

cc: JV



NORTHERN IRELAND OFFICE  
GREAT GEORGE STREET,  
LONDON SW1P 3AJ

Michael Scholar Esq  
10 Downing Street  
LONDON SW1

21 October 1982

Dear Michael

*Yes*

Prime Minister ①

Content with these arrangements?  
(Treasury offer no objection)

ML 25/10

HARLAND & WOLFF : PUBLICATION OF ACCOUNTS

You will wish to be aware that the Harland & Wolff (H&W) Report and Accounts for 1981/82 are to be published shortly and that they show an overall loss for the period of £26m and a trading loss of £30.5m. These losses will no doubt attract adverse comment both from the media and from Parliament.

The company's accounting year has been changed from the calendar year to bring it into line with the Government's financial year. These accounts therefore cover a 15 month period and this makes it difficult to compare the results with past performance. However on an annualised basis, the company's position, while still extremely poor, has improved slightly by comparison with previous years: sales increased by 28% on 1980 and the rate of deficit reduced from 56% of sales in 1980 to 29%.

While Mr Prior remains very concerned at the company's poor financial performance, he is encouraged by the determination which has so far been displayed by management and workforce to work towards a more competitive shipyard in extremely difficult market circumstances. The labour force has already been reduced by 650 this year - largely following consultants' recommendations on steps to reduce overheads and shrink facilities - and a further 250 to 300 will go early next year. He has made it clear at a number of meetings with management, unions and local politicians, the latest of which was held on 14 October, that further major savings in costs must be urgently and vigorously pursued. As a pre-condition to approval of an order from the Blue Star Line, the workforce has been asked to provide assurances to management that they will collaborate with the latter in implementation of cost-saving plans and also that any wage increase in 1983/84 will be severely restricted.

Mr Prior wishes to emphasise, as in the attached press release, that the yard must become more efficient and competitive. This would accompany publication of the company's Report and Accounts which are likely to be published next week. Copies of the Report and Accounts would be placed in the Library of the House (as is customary).

/...

CONFIDENTIAL

Mr Prior would be glad to know if the Prime Minister is content with these arrangements.

I am sending a copy of this letter to Jonathan Spencer (DOI).

Yours sincerely  
Mike Hopkins

M W HOPKINS

CONFIDENTIAL

CONFIDENTIAL

cc D/I  
bc JV

Not inf

10 DOWNING STREET

From the Private Secretary

26 October 1982

HARLAND AND WOLFF: PUBLICATION OF ACCOUNTS

Thank you for your letter of 21 October in which you set out the proposed arrangements for the publication of Harland & Wolff's Report and Accounts for 1981/82.

I have shown this to the Prime Minister and she is content with these arrangements.

I am sending a copy of this letter to Jonathan Spencer (Department of Industry).

M. C. SCHOLAR

M.W. Hopkins, Esq.,  
Northern Ireland Office.