



Prime Minister

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Godfrey Robson Esq
Private Secretary
Scottish Office
Dover House
LONDON SW1

23 March 1981

Dear Godfrey

JIM CRAIGEN MP AND GEORGE FOULKES MP: MEETINGS WITH THE PRIME MINISTER

Nick Sanders sent me a copy of his letter to you of 13 March.

I see from the record of the meeting between the Prime Minister and Mr Foulkes that Mr Foulkes claimed the Patna Plant of Falmers Jeans required six months breathing space, while their retailers de-stocked, in order to keep going in the longer term. Although Mr Fletcher pointed out that the company have had support under the Temporary Short Time Working Compensation Scheme, it is not clear from the record that the company are currently receiving support and that their current application will not expire until 5 October this year - ie in six months time. Since the purpose of the Temporary Short Time Working Compensation Scheme is to give a breathing space to companies in the sort of troubles that face Falmers Jeans, we can reasonably point out that six months breathing space is precisely what the company have already under the Scheme. You may wish to include a passage to the effect in the draft letter for the Prime Minister. I suggest something on the following lines:

"During the meeting, you told me that the Chairman of Falmers Jeans had stated that the Patna Plant required six months breathing space so that the company could hang on until their retailers had finished de-stocking. As you know, the Temporary Short Time Working Compensation Scheme is intended to give companies such a breathing space, by encouraging them to adopt short time working as an alternative to declaring redundancies. Falmers Jeans have an application current at the moment - which started on 5 January and will expire on 5 October. The Government have, therefore, already offered the company nine months breathing space of which over six months is still to run."

I am sending a copy of this letter to Ian Ellison (Department of Industry) and to Nick Sanders (at No 10.)

Yours sincerely
John Anderson.

J ANDERSON
Private Secretary

24 MAR 1981

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SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

Nick Sanders Esq
Private Secretary
No 10 Downing Street
LONDON SW1

11 March 1981

Dear Nick,

Further to my letter of yesterday I attach additional background briefing for the Prime Minister's meetings with George Foulkes MP, Jim Craigen MP, and Gavin Strang MP.

Note 1 is a brief summary of the Scottish Development Agency activity in the constituencies of the three members concerned.

Notes 2, 3 and 4 replace the notes I sent to you yesterday on Falmers, Bryant and May and Bruntons. These revised notes provide a fuller background on the companies and also cover the local industrial scenes as regards redundancies, unemployment rates and the prospects for investment.

I have nothing to add to the note already provided on Stonefield vehicles for the George Foulkes meeting.

I am sorry if these notes are not exactly in the form requested but it is all we have been able to put together in the time available.

*Yours sincerely
John Wilson*

JOHN S WILSON
Private Secretary

SCOTTISH DEVELOPMENT AGENCY ACTIVITY
AYRSHIRE SOUTH (MR FOULKES)

The Agency is well aware of the problems of the Cumnock and Doon Valley: it is responsible for some 14 factory units located at Cumnock, Ayr, Dalmellington, Muirkirk and Catrine: a further 4 advance factory units are in the pipeline for 1981/82. Derelict land clearance and environmental improvement schemes have also been undertaken.

EDINBURGH EAST (MR STRANG)

The Agency has built 2 advance factories in Mr Strang's constituency and is presently engaged with Lothian Region and East Lothian District Council in preparing the former Inveresk Paper Mills site for the establishment of an industrial estate. The Agency has also taken out substantial investments in two firms in the constituency - Inveresk Research International Ltd (235 employees) and R L Munro (unfortunately now in receivership). A number of loans by the Agency's Small Business Division have been made to companies in Mr Strang's constituency.

In addition the area has benefitted from several land renewal and environmental improvement schemes.

GLASGOW MARYHILL (MR CRAIGEN)

Glasgow in general has benefitted greatly from the Agency's activities which have been concentrated mainly on the Glasgow Eastern Area Renewal Project and Clydebank areas. Only one Agency factory is planned for Maryhill and may be funded by a joint Agency/Private Sector venture - discussions are fairly well advanced. Maryhill has benefitted from 5 land renewal projects and a number of others are planned. Small companies in Mr Craigen's constituency have also received loans from the Agency.

BRYANT & MAY LTD, GLASGOW

BACKGROUND

1. Bryant & May Ltd is a wholly owned subsidiary of Bryant & May (Holdings) Ltd, which is in turn a subsidiary of Wilkinson Match Ltd. It has factories at Liverpool and Glasgow. The Scottish factory, which is to be closed towards the end of May 1981 with the loss of some 150 jobs, is located in Maryhill in North West Glasgow, one of the city's problem areas, characterised by older housing and urban deprivation. In 1978 Strathclyde Region and Glasgow District launched a joint programme of environmental and housing renewal in the "Maryhill Corridor". The programme includes upgrading of older housing, environmental improvement, new housing and some small new factory units.

2. Current unemployment in the wider Glasgow area is now 14.2% (against the Scottish average of 12.7%). No separate figures are available for the immediate Maryhill area but unemployment is probably above the Glasgow average.

3. The area has suffered three significant closures since the beginning of 1980:

- Appleyard (car distributors)
- Scottish and Newcastle (brewers)
- Walker Weatherwear (clothing).

These closures, together with redundancies elsewhere, have resulted in the loss of 700 jobs.

4. There are no immediately foreseeable prospects for significant industrial development in the area: but recent proposals, prepared by the Scottish Development Agency with the Universities of Glasgow and of Strathclyde, for a Science Park adjacent to Maryhill may yield in time some modest development in high technology industry. Within the Glasgow TIW area as a whole, however, fifty projects with a prospect of 3,000 jobs have received offers of assistance under Section 7 of the Industry Act since January 1980.

5. Bryant & May was given Industry Act assistance in 1976 (an interest relief grant of £12,000 and associated regional development grants of £34,500) to support operations in Glasgow. However, the latest decision by the Company to concentrate its production at its factory in Liverpool reflects its current losses in face of market pressures from imports, the growing use of disposable lighters and a secular decline in the use of matches. The decision has not been suddenly taken. The Company reduced production in the Glasgow plant six months ago by cancelling one of two working shifts. At that time, the Company laid off 85 workers.

6. Mr Craigen put down a Question to the Secretary of State for 11 March.

LINE TO TAKE

7. In essence, therefore, the decision reflects commercial pressures in the market place; and it is no part of the Government's policy to press companies to act contrary to their view of the action required to maintain

their competitiveness and viability. Government financial assistance under the Industry Act is available for investment designed to safeguard and create jobs; but not as a subsidy towards operating losses. There is therefore nothing which the Government can do to reverse the Company's decision: but positive measures are being taken by the SDA, the local authorities and the Universities to enhance alternative employment prospects in the area and new projects coming forward will, of course, qualify for the full range of Government assistance at the highest levels of grant normally available in a Special Development Area.



10 DOWNING STREET

This is a very poor "brief"
from the SO. I've asked them
to start again and let us
have some more material tomorrow.

MJ5

10/3

BRYANT AND MAY LTD, GLASGOW

1. Bryant & May Ltd is a wholly owned subsidiary of Bryant & May (Holdings) Ltd which in turn is a subsidiary of Wilkinson Match Ltd. Some 150 people are employed by the Company in Glasgow.
 2. In September 1975, in the face of over-capacity and increasing foreign competition, Wilkinson Match decided to rationalise match production at Liverpool and Glasgow. An IRG under Section 7 of the Industry Act 1972 was offered to the Company to assist with an investment project at Glasgow. Three instalments have been paid to date.
 3. In February 1981, Bryant & May announced the closure of their Glasgow factory. A steady decline in match sales and the effect of the present recession have led the Company to reduce production units in the interests of efficiency. All match production will be concentrated at the Liverpool factory.
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WEDNESDAY 11 MARCH 1981

HOUSE OF COMMONS

*21 MR JIM CRAIGEN: To ask the Secretary of State for Scotland, if he will bring forward proposals to bring new employment into the Maryhill area of Glasgow in view of the impending closure of the Bryant and May match-making factory.

MR ALEX FLETCHER

I share the hon Member's concern about the impending closure of Bryant and May. As Maryhill is part of a special development area, full Industry Act support is available for viable investment projects. My officials are ready to enter into discussions with potential investors.

cc: Mr. Gow

MR. SANDERS

cc to Foulkes }
Watkins } MP
Craigien }
Davies } files

Here is the up to date list of the Labour Members of Parliament coming to see the Prime Minister:-

Wednesday 11 March

1700 Mr. George Foulkes and Mr. Alex Fletcher
1930 Mr. David Watkins and Mr. Norman Tebbit
21000 Mr Jim Craigen and Mr Alex Fletcher

Thursday 12 March

1630 The Right Honourable Denzil Davies and
Mr. Norman Tebbit

Tuesday 17 March

1530 Dr. Gavin Strang and Mr. Alex Fletcher

All these meetings will take place in the House of Commons.

es.

4 March 1981



Th. J. CRAIGEN

10 DOWNING STREET

10/3

From the Private Secretary

4 March 1981

The Prime Minister has received the attached letters from George Foulkes, MP, Jim Craigen, MP, and Gavin Strang, MP. All of them ask for meetings to discuss closures in their constituencies. As you will know, we have arranged all three of these meetings for the next few days and Mr. Fletcher has been invited to attend each of them. The Prime Minister is due to see Mr. Foulkes at 1700 on Wednesday 11 March and Mr. Craigen at 2100 on the same day; She is due to see Dr. Strang at 1530 on Tuesday 17 March.

I should be grateful if you could arrange for us to have short briefs for each of these meetings to arrive in each case by 1800 the night before the meeting.

Please let me know if there are any problems.

NJS

Godfrey Robson, Esq.,
Scottish Office.

file BK

4 March 1981

I am writing to confirm that you will be seeing the Prime Minister at 2100 hours on Wednesday 11 March in her room at the House. Mr. Alex Fletcher will also be present.

CAROLINE STEPHENS

Jim Craigen, Esq., M.P.

HL

from: Jim Craigen MP



HOUSE OF COMMONS
LONDON SW1A 0AA

March 1981

The Rt Hon Margaret Thatcher MP
The Prime Minister
10 Downing Street
London SW1

R4/3

Dear Prime Minister

Closure of Bryant & May Factory
Maryhill, Glasgow

You did say in the House the other week that you would be willing to meet any Member regarding a closure in his or her constituency. I should like to meet you to discuss the closure of this match-manufacturing factory with the loss of 161 jobs. The factory has had good industrial relations, a high productivity level and I am assured is profit-making. Apart from the arbitrary decision to close it there are certain aspects of the importation of matches by the same Group which disturb me and which I should like to discuss when we meet. This factory has a strong local connection and its closure would be a serious blow in an area where employment is none too plentiful.

Yours sincerely

Jim Craigen

cc: Mr C Saunders
Mr J A Bloxcidge

RHA/MS

27 February 1981

Mr James Craigen MP
The Palace of Westminster
c/o House of Commons
London SW1

Dear Mr Craigen,

I was glad to be able to talk to you yesterday and explain the reasons why we had to make the decision to close our Match manufacturing factory in Glasgow.

The principal cause is the continuing year on year decline of the Match market - approaching 10% over the last 12 months - and an economic situation in which we cannot maintain under-utilised manufacturing capacity.

Our Liverpool factory has been working under capacity for some time in terms of both machines and staff and therefore the decision had to be made to consolidate production at Liverpool which is our main manufacturing site and where 320 people are employed. Unfortunately, because of the reducing demand for matches it will not be necessary to recruit additional staff in Liverpool as a result of closing the Glasgow factory.

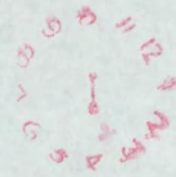
You may not be aware that in the last three years we have closed factories in Gloucester and London and therefore our decision in relation to the Glasgow factory was the only one we could now take. I must stress that there has always been an excellent working relationship in Glasgow which made the decision all the more difficult to make.

You should know that we advised all employees on Friday, 20th February 1981, and have started discussions with the Trade Union Representatives.

I am sure you have heard of our "BLUEBELL" brand of matches and I hope you will be glad to know that it is our intention to continue making them for our very important Scottish market.

Yours truly,

R H Armitage
Deputy Managing Director



28 MAR 1987