

SUBJECT



file LPO PM
cc Master

10 DOWNING STREET

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From the Private Secretary

20 January 1983

The Prime Minister met Dr. Edmund Marshall, M.P., at 1545 this afternoon to discuss the closure of the Stainforth plant owned by Thornhill Chicken Ltd. Your Minister was present.

Dr. Marshall said that Thornhills intended to close their Stainforth plant on 25 February. This would mean 218 redundancies in the Doncaster TTWA, where total unemployment is now running at 16.8 per cent. Thornhills had acquired the plant from Sainsbury-Spillers in 1978, and Dr. Marshall said that it specialised in producing chicken portions, unlike Thornhills plant at Great Longstone, which produced whole oven-ready birds. The lifting of restrictions on French and Dutch imports had caused problems for the firm, but Dr. Marshall claimed that this was only a problem for the Longstone plant, and not for a plant producing portions like Stainforth. For this reason, he felt that Thornhills were discriminating against his constituents. He recognised that the company had offered jobs at Longstone to all those being made redundant. But the company had told him that they did not expect all these offers to be taken up, and that only 90 jobs would be available at Longstone. The journey from Stainforth to Longstone took at least 90 minutes, and Dr. Marshall felt this would be impossible for most of those now working at Stainforth, given that many of them were married women or young girls living with their parents. Finally, Dr. Marshall said that he could not see how the company would reduce their overheads by closing the plant at Stainforth since the site was not going to be sold but simply moth-balled. The company would presumably still have to pay overheads such as rates for the Stainforth site. It would be much more helpful to his constituents if an alternative use for the plant could be found.

The Prime Minister said that she hoped that Dr. Marshall's constituents would look carefully at the offer of a job at Longstone. The company had offered transport, and many people in the country would not consider a journey of 70-90 minutes as excessive for a commuter. She recognised the difficulties that married women might face, but the company had clearly taken its decision on commercial grounds. The domestic market for chickens was depressed, trading margins were tight, and the company was clearly right to rationalise its production. She was not convinced that the problems faced by Thornhills were due to the lifting of import restrictions; the UK industry had accepted that the current

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situation had arisen through domestic over-supply and owed nothing to imports. However, the Prime Minister said that she understood Dr. Marshall's concern over the company's decision to close the plant at Stainforth rather than the one at Great Longstone, and she acknowledged that there was a lot to be said for keeping together communities like the one at Stainforth. She agreed that your Minister would try to find out what the company planned to do with the Stainforth site, and to obtain a fuller explanation of their decision to close the factory.

BF | The Prime Minister will wish to write to Dr. Marshall reporting the outcome of your Minister's investigations. It would be helpful if you could let me have a suitable draft by Thursday, 3 February.

I am copying this letter to David Saunders (Department of Industry).

I would also like to say that the Prime Minister was very grateful for the briefing provided by your Department and by the Department of Industry.

W. F. S. RICKET

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Ministry of Agriculture, Fisheries and Food.