

**SUBJECT**



cc J/nd  
D. King

cc Master RH  
+ Craigen MP  
file

PM

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



X 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