



10 DOWNING STREET

THE PRIME MINISTER

13 April 1985

Subject
cc Ops
Master.

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T67/85

Dear Prime Minister,

I have taken expert advice on the points about the WG30 helicopter which you raised with me earlier this evening. You explained that you had recently seen a report from the Indian Air Force to the effect that, in a number of respects, the WG30 that has been produced for your Oil and National Gas Commission does not meet your requirements.

Westlands are puzzled as well as greatly concerned about some of the points which you raised. They say that the WG30 was selected on the basis of Indian Government specifications, subject only to two conditions. Both of these have subsequently been met:

- the aircraft was given the requisite certification by the Civil Aviation Authority last November;
- the trials held in India in December demonstrated that it could perform in accordance with the claims made for it by the Company.

On this basis a draft contract was drawn up with detailed and rigorous delivery schedules; and to meet the requirements of these, four helicopters have already been produced.

/ If against

If against this background your Government decided not to proceed with the contract for the Westlands helicopter, not only would the Company be in an acutely difficult position but I should have to be able to explain to Parliament the grounds on which the WG30 was rejected at this late stage. I should be pressed to answer two questions:

- in what way did it not meet the specifications?
- and in what way at its trials in India did it not perform in accordance with the Company's claims?

I am sure you will understand that, if by any chance the WG30 helicopter were not ordered, I should need a full statement of the answers to both these questions. This is not only a matter for Westlands, serious though that is, but is bound to cause concern more widely about the way in which business can be conducted between India and Britain.

I believe we need to reach a decision on this urgently, both in order to clarify the position of Westlands and also because of the implications for our aid programme.

Yours sincerely

Rangaraj Thakur

His Excellency Shri Rajiv Gandhi, MP.