



NEW ST. ANDREWS HOUSE
ST. JAMES CENTRE
EDINBURGH EH1 3SX

CONFIDENTIAL

The Rt Hon Norman Tebbit MP
Secretary of State for Trade and Industry
1 Victoria Street
LONDON
SW1W 0ET

6 January 1984

Dear Secretary of State,

SHIPBUILDING - EC NOTIFICATION OF UK SHIPBUILDING AID

AT? Thank you for copying to me your minute of 22 December to the Prime Minister.

I strongly support your proposals. Without increased Intervention Fund assistance even those yards, which have improved their performance will be unable to win orders in the face of fierce Far East competition. I therefore agree that the formal notification should be submitted to Brussels in advance of the proposed E(NI) discussion. It is clearly essential that the negotiations on the proposed new support regime should be pursued as quickly and vigorously as possible, although I appreciate that the task of securing agreement will not be an easy one.

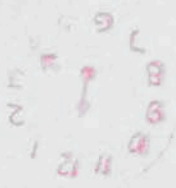
As you recognise, it is also essential that in the meantime we should do all that we can to help BS obtain orders for the 'core' yards on a case-by-case basis. I have in mind particularly the CEGB colliers order which I know Graham Day would like to place at Govan. Particularly in view of the difficulties at the Lower Clyde, I regard it as essential that we do all that we can to demonstrate our support for Govan which, unlike Scott Lithgow, has done a great deal to improve its performance in recent years.

I am copying this letter to the Prime Minister and the other recipients of your minute.

Yours sincerely,

John S. Graham

Private Secretary
(Approved by The Secretary of
State and signed in his absence)



6-9 JAN 1951