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From the Private Secretary

13 June 1986

TIN: RTZ APPLICATION FOR ASSISTANCE

The Prime Minister was concerned to see from yesterday's briefing for Parliamentary Questions that RTZ's application for assistance for its Cornish tin mines could take a month or more longer to process. The Prime Minister believes that this application should be processed with all possible speed so that the uncertainties can be ended.

(David Norgrove)

Michael Gilbertson, Esq.,
Department of Trade and Industry.

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Mr. Hurd: Where is the right hon. Gentleman for Manchester, Gorton (Mr. Kaufman)? We need him badly. The hon. Member for Hammersmith (Mr. Soley), in an amazing way, followed up his attack yesterday on Sir Kenneth Newman with an extraordinary attempt to turn this into a party political issue. Anyone reading or listening to his remarks must think that they bear no relation to reality. The only serious point he made was his first point. In that respect, he misread the nature and intention of the so-called peace convoy. However many sites were provided for those people, at the public expense, I do not think that they would stay in them or abide by the law.

Sir David Price (Eastleigh): Does my right hon. Friend accept that, as the law stands at the moment, this remains a Hampshire problem? Hampshire has a good record of resettling gipsies and travellers, but this is asking a bit much. Does my right hon. Friend agree that it is a national problem needing a national solution?

Mr. Hurd: The chief officers of police in Wessex and the Government agencies involved need to continue to put their heads together. I understand from my right hon. Friend the Secretary of State for the Environment that it is not thought that the peace convoy comes within the definition of the Caravan Sites Act 1968.

Geevor Tin Mine

3.55 pm

Mr. David Harris (St. Ives) (*by private notice*) asked the Secretary of State for Trade and Industry if he will make a statement on the Geevor Tin Mine.

The Minister of State, Department of Trade and Industry (Mr. Peter Morrison): After detailed and careful appraisal, the Department has reluctantly concluded that Geevor Tin Mine's latest proposals do not offer sufficiently robust prospects of commercial viability to justify financial assistance on the scale requested. The company has been notified of this decision.

Mr. Harris: I accept that my hon. Friend had to make a very difficult decision, and that Geevor was clearly the most vulnerable Cornish mine, but does he realise that the decision has caused those in west Cornwall deep dismay? I visited the miners last night and they were in a stunned state that was, I am afraid, giving way to anger. One can understand that.

Will my hon. Friend say something more about the £1 million of assistance that the Government are making available to west Cornwall? Will he also say something about the office that he is setting up? Can he hold out some hope to the rest of the Cornish tin industry? Does he agree that the decision does not sound the death knell for the tin industry but that, hopefully, other mines will survive the crisis and perhaps one day, who knows, Geevor will come back to life?

Mr. Morrison: I agree that the decision was very difficult. We have debated the situation in Cornwall, and particularly in west Cornwall, several times and it is, indeed, very difficult.

My hon. Friend referred to the business improvement services. We hope that within a few weeks we shall be able to set up an office in close proximity to Geevor with three officials to administer the scheme. I cannot at present say precisely where it will be. My hon. Friend asked about the future of the Cornish tin industry. As the house knows, other applications are being processed.

Mr. David Penhaligon (Truro): Does the Minister accept that his decision has destroyed a community, a lifestyle and a tradition, and will inevitably lead to an unemployment rate of 50 per cent in the area? Precisely why did the application fail? The Minister said that it was not vigorous enough. How did it fail the test of commercial viability? In reality, is not the message that if those 300 miners bought clapped-out vehicles that did not have MOTs, some wigwams, and semi-trained dogs, and camped out in Hyde Park, the House and Britain's journalists would show far more interest in this tragedy?

Mr. Morrison: The hon. Gentleman has done Cornish tin miners, and particularly those at Geevor, less than a service. All hon. Members have rightly paid great attention to the predicament in which the tin miners find themselves. But the hon. Gentleman grossly exaggerated, when he said that there would be 50 per cent. unemployment, although I accept that the figure is very high and that we are talking about a very depressed part of Cornwall. The application was turned down, like many other applications for regional grants, on grounds of

[Mr. Morrison]

commercial viability. We must have certain criteria. If the hon. Gentleman was in my position, he would have them, too.

Mr. Robin Maxwell-Hyslop (Tiverton): My hon. Friend will know that the Select Committee on Trade and Industry recommended, after a very thorough investigation, that there should be support from public funds for Geevor's programme in order to enable it to produce tin at a reduced price. He could have made the decision that Geevor's future was not viable only by making certain assumptions about the future price of tin. What assumptions did he make about the price of tin in three and five years' time? The present price reflects the fact that banks have unloaded their tin warrants, which were the securities for their loans on money advanced to the London metal exchange. Is my hon. Friend aware that, following the absurdly high prices caused by the cartel arrangement, tin production has fallen by about 40 per cent? I repeat—what assumption did my hon. Friend make about the world price of tin in three and five years' time, without which he could not have made any judgment about the viability of Geevor, Pendarves, South Crofty or Wheal Jane?

Mr. Morrison: Of course I am aware of the Select Committee's recommendations on Geevor, and my right hon. Friend the Secretary of State intends to reply very shortly to the Select Committee.

My hon. Friend asked what assumptions we made. We looked at the assumptions in the Geevor application for the price of tin at the stage when the company would wish to produce from the current Geevor mining operation. That price was on the best advice that my Department has, within the band of what the price would be in five years' time. At this stage, in view of the fact that applications are being processed and looked at, in particular that from Rio Tinto Zinc, it would be inappropriate to say precisely what the price was.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): Is the Minister aware that the cost of flooding those mines, in terms of employment and the viability of communities, is far higher than the sum of money that he was being asked to contribute to keep them open? Is he also aware that, once the mines are flooded, he will have handed down the ultimate death sentence to the whole area? I hope that he will be able to sleep at night after that.

Mr. Morrison: I am very much aware of the point that the hon. Lady makes about the community. I am also aware of her point about turning off the pumps. That was why I was prepared to put up a matching £40,000 to keep the pumps operating for a further four to five weeks while we looked at the second application. We wished to see whether there was any proper way to operate the mines commercially in the future.

Mr. David Mudd (Falmouth and Camborne): Does my hon. Friend accept that the Government are facing a major crisis with petty cash solutions? My hon. Friend has suggested that £1 million will be made available to the St. Ives and Penzance areas to bring them through this crisis, a sum that is to be spread over four years. My hon. Friend has told us that it will be administered by three civil servants, who will no doubt require office and back-up

accommodation, so that we are talking about an input of probably less than £180,000 each year for the next four years to solve this massive crisis. Can my hon. Friend come up with something more promising, hopeful and positive?

Mr. Morrison: I am sorry that my hon. Friend does not welcome this substantial sum of money. We expect that in the first year £250,000 will be spent. Three officials in the right area to advise on any request is the right number to administer the scheme.

Mr. Doug Hoyle (Warrington, North): Does the Minister agree that he has looked at this problem in the short term rather than in the long term and that this is a short-term solution? Will he re-read the report of the Select Committee on Trade and Industry, which pointed out that if the grant had been made to the mines, they would have been competitive against the prices that might be prevailing in five to 10 years? Would not this have been a practical solution? Does he further agree that the £1 million, spread over four years, will provide only candyfloss and ice cream jobs, which are purely seasonal, when what are needed are real jobs and real help?

Mr. Morrison: I assure the hon. Gentleman that, when we looked at the Geevor application, we did not consider it only in the short term. I appreciate his point, but, because of the current state of the tin market, that would not have been a solution by any stretch of the imagination. We were looking forward five years out from now.

As to the point about business improvement services, the hon. Gentleman will be aware from his experience in our part of the country that the scheme is popular. I am sorry that he does not welcome the scheme, even though he may not agree that it goes as far as he would like it to.

Mr. Kevin McNamara (Kingston upon Hull, North): When are we likely to have the decision on the RTZ application? Is the hon. Gentleman aware that the majority of people employed in those pits are members of my union, and they feel that the decision announced yesterday sounds the death knell for the whole of the Cornish tin industry?

Mr. Morrison: To deal with the hon. Gentleman's second question first, he should not draw any particular analogy from yesterday's decision with any future decision, because each application will be considered on its merits. I hope that we shall be able to give a decision in the next five or six weeks. I would not wish to be precisely tied to that date, because it is important for the company and its employees that we should explore every possible avenue.

Mr. Tony Marlow (Northampton, North): I have every sympathy with the problems of the distressing situation that my hon. Friend the Member for St. Ives (Mr. Harris) and his constituents face, but is it not the case that £25 million was being requested to sustain 375 jobs? Is that not at the rate of about £60,000 per job and, with the best will in the world, is that not rather above the odds for providing Government money to sustain employment.

Mr. Morrison: I am not in a position, because the applications are dealt with commercially and in confidence, to confirm or deny the figures that my hon. Friend has given. The cost per job would have been very expensive indeed.

Mr. Dennis Skinner (Bolsover): Is there not a big difference between saving the jobs of a few bankers at Johnson Matthey, which cost the taxpayer £100 million, and the 300 jobs that are due to be lost in the Geevor mine? Have not the Government a strange list of priorities when they have before them a paper from the oil industry in which the companies say that, because of the fall in oil prices, they will need some special tax relief from the Government to exploit the small pools of oil in the North Sea—

Mr. Speaker: Order. We are talking about tin.

Mr. Skinner: I am drawing an analogy, Mr. Speaker.

The Government are prepared to back the oil barons but not to protect the jobs of 300 miners in Cornwall and prevent the many more hundreds of redundancies that will follow if other pits close. Is not the job of a miner just as important as those of the bureaucrats in the Common Market? We have just paid £250 million to bail out that clapped-out organisation the Economic Community. Are not the jobs of the miners as important as those of the bankers at Johnson Matthey? The Government will use the test of viability to suit the casino economy, but they will not do so to look after people's jobs.

Mr. Morrison: The hon. Gentleman as always, makes a cheap party political point. If he had been involved, as I have been in the past two months, in all the work put into looking at the first and second applications to see whether it was possible to help, he would not have put such a question.

Mr. Alan Williams (Swansea, West): Is this not a tragic and sad end to an inglorious catalogue of Government blunders and failures? Does the Minister

remember that the Select Committee condemned the Government for giving a warning of the impending tin crisis in such imprecise terms as to be worthless? Is he aware that the Committee deplored the Secretary of State's refusal to give full answers to questions, the same evasiveness that was repeated today when the Minister refused to give us information on the future of tin prices?

Does the Minister also recollect that the Select Committee stated categorically that the Cornish tin industry is worth saving and went on specifically to recommend that Government aid be given to Geevor? Why are the Government so contemptuous of a Select Committee when the cost of aid is less than the cost of the unemployment?

Have the Government no sense of the absurd? Does not the Minister realise that an offer of £1 million aid is so derisory as to be a gross insult? Will he recognise that today Geevor has been condemned to die, and the people of Cornwall will never forgive the Government for their lack of preparedness, lack of interest, and their pathetic ineffectiveness?

Mr. Morrison: The right hon. Gentleman anticipates the response to the further applications. As he is aware, because I have said so, the only response so far given is that to the application on Geevor. My right hon. Friend the Secretary of State will soon be replying, as is the parliamentary convention, to the recommendations of the Select Committee.

I would like, as much as the right hon. Gentleman, to give a grant to Geevor so that the mine could become commercially viable. It just did not prove possible. I do not think that, over the next three or four years, the recipients of the £1 million will consider it the gross insult which is suggested by the right hon. Gentleman.

Swan Hunter (Redundancies)

Mr. Ted Garrett (Wallsend): I beg to ask leave to move the Adjournment of the House under Standing Order No. 10 for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

'the announcement of redundancies today at Swan Hunter shipbuilders.'

I do not wish to detain the House for too long, but, in accordance with Standing Order No. 10, I wish to seek your permission, Mr. Speaker, to draw the attention of the House to the announcement this afternoon that Swan Hunter is to declare immediately 825 employees redundant. Some time should be allocated by the House to debate this matter.

The apathy of the House, the Government and indeed the nation is something which disturbs me very much, bearing in mind that we are still a maritime nation. Unless we take seriously the decline in shipbuilding, particularly in Tyneside and Wallsend, we are on a course which will mean the extinction of our maritime fleet, our defence capabilities and, of course, ultimately shipbuilding. On this premise alone, Mr. Speaker, I hope that you will approve my request for a debate on this matter.

Mr. Speaker: The hon. Member asks leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that he thinks should have urgent consideration, namely, "the announcement of 1,000 redundancies today at Swan Hunter shipbuilders."

As the hon. Gentleman knows, the only consideration I have to bear in mind is whether to give this matter precedence over the Orders set down for today or tomorrow. I fully understand the importance of this matter to him and his constituents. I regret that I do not consider the matter which he has raised as being appropriate for discussion under Standing Order No. 10 and, therefore, I cannot submit his application to the House.

Mr. Peter Shore (Bethnal Green and Stepney): We have listened to your ruling, Mr. Speaker, and I have no desire to challenge it, but this is clearly a major new development. We have just heard a statement about the redundancy of 350 people—tragically unnecessary—and the closure of the Geevor mine. Surely with the Leader of the House listening to what has been said, we can expect a full statement tomorrow on the matter which has been raised by my hon. Friend.

Mr. Speaker: That is not a matter for me.

Sunday Times (Report)

Mr. Tam Dalyell (Linlithgow): On a point of order, Mr. Speaker. It is within your knowledge that yesterday I raised with your office a possible point of order arising out of a report in the *Sunday Times* that the debate on Friday, resulting from my luck in the ballot, is to be squeezed out by the device of talking all through the night on the Channel Tunnel procedural motion. Let me say straight away that I acquit the Leader of the House of any such manipulation. I go further and acquit the Government Whips of having been in any way involved. My understanding is that Mr. Bernard Ingham took it on himself, in order to help press colleagues, to say that what was suggested in the *Sunday Times* should indeed take place.

Should a civil servant, however eminent and powerful, take it upon himself to make judgments on the business of the House of Commons? Is that his competence?

Mr. Speaker: I saw the report in the *Sunday Times* and I read it with interest. It is, of course, press speculation and I have no idea whether Mr. Ingham is responsible, but he is not a Member of this House and I have no jurisdiction over him.

Later—

Sir Kenneth Lewis (Stamford and Spalding): On a point of order, Mr. Speaker. With regard to the point of order raised by the hon. Member for Linlithgow (Mr. Dalyell)—I am sorry that he has gone—many of us would be quite happy to have his motion debated on Friday because it would be defeated by many votes. If the hon. Gentleman wants the debate, he may have it.

Mr. Speaker: As far as I am concerned, the motion is on the Order Paper and I shall be here on Friday.