



10 DOWNING STREET

THE PRIME MINISTER

18 July 1979

Dear Sir William,

Thank you for your letter of 9 July, with your thoughts on a strategy to ensure the survival of a shipbuilding industry built around genuinely viable units.

As you will know, the future of the shipbuilding industry is one of our headaches at present. It is not only a matter of price - but of delivery dates. All the tenders and reports I have seen recently have put us way behind everyone else on time taken to build ships. And time is money in the shipping business. Moreover, if we put in the latest equipment to speed up the building time the unions are unlikely to let it be used at proper manning levels. There are indeed problems.

Yours sincerely,

Margaret Thatcher

Sir William Lithgow

LPO

File
Original in G/R