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MO 26/3

29th November 1985

*Print Minister
You will recall that
Lord Weinstock spoke
to you about this.*

CDP to see

*CDP
29/11*

De Arnold

COMMITTEE OF PUBLIC ACCOUNTS - TORPEDO REPORT

Thank you for your letter of 31st October.

can request if required

I sympathise with you over the timing of the PAC report on the torpedo programme and the way in which the press comment concentrated solely on criticisms of past performance rather than picking up the more positive comments in the report. The comment on the report cannot have helped the prospects for export sales and collaboration, falling as it did in the middle of the week of the RN Equipment Exhibition. You will understand, of course, that I am not responsible for the contents or timing of PAC reports nor the way the press handle them. I have been a victim of the system myself on more than one occasion!

I cannot believe that the omission of MUSL's name from the MOD news release about the recent successful test firing of STING RAY in any way aggravated this damage. The release was

Lord Weinstock



intended to emphasise the enhancement to the capability of the RN and RAF and it seems to me a very full and positive statement. The British defence press certainly need no reminding of who manufactures STING RAY; and there was nothing to prevent MUSL from capitalising on this successful firing with their own publicity.

In his evidence to the PAC, the Chief of Defence Procurement had rightly to adopt a balanced approach reflecting his responsibilities as Accounting Officer and the reality that the history of the torpedo programme is not an entirely happy one - from your point of view or ours. But Peter Levene, and all of us here, have and will continue to give full support to the massive torpedo programme which is of crucial importance to us both. The MOD has supported fully and promoted both export sales and collaboration. Indeed, as an example, I raised the matter directly on my recent visit to Singapore. We shall continue to do everything possible to support your export efforts.

yes am

A handwritten signature in dark ink, appearing to be "MH", written in a cursive style.

Michael Heseltine