

PRIME MINISTER

WESTLANDS

You may find it helpful to have an update of where we are on Westlands.

Sikorsky have made an offer for a substantial share of Westlands.
The Westlands board are inclined to accept but have postponed
a formal decision until after the weekend.

Meanwhile there has been a meeting in London today of the principal European helicopter manufacturers and a separate meeting of the National Armaments Directors. This was assembled on Mr. Heseltine's initiative. His fear is that Sikorsky want Westlands only as a vehicle for selling their own Black Hawk medium helicopters in Europe: and the result of allowing them to buy into Westlands will be to weaken the European helicopter manufacturing base. As a result of the meeting the European companies will be putting a rival offer to Westlands on Monday, and the National Armaments Directors are offering to collaborate on future helicopter projects in a way which should help Westlands over the next few years.

Sir John Cukney has been in close contact with Mr. Heseltine and appears content with the way matters are going forward: though there must be some risk that Sikorsky will take umbrage and withdraw their bid, while the European offer goes the way of the Cheshire cat's smile.

CDP

(C. D. POWELL)
29 November 1985

CDP
1/xii

Aerospace; Westland

10