Ref.A083/3217
MR COLES A-3-C- //a

m

I received a visit the other day from Mr Godfrey Messervy and Dr Alan Watkins of Lucas Industries who wished to brief me on certain aspects of the choice between Harpoon and Sea Eagle.

- 2. Briefly, they said that Lucas had been trying to develop the same sort of relationship with McDonnell Douglas over Harpoon as they had had with Texas Instruments over HARM. They thought that it would be advantageous to Lucas, and therefore to Britain, both from the point of view of technology and from the point of view of production, if they had "a slice of the action on Harpoon". They said that McDonnell Douglas had decided not to go into partnership with them mainly because they thought that they did not need to do so in order to have a reasonable chance of getting a British order for Harpoon. But the decision had not been a unanimous one, and a number of members of the Board of McDonnell Douglas had wanted to enter into an arrangement with Lucas. Mr Messervy and Dr Watkins believed that, if the British Government asked or pressed McDonnell Douglas to enter into an association with Lucas in connection with a British order for Harpoon, McDonnell Douglas would agree. That would be useful in terms of employment as well as in other ways.
- 3. I am sending a copy of this minute to Sir Clive Whitmore.

ROBERT ARMSTRONG

CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG

Thank you for your minute of 11 November about the approach you have received from Lucas Industries about the choice between Harpoon and Sea Eagle. The Prime Minister has noted the contents of your minute.

A. O. COLES

14 November, 1983

CONFIDENTIAL