

PRIME MINISTER

2. Ind P.D.

U.K. NEWSPRINT INDUSTRY

Sir Alex Jarratt telephoned me this morning about the joint approach you have had from the British Paper and Board Industry Federation and the Society of Graphical and Allied Trades, seeking a meeting with you about the present position of the newsprint industry in this country.

He wanted to let you know that Reed as a company are not looking for Government support. He said that he was clear that the newsprint business in this country was, in his own words, for the birds. So great were the losses now being sustained, that Reed were determined to go ahead and close down. He did not believe that there was any way in which the domestic newsprint industry could be put back on its feet and he was therefore not looking for public money for Reed. But Reed had had to go along with the initiative taken by the British Paper and Board Industry Federation and SOGAT because, as he put it, they had to play their hand intelligently with the unions, and this required them to take up a certain public position. Nonetheless, he wanted to make it absolutely clear to you privately that his company were not asking for financial support from the Government for their newsprint operations.

I will pass this on, on a suitably discreet basis, to Sir Keith Joseph's Office.

AWW

MR

5 September 1980