

SUBJECT



10 DOWNING STREET

*From the Private Secretary*

12 April 1984


Jean Steve,

Dr. David Clark, M.P., together with Mr. Don Dixon, M.P., met the Prime Minister today to discuss the closure of the Plessey switching factory at South Shields. Mr. Channon was also present.

Dr. Clark explained that the closure of the Plessey factory was a major blow to the area coming so soon after the welcome announcement that Nissan were to site their factory at Sunderland. The departure of such a modern industry from South Shields would mean the loss of valuable skills which would serve as a powerful incentive for other new investment to follow the example of Nissan. The workforce at Plessey had reacted to the proposed closure extremely responsibly. They had eschewed strike action and with the help of the trade unions had produced a plan to preserve 250 jobs. It was a measure of the moderation of the unions that they were prepared to contemplate many hundreds of redundancies. The plan which they had drawn up represented a workable alternative to retain a number of jobs at South Shields to bridge the gap until new jobs were created in the wake of Nissan.

The Prime Minister said that she well understood Dr. Clark's concern particularly following a series of major redundancies in his and neighbouring constituencies. Clearly the decision was a commercial one for Plessey and their move to Edge Lane would bring jobs to Merseyside. She asked Dr. Clark how he believed jobs might be saved. Dr. Clark referred to a number of the activities carried out at Plessey and said that he believed these might productively stay at South Shields. In particular he mentioned the development of the Roboserve mini-bar, a remarkable electronic development which was likely to be installed by Holiday Inn establishments throughout the world. It was thought that this development might be going abroad and would therefore be lost not only to South Shields but to this country. There might be a role for a continued presence at South Shields for a kind of pilot plant for new ideas such as Roboserve.

/Mr. Channon



Mr. Channon said that the Department of Trade and Industry was pursuing the idea of a nursery workshop in South Shields and was also trawling other high technology companies to discover if any were interested in taking over the South Shields plant. He did not hold out much hope of either. Nevertheless he would make urgent further enquiries of Plessey in the light of what Dr. Clark had said particularly about the Roboserve. Concluding the meeting, the Prime Minister said that while there did not seem to be a great deal of hope every effort should be made to see if any jobs could be saved.

BT  
Following the meeting Mr. Channon undertook to look into the points which had been raised and to report to the Prime Minister. I should be grateful if when he has done so you could arrange for a draft letter for the Prime Minister to send to Dr. Clark and Mr. Dixon to be submitted setting out the results of your enquiries.

Y  
In ever  
Tim Flesher

Tim Flesher

Steve Nicklen, Esq., Office of the Minister for Trade,  
Department of Trade and Industry.