



Secretary of State for Trade and Industry

DEPARTMENT OF TRADE AND INDUSTRY
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cc: Mr O'Shea/Air

18 June 1985

PS/GP
PS/Sir BH
PS/Sir J Sterling
Mr Macdonald
Mr Michell
Mr Fairweather
Mr Vile/GP
Mr Higgins
Mr Collingbourne
Mr Mann
Mr Anderson
Mr Leigh.

Please put in
Westlands papers.
CDP 12/6.

Sir Basil Blackwell
Chairman
Westland plc
Westland Works
YEOVIL
Somerset
BA20 2YB

D Basil,

I have been following closely the current developments involving Westlands and at Mr Alan Bristow's request I have had certain discussions with him about his intentions should his company succeed in gaining control of Westland.

Mr Bristow has indicated to me that if he succeeded in gaining control of Westland his intention would be to freeze development of the Westland 30 200 and 300 until after the outcome of the Ministry of Defence's review of AST 404 is known. In the meantime he would make no further request for launch aid beyond the sums already paid to Westland under the launch aid contract.

Mr Bristow has asked that in return the Government should give him an undertaking not to require repayment of the £35m launch aid already advanced in the event that he should decide unilaterally to terminate the W30 series 200 and 300 development programmes once the outcome of the MoD's review is known. Clearly I am not able to give such an undertaking within the terms of the launch aid contract. However, as you are aware it would be open to Westland, in the event of an adverse decision by the MoD, to seek a review of the project with the Government and, should it be mutually agreed that further expenditure under the contract is not justified, the contract may be terminated without liability for repayment of launch aid already paid. I understand Mr Bristow is aware of the terms of the contract.

Mr Bristow has also asked for an undertaking that the Government would procure up to 25 Westland 30 series 160 aircraft should they prove unsaleable elsewhere. I have informed him that the Government cannot give such an assurance. However, I have

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indicated to him that the prospective contract with the Indian ONGC was to be financed by aid and that in the event of the arrangements with India not proceeding a substantial part of these aid monies might be diverted to assist the sale of the helicopters elsewhere.

I believe it is right that you should know of these discussions between Mr Bristow and the Department.

A handwritten signature in black ink, appearing to read 'Norman Tebbit', written in a cursive style with a horizontal line underneath the name.

NORMAN TEBBIT

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