



cc C80
DIT
D/n

MFJ

10 DOWNING STREET

THE PRIME MINISTER

10 April 1981

Dear Mr. Waiger.

After our meeting on 11 March I contacted Bryant and May about the current problems which led to the closure of their Glasgow factory.

The Managing Director of the parent company, Wilkinson Sword, has told me that the closure announcement was made on 20 February and on the same day the employees and trade union representatives were advised of the reasons for this decision. Full consultations took place with the three unions involved, and at the end of the consultations, which had failed to identify a viable alternative, the unions recommended acceptance of the company's closure terms.

I understand that the background to the company's problems was explained to you in a letter from the Deputy Managing Director.

I am assured that Bryant and May remain strongly committed to match manufacturing in the UK. They are very proud of the reputation and the famous brand names of their British made matches which have about 60 per cent of the UK market and they have every intention of continuing in the business.

/It is regrettable

FW

It is regrettable that the closure of the Glasgow factory was the only decision that Bryant and May could take at this time, but I am sure you will agree with me that they must take the appropriate steps to remain efficient and competitive as match manufacturers so as to provide secure employment for the remainder of their workforce.

Yours sincerely
Raymond Thelker

James Craigen Esq MP



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

PM.

On
for PMP/1
CC16

Nick Sanders Esq
Private Secretary
No 10 Downing Street
LONDON SW1

9 April 1981

Dear Nick

Thank you for your further letter of 30 March about Bryant and May Limited.

Mr Craigen has already received an explanation of the reasoning behind the Company's decision to close their Glasgow factory but the Prime Minister may wish to re-emphasise the points by way of the attached draft.

I have copied this letter to Ian Ellison and Richard Dykes.

Yours ever

David Reid

DAVID N G REID
Private Secretary

DRAFT FOR PRIME MINISTER

James Craigen Esq MP
House of Commons
LONDON
SW1A 0AA

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It is regrettable that the closure of the Glasgow factory was the only decision that Bryant & May could take at this time, but I am sure you will agree with me that they must take the appropriate steps to remain efficient and competitive as match manufacturers so as to provide secure employment for the remainder of their workforce.

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P.M.

30 March 1981

I attach a letter the Prime Minister has received from Mr. J.A. Bloxidge of Wilkinson Sword in response to her letter about the Bryant and May match factory in Glasgow. I should be grateful if you could now suggest a draft letter for the Prime Minister to send to Mr. Craigen; I do not think the Prime Minister will be inclined to take this matter much further.

I am copying this letter and its enclosure for information to Ian Ekklison (Department of Industry) and Richard Dykes (Department of Employment).

NJS

Godfrey Robson, Esq.,
Scottish Office.

H



10 DOWNING STREET

From the Private Secretary

30 March 1981

I am writing on behalf of the Prime Minister to thank you for your letter of 27 March, which I shall of course place before her at once.

J.A. Bloxcidge, Esq.



Wilkinson Sword Group Limited

Sword House Totteridge Road High Wycombe Bucks HP13 6EJ
Telephone High Wycombe (STD 0494) 33300 Telex 837234
Telegrams and Cables Swordcraft HWYC

JAB/sdw

27th March, 1981

The Right Hon. Margaret Thatcher M.P.,
Prime Minister,
10 Downing Street,
LONDON SW1A 2AA.

Dear Prime Minister,

Thank you for your letter dated 23rd March on the subject of the closure of Bryant & May's Glasgow factory.

We announced our intention to close the Glasgow factory on 20th February, and on the same day notified our employees and their Trade Union representatives of the reasons for this decision. Full consultations took place and the three Unions involved were provided with all the information required by them in order to participate fully in the consultations. They were also given the opportunity to put forward alternatives to the closure plan, but of those presented none constituted a viable business proposition. At the end of the consultations the Unions recommended acceptance of the Company's closure terms.

My Deputy Managing Director, Mr. Richard Armitage, met Mr. Craigen during the last week of February to discuss the proposed closure and explain the reasons for it. He subsequently wrote to Mr. Craigen on 27th February. Rather than re-state the reasons for the closure, I enclose a copy of Mr. Armitage's letter to Mr. Craigen which sets these out clearly.

It is quite wrong for anybody to suggest that Bryant & May's commitment to match manufacturing is in any way less than it used to be, or that we are now more interested in distribution than in production. We are very proud of the reputation and the famous brand names of our British made matches, such as "Swan Vestas", "England's Glory" and "Scottish Bluebell", which have about 60% of the U.K. market, and we have every intention of continuing in this business. It is because of the need to ensure that we remain efficient and competitive as match manufacturers that we have had to take the decision to close the Glasgow factory.

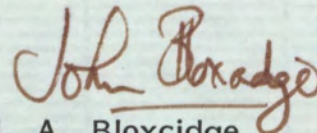
ctd./.....

27th March, 1981

May we assure you that alternatives to the closure of the Glasgow factory were considered by the Board, but none was found which could be regarded as viable. With regard to our treatment of the redundant workforce, the severance payments to be made to them are considerably better than the statutory entitlements and we believe that, through our Personnel and Pension Departments, we have made every effort to provide them with practical advice and assistance which will be helpful to them in the future.

We are glad to have had this opportunity to respond to your questions, and if there is anything further that we can do in this regard please let us know.

Yours sincerely,

A handwritten signature in brown ink that reads "John Bloxidge". The signature is written in a cursive style with a horizontal line under the name.


J. A. Bloxidge,
Managing Director
(U.K. & International)

Enc.

FILE

JFH

cc SO
D/Ind.
D/Eup.



10 DOWNING STREET

THE PRIME MINISTER

23 March 1981

Therese Bridg.

Jim Craigen, MP, came to see me on 11 March to discuss the proposed closure of Bryant and May's Glasgow factory. I understand that this is to happen at the end of May 1981 with the loss of over 150 jobs.

Industrial relations at the Glasgow factory have, I understand, been very good and there is said to have been ready co-operation from the trade unions in adopting efficient working practices. Mr. Craigen has been led to believe that the Scottish factory has been operating successfully in recent years, although he told me that the company could not confirm whether or not the operation is profitable. I understand that the workforce have not been given an explanation by the company of the reasons which have led to the decision to close. If that is so, I hope they will soon be taken into the company's confidence.

Mr. Craigen also raised the general question of imports and distribution of matches. He said that at present some 50 per cent of the Scottish market is taken by imported matches, some indeed imported by Wilkinson Match. He expressed concern that the company may now be more interested in distribution than in production.

My own understanding is that the decision to concentrate Bryant and May production at Liverpool reflects market pressures from imports, the growing use of disposable lighters and a decline in the use of matches. It is no part of the Government's policy to intervene in the commercial decisions of companies or to press them to act in a manner likely to undermine their competitiveness and

/viability

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viability, upon which the jobs of all employees depend. I would, however, like to be able to reassure Mr. Craigen on your behalf that all alternatives to closure of the Glasgow factory have been considered and that you have taken fully into account the possibility of Scottish Office or SDA assistance to help introduce a viable new project at Maryhill. I would also be interested to know whether the company has considered assisting any of its redundant workforce to set up new small businesses. I should be glad to have your views on these questions.

B/K/

Yours sincerely
Margaret Walker

J.A. Bloxcidge, Esq.



Prime Minister

SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

Nick Sanders Esq
Private Secretary
No 10 Downing Street
LONDON SW1

18 March 1981

Dear Nick,

Thank you for your letter of 13 March about the Prime Minister's meetings with Jim Craigen and George Foulkes.

I attach a draft letter which the Prime Minister may wish to send to Bryant and May. Its terms have been agreed with DI Ministers. Mr Fletcher is presently considering the terms of an approach to Falmer.

The sponsoring division at DI have been advised of the problems at Bryant and May's Glasgow factory. I understand that the Liverpool factory is likely to be located in the Merseyside enterprise zone. This may have influenced the Company's decision against Glasgow when group rationalisation proved necessary.

I am copying this letter to Ian Ellison (DI) and to Richard Dykes (DE).

Yours truly,

GODFREY ROBSON
Private Secretary

*The PM may wish to consider sending a copy of her letter to Mr
Broxidge, to Jim Craigen?*

DRAFT FOR PRIME MINISTER

GR
for PMP

J A Bloxcidge Esq
Managing Director
Wilkinson Sword
Sword House
Potteridge Road
HIGH WYCOMBE
Bucks

~~Mr~~ Jim Craigen MP came to see me on 11 March to discuss the proposed closure of Bryant and May's Glasgow factory. I understand that this is to happen at the end of May 1981 with the loss of over 150 jobs. Mr Craigen told me that the workforce had apparently not been consulted about the company's intentions.

Industrial relations at the Glasgow factory have, I understand, been very good and there is said to have been ready co-operation from the trade unions in adopting efficient working practices. Mr Craigen has been led to believe that the Scottish factory has been operating successfully in recent years, although he told me that the company could not confirm whether or not the operation is profitable. If this is so it seems to me that the workforce should at least be given a proper explanation by the company of the reasons which have led to their decisions. Mr Craigen also raised the general question of imports and distribution of matches. He said that at present some 50% of the Scottish market is taken by imported matches, some indeed imported by Wilkinson Match. He expressed concern that the company may now be more interested in distribution than in production.

My own understanding is that the decision to concentrate Bryant and May production at Liverpool reflects market pressures from imports, the growing use of disposable lighters and a secular decline in the use of matches. It is no part of the Government's policy to intervene in the commercial decisions of companies or to press them to act in a manner likely to undermine their competitiveness and viability, upon which the jobs of all employees depend. I would however like to be able to reassure Mr Craigen on your behalf that all alternatives to closure of the Glasgow factory have been considered and that you have taken fully into account the possibility of Scottish Office or SDA assistance to help introduce a viable new project at Maryhill. I would ^{also} be interested to know whether the company has considered assisting any of its redundant workforce to set up new small businesses. I should be glad to have your views on these questions.

18 MAR 1981

