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Your reference

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Dear Derek

WASHINGTON TELNO 2289: SHORT BROTHERS

1. Air Force Secretary Aldridge confirmed to Mr Stanley (Minister for the Armed Forces, MOD) on 11 September that the USAF wanted the options in the 1984 contract to be extended in principle for a further 4 years. A 60-day extension has been signed in order to give Shorts and the USAF time to work out the details. The USAF were in fact ready to agree a 4-year extension, but without compensation for inflation and currency adjustments, which was (unsurprisingly) unacceptable to Shorts.

2. We see no obstacle to these negotiations succeeding over the coming weeks. The State Department and Pentagon have made clear to us that reluctance at lower levels of the USAF to extend the options had nothing to do with recent events at Shorts on the fair employment front, but simply reflected the fact that the USAF had no present need for further Sherpas. But both State and senior political contacts in the Air Force understand the need to keep the options open for future use by one of the US services.

3. The American mainstream press has not reported recent events at Shorts or the American reaction to them, but both have featured in the Irish American ethnic papers. I enclose a copy of a front-page piece in the Irish People of 13 September. Also enclosed is a copy of a letter to Defense Secretary Weinberger from Congressman Biaggi and 15 other members of his group calling for termination of the USAF contract. The other signatories were: Lent, Mrazek, Kanjorski, Downey, Bustamente, Fish, Howard, Russo, Coyne, Evans, La Falce, Lowery, Walgren, Manton and Borski. We are in touch with the Pentagon about their reply.

*Yours
 Nigel*

N E Sheinwald

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