



10 DOWNING STREET

THE PRIME MINISTER

2 February 1981

Dear George

Thank you for your letter of 22 January about the decision your Company has taken to close the sugar refinery at Liverpool. I share your regret that this has become necessary and that as a result employment prospects will have become even more difficult in Liverpool.

You have kindly kept Peter Walker informed and have also discussed with Keith Joseph's officials the possibilities for keeping or rebuilding some refining capacity in Liverpool. It is a pity that none of the projects seemed feasible, even with the aid of substantial Government grant. I understand that you intend to expand capacity at the Silvertown refinery in order to ensure that you have the capacity to refine 1.1m tonnes of sugar. It is encouraging that you are prepared to continue your present contractual commitments to take 1.225m tonnes of cane raw sugar. I hope that you will soon be able to turn that into a firm commercial deal with, as you suggest, a degree of flexibility as to where the quantity over 1.1m tonnes should be refined and sold. This should go a long way to help reassure the ACP Governments. For its part the Government will give you whatever help it can in Brussels to ensure that the commitments to the ACP under the Lome Convention, which were undertaken by the Community as a whole and not just by the United Kingdom, can be honoured.

Yours ever

Raymond

The Rt Hon Earl Jellicoe, DSO, MC

Jellicoe

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