



FILE LPO
cc: DTI
MA (22/12)

10 DOWNING STREET

THE PRIME MINISTER

23 December 1983

Mr. D. Gardner

Thank you for your letter of 19 December about the Britoil contract at Scott Lithgow.

Norman Lamont made it clear in the House on 20 December that we regard this as a commercial matter between the various parties, and that we do not propose to intervene. I understand that you also had a discussion on Scott Lithgow with Norman later that day.

I would, of course, be very concerned about the employment consequences if this contract were cancelled (I say "if" because, as you know, British Shipbuilders has issued a writ contesting the validity of the cancellation notice). George Younger has, however, said that he will do all he can to alleviate the consequences for the local community.

Even if the contract is cancelled this will not precipitate the yard's immediate closure: as you may know, there are two other vessels in the yard, neither of which will be completed until next year. At this stage, therefore, and in view of the meeting that you have had with Norman Lamont, I do not think a meeting between us could add a great deal to what has already been said. Nevertheless, if you would still like to discuss the matter with me, I should be pleased to do so.

/The only

SH

The only other point I would make is that I hope that you will reinforce to your constituents the point that participation by the workers of Scott Lithgow in the strike that has been called in the New Year would, in the light of recent events, be disastrous.

Yours sincerely
Raymond Redden

Dr. Norman A. Godman, M.P.



JU307

Secretary of State for Trade and Industry

DEPARTMENT OF TRADE AND INDUSTRY

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21 December 1983

Tim Flesher Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

Dear Tim,

*GF
pre H/L*

You requested advice on whether the Prime Minister should meet Dr Norman Godman MP to discuss the cancellation of Britoil's contract at Scott Lithgow.

2 As you know, Mr Lamont made a Parliamentary statement on Britoil and Scott Lithgow yesterday. He also had a private meeting with Dr Godman yesterday evening. Dr Godman is due to raise 'the future of Scott Lithgow' in tomorrow's adjournment debate, to which Mr Butcher will be replying.

3 You are also aware that the cancellation of this contract - which is anyway now the subject of litigation between BS and Lloyds Leasing, the legal owners of the rig - does not precipitate immediate closure.

4 In view of all this, our advice is that the Prime Minister does not see Dr Godman at this time. I think, however, that you should log the possibility of a future meeting, when the closure of the yard is announced.

... 5 I attach a draft reply.

Yours ever,

Ruth

RUTH THOMPSON
Private Secretary

DRAFT LETTER FROM THE PRIME MINISTER TO NORMAN GODMAN MP

Thank you for your letter of 19 December about the Britoil contract at Scott Lithgow.

Norman Lamont made it clear in the House on 20 December that we regard this as a commercial matter between the various parties, and that we do not propose to intervene.

I understand that you also had a discussion on Scott Lithgow with Norman later that day.

I would, of course, be ^{very} concerned about the employment consequences if this contract were cancelled (I say "if" because, as you know, British Shipbuilders has issued a writ contesting the validity of the cancellation notice). George Younger has, however, said that he will do all he can to alleviate the consequences for the local community.

Even if the contract is cancelled this will not precipitate the yard's immediate closure: as you may know, there are two other vessels in the yard, neither of which will be completed until next year.

At this stage, therefore, and in view of the meeting that you have had with Norman Lamont, I do not think a meeting between us ^could add a great deal to what has already been said. Nevertheless, if you would still like to discuss the matter with me, I should be pleased to do so. ~~Perhaps you could contact~~
The only other point I would make is that I hope that you will reinforce to your constituents the point that Scott Lithgow's participation ^{by the members of} in the strike that has been called in the New Year would, in the light of recent events, be disastrous. ^{Scott Lithgow}

AM for meeting with Goldman ^{ML}@ Scott Lichtigow
Dec 1983

21 DEC 1983

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10 DOWNING STREET

From the Private Secretary

20 December 1983

We spoke about the request by Dr. Norman Godman, MP, for a meeting with the Prime Minister about the cancellation of Britoil's oil rig order with Scott Lithgow. Dr. Godman's letter, a copy of which is attached, has now arrived.

I should be grateful for urgent advice on whether the Prime Minister should agree to Dr. Godman's request in the light of her undertaking to meet Members of Parliament in whose constituencies significant factory or other closures are likely to take place. It may be that at this stage we should hold in reserve the possibility of a meeting with the Prime Minister and if you agree you might like to consider whether it would be appropriate for Dr. Godman to meet one of your Ministers. I should add that I have no doubt that the Prime Minister would wish to agree to Dr. Godman's request if it became clear that Scott Lithgow are likely to close.

Could I have a draft reply as soon as possible.

TF

Miss Ruth Thomspson
Department of Trade and Industry.

Dr. Norman A. Godman, M.P.
Member of Parliament for Greenock & Port Glasgow



HOUSE OF COMMONS
LONDON SW1A 0AA

NG/JC

19 December 1983

R20

Dear Mrs Thatcher,

It was announced an hour ago that Britoil has cancelled the contract with Scott Lithgow for a semi-submersible drilling rig.

The cancellation of this order puts at risk some 4000 jobs at Scott Lithgow, and economists at Strathclyde University have predicted that in addition up to 4000 jobs in service and ancillary industries may be lost as a result of this. As the rate of male unemployment in my constituency of Greenock and Port Glasgow is already running at some 21%, I am sure you would agree that the effects of redundancies on this sort of scale would be devastating to the local community.

Bearing in mind the statement you made some time ago concerning your willingness to meet backbenchers who have serious constituency problems, I wondered if perhaps you would be so good as to agree to meet me in the near future to discuss the current situation at Scott Lithgow. It would perhaps be useful if Mr Donald Dewar could also be present at such a meeting, in view of the larger consequences for the Scottish economy of the Britoil decision.

I readily acknowledge that your schedule is a very full one but would very much appreciate the chance to discuss this important matter with you, at your earliest convenience.

Yours sincerely,

Norman A. Godman

Rt. Hon. Margaret Thatcher, MP
House of Commons



File
with AK

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10 DOWNING STREET

From the Private Secretary

20 December, 1983

SCOTT LITHGOW

BF

The Prime Minister has received the attached telemessage from Mr. James Milne, General Secretary of the Scottish TUC, and the attached letters from the Moderator of the General Assembly of the Church of Scotland and Sir William Lithgow, all expressing concern about the possible closure of Scott Lithgow. I would be grateful if you would provide a draft reply for the Prime Minister to send to these communications. Since this issue is very topical, could this be done as soon as possible.

(A.Turnbull)

John Alty, Esq.,
Department of Trade and Industry

JK