



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

29 July 1986

It was good of you to write to the Prime Minister with advance notice of your intention to run down your Weybridge factory. The Prime Minister has asked me to send you her thanks.

(David Norgrove)

Sir Austin Pearce, C.B.E.

BM

British Aerospace

PUBLIC LIMITED COMPANY

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From the Chairman,
SIR AUSTIN PEARCE, CBE

The Rt Hon Margaret Thatcher, MP,
Prime Minister,
10 Downing Street,
London, S.W.1.

28th July, 1986.

mt

Prime Minister 2
I have thanked.

JP
29/7.

Dear Prime Minister.

I am writing to give you advance warning of the Company's decision to run down and then cease manufacturing and certain operations at our Weybridge factory. As you will see though, the site is not to be closed completely.

I enclose an advance copy of the statement to employees which will not be made public until 3.30 p.m. on Tuesday, 29th July. Naturally we would not wish this information to be released until the employees have been advised.

You may be assured that given the co-operation of our workforce there will be no adverse impact on national programmes - the Company is determined to honour in full its contracted commitments to its customers.

I would particularly want to draw your attention to the Company's aim that no employee will be compulsorily out of work and we have made wide-ranging plans in this context.

The aerospace business is getting progressively more international and competitive, and we believe this action will lead to a long run improvement in our position with beneficial effects on the whole aerospace industry.

Yours sincerely,

Austin Pearce



BRITISH AEROSPACE

MILITARY AIRCRAFT DIVISION

DIVISIONAL NOTICE 2/86

MILITARY AIRCRAFT DIVISION RATIONALISATION

Since the formation of the Military Aircraft Division in January 1986, a detailed review has been undertaken of the Division's workload, manufacturing capacity and competitiveness. Forecasts show that the Division must reduce its costs to become more competitive.

Rationalisation is the key to improving our competitiveness, and thereby securing an increasing share of Ministry of Defence and worldwide business.

The Weybridge manufacturing facility is underloaded at its current level and, as a result, is a high cost site. There is no work from within the Company which can be economically transferred into the Weybridge site and recent bids for new work have failed on price. Equally the substantial investment necessary to modernise the plant and its facilities cannot be justified against the option of better utilisation of facilities at other sites. Without a manufacturing base at Weybridge it would be uneconomical to retain its existing full range of engineering facilities.

The Division has therefore decided that activity at the Weybridge site will be run down over the period from now until the end of 1987.

The Division is determined to minimise the disturbance and insecurity that this announcement will create to employees of the Military Aircraft Division at Weybridge. It therefore wishes to consult and discuss with staff and their representatives a number of measures with the aim of ensuring that no individual will be compulsorily out of work:-

- a. There are immediate opportunities for transfer to Kingston and Dunsfold for approximately 200 production employees, 250 technical staff and 175 other staff.
- b. All apprentices will be offered transfers to nearby locations.
- c. Product Support activities and associated staff for Harrier and Hawk will transfer to Dunsfold.
- d. The establishment at Weybridge by Civil Aircraft Division of a Spares Logistic Centre and the retention of a Civil Aircraft Design Support Centre.

In total these measures will provide continuity of employment at Weybridge, Kingston or Dunsfold for a significant number of the current Weybridge workforce. The precise number will depend upon the level of design support required long term by the Civil Aircraft Division.

Employees who are prepared to relocate, and where necessary to retrain, will be offered employment at another British Aerospace site where there are vacancies. Relocation and retraining assistance will be available.

British Aerospace will continue to locate its out-of-London Headquarters activity at Weybridge alongside the Military Aircraft Division's Headquarters.

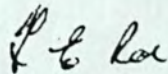
Other initiatives, aimed at ensuring that no individual will be compulsorily out of work, will include:-

- Job placement services
- A local Job Creation programme
- Retraining programmes
- Voluntary Severance Scheme, including Special Early Retirement Plan
- Individual financial advice

These measures are designed both to assist those individuals affected by this decision and also to ensure that the interests of our customers are fully protected and that the long term prospects of the Division are improved.

It is our intention to consult fully concerning the manner in which these measures can best be implemented and discussions are being arranged immediately.

The Company regrets the necessity for this action but believes that the measures outlined above will minimise the impact of this decision on employees, their families and the local community.



F.E. ROE
Managing Director

29th July, 1986