



10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

26 May 1988

Dear Mr. Key,

Thank you for your letter of 3 May. I remember well the visit of the Sunderland delegation and I am glad positive action ensued.

On shipbuilding, British Shipbuilders are surely best placed to establish the quality of their ferries. While their Danish client may have claimed there are deficiencies in the first two of their ferries, British Shipbuilders have strongly contested these claims and have satisfied Lloyds of London and the Danish Certification Society of the quality of later ships in the series. While I recognise the uncertainty created by the dispute, which we are following closely, I do not believe any serious client would be deterred, especially given the opinion of the certification bodies.

On the wider re-generation of Sunderland, I am delighted that you are making positive progress. Of course you will continue to have the full backing and support of the Government for these efforts. You asked about an "Action for Cities" presentation in Sunderland. Sunderland is not included in the present series but your request will certainly be considered if further presentations are planned. I am glad that Sunderland firms were well represented at the recent presentation held in Newcastle.

On continued support for shipbuilding on the Wear, I am sure you would have read with interest what Kenneth Clarke had to say in the House of Commons on 19 May. I understand that he has agreed to meet a delegation led by the Sunderland Council.

Yours sincerely

Raymond Dainton

G.P. Key, Esq.



the department for Enterprise

CONFIDENTIAL

The Rt. Hon. Kenneth Clarke QC MP
Chancellor of the Duchy of Lancaster and
Minister of Trade and Industry

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Date 24 May 1988

Dear Paul,

LETTER OF 3 MAY FROM GEOFFREY KEY ESQ, CHIEF EXECUTIVE OF
SUNDERLAND BOROUGH COUNCIL

Thank you for your letter of 4 May.

I attach a self-explanatory draft reply for the Prime Minister to send to Mr Key on his points about an independent evaluation of the quality of the Danish Ferries British Shipbuilders are building on the Wear, and about the "Action for Cities" programme.

As regards continued support for shipbuilding on the Wear, the draft refers to the Chancellor of the Duchy's speech in the Shipbuilding Debate on 19 May. A copy of the appropriate extract from Hansard is overleaf.

Yours ever

Nick Mitchell

PP ROSALIND COLE
PRIVATE SECRETARY

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G.R.

R. L. G. M.
signature.

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~~DRAFT~~ REPLY TO MR GEOFFREY KEY

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