

010

ce NO



CONFIDENTIAL

PRIME MINISTER

PLESSEY SOUTH SHIELDS

As you know the UK Manager of Northern Telecom, Wally Benger, visited the North East of England on 11 July, accompanied by officials from my Department, to assess prospects for Northern Telecom locating a manufacturing facility in the region.

Following that visit the news is not good. Mr Benger has said that he does not believe that the South Shields area is a suitable location. Northern Telecom see considerable problems in establishing a non-union workforce next door to the Plessey facility which has union recognition. They are also apprehensive about setting up a manufacturing facility next door to a major competitor.

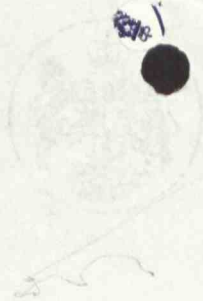
Northern Telecom have not rejected the North East entirely. Whilst Northern Telecom's decision will be disappointing to the people at South Shields there is still some hope for the region and they are willing to look at suitable facilities in the Washington New Town area. The Northern Telecom team were very impressed by the success of the Black and Decker factory which operates with non-union labour in the Durham area. Northern Telecom however are still looking at other areas in the UK and I have heard that senior management have been impressed by South Wales, particularly in view of the good communications. The M4 gives easy access to Heathrow Airport and to other facilities in Maidenhead.

I am afraid that this is bad news for South Shields and for Dr Clark and I think it is best to tell Dr Clark soon. I suggest that I should write to Dr Clark once Parliament has risen. I will also be suggesting to Mr Benger that he meets Dr Clark to discuss the position.

K.B.

KENNETH BAKER

26 July 1984



9876543210
P
R
I
N
T
E
D
I
N
U
S
A

APR 11 1984

UNIVERSITY MICROFILMS

UNIVERSITY MICROFILMS
SERIALS ACQUISITION
300 N ZEEB RD
ANN ARBOR MI 48106

W. H.

26 July 1984

The Prime Minister has now seen Mr. Baker's minute of 26 July about Plessey in South Shields. Like Mr. Baker, she was extremely disappointed by the news that Northern Telecom are not going to South Shields but recognises that this is a decision for the company.

(TIM FLESHER)

Neil McMillan, Esq.,
Department of Trade and Industry.

6