

B

B
a
s

Treasury Chambers, Parliament Street, SW1P 3AG

Rt Hon George Younger TD MP
Secretary of State for Scotland
Scottish Office
Dover House
Whitehall
LONDON
SW1A 2AU

20 January 1984

Alan George

- write A7
I have seen a copy of your minute of 17 January to the Prime Minister about the closure of Scott Lighgow.

I was delighted to hear that there are some prospects of a "phoenix" operation. If something of this kind comes off, not only will some sort of shipbuilding activity continue and jobs be provided for a proportion of the existing workforce, but also (and perhaps more importantly) it will demonstrate confidence in the area's future.

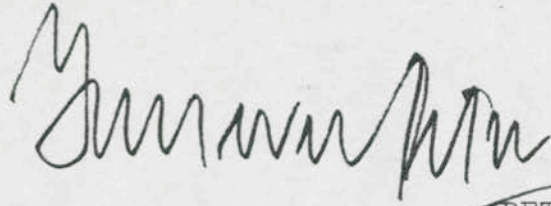
I understand your wish to be able to announce soon a set of proposals to regenerate the area. But it seems to me too early to put any figure on how much money may be required. You will want first to have discussions with the local authorities and with local firms about what should be done and how the costs should be shared. I note that a substantial input from the Scottish Development Agency is likely to be needed. We shall have to look at the implications for the Agency's budget and the scope for offsetting savings when the details are clearer - perhaps in the course of this year's public expenditure survey.

I am afraid that I can give you no encouragement as regards an enterprise zone. In the light of the monitoring evidence to date I should be bound to oppose the creation of any new zones.

Finally, I would be willing to contemplate the offer of some special assistance, if necessary, to help Govan win the CEBG order since it is one of the better BS yards. We shall of course have the opportunity to consider the general question of continuity of employment on the Clyde and elsewhere in British Shipbuilders when we look at Graham Day's strategy plan at E(NI) in mid-February.

CONFIDENTIAL

I am sending copies of this letter to the Prime Minister,
Norman Tebbit, Peter Walker, Michael Heseltine, Patrick Jenkin
and Sir Robert Armstrong.

A handwritten signature in black ink, appearing to read 'Peter Rees', written in a cursive style.

PETER REES

CONFIDENTIAL