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*Print Answer
Very satisfactory
CAP
6/1*

The Rt. Hon. Michael Heseltine MP.,
Secretary of State for Defence
Ministry of Defence
Main Building
Whitehall
London SW1

6 January 1986

Dear Michael,

WESTLAND

I saw in "The Times" on Saturday the text of a letter you are reported to have sent to the Managing Director of Lloyds Merchant Bank. In the course of your answer to the third question asked by Mr Horne, concerning the indications received by HMG from "European Governments and companies" as to the projects which "may be lost to Westland if the United Technologies/Fiat proposals are accepted", you state:

"There are indications available to HMG from both the other Governments and the companies concerned that a Westland link with Sikorsky/Fiat would be incompatible with participation by that company on behalf of the UK in the collaborative battlefield helicopter and NH90 projects".

This sentence, when read with the rest of the paragraph (in which the Defence Ministers of four Governments apart from the UK are referred to), necessarily implies that all the Governments and all the companies involved in the collaborative battlefield helicopter and NH90 projects have given this indication to HMG.

The telegrams (No.440 of 17 December from the Hague and Nos.1037 and 1083

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of 5 December from Rome) and the record of your meeting with the West German Defence Minister in November which were available to me when I gave advice on 31 December to the Prime Minister on the text of her reply to Sir John Cuckney, do not seem to me to support a statement that all the Governments and all the companies have indicated that a Westland link with Sikorsky/Fiat would be incompatible with participation by that company in the projects. The documents I have seen contain evidence that the Netherlands' Defence Secretary, the German Defence Minister and the Chairman of Agusta have commented to the knowledge of HMG in various ways on adverse consequences which may flow from a decision to accept the Sikorsky offer. (In addition to Agusta, the documents disclose that Aerospatiale and MBB are additionally involved in the projects).

It is foreseeable that your letter will be relied upon by the Westland Board and its shareholders. Consistently with the advice I gave to the Prime Minister on 31 December, the Government in such circumstances is under a duty not to give information which is incomplete or inaccurate in any material particular.

On the basis of the information contained in the documents to which I have referred, which I emphasise are all that I have seen, the sentence in your letter to Mr Horne does in my opinion contain material inaccuracies in the respects I have mentioned, and I therefore must advise that you should write again to Mr Horne correcting the inaccuracies.

I am copying this letter to the Prime Minister and to the Secretary of State for Foreign and Commonwealth Affairs, Secretary of State for Trade and Industry and the Chief Secretary of the Treasury.

Home

J. A. B. C.

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