. He had established that the Society would be prepared to join others in financing a scheme worth, say, £3m. for the provision of about 300 homes. The homes would be designed to cater for applicants on the local authority housing list, and the investment would generate local employment, given that there were around 700 people from the construction industry registered as unemployed. There

/would

would be a preference for local firms in the tendering. The Society had, however, asked that the scheme should be underwritten by the Government, suggesting that there were parallels with the option mortgage scheme.

The Prime Minister was not immediately attracted by such an arrangement, because she did not believe that the Society ought to require a Government guarantee. She nevertheless undertook to investigate the potential for such a scheme. Dr. Clark handed over some relevant correspondence. I attach copies, which need to be treated as private.

3. Dr. Clark said that the local authority had also been looking at initiatives which might help to provide work in the construction field. His own building society scheme had not been developed with the local authority at this stage, but the authority had its own proposals for additional sheltered housing. The Prime Minister suggested that the local authority might have funds underspent within its capital allocation for the present year. Dr. Clark said that they claimed not to be in that position, but that he would appreciate clarification.
4. Dr. Clark said that there ought to be some scope for developing leisure activities in the area. There were possibilities in the coastline, which benefited from the absence of the less attractive forms of seafront development found in other northern resorts. One idea which he had heard discussed was to consider the reconstruction of some part of Hadrian's Wall. One of the forts, rebuilt to simulate the original working structure, could well have considerable attraction as a theme park. He knew that the leader of the Northumberland County Council was enthusiastic about this kind of possibility. There was a fort right in South Shields.

The Prime Minister said that this kind of approach would be well worth investigation. It would be necessary to engage the interest of a company with experience of large scale projects. There might conceivably be some scope for involving the National Heritage Memorial Fund. She would make enquiries.

The Prime Minister will now wish to write to Dr. Clark having made further enquiries about the prospects for progress - with or without any form of Government support - in these various directions. I should be grateful if the Department of the Environment could co-ordinate a suitable draft. I hope that we can have something by 24 March. The Prime Minister will wish to give as much encouragement as possible.

I am sending copies of this letter to Helen Ghosh (Department of the Environment), Marie Fahey (Department of Employment) and Jill Rutter (HM Treasury).

Yours ever
Mike Patterson



P. on filing

[Handwritten signature]

(41)

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10 DOWNING STREET

THE PRIME MINISTER

For Information

1982 *IV* April 1982: 37 *of folder*
7/7

- Mr Franklin*
 - PS Minis*
 - PS Sec*
 - Mr Davies*
 - Miss Mueller*
 - Mr Cooper*
- Dir NERO*

Dear Mr. Clark

At our meeting of 4 March I undertook to follow up several ideas you raised as possible means of generating new economic activity in South Shields.

I understand that the two projects submitted for assistance from the European Communities hope to benefit from a small "quota free" section of the European Regional Development Fund which aims to mitigate the effects of particular Community policies. The European Commission is expected very soon to give formal approval to programmes for areas affected by the restructuring of the steel and ship building industries. We hope that authorities with eligible schemes under the ship building programme will receive their first grant payments during 1982. Officials will be in touch with South Tyneside District Council as soon as we know of the Commission's approval to the programme, to discuss the particular projects which might be covered by it.

I undertook to consider further the scheme to provide 300 homes in the South Shields area, worked out in conjunction with the Bradford and Bingley Building Society. As you know, the Government attaches great importance to extending home ownership. John Staley has been emphasising to local authorities the opportunities that they have, often at no cost in public expenditure, to facilitate the provision of low cost housing for sale. I attach a copy of the folder accompanying the Department of the Environment film "A First

Home" which illustrates the main initiatives. The second of these, building under licence, is the one described in the letter from Mr. Gardner, the Chief Executive of the Bradford and Bingley BS, of 19 February. Under the proposal, the local authority would need to provide the land, licensing the developer to build houses and setting conditions on the type of purchaser and selling price if appropriate. The land would be conveyed to the purchaser when the house is sold. With building society mortgages, the houses could be built without any public funds; indeed, the sale of the land would give the local authority a capital receipt which could be used to increase its capital expenditure allocation. Mr. Gardner had two suggestions on ways in which the building society's investment might be protected: the option mortgage guarantee scheme and the power given to local authorities to guarantee building society mortgages in the Housing Act 1980. I enclose a copy of the Department of the Environment's Circular 5/81 which gives guidance on the use of these mortgage guarantee powers. In addition, DOE's Northern Regional Office would be happy to provide further advice. The official to contact is Mr. P. Williams at Wellbar House, Gallowgate, Newcastle upon Tyne.

We discussed work for the construction industry. I suggested that South Tyneside District Council might have some funds available from within its 1981/82 Housing Investment Programme allocation. According to the authority's own expenditure return, they had spent just under £6 m on housing investment in the 9 months to 31 December 1981. This represents only some 65% of its basic HIP allocation for just over £9 m. Taking into account also the £1.75 m of housing capital receipts generated by the authority in the same period, which may be used to increase its allocation, the proportion of total spend compared with available resources is only 55%.

Finally, we discussed scope for developing leisure activities in the area and in particular the possibility of reconstructing one of the forts on Hadrian's Wall. The fort is a scheduled ancient monument; any proposal to reconstruct it would require:

/ approval

approval of the Secretary of State for the Environment, who would need to take into account the views of the Ancient Monuments Board. The Board have hitherto advised against simulated additions to monuments (especially where, as in this case, we are uncertain about what the originals were like). One possible alternative might be to make a reconstruction separate from the original fort.

You also wrote to me on 15 March about a marine engine simulator.

The firm that is developing the slow-speed marine diesel engine machinery simulator has decided that it must proceed immediately with a second phase of development, to meet the requirements of the world market and beat the products offered by its competitors.

There is only one prototype and it will not be allocated to a College by the Department of Industry until the development work approaches completion. There are five Colleges competing for it and the choice will not be an easy one.

However, I can assure you that the factors you mention in support of the South Shields Marine and Technical College will be taken fully into account when the decision is made.

I hope that it will prove possible to make progress on some of these ideas.

Yours sincerely,
Margaret Thatcher

Dr. David Clark, M.P.

Factory folds: Meeting called

A CREDITORS meeting has now been called following the collapse of a Jarrow machine handling factory last week.

A full statement of the affairs of Crushing Screening and Engineering of the Bede Industrial Estate is to be given then.

Creditors will be given the option at the meeting, which will be held on April 14 at the New Crown Hotel, South Shields, of calling in a liquidator if they think it is necessary.

The factory closed last Friday putting 30 men out of work at what was described as "five - minutes notice."

The workforce were given a week's notice in lieu of pay and the company was slammed by a Boilermakers Society union official for their "hush-hush" tactics over the closure.

The announcement of the creditors meeting by company director Mr James Hart is the first statement the company have made since the closure.

Mr Hart has also called a further creditors' meeting at the New Crown Hotel for later in the day on April 14 to discuss the financial position of CSE (Projects) Ltd.

ANNEX 3

CLASSIC COLLECTION OF SUITS
by MICOVILLE : BELLINO LEROSE
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SHIELDS
Gazette
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No. 35206 (Established 1849) Wednesday, March 31, 1982 14p

As firms close, Thatcher gets hard words from South Tyneside ...



Dr Clark



Coun. Robinson

'JOBS LOSS CAN'T GO ON' - MP



Blueprint for work

COUN. Sep Robinson, of Whitburn, wants to get the economy moving by asking the Government to use the £90 a week it costs for every unemployed person to create jobs instead.

As chairman of South Tyneside's finance committee he is to ask the borough's MPs, Dr David Clark and Coun. Don Dixon, to take the plan to the Prime Minister.

"We are quite prepared to take the lead in South Tyneside to get the economy on the move

again by creating more jobs which in turn will give a better quality of life for people in the borough.

"If the Government were to give us this £90 a head, we would quite happily find worthwhile jobs for people at present in the dole queues in the borough. But without this type of help from the Government our hands are tied," he said.

He said he was going to ask the MPs to find out why the Government would not put money back into the country.

"After all, paying out £90 a week in wages instead of subsidising people to be out of work would seem to be a much more sensible course of action."

PRIME MINISTER Margaret Thatcher was being given two stark messages today from South Tyneside.

THE FIRST was a desperate cry from Dr David Clark, MP for South Shields: "Factory closures in South Tyneside can't go on." It came after the sudden closures of Crushing, Screening and Engineering, on the Bede industrial estate, Jarrow, and the Tone Class clothing factory, South Shields, within a week.

THE SECOND came from Coun. Sep. Robinson, the Council's Finance chairman, who is telling Mrs Thatcher: "Give us the £90 it costs for every person on the dole and we'll find worthwhile jobs for the unemployed."

Dr Clark is demanding a meeting with the Prime Minister over the recent factory closures in the borough.

In the past six months, eight factories have either closed, or announced cuts, with the loss of more than 700 jobs.

His move follows the sudden closures of Crushing, Screening and Engineering, of the Bede industrial estate at Jarrow and the Tone Class clothing factory in South Shields within a week.

"With another factory going, I have decided yet again to seek a meeting with the Prime Minister. Something has got to happen. We can't go on losing factories like this," he said.

Tone Class, in Taylor Street, closed with the loss of 63 jobs and 30 lost their jobs at Crushing, Screening and Engineering. Both factories left their workforces without pay.

The Marconi factory at Bill Quay is still operating, but it has already announced that 290 jobs are about to go, while Fidus Controls Ltd. at Middlefields, South Shields, decided to switch its operation to Bletchley, Buckinghamshire, with the loss of 32 jobs.

The Mary Harri's clothing factory, at Laygate, put out 90-day redundancy notices in February with its notice of closure involving 130 jobs. This followed the loss of a Marks and Spencer order.

At Hebburn, Vickers Galvanising Works also announced its closure in February with the loss of 38 jobs — with 95 lost at Fry's Diecasting and 24 at Verichrome Plating Services, both at Jarrow.



BACKGROUND NOTE ON SOUTH TYNE - APRIL 1982

1. INTRODUCTION
2. INDUSTRIAL STRUCTURE
3. PRINCIPAL EMPLOYERS
4. UNEMPLOYMENT, REDUNDANCIES
5. NEW FIRMS
6. SELECTIVE FINANCIAL ASSISTANCE
7. FACTORIES AND LAND



1. INTRODUCTION

South Tyne TTWA is part of the Tyne and Wear Metropolitan County, which is one of the six Metropolitan counties in the United Kingdom. The area has a population of 372,200 which is approximately 32% of the total for Tyne and Wear. The area was unaffected by the Assisted Area changes announced in July 1979 and has remained an SDA.

2. INDUSTRIAL STRUCTURE

	EMPLOYEES IN EMPLOYMENT (1978 CENSUS OF EMPLOYMENT)	
Primary Industries	8,072	= 5.0%
Manufacturing Industry	63,702	= 39.8%
Construction Industry	13,778	= 8.6%
Service Industry	74,533	= 46.6%
	<hr/>	<hr/>
	160,085	100%
	<hr/>	<hr/>

3. PRINCIPAL EMPLOYERS

Principal Employers include:

COMPANY	LOCATION	PRODUCT
NEI Clarke Chapman	Gateshead	Marine Engineers and power plant manufacturers
Plessey Telecommunications Ltd	South Shields	Telephone and telegraph equipment
NEI Reyrolle & Co Ltd	Jarrow/Hebburn	Electrical Switchgear
Swan Hunter Ltd	Jarrow/Hebburn	Shipbuilders
Royal Ordnance Factory	Birtley	Armaments



4. UNEMPLOYMENT AND REDUNDANCIES

The South Tyne area has a current (March 1982) unemployment rate of 17.8% (20.4% males) compared with the North Eastern Region rate of 16.2% (19.2% males) and the Great Britain rate of 12.4% (15.0% males).

More detailed figures for South Tyne TTWA are as follows:

	<u>Males</u>	<u>%</u>	<u>Females</u>	<u>%</u>	<u>Total</u>	<u>%</u>
Mar 1982	23,618	20.4	8,494	13.0	32,112	17.8
Feb 1982	24,246	21.0	8,617	13.2	32,863	18.2
Mar 1981	20,952	18.1	7,127	10.9	28,079	15.5

REDUNDANCIES

In South Tyne TTWA, 4,404 redundancies were notified by employers to Department of Employment in the 12 months to March 1982. (Some of these intended redundancies were/may be subsequently cancelled). However, from the beginning of January 1981 to the end of December 1981, 5,594 redundancies have actually taken place. Some of the more significant notified redundancies were:

	<u>Numbers Affected</u>		<u>Date Notified</u>
	<u>Male</u>	<u>Total</u>	
British Shipbuilders, South Shields	NK	440	Apr 81
T I Churchill, Blaydon	194	210	Sept 81
Caterpillar Tractor, Birtley	758	775	Oct 81, Jan 82
Marconi Radar Systems, Felling	228	290	Feb 82



5. NEW FIRMS

Since 1966, 77 new manufacturing firms have opened up in South Tyne TTWA, 57 of which are still surviving, currently employing 4,317 people (2,701 males).

6. SELECTIVE FINANCIAL ASSISTANCE

Up to end of February 1982, assistance under the Industry Act 1972 (Section 7) (excluding assistance to the Shipbuilding industry) has been offered for 159 projects* involving a total amount of £20.0m estimated to provide 9,094 additional jobs with 8,143 jobs safeguarded.

*Project costs - £189.7m.

In addition, assistance under Section 8 has been offered for 49 projects involving a total amount of £3.7m with associated project costs of £20.2m.

7. FACTORIES AND LAND

At present there are 38* factory units available totalling 404,040 sq ft. This figure includes new advance factory units and vacant premises previously leased. (25 units totalling 118,643 sq ft were let in 1981).

In addition, a further 43 units totalling 66,940 sq ft of factory space have been announced for Tyneside.

*Factories complete and available:

Team Valley	-	25	(222,727 sq ft)
South Shields	-	7	(58,719 sq ft)
Jarrow	-	6	(122,594 sq ft)



THE NORTH EASTERN REGION - GENERAL NOTE - APRIL 1982

Population, Employment and Industry

North Eastern Region comprises the counties of Northumberland, Durham, Cleveland and Tyne and Wear. The area has a total population of 2.6 million and a working population of 1.1 million. The main centres of industrial activity are on Tyneside, Teesside and Wearside, and along the A19 and A1(M).

The Region has for much of the last fifty years experienced an unemployment rate significantly higher than the national average. The unemployment rate is currently 16.2% (19.2% male) (March 1982) compared to the national rate of 12.4% (15.0% males). The area is also characterised by a relatively low Gross Domestic Product per head (93.0% of the national average GDP per head, 1980 estimate). To a declining but still significant extent the industrial structure of the Region is based on traditional heavy industries which continue to exercise a significant influence over the comparative growth prospects of the region. (About a quarter of male jobs in the Region still depend on coalmining, metal manufacture, chemicals, shipbuilding and repairing and marine engineering).

However, new industrial activity in the sectors of light engineering, electronics and electrical goods industries, fine chemicals and pharmaceuticals and other manufacturing industries have considerably diversified the industrial structure and are providing an increasing proportion of the Region's employment. From 1966 to mid 1981 over 180 firms with outside origins established manufacturing units in the North Eastern Region and are currently estimated to be providing 28,900 jobs. In addition development of North Sea oil related activities has played an important role



in the Region's economy and are estimated to be currently providing about 4,000 jobs in the region. Further improvement will depend on the region's success in building on their existing potential and in attracting a share of the new high technology industries.

Measures of Assistance

Most of the region enjoys assisted area status at the Special Development Area, Development Area or Intermediate Area levels. Under these designations financial incentives are available to manufacturing firms and certain service activities moving into the region or who wish to expand or modernise an existing operation. These include Regional Developments Grants (SDAs and DAs only) towards capital expenditure on providing new buildings, on adaptations of existing buildings or on new machinery and plant, Selective Financial Assistance in the form of a discretionary grant for new projects providing, maintaining or safeguarding employment, and in certain cases rent free periods in government factories.

Recently announced assisted area changes for the whole of the country which will come into full operation this August will have the effect of concentrating national aid where it is most needed. National assisted area coverage will fall from 44% of the working population to 26%. In this region 97% of the insured population will remain within assisted areas - 59% in Special Development Areas which receive the maximum benefits.

The other main plank of regional development measures is the provision of advance factories which is carried out by English Industrial Estates who have their headquarters on Tyneside. Since the beginning of 1966, 665 advance factories have



been built in the region (over $4\frac{1}{2}$ million sq ft) and provide employment for approx 60,000.

In addition to these assisted area measures of assistance, the region also benefits from national schemes aimed at the modernisation and or expansion of specific industrial sectors. The provision of assistance from the European Regional Development Fund is of increasing importance to the Region, assisting both infrastructure and industrial projects.

Recent Developments

a) Infrastructure

- i. The Kielder reservoir project, now almost complete, which will provide water supplies for NE industry so that capacity constraints are not envisaged until well into the 21st century.

- ii. The building of the Tyne and Wear Metro which is providing a combined underground and surface transit system for Tyne and Wear County. Completion of this multi-million pound rapid transit system is due in 1983. The first stage of the project, linking Newcastle with the coast via the northern suburbs of Tyneside was opened in August 1980; the second stage linking Newcastle with Gateshead and South Tyneside was opened on November 15, 1981.

Along with a fine road network completed in the early seventies these are providing the region with a basic economic infrastructure second to none in the country.



b) New measures of assistance

- i. Enterprise Zones conferring tax and planning benefits on industrial and commercial activity have been designated in Tyne and Wear and at Hartlepool.

- ii. Tyne and Wear Metropolitan District Authorities and parts of Cleveland benefit from the Inner City Policies designed to produce a special focus on the economic and social problems of the inner urban areas.



MR LAMONT'S STATEMENT ON SHIPBUILDING

MONDAY 19 APRIL 1982

Supplementaries on the European Regional Development Fund, Non-Quota Section:UK Shipbuilding Programme

- Q. When will the European Commission announce its approval of the UK's programme for aid from the European Regional Development Fund to shipbuilding closure areas.
- A. The programme is currently being considered by the Commission. It corresponds very closely to the UK's programme for assistance from the Fund for steel closure areas, which is expected to be formally approved by the Commission within the next few days.
- Q. Are any difficulties foreseen in securing the Commission's approval of the shipbuilding programme.
- A. No, the programme is expected to pass through the Commission machinery in the normal way.

YOUTH INTAKE BY FIRMS 'HAS DRIED UP'

THE apprenticeship programme on South Tyneside has collapsed, it was claimed last night.

Major employers in the borough, including Reyrolles at Hebburn, the Tyne Ship Repair Group and Northern Gas, took on only 139 apprentices last year, compared with 631 in 1975.

This was said by Mr Clive

Laing, principal careers officer for the borough, at a meeting of South Shields Trades Council.

Mr Laing told members: "The future of young people in this country depends on the stability of the economy. This is why we have lost a generation of youngsters over the past five years.

"When you stand back and look at the apprenticeship system on South Tyneside

today, it is obvious that it has collapsed. The entire country is suffering in the same manner."

He said it was up to the government to provide a proper training or apprenticeship system. "But, ultimately, it is up to employers whether or not we see a revival of the apprenticeship programme."

Mr Laing also pointed out a difficulty for employers who do take on apprentices.

He said each apprentice will cost a firm about £5,000 during his first year of employment — "because, while training, he is not productive."

Mr John Sandicock, from the Post Office union, said employers should consider apprentices as "an investment in the future".

"When these kids reach 18 years of age and over, they begin to work overtime. Many of them are able to do a journeyman's job for which they receive only an apprentice's wages," he said.

Mr Laing also expressed fear for the future of 2,289 young people out of work on South Tyneside — up 1,211 from last year.

In South Shields, youngsters aged 16 and 17 make up 1,406 of this total.

Of those in South Shields, 515 are registered as unemployed at the careers office in Ocean Road, while 891 are working on various job schemes.

"These statistics show the difficulties facing young people," said Mr Laing, who added he had written to Dr David Clark, MP for South Shields, in response to a request from Dr Clark for information on youth unemployment.

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wife

- 1. Mr Andersen *E 20/4*
- 2. Mr Mills, APS/Mr MacGregor

MEETING BETWEEN THE PRIME MINISTER AND DR DAVID CLARK MP

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E. Dracup.

Mrs E Dracup
20 April 1982

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 20 APR 1982
 MR. JOHN MACGREGOR



HOUSE OF COMMONS
LONDON SW1A 0AA

16 April 1982

RCM

R20

The Rt Hon Mrs Margaret Thatcher MP
10 Downing Street
London W1

✓ es 20/4

Dear Prime Minister

I confirm that I will be happy to meet you on
Tuesday 27 April at 1530 hours as suggested in
your letter of 8 April.

Yours sincerely

David Clark

Dr David Clark MP

*check with
Mike Pattison
p. Breng.*

cf. 26/4

vb

bc A C S Willis, D/IND

8 April 1982

The Prime Minister has asked me to thank you for your letter of 31 March and she would be happy to have a further meeting with you to discuss the unemployment problem in your constituency. I have asked Mr. MacGregor to attend the meeting and hope that 1530 on Tuesday 27 April will suit you. The meeting will take place in the Prime Minister's room at the House of Commons.

(SGD) CAROLINE STEPHENS

Dr. David Clark, M.P.

