

PRIME MINISTER

cc Mr. Alison  
Mr. Wicks  
Mr. Flesher  
Mr. Norgrove  
Policy Unit  
Mr. Sherbourne

**WESTLAND**

I attach a first draft of a speech for Wednesday's debate, as a basis for discussion tomorrow morning. It follows the chronological approach for which you asked. I am sending copies in parallel to Clive Whitmore, John Michelle (DTI) and John Wiggins (Cabinet Office) to make sure the facts are right.

CDP

CHARLES POWELL  
13 January 1986

ECL/77





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10 DOWNING STREET

From the Private Secretary

13 January 1986

Dear Clive,

WESTLAND

I enclose a very early draft of the Prime Minister's speech in the Westland debate on 15 January, following a chronological approach for which she has asked, with the request that you let me have any comments and proposals for improvements by the early afternoon of 14 January if possible.

I am copying this letter and enclosure on the same basis to John Michell (Department of Trade and Industry) and John Wiggins (Cabinet Office).

Yours sincerely,  
Charles Powell

(Charles Powell)

Sir Clive Whitmore, K.C.B., C.V.O.,  
Ministry of Defence.



CONFIDENTIAL

File KB



cc Clive Whitmore  
to Michelle DTI  
to Wiggins co

10 DOWNING STREET

*From the Private Secretary*

14 January 1985

WESTLAND  
PRIME MINISTER'S SPEECH IN THE HOUSE

I enclose a copy of a draft of the Prime Minister's speech in the Debate on Westland on 15 January as it stands tonight. I should be grateful for any corrections or amendments by 1200 hours at the latest. You will no doubt wish to consider, in particular, whether the references to conversations with Sir John Cuckney should be cleared with him.

I am copying this letter and enclosure to the Private Secretaries to the Defence Secretary, the Chief Secretary, the Lord President, the Lord Privy Seal, the Attorney General, the Chief Whip and to Sir Robert Armstrong.

(CHARLES POWELL)

John Mogg, Esq.,  
Department of Industry.

CONFIDENTIAL

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MR. SPEAKER

INTRODUCTION

THE FUTURE OF WESTLAND IS AN IMPORTANT ISSUE, IMPORTANT  
FOR THE SHAREHOLDERS AND IMPORTANT ABOVE ALL  
FOR THOSE WHOSE JOBS ARE AT STAKE.

BUT WE HAVE TO REMEMBER IN THIS DEBATE THAT WE ARE  
DEALING WITH A PUBLIC LIMITED COMPANY IN A  
SENSITIVE MARKET SITUATION, IN WHICH THE  
BOARD OF DIRECTORS HAVE LEGAL OBLIGATIONS AND  
AN EXTRAORDINARY GENERAL MEETING OF  
SHAREHOLDERS IS PENDING.

*Prospectus?*



I HOPE THAT NOTHING WILL BE SAID DURING THIS  
DEBATE WHICH MAKES THEIR TASK OF SECURING  
A PROSPEROUS FUTURE FOR WESTLAND MORE  
DIFFICULT.

CHRONOLOGY

IT MAY HELP THE HOUSE IF I START BY SETTING OUT  
DEVELOPMENTS IN RELATION TO THE WESTLAND  
COMPANY OVER THE PAST EIGHTEEN MONTHS.

THE FACT THAT WESTLAND FACED A POTENTIALLY DIFFICULT  
SITUATION WAS FIRST BROUGHT TO THE  
GOVERNMENT'S ATTENTION IN LATE 1984.

WE WERE TOLD THAT THEIR DIFFICULTIES STEMMED



PARTLY FROM DELAYS ON THE PROSPECTIVE INDIAN  
ORDER FOR 21 W30 HELICOPTERS; AND PARTLY FROM  
UNCERTAINTY ABOUT ~~THE MINISTRY OF DEFENCE'S~~  
~~FUTURE PROCUREMENT PLANS~~ *for the Armed Forces*

THESE DIFFICULTIES WERE THE SUBJECT OF  
DISCUSSION BETWEEN MINISTERS  
AND OFFICIALS FROM THE DTI AND THE MOD IN THE  
LATTER PART OF 1984 AND EARLY 1985.

THERE WERE ALSO A NUMBER OF CONTACTS  
WITH THE FIRM ITSELF.

IN THE COURSE OF THESE DISCUSSIONS AND  
CONTACTS, VERY CAREFUL CONSIDERATION WAS  
GIVEN TO WHAT ACTION MIGHT BE OPEN TO THE  
GOVERNMENT TO HELP WESTLAND.

*It was then considered*  
IN PARTICULAR ~~THE THEN~~ SECRETARY OF STATE FOR



~~DEFENCE WAS ASKED TO CONSIDER~~ WHETHER THE  
SERVICES' HELICOPTER REQUIREMENTS COULD BE  
MET BY PURCHASE OF THE WESTLAND W30.

HOWEVER THE CONCLUSION REACHED WAS THAT THERE  
WAS NO DEFENCE INTEREST WHICH CALLED  
FOR A PUBLIC SECTOR RESCUE OPERATION  
AND THAT IT WOULD NOT BE APPROPRIATE TO GIVE  
WESTLAND EXTRA ORDERS FOR WHICH THERE WAS NO  
DEFENCE NEED.

INSTEAD THERE SHOULD BE A MARKET SOLUTION TO  
WESTLAND'S DIFFICULTIES ( A PHRASE FIRST USED  
IN THIS CONTEXT, TO THE BEST OF MY  
RECOLLECTION, BY THE THEN DEFENCE SECRETARY.)

~~What then~~  
Sf.

IT WAS AGAINST THIS BACKGROUND THAT, ON 29 APRIL LAST



YEAR, THE BRISTOW ROTORCRAFT COMPANY

ANNOUNCED AN OFFER FOR WESTLAND.

THEIR BID WAS RECOMMENDED BY THE BOARD TO  
WESTLAND SHAREHOLDERS.

HOWEVER, IT SUBSEQUENTLY BECAME EVIDENT THAT  
MR. BRISTOW WAS UNCERTAIN WHETHER TO PROCEED  
WITH HIS BID, IN VIEW OF INFORMATION  
AVAILABLE TO HIM ABOUT THE COMPANY'S  
POSITION.

HE SOUGHT INFORMATION ABOUT THE GOVERNMENT'S  
VIEWS AND INTENTIONS, IN PARTICULAR OUR  
ATTITUDE TO REPAYMENT OF THE LAUNCH AID FOR  
THE W30 PROJECT, AND WHETHER WE WOULD PROCURE  
THE W30 HELICOPTER.

I CHAIRED MEETINGS OF MINISTERS ON 18 AND



19 JUNE TO REVIEW THE POSITION AND TO <sup>SEEK</sup> ~~AGREE~~  
THE GOVERNMENT'S RESPONSE TO THESE REQUESTS.

IT WAS ALSO AGREED THAT, IN THE EVENT, THAT BRISTOW  
ROTOCRAFT WERE TO WITHDRAW ITS OFFER, THE  
THEN SECRETARY OF STATE FOR TRADE AND  
INDUSTRY SHOULD ENCOURAGE THE BANK OF ENGLAND  
TO BRING TOGETHER THE MAIN CREDITORS WITH THE  
OBJECTIVE OF DEVELOPING A RECOVERY STRATEGY.

ON 20 JUNE, BRISTOW ROTORCRAFT WITHDREW ITS BID.

ON 26 JUNE SIR JOHN CUCKNEY WAS APPOINTED AS  
CHAIRMAN OF WESTLAND.

MEANWHILE THE GOVERNMENT RECEIVED INDICATIONS  
OF INTEREST BY AT LEAST ONE US CORPORATION IN



*but that came to nothing.*

MAKING A BID FOR WESTLAND; AND ON 26 JUNE  
UNITED TECHNOLOGIES INFORMED MINISTRY OF  
DEFENCE MINISTERS THAT THEY WERE INTERESTED  
IN ACQUIRING AN EQUITY STAKE IN THE COMPANY.

MEMBERS WILL RECALL THAT THE HOUSE DEBATED THE FUTURE  
OF WESTLAND ON THE ADJOURNMENT ON 8 JULY LAST  
YEAR.

MY RT. HON. FRIEND THE MINISTER FOR  
INFORMATION TECHNOLOGY MADE CLEAR IN THAT  
DEBATE THAT IT WAS NOT FOR THE GOVERNMENT TO  
INTERVENE IN THE MANAGEMENT OF THE COMPANY OR  
TO SEEK TO INFLUENCE THE FORM ITS FUTURE  
SHOULD TAKE.



ON 18 SEPTEMBER, SIR JOHN CUCKNEY SHOWED TO THE <sup>DTI</sup>

~~GOVERNMENT~~ REPORTS ON THE COMPANY'S FUTURE WHICH HAD BEEN PREPARED BY LAZARDS AND PRICE WATERHOUSE, AND INFORMED THE DEPARTMENT OF TRADE AND INDUSTRY OF HIS PLANS FOR THE FINANCIAL RECONSTRUCTION OF WESTLAND, INVOLVING CONVERSION OF EXISTING BORROWINGS INTO EQUITY AND INTRODUCTION OF A NEW INDUSTRIAL PARTNER.

HE ALSO REVEALED THAT HE WAS HAVING DISCUSSIONS WITH SIKORSKY OF AMERICA, WITH <sup>who</sup> MBB OF GERMANY, WITH AEROSPATIALE OF FRANCE AND WITH AGUSTA OF ITALY, ABOUT THE POSSIBILITY OF TAKING A MINORITY STAKE. HE ADDED THAT HE HAD ALSO APPROACHED BRITISH



AEROSPACE BUT HAD RECEIVED A NEGATIVE RESPONSE. HE ALSO STRESSED THE URGENCY OF REACHING A SOLUTION BEFORE WESTLAND HAD TO FINALISE THEIR ACCOUNTS LATER IN THE YEAR.

AT A MEETING ON 16 OCTOBER, CHAIRED BY THE

TRADE AND INDUSTRY SECRETARY (~~IN MY ABSENCE AT THE COMMONWEALTH HEADS OF GOVERNMENT MEETING,~~)

IT WAS DECIDED TO ENCOURAGE WESTLAND TO EXPLORE FURTHER THE POSSIBILITIES OF COOPERATION WITH THE EUROPEAN COMPANIES, WHICH WERE PARTNERS OR POTENTIAL PARTNERS OF WESTLAND IN A NUMBER OF COLLABORATIVE PROJECTS.

( I WOULD EMPHASISE TO THE HOUSE THAT THIS VIEW



WAS EXPRESSED BEFORE ANY FIRM PROPOSALS WERE  
ON THE TABLE.

THERE WAS NO QUESTION OF THE GOVERNMENT  
TAKING SIDES BETWEEN SPECIFIC PROPOSITIONS.

THIS VIEW WAS COMMUNICATED TO SIR JOHN CUCKNEY  
BY THE TRADE AND INDUSTRY SECRETARY ON  
18 OCTOBER.

SIR JOHN SAID THAT HE WAS WELL AWARE OF THE  
GOVERNMENT'S PREFERENCE FOR A EUROPEAN  
MINORITY SHAREHOLDER AND ATTACHED WEIGHT TO  
THAT PREFERENCE.

HE HAD MADE IT CLEAR TO THE EUROPEAN  
COMPANIES THAT HE WOULD CONSIDER ANY  
REASONABLE PROPOSITION.



SIR JOHN CUCKNEY AGAIN EMPHASISED WESTLAND'S NEED

FOR A RAPID CONCLUSION TO ITS PLANS FOR A  
FINANCIAL RECONSTRUCTION.

THEIR 1984-5 RESULTS HAD TO BE ANNOUNCED  
BEFORE CHRISTMAS AND UNLESS A FINANCIAL  
RECONSTRUCTION WAS IN PLACE BEFORE THEN, THE  
COMPANY WOULD BE LEGALLY OBLIGED TO GO INTO  
RECEIVERSHIP.

A NUMBER OF CONTACTS SUBSEQUENTLY TOOK PLACE WITH

EUROPEAN COMPANIES AND GOVERNMENTS, AND THEIR  
PACE QUICKENED FOLLOWING A MEETING BETWEEN  
THE DEFENCE SECRETARY AND SIR JOHN CUCKNEY ON  
26 NOVEMBER.



IT WAS AT THIS STAGE, ON 29 NOVEMBER, THAT THE NATIONAL ARMAMENTS DIRECTORS OF THE UK, FRANCE, WEST GERMANY AND ITALY MET IN LONDON AND REACHED A PROVISIONAL AGREEMENT THAT THE FOUR GOVERNMENTS WOULD COVER THEIR MAIN HELICOPTER NEEDS IN FUTURE SOLELY BY HELICOPTERS DESIGNED AND BUILT IN EUROPE. THIS PROVISIONAL AGREEMENT WAS NOT DISCUSSED IN ADVANCE BY THE THEN DEFENCE SECRETARY WITH HIS MINISTERIAL COLLEAGUES. ITS EFFECT WOULD HAVE BEEN TO EXCLUDE A POSSIBLE SIKORSKY/WESTLAND PARTNERSHIP FROM RECEIVING EUROPEAN ORDERS. ON 3 DECEMBER SIR JOHN CUCKNEY WROTE TO THE TRADE AND INDUSTRY SECRETARY TO URGE THAT THE



RECOMMENDATION SHOULD NOT BE ACCEPTED BY THE GOVERNMENT.

HE POINTED OUT THAT THE EFFECT WOULD BE TO PRE-EMPT THE CHOICE OF HIS BOARD AND SHAREHOLDERS, BY MAKING IT IMPOSSIBLE TO RECOMMEND TO THE COMPANY'S SHAREHOLDERS AND BANKS ANY RECONSTRUCTION PROPOSALS INVOLVING SIKORSKY AND FIAT.

HE ADDED THAT, WHILE WESTLAND HAD RECEIVED INDICATIONS OF INTEREST FROM THE EUROPEAN COMPANIES, THEY DID NOT MARK ANY ADVANCE ON EARLIER PROPOSALS WHICH HAD BEEN REJECTED AS INADEQUATE.

IN CONSEQUENCE THERE WAS A SERIOUS RISK OF HAVING NO EFFECTIVE RECONSTRUCTION PROPOSALS



TO PUT FORWARD WITHIN THE URGENT TIMESCALE TO WHICH THE COMPANY HAD TO ADHERE.

IN THE LIGHT OF THESE DEVELOPMENTS MINISTERS MET UNDER MY CHAIRMANSHIP ON 4 AND 5 DECEMBER TO CONSIDER THEIR RESPONSE.

IN DOING SO THEY WERE VERY CONSCIOUS OF THE APPROACHING DEADLINE FOR PUBLISHING THE WESTLAND ACCOUNTS AND THE NEED FOR THE COMPANY TO HAVE A FINANCIAL RECONSTRUCTION PACKAGE IN PLACE BY THEN.

THE ISSUES BEFORE US WERE FIRST WHETHER TO WRITE OFF THE LAUNCH AID GIVEN EARLIER TO WESTLAND.

IT WAS EVIDENT THAT THIS CONDITION FOR ANY



SUCCESSFUL FINANCIAL RECONSTRUCTION WHICH  
WOULD ALLOW THE COMPANY TO CONTINUE IN  
BUSINESS.

AND SECOND WHETHER TO ACCEPT THE  
RECOMMENDATION OF THE NATIONAL  
ARMAMENTS' DIRECTORS.

IT WAS CLEAR - AND SO RECORDED AT THE TIME IN THE  
CONCLUSIONS OF THE MEETINGS - THAT A MAJORITY  
OF MINISTERS PRESENT TOOK THE VIEW THAT  
ACCEPTANCE OF THE NADs RECOMMENDATION  
WOULD ACTUALLY REMOVE FROM THE WESTLAND  
SHAREHOLDERS ANY ELEMENT OF CHOICE.  
THEY WERE THEREFORE  
READY TO DECIDE



MOD.  
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AT THAT STAGE THAT THE GOVERNMENT SHOULD  
REJECT THE RECOMMENDATION FROM THE NATIONAL  
ARMAMENTS DIRECTORS, THUS LEAVING WESTLAND  
FREE TO REACH ITS DECISION FREE FROM ANY  
CONSTRAINT.

BUT BECAUSE A MINORITY - INCLUDING MY RT.  
HON. FRIEND THE MEMBER FOR HENLEY -  
EVIDENTLY FELT STRONGLY ABOUT THE MATTER, I  
CONCLUDED THAT A FURTHER DISCUSSION SHOULD BE  
HELD IN THE FULL ECONOMIC SUB-COMMITTEE OF  
THE CABINET, FOR WHICH A FULL PAPER SHOULD BE  
PREPARED.

SUCH A PAPER WAS PREPARED JOINTLY BY OFFICIALS FROM THE  
DEPARTMENT OF TRADE AND INDUSTRY AND THE



MINISTRY OF DEFENCE AND CONSIDERED BY THE  
ECONOMIC SUB-COMMITTEE OF THE CABINET ON  
9 DECEMBER.

SIR JOHN CUCKNEY AND HIS ADVISERS WERE  
INVITED TO ATTEND PART OF THAT MEETING TO  
EXPLAIN THEIR POINT OF VIEW AND ANSWER  
QUESTIONS.

AFTER CONSIDERABLE DISCUSSION IT WAS  
CONCLUDED AND FORMALLY RECORDED BY THE  
CABINET SECRETARIAT, THAT UNLESS A FIRM  
PROPOSAL FROM THE EUROPEAN CONSORTIUM WHICH  
THE BOARD OF WESTLAND COULD RECOMMEND TO ITS  
SHAREHOLDERS WAS RECEIVED BY 4 P.M. ON  
FRIDAY 13 DECEMBER, THE GOVERNMENT WOULD NOT  
BE BOUND BY THE NAD'S RECOMMENDATIONS.



THIS DEADLINE WAS SET IN ORDER TO ALLOW  
REASONABLE TIME FOR MORE SPECIFIC EUROPEAN  
PROPOSALS TO BE PUT TOGETHER, WITHOUT RUNNING  
UP AGAINST THE DEADLINE IMPOSED BY  
WESTLAND'S NEED TO HAVE A FINANCIAL  
RECONSTRUCTION PACKAGE IN PLACE BY THE TIME  
ITS ACCOUNTS WERE PUBLISHED.

NO MENTION WAS MADE IN THE MINUTES OR  
CONCLUSIONS OF THE MEETING OF ANY DECISION TO  
HOLD A FURTHER MEETING.

THE POSITION WAS FULLY REPORTED TO THE HOUSE BY THE  
SECRETARY OF STATE FOR TRADE AND INDUSTRY ON  
16 DECEMBER, AND BY MYSELF ON 17 DECEMBER.<sup>at</sup>



CABINET ON 19 DECEMBER CONFIRMED THE GOVERNMENT'S VIEW THAT IT WAS FOR WESTLAND TO DECIDE WHAT WAS THE BEST COURSE TO FOLLOW IN THE BEST INTERESTS OF THE COMPANY AND ITS EMPLOYEES AND THAT NO MINISTER WOULD LOBBY IN FAVOUR OF ONE PROPOSAL OR ANOTHER.

I REPORTED THIS TO THE HOUSE ON 19 DECEMBER.

WESTLAND SUBSEQUENTLY PUT PROPOSALS TO THEIR

SHAREHOLDERS ON 21 DECEMBER TO EFFECT A CAPITAL RECONSTRUCTION INVOLVING UNITED TECHNOLOGIES AND FIAT.

ON 2 JANUARY THEY SENT TO THEIR SHAREHOLDERS A COPY OF REVISED PROPOSALS BY THE EUROPEAN CONSORTIUM.



CABINET ON 9 JANUARY CONFIRMED UNANIMOUSLY THE  
GOVERNMENT'S CONCLUSIONS OF 19 DECEMBER.  
UNFORTUNATELY MY RT. HON. FRIEND THE MEMBER  
FOR HENLEY WAS ALONE IN BEING UNABLE TO AGREE  
THAT, TO AVOID ANY POSSIBLE PREJUDICE TO THE  
SENSITIVE COMMERCIAL NEGOTIATIONS THEN IN  
TRAIN, ALL STATEMENTS BY MINISTERS SHOULD BE  
CLEARED INTER-DEPARTMENTALLY THROUGH THE  
CABINET OFFICE.

THE GOVERNMENT'S CONDUCT

I HAVE GIVEN THE HOUSE THIS FULL ACCOUNT, BECAUSE I  
THINK IT IS IMPORTANT TO SET THE



DEVELOPMENTS OF THE PAST MONTH IN THE WIDER  
CONTEXT OF THE COMPANY'S DIFFICULTIES OVER A  
PERIOD OF A YEAR AND A HALF, THE ATTEMPTS  
MADE TO FIND A SOLUTION TO THEM, AND THE  
URGENCY IN THE CLOSING WEEKS OF LAST YEAR OF  
FINDING A SOLUTION WHICH WOULD ALLOW THE  
COMPANY TO CONTINUE TRADING.

THE GOVERNMENT'S CONDUCT THROUGHOUT HAS BEEN GUIDED BY

FOUR MAIN CONSIDERATIONS:

- FIRST THAT WE WOULD NOT MOUNT A PUBLIC  
SECTOR RESCUE BUT TO LOOK TO A MARKET  
SOLUTION.

THIS WAS AGREED BY ALL MINISTERS CONCERNED



AT A VERY EARLY STAGE IN THE AFFAIR AND WAS  
OF COURSE ENTIRELY CONSISTENT WITH THE  
INDUSTRIAL POLICY PURSUED BY THIS GOVERNMENT  
OVER THE PAST 6½ YEARS.

[I WAS NOT SURPRISED IN THIS CONTEXT TO HEAR  
THE RT. HON. GENTLEMAN THE LEADER OF THE  
OPPOSITION TROTting OUT THE USUAL SOCIALIST  
FORMULA THAT THE GOVERNMENT SHOULD TAKE A  
STAKE.]

- SECOND, AND IN LINE WITH OUR ACTIVE SUPPORT  
FOR GREATER COOPERATION IN EUROPEAN DEFENCE  
PROCUREMENT, WE WERE READY TO INVESTIGATE THE  
POSSIBILITY OF A EUROPEAN MINORITY STAKE IN  
WESTLAND AND INDEED TO ENCOURAGE PROPOSALS



FOR THIS PROVIDED THAT SUCH PROPOSALS WERE  
ACCEPTABLE TO THE BOARD AND ITS SHAREHOLDERS.  
WE WANTED TO ENSURE THAT THE COMPANY HAD A  
GENUINE CHOICE OF PROPOSALS.  
BUT WE DID NOT WANT TO TAKE SIDES BETWEEN THE  
PROPOSALS OR TELL THE COMPANY WHICH TO  
ACCEPT.

THERE IS ONE VERY IMPORTANT CONSIDERATION IN THIS WHICH  
I WOULD DRAW TO THE HOUSE'S ATTENTION.  
HAD THE GOVERNMENT PRESSED THE BOARD OF  
WESTLAND TO FAVOUR OR ADOPT A PARTICULAR  
SOLUTION IT WOULD HAVE CARRIED THE  
IMPLICATION THAT WE WERE READY TO BACK THAT  
CHOICE IN THE LAST RESORT FROM PUBLIC FUNDS.



WE WERE NOT AND ARE NOT PREPARED TO ACCEPT  
ANY SUCH LIABILITY.

- THIRD WE WERE DETERMINED TO ENSURE THAT OUR  
ARMED FORCE WOULD HAVE, AND CONTINUE TO HAVE,  
ACCESS TO THE BEST EQUIPMENT FROM WHATEVER  
SOURCE.

- AND FOURTH WE WANTED TO LEAVE NO DOUBT THAT  
THE GOVERNMENT WOULD CONTINUE TO SUPPORT  
WESTLAND, AS A BRITISH COMPANY OPERATING IN  
BRITAIN, WHICHEVER OF THE PROPOSALS BEFORE  
THEM THE SHAREHOLDERS DECIDED TO ACCEPT AND  
TO RESIST ANY ATTEMPT BY OTHERS TO  
DISCRIMINATE AGAINST THEM.



I BELIEVE THAT THE HOUSE WILL AGREE THAT THE  
RECORD SHOWS THAT THE GOVERNMENT HAS ACTED  
CONSISTENTLY WITH THESE PRINCIPLES  
THROUGHOUT.

THE RT. HON. GENTLEMAN, THE LEADER OF THE OPPOSITION,  
HAS SUGGESTED THAT THE GOVERNMENT DID NOT  
DISCUSS THE ISSUES IN SUFFICIENT DEPTH OR IN  
A TIMELY WAY.

MY ACCOUNT HAS SHOWN THAT SUCH AN ALLEGATION  
IS ABSURD.

THERE HAVE BEEN INNUMERABLE DISCUSSIONS OF  
WESTLAND'S AFFAIRS BETWEEN  
DEPARTMENTS AND WITH THE COMPANY OVER A



PERIOD OF 15 MONTHS.

HUNDREDS OF PAGES OF CORRESPONDENCE HAVE BEEN EXCHANGED BETWEEN MINISTERS AND BETWEEN OFFICIALS.

WESTLAND'S FINANCIAL ARRANGEMENTS HAVE BEEN THE SUBJECT OF REPEATED DISCUSSED BETWEEN MINISTERS.

I MYSELF HAVE CHAIRED MEETINGS OF MINISTERS ON FIVE SEPARATE OCCASIONS IN THE PAST SEVEN MONTHS TO CONSIDER WESTLAND'S FUTURE.

AND THE MATTER HAS BEEN RAISED IN FULL CABINET ON AT LEAST THREE OTHER OCCASIONS.

THERE CAN BE NO DOUBT THAT THE PROBLEMS HAVE BEEN CONSIDERED SERIOUSLY AND RESPONSIBLY.



STYLE OF GOVERNMENT

THE RT. HON. GENTLEMAN HAS ALSO CHOSEN TO SPEAK OF  
STYLE OF GOVERNMENT, NOT A MATTER ON WHICH  
HIS OWN EXPERIENCE IS PROFOUND.  
I WOULD JUST SAY THIS TO HIM.  
IN A MODERN GOVERNMENT IT IS SIMPLY NOT  
POSSIBLE FOR ALL MINISTERS TO TAKE PART IN  
DISCUSSION OF ALL POLICIES.  
THAT IS WHY WE HAVE CABINET COMMITTEES,  
SUB-COMMITTEES AND AD HOC GROUPS OF  
MINISTERS TO DISCUSS INDIVIDUAL ITEMS OF  
BUSINESS, WITH ONLY THE MOST IMPORTANT AND  
FAR-REACHING DECISIONS DISCUSSED IN FULL



CABINET.

IN THE CASE OF WESTLAND THE CONVENTIONS WERE METICULOUSLY OBSERVED AND ALL MEMBERS OF THE GOVERNMENT WERE GIVEN AMPLE OPPORTUNITY TO AIR THEIR VIEWS AND SEEK TO PERSUADE COLLEAGUES.

IT IS CERTAINLY THE CASE THAT THE FIRST DISCUSSIONS WERE IN AN AD HOC GROUP OF SEVEN MINISTERS.

BUT IT WAS PRECISELY TO MEET THE STRONGLY HELD VIEWS OF A MINORITY IN THIS GROUP THAT DECISIONS WERE NOT PRESSED THERE EVEN THOUGH THE NECESSARY MAJORITY EXISTED.

RATHER I PROVIDED FOR DISCUSSIONS TO CONTINUE BY REFERRING THE MATTER TO THE ECONOMIC



SUB-COMMITTEE OF CABINET SO THAT A WIDER NUMBER OF COLLEAGUES COULD BE INVOLVED AND THE ISSUES SETTLED IN A FORMAL FRAMEWORK. THIS MEETING ON 9 DECEMBER REACHED CLEAR CONCLUSIONS WHICH WERE RATIFIED BY FULL CABINET ON 19 DECEMBER.

THROUGHOUT I HAVE SOUGHT - AND OBTAINED - THE AGREEMENT OF COLLEAGUES TO THE LINE BEING TAKEN BY GOVERNMENT.

IN THE LIGHT OF SOME OF THE COMMENTS

SUBSEQUENTLY MADE, I WOULD ONLY OBSERVE THAT IT IS NO SECRET THAT MY RT. HON. FRIEND THE MEMBER FOR HENLEY WAS A STRONG PARTISAN FOR THE EUROPEAN SOLUTION, TO THE POINT WHERE HE



WISHED IT IN EFFECT TO BE THE ONLY SOLUTION  
AVAILABLE TO WESTLAND.

IT IS NATURALLY DISAPPOINTING NOT TO WIN  
ONE'S CASE.

BUT THAT IS A FATE WHICH WE ALL EXPERIENCE  
FROM TIME TO TIME.

MOST OF US, IN SUCH A SITUATION, FIND IT  
POSSIBLE TO GIVE OUR LOYAL SUPPORT TO  
THE DECISIONS OF THE GOVERNMENT AS A WHOLE.

IT WAS THEREFORE A GREAT DISAPPOINTMENT TO

ALL OF US THAT MY RT. HON. FRIEND THE MEMBER  
FOR HENLEY - WHO HAD PARTICIPATED IN AND  
SUBSCRIBED TO ALL THE DECISIONS OF THE



GOVERNMENT THROUGHOUT THIS PERIOD - WAS  
UNABLE TO ACCEPT THE UNANIMOUS VIEW OF ALL  
OTHER MEMBERS OF THE CABINET ON AN ISSUE OF  
PROCEDURE AND CHOSE TO LEAVE THE GOVERNMENT.  
THE STYLE OF GOVERNMENT OF WHICH HE NOW  
COMPLAINS DID NOT PREVENT HIM FROM STAYING  
WITH US FOR SOME 6½ YEARS.