



10 DOWNING STREET

THE PRIME MINISTER

1 May 1985

Dear Sir Christopher,

As you may know when I was in North Wales on Friday I met representatives from Clwyd County Council, Wrexham Maelor Borough Council and Delyn Borough Council to discuss the Courtaulds' closures at Wrexham and Greenfield. I also met, later in the day, three employees from your Wrexham works at their request.

I was deeply concerned at the lack of regard which the local authority representatives had for Courtaulds. Naturally this worried me both from the point of view of the reputation of your own company and of private enterprise more generally. I was also of course moved by the evident and understandable dismay of the local people in the face of the announcements.

To some extent local people's views are coloured by previous closures in the area, and in particular by the closure of your old Castle works on which the new enterprise zone is now situated. The local authorities put to me forcefully the amount of work they had to do to make the site fit for future development.

Both the local authorities and the employees I met felt quite strongly that for a factory to rely on one product only, without thought of developing possible alternatives

3

alg

which could be produced at that site, was unfair to work people who had given their loyalty to an employer and who had co-operated in schemes to secure greater efficiency. I think we would both accept that this kind of product development is a responsibility of management, although of course I accept this cannot be achieved in every case.

Local people also put to me the suggestion that the closure be phased over a longer period than 90 days. This would give the authorities more chance to try and attract other new firms into the area, and to maintain employment. I had in fact understood that you were going to do everything possible to restructure the factories into small start-up units where employees would be encouraged to set up on their own. But the authorities seemed to have the idea you were anxious to sell the sites and leave the area.

On the subject of losses the authorities questioned the figures I had available. They argued that one of the sites, I believe it was Wrexham, was not in fact losing money, and that the losses of the group to which it was attached were mainly attributable to the operation at other sites. They believed the improvements in efficiency on their own site had helped to secure the economic viability of their works.

Of course, I am not in a position to judge these things. My concern now is that, as a good employer, you should be seen to be doing your level best for those who have worked for you for a very long time. I think you may be seeing the local authorities themselves shortly and I should be very grateful indeed if you could let me know, after that meeting, how you are proposing to tackle what is undoubtedly a great blow for the area.

I recognise that the decision you took was not an easy one. It is because I know you are aware of local people's difficulties that I am confident you will do everything possible to mitigate them.

If you would like to come in and talk in more detail about these matters, I should of course be very happy to see you

Yours sincerely

Margaret Thatcher

---

Sir Christopher Hogg