



FILE

DG

10 DOWNING STREET

*From the Private Secretary*

27 August 1985

Dear John

RAVENS CRAIG

The Prime Minister has seen your Secretary of State's minute of 20 August. She has noted the points he makes, but does not think a meeting at this stage would serve a useful purpose.

I am sending copies of this letter to Joan MacNaughton (Lord President's Office), and John Mogg (Department of Trade and Industry)

Z e  
Mark Addison

Mark Addison

John Graham, Esq.,  
Scottish Office.

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Prime Minister:

write a memo with  
by word to  
net page

cc ✓ 10

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This is obviously  
going to be a  
difficult issue, but I  
am not sure what object

NEW ST. ANDREW'S HOUSE  
ST. JAMES CENTRE  
EDINBURGH EH1 3SX

Mr Tounge's proposed meeting  
could serve (better than to renew

I don't think  
a meeting

Prime Minister

the decision itself) 20 August 1985

Copy to The Lord President

Secretary of State for Trade and Industry

TR 21/8

would help. The  
decision should

RAVENSCRAIG

be taken.

I think it is time for me to report on the situation following  
the announcements about the steel industry on 7 August.

2. While the main announcement was that the Government had indicated its approval to BSC of future plans keeping the five main integrated steelworks, including Ravenscraig, open for the next 3-year planning period, BSC announced at the same time that it intended to close the cold rolling mill at Gartcosh in March 1986.

3. This announcement has been very badly received in all quarters in Scotland on the grounds that Gartcosh, although 12 miles away from Ravenscraig, is an integral part of it. It is considered that without Gartcosh, Ravenscraig is only part of a plant and will lack the cold rolling facility which its rivals have, and which its customers expect it to provide. The conclusion drawn from this, despite denials on our part, is that the closure of Gartcosh is a preliminary to the closure of Ravenscraig itself.

4. All the media and all sections of opinion in Scotland are mobilising for a campaign to save Gartcosh and they have been most publicly joined by the Scottish Conservative Backbenchers led by Sir Hector Monro. Needless to say, our opponents are playing this up for all they are worth.

5. I have strongly defended our position both in the Press and on Radio and TV as follows:

1. It is the Government that has insisted that Ravenscraig shall remain open over the next 3-year planning period.

2. It is BSC who have decided as a perfectly normal management decision, that Gartcosh must close, as there is much surplus capacity and much more economic operation can be achieved by concentrating the cold rolling at the larger mill at Shotton. Although it is further from Ravenscraig, it is nearer to 80% of Ravenscraig's customers.

3. That according to BSC, relieving Ravenscraig of the heavy overloads of Gartcosh will probably make it rather more secure as its results should be better.

4. Therefore, although we greatly regret a loss of 700 jobs at Gartcosh it is a management decision BSC has every right to take and it is to them that representations should be made.

6. I am bound to say that apart from Sir James Goold the Chairman of the Party in Scotland, I am a totally lone voice in this argument in Scotland and up to now I do not think it is believed. Furthermore, the Corporation has so far provided little material on the benefits of closure. I have now asked Sir Robert Haslam for further information on this but I am surprised that the Corporation has not taken a stronger line in public on the merits of its decision.

7. A request has already been made for a debate on the issue in the Scottish Grand Committee as soon as Parliament resumes, and it will be difficult to resist. The likely outcome will be that it will end with a vote on a procedural motion on which only Government Ministers would support us and most of the Scottish Conservative Backbenchers will join with the Opposition to defeat us by a very large margin.

8. I, and all Ministers, will continue to defend the Government's actions vigorously on every possible occasion and we will see how matters develop, but it may be that we should have a meeting to review the position in early September.

G.Y.

G.Y.