

CONFIDENTIAL

Mr. Powell

WESTLANDS

Sir Robert Armstrong has reported to me the following information obtained from a conversation with Sir Clive Whitmore.

The European consortium would submit an offer before the deadline. The offer figured would be higher than Sikorsky's. The four European Defence Ministers would indicate that orders and subcontracting would be available for Westlands if the European deal went ahead. That would effectively supersede the National Armaments Directors recommendation which would be overtaken by events. British Aerospace would be part of the European consortium. Bristows would not, at least formally.

Whitmore's expectation was that Westlands would still go ahead with the Sikorsky deal. The Europeans would then fight and lobby the bankers hard. An increase in the Sikorsky bid was expected.

Whitmore did not expect his Secretary of State to request a Ministerial meeting. The ball was in Westlands' court. Mr Heseltine would likely circulate a minute giving this factual background.

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13 December 1985

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