



10 DOWNING STREET

Prime Minutes

Westland letters

The whereabouts of the  
3 letters are:

- i. Mr John Smith: Original  
not yet arrived, but he  
has dictated the text to us.
- ii. Mr Teddy Taylor: See  
attachment
- iii. Sir John Cuckney: No  
letter arrived and the  
Sunday Telegraph article  
attached suggests the  
letter has still to be  
written. I have not telephoned  
to enquire about the timing

of its arrival, but will do  
if you wish.

N.L.W

29. Dec.

LETTER DICTATED BY MR. TEDDY TAYLOR MP, ON 29 DECEMBER, 1985.

(Mr. Taylor's original letter - not yet arrived - was written, and as he has no copy to hand, the letter below forms only the gist of the original.)

Happy Christmas, and best wishes for good health in 1986.

You may recall that on 19 December you were kind enough to give me an assurance that you would not permit the Defence Ministry to discriminate against Westlands should they opt for the Sikorsky-Fiat arrangement, and you further assured me that procurement decisions were for the Government as a whole.

Despite this, there have been statements from the Ministry of Defence and from Lloyds Merchant Bank to the effect that six additional Sea King helicopters would be ordered from Westlands if and only if they made an arrangement with the European Consortium.

I really feel that the issue should be cleared up preferably before the Westland meeting. Personally, however, I would be happy with an acknowledgement from your office.

JD/45/29.12.85



west. At one time it was thought a fifth attacker might have taken refuge in this area after escaping the shoot-out, but this theory is now denied by investigators.

The two victims who died early yesterday in hospital were named as Don Malamed, 30, an American, who suffered severe head wounds, and Signora Elena Tomarelli, 67, from Latina, the second Italian victim. The other dead included two Mexicans, four Americans, three Greeks, an Algerian and three of the terrorists.

Two of the dead terrorists carried forged Moroccan passports, an apparent link with a series of recent attacks attributed to the break-away Palestinian faction led by Abu Nidal, which has claimed responsibility for both attacks.

Holders of Moroccan passports need no visa to enter Italy.

Signor Scalfaro's admission that the secret service had been warned to expect a Christmas attack provoked some bitter political criticism. This recalled that which brought about the temporary collapse of the Socialist-led coalition government following the hijacking of the Achille Lauro cruise ship earlier this year.

BBC television broadcast an interview last night with one of the terrorists involved in the Vienna airport attack.

From his bed in a hospital 12 miles outside the Austrian capital, Abdel Aziz Merzoughi, 25, said that he was a member of Al-Fatah, "official" terrorist wing of the Palestine Liberation Organisation.

An American CBS reporter, who was specially allowed through the tight security screen to speak to Merzoughi, asked whether he had gone to the airport to kill people. "Yes," replied the terrorist.

Merzoughi claims to be a Lebanese. But the Austrian police have doubts about his true nationality as he was travelling on a Tunisian passport.

He told police that the group of terrorists hired a taxi to get to Vienna airport. Asked by the reporter why they had carried out the massacre, Merzoughi said: "Because Israel tried to kill us."

When asked if he was a member of the PLO, Merzoughi answered simply: "Yes." And in answer to a question about who had given the group its instructions, Merzoughi replied: "Al-Fatah."

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# Cold snap grips Britain

By CATHERINE STEVEN

OUTLOOK: Dry, changing to snow or rain in most areas. Very cold, warmer later.

WINTER took a grip on many parts of Britain yesterday. Roads became impassable in north-east Scotland, three foot snow drifts were reported in Northumberland, 23 football matches were postponed and all four race meetings were abandoned.

The cold snap is predicted to last until at least New Year's Eve, with snow flurries moving further south.

The AA said: "Conditions in Scotland and the North-east are worst. It is very nasty for motorists in Cumberland, Northumberland, Durham and Tyne-side." Whitby, North Yorkshire, was completely cut off by snow.

Snow also fell in London and the south east.

Many minor accidents occurred in Kent, Sussex, Surrey and Hampshire, where police issued warnings of black ice. A young motorist died when his car skidded off a road at Much Wenlock, Shropshire.

The A39 at Woolavington, near Bridgwater, Somerset, was closed after a 20-vehicle pile-up on black ice. No one was hurt.

The Weather Centre said last night that plenty more snow was on the way for Scotland in the next 24 hours. That should please skiers, who yesterday could use only one of the 15 slopes at Aviemore, in the Cairngorms, because of the lack of snow.

Further afield, conditions for skiers were expected to improve over the next few days after a pretty disastrous start to the season throughout Europe. In Switzerland, heavy falls of snow were forecast for all over the country.

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## SKIERS REJOICE

French skiers, who were bitterly disappointed by the failure of the weather to provide snow, took heart yesterday. Snow began to fall heavily, particularly at mountain altitudes.

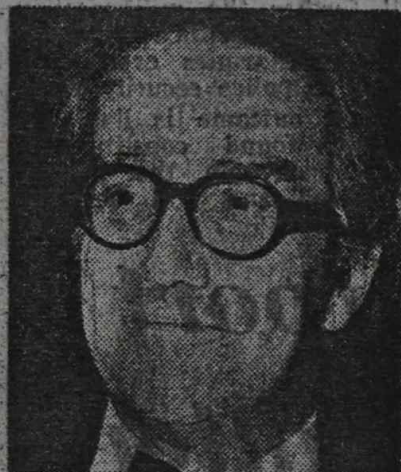
MICHAEL PATTISON  
HOLIDAY OFF: Mr Heseltine, Defence Secretary, enjoying a spot of gardening at his home near Banbury, Oxon, yesterday after cancelling a family holiday in Nepal because of the Westland Helicopters crisis. His three children went on their own.

# Thatcher man for Westland

By JOHN LEWIS, Political Correspondent

MR GORDON REECE, for several years public relations adviser to the Prime Minister and still a close friend, is advising Westland, the British helicopter firm, in the controversy about whether it should accept the American Sikorsky-Fiat or the European solution to its troubles.

Mr Reece's appointment, which I understand was made some weeks ago but has only now come into the open, will add to the continuing con-



REECE: Ability recognised by Mrs Thatcher

trover and is certain to raise questions about the Prime Minister's attitude.

Mrs Thatcher has been taking a strictly neutral line, insisting that any decision on whether to go European or American must be for the company to decide. But the company has been leaning heavily in favour of the Sikorsky-Fiat deal and it now emerges that Mr Reece is advising in a public relations capacity.

Mr Heseltine, Defence Secretary, is bound to feel deep unease about the disclosure.

Mr Reece, 55, first attracted Mrs Thatcher's attention in the early 1970s, when he was recruited by the Conservative Party to supervise party political broadcasts. He became

her personal adviser in the 1975 leadership battle.

He was adviser to the Prime Minister last during the 1983 general election, but took control of Conservative Central Office for a few months last year when the director of publicity died.

"Since then I have had no connection with advice to the Prime Minister or the Conservative Party," Mr Reece said. "I am an independent public relations consultant, and if someone approaches me with an offer, I consider it. I have never spoken to the Prime Minister on Westland."

After he joined Dr Armand Hammer's Occidental Oil in California at a salary of between £50,000 and £75,000, Mrs Thatcher persuaded him to return as a personal adviser in the 1983 general election.

Sir John Cuckney, Westland's chairman, is expected to go ahead with a shareholders' meeting on January 14 to approve the financial reconstruction of the company. He may well leave the choice of whether to join the European consortium of countries or Sikorsky until later.

But he intends to put the European offer to shareholders while denying suggestions that he is legally bound to allow three weeks' notice before he does this. Sikorsky-Fiat are expected to submit an improved offer at the end of the week.

Sir John is giving the impression that he is trying to bring the Prime Minister on his side. He is to write to her seeking clarification of the Government's policy on defence procurement.

The Westland chairman is referring back to a Commons answer Mrs Thatcher gave before Christmas when she said major procurement decisions were a matter for the Cabinet and not simply for the Defence Secretary.

## Rock rampage on Broadway

By Our Staff Correspondent in New York

Two men received gun-shot wounds and at least six others were stabbed when a group of more than 200 youths went on the rampage through New York's theatre district.

They terrorised passers-by and fought with police on Broadway after attending a raucous rock concert late on Friday night. There were 18 arrests.

## LATE NEWS

WOMEN: Succeeded at the sales and warming winter drinks. 10-11  
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# Optim over jobles

By JOHN K Industrial Corre

GOVERNMENT that Britain employment level is to fall was under in a survey by of Directors.

The Institute that 59 per cent directors questioner employment will rise six months; 59 p lieve it will remain 11 per cent expect

Also, this week the Department of are expected to sh decline in the 3-2 employed.

Mr Graham Mat the Institute's poli "the fact that al cent of senior bus pect job growth i panies in the first will help reduce employment grow ing".

