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10 DOWNING STREET

*file in  
a High Commissioner  
in New Delhi*

*From the Private Secretary*

30 November 1983

WESTLAND W 30 HELICOPTERS

One matter which arose during the Prime Minister's visit to India for CHOGM was the prospect of Westlands winning a contract worth over £50 million for 27 of their new W 30 helicopters, of which, I understand, 21 would be for the Oil and Natural Gas Commission for servicing off-shore rigs and six for the Indian Air Force. I believe that we are unlikely to win the contract unless we offer substantial aid. Presumably, a down payment this financial year would help us to avoid the general under-spending on our aid programme to India.

*[Handwritten signature]*  
I should be most grateful for a report about our prospects for securing this contract which I can show the Prime Minister on our return from Athens, i.e. by close of play on 6 December.

I am copying this letter to John Kerr (HM Treasury) and Richard Mottram (Ministry of Defence).

A. J. COLES

Peter Ricketts, Esq.,  
Foreign and Commonwealth Office.

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10 DOWNING STREET

*From the Private Secretary*

6 December 1983

WESTLAND W30 HELICOPTERS FOR INDIA

Thank you for your letter of 5 December. I note that it is hoped that decisions will be taken on the use of aid funds for this project before Christmas. Perhaps you could kindly let me know by, say, 17 December what progress has been made.

BT1

I am sending copies of this letter to John Kerr (HM Treasury), Richard Mottram (Ministry of Defence) and Callum McCarthy (Department of Trade and Industry).

A. L. COLES

Peter Ricketts, Esq.,  
Foreign and Commonwealth Office.

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Foreign and Commonwealth Office

London SW1A 2AH

5 December 1983

Dear John,

Westland W30 Helicopters for India

In your letter of 30 November you asked for a report on the prospects of Westland winning a contract for 27 W30 helicopters. <sup>attached</sup>

The Indian Ministry of Finance made a formal request for aid for 27 Westland W30 helicopters shortly before CHOGM. We are planning to send an ODA appraisal mission to India this week to consider the technical and economic case for the 21 helicopters which are to be owned by the Indian Oil and Natural Gas Commission but flown and maintained by the Indian Air Force.

The Treasury has decided that the case is outside ODA's delegated financial authority. We hope that the mission's report will enable decisions on the use of aid funds in this case to be made before Christmas.

We have refused aid finance for the six Indian Air Force machines because of their proposed ownership and because their main purpose is limited to the transportation of VIPs.

We understand from the British High Commission in New Delhi that the Indians would be satisfied with aid only for the 21 helicopters and that contractual negotiations could be completed within two months. In that event, and provided that the ODA appraisal is favourable, up to £10 million might be disbursed during this financial year and so help avoid underspending of the India aid programme. Prospects for securing the contract will not, however, be improved by the recent grounding of W30s because of mechanical failure.

I am copying this letter to the recipients of your letter and to Callum McCarthy in the Department of Trade and Industry. I shall be showing the Foreign Secretary a copy on his return from Athens.

Yours ever,

Peter Ricketts

(P F Ricketts)  
Private Secretary

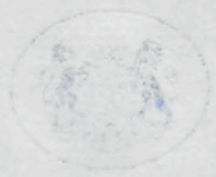
A J Coles Esq  
10 Downing Street



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DEC 1983



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Mr Coles

WESTLAND W 30 HELICOPTERS

Westlands are poised to follow up their success earlier this year in selling over £200 million worth of additional Sea King helicopters to the Indian Navy by winning a further contract worth over £50 million for 27 of their new W 30 helicopters, as follows:

- (a) 21 for the Oil and Natural Gas Commission for servicing offshore rigs;
- (b) 6 for the Indian Air Force for Government of India VIP flights.

2. The contract is important because of its implications for further W 30 sales both in India and elsewhere.

3. The Indians seem satisfied that the W 30 is the best helicopter for their purposes, not least on roominess grounds. But French and American price competition is fierce, and we shall not win without offering substantial aid. This will in any case be useful to us, since we could make a downpayment this financial year and thus help avoid underspend. Our judgement here is that £20-30 million of aid (from within the existing Indian programme, ie not ATP) will be needed. All aid will be concentrated on (a), since (b) cannot be considered "developmental"; and the Indians accept this.

4. Both ODA and Treasury think even (a) insufficiently developmental. Whitehall have therefore been slow to get their act together. But an Appraisal will be conducted by ODA next week.

5. The recent news that the W 30 has been grounded following an accident in the US is a setback. But initial Indian reactions suggest it should not be fatal if Westlands react quickly enough.

6. I suggest a deadpan enquiry next week about our prospects for securing this contract, about which the Prime Minister has expressed interest.



Robert Wade-Gery

29 November 1983