



SCOTTISH OFFICE
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W F S Rickett Esq
Private Secretary
10 Downing Street
LONDON SW1

22 December 1982

Dear Willie,

PRIME MINISTER'S SPEECH FOR CONFERENCE ON INFORMATION TECHNOLOGY

You will recall asking if the Prime Minister could say in her recent Barbican speech that more people were employed in Scotland in electronics than in steel and shipbuilding combined. I am sorry that our response to this enquiry was hesitant and apparently inconsistent with information we had earlier provided.

The basic problem here, as you can imagine, is one of definition. This is further complicated by the absence of comprehensive up-to-date employment figures so that some element of estimation is inevitable. The conventional statistical breakdown of employment combines shipbuilding, ship repairing and marine engineering in a single MLH*. The MLHs within the SIC grouping Metal Manufacture which refer to ferrous metals are iron and steel (general), steel tubes and iron castings. Of these definitions, shipbuilding employment in Scotland in 1981 was estimated at around 30,000 and iron and steel around 20,000. On a narrower and more realistic definition current employment in steel may well not now exceed 14,000. Current employment in British Shipbuilders in Scotland is around 18,000. In addition we have the MOD base at Rosyth, many of whose employees are engaged in shipbuilding and ship repairing, but many of whom are not, and a very minor element of private shipbuilding and ship repairing.

We therefore believe that the assertion that the number employed in electronics (an estimated 40,000 last year) exceeds the combined total in steel and shipbuilding is realistic and could be defended if challenged. We would not, however, on reflection want to defend publicly the 32,000 combined total for steel and shipbuilding quoted in our minute of 18 October, because it involves a substantial element of judgement.

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* Minimum List Headings

I hope that this clarifies the position and I apologise again for the confusion which your request evoked.

Yours sincerely

John Wilson

JOHN S WILSON
Private Secretary



I hereby certify that the above is a true and correct copy of the original as shown to me.

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