

BARRY JONES, M.P.



HOUSE OF COMMONS
LONDON SW1A 0AA

31/3/1981

P.M.

MICHAEL ROBERTS

BARRY JONES

T.T.

1. GOOD NEWS

a, B.A. Brumpton - extra jobs 4,300 gpb
extra 700 gpb shared with Uxbridge. Resignate.

b, £200 - rebate of A55 - one job.

c, Wye Works Wrexham District Hospital - one
labour course for England - Ireland.

POSITIVE APPROACH - so far BUT.

2.	7000	LOISRI	SITOTON	
	<hr/>		GUEST KEEL	
			COURTAVES	380 BT JULY
	1000	EXTRA		
	VANXMAE	ILLUMINE	1000	600 out of 3000.

3. 20% in FLAT

20% HOUSING

P.B.; BRITISH JAP, MATHS OF CHINESE

4. P.M.

a, SSKE enterprise zone.

b, Run the business.

c, Reseyale is a ideal part.

5. Nissa walk where all in follows.

NISSAN walk to in front.

6. How close walk Nissa go to Reseyale.

7. Better end of the with few material.

14 WARD in visimani.

1.4. Brits as good as ayubae —

8. P.M. Wand abt textiles

Catch as in with price.

Carplan abt strength of the L.

9. P.M. BT BUT BATTISH. Catched here
around £9m.

10. P.M. ELECTRONICS — BT only in few
jobs.

11. TEXTILE WORKERS Demanding — wages —
TOU WIT TOU WOU PARICRT TO BUT BATTISH.

12. P.M. Shit BT go but one mill business —
Shit. BT not really.

12. Hat long soil drink because of
monoculture. Till farm for that even.

13. New jobs - electronic.

14. I ask you these

no DILM in ROAD BUILDING.

Advance factories & the Centre.

To be seen getting its share of work.

15. P.M. no letter will force the Shth.

16. P.M. Park Hyles.

17. Long queues exist - you can't hold the
situation. P.M. I? we see to replace them.

18. P.M. - Are we getting demands for
Advance Factories. - B.S. not really.

JOHN GRIFFITHS - Chan Walsh T.U.C.

very few missions - DASSON

Domestic Market agent Liverpool.

19. B.S. Unhappy rocketry.

Japanese looking at 40 miles

7 in Wales.

Shot list 14

Full number on
visits.



HOUSE OF COMMONS
LONDON SW1A 0AA

From: Barry Jones, M.P.
17th March, 1981

The Rt. Hon. Margaret Thatcher, M.P.,
Prime Minister,
10 Downing Street,
London.

R18/5

Dear Prime Minister,

Unemployment in the East Flint Constituency

In the House recently you indicated your willingness to meet members whose constituency had suffered major closures.

I know that you have taken a personal interest in my own constituency's troubles.

In 1980 we lost 7,000 steel jobs at the British Steel Corporation's Shotton Works.

In February/March 1981 we sustained at the Shotton Works another 1,000 job losses. Elsewhere in the area, as in the U.K., firms are shedding labour, especially in the Textiles industry.

I am concerned that no major new job project has yet been located on Deeside - notwithstanding the excellence of its site and reputation. (We have only received the Titanium Smelter of 250 jobs via the N.E.B.).

Is it possible for you to give some of your busy time to a meeting in the near future? *I would be grateful, morale on Deeside is low,*

Yours sincerely,

Barry Jones.



MR BARRY JONES MEETING WITH THE PRIME MINISTER - LINE TO TAKE

Steel

The Government has responded to the job losses caused by the rundown in the steel industry.

The Government upgraded the Shotton TTWA to SDA status in December 1979.

The WDA were given an additional £20 million at November 1979 prices to help remedial measures: 64 units totalling 430,000 sq ft are currently under construction.

The area is strategically well placed and recent road improvements - including the opening on 18 March of the last stretch of the M56 - will enhance its attractiveness.

Textiles

The Government is fully aware of the problems facing the industry. The news that Courtaulds have decided to recommence work on the modernisation of their Greenfield Works is some consolation for the further redundancies that have been announced. These redundancies are necessary to make the works more competitive and to reduce costs. The Government is continuing to insist on a vigorous implementation of the multi fibre arrangement and associated arrangements and are committed to seek a tough and effective successor to it when it comes up for renewal at the end of the year.

The EEC has begun urgent discussions with the US Administration with the aim of finding solutions to the serious problems caused by the sharp increase in imports of United States textiles into the UK.



The Government is already taking selective action on imports but general import controls could breach international obligations and risk retaliation.

Future Prospects

The Shotton area with all its advantages is of great attraction.

The Country is presently in the middle of a deep recession so it is not surprising, if disappointing, that few major projects have come to the area. However, the Titanium Plant indicates that there is potential for new industry. Moreover the success of the British Aerospace Factory at Broughton is further evidence of the area's ability to attract and sustain high quality employment: the position of the Company has been consolidated by increased orders for the Airbus.

The hon Member can be assured that there is no discrimination in Government against North East Wales. The area's case for the Nissan project has been well put by the hon Member and the County Council but, as he will know, a number of sites in the UK are being considered on behalf of the Company by the consultants. The consultants have been provided with details of suitable sites in Wales and these include the Deeside site. It is now up to the consultants and the Company.



Firms on Deeside

1. On 3 March Mr Jones wrote to the Secretary of State for Wales expressing concern about three factories in his constituency, namely Saltney Engineering, No Nail Boxes and Colas Products. Welsh Office Industry Department has visited these companies and the situation reported is briefly as follows. The Secretary of State will of course be writing more fully to Mr Jones.

Saltney Engineering Business is bad due to cancellation, inter alia, of a regular order from Hotpoint. £130,000 was lost in the six-month period to February 1981. In February employment (which had peaked at 210 in 1979) was 135 and the company then declared a further eighty-three redundancies. The management advise that the union have threatened that unless six of these redundancies are withdrawn, the remaining employees will work to rule. The management attitude is that retention of the 6 will put costs over and above the ceiling allowed by the parent company (Batch & Borland) and union intransigence over the issue will result in the parent shutting the whole factory down at thirty days' notice.

No Nail Boxes Employment now stands at 159 having peaked at 400 in 1970. The employees are now on short time working (varying between three and four days a week) and the position will be reviewed in May. The prospect of imminent redundancies was not mentioned. Business is not good and sales stand at about £230,000 per month whilst £250,000 a month is required to break even. Lack of business is due to the company's traditional customers being on short-time working themselves.

The possibility of selective financial assistance towards a rationalisation programme has been explained to the company; there is the possibility of such rationalisation later this year.



Colas Products Ltd The management advise that despite the recession the company had managed to maintain its sales and employment at the same level as in recent years and redundancies are not contemplated in the foreseeable future.

2. The Deeside Titanium Ltd, Shotton project (Mr Jones in his letter to the Prime Minister refers to this as the only project received, via the NEB)

Following the decision by ICI to close its Teeside titanium 'metal sponge' plant in 1982, a new company, Deeside Titanium Ltd, was formed owned jointly by the National Enterprise Board, Rolls Royce (who use a lot of titanium) and Imperial Metal Industries. A £25 million complex is being built alongside the BSC works and 280 new jobs should have been created once full capacity is reached.

The project has been assisted by a £1,390,000 grant from the Department of Industry and work is proceeding.



BACKGROUND NOTE

SHOTTON AREA

Unemployment

The March unemployment rate in the Shotton TTWA was 16.5% (8,044) compared with 10.9% in March 1980.

During 1980 3,320 redundancies were notified (including 1,000 from construction). This compares with 6,880 (which included 6,420 from BSC Shotton) in 1979. In the first two months of this year around 500 redundancies took place (including 350 at BSC Shotton where 570 more jobs are scheduled to be lost between now and the end of the year). The area will also be affected by job losses at the Vauxhall Plant at Ellesmere Port.

The travel to work area is a Special Development Area - it was upgraded to SDA status by the present Government following the closure of the heavy end of Shotton steelworks.

Textile Industry

Mr Barry Jones has for some time been concerned about the prospects for the textile industry in Shotton. Courtaulds have three works there employing around 2,300. They have been experiencing many of the problems of the textile industry and at the weekend announced 380 redundancies (250 new, 130 carried over from a previous notification) at the Greenfield Works (employing about 1,170). But the £9 million modernisation programme at the works which had been suspended pending an evaluation by consultants has restarted and should be finished by June.



Remedial Action

The Government upgraded the Shotton TTWA to SDA status in December 1979.

In the Shotton TTWA the Welsh Development Agency has one 25,000 sq ft factory complete and available. Sixty-four units totalling 430,000 sq ft are under construction and a further three units totalling 70,000 sq ft are planned. The WDA were given an additional £20 million at November 1979 prices to help carry out this work. The WDA's 1981/82 Grant in Aid provision in 1981 Public Expenditure White Paper is £56 million. It is not possible yet to predict what will be the level of expenditure in the Shotton area in 1981/82.

The most recent major project to be located in the area is the Titanium Smelter to which Mr Barry Jones refers in his letter. Mr Barry Jones in his oral question to the Prime Minister last week pressed the case for the location of the Nissan project in North East Wales. /CONFIDENTIAL: The Deeside site which has been submitted to Nissan's consultants is regarded by the Welsh Office as a strong Welsh contender⁷.

Other Issues

Other relevant issues to which reference might be made are:

- a. Clwyd will benefit from the major expansion of the Youth Opportunities Programme in 1981/82; the target figure will be 7,100 as compared with 5,350 in the current year;
- b. there are an estimated 950 jobs in the pipeline for the Shotton TTWA. This compares with a mid-year total of 1,700: the difference is mainly explained by the withdrawal of two major schemes;



- c. there are sources of help for the County: in 1981/82 the County and its districts will between them receive nearly £1.1 million under the Urban Aid Programme (part of which will be used for industrial development and the rest for social projects) and so far the County has received nearly £90 million in identifiable grants and loans from EEC sources;
- d. the Shotton area has benefited from important road improvements both in Wales and on the other side of the border. In Wales there are substantial improvements planned to the A55 and three contracts will be let this year, including the Hawarden By-pass in the Shotton area. In England the recent completion of the Chester By-Pass and the opening on 18 March of the last stage of the M56 has greatly improved access from the Shotton area to the National Motorway Network;
- e. there has been pressure in the area - and in particular from Sir Anthony Meyer - for the Government to come to a decision on the coal liquefaction plant at the Point of Ayr Colliery. This is presently under consideration by the Department of Energy.