



10 DOWNING STREET

THE PRIME MINISTER

4 May 1984

ke set
c. Don Dixon
DTT

Mr. Clark,

When we met with Paul Channon and Don Dixon to discuss the proposed closure of Plessey's switching factory in South Shields I undertook to follow up the suggestions which you made for preserving some of the employment at Plessey.

The Department of Trade and Industry have contacted a considerable number of companies concerning the factory. So far one high technology company has expressed an interest in locating in the South Shields area, possibly by acquiring part of the Plessey site. This might lead to the creation of a significant number of jobs requiring skills similar to those available at Plessey. It would, however, be wrong to raise hopes too high at this very early stage in the discussions, which the company concerned wish to remain confidential for the moment. A decision is not likely for some months yet.

As I expect you are aware the South Tyneside Metropolitan Borough Council and a group of private sector interests are considering establishing nursery workshops on the site. It is

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up to the consortium to progress this proposal and to submit proposals to the Government for any funding which might be sought.

You also raised the possibility of the Roboserve project. I understand that it is Plessey's view that this would create such a small number of jobs that it would not itself justify keeping the plant open.

I am copying this letter to Don Dixon MP.

Yours sincerely
Margaret Thatcher

Dr David Clark, M.P.



DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET

Telephone (Direct dialling) 01-215
GTN 2155.144
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From the Minister for Trade

Prime Minister:

COMMERCIAL-IN-CONFIDENCE

Tim Flesher Esq
Private Secretary to
the Prime Minister
10 Downing Street
LONDON
SW1

*This looks
slightly more
hopeful. A draft
letter to Dr Clark is
attached*

O/f ps.

*Raf/s May 1984
despatch*

*Dr
3/5*

Dear Tim

PLESSEY CLOSURE: SOUTH SHIELDS

Following the Prime Minister's meeting with Dr David Clark MP and Mr Don Dixon MP to discuss the closure of the Plessey factory at South Shields, officials here have been following up the issues raised.

Discussions have been held with a number of electronics companies with regard to their taking over all or part of the site. The best current prospect is an interest by Northern Telecom, the Canadian telecommunications manufacturer, in acquiring part of the site to manufacture telephones employing about 150 people initially, but with prospects of expansion. Alternatively Northern might prefer to establish a smaller factory in the South Shields catchment area. South Shields is not an ideal location for Northern but the company is keen to establish good relations with the Government and their awareness of the Prime Minister's personal interest in South Shields has encouraged them to consider seriously locating there. Northern are unlikely to make a decision in less than a month and it would be most unwise to raise hopes in South Shields at this stage. Northern have also stressed the need to preserve the confidentiality of their interest.

A draft letter is attached for the Prime Minister to send to Dr Clark.

*Yours sincerely
Simon*

SIMON CARTER
Assistant Private Secretary to the
Minister for Trade (PAUL CHANNON)

Dr David Clark MP

House of Commons

LONDON

SW1A 0AA

May 1984

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From the Minister for Trade

Tim Flesher Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

18 April 1984

Dear Mr Flesher,

*DWB
19/4*

Thank you for your letter of 12 April to Stephen Nicklen, who is abroad at present, reporting the outcome of the Prime Minister's meeting with Dr David Clark MP and Mr Don Dixon MP about the Plessey closure at South Shields.

Although the Department is still pursuing the three particular initiatives mentioned at the meeting, we are unlikely to have anything positive to say until after the Easter break. We shall write to you again as soon as possible after the holiday period with the results of our enquiries and also provide a draft letter for the Prime Minister to send to Dr Clark and Mr Dixon.

Yours sincerely

Ian Gladding

IAN GLADDING
Assistant Private Secretary to the
Minister for Trade (PAUL CHANNON)

AM - meeting with David Clark.
March 84

10 APR 1984

