



Prime Minister (2)

MEA 19/11

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19^w November 1986

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Do you wish
to keep?
JL 20/11

Dear Jerry,

~~ATTACHED~~
Thank you for your letter of 30th September, also enclosing copies of letters you had sent to the Prime Minister, Norman Tebbit and Paul Channon. I am replying to all these letters.

As you say, we went through many of these arguments when you came to see me on 12th June, and I took note of the points you made then. We also spoke together on 28th October, and, of course, we both took part in the debate the following day.

On the question of support helicopters, which is the central theme of your letters, the need to resolve the matter quickly is fully recognised, as was made clear both in the Government's reply to the Defence Committee's Third Report and in my speech in the debate. This is not a simple issue but is bound up with difficult military judgements about the role of the helicopter in the land/air battle in the Central Region, as well as other helicopter tasks, and how these might develop in future years. We are working

Jerry Wiggin Esq MP



as quickly as possible on the military issues and their procurement and programme implications, including the important question of affordability. There has been no question of foot-dragging. The Air Staff Target to which you refer was not and could never have been the last word in our definition of the operational requirement. Genuinely difficult questions of military judgement are involved, and I look to my advisers to give me the best advice possible. It inevitably takes time to carry out the necessary studies.

Decisions on whether further helicopter orders are needed to meet the requirements of the armed services, and if so what kind, how many, and in what timescale, will be taken as soon as possible, but realistically this will not be until the New Year. This is the timeframe which Sir John Cuckney has indicated to us would be helpful. I cannot forecast what the decisions will be or what comfort they might or might not bring to Westland. But I certainly acknowledge an obligation not to keep the Company in a state of uncertainty longer than is absolutely necessary. I can also assure you that my Department will work closely with the Department of Trade and Industry in the work that needs to be done in order to give Westland a clearer indication of Government intentions against which the Company can plan its future. When Paul Channon and I met Sir John Cuckney in September, Sir John set out very clearly his assessment of the difficulties facing the Company over the next few years. He also expressed satisfaction with the outcome of the



Company's capital reconstruction and both he and Sir John Treacher were optimistic that the Company was better placed now than it had been for some time. Nevertheless, as you say, the Company still has a number of problems to solve arising from over-capacity in world helicopter production and the decline in civil and military orders. Naturally we hope that the UTC/Fiat stake in the Company will be of some assistance in this respect.

I am copying this letter to the Prime Minister, Norman Tebbit, and Paul Channon.

Yours truly,
George

George Younger

