



HOUSE OF COMMONS
LONDON SW1A 0AA

30 April 1981

Dear Mrs Thatcher

Yet again, a long-established industry is going to be lost in Kilmarnock. That is the pottery industry, which has actually existed in this town for over a century and a half.

I am referring to the recent announcement by Armitage Shanks Ltd that their Kilmarnock factory is to close completely on July 3 1981. This is despite the fact that the management and trades unions concerned discussed and agreed on redundancies which were to take place in order to keep the plant viable.

For your information this company was the subject of an investigation by the Monopolies and Mergers Commission in October 1980, since the Blue Circle Industries Limited announced their intention to take it over. The conclusions of the Monopolies and Mergers Commission were that the takeover would not be against the public interest and, in fact, Blue Circle Industries Limited did take over the Armitage Shanks operation.

This is a particularly sad turn of events for Kilmarnock. We already have an unemployment rate of 15.4% and this further loss of some 260 jobs is yet another nail in our industrial coffin. It is also particularly galling that the management should see fit to inform the workers of this closure in the fashion that they did. It is most certainly not conducive to good industrial relations but I understand the haste to make the announcement since shares in Blue Circle Industries, Britain's biggest cement manufacturer, raced ahead on the Stock Market on Wednesday, April 29, on the news of a bigger than expected profit over the past year. In fact the shares that day finally closed with a gain of 26 pence. Blue Circle Directors reported best-ever profits before tax of £78.6m compared with £51.9m in 1979.

Despite efforts of the Kilmarnock and Loudon District Council officials who have been to see the company directors concerned in order to try to persuade them to overturn their decision to close, or at least to achieve some delay in the process, they have been unsuccessful and I have been prompted to write directly to you to ask you to receive a deputation from Kilmarnock to discuss this and related problems of unemployment in the area.

.....Continued

After Questions
Thurs 7.
R1
cc 19/15



You have publicly stated that you would always be willing to meet Members of Parliament to discuss the problems of unemployment in particular constituencies and, since Kilmarnock is one of the worst affected areas of Scotland, I trust that you will give me an early appointment. My secretary will telephone your Private Office later next week to find a mutually convenient date.

Yours sincerely

William McKelvey

Wm McKelvey MP

Rt Hon Mrs Margaret Thatcher MP
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