

ROSS AND CROMARTY DISTRICT COUNCIL

Prime Minister (2)

MES 22/3

Convener of the District,
G. D. Finlayson, J.P.

Telephone No. Muir of Ord 870677



"The Birches",
West Road,
MUIR OF ORD.
IV6 7QN

GDF/BJM

18th March, 1982

The Prime Minister,
10 Downing Street,
LONDON.

R.22.

Dear Prime Minister,

May I express my most sincere thanks for the extreme courtesy extended to the delegation which you so graciously received at No. 10 Downing Street. I can assure you that I deeply appreciate the opportunity given to us to emphasise the tragic consequences in both social and economic terms following the closure of the smelter at Invergordon. In the context of a peripheral area such as the Highlands the opening of the smelter was seen as a new dawn breaking and its early reactivation would see a fresh resurgence of confidence in a truly wonderful people which I am privileged and proud to represent.

I therefore do trust that a power contract linked to our richest natural resource, the waters which flow from our lochs and rivers, can be achieved at the earliest possible date and which I am convinced would lead to a new operator taking over.

Ross and Cromarty District Council will do all in their powers to help in every way towards the revitalisation of the Highlands and following our meeting with you we do feel that you and the Members of your Government are deeply sincere in your efforts to ameliorate the tremendous problems facing us at the present time.

May I again personally thank you for receiving us in such a friendly manner and listening to our heartfelt plea for a solution to our case put forward on behalf of a young workforce and their families whose roots are now embedded in a much more pleasant environment than they had experienced in years gone by.

Yours very sincerely,

G.D. Finlayson
Convener



Mc Min Russell
Scottish Office

Prime Minister (2)

ms 19/3

Highland

Chief Executive
R.H. Stevenson, M.A., LL.B.

Highland Regional Council
Regional Buildings
Glenurquhart Road
Inverness IV3 5NX

Telephone (0463) 34121
Telex No. 75313

Please ask for **Mr. Stevenson**

Our ref **RHS/SF**

Extension No **201**

Your ref

Date **17 March, 1982.**

R19 pps

Rt.Hon. Mrs. Margaret Thatcher, M.P.,
Prime Minister,
10 Downing Street,
LONDON.

MT

Dear Prime Minister,

INVERGORDON ALUMINIUM SMELTER - POWER CONTRACT

I am writing on behalf of the representatives of this Council, Ross and Cromarty District Council and the Invergordon Work Force to thank you most sincerely for receiving our delegation in Downing Street on 15 March. All who attended were appreciative of the attentive and constructive way in which you heard their representations.

The representatives were particularly interested to note that thinking now appears to be focussing strongly on the hydro-power option, which is much in accord with the views of the Councils and work force. The representatives noted your assurance that efforts to resolve the crucial question of a power contract would be pursued with all vigour and having regard to the time factor, which is crucial, we have therefore taken the liberty of re-affirming our views on these matters both to the Secretary of State for Energy and the Secretary of State for Scotland. I am attaching hereto for your interest copies of letters sent to both Ministers.

Yours sincerely,

CHIEF EXECUTIVE.

Encs:



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Date 17 March, 1982.

The Rt.Hon. George Younger, M.P.,
Secretary of State for Scotland,
New St. Andrew's House,
St. James Centre,
EDINBURGH. EH1

Sir,

INVERGORDON ALUMINIUM SMELTER - POWER CONTRACT

Representatives of this Council, Ross and Cromarty District Council and the Invergordon Work Force Action Committee met with the Prime Minister in London on 15 March. The discussions, which were most constructive, centred on the crucial question of the power contract.

It has always been common ground among all parties that the price of electricity is the vital factor in making the smelter viable. It is not that power needs to be uniquely cheap, let alone subsidised, but only that it be available at an internationally competitive price for such bulk supplies. The two Councils are quite clear in their minds that they received an assurance when they met you in January that power at such a competitive price would be supplied to Invergordon.

The two Councils have therefore been concerned at apparent doubt and hesitancy within Government over recent weeks about this simple and basic matter. They find this alarming, appearing to carry undertones of the ill-fated gas-gathering announcement of a few months ago.

It is well known that for the past decade or more the smelter in Anglesey has had, and continues to have, power from the grid at a price which is properly competitive and which would meet the needs of Invergordon. This seems to have been supplied without subsidy from public funds and without special burden on the general electricity consumer.

However/

17 March, 1982.

However, the representatives of the Councils and work force were most encouraged at their meeting with the Prime Minister to note that Government thinking is now focussing strongly on the hydro-power option. This in the view of the Councils and work force is entirely appropriate as a solution to the Invergordon situation. This Region, unlike the rest of the U.K. generates a substantial proportion of hydro-electric energy. It is a matter of fact that the "sent-out" cost of this power is around 0.8p per unit, a price well below the 1.0p to 1.2p per unit needed to be internationally competitive for the aluminium business in 1982.

Given these basic facts and the proximity of our Region to the United Kingdom's principal resources of oil and gas, the basis is surely already there for electricity to be supplied to Invergordon at internationally competitive prices.

The time factor remains crucial, however, to the prospects of a re-start at Invergordon. The Council were glad to be assured by the Prime Minister that the examination of the power question, and the hydro-power option in particular, would be pressed as a matter of extreme urgency. We therefore urge you now, with your colleagues and your officials, to bring these to a successful conclusion.

A letter in identical terms is being sent to the Rt Hon Nigel Lawson, M.P. Secretary of State for Energy.

I am Sir,
Your obedient Servant

A handwritten signature in dark ink, appearing to read 'R. S. Lawson'. The signature is fluid and cursive, with a large initial 'R' and 'S'.

CHIEF EXECUTIVE



Highland

Chief Executive
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Secretary of State for Energy,
Thames House South,
Millbank,
LONDON. SW1P 4QJ.

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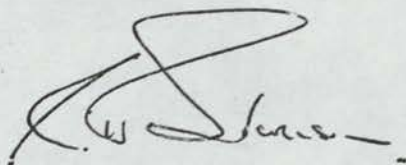
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