

PRIME MINISTER

I attach a letter to Sir Christopher Hogg for your signature. It has been cleared with the Secretary of State for Wales.

Sir Christopher has also today sent you a copy of his telex (Flag A) to Sydney Tongue, Chief Executive at Wrexham Maelor, whom you met on Friday. In it, he notes he is available for a meeting with the local authorities, but does not say he has any definite plans for one. Your letter goes a little bit further than this, and asks him to report to you after a meeting, but I think your draft can stand.

Also attached (Flag B), for information, is a letter from John Packer, Chief Executive at Delyn, whom you also met on Friday. He encloses, as he promised, a copy of his Council's proposals. I think you will need to respond to this letter, and to the memorandum passed to you at the meeting by the Leader of Clywd, in due course.

Mark Addison

(Mark Addison)

30 April 1985

27582 CABOFF G
28788 CTLLDN G 11.54AM

*NO Hogg
re id.*

PLEASE PASS THE FOLLOWING TLX MESSAGE TO :

THE PRIME MINISTER 10 DOWNING STREET

SECRETARY OF STATE FOR WALES WELSH OFFICE GWYDYR HSE - WHITEHALL

DR JOHN MAREK HOUSE OF COMMONS.

..

REF: SIR CHRISTOPHER HOGG/CL 30.4.85 11.03AM NO. 7209

TO: SYDNEY F TONGUE CHIEF EXECUTIVE OFFICER WREXHAM MAELOR
BOROUGH COUNCIL.

FROM: SIR CHRISTOPHER HOGG CHAIRMAN COURTAULDS PLC.

CC: THE PRIME MINISTER 10 DOWNING STREET

SECRETARY OF STATE FOR WALES WELSH OFFICE GWYDYR HSE
WHITEHALL.

DR JOHN MAREK HOUSE OF COMMONS.

THE HEART OF THE PROBLEM IS INADEQUATE DEMAND FOR OUR ACETATE YARNS.
THE NEED IS NOT ONLY TO EXTINGUISH LOSSES BUT IT IS VITAL TO EARN AN
ADEQUATE RETURN ON CAPITAL OTHERWISE THE FUTURE OF THE REMAINING
BUSINESS COULD BE JEOPARDISED.

THE MAIN BOARD HAS BEEN FULLY INFORMED ON THE STRATEGY ADOPTED BY
COURTAULDS ACETATE IN ITS STRUGGLE TO COPE WITH THE DIFFICULT MARKET
SITUATION IN THE LAST FEW YEARS: AND I AND MY COLLEAGUES MONITOR
CLOSELY THE PERFORMANCE OF THE BUSINESS. HOWEVER THE EXECUTIVE
RESPONSIBILITY FOR THE CONDUCT OF THE BUSINESS IS VESTED IN MR GORDON
CAMPBELL WHO HAS MY FULL SUPPORT.

IT IS BEST THAT ALL DISCUSSIONS ABOUT DETAILED ECONOMIC MEASURES TO
SAVE JOBS AT WREXHAM ARE HELD IN THE FIRST INSTANCE WITH MR CAMPBELL
WHO IS BETTER PLACED THAN I TO JUDGE WHETHER OR NOT THEY ARE LIKELY
TO BE EFFECTIVE.

I AM FULLY ACQUAINTED WITH WHAT WAS SAID AT YOUR MEETING WITH DR
WOODING ON 22 APRIL AND I REMAIN CLOSELY IN TOUCH WITH THE SITUATION.
I AM AVAILABLE FOR A MEETING BUT IT IS BEST IN MY VIEW IF THIS DOES
NOT TAKE PLACE UNTIL FULL DISCUSSIONS HAVE BEEN PURSUED AT LOCAL
LEVEL WITH MR CAMPBELL AS I HAVE SUGGESTED.

I AM SENDING A COPY OF THIS TELEX TO DR MAREK WHO HAS WRITTEN TO ME
IN SIMILAR TERMS TO THOSE IN YOUR TELEX (AND ALSO, IN VIEW OF YOUR
OWN DISTRIBUTION, TO THE PRIME MINISTER AND TO THE SECRETARY OF STATE
FOR WALES).

REGARDS

SIR CHRISTOPHER HOGG CHAIRMAN COURTAULDS PLC

+++

PLSE READ REF NO. AS NO. 7210 NOT RPT NOT 7209

THNKS

Z

28788 CTLLDN G
27582 CABOFF G

CYMRU BWRDEISTREF

delyn

BOROUGH COUNCIL



DELYN HOUSE
CHAPEL STREET
FLINT
CLWYD CH6 5BD
Tel. (STD 03526) 62345



Peter J. Evans,
Borough Solicitor

David R. Cirell,
Principal Administrative Officer

JOHN R. PACKER
CHIEF EXECUTIVE

My Ref: CX/GEB

Your Ref:

When calling please ask for:

*Wahk office are 1/0
preparing a draft reply,
by the way the reply
to Clwyd CC.
NOT 1/5*

26th April, 1985

Dear Prime Minister,

Courtaulds Closure - Greenfield, Delyn

... Further to the very helpful meeting this morning, I enclose, as promised, a copy of the Council's initial proposals to tackle the problems which will be caused by the various Courtaulds' redundancy proposals, and recent actual redundancies.

I feel you will find that it is a constructive and positive response to the desperately serious situation which has been created, with a considerable emphasis on the use of existing resources and substantial private sector involvement. I would stress, however, that Courtaulds PLC's wholehearted co-operation is essential in any alleviation measures. I also feel that I must make the point that to secure private sector investment, given the prevailing commercial conditions in Delyn, a degree of public money pump-priming is essential, and you will see that it is suggested that it would be appropriate to extend the Delyn Enterprise Zone to cover this site.

Although the picture is very bleak, your point on marketing the area is well taken, and we believe that the very positive indications for new job opportunities in the Delyn Enterprise Zone confirm that with a very limited amount of additional public sector investment, we can make a major contribution to the creation of new job opportunities in Delyn.

Yours faithfully,

Rt. Hon. Mrs. Margaret Thatcher,
Prime Minister,
10, Downing Street,
LONDON.

John R. Packer

Chief Executive.

COURTANES
Closure



CF?

10 DOWNING STREET

NOTE for file

Letters, reports received from the
ambassadors.

- Clywd: Folder passed across at
meeting on Friday 26/4
: Also telex from Jim
Egley rec'd subsequently
- no reply req'd.
- Delyl: Report and letter
received subsequent to
meeting, WO to draft
a short PM reply.
- Writchem
Marelar: Letter received, ending
telex to Sir Christopher Hogg
No need for reply.

2/5