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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

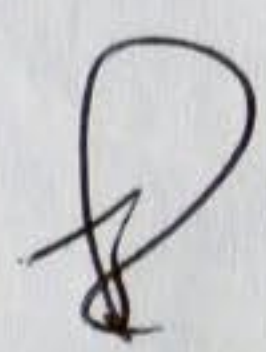
A/ 4 May 1988

I enclose a copy of a letter which the Prime Minister has received from Mr. Geoffrey Key, Chief Executive of Sunderland Council.

BF 1 I should be grateful for advice and a draft reply for the Prime Minister's signature, to reach this office by Wednesday 18 May.

Paul Gray

Peter Smith, Esq.,
Office of the Chancellor of the Duchy of
Lancaster



From the office of the Chief Executive

Geoffrey Key



G. P. Key, LL.B.
Town Hall & Civic Centre
Sunderland
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Telephone 76161
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GPK/NH

3rd May 1988

Dear Prime Minister,

It is almost exactly two years since my Council wrote to you expressing grave concern for the future if Sunderland's Shipyards were to close.

See flap
Px.10

You were kind enough to meet a Sunderland delegation following my letter. We were grateful both for your personal concern and attentiveness and for the positive action which ensued from Government. Sadly, however, none of the shipbuilding jobs then at risk could be saved.

Nevertheless, we hope you will feel that in the intervening period the relevant additional resources that have been directed to the Borough Council have been wisely and responsibly deployed to reinforce the regeneration of Wearside's economy and have given grounds for real optimism about the future. We had begun to change the face of Sunderland.

Regrettably, all that has been, and is being, achieved will be tarnished if the shipyards are closed. Unemployment in the town will return to 1984 levels. The net gains from employment growth predicted for the early 1990's in many sectors of the local economy, particularly the car industry, will be dissipated.

It is against this background that we ask you to consider the following proposals:

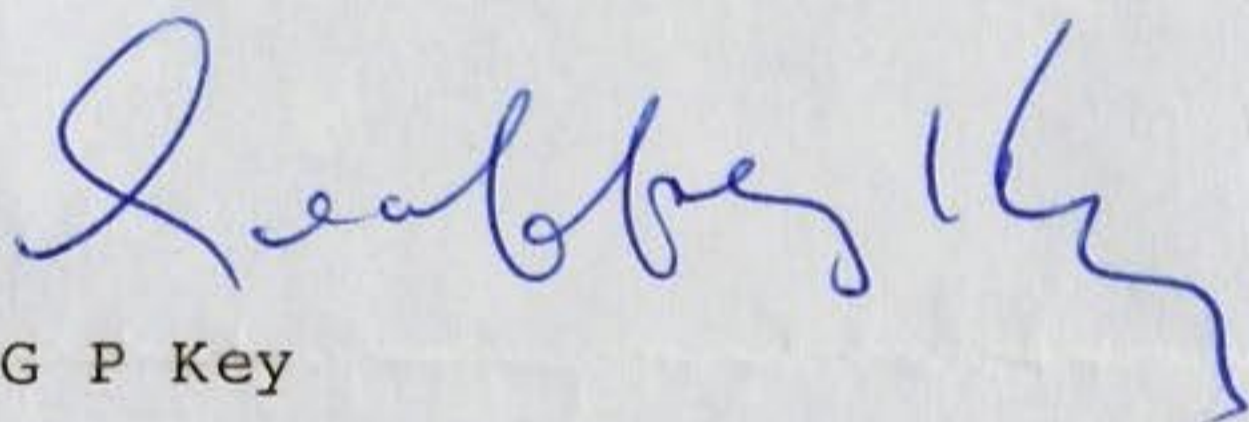
- that within the constraints imposed by the law of contract, an independent investigation commissioned by the Department of Trade and Industry be undertaken to establish the veracity of the allegations of poor workmanship emanating from Denmark;

- that subsequently the accusations/implications of bad workmanship be refuted by your Ministers. We are concerned that that their currency has undermined the promotion of Sunderland and indeed the whole of the North East as destinations for inward investment;
- that the appropriate level of financial and marketing support should continue to be provided to ensure that Wearside will retain the shipbuilding infrastructure and skills that it will need to compete for new work during the forthcoming upturn in markets, widely forecast for 1990/91.

I am sure you will understand that the Yards still provide a cornerstone of our economy. That economy could also be greatly assisted by a much sharper focus on the opportunities available for private investors. Perhaps we could be singled out for a special "Action for Cities" presentation.

A further meeting with you in order to discuss our proposals and to concentrate upon further initiatives would be most welcome and helpful.

Yours sincerely,



G P Key

Rt Hon Margaret Thatcher, MP,
The Prime Minister,
10 Downing Street,
London
SW1A 2AA