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Secretary of State for Trade and Industry

Prime Minister⁽²⁾
To read AT 28/1

DEPARTMENT OF TRADE AND INDUSTRY
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28 January 1985

CONFIDENTIAL

Andrew Turnbull Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON
SW1

Dear Andrew,

Thank you for your letter of 21 January in which you mentioned that the Prime Minister had enquired what Commissioner Sutherland had in mind when he offered to discuss various ways in which the withdrawal of aid could be brought about.

2 This question has been explored in Brussels and it seems that, if HMG were prepared to neutralise the illegal aid by converting it into a loan at commercial rates, the Commission would be flexible about the method by which the obligation was discharged. For example, the loan could be extended over 10-15 years and there might be a moratorium on the repayment of capital and interest for the first 3 years.

3 Dean Dove has now served a writ claiming damages for negligence against the Department. It is thought that this move is intended to put pressure on the Department to reach an early and generous accommodation and to find some way of compensating the Company for the withdrawal of aid which would be acceptable to them and the Commission. It is unlikely that the registration of the writ will lead to public comment at this stage and the Company have implied that they still wish to try to reach a negotiated settlement. Discussions are continuing and we shall keep you in touch with their outcome.

4 I am copying this letter to Peter Ricketts (FCO).

Andrew Lansley
ANDREW D LANSLEY
Private Secretary

Europ. Pol : Dean Dove: Jan 1985

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28 JAN 1985

COORDINATOR



10 DOWNING STREET

From the Private Secretary

29 January, 1985

Dean Dove

The Prime Minister has seen and noted your letter to me of 28 January. She would welcome a further report on the outcome of discussions with the proprietors of Dean Dove,

I am copying this letter to Peter Ricketts (Foreign and Commonwealth Office).

ANDREW TURNBULL

Andrew Lansley, Esq.,
Department of Trade and Industry

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