

Confidential File

Meeting with Jim Craigen MP to discuss Bryant and May factory in Glasgow

PRIME
MINISTER

March 1987

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10 DOWNING STREET

THE PRIME MINISTER

15 December 1982

Dear Mr. Craigie.

When we discussed the closure of Metal Box's Glasgow factory with you on 30 November Alex Fletcher undertook to explore with the company whether it had plans for new investment in small can production and if so whether such investment could be attracted to Glasgow. He also agreed to examine the possibility of extending Scottish Office assistance to the Maryhill Corridor project.

I explained at the end of our meeting that I did not want to raise any false hopes about these possibilities. I understand that the company has told the Scottish Office that it has no current plans to establish a new plant in the UK. You are aware that the possibility of producing small-sized cans at the Glasgow premises was examined by the company, but I understand it was ruled out on the grounds that even with generous Government financial assistance the project would not have been viable. If Metal Box does consider manufacturing the 15/25 cl can some time in the future the company is convinced that this could be accommodated simply by installing additional lines at one of its more up-to-date plants.

The continuation of the Maryhill Corridor Project, which you mentioned at our meeting, is essentially a matter for Strathclyde Regional Council and Glasgow District Council. The support which the Scottish Office has given through the urban programme towards the salary of the Project Co-ordinator has always been understood to be of a temporary nature and is being tapered off under normal arrangements, but it will not end until November 1983. Whatever the local authorities decide to do about this particular post, however, urban programme resources will still be available for projects to

/ tackle deprivation

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tackle deprivation in Maryhill. I understand that a number of worthwhile projects in the area have benefited from urban programme support in recent years.

Yours sincerely

Raymond Sheldrake

James Craigen, Esq., M.P.,



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

W F S Rickett Esq
Private Secretary
10 Downing Street
LONDON

14 December 1982

Dear Willie,

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14/12*

You wrote to me on 1 December about the meeting the Prime Minister and Mr Fletcher had with Mr Jim Craigen MP on 30 November in connection with the closure of the Metal Box factory in Glasgow.

You asked for a draft the Prime Minister could use informing Mr Craigen of the outcome of the investigations Mr Fletcher had undertaken and this is enclosed.

Your sincerely

John Wilson

JOHN S WILSON
Private Secretary

DRAFT FOR PRIME MINISTER

J M Craigen Esq MP
House of Commons
LONDON
SW1A 0AA

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until November 1983. Whatever the local authorities decide to do about this particular post, however, urban programme resources will still be available for projects to tackle deprivation in Maryhill. I understand that a number of worthwhile projects in the area have benefited from urban programme support in recent years.

SUBJECT



PM
cc MURPHY

da

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

/both

da

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.



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

W Rickett Esq
Private Secretary
10 Downing Street
LONDON SW1A

29 November 1982

Dear Willie,

The Prime Minister has agreed to meet Mr Jim Craigen MP in the House of Commons at 3.45pm on Tuesday 30 November to discuss the closure of the Metal Box plc factory in Cowlairst, Glasgow. Mr Alex Fletcher will be present at the meeting.

I understand Mr Craigen will be meeting representatives of Metal Box management this evening.

I enclose for the Prime Minister's information a short note on the company and the reasons for the closure and notes on Selective Financial Assistance and Good News for the Glasgow area for the past year.

Your sincerely

John S Wilson

JOHN S WILSON
Private Secretary

METAL BOX PLC, COWLAIRS, GLASGOW - FACTORY CLOSURE

1 Metal Box plc announced on 25 November that it is their intention to close the Glasgow factory by April 1983 making all 215 employees redundant. The firm's other Scottish factories at East Kilbride (precision tool room) and Arbroath (food cans) are unaffected by this decision. Consultations are taking place between management and the various trade unions (T & GWU, AUEW, NGA, ASTMS, ACTSS and EETPU) involved at Glasgow but the decision to close is irrevocable. The company have promised redundancy payments in excess of Government requirements.

2 The Glasgow factory opened in 1973 and makes 16-ounce beer cans for Scottish and Newcastle, Allied and Tennent Caledonian breweries. Although the plant was profitable up to 1980 it is now heavily loss-making, with an expected deficit of between £1.5 and £2 million in 1982. Even working at maximum efficiency, production costs at Glasgow are 10% higher than at the company's Carlisle factory. The plant at Glasgow was installed when the premises opened whereas the Carlisle plant, which came on stream earlier this year, is fully automated and is among the most advanced in the world.

3 Alternative uses for the production lines in Glasgow, including all other current can sizes as well as the new 25 cl size, have been examined in detail. The company maintains, however, that it is not possible for it to make a profit on any can production in Glasgow. Because of very high overheads - £5½ million per year - even if the most optimistic assumptions were made about achieving lower costs, greater productivity, lower wages and higher prices the factory would still be loss-making. The firm adhere to this view even taking account of the possible Government financial assistance available in Glasgow.

4 We understand that over the last decade all the major US can manufacturers - American Can, Continental Can Crown Manufacturing and Nacanco - have established plants in the UK with the twin aims of meeting the then forecast expansion in the canned beer and soft drinks market and also of winning a market share from Metal Box. In the event the market has declined with resulting gross over-capacity and Metal Box have progressively lost their market share. The UK annual market for 16-ounce beer cans is now 1,200 million and installed UK capacity is 1,700 million, of which the Glasgow share is 280 million. Prices have dropped 15% this year. On beverage cans the Metal Box share of the market is now below 50%.

A.R.

The decision to close the Glasgow plant therefore results from the continuing over-capacity in the 16-ounce can market, which has eroded the price, and the plant's inability to compete with more modern and efficient plants. The company has unfortunately been unable to identify any viable alternative use for the Glasgow facilities.

SEPD/IDD2
26 November 1982

GLASGOW: SELECTIVE FINANCIAL ASSISTANCE

Glasgow is designated a "Special Development Area" and as such it attracts the highest level of Government assistance available under Section 7 of the Industry Act 1972.

In the past year alone 57 companies in the Glasgow area have benefited from assistance under this Scheme. The offer value amounted to almost £12.8m on investment costs of £96.6m. 2353 new and 3422 safeguarded jobs are associated with these projects.

GLASGOW: GOOD NEWS 1.12.81 TO DATE

1. Glasgow based Architects Valtos are to design a 60 Unit Community Housing Project in Glasgow at a cost of £1.5m. Work is expected to last 18 months.
JULY 82
2. Marine Developments Ltd, Glasgow have won a contract worth over £2m for a ship-to-shore bridge which is to be set up in the Port of Darwin in Northern Australia.
FEB 82
3. Fiesta Soft Drinks Co, Glasgow, are to create 60 new jobs most of which will be for drivers.
FEB 82
4. Dewramet Ltd, Glasgow, has won an order worth £200,000 to supply 6,000 heat resistant steel castings for a power station in West Bengal, India.
MARCH 82
5. Lilley Construction, a subsidiary of the Glasgow based engineering and construction group, FJ C Lilley, has won a £37.6m contract for a water supply project in Nigeria.
MAY 82
6. WJ and D (Demolitions) Glasgow has won a contract worth £82,000 to demolish buildings to make way for the new £11.5m Rank Hovis McDougall bakery.
MAY 82
7. In addition to opening a new £60,000 surgical sterilising plant, Frank Sammeroff Ltd, Glasgow has recently won contracts worth more than £130K. As a result, the current 30 strong workforce may be doubled by the end of the year.
JUNE 82
8. Glasgow based Lawrence Construction Company has won a housing contract worth £5m from East Kilbride Development Corporation. The contract will give rise to more than 100 new jobs.
AUG 82
9. Inver Industrial, Glasgow has won two contracts worth £337,00 to supply a bottle-making process, for a glass company in West Africa and for Libya for three mobile workshops to repair and maintain heavy goods vehicles in the Libyan desert.
MARCH 82

10. The Glasgow office of Wimpey Construction UK has won 2 contracts totalling £1.6M for the modernisation of houses at New Stevenston and Glasgow. SEPT 82

11. The Scottish Development Agency has awarded contracts totalling £2.8M to two Glasgow companies. The first contract worth £1.2M for the building of the first three units at the West of Scotland Science Park went to George Wimpey and the second worth £1.6M was awarded to Melville, Dundas and Whitson for the building of 100,000 sq ft of floor space on the business park at the former Singer site at Clydebank. OCT 82

12. Maxco Foods Ltd, Cambuslang who acquired Strathmore Meats Ltd in September are to launch new meat products ensuring the employment of over 200 people in Forfar. MARCH 82

13. Yarrow Shipbuilders Glasgow have received an order worth £120m to build a Royal Navy Frigate. The order will give job security to the entire workforce of 5,400 until 1987, FEB 82

14. Shanks and McEwan, Glasgow has won a series of contracts worth £6m. The largest contract worth £3.5m is for an expressway at East Kilbride. JUNE 82

15. Glasgow- based company, James Scott Northern Engineering Services, has won a contract worth at least £5m for the electrical and instrumentation hook-up of the BP Magnus platform in the North Sea. Up to 600 jobs will be safeguarded. JUNE 82

16. MacLean & Speirs, the Glasgow-based painting contractor, has won its first major international contract by the award of the £1.5m painting contract for a power station in Zimbabwe. JAN 82

17. Ruberoid Contracts Ltd, Glasgow has won an order worth more than £5m for roofing and cladding at the Torness Nuclear power station. This will ensure continuity of employment for the 80 workers for the next two to three years. MAY 82

18. Briggs Amasco, Glasgow has won contracts for roofing and cladding worth nearly £1m. The orders have come from IBM at Greenock and NEC Semiconductor at Livingston, General Instrument Ltd, Glenrothes and the Hewlett Packard factory at South Queensferry. MARCH 82

19. Barr & Stroud, Glasgow is expected to create 300 new jobs at its new £5m optical production unit over the next two years.

APRIL 82

20. Marshall Manufacturing of Glasgow, a clothing company which was bought from the hands of receivers last month, is back in business and will create 60 new jobs, bringing the total workforce to 110.

JUNE 82

21. A £1.5m expansion plan by John Paton Taggarts (Glasgow) Ltd who sell and distribute vehicles and spare parts, will result in 150 new jobs being created over the next 2/3 years.

JULY 82

22. The Fletcher McNeece Partnership, Glasgow has recently won a contract for a new £1m casino to be built in London.

AUG 82

from: JIM CRAIGEN MLitt FBIM JP MP

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HOUSE OF COMMONS
LONDON SW1A 0AA

25 November 1982

The Rt Hon Margaret Thatcher MP
Prime Minister
10 Downing Street
London Sw1

Dear Prime Minister

Closure of Metal Box Factory
Cowlairs Industrial Estate, Glasgow

Metal Box have announced today that they intend to close their Glasgow factory which is in my constituency. This will result in the loss of 215 jobs and is an unwanted blow in an area already suffering far too much unemployment. I should like to have an early meeting with you to discuss the situation in view of your long-standing promise to meet MPs with closures in their constituencies.

Yours sincerely

Jim Craigen

WSK
Prime Minister
We have arranged
a meeting for 3.45
next Tuesday. Alex
Fletcher will be
present. A brief will
reach us on Monday.

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20/11



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 Thelwell

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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LVP

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.

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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.

Re: 1/3

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.

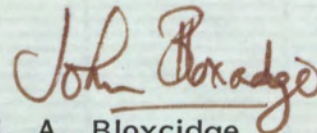
ctd./.....

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,




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

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MS

Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213...6400...GTN...213

Switchboard 01-213 3000

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:

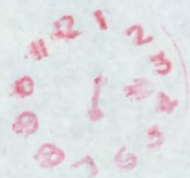
"During the meeting, you told me that the Chairman of Falmers Jeans had stated that the Patna Plant required six months breathing space so that the company could hang on until their retailers had finished de-stocking. As you know, the Temporary Short Time Working Compensation Scheme is intended to give 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





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

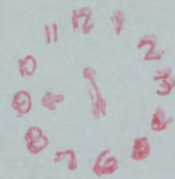
J A Bloxcidge Esq
Managing Director
Wilkinson Sword
Sword House
Potteridge Road
HIGH WYCOMBE
Bucks

~~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



SUBJECT



cc: J/W
D. Enf.

RH
cc Master +
Foulkes MP
file

10 DOWNING STREET

From the Private Secretary

13 March, 1981

Dear Godfrey

Jim Craigen, MP, and George Foulkes: Meetings
with the Prime Minister

The Prime Minister met Jim Craigen and George Foulkes at 2100 hrs and 2120 hrs on 11 March. Mr Alex Fletcher and Ian Gow were also present.

Mr Craigen said that he wished to discuss the proposed closure of the Bryant and May match factory in Glasgow at Maryhill. He said that the company employed 161 people at present, which was a significant number in the area, and had been established since the First World War. He said that his first complaint was that the announcement of the closure had been made in a wholly arbitrary way. Letters had been issued by the management giving the statutory 90 days notice, and this had come as a bolt from the blue. Last year there had been 85 redundancies and the workforce had thought that the situation had been stabilised. Industrial relations at the factory had been very good and there had been ready co-operation from the trade unions in adopting working practices. He believed that the factory was profit making, and had been greatly surprised when Wilkinson Match had told him that they were unable to say what profits the factory was making. He thought that was evidence of poor management. He hoped that No.10 could raise with the company the arbitrary way in which the announcement had been made.

The second point he wished to raise was the general question of imports and distribution of matches. At present, 50% of the Scottish market was taken by imported matches, and Wilkinson Match actually imported matches through a Swedish connection. He accepted that demand for matches had fallen, but it was his impression that the company was now interested more in distribution rather than production. He hoped that the Department of Trade would be prepared to look into this matter. He thought that it was not good for Britain in the long term that there should be a shift from production in this country to imports.

/Thirdly,

Thirdly, he said that he gathered that there had been negligible investment in the company and no approach to the SDA about alternative products, such as for example, disposable lighters, which the group already imported.

The Prime Minister said she understood that the factory was being closed as part of rationalisation, and that production would now be concentrated on Liverpool. In such circumstances it was always her hope that the company concerned would find an alternative use for the production facilities involved. This did not appear to have happened in this case. She was, however, worried to hear that the workforce had not been consulted about the impending closure. She said that loyalty between management and workforce had to work in both directions.

She said that she would be prepared to sign a letter to the company following up the meeting, and asked Mr Fletcher to have a draft prepared for her. I should be grateful if the draft could reach us very quickly, and would be very ready to have a word on the telephone with those preparing it if that would help. I hope that we may be able to have something from you by close of play on Wednesday, 18 March.

George Foulkes, MP

The Prime Minister told Mr Foulkes that she was well aware of the reputation of Falmers Jeans, not least because she had a strong constituency connection with them. She had always been greatly impressed by the quality of management of the company.

Mr Foulkes said that the Chairman of the company had told him that the Patna plant needed 6 months breathing space, after which he had hoped that he would have been able to keep on going by increasing sales. The problem facing the company was that retailers had been reducing their stocks over the past few months. He said that the SDA and SEPD had been in discussion with Falmers about the possibility of financial help. He understood that it would be difficult to find more money to support the factory itself, but hoped that it might be possible to find something to help their marketing drive in Europe.

Mr Fletcher said that the SDA had recently run a project concerned with selling up-market textiles in Germany, which might be relevant. He said that the company had been offered interest relief grants and had had help through the temporary short-time working compensation scheme. He was not clear what more could now be done.

Mr Fletcher said that he would look into the possibility of giving assistance to the company for their European marketing operation, and would also see whether any further grant could be made to them to help safeguard the jobs concerned.

The Prime Minister repeated that she was greatly impressed by the products made by the company and by the general efficiency of their operations. She said that in due course she would wish to write to Mr Foulkes reporting on the progress of Mr Fletcher's

work. I should be grateful if you could arrange for a suitable draft to be prepared in due course. I hope this could reach us by the end of this month.

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

Yours ever

Nick Sanders



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 SWIA 0AA

March 1981

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

RH/B

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.

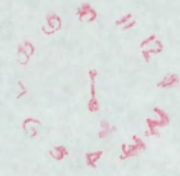
You may not be aware that in the last three years we have closed factories in Gloucester and London and therefore our decision in relation to the Glasgow factory was the only one we could now take. I must stress that there has always been an excellent working relationship in Glasgow which made the decision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

