WESTLAND PLC

Previous reference: CC(85) 37th Conclusions, Minute 1 2. THE PRIME MINISTER invited the Cabinet to consider further developments since their last discussion of the current situation created by the financial difficulties of Westland plc.

The Government had decided long ago not to put public money into Westland, apart from writing off launch aid on the W30-300 helicopter but to leave the company to find its own solution to its problems through the market.

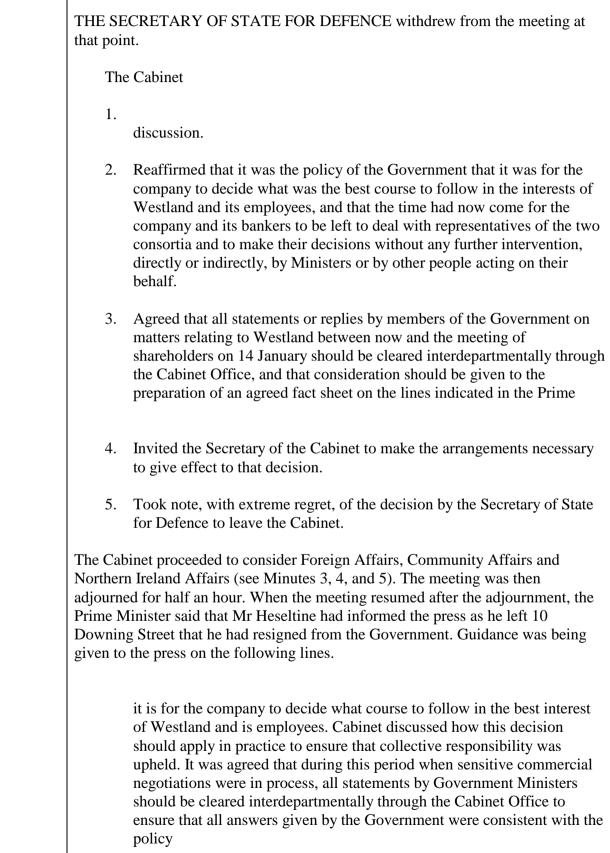
When the Cabinet discussed the matter on 19 December 1985, there were two proposals on the table for a financial reconstruction of Westland (not a takeover) involving either United Technologies and Fiat or a European consortium taking a minority shareholding in Westland. At that meeting the Cabinet had agreed that it remained the policy of the Government that it was for the company to decide what was the best course to follow in the interests of Westland and its employees, and it olicy , no Minister was

entitled to lobby in favour of one proposal rather another and that information



DEFENCE said that there was a certain anxiety that the shareholders of Westland were being given only one choice. The European consortium proposed to have documents available which could be put before the meeting of shareholders at once, if the recommendations by the board of directors on the United Technologies-Fiat proposal did not receive a 75 per cent majority. There need therefore be no question of the company going into receivership provided that solicitors representing Westland did not deny solicitors representing the European consortium access to the appropriate information. If there was not a 75 per cent majority in favour of either proposal, or if 10 per cent of those present sought a delay, then decisions might be delayed until a further Extraordinary General

the Cabinet Office replies on matters which fell within his Ministerial responsibility. He was prepared to clear collectively any new statements which he might be called upon to make, but he must be able to confirm without the delay implicit in the requirement to consult any statement already made. He would be





decided by Cabinet.

Mr Heseltine found himself unable to accept this procedure and leseccept th