



10 DOWNING STREET

THE PRIME MINISTER

1 January 1986

*Dear Sir John,*

Thank you for your letter of 30 December.

It has naturally been the Government's concern that a British helicopter design, development and manufacturing capability should if possible be maintained, despite the present difficulties of your company. I understand that both the proposals Westland now have under consideration are intended to achieve that objective. As long as Westland continues to carry on business in the UK, the Government will of course continue to regard it as a British and therefore European company, and will support it in pursuing British interests in Europe.

Government policy will remain that the United Kingdom should procure its helicopters from the most cost-effective source. Against this background, the Government would wish to see Westland play a full part in existing and future European collaborative projects. Some of these are still at a very early stage and all of them require the agreement of the companies and governments - including HMG - concerned. In this connection you should be aware of indications from European governments and companies that they currently take the view that a number of projects in which Westland are expecting to participate in cooperation with other European

companies may be lost to Westland if the United Technologies/Fiat proposals are accepted.

It is for you to assess the significance of these indications. But of course British participation is itself an important element in the viability of European collaborative projects. And I can assure you that, whichever of the two proposals currently under consideration the company choose to accept, the Government would continue to support Westland's wish to participate in these projects and would resist to the best of its ability attempts by others to discriminate against Westland.

I have not dealt with the question of the possible consequences for Westland's present relationship with Sikorsky of a decision to accept the European consortium's proposals. You will no doubt have made your own assessment of these.

Yours sincerely  
Margaret Thatcher

---

Sir John Cuckney



10 DOWNING STREET

*From the Private Secretary*

1 January 1986

Dear Catherine,

I enclose a copy of the Prime Minister's letter to Sir John Cuckney.

I am copying this letter and enclosure to Richard Mottram (Ministry of Defence), Len Appleyard (Foreign and Commonwealth Office), Richard Broadbent (Chief Secretary's Office) and Michael Saunders (Law Officers' Department).

Yours sincerely,

(Charles Powell)

Miss Catherine Bradley,  
Department of Trade and Industry.

da