

Brittan says ploy on Westland was overruled

By Julian Havlland, Political Editor

Mr Leon Brittan, Secretary of State for Trade and Industry, confirmed in the Commons yesterday that the Cabinet has overruled Mr Michael Heseltine, the Defence Secretary, in his attempt to blacklist Westland Helicopters if the firm concludes an agreement with Sikorsky of the United States and Fiat of Italy.

In an extraordinary Commons scene Mr Brittan, with a grim and silent Mr Heseltine sitting beside him, had to insist in the face of Labour ridicule that he was speaking "for the Government as a whole".

More than once Mr Brittan, with seeming good grace, paid tribute to the efforts of Mr Heseltine to put together an alternative rescue package for Westland with French, German and Italian companies.

But he made plain the scepticism with which most Cabinet ministers regard the Heseltine alternative. The European consortium, which includes Aerospatiale, Agusta and Messerschmidt-Bolkow-Blohm, did not exist and had no interest in an arrangement with Westland until a few weeks ago, he said.

He seemed equally doubtful of help coming from GEC, accepting a suggestion from a Conservative backbencher that GEC's interest, expressed late in the day, could not be relied upon.

The Defence Secretary's bearing in the Commons was that of a man who had suffered a tactical reverse but had no intention of leaving the field.

With three ministers from his department at his side he appeared to have gone to the Commons not to support Mr Brittan but to watch him.

It was clear yesterday that Mr Heseltine still believes the European consortium to be capable of making an offer to match Sikorsky and Fiat and still hopes to persuade the Cabinet that such an offer is in Britain's defence interests.

But even if such an offer is made there appeared yesterday to be no prospect of the Cabinet seeking to interfere with the Westland board to secure its acceptance or rejection.

Any offer from the Europeans would have to be in the hands of the Westland board within three weeks of the despatch of the circular recommending the Sikorsky-Fiat arrangement which will be sent to shareholders on Thursday.

Mr Brittan said that as a private sector company it was for Westland to decide how best to secure its future.

Mr Brittan's statement drew a hostile response from Labour but was widely supported by Conservatives.

Geoffrey Smith	2
Parliament	4
Kenneth Fleet	15

Challenged to say whether Sikorsky-Fiat's proposed 30 per cent holding might be a prelude to a full bid, Mr Brittan said there was an option to acquire up to 40 per cent of the shares but not more.

Mr John Smith, chief opposition spokesman on trade and industry, said this was shocking; 40 per cent equalled control, but Mr Brittan assured a Conservative questioner that control would remain in the United Kingdom.

Mr Brittan implicitly rebuked Mr Heseltine on behalf of the Cabinet when he outlined the proposal by defence officials from Britain, Germany, France and Italy that if the Sikorsky-Fiat arrangement went ahead "certain helicopter requirements" would in future be met solely from aircraft designed and built in Europe.

He said this recommendation represented "a substantial extension" to government policy. It was a pistol to the head of Westland, and a big obstacle to the option which the company preferred.

Mr Smith remarked on the extraordinary public wrangling between the two Cabinet ministers and the "fundamental disagreements" at the heart of government policy.

He threw back at Mr Brittan words attributed to Mr Heseltine that the Sikorsky-Fiat arrangement would reduce Westland to metal-bashing and prejudice future European defence co-operation.