

cc Subject: PM 7/84  
Mr Alan Bond

20 SAH ABW  
(Enc sent to DTI)



10 DOWNING STREET

*From the Private Secretary*

9 July, 1984

MR. ALAN BOND

Your Minister of State for Industry (Mr. Lamont) was present when the Prime Minister saw Mr. Alan Bond on 6 July. Mr. Bond had asked for a meeting to discuss the affairs of Airship Industries Limited. The Prime Minister was most grateful for the background brief supplied with your letter to me of 4 July.

Mr. Bond made two requests for Government assistance with the next stage of Airship Industries' development. First, he sought an assurance about tenure of the premises at RAF Cardington currently leased by the company from the PSA, together with a reduction in rent; and secondly, he asked the Government to consider an application for launch aid of £20 million to get the Skyship 600 into production. The Bond Corporation would be prepared to assist with additional finance, but if Government aid on the scale he had outlined were not also forthcoming, he feared that the company would move its centre of operations to the United States.

The Prime Minister said that requests of this nature fell to be considered by the Department of Trade and Industry. The Department had many other calls on its funds, and the chances of Mr. Bond's requests being met could only be regarded as slim. If the project were as profitable as he suggested, it should be possible to attract further private finance. Your Minister of State added that launch aid was not, in any event, appropriate for the purpose described - it was intended to help fund the cost of building prototypes, and Airship Industries were already past this stage.

Mr. Bond responded that he understood the role of your Department in these matters, but he was disappointed by the

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slowness of the response. Airships had tremendous market potential, for example, as platforms for airborne early warning systems, for coastal surveillance and for aerial advertising. The US Navy had expressed considerable interest in Airship's Industries' products.

Summing up the discussion, the Prime Minister said that Mr. Bond's requests for further Government financial help, as elaborated in his letter of 6 July (a copy of which I enclose), would be given due consideration by the Department of Trade and Industry. Your Minister of State would reply in due course to his letter on her behalf.

I am sending copies of this letter to Richard Mottram (Ministry of Defence) and to Henry Derwent (Department of Transport).

DAVID BARCLAY

Andrew Lansley, Esq.,  
Department of Trade and Industry