



FROM THE
MINISTER OF STATE
FOR INDUSTRY AND
INFORMATION TECHNOLOGY

Kenneth Baker's Office

Tim Lankester Esq
Private Secretary to the
Prime Minister
10 Downing Street
London
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123 VICTORIA STREET
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6401

Prime Minister

*Good news from
Merseyside.*

10 July 1981

Dear Tim,

In view of the representations that were made to the Prime Minister at the time of Bowater's impending Mersey Mill closure in the autumn of 1980 you may wish to know that Consolidated Bathurst of Canada has announced this evening that it has taken up an option to purchase the mill which is to recommence production at the start of 1984 after considerable re-equipment.

It has taken a substantial tranche of regional assistance to encourage the company to make this investment at the end of which there will be over 450 more jobs at Ellesmere Port, a Special Development Area. Less jobs, admittedly, than the 1500 which Bowater employed but with much more security to them.

I attach a copy of an announcement to be put out at the same time on behalf of my Minister.

*Yours sincerely,
Jonathan Hudson*

JONATHAN HUDSON
Private Secretary

M12/M12AEC

Press Notice

Department of Industry

123 Victoria Street, London SW1E 6RB TEL: 01 212 5492

Ref:

July , 1981

MINISTER WELCOMES REOPENING OF ELLESMERE PORT MILL

Mr Kenneth Baker MP, Minister of State at the Department of Industry, today welcomed the decision by Consolidated Bathurst to reopen the Ellesmere Port Mill which will bring ^{over 400} jobs to Merseyside.

Commenting on the company's announcement Mr Baker said:

"I warmly welcome this decision by Consolidated Bathurst. The reopening of the mill will provide a valuable relief for unemployment at Ellesmere Port and increase the UK's newsprint manufacturing capacity. I am pleased that, through its offer of assistance, the Department has helped to make it possible for Consolidated Bathurst to decide in favour of this project. I wish Consolidated Bathurst and those who will work at the mill every success with their venture".

NOTE FOR EDITORS

Consolidated Bathurst announced today that it will be taking up the option to purchase Bowater's Mersey Mill at Ellesmere Port. The mill will restart production ^{late 1983} ~~at the beginning of 1984~~.



R H

10 DOWNING STREET

From the Private Secretary

27 May 1981

cc: Industry

The Prime Minister has asked me to thank you for your letter of 8 May about Consolidated Bathurst's interest in re-opening Bowater's paper mill at Ellesmere Port. It may encourage you to know that as soon as this interest was announced the Minister of State at the Department of Industry, Mr Kenneth Baker, met the President of Consolidated Bathurst Inc. of Canada and his colleagues, on 30 April to hear what they have in mind. Mr Baker welcomed their interest and promised them that the Government would give urgent consideration to a request for financial assistance.

The Department of Industry is now in close touch with Consolidated Bathurst about the detail of the proposals, including the implications for employment.

The Prime Minister was also very glad to hear of the help you have received from people in the Conservative Party.

J. P. LANKESTER

R A French, Esq



Secretary of State for Industry

DEPARTMENT OF INDUSTRY
ASHDOWN HOUSE
123 VICTORIA STREET
LONDON SW1E 6RB

TELEPHONE DIRECT LINE 01-212 3301
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22 May 1981

Mike Pattison Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

Sub-
Mr Turner

Dear Mike

Thank you for your letter of 13 May enclosing one to the Prime Minister from Mr R A French, Secretary of the Bowater Action Committee, about Bowater's Mersey Mill. 27/5-

2 Shortly before the mill closed last November and at the Action Committee's request the then Minister of State Lord Trenchard wrote to Mr Turner, the President of Consolidated Bathurst, to see if Consolidated Bathurst might be interested in the mill. The reply then was negative in contrast to the company's recent expressions of interest. The enclosed copy of the joint Bowaters/Consolidated Bathurst press release, issued at the time of Mr Turner's meeting with Mr Kenneth Baker on 30 April, outlines the present Consolidated Bathurst proposals.

3 This Department is now working closely with Consolidated Bathurst to obtain the information needed for a response on the question of Government financial assistance for the project to be given in good time. Ellesmere Port is in a Special Development Area and new investment would qualify for the maximum level of regional development grant but the company is seeking selective financial assistance as well.

4 I enclose a draft Private Secretary reply to Mr French. This includes a possible paragraph in response to his appreciation of help received from the Conservative Party.

Yours ever
Catherine
CATHERINE BELL
Private Secretary

DRAFT REPLY TO

R A French Esq
Secretary
Bowater Action Committee
4 Ruskin Drive
Ellesmere Port
Wirral
Cheshire L65 5DQ

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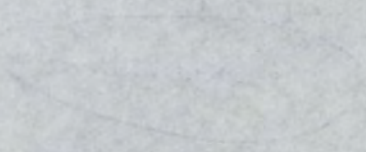
[The Prime Minister was also ^{very} glad to hear of the help you have received from people in the Party and has asked me to pass on to, them your kind remarks.]

Conservative



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MFJ

~~B/W~~ 27/5

Industrial
Policy.

13 May 1981

The Prime Minister has received the attached further letter from the Bowater Action Committee. I should be grateful for a draft Private Secretary reply by 28 May.

MAP

Mrs Catherine Bell
Department of Industry

✓

MFJ

13 May 1981

I am writing on behalf of the Prime Minister to thank you for your letter of 8 May.

Your letter is receiving attention and a reply will be sent to you as soon as possible.

MAP

R.A. French, Esq.

address office

M.S.M.
M.A.D.

BOWATER ACTION COMMITTEE

8th May, 1981.

RH

4, Ruskin Drive,
Ellesmere Port,
Wirral,
Cheshire L65 SDQ.

The Rt. Hon. Margaret Thatcher MP.
10, Downing Street,
Whitehall,
London SW1.

PPS
NT CS.

Dear Prime Minister,

On behalf of my colleagues on the Bowater Action Committee, who have stayed together since the unfortunate closure of the Paper Mill at Ellesmere Port, Cheshire, I am again making application for your sponsorship.

We have tried since November last, to find an answer to the problem facing us and early this year submitted a plan to Consolidated Bathurst of Canada and subsequently in February met their European Managing Director.

Last week it was announced that Consolidated Bathurst had taken a 60 Day Option to purchase the Mersey Mill with, we understand, the intention of Anglo Canadian Newsprint Manufacture.

In these times of high capital commitment the Government will no doubt be asked for Financial Assistance and we respectfully urge you Prime Minister, to take this opportunity to 'Change the tide of events' and make a positive move against the high unemployment in the North West and restore production of Newsprint in the United Kingdom.

It is a sad fact that so much of your correspondence should only seek your patronage, so may we take this opportunity of conveying our sincere thanks for the tremendous help and encouragement your Party Organisation has given us, in particular Margaret Daly and Paul Dowling who have shared our struggle and sustained us when all else had given up, they will remain, win or lose, 'Friends in Need'.

Yours sincerely,

R.A. FRENCH,
Secretary.