

P 02084

MR NORGROVE

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From: J B UNWIN
5 June 1986

cc Sir R Armstrong
Mr Wiggins
Mr Roberts

THE SHIPBUILDING INDUSTRY

We spoke briefly about progress on the current work on this yesterday and I thought it would be helpful to summarise for you where we stand and how I think we should aim to handle matters in the coming weeks.

2. First, the review of the shipbuilding industry in MISC 127. As I told you, I hope to be able to complete the report for submission to E(A) within the next 2-3 weeks. I shall aim for submission by the end of the week beginning 16 June, but it is an important and complex piece of work, and it may take a few days longer.

3. This report will contain some recommendations in its own right. It will also, however, provide the background to a number of specific operational questions due to come to Ministers in the next few weeks. These are:-

- the British Shipbuilders (BS) Corporate plan;
- decisions on the current MOD frigate tender (invitations have gone out for Type 23-03 and 04, and negotiations are still proceeding with Swan Hunter on 23-02 which was promised to them subject to price);
- a report on efficiency improvements and working practices at Harland and Wolff.

4. The Departments concerned expect to be able to bring forward papers on the first two by the end of the month. The Northern Ireland Office ought to meet the same timetable on Harland and Wolff, and we

1. ~~Task~~ *Coli*
plp/k.

2. *Caroline*

for para 5. Yes.

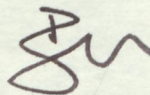
JRS
6/6.

MOD
I have offered
3 plots in the
week beginning
30 June etc.

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are in touch with them. Provided there is no delay in these papers, it would seem to me desirable to bring them to E(A) on one agenda together with the MISC 127 report. This would be a very weighty agenda indeed, and E(A) might well need to have more than one discussion. But it must be the sensible way to handle these sensitive and inter-related industrial issues.

5. If you think this would be acceptable to the Prime Minister, I will plan on this basis. In which case, I should be grateful if you would begin to earmark a spot for E(A) round about the end of the month (say, in the week beginning 30 June). It would be prudent, if possible, to allow at least 1 1/2 hours for the first meeting.



J B UNWIN

