

JALAFY

PRIME MINISTER

has seen  
CDP  
13/12

**WESTLANDS**

Sir John Cuckney telephoned me shortly after 1pm this afternoon.

Sir John said that he had this morning cleared with the Trade and Industry Secretary his interpretation of the Government's decision last Monday. It was not that the European consortium had to make an offer by 4pm today, but that the Westlands Board had to decide whether or not to recommend it by that time. His Board would be meeting at 2.30pm and would reach their decision at 4.

Sir John said that he would subsequently write to you. Assuming that the Board did not find the European offer the more attractive, the letter would say that they had decided to conclude an agreement with Sikorsky; that they understood that HMG would in this event not consider itself bound by the recommendation of the National Armament Directors; that Westlands regretted the hostile and harmful actions taken against them by the Ministry of Defence; and that Westlands hoped that the MOD would not say publicly that they would never purchase Blackhawks because this would be against the rules of free competition.

I said that I took note of Sir John's intention. Speaking personally I thought it would be a pity to write a letter suggesting conflict between HMG and the company, particularly if the outcome of the affair was the one which Westlands themselves wanted. I also thought it would be better not to address such a letter to you. Sir John said that he had detailed evidence of disgraceful behaviour by the Ministry of Defence against Westlands over the past few days including

delayed payments, cancelled or postponed orders and instructions to contracts staff at the Ministry of Defence to treat Westlands as a company about to go into receivership. He felt bound to put these matters on public record.

I have subsequently spoken to Mr Brittan's Private Office and urged that he should have a further word with Sir John Cuckney this afternoon to encourage him to write a more moderate letter and to address it to the Department of Trade and Industry rather than to you.

I said that I would be in touch with Sir John in the course of the afternoon if I had anything further to communicate.

edp

CHARLES POWELL

13 December 1985