



the department for Enterprise

The Rt. Hon. Lord Young of Graffham
Secretary of State for Trade and Industry

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Reas G. Younger

FUTURE REQUIREMENTS FOR SUPPORT HELICOPTERS

Thank you for copying to me your minute of 3 November to the Prime Minister about the future requirement for support helicopters.

Naturally I am disappointed that you have felt it necessary to review the utility EH101 order so soon after it was announced in Parliament. I am equally disappointed that my Department did not have the opportunity to discuss your plans earlier, especially as this Department has a direct interest in the success of the helicopter through our £60 million launch aid for the civil version.

What particularly concerns me is the effect your second thoughts could have on the company's marketing of all versions of the helicopter, not just the utility version. This is also, I know, of great concern to Westland who will find it very difficult to market the helicopter to foreign customers if it is perceived that your Department as its most significant customer has changed its mind. The draft answer you intend giving is cast in neutral terms, which is helpful, but given the recent press comment there has been about your review I doubt whether MPs will let the matter rest there. I hope you will be able to make it clear in any subsequent responses that your proposed order for the utility EH101 still stands and to dampen down speculation about what the outcome of the review might be.





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I note that you intend to report the outcome of your review to colleagues. As this will not be until autumn next year I would ask you to keep my officials in the picture on its progress and the options you are considering. One point that I hope will be fully addressed is whether the full requirement for the utility version the RAF want will really cost £930 million, in other words is there an element of gold-plating in this figure.

I am copying this letter to the Prime Minister, the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer and the Chief Secretary, and to Sir Robin Butler.

For Mr. Blair

AGROS PACS: Westland PT7

