



DEPARTMENT OF TRANSPORT
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CE/DO
Prime Minister ⁽²⁾

To be aware.

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15/3

The Rt Hon Michael Heseltine MP
Secretary of State for Defence
Ministry of Defence
Main Building
Whitehall
LONDON SW1A 2HB

15 March 1985

Dear Michael

MS

FALKLAND ISLANDS TROOPING CONTRACT FOR BRITISH AIRWAYS

I have been most surprised and disappointed that I have still received no reply from you to my letters of 13 December and 6 February about this contract, about which British Airways ask us almost daily.

Perhaps I may remind you that when the Cabinet met on 4 October to discuss my proposals for the Government response to the Civil Aviation Authority's proposals on airline competition policy, you informed us that BA's tender for four trooping flights a week to the Falkland Islands had been the most advantageous, and that subject to final confirmation of the requirement, you had decided the contract should be awarded to BA.

The Cabinet therefore asked me to inform Lord King of your decision, and to seek to persuade him, in the light of that decision, to agree to an exchange of routes which did not include the route to Atlanta, which was proving the sticking point in final agreement with BA and BCal.

I am told that your Department are now reluctant to place that contract, because with hindsight they would now prefer to operate their own aircraft. However as a result of what you informed the Cabinet, British Airways have taken certain decisions, and they have a right to expect the Government to keep its part of the bargain which was authorised by Cabinet, and was struck with the airline. May I therefore please have your confirmation during the course of next week that you will be placing this contract without further delay.

I am copying this letter as before to the Prime Minister, Nigel Lawson, Norman Tebbit, John Biffen and Sir Robert Armstrong.

John Biffen
Lawson

NICHOLAS RIDLEY

AEROSPACE
Future of B2

R3

15 MAR 1985

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