

NI3482 5 KXX 273

WESTLAND: NEW MOVE TO BEAT US RIVAL

THE EUROPEAN CONSORTIUM BIDDING TO RESCUE THE WESTLAND HELICOPTER COMPANY TONIGHT MADE A NEW MOVE TO BEAT OFF ITS AMERICAN-BACKED RIVAL.

THE CONSORTIUM GUARANTEED THE WEST COUNTRY COMPANY MORE THAN 1.8 MILLION MAN HOURS OF WORK IN THE NEXT THREE YEARS IF IT ACCEPTED A £73 MILLION DEAL.

THIS COMPARES WITH ONE MILLION MAN HOURS OVER THE SAME PERIOD OFFERED BY THE AMERICAN/ITALIAN PARTNERS OF SIKORSKY AND FIAT.

A SPOKESMAN FOR THE EUROPEAN CAMP TONIGHT DENIED THAT THE NEW MOVE WAS AN IMPROVED OFFER.

"IT MERELY CLARIFIES THE BID WE HAVE ALREADY MADE," HE SAID. "WE HAVE DONE THIS IN RESPONSE TO A LETTER FROM WESTLAND LAST WEEK ASKING WHAT SORT OF WORK WE WOULD BE PROVIDING."

THE DETAILS WERE SPELT OUT IN A LETTER SENT TO THE WESTLAND DIRECTORS TONIGHT IN TIME FOR A CRUCIAL MEETING OF THE COMPANY'S BOARD, EXPECTED NEXT WEEK.

"THE CONSORTIUM ASSURES WESTLAND THAT IN THE THREE YEARS FROM 1987 TO 1989 THEY ARE GUARANTEEING OVER 1.5 MILLION DIRECT MAN HOURS OF WORK SUBJECT ONLY TO AGREEMENT ON PRICE AND TIMING," SAID THE SPOKESMAN.

"IN ADDITION, THERE IS AN EXTRA 300,000 DIRECT MAN HOURS OF WORK ON THE SIX SEA KINGS MAKING A TOTAL OF OVER 1.8 MILLION MAN HOURS."

THE ORDER FOR SIX SEA KINGS HAS BEEN PROMISED BY DEFENCE SECRETARY MICHAEL HESELTINE IF THE FIRM ACCEPTS THE EUROPEAN OFFER.

MR HESELTINE SAID THE EUROPEAN PROPOSALS "INCLUDED AN AGREEMENT BY FOUR EUROPEAN MINISTERS OF DEFENCE TO MERGE TWO COMPETING BATTLEFIELD HELICOPTER PROJECTS - THE A129 FAVOURED BY ITALY AND UNITED KINGDOM AND THE PAH2 FAVOURED BY FRANCE AND WEST GERMANY.

271959 DEC 85

RACINGS: 2.40 KEAPTON (13 RAN)

1 TUGL AT 5-1 JT FAY

2 MORAH HENRY 20-1

3 SUPER EXPRESS 5-1 JT FAY (NEWSWIRE TIP)

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WESTLAND 'BRIBERY' CLAIM

BY CHRIS MONCRIEFF, PA CHIEF POLITICAL CORRESPONDENT

THE WESTLAND STORM GREW TODAY WITH ALLEGATIONS BY A SENIOR TORY BACKBENCHER THAT THE DEFENCE MINISTRY APPEARED TO BE BRIBING OR BLACKMAILING THE COMPANY INTO ACCEPTING AN ALL-EUROPEAN RESCUE DEAL BY OFFERING AN ORDER FOR EXTRA HELICOPTERS.

MR TEDDY TAYLOR, SOUTHBEND EAST MP, HAS WRITTEN TO THE PRIME MINISTER CALLING ON HER TO DISSOCIATE THE GOVERNMENT FROM 'PROMISES' THAT THE MINISTRY WOULD ORDER SIX EXTRA SEA KING HELICOPTERS FROM WESTLANDS IF IT ACCEPTS THE EUROPEAN PACKAGE AND NOT THE RIVAL US-ITALIAN BID.

DEFENCE SECRETARY MICHAEL HESELTINE, CAMPAIGNING IN FAVOUR OF THE EUROPEAN PACKAGE, HAS CANCELLED A FAMILY HOLIDAY TO NEPAL, DUE TO START TOMORROW BECAUSE OF THE WESTLAND CRISIS.

TODAY MR TAYLOR SAID: 'I AM VERY GLAD HE HAS DECIDED TO STAY BEHIND BECAUSE THERE ARE MANY QUESTIONS TO BE ANSWERED.

MR TAYLOR CLAIMED THAT MR HESELTINE HAD MADE IT CLEAR THAT IF WESTLAND WENT FOR THE EUROPEAN SOLUTION HE WOULD ORDER SIX EXTRA SEA KINGS, BUT NOT IF IT ACCEPTED THE US DEAL.

'THIS SEEMS TO BE THE MOST DREADFUL KIND OF BLACKMAIL,' MR TAYLOR SAID. HE HAD WRITTEN TO MRS THATCHER URGING 'THAT SHE WILL MAKE IT ABUNDANTLY CLEAR THAT THEY WILL NOT ALLOW THIS TO HAPPEN. I ALSO WANT MR HESELTINE TO SAY THAT IT WILL NOT HAPPEN.

MR RICHARD SHEPHERD, TORY MP FOR ALDRIDGE BROWNHILLS, SAID: 'WE MUST SEE FAIR PLAY IN THIS. ONLY THE PRIME MINISTER CAN CLEAR UP WHAT APPEARS TO BE A TOTAL MIX UP IN GOVERNMENT POLICY.'

MEANWHILE, MR JOHN SMITH, SHADOW TRADE AND INDUSTRY SECRETARY, HAS CALLED FOR PART NATIONALISATION OF WESTLANDS IN ORDER TO GIVE THE BRITISH TAXPAYER A SAY IN THE FUTURE OF 'A STRATEGICALLY VITAL BRITISH COMPANY.'

271518 DEC 85

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HESELTINE ANSWERS 'BRIBE' CLAIM

DEFENCE SECRETARY MICHAEL HESELTINE TONIGHT RESPONDED TO CLAIMS BY
OPPOSITION BACKBENCHER MP TEDDY TAYLOR THAT THE DEFENCE MINISTRY APPEARED
TO BE BRIBING WESTLAND HELICOPTERS TO ACCEPT AN ALL EUROPEAN RESCUE
BID RATHER THAN A US PACKAGE.

COMMENTING ON MR TAYLOR'S REMARKS, MR HESELTINE REPLIED: "ON MONDAY
DECEMBER 9, I WAS AUTHORISED BY MY COLLEAGUES TO DISCUSS THE NATURE
OF A POTENTIAL BRITISH/EUROPEAN SOLUTION FOR WESTLAND AND TO PUT
FORWARD PROPOSALS.

"ON FRIDAY, DECEMBER 13, THE BRITISH/EUROPEAN CONSORTIUM SUBMITTED
A SET OF PROPOSALS TO WESTLAND RESULTING FROM THESE DISCUSSIONS.

"THESE PROPOSALS INCLUDED AN AGREEMENT BY FOUR EUROPEAN MINISTERS
OF DEFENCE TO MERGE TWO COMPETING BATTLEFIELD HELICOPTER PROJECTS -
THE A129 FAVOURED BY ITALY AND UNITED KINGDOM AND THE PAH2 FAVOURED
BY FRANCE AND WEST GERMANY.

"THE SAVINGS TO THE BRITISH DEFENCE BUDGET ARISING FROM THE
SPREADING OF OVERHEADS ON THIS PROJECT BETWEEN FOUR COUNTRIES AS
OPPOSED TO TWO WAS CALCULATED TO BE OF THE ORDER OF £25 MILLION.

"I OFFERED TO SPEND THIS MONEY WITH WESTLAND ON THE PURCHASE OF SIX
SEA KING HELICOPTERS."

HE ADDED THAT FULL DETAILS OF THIS PROPOSAL WERE MADE AVAILABLE TO
HIS COLLEAGUES ON DECEMBER 13.

MR HESELTINE SAID: "I HAVE CONFIRMED AND RECONFIRMED THIS SEVERAL
TIMES SINCE THEN."

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