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Foreign and Commonwealth Office

London SW1A 2AH

14 January 1986

MS
Dear Charles,

Re North
Re European Assembly
makes an ass of itself
again. CDP 14/11

Westland Helicopters: European Parliament Debate

The European Parliament is planning to debate the future of Westland Helicopters on 16 January.

We understand that different groups, including the EDG, are working on a joint resolution which would:
a) support the European solution for Westland's capital reconstruction; and b) call on governments of member states ("in the framework of Political Cooperation") and the Commission to use their best endeavours to ensure the continuation of an independent and viable helicopter industry in the European Community.

Adam Fergusson and officials from UKREP Brussels are in Strasbourg. They have drawn to the EDG's attention the government's statements in the House on Westland and the Prime Minister's published exchange of letters with Sir John Cuckney. They have also urged the EDG to press for deletion of a particularly offensive clause in the proposed resolution "supporting the demand for increasing independence from US industrial control"; and to insist that it should be made clear that the issue is one for the shareholders to decide. Mr Fergusson has been asked to make this clear to Sir Henry Plumb.

At the same time, in Brussels, we have reminded Commissioner Narjes of the undertaking he gave to Sir David Hannay last week to consult with HMG before making any further statements on the future of Westland, including any contribution to the EP debate.

We have considered whether, in addition to the representations that are already being made, to recommend that there should be a more formal intervention by Ministers. That might be worth pursuing if we had a realistic prospect of persuading the EDG not to support the present all-party draft. We are, however, advised that there is no prospect of this, since the EDG regard the resolution as consistent with their support for a European procurement policy. In the circumstances, we think that Ministerial intervention might reach the press and highlight what may otherwise be a typical EP sideshow.

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If the press ask about the EP resolution when it is tabled tomorrow (Wednesday), we shall say that the government have made clear that the future of Westland is a matter for their shareholders to decide. If asked whether the government has sought to influence the EDG, we shall say only that they are fully aware of HMG's views. Beyond that, the line taken by the EDG and the European Parliament is a matter for them to decide. We shall also make clear as necessary that there is no such thing as a "Community solution", that the Community has no role in the Westland issue and that this is not a matter for discussion in Political Cooperation.

I am copying this letter to the Private Secretaries to the Secretaries of State for Trade & Industry and for Defence and Sir Robert Armstrong.

*Yours ever,
Colin Budd*

(C R Budd)
Private Secretary

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