

SUBJECT

File

Prime Minister JPH  
Minister

CF. have you the Pps?

Kas 10/6



cc: Mr. Gao 7/7  
Master

10 DOWNING STREET

From the Private Secretary

BF 2 July 81

9 June 1981

Dear Peter

Thank you for your letter of 5 June, covering briefing for the Prime Minister's meeting with Mr. Peter Fry, MP, about the closure of the Wellingborough Foundry. This duly took place this afternoon and Mr. Tebbit was present.

Mr. Fry emphasised that Northamptonshire faced a bleak outlook in the immediate future. It had been the fastest growing area in the United Kingdom, and was therefore likely to suffer more than most from the immediate impact of the recession in the light of the recent changes in the area. Turning to Wellingborough, he emphasised that the workforce had been loyal, hard-working and productive. There was no history of industrial troubles. To some extent, this had brought about their own downfall as Leyland had invested where the workforce had been more vociferous.

Mr. Fry's main interest was to pursue the possibility that the Wellingborough Foundry could have a viable future, probably with a smaller workforce, built around work on behalf of Perkins Engines. At present, Perkins provided 20 per cent of the Foundry's workload. Perkins also had work handled by the Beans Foundry at Tipton. Mr. Fry knew that Perkins were dissatisfied with some of the quality of Beans work, and had shown some interest in the future of the Wellingborough Foundry. He believed that it would be possible to concentrate all the Perkins work at Wellingborough, and thus prevent a situation in which Perkins might decide to look overseas for castings. But as soon as this possibility had been mentioned at Wellingborough, the matter had been taken out of the hand of local BL management. He therefore hoped that it might be possible for the Government to encourage BL to pursue with Perkins the possibility of Perkins taking responsibility for the Wellingborough Foundry and concentrating its work there. There were also some other outside contracts already handled at Wellingborough which could be continued. Mr. Fry understood that BL might be anxious to retain all the Perkins business, but to concentrate it at Beans where new investment had been put into the Foundry. But there were some signs that BL were asking themselves whether they wished to retain any casting capacity, unless they could achieve a dramatic increase in productivity.

/Mr. Fry

OSG



Mr. Fry said that he had been in touch with BL. British Leyland had undertaken not to remove any capital plant before September; and to consider carefully any proposal for some favourable leasing arrangement. He had not at this stage raised the matter with Perkins.

The Prime Minister said that, if Mr. Fry would pursue the matter with Perkins, Mr. Tebbit would be ready to have these issues taken up with BL once the Government had some indication of interest on the part of Perkins. Mr. Fry agreed to let Mr. Tebbit know as soon as he had any reaction from Perkins.

BF

I should be grateful if you could arrange for these matters to be pursued. Could we please have copies of any further correspondence between Mr. Tebbit and Mr. Fry on this subject.

*Yours ever*

*Mike Pattison*

P.E. Mason, Esq.,  
Department of Industry.