

# HESLTYNE

# IS READY

# TO QUIT

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MICHAEL HESLTYNE  
Vital Implications

By JORDAN BACIS

**DEFENCE Secretary Michael Heseltine is prepared to precipitate a New Year Cabinet crisis by resigning if he loses the battle over Westland helicopters.**

It became clear last night that Mr Heseltine's combustible career is riding on the outcome of Westland's choice between an American-led rescue and his own European package.

He believes the issue holds so many far-reaching implications for British technology and defence strategy that he is ready to throw in his job if the decision goes against him.

Ominously, the blistering personal duel that has lined up Mrs Thatcher and her Industry Secretary Lord Brittan on one side and the Defence Secretary on the other appears to be becoming more embittered than ever.

## Passionate

Rightly or wrongly, Mr Heseltine believes the West Country helicopter firm is too important for national defence interests to be auctioned off to the highest bidder.

Rightly or wrongly, Mrs Thatcher has become convinced that a fairly minor Cabinet decision is being deliberately blown up by him as part of the power struggle for the Tory succession.

Mr Heseltine's friends deny this but admit that he has been angered by the Premier's belittling of his efforts and scepticism about his motives.

There is also the unspoken recognition between the two that one of the Tories' young lions, who is passionate to the point of recklessness, has been deliberately kept on the margin by a Premier alert as a cat to the challenge of heir presumptive.

More details began to emerge last night of the dramatic meeting on December 9 at which Ministers discussed Westland's future.

After Mr Brittan insisted that despite a search for a European solution there was no practical alternative to an American-led takeover by Sikorsky and Fiat, Mr Heseltine is said to have exploded about the loss of jobs

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# Cabinet clash

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and technology, what he called American 'economic imperialism', and the threat of the demise of the British helicopter industry.

When he insisted on taking a personal hand in the affair, both the Premier and Mr Brittan were open in their disbelief that he could come up with anything. And Mrs Thatcher is said to have wondered aloud about Mr Heseltine's motives in making such a 'song and dance' about a relatively small company.

The atmosphere was not improved when Mr Heseltine appears to have suggested that only colossal incompetence at the Industry Department could have produced a solution which would effectively wipe out Britain's only helicopter manufacturer.

The simmering personality clash has been intensified as the Premier and Mr Brittan have become more irritated by the way Mr Heseltine has managed to turn the issue into one where national interest rather than commercial interests has become the criterion for deciding Westland's future.

Both Whitehall and Westlands now expect the bid put together by Sikorsky to be considerably improved, with an irresistible offer in the next 72 hours.

## Package

It may be difficult, even impossible, for Mr Heseltine's European consortium, which is guaranteeing jobs and orders, to come up with better terms.

And that could detonate the crisis threatening to engulf Mrs Thatcher and her estranged Defence Secretary.

The Westland board met for three hours in London yesterday and agreed to put the European consortium's offer to shareholders on January 14.

But last night the European group was complaining that Westland should have gone even further and positively recommended its package.

'They admit our financial terms are better,' said David Horne of Lloyds Merchant Bank, who is co-ordinating the European bid. 'They ought to recommend our package. They should be leading their shareholders.'

Westland asked the Europeans to put all their offers into a single proposal which they will pass on.

Chairman Sir John Cuckney promised that he would write to shareholders with the board's 'overall appraisal' of the two rescue packages.