

MR. SPEAKER

MARK IAINTRODUCTION

IT MAY HELP THE HOUSE IF I BEGIN BY SETTING OUT

DEVELOPMENTS IN RELATION TO THE WESTLAND

COMPANY OVER THE PAST EIGHTEEN MONTHS.

I WILL DO THIS IN ORDER TO DEMONSTRATE TO

THE HOUSE:

FIRST, THAT THE COMPANY HAS BEEN THE SUBJECT

OF PROPER AND SERIOUS COLLECTIVE

CONSIDERATION BY MINISTERS FOR WELL OVER A

YEAR.

SECOND, THAT A FULL RANGE OF OPTIONS FOR ITS FUTURE HAS BEEN CONSIDERED AND DEBATED WITHIN GOVERNMENT.

THIRD, THAT DURING THIS PERIOD, AND LATTERLY TO AN INCREASING DEGREE, THIS PUBLIC LIMITED COMPANY HAS BEEN IN A PRECARIOUS FINANCIAL CONDITION SO THAT THE BOARD OF DIRECTORS, AND GOVERNMENT TOO, HAD PARTICULAR LEGAL OBLIGATIONS TO WHICH THEY AND WE HAD TO PAY SCRUPULOUS ATTENTION.

AND LET ME REMIND THE HOUSE THAT THE SITUATION STILL EXISTS SINCE AN EXTRAORDINARY GENERAL MEETING IS STILL PENDING.

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

FOURTH, THAT THE GOVERNMENT WOULD WELCOME THE COMPANY HAVING A CHOICE OF VARIOUS OFFERS FOR MINORITY SHAREHOLDERS, INCLUDING, IF THAT WERE POSSIBLE, THE SO CALLED EUROPEAN OPTION.

FIFTH, AND FINALLY, THE DEFENCE IMPLICATIONS OF THE COMPANY'S FUTURE WERE GIVEN FULL WEIGHT IN OUR DISCUSSION WHICH TOOK ACCOUNT OF THE NEED TO ENSURE THAT OUR ARMED SERVICES ARE GIVEN THE BEST EQUIPMENT

NEEDED FOR OUR OPERATIONAL REQUIREMENTS.

I AM SURE THAT THE HOUSE WILL AGREE THAT THIS
IS AN IMPORTANT, IF NOT PARAMOUNT,
REQUIREMENT.

I WILL THEN DEAL WITH WHAT [THE RIGHT HONOURABLE
GENTLEMAN HAS TERMED STYLE OF GOVERNMENT]
AND WITH THE PRECISE CIRCUMSTANCES
SURROUNDING THE RESIGNATION OF MY RIGHT
HONOURABLE FRIEND FOR HENLEY.

CHRONOLOGY

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 FUTURE PROCUREMENT PLANS OF THE ARMED SERVICES.

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

*Is this order
enlarged upon
anywhere
W.30 - a helicopter -
designed by
Westland.*

GOVERNMENT TO HELP WESTLAND, IN PARTICULAR
WHETHER THE SERVICES' HELICOPTER REQUIREMENTS
COULD BE MET BY PURCHASE OF THE WESTLAND W30.
HOWEVER THE CONCLUSION REACHED - AND NO
MINISTER DISSENTED FROM THAT CONCLUSION - WAS
THAT IT WOULD NOT BE APPROPRIATE TO GIVE
WESTLAND EXTRA ORDERS WHICH OUR ARMED FORCES
DID NOT NEED.

THERE WAS NO DEFENCE INTEREST WHICH CALLED
FOR A PUBLIC SECTOR RESCUE OPERATION.

INSTEAD THERE SHOULD BE A MARKET SOLUTION TO
WESTLAND'S DIFFICULTIES.

THAT WAS AND REMAINS THE POSITION OF THE
GOVERNMENT.

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 ADVICE 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 SETTLE
THE GOVERNMENT'S RESPONSE TO THESE REQUESTS
FOR INFORMATION.

*What was the
response.*

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 ROTOCRAFT 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 MAKING A BID FOR WESTLAND WHICH WAS SUBSEQUENTLY NOT PURSUED; AND ON 26 JUNE THE UNITED TECHNOLOGIES CORPORATION 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, AN APPROACH WHICH SO FAR AS I AM
AWARE WAS ACCEPTED BY EVERY MINISTER
CONCERNED.

ON 18 SEPTEMBER, SIR JOHN CUCKNEY SHOWED TO THE
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 WHOM WESTLAND HAD A LONG-STANDING RELATIONSHIP - AND WITH 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, 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
BECAUSE) AT THAT STAGE, ^{at a later} THERE WERE NO
SPECIFIC PROPOSITIONS ON ~~WHICH TO TAKE~~ *the table.*
SIDES.

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 THE EMERGENCE OF 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

C
COMPANY WOULD BE LEGALLY OBLIGED TO GO INTO
RECEIVERSHIP.

↳ Hon Laurel and?

A NUMBER OF CONTACTS SUBSEQUENTLY TOOK PLACE WITH
EUROPEAN COMPANIES AND GOVERNMENTS.

BUT IT IS A FACT THAT AS LATE AS AT THE END
OF NOVEMBER WHILE THERE WAS A SIKORSKY/FIAT
OFFER ON THE TABLE, NO FORMAL EUROPEAN OFFER
HAD APPEARED.

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. *for any helicopter orders
designed at Westland - and would have precluded purchase of alternative*

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

*helicopter for
structure even
though they
be better suited
to the requirements
of the armed
forces.*

*This more +
proposal was not*

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.

a group of
IN THE LIGHT OF THESE DEVELOPMENTS, ^{a group of}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 - WITH LOSSES PUBLICLY PREDICTED TO BE OF THE ORDER OF £100 MILLION - 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 WAS A 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
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 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 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 IN A
STATEMENT BY THE SECRETARY OF STATE FOR TRADE
AND INDUSTRY ON 16 DECEMBER.
I ANSWERED QUESTIONS ON 17 DECEMBER.
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.

I THINK THAT ANYONE WITH EXPERIENCE IN THESE MATTERS WILL AGREE THAT IN A SENSITIVE MARKET SITUATION, ANY STATEMENT BY ANY GOVERNMENT REPRESENTATIVE NEEDS TO BE WEIGHED AND SCRUTINISED MOST CAREFULLY IF THE RISK OF GIVING A MISLEADING IMPRESSION IS TO BE AVOIDED.

THE PROPOSAL WHICH I MADE AND WHICH WAS SUPPORTED BY ALL OTHER MEMBERS OF CABINET

WAS IN THE CIRCUMSTANCES NO MORE THAN
PRUDENCE.

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 GOVERNMENT'S CLEAR
POLICY AND 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, EQUALLY, ONCE THE GOVERNMENT HAD TAKEN
THE DECISION NOT TO MOUNT A PUBLIC SECTOR
RESERVE BID BUT TO LEAVE FULL RESPONSIBILITY

FOR THE COMPANY'S FUTURE IN THE HANDS OF ITS DIRECTORS AND SHAREHOLDERS - WHERE IT OUGHT TO BE - IT WAS INCUMBENT ON US NOT TO TAKE SIDES OR EXPRESS A PREFERENCE FOR ANY ONE SET OF PROPOSALS OVER ANOTHER.

THERE IS ONE VERY IMPORTANT FURTHER 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.

THE OVER-RIDING NEED IN THIS CASE IS TO BE ABLE TO PROCURE AND OPERATE TECHNOLOGICALLY ENHANCED HELICOPTERS OF THE RIGHT TYPE TO MEET SERVICE REQUIREMENTS AND TO GET THE BEST VALUE FOR MONEY IN DOING SO.

IF WE ARE TO ACHIEVE THIS, WE CANNOT ACCEPT CONSTRAINTS ON COMPETITION.

- 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 DISCUSSION 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.

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 OF COURSE PREVENT HIM FROM
STAYING WITH US FOR SOME 6½ YEARS.