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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.

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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

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