

PRIME MINISTER

Prime Minister.

We heard this morning that Sir Christopher will be trying with him Mr. Robin Gray, M.D. of Courtaulds Engineering, who has been taking the lead in discussions about the closures in N. Wales.

I have arranged for Mr. Edwards to arrive a few minutes early. You will probably wish to have a few words with him alone, first.

MEETING WITH SIR CHRISTOPHER HOGG, COURTAULDS CHAIRMAN

MEB 5/8

You wrote to Sir Christopher after visiting North Wales and meeting the local authorities and some of the Courtaulds employees to be affected by the proposed closures. You registered your concern that Courtaulds should do everything possible to mitigate the effects of the closures. Sir Christopher replied saying that a meeting with you, to discuss progress, would be useful once some progress had been made in the consultations between the local authorities, Courtaulds and the Welsh Office. Copies of your correspondence with Sir Christopher are at Flag A. The Secretary of State for Wales will be present at your meeting.

The main purpose of the meeting will be to press Sir Christopher on a number of matters where the Welsh Office believe he has not yet gone far enough. A full brief on the current state of play is at Flag B, though you do not need to look at all of it. The main points to be aware of are:-

(i) Welsh Office take the view that Sir Christopher has still to meet the obligations which properly fall to Courtaulds following their decision to close the two factories. They are keen in principle that he should be pressed on the following key points:-

- The sites should be properly cleared, and hazardous wastes should be removed;
- The two sites at Wrexham and Delyn should be handed over to the local authorities;
- Private venture capital should be provided to pump prime the development of small businesses in the area;

- Courtaulds should involve itself in setting up extra community programme places in the area;

These points are set out more fully in the Welsh Office briefing at Flag C . At Flag D is an account of what the company have offered so far.

(ii) The Secretary of State for Wales announced his package of measures on 27 June. This included the provision of additional advance factories by the Welsh Development Authority, extra urban programme support, a new road bridge over the Wrexham/Bidston railway, and more MSC community programme places (Flag E).

(iii) The Courtaulds closures were discussed at a hearing of the Welsh Affairs Select Committee on 1 July. Keith Raffan and Keith Best pressed both the local authorities and Courtaulds to do more.

#### Handling

You will wish to open the meeting by thanking Sir Christopher for coming and reporting on the background of your involvement in the Courtaulds closures, particularly your visit to North Wales where you met the local authorities and Courtaulds employees. You were concerned about the low regard which local people had for Courtaulds.

The Secretary of State for Wales can then elaborate on the package of measures he announced on 27 June.

You will then wish to ask Sir Christopher to report on the current state of play, and the progress that has been made in the discussions he has been having with all concerned.

You may then wish to press Sir Christopher on the key points of site clearance, the disposal of the sites to the local authorities, and the provision of venture capital to assist in the development of new small businesses.

In closing the meeting you will wish to urge Sir Christopher to continue his discussions with the Welsh Office and the local authorities, and to come to early decisions about the package of measures the company is prepared to agree.

Press

There may be some Press interest in the meeting. You may like to mention to Sir Christopher the line you would propose to take. The gist of this would be that you wished to take stock with Sir Christopher of the progress which had been made in the discussions between the local authorities, Courtaulds and the Welsh Office. You made clear your concern that everything possible should be done to help all the local people affected by these unfortunate closures, and you have urged Courtaulds to consider further with all the parties involved how the sites may be put to the best possible use, and how new businesses can be encouraged to come to the area.

*Mull Aeddor*

MEA

5 August, 1985.

PRESS LINE

The Prime Minister today met Sir Christopher Hogg, Chairman of Courtaulds, and reviewed the progress which had been made with regard to the future of both sites, at Wrexham and Greenfield in North Wales, and of the people who work there. Courtaulds stressed their intention to do their very best for their workpeople and to pursue discussions with the local authorities with a view to the constructive utilisation of both sites. Further meetings are due between Courtaulds and the local authorities in the near future. There will also be further detailed discussions between the Welsh Office and Courtaulds with a view to seeing that decisions are reached on the future of the sites as soon as possible.