


E. R.
SRWANE

cc Mr. Wicks


PRIME MINISTER

GEC

Jim Prior spoke to me today to reinforce Arnold Weinstock's request for a meeting. It was clear from the general tenor of his remarks that the purpose of the meeting would be to try to restore GEC's standing in your eyes.

Mr. Prior said that GEC wanted you to understand why they had got involved in the Westland affair. They had done so only after Sir Clive Whitmore had come to see them on Mr. Heseltine's instructions, to say that it was vital for GEC to support British Aerospace. They had not realised at the time that the affair was likely to be controversial. They had subsequently taken a very low profile. They did not now want the Government's attitude towards the company to be coloured by misunderstanding of GEC's motives. There were then several comments to the effect "please tell the Prime Minister that we are not as bad as she thinks", "I know she'll be angry with me for voting against the Government on rate support", etc. All in all a very defensive performance.

I commented only that I had no reason at all to think that you had any hostile feelings towards GEC, indeed the contrary; and that the notion that you would bear a grudge about Mr. Prior's vote was far-fetched.

Mr. Prior ended by pressing me to find an early date for Lord Weinstock to see you.

C.D.P.

(C. D. POWELL)

22 January 1986