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PERMANENT UNDER-SECRETARY OF STATE  
SIR CLIVE WHITMORE K C B C V O

PUS/L86/25  
1/4

13 January 1986

*Dear John,*

Thank you for your letter of 10 January.

2. The answers to your questions are as follows:

a. Are Lloyds Merchant Bank formally acting for the Ministry of Defence in a professional capacity?

No.

b. Does the Ministry of Defence guarantee the orders for 6 Sea Kings referred to in the Consortium's proposals. Is this a follow-on order to the orders for 14 Sea Kings under discussion between the Ministry of Defence and Westland?

The Ministry of Defence cannot guarantee the order for 6 Sea Kings. However, if the plans for a five nation battlefield helicopter project are approved, the order will be placed. This would apply whatever reconstruction proposals Westland's shareholders accepted. In this context I draw your attention to the Prime Minister's letter to you of 1 January 1986.

This order would be a follow-on to the order for 14 Sea Kings under discussion between the Ministry of Defence and Westland.

c. Do earlier Ministry of Defence letters provided to Lloyds Merchant Bank in support of the Consortium's proposals continue to represent Ministry of Defence policy?

The Government's position is set out in the Secretary of State for Trade and Industry's statement of 16 December 1985 and the Prime Minister's letter to you of 1 January 1986. There is nothing further I can add.

3. I am sending copies of this letter to Brian Hayes at the Department of Trade and Industry and to Charles Powell at 10 Downing Street.

*Yours ever,*

*Alvin.*

Sir John Cuckney  
Westland plc  
4 Carlton Gardens  
Pall Mall  
London SW1Y 5AB



1978 DECLARATION OF PRINCIPLES  
TO BE ADOPTED FOR COOPERATION ON HELICOPTER PROGRAMMES BY  
THE GOVERNMENTS OF  
THE FRENCH REPUBLIC  
THE FEDERAL REPUBLIC OF GERMANY  
THE ITALIAN REPUBLIC  
THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

I INTRODUCTION

The Governments of France, Italy, the Federal Republic of Germany and the United Kingdom seek to work together to develop and produce new helicopters, including their engines and their equipment, with a view to:

1. increasing standardisation and interoperability by rationalising and reducing the types used within the Atlantic Alliance;
2. reducing costs and thus improving export prospects increasing the market for each type produced;
3. maintaining a strong and healthy helicopter industry within Europe.

II PRINCIPLES

The four Governments will:

1. make every effort to reconcile their future requirements by agreeing common technical definitions and timescales

so that their requirements can be met on a collaborative basis;

2. define a management structure for each collaborative project and seek to achieve an equitable sharing of responsibilities between the four countries over the whole field of helicopter co-operation;
3. seek to develop by this method a family of products suitable for sale to other countries;
4. pursue a common policy with industry to promote closer industrial collaboration, in particular by encouraging the creation of a working group composed of delegates from SNIAS, MBB, Agusta and WHL;
5. inform each other and consult together before selecting new equipment and to make every effort to meet their needs with helicopters developed jointly in Europe;
6. endeavour to obtain the same commitment from the other IEPG countries.

### III STEERING COMMITTEE

The four Governments will establish a Steering Committee which will report progress periodically to the National Armament Directors. It will work with:

- on the one hand representatives of the Operational Staffs, Working Groups of FINABEL-K and the ad hoc IEPG Group;

- on the other hand the Companies:

The responsibilities of the Steering Committee will include:

- study of the technical and industrial implications of the operational characteristics and requirements for future helicopters identified by the users;
- consultation with the companies and examination of proposals submitted by them;
- mutual exchange of information on helicopter work in each country on research, development and production;
- the preparation of a common plan of action to establish projects which are most likely to be appropriate to European Co-operation;
- submission of proposals for cost and work sharing, including proposals for the management of programmes in both Government and industry.

The Steering Committee will normally operate through Working Groups which it will appoint as necessary. It will define the responsibilities of these groups, receive their reports and recommendations and allocate tasks among the participants.

ESTABLISHED IN FOUR LANGUAGES, EACH VERSION HAVING EQUAL  
VALIDITY

For the Government  
of the French Republic

For the Government of the  
Federal Republic of Germany

(Sgd.) .....

(Sgd.) .....

For the Government  
of the Italian Republic

For the Government of the  
United Kingdom of Great  
Britain and Northern  
Ireland

(Sgd.) .....

(Sgd.) .....



MH90. - Light  
↓ smaller, much  
German Helicopters.

PA Arco-1<sup>er</sup>

light Battle field Helicopter

Light

small, just an  
anti land.

small

6-8.

~~Carroll~~

PAH - Successor.  
- Same  
Medium Helicopter

Puma.

25 men

Large  
Heavy lift Helicopter

Chinook.

Heavy Helicopter

Successor to Sea-King.

EH 101 - Type 23 fighter

Arco - Italian arrangements.

Carroll's