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The Rt Hon George Younger TD DL MP
Secretary of State for Defence
Whitehall
LONDON
SW1 2HB

AM bjt.

6 July 1988

Dear George

TYPE 23 FRIGATES

You kindly copied to me your letter of 30 June to John Major about your proposals for ordering the next batch of type 23 frigates.

I am clearly delighted that Yarrow Shipbuilders Ltd have won the competition convincingly. As well as being good news for Scotland, your analysis of the tenders confirms the financial advantages of ordering in reasonable numbers. While Yarrows would certainly have welcomed an immediate order for 4 frigates, I can understand the reasoning that leads to your proposal to place the order for only 3 now and to confirm a further batch competition early next year. Three frigates should be sufficient to enable Yarrows to continue to operate at a viable level and to maintain the necessary core workforce and expertise and, as you say, a further competition in 1989 offers a fresh opportunity for all interested tenderers to compete for the next round of orders.

I hope that colleagues will feel able to give early agreement to your proposed announcement. I agree that an order of this significance merits an oral statement.

Copies of this letter go, as yours, to the Prime Minister, John Major, other members of E(A) and Sir Robin Butler.

Yours ever
Malcolm Rifkind

MALCOLM RIFKIND

NAT IND: Shipbuilding



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