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Note prepared by Mr M. J. Mitchell on the instructions of the Secretary of State for Trade and Industry. 12.15 pm 23/1

## BACKGROUND SITUATION

The situation was that the Cabinet had taken a decision on 19 December that no Minister should campaign for any particular proposal.

But my Rt Hon Friend continued to promote the interests of the so-called European consortium and to damage the interests of UT and Fiat.

On 3 January he wrote to Lloyds Merchant Bank in terms designed to promote the interests of the European consortium.

On 5 January he issued a public statement expressing amazement that the Board of Westland had disregarded a request for a meeting with members of the European consortium

[though he added that it was for the shareholders to make the ultimate judgment].

[He did say this, although he didn't mean it.]

Throughout he presented his promised order for 6 Sea Kings as being conditional on the European consortium's offer being accepted. The Government has now made it clear, first that the Ministry of Defence cannot guarantee the order; second, that if the plans for a five nation battlefield helicopter project are approved, the order will be placed whatever reconstruction proposals Westland's shareholders accept.



[Throughout my Rt Hon Friend was in regular touch with the General Electric Company.] (Not to be used without clearance with Mr Brittan. Lord Weinstock told Mr Samuel Brittan he wd not deny this.)

[ - and with British Aerospace.] (Wd need to be confirmed with Sir Austin Pearce.)

[On December 23 and 24 my Rt Hon Friend was in touch with Sir John Cuckney and put pressure on him to support the European proposals.] (Not to be used without consultation with Mr Brittan. Sir J. Cuckney told Mr Brittan this on 31 Dec, but reserved his position on its possible public use. His position is not now known to DTI Air Divn.)

Throughout, my Rt Hon Friend conducted a campaign of unattributable briefing in favour of the European proposals, which has been graphically described by Mr Martin Adeney of the BBC in The Listener.

Such was the pressure of this campaign that my Rt Hon and Learned Friend the Secretary of State for Trade and Industry was obliged to issue a statement on the morning of 6 January reaffirming the Government's policy.