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CONFIDENTIAL FILING

PM's Meeting with Stan Thorne, MP  
to discuss redundancies at  
Rockwell Graphic Systems Limited.

PRIME  
MINISTER

April 1983

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>25.4.83</del>							
<del>3.5.83</del>							
13.5.83							
PREM 19/1101							





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PS / Prime Minister

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*With the Compliments of*  
the Minister of State for  
Industry and Information  
Technology

*Prime Minister*



DEPARTMENT OF INDUSTRY  
ASHDOWN HOUSE  
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6401

FROM THE  
MINISTER OF STATE  
FOR INDUSTRY AND  
INFORMATION TECHNOLOGY  
KENNETH BAKER MP

TELEPHONE DIRECT LINE 01-212  
SWITCHBOARD 01-212 7676

Stan Thorne Esq MP  
House of Commons  
LONDON  
SW1A 0AA

13 May 1983

*Dear Stan,*

At your meeting with the Prime Minister I agreed to look into the points which you made and to write to you.

Since the meeting you have kindly supplied a copy of the report prepared by the Manchester Employment Research Group. I read this with interest together with the information which the company prepared for its employees. Essentially the issues concern commercial judgments and assessments of the likely pattern of demand in the market place. They do not give me grounds upon which to consider intervening in what is essentially a commercial decision by Rockwell. I am satisfied the company have made their decision after careful consideration and whilst I regret the proposed loss of jobs in the short term, I am encouraged by the positive efforts being made to maintain continuing employment at Preston in the future.

You also asked about conditions attached to government support for investment in advanced manufacturing technology. Whilst discussions with companies about investment proposals are confidential for understandable reasons I can say that no financial support was provided towards the CAD facility.

We stand ready to help the company on any possible investment in a flexible manufacturing system, CAD/CAM or the development of new products. These are considered under the standard criteria given in the enclosed leaflets on the relevant schemes and it would not I believe be productive to attach to this support any additional conditions which would hinder innovation and improvements in efficiency-which lead to increased competitiveness and, ultimately, more stable jobs.

MB2/MS2AM





With regard to government support to assist in the market acceptance of the new Head-liner press, I can confirm that officials are discussing this with the company to identify what assistance is possible.

*Yours faithfully*  
*Kenneth*

KENNETH BAKER

PM : Meeting with Thorne MP : April 83.

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10 DOWNING STREET

*From the Private Secretary*

3 May, 1983

Thank you for your letter of 29 April to Caroline Stephens, with which you enclosed briefing for the Prime Minister's meeting with Mr. Stan Thorne, MP about the loss of 250 jobs at the Preston factory of Rockwell Graphic Systems Limited. This meeting took place at 1545 hours this afternoon. Your Minister was present.

In the course of a short discussion the following were the main points that arose:-

(a) Mr. Thorne said that he understood that Rockwell Graphic Systems Limited were seeking Government support for investment of about £6 million in a computer-aided design and manufacture facility, and in innovation and flexible manufacturing systems. Mr. Thorne suggested that a number of conditions should be attached to any Government support. The Manchester Employment Research Group had prepared a paper which recommended a number of such conditions. He would send a copy to Mr. Baker. The Prime Minister asked your Minister to consider this report, though she told Mr. Thorne that it would be unrealistic to expect the Government to make it a condition of support that further job losses should be avoided.

(b) Your Minister said that, although the market in newspaper presses had declined by half in the past two or three years, there was the possibility that Rockwell Graphics might win an export order to France. The Government would do all it could to help.

(c) The Prime Minister said that perhaps the best hope for the Company's future lay in its winning the £35 million contract to supply presses for the Daily Telegraph's modernisation programme. She understood that the paper was unlikely to invest in this new equipment until its unions had accepted an end to "Fleet Street" working practices. At present the printing unions were threatening not only their own jobs, but jobs in firms like Rockwell Graphics. Any pressure that Mr. Thorne could bring to bear on the printing unions to negotiate realistically with the Daily Telegraph would be helpful. Mr. Thorne said that he saw the force of this argument.

/In conclusion,

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In conclusion, Mr. Baker said that he would look into the points which Mr. Thorne had made and would write to him. Mr. Thorne said that his real concern was that these redundancies should not simply be the first of a long stream of job losses leading perhaps to the closure of the company.

I should be grateful if you could copy any correspondence between your Minister and Mr. Thorne on this subject to us.

W. F. S. RICHARDSON

N. McMillan, Esq.,  
Mr. Kenneth Baker's Office,  
Department of Industry

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FROM THE  
MINISTER OF STATE  
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KENNETH BAKER'S OFFICE

Miss Caroline Stephens  
10 Downing St  
London SW1

29 April 1983

*Dear Caroline*

As requested in your letter of 25 April, I attach briefing for the Prime Minister's meeting at 15.45 on Tuesday 3 May, which Mr Baker will attend.

There are two additional points not covered in this, but of which the Prime Minister may wish to be aware.

Stan Thorne unsuccessfully sought an adjournment debate on 19 April to discuss the "threatened unemployment at Rockwell Graphic Systems". The same motion called for a meeting between the trade unions, this Department the company and the newspaper proprietors to work out a plan to protect the manufacturers of rotary presses in Britain. The reference to the newspaper proprietors is no doubt related to the contract from the Daily Telegraph which they would like to see speeded up.

... Frank White MP has also written to our Secretary of State to ask him to see a delegation of the North West Group of Labour MPs, to which we will reply after the Prime Minister has seen Mr Thorne.

*Your sincerely*

*N M*  
N M MCMILLAN  
Private Secretary

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BRIEF FOR PRIME MINISTER'S MEETING WITH  
MR STAN THORNE MP AT 15.45 HRS ON  
TUESDAY 3 MAY 1983

*ms*

Issue

Rockwell Graphic Systems Ltd, a printing machinery manufacturing company in Mr Thorne's constituency, announced 250 redundancies on 11 April 1983. Mr Thorne fears that the future of the company could be threatened by competition from overseas.

Background

2 Rockwell Graphic Systems Ltd is a wholly-owned subsidiary of the Rockwell International Corporation (USA), with two factories in Preston employing a total of 1,090, and a London sales office of 30. The company manufactures mainly large rotary web offset-litho printing presses, and is the only UK supplier of these to the newspaper industry. Presses for magazine printing are also produced. Annual sales are around £30 million, over 80% of which are in exports, but the prolonged world recession has caused a fall-off in orders during the past year. Rockwell holds an important place in the UK printing machinery industry, employment in which has declined from 22,000 in 1970 to around 15,000 now.

3 On 11 April Rockwell announced that 250 would be made redundant in June 1983, owing to reduced product demand, and to changes in working methods and organisation aimed at achieving greater efficiency. Consultation with Trades Unions began on 25 March 1983. Unemployment in the Preston Travel to Work Area currently stands at 12% (17,900). Mr Thorne is anxious that these redundancies might be a precursor to the complete closure of the Preston factories. Rockwell's management has been explaining to the workforce that the cutback is necessary because: the world market in newspaper presses has declined by 50% in the past 2/3 years; Rockwell has had no significant new orders this year; and its current order book runs out in September.

4 The company has revealed that it will introduce a new range of smaller machines - requiring less man-hours to produce - in September. There is other evidence which suggests a determined drive towards greater efficiency - consideration of a flexible manufacturing system, and the installation of a Computer-aided Design and Manufacture facility (Rockwell has agreed to be a "demonstration firm" as part of the DoI's CAD/CAM Awareness Programme.)





5 The company is hoping to win a £35 million contract to supply presses for the Daily Telegraph modernisation programme. Strong competition had been expected from a Swedish firm, Nohab, but this company has now closed down due to lack of world demand for presses. A decision on the contract is not expected for some time, since it is believed the paper will not invest in new equipment before acceptance by its Unions of an end to "Fleet Street" working practices.

LINE TO TAKE

6 The redundancies at Rockwell are to be regretted. They do seem however to have resulted from a carefully considered attempt by the company to overcome depressed market conditions by becoming more competitive through the introduction of new products and technology and better working practices. Mr Thorne might be reminded that the Government has repeatedly stressed the crucial importance for companies to move in this direction. Encouragement is available in the form of a range of financial and other assistance under the DoI's Support For Innovation and investment Schemes. Officials are already in negotiation with the company regarding possible Support For Innovation and Flexible Manufacturing Systems projects.

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W. T. H. H.

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10 DOWNING STREET

*From the Private Secretary*

25 April, 1983

I am confirming the meeting with the Prime Minister and Stan Thorne, M.P. It will take place in the Prime Minister's room at 1545 on Tuesday, 3 May. Mr. Baker has agreed to be present.

I enclose a copy of Mr. Thorne's letter to the Prime Minister and we would be grateful if your brief could reach us by close of play on Friday, 29 April.

CAROLINE STEPHENS

Neil McMillan, Esq.,  
Department of Industry





FAE

SW

10 DOWNING STREET

*From the Private Secretary*

25 April, 1983

The Prime Minister has asked me to thank you for your letter of 20 April.

Mrs. Thatcher would be pleased to see you to discuss redundancies at Rockwell Graphic Systems Limited.

Would it be convenient for you to come to her room at the House of Commons at 1545 on Tuesday, 3 May? I would be grateful if you could confirm this. My telephone number at Downing Street is (01) 930 4433.

CAROLINE STEPHENS

Stan G. Thorne, Esq., M.P.



From Stan G. Thorne M.P.



HOUSE OF COMMONS  
LONDON SW1A 0AA

20/4/83

Prime Minister

The Hon. Margaret Thatcher M.P.  
Prime Minister  
10 Downing Street,  
London. S.W.1.

Thorne asks for a closure meeting to discuss the 250 redundancies being considered by Rockwell Graphic Systems Ltd in Preston. We will arrange for him to see you after question time in the near future with an industrial minister.

Dear Prime Minister

I am writing to request an

interview regarding a potentially serious Industrial/Employment problem in my Constituency as I recall your willingness to meet individual Members in such circumstances.

Rockwell Graphic Systems Ltd, a subsidiary of Rockwell International Corporation of Pittsburgh U.S.A., manufacture Rotary Presses for the Newspaper Industry. Recent voluntary redundancies avoided lost opportunities to Apprentices reaching the end of their service. Their jobs were saved. However, a further 250 job losses are predicted and the future of the UK. company employing at Preston approx 1000 workers would appear to be in doubt in the face of competition from other countries eg. Germany & Japan and the Rockwell producers in the U.S.A.

The prospect of an order worth several Millions £, from the Daily Telegraph which would assist the company in the UK. is a factor. No accurate prediction can be made by me as to its certainty of fruition.

Would you kindly advise me when

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it would be convenient for you to see me, please.  
Obviously the earlier the better as far as I am  
concerned.

Thanking you in anticipation

Yours Sincerely

Stan. G. Thorne



