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PS/  
Secretary of State for Trade and Industry

16 November 1984

Andrew Turnbull Esq  
Private Secretary to the  
Prime Minister  
10 Downing Street  
London SW1

*Dar Andrew,*

BRITISH SHIPBUILDERS: DISPOSAL OF BROOKE MARINE

In your letter of 15 October you recorded the Prime Minister's concern about the possible reaction of the Omani Government if their acquisition of a stake in Brooke Marine led to any industrial trouble there and asked whether there were any precedents.

2 British Shipbuilders had indeed considered this possibility. There are no precedents to guide either BS or the Government but BS believe that an announcement that the Omanis had purchased a minority stake in Brooke Marine could give some further ammunition to those seeking to frustrate privatisation. Nonetheless, BS think that this factor is in itself not sufficiently significant to trigger any serious industrial relations problems.

3 The nearest direct equivalent is probably those cases where Ministers, including the Prime Minister, send messages of support for export business to the Governments. Such messages are always drafted to ensure that if the Government does lend support to export business, there is no recourse to the Government for failure to perform the contract satisfactorily. We do not propose an analogous message in this case. But it would seem right to take care that nothing is said either by the Government or by British Shipbuilders in connection with the future performance of Brooke Marine which would lead to recourse to the Government. We are advising BS accordingly.

4 I am copying this letter to Richard Broadbent (Chief Secretary's Office), Peter Ricketts (FCO), Richard Mottram (MoD) and Richard Hatfield (Cabinet Office).

*Yours ever,*

M C MCCARTHY  
Private Secretary

JH1BMA

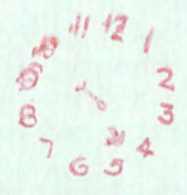
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Not Incl: Shipbuilding: Pt 7

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