

SUBJECT



10 DOWNING STREET

From the Private Secretary

1 December 1982

Dear John

Thank you for your letter of 29 November, and for the briefing for the Prime Minister's meeting with Mr. Jim Craigen MP. This meeting took place yesterday at 1545 in the House of Commons. Mr. Alex Fletcher was present.

Mr. Craigen said that male unemployment in his constituency was already 30%, and female unemployment almost 16%. The closure of the Metal Box plc factory would mean 215 redundancies. He had seen the company's management. They had explained that there was a diminishing market for cans. The Brewers Society had estimated that there had been a 4.8% drop in demand for their products last year, and a 3.8% drop this year. Metal Box felt that their Glasgow factory would never be profitable. He had however been told that the company were contemplating new investment in the production of 25 and 15 centilitre cans. Mr. Craigen asked whether there was any possibility of the Government helping to ensure that this new investment was made in Glasgow. He acknowledged that it would mean redundancies in his constituency, and that there could be no guarantee that the new investment would be made in his area, but he was concerned that any new factory should at least be located in Glasgow.

In discussion, the Prime Minister said that she understood that Metal Box's Glasgow factory, although it was only 9 years old, was still much less efficient than their new plant at Carlisle, where production costs were 10% lower. The company could meet all its needs from the Carlisle plant. She understood that alternative uses for the production lines in Glasgow, including other can sizes such as the new 25 centilitre can, had been examined. The company had however concluded that it would not be possible to make a profit on any can production in Glasgow, even taking account of the possible financial assistance available from the Government. However, she agreed that Mr. Fletcher should explore with the company whether they were intending to make a new investment in small can production, and to see whether that investment could be made in Glasgow. Mr. Craigen explained that he had been told that the company had been contemplating such an investment by Mr. Neville Kent, the General Manager of Metal Box's Beverages Division.

Mr. Craigen then went on to explain that the high unemployment in his constituency was causing social problems. Crime was on the increase, and he was sure that the tensions present in a home where

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both parents were unemployed would create problems in the future. Many of his constituents were thinking of emigrating to Canada or Australia. He asked whether the Scottish Office would be prepared to extend its assistance to the "Mary Hill Corridor Project" which was supported by the Strathclyde Region and by the Glasgow City Council. He asked whether more assistance could be made available for small factory units, and for dealing with mineral underworkings. Mr. Fletcher agreed to look into this.

Before Mr. Craigen left, the Prime Minister emphasised that she did not want to raise any false hopes. Mr. Fletcher would follow up the two cases he had raised, but she could give no promise of a happy outcome. Mr. Craigen said that he was "not wheeled up the Clyde in a barrow", and that he was "no daft"!

I think the Prime Minister will wish to write to Mr. Craigen reporting the results of Mr. Fletcher's investigations. I should be grateful if you could let me have a suitable draft in due course.

Yours ever

Willie Rickett

John Wilson, Esq.,
Scottish Office.