WESTLAND plc

Lord Aldington

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TEL: 01-839 4061

January, 1985

LONDON, SW1Y 5AB.

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You will wish to s Drayt reply is in herd.

India

You have intervened personally for Westland's benefit in two large contracts with India: firstly, the Indian Sea King contract, and secondly the contract for 21 Westland 30 helicopters for the Oil and Natural Gas Commission of India. It may appear ungrateful of me, but I must now ask for your further help in view of the decision taken by the Prime Minister of India to stop all contractual negotiations with British firms. I understand this is due to the Indian resentment at statements made by a leading Sikh in Britain concerning the assassination of Mrs. Gandhi - a resentment which in many ways I share.

Our position is that we were about to sign the Westland 30 contract with the O.N.G.C. on the date of Mrs. Gandhi's assassination, and though there was understandable delay immediately after that tragedy, we believed until only about a week before Christmas that the contract would be signed in 1984. We had passed all the flying tests in India with the first production aircraft of the type ordered and we had received the required certificates from the C.A.A. We had, therefore, satisfied the two conditions attached to the letter from the Indian High Commission, sent to us on the 2nd July 1984 in which it was stated that the Westland 30 had been selected.

We have also been in negotiation with the Indian Ministry of Defence for the spares order associated with the Indian Sea King contract and for 3 additional helicopters. We had received a letter of intent and had been invited to return on the 5th January to conclude the contract.

The financial consequences to Westland of a delay in receipt of these orders - or even worse, of the denial of them - are I am sure quite clear to you. In the case of the Westland 30 contract, the helicopters are in an advanced stage of production and indeed delivery of the first three was due to take place before the end of March 1985 and continue at about 3 every two months.

I am sure that only you can persuade Rajiv Gandhi that bitterly though he may feel about some Sikh personalities in Britain and serious though the problems may be for him in India, you too have your problems with the law, and long standing relations between British firms and India should not suffer.

I would myself fly out to Delhi and talk to him or any of his Ministers if I thought that this would achieve anything. But I am quite clear that it would not in present circumstances.

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The Rt. Hon. Mrs. Margaret Thatcher, Prime Minister, 10, Downing Street, LONDON, S.W.1.