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Secretary of State for Trade and Industry

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John Coles Esq
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Prime Minister
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Dear John

SOUTH AFRICA

The Prime Minister asked for defensive briefing on the importance of our trade with South Africa in anticipation of Parliamentary criticism of the meeting with Mr Botha.

2 We have approached several leading exporters, selecting particularly those with plants in areas of high unemployment, for information about jobs related to their trade with South Africa. Most are reluctant to provide estimates of jobs created. They believe that their commercial interests would be best served by playing down their South African connections, if mentioned at all in Parliament, for fear of repercussions in other valued Third World markets. Many would, in any event, find it difficult to quantify jobs dependent on exports to South Africa and less still to relate such jobs to particular plants in the United Kingdom.

3 We would therefore advise that the Prime Minister should, if pressed in the House, take the line that the longstanding policy of successive British Government has been to leave civil trade with South Africa to the commercial judgement of individual companies, for many of which South Africa is a valuable market. Over half our exports to South Africa (£1.1 billion in 1983) are power generation equipment, specialised machinery for mining and industry, transportation equipment and chemicals, much of which helps maintain jobs in areas of high unemployment.

4 If pressed further on the question of employment, the Prime Minister is advised to explain that, given the spread of work among different factories and among sub-contractors, it is not possible to estimate employment related to South African trade on a sector-by-sector basis. However, companies such as Babcock and Anderson Strathclyde in Scotland, NEI and ICI in the North East, GEC and ICL in the Midlands and North West are all long term regular exporters to South Africa with consequent benefit to employment in their factories.

Yours sincerely
Michael Kenny

RP

RUTH THOMPSON
Private Secretary

SUPPLEMENTARIES

Q HOW IMPORTANT IS OUR TRADE WITH SOUTH AFRICA?

A South Africa was our 13th largest export market in 1983, worth over £1100 million, and more important to us than any other market outside US, West Europe and Saudi Arabia.

Q HOW MANY JOBS DEPEND ON EXPORTS TO SOUTH AFRICA?

A As I told the House on 28 June last year, at least 150,000 British jobs are involved in our trade with South Africa. A substantial proportion are likely to be in regions of high unemployment because power generation equipment and other engineering products represent half of total exports. One power station contract meant several thousand man years of work, ^{spread over six years,} mainly in the Midlands and the North West.

The Prime Minister: With regard to the building of the new airstrip in the Falkland Islands and the contract that has been awarded, the arrangement made for people to get there to fulfil the contract is a purely commercial matter for those who won it. If the hon. Gentleman is suggesting that we should have no commercial relations with South Africa whatsoever, may I remind him that there would be 150,000 jobs at stake in the United Kingdom. Perhaps that is what he wants.

Q2. Mr. Shersby asked the Prime Minister if she will list her official engagements for Tuesday 28 June.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Shersby: Will my right hon. Friend take time today to consider the extraordinary situation whereby the Leader of the Opposition will be elected by trade union leaders, who will cast millions of votes on behalf of their members, whom they have not consulted? Does she agree that that amply justifies the case for the Bill on trade unions, referred to in the Queen's Speech, to give union members more control over their unions?

The Prime Minister: I thought that I had noticed that a number of Opposition Members were now in agreement that members of trade unions should have the right to cast their votes, directly and secretly, in leadership elections. If that is so, I hope that they will welcome the Bill that we shall introduce in this Session of Parliament to give more trade unionists the right to cast their votes secretly and directly.

Mr. William Ross: Will the Prime Minister take time during her busy day to take a careful look at the report of the Select Committee on Education, Science and Arts on further and higher education in Northern Ireland, especially in the light of the decision taken by the court of the New University of Ulster in Coleraine yesterday? Will the Government look again at the proposed merger between the New University of Ulster and the polytechnic college, taking particular account of the real costs, which have been concealed until now, and especially having regard to the funding of the pension arrangements for the teaching staff and the cost of the salaries due to the different principles in the incremental scales of the two institutions?

The Prime Minister: Of course, I will look at the hon. Gentleman's point and consult my right hon. Friend the Secretary of State for Northern Ireland.

Q3. Mr. Simon Hughes asked the Prime Minister if she will list her official engagements for Tuesday 28 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Hughes: What mandate does the Prime Minister have—[HON. MEMBERS: "Reading."]—for reviving the undemocratic and unjustified practice of appointing not only one hon. Member to the other place but the untested, untried and, for all she knows, unsuitable children of such appointees, and for reviving the practice of hereditary peerages, therefore adding yet another unjustified element to our legislature, which is supposed to be democratic?

The Prime Minister: The party that the hon. Gentleman represents is well represented in another place.

I am surprised that he should be so critical of it. With regard to hereditary peerages, I have said that in exceptional cases they should continue to be awarded.

Viscount Cranborne: Has my right hon. Friend noticed the report—[*interruption.*]

Mr. Speaker: Order. I want to hear this.

Viscount Cranborne: I am grateful Mr. Speaker. I was under the impression that my hon. Friends wanted to hear it too. Has my right hon. Friend by any chance noticed the press report about the United States Supreme Court's decision on unitary taxation? Does she agree that it is likely to lead to all sorts of disadvantages for foreign companies in the United States? Does she intend to make representations to our American allies about the consequences of that decision?

The Prime Minister: Representations to our allies on taxation matters are usually made through the vehicle of the double taxation agreement. We shall continue to make those representations and others, when appropriate. I note that my hon. Friend followed the previous question with a question on a matter that is not discussable in the other place.

Mr. Foot: Will the right hon. Lady tell us how many job losses have been announced since the election to add to the record total that she and her Government have already achieved?

The Prime Minister: I think that the right hon. Gentleman will realise that the unemployment figures come out once a month and that the next lot are due out on 30 June. The last crude total was about 3,049,000.

Mr. Foot: Have there not been announcements that about 10,000 people have lost their jobs since the election, for example 2,800 in Merseyside? Those are serious developments. Did not the right hon. Lady discuss this matter with the CBI when she had a meeting yesterday? Did she not agree then with the statement made by the CBI that the signs of recovery were "patchy and thin"? How does that accord with what she said on the same subject in her election manifesto?

The Prime Minister: If the right hon. Gentleman follows my speeches, he will realise that, when I spoke to the CBI at its annual dinner, the expression that there were signs of a recovery, but that it was patchy, came from me. That is so. It is bound to be so in each and every recovery, as some firms go ahead faster than others, some have obsolete products and some have uncompetitive products. With regard to the talk that I had with the CBI yesterday, the right hon. Gentleman will agree that those firms prosper that have a product that is both well designed and competitively produced.

Mr. Foot: Did the right hon. Lady say in her election manifesto that the recovery was patchy and thin?

Mrs. Renée Short: No, she did not.

The Prime Minister: No, I had a brief election manifesto, but the right hon. Gentleman will have found many speeches with the reference to the word "patchy", which I have said originated from me.

4. Mr. Roy Hughes asked the Prime Minister if she will list her official engagements for Tuesday 28 June.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

continue to do what we can for the people of Poland within the resources available and will likewise maintain our efforts to persuade the Polish authorities to re-establish civil liberties and the process of reform in Poland.

Universities and Polytechnics (Research Work)

Mr. Batiste asked the Prime Minister if she will set up an interdepartmental body to co-ordinate the commercial exploitation of research work in universities and polytechnics without the intervention of the British technology group; and if she will make a statement.

The Prime Minister: My right hon. Friend the Secretary of State for Trade and Industry will make a statement in due course on the future of the British technology group and on the arrangements for exploitation of research work in universities and polytechnics.

South Africa

Mr. George Robertson asked the Prime Minister if she will publish a breakdown of the 150,000 British jobs dependent on exports to South Africa referred to by her in Prime Minister's questions on 28 June, *Official Report*, c. 458.

The Prime Minister: The jobs concerned are mainly in mechanical and electrical engineering, vehicle components, chemicals and plastics.

Devon (Road Improvement Schemes)

Mr. Steen asked the Prime Minister what funds are being made available to the Devon county council from European Community sources through Her Majesty's Government for road improvement schemes to facilitate movement during the tourist season; and to what other purposes.

The Prime Minister: Devon receives aid from the European regional development fund towards various types of infrastructure projects intended to promote the economic development, including tourism, of the assisted areas within the county.

The county council received grant commitments for tourist road schemes of £723,800 in 1982 and a further £876,900 for industrial roads schemes.

This year an application is being made to the Commission for a £750,000 grant for the A379 Exminster bypass.

Among the road schemes which received ERDF grant last year are the Totnes inner relief road and the A38 Maradon interchange.

EMPLOYMENT

Labour Statistics

Mr. Fisher asked the Secretary of State for Employment how many young persons aged 16 to 18 years were unemployed in the Stoke on Trent travel-to-work area during the last month for which statistics were available; and what were the comparable figures in the same month in 1982, 1981, 1980 and 1979.

Mr. Gummer: The following table gives the numbers of young people aged 18 years and under registered as unemployed in the Stoke on Trent travel-to-work area at

April each year from 1979 to 1982 and the corresponding figure for the unemployed claimants at April 1983, the latest available.

| Registered unemployed | Numbers |
|-----------------------------|---------|
| April 1979 | 653 |
| April 1980 | 1,578 |
| April 1981 | 2,502 |
| April 1982 | 3,534 |
| <i>Unemployed claimants</i> | |
| April 1983 | 3,550 |

Mr. Fisher asked the Secretary of State for Employment how many men and women have been unemployed for more than 12 months in the Stoke on Trent travel-to-work area; and what were the comparable figures in 1979, 1980, 1981 and 1982.

Mr. Gummer: The following table gives the numbers of males and females registered as unemployed for over 52 weeks in the Stoke on Trent travel-to-work area at April each year from 1979 to 1982 and the corresponding figures for unemployed claimants at April 1983, the latest available.

| Registered unemployed | Male | Female |
|-----------------------------|-------|--------|
| April 1979 | 1,758 | 236 |
| April 1980 | 1,917 | 313 |
| April 1981 | 3,227 | 756 |
| April 1982 | 7,202 | 2,032 |
| <i>Unemployed claimants</i> | | |
| April 1983 | 8,887 | 2,424 |

Mr. Parry asked the Secretary of State for Employment if he will make a statement on the latest unemployment figures.

Mr. Gummer: The seasonally adjusted figures for June show a slight increase in unemployment over the previous month. Vacancies notified to jobcentres have, however, increased by 8,000 over the previous month.

Wandsworth

Mr. Dubs asked the Secretary of State for Employment how many people are now unemployed in Wandsworth; and how many of these are under 21 years.

Mr. Gummer: In June, there were 14,732 unemployed claimants in the area covered by the Balham, Clapham Junction and Tooting jobcentres, which corresponds closely to Wandsworth. This figure does not include 233 unemployed school leavers under 18 years of age registered at careers offices in the area who are not yet entitled to benefit. In April, the latest date for which an analysis by age is available, out of a total of 15,324 unemployed claimants in the area, 2,471 were under 20 years of age. Separate figures for those aged 20 years are not available.

Nationalised Industries

Mr. McQuarrie asked the Secretary of State for Employment if he will list in the *Official Report* all nationalised industries, whether statutory corporations, companies, or trading bodies of any sort, in which the Government now have any financial interest or for which

PLEASE CHECK
AGAINST DELIVERY

STATEMENT BY THE PRIME MINISTER TO THE HOUSE OF COMMONS ON
5 JUNE

WITH PERMISSION, MR SPEAKER, I SHALL MAKE A BRIEF STATEMENT
ABOUT THE VISIT OF THE SOUTH AFRICAN PRIME
MINISTER AND FOREIGN MINISTER ON SATURDAY, 2 JUNE.

WE HAD OVER FIVE HOURS OF DISCUSSIONS. I WAS ACCOMPANIED BY
MY RT HON AND LEARNED FRIEND THE FOREIGN SECRETARY
AND MY HON FRIEND, THE MINISTER OF STATE.

THE MEETING WAS A WORKING ONE, AND THE DISCUSSIONS
WERE COMPREHENSIVE AND CANDID.

THEY COVERED THE PROBLEMS OF SOUTHERN AFRICA AS A
WHOLE, INCLUDING NAMIBIA.

THERE WAS CONSIDERABLE DISCUSSION OF THE INTERNAL
SITUATION IN SOUTH AFRICA.

I MADE CLEAR TO MR. BOTHA OUR DESIRE TO SEE
PEACEFUL SOLUTIONS TO ALL THE REGION'S PROBLEMS.

ON NAMIBIA, WE AGREED THAT EARLY INDEPENDENCE FOR NAMIBIA
WAS DESIRABLE AND SHOULD BE ACHIEVED AS SOON AS
POSSIBLE UNDER PEACEFUL CONDITIONS.

/ WE ALSO

WE ALSO AGREED THAT ALL FOREIGN FORCES SHOULD BE WITHDRAWN FROM THE COUNTRIES IN SOUTHERN AFRICA SO THAT THEIR PEOPLES CAN SETTLE THEIR DESTINIES WITHOUT OUTSIDE INTERFERENCE. THE WITHDRAWAL OF SOUTH AFRICAN FORCES FROM ANGOLA IS AN IMPORTANT FIRST STEP IN THIS PROCESS.

ON THE INTERNAL SITUATION IN SOUTH AFRICA, I EXPRESSED OUR STRONGLY-HELD VIEWS ON APARTHEID.

I TOLD MR. BOTHA OF MY PARTICULAR CONCERN AT THE PRACTICE OF FORCED REMOVALS AND RAISED THE QUESTION OF THE CONTINUED DETENTION OF MR. NELSON MANDELA. MR. BOTHA GAVE ME AN ACCOUNT OF HIS GOVERNMENT'S RECENT CONSTITUTIONAL MEASURES AND OF THE APPOINTMENT OF A CABINET COMMITTEE TO MAKE PROPOSALS FOR THE POLITICAL FUTURE OF THE BLACK POPULATION OUTSIDE THE HOMELANDS.

I BELIEVE THAT THE SOUTH AFRICAN PRIME MINISTER NOW UNDERSTANDS MUCH MORE CLEARLY WHERE HM GOVERNMENT STANDS ON ALL THE MAJOR ISSUES.

MY TALKS WITH MR. BOTHA ARE PART OF THE PROCESS THROUGH WHICH WE AND OTHER WESTERN AND AFRICAN COUNTRIES MUST CONTINUE TO PRESS FOR THE SORT OF CHANGES WE ALL WANT TO SEE IN SOUTHERN AFRICA.

Both sides expressed their strong desire to help Namibia achieve its independence as soon as possible. This is essential not only for Namibia itself, but also for the peace and stability of the region as a whole. They also considered it of the highest importance that all foreign forces should be withdrawn ~~from the area~~ without delay so that the peoples of the country ^{is} concerned can settle their own destinies without interference. The disengagement agreement between South Africa and Angola is an encouraging first step in this process.

NOT a joint communique. But would it cause

Mr Botha any difficulty if we said something

along these lines in answer to press questions

or in Parliament.

NB We need to put mention of Namibia first and
not to mention Angola / Cubans in explicit terms to avoid suggestion
we are interfering in Angola's affairs.