



10 DOWNING STREET

THE PRIME MINISTER

11 January 1984

Dear Mr. Godman,

Thank you for your letter of 30 ^{December} January about Scott Lithgow.

I am afraid I cannot accept your view that the Government should intervene; still less is there a case for yet more financial support for Scott Lithgow. This yard has lost £165 million since nationalisation in 1977. Over that period, with 8 per cent of the workforce of British Shipbuilders, it has been responsible for 38 per cent of their losses. You may like to know that the subsidy to Scott Lithgow by the taxpayer has amounted in the last year to around £13,000 per employee. In the shipbuilding world, orders are scarce and customers can only be won and retained by building ships and rigs to a price and on time. Regrettably in both these respects Scott Lithgow has a poor record.

As I said in my letter of 23 December, I do very much appreciate the consequences that cancellation, should it happen, will have on the local community. George Younger has made it absolutely clear that in the event of redundancies the resources of the Government and the Scottish Development Agency will be used to the full to mitigate the immediate impact.

Finally, I am sure that you will be pleased that the unions concerned called off the disastrous strike which was due to begin last week. We must now hope that the British shipbuilding industry

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will now begin the adoption of the kind of efficient working practices which will enable it to compete successfully in the world markets.

Yours sincerely,
Raymond Stedman

Dr. Norman A. Godman, M.P.

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



HOUSE OF COMMONS
LONDON SW1A 0AA

cf Ppo ✓

The Prime Minister,
10 Downing Street,
LONDON.

RS

30th December 1983

Dear Prime Minister,

Thank you for your letter of 23rd December concerning the Britoil contract at Scott Lithgow. ✓

It is a matter of deep regret that your Government has chosen not to intervene in this important matter. Scott Lithgow has an importance that reaches far beyond the Lower Clyde, and it is essential that the Company maintains a position in the deep water oil rigs market. It is my view, therefore, that the Government is making a dreadful mistake in refusing to intervene.

May I point out to you that the two other vessels under construction at the yard will both be completed in the early part of 1984 and if Britoil goes ahead with its decision to cancel, then that will mean the yard, which employs 4,000 people, will have no work whatsoever. Employment consequences for the area would be disastrous.

Finally, I would like to say that it is my sincere hope that a strike will not take place in the New Year and that B.S. and the Union negotiators will hammer out an agreement in the near future.

Yours sincerely,
N. A. Godman

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Godman meeting

GODMAN MEETING