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Secretary of State for Trade and Industry

DEPARTMENT OF TRADE AND INDUSTRY
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19 June 1985

Charles Powell Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

~~JAT~~
2) Prime Minister

CDP
19/6

Dear Charles,

WESTLANDS

Following the meeting this afternoon under the Prime Minister's chairmanship, my Secretary of State asked an official of this Department to convey to Bristow Rotorcraft and Westlands the conclusion of Ministers that the Government could not go beyond the terms of the letter sent by my Secretary of State to Sir Basil Blackwell on 18 June.

After a short interval for consideration, Bristow Rotorcraft informed the Department that in the light of this response from the Government they would withdraw their offer for Westlands. They had formed the view that a commitment to order the W.30 from the Ministry of Defence was an essential condition for them to proceed, and in the absence of any such commitment they had "no alternative" but withdrawal.

Bristow Rotorcraft have made an announcement this evening in the terms attached. They have informed this Department that their intention is to make a further announcement tomorrow afternoon after the offer deadline has passed. The intention is that this announcement will say the offer is being withdrawn because the level of acceptances received has been unsatisfactory. Bristow's intention is to confine their public explanation of their action to this point and to avoid being drawn into statements which could be unhelpful to Westlands. This Department accepts that this is no doubt Bristow's bona fide intention, but in practice we believe he may find it difficult to avoid being drawn into making further comments.



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As agreed by Ministers, this Department has also spoken to the Bank of England and has asked the Bank, should a crisis develop in Westlands' affairs, to attempt to guide events in the direction of restoring the company through the introduction of new management, possibly under a respected industrial figure such as Sir Arnold Hall, rather than through receivership. However, the course of events following Bristow's withdrawal is inevitably unpredictable at this stage.

I am copying this letter to Peter Ricketts (PS/Foreign Secretary), Margaret O'Mara (PS/Chancellor), Richard Mottram (PS/SoS Defence), Henry Steel (Law Officers), Michael McCulloch (ODA) and to Richard Hatfield (Cabinet Office).

Yours ever,

A. Lansley

ANDREW LANSLEY
Private Secretary

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Terms of Announcement by Bristow Rotorcraft on 19 June 1985

" Bristow Rotorcraft Offer for Westland

The Board of Bristow Rotorcraft announces that it is considering whether or not the conditions of its offer can be met. A further announcement will be made as soon as practicable. "