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PRIME MINISTER

HARLAND AND WOLFF

The Corporate Plan and the Report by Officials

The Report by Officials is pessimistic and depressing - which is not surprising in view of their terms of reference.

The crucial question is whether the new Corporate Plan casts doubts upon the Conclusions reached by officials. This is not said as a criticism - the Corporate Plan was presumably not available when the Report by Officials was written. We do not ourselves have a copy of the Corporate Plan - only a summary plus a preliminary assessment by PA Management Accountants. But according to them the Corporate Plan is an impressive document and reflects a spirit of drive and determination by the new management.

The Management Accountants are due to provide a full assessment of the Corporate Plan in the Autumn. The Northern Ireland Secretary suggests we should await that assessment. I agree.

Incidentally, on productivity - a key factor - Harland and Wolff are much more realistic than British Shipbuilders. They estimate a 25% increase over the next 4 years, compared with British Shipbuilder's 100%.

Blue Star Ships

So far as the Blue Star ships are concerned, the terms on any commercial reckoning are absurd. They can only be justified on the ground that work would be provided in Northern Ireland to keep people off the streets. They savour a little, too, of what the Americans describe as a "squeeze racket". Just how far we allow ourselves to be pushed is a matter for negotiation between the Northern Ireland Office - and the Treasury - and Vestey. If what is offered is the best that can be negotiated, we shall have to swallow it with as good grace as we can muster.

A.C.

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26 July 1983

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