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From Mr. Peter Fry M.P.



R15/6

11th June, 1981.

HOUSE OF COMMONS
LONDON SW1A 0AA

Dear Prime Minister.

May I thank you for giving up so much of your time to discuss the problems of Wellingborough. I really do appreciate this and I know my feelings are shared by many of my constituents that with such a hectic schedule you can still spare the time to consider the problems in my constituency.

You kindly agreed that Norman Tebbit and his Department would give all the help they possibly could over the possible takeover of the BL Foundry by Perkins Engines. After our meeting I did contact the Managing Director of Perkins Engines and he informed me that they are interested in the Wellingborough Foundry and could provide 80% of the capacity of the Foundry. This was good news, however, there are two snags.

Firstly because of the state of their own finances they feel unable to invest more than a 49% shareholding in any new Company based at Wellingborough. This would necessitate setting up a Management team whose main task would be to provide site and plant. This could well be obtained from BL at a reasonable price for if the majority of the present workforce were re-employed BL would save £5 million in redundancy payments. Obviously, though, speed is essential and decisive. I do believe that if the Department of Industry co-operate there is a real possibility of success and this would certainly be in the best interest of my constituents, and in the long term the saving of British Industry, as if Perkins were not satisfied with the products of the BL Foundry their work could go overseas.

The other problem is that BL obviously would want to retain Perkins work not only at other Foundries but that hitherto done at Wellingborough. There are grave doubts as to whether this could continue for long. Indeed the notice issued at Longbridge threatening to buy castings outside their own Group gives the impression that BL do not seem determined to maintain their Foundry operations. I understand one further complication is that Perkins need to sell diesel engines to BL and this creates a delicate balance between the two Companies.

Despite these two problems there does at least appear to be a chance of saving jobs and to bring about an effective Foundry operation at least for some time to come. What is really needed is a degree of co-ordination and a certain amount of help to get this off the ground and I hope that the Department of Industry will do all they can to bring this situation about.

Once again I am most grateful to you.

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

Yours ever
Peter