

Prime Minister

Did this come up? If so, were you able to visit the Liverpool Lobby?

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AT 29/10

It came up - I mention

MR TURNBULL

29 October 1984 Commitment

CAMELL LAIRD

renewly asking which other yard they intended to

I understand that Patrick Jenkin is to lunch with the Prime Minister today and intends to raise the issue of placing one of the two Type 22 Frigate orders at Cammell Laird.

close put

The Cammell Laird sit-in has only recently been broken and the vast bulk of the workforce have disowned the militants. The official union line is more confused. Cammell Laird is likely to run out of work around the end of the year. The refit of the submarine HMS Otter has now been awarded to a private sector shiprepairer, Humber Graving Dock; and there is now little potential work other than the T22 frigates.

The Vosper Thornycroft and Swan Hunter yards of British Shipbuilders also bid for the frigate orders. Swan Hunter was cheapest at £73.5 million and Cammell Laird the most expensive at £75.4 million (it only bid for one), with Vospers falling in between.

Vospers is just about saleable without the frigate orders, but Swan Hunter where 2,000 people are to be made redundant and the number of yards there slimmed from four to two, is unlikely to be saleable without the substantial new orders that these frigates would represent.

Although both Cammell Laird and Swan Hunter have been making substantial losses, Swan Hunter with the receipt of both orders could become a genuinely commercial proposition, particularly with the slimming down of the workforce. Giving one of the frigate orders to Cammell Laird would not make it any easier to sell Cammell Laird but would make it significantly more difficult to sell Swan Hunter.

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Our view, and also that of British Shipbuilders and DTI officials, is that the only sensible course is to give both T22 orders to Swan Hunter, who in any event have made the lowest bid, and to recognise that Cammell Laird can only be sold as a redundant yard at best.

*Peter Warry*

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