

European bid fuels Westland battle

By Julian Haviland
Political Editor

The fight over Westland helicopters will sharpen today with publication of detailed proposals for the company's rescue by a European consortium led by GEC and including French, West German and Italian manufacturers.

Members of the Government who favour the European consortium, brought together by the efforts of Mr Michael Heseltine, Secretary of State for Defence, were confident last night that it will offer terms more attractive to Westland, its shareholders and workforce than those already accepted by the Westland board from Sikorsky of the United States and Fiat of Italy.

Giving details yesterday of the Sikorsky-Fiat arrangement, which will give those companies a 30 per cent holding in Westland, Sir John Cuckney, the chairman, revealed pretax losses of £106.6 million for the year to the end of September.

Sir John described the European counter-offer, as he understood it, as "deficient in commercial appeal". He pointed out how near Westland had been to receivership and how urgent it had been to get a firm rescue agreement in place.

The Prime Minister and other ministers involved recognized that urgency and backed the Sikorsky-Fiat deal in the belief that it was the only one firm enough to guarantee the company's survival.

Mr Heseltine, who has fought a tenacious and sometimes angry battle with his colleagues to keep the European option open, was yesterday allowed for the first time to deploy before the full Cabinet considerations of national defence.

Later he and his chief rival, Mr Leon Brittan, Secretary of State for Trade and Industry, went to the Commons to hear Mrs Margaret Thatcher say the Cabinet had reaffirmed that Westland's future was a matter for its directors and shareholders.

There were Labour shouts of disbelief when Mrs Thatcher, challenged by Mr Neil Kinnock, said that was the position of the whole government.

With Parliament rising today for Christmas, and the Cabinet not due to meet until January 9, the argument between ministers in the two camps stands adjourned.

Whether it resumes will depend on whether today's proposals from the European consortium, of GEC, British Aerospace, Aerospatiale of France, Agusta of Italy, and MBB of West Germany, prove competitive.

● Shareholders in Westland, many of whom are small investors, have suffered attributable losses of £98.7 million (our Business News staff writes). Parliament, page 4 Results and rescue package, page 15