

STATE PAPERS 1987

Files chart decline of shipyard

THIS year's Belfast files chart the final decline of the former shipbuilding giant, Harland & Wolff (H/W).

They show that in 1987, faced by mounting losses and missed deadlines, the secretary of state, Tom King recommended the closure of the yard.

At the same time, however, a confidential memo from the NIO warned of the possibility of serious political unrest in the Protestant community if the 3,000-strong workforce was paid off. The problems at the yard surfaced in a memo from DJ Watkins of the NIO to David Fell of the Stormont Department of Economic Development (DED) on June 24, 1987.

The official reported that the secretary of state "was deeply

disturbed to hear your report of increased cash difficulties (at) H/W". Mr King understood that the company was in need of an immediate injection of £10 million and wanted to know why the need for additional cash had not been identified earlier.

In a confidential memo on June 30 1987, Peter Viggers, the Stormont industry minister ascribed the difficulties at the firm to its failure to complete a stage in the construction of a Swops oil tanker (designed to draw oil from submerged sea wells).

More serious, in Mr Viggers's view, was the breach by the company of its annual budget. He added: "I believe we have now reached crisis point in our dealings with H/W." It was essential that the government acted decisively as cash flow

problems at the firm had become "a recurring problem".

This suggested "a reversal of our current hands-off approach of leaving management to manage and of market forces to determine the size of the yard".

In November 1987 the secretary of state noted the lack of "acceptable orders" for H/W and the danger of the firm accepting a "potentially catastrophic" order for a holiday liner.

While acknowledging that the closure of the yard would have "a profound impact on morale in NI", he nonetheless felt that "the yard should be closed after the AOR tanker was completed".

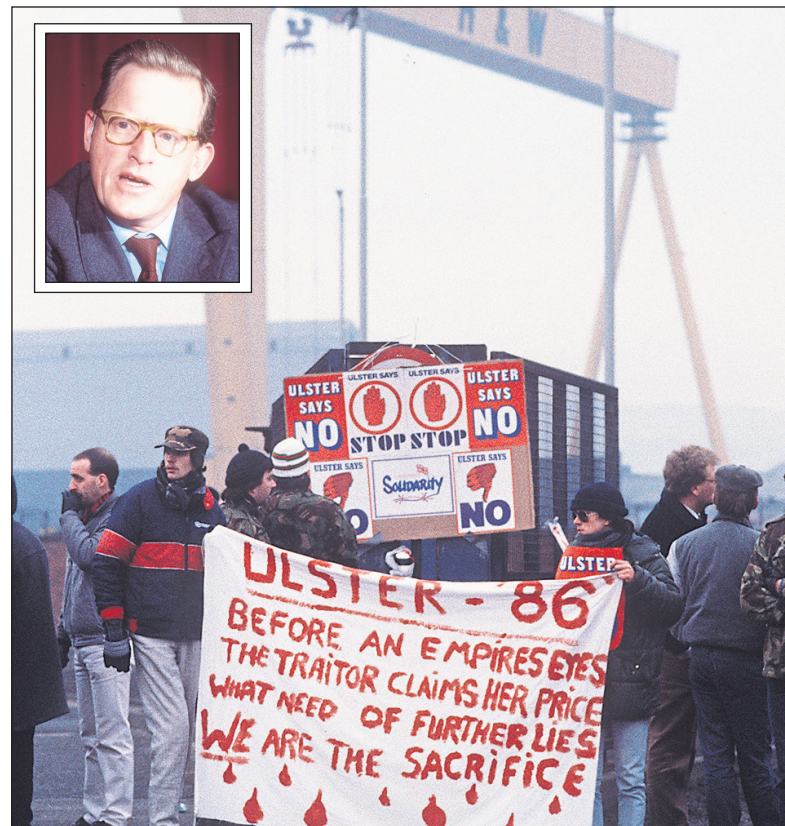
Moves to shut down the Belfast shipyard elicited a plaintive memo from FG McConnell of the NIO to Mr King on September 9 1987.

This warned of the political and security implications of any phased-down closure of H/W in view of its symbolic and psychological significance in the region.

The official added: "It is thought that, within the loyalist community, reaction, particularly in east Belfast, would be along the lines of the opposition which followed the signing of the Anglo-Irish Agreement.

"Like the agreement, the closure of H/W would be perceived as an act of betrayal by HMG and a further step towards withdrawal from the province.

"It is likely that this mood would be exploited by loyalist paramilitaries and the effect on political progress could also be serious."



■ **MOOD:** Protesters at Harland & Wolff during the March 1986 loyalist day of action. Inset, former secretary of state Tom King

McConnell's concerns were supported by the head of the Northern Ireland Civil Service, Sir Ken Bloomfield in a memo to officials on November 4 1987.

In the event, the yard was not closed thanks to a management/employee buy-out in 1989. Shipbuilding finally ceased at H/W in 2003.

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