



10 DOWNING STREET

THE PRIME MINISTER

19 March 1981

*Dear Mr. Zulker,*

At our meeting on 11 March Alex Fletcher promised to investigate the possibility of assistance being given to Falmer's Jeans which would give them the six months' breathing space you indicated was necessary, so as to prevent their Patna plant being closed.

It is for Falmer to make their own commercial judgement as to any rationalisation of plant which may be required if there is over-capacity in the market. If, however, you are correct in assuming that the Company feel that the markets will pick up in about six months' time, one possibility would be to pursue with the Scottish Development Agency, as landlords, a proposal simply to mothball the Patna factory for that time. I understand that the SDA have already made this offer informally to the Company and it may have certain advantages to them in avoiding clawback of the benefit of a rent free period and of regional development grants - though this latter question would have to be looked at carefully by the local Regional Development Grants Office in Glasgow.

Alex Fletcher mentioned that the SDA had under consideration a project to help in the marketing of worsted textiles to Germany. This project would be undertaken with the National Association of Scottish Woollen Manufacturers in connection with high quality

/worsted

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worsted cloth. It seems unlikely that a jean manufacturing company could fit into this arrangement. Alternatively, however, Falmer's can benefit from the full range of services available from the British Overseas Trade Board, including the resources of the Consulates in Europe and elsewhere if this would help.

Alex has also looked again at the possibility of selective assistance under Section 7 of the Industry Act. This scheme, however, is related to capital investment aimed at securing existing jobs or creating new ones and the Company do not have in mind a capital investment project for Patna. The Scottish Economic Planning Department officials are discussing separately with Falmer's their investment programme at the Cumnock plants.

As I said at our meeting, I am greatly impressed by Falmer's products, the general efficiency of their operations and the quality of their management. Unfortunately there seems to be limited scope for further assistance from Government which can directly benefit the Patna plant. I do hope, however, that the Company are able to continue with their Patna operations, which provides valuable employment for people in the area.

*Yours sincerely,*  
*Rayner White*



*From the Secretary of State*

George Foulkes Esq MP  
House of Commons  
London  
SW1A 0AA

24 April 1981

*Dear George,*

*see Foulkes to PM 25/3  
2 MAR 1981 12.05pm 30/3*

I am replying to your letter of (30 March) to the Prime Minister about Falmers Jeans Ltd.

As you no doubt know, the company's marketing operations are directed from London and there have been exchanges of correspondence at both Ministerial and official level during the past year with the company's Chairman and Managing Director, Mr A A Landau. It has not proved possible to follow-up many of the company's suggestions for financial incentives for their marketing efforts because we are limited both by EC and GATT regulations on the amount and form of direct assistance which we can provide. However, officials from the British Overseas Trade Board's Regional Office have established contact with the company's export management to sort out ways in which the BOTB's services for exporters can be of assistance.

JOHN BIFFEN



24 APR 1987

*Prime Minister*



SCOTTISH OFFICE  
NEW ST. ANDREW'S HOUSE  
ST. JAMES CENTRE  
EDINBURGH EH1 3SX

George Foulkes Esq MP  
House of Commons  
LONDON  
SW1A 0AA

*VMS*

10 April 1981

I have seen copies of the correspondence you have had recently with the Prime Minister about Falmer Manufacturing Co Limited at Patna.

In your letter of 24 March you asked for consideration on what assistance might be offered to the company to help with their marketing efforts in Europe. Falmer's marketing and export activities are handled from their London Office in Wattstone and I have arranged for the Exports to Europe Branch of the Department of Trade to contact the firm quickly to establish what specific assistance would be appropriate from the wide range of services on offer from the British Overseas Trade Board.

I am of course delighted that the possibility of the closure of the Patna factory has now receded.

I have sent a copy of this letter to the Prime Minister.

ALEX FLETCHER



13 APR 1981

00 11 21 32 43 54 65 76 87



10 DOWNING STREET

From the Private Secretary

30 March 1981

see Foulkes to  
PM 24/3

I attach a further letter the Prime Minister has received from George Foulkes, MP, about the Falmers Jeans factory in his constituency. This letter crossed with the Prime Minister's letter to Mr. Foulkes.

I should be grateful if, in consultation with the Department of Trade, you could arrange for Mr. Foulkes to receive a further reply in response to his last paragraph, and if we could have a copy of that reply for our records here.

I am copying this letter and its enclosure to Stuart Hampson (Department of Trade). I am also sending him a copy of my letter to you of 13 March recording the Prime Minister's meeting with George Foulkes and a copy of the Prime Minister's letter to Mr. Foulkes of 19 March.

AD

Godfrey Robson, Esq.,  
Scottish Office.

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10 DOWNING STREET

PRIME MINISTER

This letter from George Foulkes, MP, crossed with yours to him about the Patna jeans factory.

I will follow up the point he raises with the Scottish Office and Department of Trade and ask them to get in touch with Mr. Foulkes direct.

A handwritten signature in blue ink, appearing to be 'MJS'.

MJS

30 March 1981





10 DOWNING STREET

THE PRIME MINISTER

25 March 1981

Mr. Foulkes,

When I wrote to you last week about Falmer's plant at Patna, the outlook was anything but bright for its future. I have just heard, however, that the company has received new orders and has withdrawn the redundancy notices which it issued to its workforce at Patna.

This is very good news indeed and is a tribute to Falmer's whole operation and products for which I have a very high regard.

Yours sincerely  
Margaret Thatcher

G Foulkes, Esq, MP

From: George Foulkes, M.P.

0216



HOUSE OF COMMONS  
LONDON SW1A 0AA

24 March 1981.

The Rt.Hon. Mrs. Margaret Thatcher, MP.  
The Prime Minister,  
10 Downing St. SW1.

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Dear Prime Minister

TM

Many thanks indeed for your letter of the 19th March regarding Falmers Jeans.

I am pleased to report that business for Falmers has now picked up and that they have now withdrawn the proposal to close the Patna factory.

However, the long term future depends on successful European marketing efforts, and I hope you might consider asking the Department of Trade to consider what particular help may be given to Falmers in this, particularly in view of your own constituency interests!

Yours sincerely,

A handwritten signature in blue ink, appearing to read "George Foulkes".

1R 1987



THE BOARD OF COMMONS  
LONDON

2



10 DOWNING STREET

PRIME MINISTER

A piece of good news

MS

24B



SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

Nick Sanders Esq  
Private Secretary  
No 10 Downing Street  
LONDON SW1

Ge  
① X-X for PM pl  
cc IB 24/3

PPS w/tw NJS 23 March 1981

Dear Nick,

② cc off M letter of 19 March  
on CF file pl  
MS

FALMER MANUFACTURING (SCOTLAND) LTD

We have just heard that Falmer Manufacturing (Scotland) Ltd announced on 21 March that the company does not now intend to close its Patna factory and has withdrawn the redundancy notification issued to the 128 workers.

The decision is due to a sudden upturn in the market resulting in new orders. The company now propose to work a 3-day week until the holiday period in July, after which it is hoped that there will be a resumption of a 5-day week.

The Prime Minister may wish therefore to follow up her letter of 19 March to George Foulkes with a short letter on the following lines:-

X/ "When I wrote to you last week about Falmer's plant at Patna, the outlook was anything but bright for its future. I have just heard, however, that the company has received new orders and has withdrawn the redundancy notices which it issued to its workforce at Patna.

This is very good news indeed and is a tribute to Falmer's whole operation and products for which I have a very high regard."/>

X

Yours sincerely

John Wilson

JOHN WILSON  
Private Secretary

24 MAR 10 1974





SCOTTISH OFFICE  
WHITEHALL, LONDON SW1A 2AU

Nick Sanders Esq  
Private Secretary  
No 10 Downing Street  
LONDON SW1

19 March 1981

*How Nick,*

FALMER: PATNA

I refer to your letters of 13 and 17 March. We have investigated further the prospects of assistance to Falmer's to keep their Patna factory in operation.

I am afraid that the situation is not as hopeful as we would have liked. It is true that the SDA have been involved in a marketing exercise in the textiles industry. This involves, as Mr Fletcher indicated at the meeting, up-market textiles in the worsted cloth market. The SDA's involvement is with the National Association of Woollen Manufacturers and involves a co-operative venture aimed primarily at West Germany. Clearly jean manufacturing does not fall into this category.

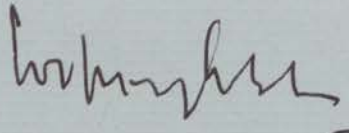
Falmer's, as the Prime Minister will be aware, have other factories located in Mr Foulkes' constituency at Cumnock. It is in that respect that the levels of selective financial assistance are being renegotiated. But the renegotiation is likely to be downwards because of the failure of the Company to carry forward their capital investment programme under schemes for which approval has already been given.

If Mr Foulkes is correct in his allegation that the problem is merely short term, the best prospect for help seems to lie through the SDA as landlords for the Patna factory, which presently benefits, at least in part, from a rent free period. The SDA have already suggested to the Company that the best plan would be to mothball the Patna factory for up to six months, which would avoid clawback of part of the rent free period equivalent if the lease is terminated. Mothballing might also make it possible for the Regional Development Grants Office to avoid operating the clawback procedure which would apply if plant and machinery on which grant had been paid were subsequently disposed of by the Company. This latter possibility, however, would be for the Department of Industry to consider separately, and in the time available, we have not been able to investigate the matter conclusively.

The attached draft letter for the Prime Minister to send to Mr Foulkes reflects the above understanding of the position.

I am copying this to Ian Ellison in the Department of Industry.

Wm. A.,



GODFREY ROBSON  
Private Secretary



DRAFT FOR PRIME MINISTER

George Foulkes Esq MP  
House of Commons  
LONDON  
SWLA OAA

GA

Falmer

CCIG  
✓ 19/3

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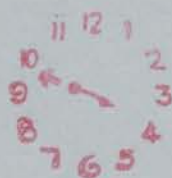
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Economic Planning Department officials are discussing separately with Falmer's their investment programme at the Curnock plants.

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9 0 MAR 1981



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BK

17 March 1981

I attach a copy of a letter the Prime Minister has received from George Foulkes, M.P. Could you please let me know by telephone tomorrow (Wednesday) whether there is anything the Prime Minister will be able to say to Mr. Foulkes before Friday?

N J SANDERS

Godfrey Robson, Esq.,  
Scottish Office

BK

file

BK

17 March 1981

I am writing on behalf of the Prime Minister to thank you for your letter of 16 March about the Patna factory.

I will of course place your letter before the Prime Minister and you will be sent a reply as soon as possible.

N J SANDERS

George Foulkes, Esq., M.P.

ll.

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10 DOWNING STREET

PRIME MINISTER

This letter from George Foulkes asks for a very urgent reply concerning the Patna factory.

I have asked for quick advice from the Scottish Office.

MS

ms.

17 March 1981

From: George Foulkes, M.P.

cc 16  
✓ 17/3



HOUSE OF COMMONS  
LONDON SW1A 0AA

16 March 1981.

Rt.Hon. Mrs. Margaret Thatcher, MP.,  
Prime Minister,  
10 Downing St.  
London. SW1.

17/3

*Dear Prime Minister*

Thank you for your sympathetic hearing re Falmer's  
last Thursday.

You very kindly asked Alex Fletcher to see if any help  
could be forthcoming to keep the Patna factory open.  
Since Management will meet the workers and myself on 20th  
March to consider the position in the light of all available  
information, would it be possible for me to know the result  
of this study by then?.

Yours sincerely,

*George Foulkes*