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DEPARTMENT OF TRADE AND INDUSTRY

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JU908

Secretary of State for Trade and Industry

*COO
13/12*

12 December 1985

IN CONFIDENCE

Sir John Cuckney
Chairman
Westland plc
4 Carlton Gardens
London SW1

cc Mr O'Shea MR

PSICP

PSISW BI.

Sir Jeffrey Sterling

Mr. Mitchell

Mr Fairweather

Mr Mallinson

Dear Sir John,

As you requested, I am writing to record the conclusion of the meeting of Ministers on Monday. You will, I am sure, appreciate the need for this information to be treated in the strictest confidence.

It was agreed that, in consultation with me, the Secretary of State for Defence will explore urgently the possibility of developing the alternative European option into a package which Westlands would regard as preferable to the Sikorsky arrangement. If a viable European package which the Westland Board could recommend is not in place by 4.00 pm on Friday 13 December, HMG will then make clear that the United Kingdom is not bound by the National Armaments Directors' recommendation of 29 November.

The meeting also agreed that the Government would not require repayment of launch aid for the Westland W30-300 unless the company went into receivership. I understand that my officials are in touch with your staff about the implementation of this decision.

I am sending a copy of this letter to the Secretary of State for Defence.

Handwritten mark

LEON BRITTAN

Leon Brittan signature