

PRIME MINISTER

YOUR VISIT TO SCOTLAND

We now have to take a final decision on whether to visit Hunterstone to launch Lord Weir's oil rig. Lord Weir has spoken to his ~~political~~ labour force who have undertaken that there will not be any organised union protest although they can give no guarantees about individuals. They wish, however, you to meet a union delegation for about half-an-hour. The important new point is that Ayrshire Marine Constructors are going to lay off about 250 workers (about half the entire labour force of the yard) a week before your arrival and the unions are unaware of this. As you know, the yard is gradually going to be wound down before virtually going into moth-balls towards the end of this year. There are no prospects for further orders at present.

The arrangements for physical security are in my view, and that of George Younger, adequate; I suspect, however, that the union guarantee of no demonstrations may be dented a little by the news of redundancies. George Younger is much more worried about the negative impact of your launching the rig one week after large scale redundancies in a yard which is shortly to close down. He believes you should not go unless there is some positive announcement to make about light at the end of the tunnel. Unfortunately, there is no such announcement in the offing as far as the oil rig business is concerned. I have spoken to David Wolfson who agrees with George Younger; he also adds that you may well come under great pressure locally from the unions and from the oil business to make some form of tax concession. Press Office take the view that coverage would be almost exclusively negative (especially if Lord Weir went ahead with his intention of inviting only the quality dailys).

This is very much a personal decision for you. I must say, however, that the advice of those I have canvassed, with which I strongly concur, is that you should tactfully withdraw.

/If you

If you agree, the question of handling remains. George Younger suggests, and I agree, that this might be done orally and that in fact Lord Weir might be invited to reconsider his invitation to you. This is not ideal but gives fewer hostages to fortune than a formal letter of regret. I understand that Lord Weir would be willing so to do. You may of course wish to speak to Lord Weir yourself but I do not feel that we need to be too apologetic since had we known of the full circumstances from the beginning, I doubt if this visit would have been seriously contemplated.

T. FLESHER

10 August 1982