

# dti

the department for Enterprise

*cell*  
**CONFIDENTIAL**

The Rt. Hon. Tony Newton OBE, MP  
Chancellor of the Duchy of Lancaster and  
Minister of Trade and Industry

*nbpm*

Rt Hon Peter Brooke MP  
Paymaster General  
HM Treasury  
Treasury Chambers  
Parliament Street  
LONDON  
SW1P 3AG

Department of  
Trade and Industry

1-19 Victoria Street  
London SW1H 0BT

Switchboard  
01-215 7877

Telex 8811074/5 DTHQ G  
Fax 01-222 2629

Direct line 215 5147

Our ref

Your ref

Date

25 August 1988

*J. Peter*

*at Head*  
**BRITISH SHIPBUILDERS**

Thank you for your letter of 22 August. In the event John Lister raised a new point about additional payments to those he proposed to make redundant which I found difficult to accept, and have accordingly agreed with him that his announcement would be confined to lay-offs. The object of his proposals was to retain the most suitable workforce for the completion of the present workload and for disposal. The lay-off route secures that objective at lower cost given the timetable for bids for the yard to be invited no later than the end of September. I hope to be in a position to make proposals for the future of the yard shortly thereafter.

I am sending copies of this to the Prime Minister, Norman Fowler, Tom King, Nicholas Ridley, Malcolm Rifkind and David Young; and to Sir Robin Butler.

*W. New.*  
*Tony*

TONY NEWTON

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NAT 120: Shipbuilding

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