



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1A 2HB
Telephone 01-~~2307022~~ 218 2111/3

CC CAP.

MO 26/16/1L

16th December 1985

New John,

WESTLAND: STATEMENT TO THE HOUSE

Thank you for your letter of today's date enclosing the draft of your Secretary of State's statement to the House on Westland.

My Secretary of State has had only limited time to look at your draft before having to depart for another engagement and has not been able to have a word with Mr Brittan about it. Since time is very limited, he would wish to propose only the minimum number of changes required to take some account of the defence procurement aspects of the issue. These are as follows:

- a. Page 1, Line 10 - delete "tentative" insert "initial".
- b. Page 1, Line 14 - amend to read "... in Europe. For the United Kingdom this recommendation represented an extension of the Government's policy agreed with our European allies in 1978 and of our general approach to defence procurement as set out in the 1985 Statement on the Defence Estimates. The existence of the National Armaments Directors recommendation"
- c. Page 2, after Line 7 insert a new paragraph as follows: "During last week British Aerospace announced that they were joining the European consortium as a full member. Also the Governments of France, Germany and Italy agreed with the United Kingdom that they would meet their requirements in each of the three main military helicopter classes by a single collaborative solution, including bringing together for the first time their requirements at the battlefield level into a five nation solution also involving the Netherlands Government. A detailed proposal was submitted by the European consortium including British Aerospace on Friday afternoon, which took account of these proposals at the Government level."
- d. Page 2, Line 20 - Add after "Black Hawk helicopter." a new sentence as follows: "My Rt Hon Friend the Secretary of State for Defence has made clear that there is no Ministry of Defence requirement and no provision in the Defence budget to fund the purchase of the Black Hawk helicopter for the British Armed Forces. This position was clearly set out to Sikorsky when they first approached the Ministry of Defence on the purchase of Black Hawk many months ago."



If there were to be any difficulty over any of these amendments, you will no doubt be in touch with me by telephone.

I am copying this letter to the other recipients of yours.

Yours ever,
Richard Mottram
(R C MOTTRAM)

Westland

4.28 pm

The Secretary of State for Trade and Industry and President of the Board of Trade (Mr. Leon Brittan): With permission, Mr. Speaker. I should like to make a statement. For some months now Westland plc has been in serious financial difficulties and has been seeking an association with an external partner or partners. Negotiations with United Technologies commenced in September 1985 and led to a proposal from Fiat and United Technologies.

At the suggestion of my right hon. Friend the Secretary of State for Defence, the Government agreed that my right hon. Friend should explore the possibility of an alternative association with Aerospatiale, MBB and Agusta becoming available to Westland. An initial proposal emerged and, while it was being produced, the National armaments directors of the United Kingdom, France, Germany and Italy made a recommendation that certain helicopter requirements should in future be met solely from aircraft designed and built in Europe. For the United Kingdom, this recommendation represented a substantial extension to the Government's policy agreed with our European allies in 1978 and of our general approach to defence procurement as set out in the "Statement on the Defence Estimates 1985".

The existence of the national armaments directors' recommendation was regarded by Westland as a major obstacle to the United Technologies-Fiat option, which it at all times preferred. In view of the urgent necessity for a deal to be concluded quickly, the Government decided that from 13 December they would not be bound by the national armaments directors' recommendation unless Westland had by then received a firm offer from the three European companies, which the board would recommend to its shareholders. The Government's intention was to give time for the completion of a firm offer by the European companies to Westland, but to remove any politically imposed obstacle facing Westland if such an offer were not made in time or was unacceptable to Westland.

At the end of last week British Aerospace announced that it was prepared to provide a quarter of the funds offered by the European consortium. The Governments of the United Kingdom, France, Germany and Italy also agreed, but on an entirely provisional basis, that if the European offer were accepted they would meet their requirements in each of the three main helicopter classes by a single collaborative solution.

Westland plc announced on Friday evening that agreement had been reached in principle whereby United Technologies and Fiat will between them take a minority shareholding in Westland. The view of the board of Westland was that the European offer which was finally received was neither firm enough nor attractive enough for the board to be able to recommend it to its shareholders. Accordingly, Her Majesty's Government are not bound by the national armaments directors' recommendation. Full details of the United Technologies-Fiat agreement and of a capital reorganisation of Westland will be announced by the company shortly. As part of the proposed arrangements, Westland will take a licence from the Sikorsky division of United Technologies to manufacture, develop and sell the Blackhawk helicopter.

United Technologies was at all times fully aware that there was currently no Ministry of Defence requirements and no provision in the defence budget to buy the Blackhawk helicopter or any other comparable helicopter. Westland has welcomed the agreement as a private sector solution to its present financial difficulties which offers firm prospects of long-term viability and continues the close co-operation between Westland and Sikorsky, which has existed for several decades, and which led to the production under licence of the successful Wessex, Whirlwind and Sea King helicopters. Westland intends to continue with the Anglo-Italian EH101 programme, and to continue to take part in feasibility studies on a developed version of the A129 and on the NH90. United Technologies has assured Westland that it will continue to maintain a helicopter design and development capability in the United Kingdom.

The Government have ensured that Westland had an alternative European-based offer to consider, but, as a private sector company, it is for Westland to decide the best route to follow to secure its future and that of its employees.

Mr. Speaker: Mr. John Smith.

Mr. John Smith (Monklands, East) rose—

Mr. Dennis Skinner (Bolsover): On a point of order, Mr. Speaker.

Mr. Speaker: Afterwards.

Mr. Skinner: It is very important.

Mr. Speaker: I am sure that it is.

Mr. Skinner: Will the Secretary of State for Defence make his statement, because there are two conflicting views?

Mr. Speaker: Order. Mr. John Smith.

Mr. John Smith: Surely the Secretary of State is not seeking to pretend that there have not been fundamental disagreements, going right to the heart of Government policy, between himself and the Secretary of State for Defence, which have been advertised in the extraordinary public wrangling in recent days? Is there still any concept of collective responsibility in the Government?

Why did the Government refuse to help Westland many months ago when it asked for help? Would it not have been wise to support Britain's only helicopter manufacturer to keep a vital stake in the markets for our industry? Is the right hon. and learned Gentleman telling the House that Britain accepted a recommendation by the national armaments directors only a short time ago, only to have that undertaking unilaterally withdrawn today, apparently only because Westland's board wants to accept the United States' offer? Should our defence policy be decided by the interests of a private sector company?

Is it not revealing that the Secretary of State for Defence—perhaps belatedly, but certainly vigorously—has been fighting for the concept of national interest, while the Secretary of State for Trade and Industry has been defending the ideologically motivated non-interventionist stance of his party? Is it not the case that, as usually happens when the Prime Minister intervenes, party ideology has once again triumphed over the national interest?

Can the Secretary of State say why we should not believe the Secretary of State for Defence when he tells

as that the United States deal will lead to a high-tech British company being reduced to metal bashing, and when he tells us that the deal may prejudice future European defence co-operation, especially on major helicopter projects? Is it not clear that United Technologies wants to find a way into the European market and that, instead of fighting for European industry, the Government are helping to open up American access to it? Does the research and design independence of Westland rest only on the assurance given by United Technologies? Is it not sad that the Government should assist Westland's chairman to find—I quote his recent statement—

“a private sector solution to a private sector problem”
when what is desperately needed is a national solution to a national problem?

Will the Secretary of State intervene to defer a decision for at least a few weeks so that the future of a vital British industry is decided in an atmosphere of calm deliberation, with all the relevant information available, and with proper attention being paid to the national defence and manufacturing interests? Surely, when a great deal of Government money has already been invested in this company, and when thousands of jobs are possibly at stake—let alone the independence of a major British industrial interest—it is not enough for the Government to wash their hands of responsibility and leave a matter of such national consequence to a shareholders' meeting next Thursday, which will take place in the shadow of the threat of liquidation.

Mr. Brittan: On the right hon. Gentleman's first point, I assure him that my statement was made on behalf of the Government as a whole—[HON. MEMBERS: “Oh.”]

Mr. Speaker: Order.

Mr. Brittan: The right hon. and learned Member for Monklands, East (Mr. Smith) alleged that the Government had refused help for Westland. The Government have taken the view that it would be far preferable for Westland to be able to find a solution to the problems that it faces without recourse to the taxpayer. That seems to be a reasonable position to take. It is clear that Westland has been able to do so.

The right hon. Gentleman is misinformed on the question of the joint recommendation of the national armaments directors, and I am glad to be able to correct him. He was wrong in saying that Britain had accepted the recommendation. The recommendation was placed on the table and was never agreed to by the United Kingdom Government. The fact that it was on the table was, in effect, a pistol at the head of Sikorsky and Westland, preventing them from pursuing their preferred solution. None the less, the Government believed that the inquiries which my right hon. Friend the Secretary of State for Defence was pursuing with a view to obtaining an offer from European countries were such that they should be pursued to the point at which a decision could be taken freely by the company.

The right hon. and learned Member for Monklands, East is wholly misconceived in his suggestion that ideology is involved. It is not. There is concern for the welfare of Westland and the jobs of the people employed there. The right hon. Gentleman is also wholly misconceived and is picking up a cheap cliché in suggesting that the role of Westland, if the proposed deal

goes through, is as he says. United Technologies has assured Westland that it will continue to maintain a helicopter design and development capability in the United Kingdom. What is more, Westland, which has responsibility in difficult circumstances and is under extreme pressure of time, for which the right hon. Gentleman does not allow at all, believes that the maintenance of such a capability would have been less certain if it had accepted the European consortium's proposals.

Mr. Kenneth Warren (Hastings and Rye): Does my right hon. and learned Friend accept that there is a need to convey to the armaments directors of Europe an understanding that Westland is a European helicopter company? Does he also accept that nobody in Europe, particularly the chairman of Aerospatiale, has a right to say that such a company would stop Westland getting contracts in NATO? Will my right hon. and learned Friend make it clear to everybody in Europe that with Sikorsky in the arrangement, it will be the same as it has always been, and that the content of Westland helicopters will remain 90 per cent. European?

Mr. Brittan: My hon. Friend is absolutely right. It is a gross over-simplification to present the choice as being between Europe and the United States. Westland is deeply involved, and will continue to be involved, with Europe. That has been made abundantly clear. The United States companies are also involved with Europe. As for Aerospatiale, the House will understand why Westland views the remark that has been quoted from the head of that company as having all the objectivity of a remark made by someone who had been doing his best to undermine and supplant the Westland Indian deal.

Mr. Paddy Ashdown (Yeovil): The right hon. and learned Gentleman's statement will be welcomed. Bearing in mind that the Government's indecision has been at the heart of many of Westland's long-term problems, what steps is the right hon. and learned Gentleman taking to make sure that the Cabinet is together on the issue and that Westland is not being treated as a ministerial plaything? Will he confirm that Westland's relationship with Sikorsky is not new, but stretches back over 40 years of fruitful co-operation? Will he also confirm that the EH101 participative deal is not threatened by the statement, but is perhaps enhanced by it? Will he give a clear undertaking to the House that Westland will not be penalised over the deal because it has put some individual Cabinet Ministers' noses out of joint?

Mr. Brittan: Of course the Government would not behave in the irresponsible way that the hon. Gentleman suggests. It would be the duty of all members of the Government to ensure that orders were placed for helicopters that were needed, in the right way, irrespective of any such unworthy considerations. The Government are committed to the EH101. Westland is also committed to it, and United Technologies has said that it will not interfere in any way and will assist in its promotion in North America. The president of Agusta, with which EH101 is being developed, confirmed on Saturday that his company will continue to co-operate with Westland on the programme.

The hon. Member for Yeovil (Mr. Ashdown) is right in the general points that he made. Four of Westland's

[Mr. Brittan]

most successful projects since the war have been developments of original Sikorsky designs—Dragonfly, Wessex, Whirlwind, Sea King and its Army version, the Commando. Westland has sold over 1,200 of those aircraft. Its association with Sikorsky goes back to 1947. The three collaborative projects undertaken with Aerospatiale have been less successful.

Sir Antony Buck (Colchester, North): Is my right hon. and learned Friend aware that there is great admiration on both sides of the House for Sir John Cuckney, the head of the firm that is now Westland? Does my right hon. and learned Friend accept that to many of us a more European-oriented solution might have been preferable? Will he assure us that, whether or not that be so, the best helicopters, for both maritime and land use, will be available to our armed forces?

Mr. Brittan: I am sure that the latter is the case. The Government thought it right that the possibility of a European offer should be explored. That is why, at a meeting in my Department with my right hon. Friend the Secretary of State for Defence, I readily agreed that he should explore that possibility. It was explored and put forward. The company took the view that it was not sufficiently firm or attractive for it to abandon its previously preferred option. It is worth pointing out that the European possibility arose late in the day, at a time when the company was under great financial pressure.

Mr. Merlyn Rees (Morley and Leeds, South): Is it not a strange constitutional position when on Sunday we hear the Secretary of State for Defence giving one view on the radio, and the Secretary of State for Trade and Industry giving a different view in the House the following day? As someone who has served in the Royal Air Force, I believe that the Secretary of State for Defence was speaking on behalf of the RAF and not on behalf of monetary or ideological considerations.

Mr. Brittan: The House will have heard what the right hon. Gentleman has said and his constitutional analysis. The statement that I am making is on behalf of the Government.

Mr. John Wilkinson (Ruislip-Northwood): Does my right hon. and learned Friend recall that for months many of us have been trying to remind Her Majesty's Government of the imminent problems of Westland, and in particular of the necessity of meeting air staff target 404 of the Royal Air Force for medium-lift helicopters with a Westland aeroplane? Was it not unrealistic of the Ministry of Defence to imagine that at the 11th hour it could impose a shotgun European marriage on Westland, when a European long-term helicopter strategy, though necessary, is bound to take a long time to concert?

Mr. Brittan: I shall draw my hon. Friend's remarks to the attention of my right hon. Friend the Secretary of State for Defence.

Mr. Doug Hoyle (Warrington, North): Is the Secretary of State aware that while he is saying that he is speaking for the Government, the faces on the Government Front Bench show a different view? That shows the disunity of the Government on the subject. The right hon. and learned Gentleman talks about what the chairman of Westland has said, but how far have the employees and the trade unions

been consulted? If that is done, I think he will find that they have a different opinion and that they would support the Secretary of State for Defence for a European solution, because that offers a better long-term future than the American proposal. Is he not aware—perhaps it is because of his lack of knowledge of industry—that the Government are once more selling out for short-term proposals, rather than guaranteeing a long-term future for the British helicopter industry?

Mr. Brittan: I do not think that the hon. Gentleman is right. I would hesitate to arbitrate between him and the hon. Member for Yeovil (Mr. Ashdown), but I suspect that when it comes to what the people of Yeovil who work for the firm would prefer, the hon. Member for Yeovil may know more about it.

Mr. Jerry Wiggin (Weston-super-Mare): Is my right hon. and learned Friend aware that the thousands of people who work for Westland in and around the west country are much less interested in a solution than in the fact that the company has been saved from receivership? Will he use his influence to ensure that the otherwise friendly relations between Westland and its biggest customer, the Ministry of Defence, are restored and perpetuated?

Mr. Brittan: I agree with everything that my hon. Friend has said and wish to use my influence in that direction.

Mr. Lewis Carter-Jones (Eccles): Is the right hon. and learned Gentleman aware that his hon. Friend the Member for Ruislip-Northwood (Mr. Wilkinson) is right? For 18 months Government and Opposition Back Benchers, the all-party group, the hon. Member for Yeovil (Mr. Ashdown) and the hon. Member for Isle of Wight (Mr. Ross) have been pleading that action should be taken on the matter. If, for once, the Ministers had listened to the Back Benchers, they would not have been embarrassed, as they are today. Aviation is far too important to the economy of the country for it to be the subject of bickering and delay by Front-Bench spokesmen.

Mr. Brittan: The attempt to make a party issue of the matter by the Opposition Front Bench is also perhaps a reflection of real concern. The question of proper defence procurement is not easy, and it is unfair to my right hon. Friend the Secretary of State for Defence for the hon. Gentleman to castigate him in that way, when he has made major efforts and been extremely successful in securing value for money for the armed forces over an enormous range of activities. The House and the country owe him a great debt of gratitude.

Mr. Michael Mates (Hampshire, East): In the light of the new situation, what is the position on the licence arrangements to build the Blackhawk helicopter already entered into with Shorts? Does that arrangement still exist, and if so, what will be the effect on any arrangements made with Westland in the future?

Mr. Brittan: The arrangement envisaged with Shorts was entirely dependent upon the possibility of the Blackhawk being selected by the Ministry of Defence for ASTY404. That has not happened, and therefore that arrangement does not stand.

Mr. Tam Dalyell (Linlithgow): On 19 November I was taken round Westland at Yeovil, as many of my colleagues have been. Those of us from other parts of the country will

recognise the seriousness and size of the problem. May I repeat the question asked by my right hon. and learned Friend the member for Monklands, East (Mr. Smith)? What assurance is there that Sikorsky will keep the high technology and research in Britain? May we have a factual answer?

Mr. Brittan: I have already given the assurance that the hon. Gentleman has asked for, and stated clearly what United Technologies has said. That is absolutely clear. All I can say to the hon. Gentleman is that if he is talking about alternatives, he might like to ask what assurances he thinks the French, Germans and Italians, all of whom have been regarded as competitors to Westland, would give in the same direction.

Mr. Richard Page (Hertfordshire, South-West): Does my right hon. and learned Friend agree that the American connection with Westland would be a way for the Rolls-Royce turbo meca 322 helicopter engine, currently being developed on the borders of my constituency, to gain access to the large and profitable north American market?

Mr. Brittan: I agree that that is a most attractive prospect.

Dr. M. S. Miller (East Kilbride): Is the right hon. and learned Gentleman not ashamed of himself? How can he conclude that the British technology will remain in this country? Does he not realise that Sikorsky could eat Westland for breakfast? That would not be the case with the other Europeans, because none of them is big enough. Surely the Government should have been pushing ahead with our European partners? An example is Agusta, with the EH101, which has been on the go for some time. Who are the patriots in this country? Do they sit on the Government side, or on the Opposition side of the House?

Mr. Brittan: I think that the hon. Gentleman must have overlooked the answer that I gave to the question on the EH101, in which I made it clear that that was going ahead, and that the president of Agusta had said that it was. The NH90 development is still at an early stage. There is no doubt that it will continue to go ahead with United Technologies.

Mr. Jim Spicer (Dorset, West): Does my right hon. and learned Friend accept that the facts about Westland were known months ago? If, at that time, the Europeans, who are now bidding so furiously to get in on the act, had been in, we might have seen a viable alternative. My constituents and Westland have a bird in the hand, and it is worth two in the bush.

Mr. Brittan: I can well understand how my hon. Friend and his constituents feel about the bird in the hand. It is difficult to speculate about what might have happened in other circumstances some months ago, but the plain fact is that the European consortium did not exist, showed no signs of existing and had no interest in the matter until a few weeks ago.

Mr. Robin Corbett (Birmingham, Erdington): Will the Secretary of State join in the congratulations of most of us on the Opposition Benches to his right hon. Friend the Secretary of State for Defence for trying to get the European option?

Mr. Brittan: I very happily join in the congratulations that the hon. Gentleman, with motives that one might suspect, invites me to confirm. As I said earlier, it was I

who readily agreed that my right hon. Friend the Secretary of State for Defence should see whether a European solution was possible. In a short time my right hon. Friend succeeded in bringing together to a remarkable extent an offer which, in the end, the company did not feel was sufficiently firm or attractive. The Government's desire that it should be pursued is evidenced by the fact that it was the Government's decision that my right hon. Friend should pursue it. He achieved a considerable success in a short time, in making it possible for Westland to consider that option.

Mr. Michael Marshall (Arundel): I understand the complexity of the issue and want to consider carefully what my right hon. and learned Friend has said, but does he accept that GEC, as well as British Aerospace, made an offer to bring forward the European proposal? That matter causes some of us concern, as the offer was apparently rejected within 24 hours. Does my right hon. and learned Friend think that the matter should be looked at with care?

Mr. Brittan: With regard to the speed with which the matter was considered, the broad outline of the proposals being put forward by the Europeans was clear long before last Friday, so it is not entirely accurate to regard the proposal as having been rejected within 24 hours. The proposals put forward on behalf of the European consortium last Friday did not include any participation whatsoever by GEC. The interest on the part of GEC has emerged since then. It is fair to say that although GEC is entitled, even at this late hour, to say what it wishes, at no stage during the well known and well publicised difficulties of Westland did GEC lift a finger to help.

Mr. D. N. Campbell-Savours (Workington): Why does the Department of Trade and Industry assume responsibility for the company when it is so reliant on defence procurement? Most of the order book is supplied by the Secretary of State for Defence, in orders that his Department gives to the company. Surely the Ministry of Defence should have been the lead Department in taking decisions, if necessary, on the future of the company. Why did the right hon. and learned Gentleman not recognise that his was the junior role?

Mr. Brittan: The decisions that I have announced were taken collectively. As the hon. Gentleman is interested in responsibility, he will know perfectly well that whereas the Ministry of Defence is a major customer, the Department of Trade and Industry is the sponsoring Department for the aerospace industry. There is nothing new in that.

Mr. Cyril D. Townsend (Bexleyheath): Is my right hon. and learned Friend aware that many with an interest in defence will feel that, for whatever reason, we have ended up with the third best solution? Is it not pretty obvious that the European defence and aviation industries must work out their common aims and co-operate to try to achieve them? I fear that my right hon. and learned Friend's statement is steaming slowly in the wrong direction.

Mr. Brittan: I share my hon. Friend's enthusiasm for European co-operation. A British company with European competitors was faced with the prospect of extinction, and it had an imperative duty to prevent that. It is because of

[Mr. Brittan]

the shared concern about the merits of European co-operation that my right hon. Friend the Secretary of State examined whether an alternative was available in the time. The company has taken the view that it was not.

Mr. Ian Wrigglesworth (Stockton, South): Why was it left to the Secretary of State for Defence to make the suggestion and then pursue it on behalf of the Government if the right hon. and learned Gentleman's Department is the sponsoring Department not only for the aerospace industry but for British industry as a whole? Why did his Department not come in earlier and explore the possibilities of an alternative to the present solution? What did his Department do during the months when the firm was known to be in difficulties?

Mr. Brittan: The short answer to the hon. Gentleman is that there was on the table, at an advanced stage of negotiation a deal that would rescue the company. My Department was intimately involved in removing some of the obstacles that stood in the way of such a rescue. That is the correct role of the Department of Trade and Industry.

Mr. Gerald Howarth (Cannock and Burntwood): While the European approach undoubtedly offers the best political solution to the problem, does my right hon. and learned Friend agree that the plight of Westland has been known for many months and, that there have been negotiations since June this year to find a partner? The company can hardly be blamed if it has picked up a real offer from the table. It ill-behoves the managing director of the company in the United Kingdom that is richest in cash to say now that the deal is not in the interests of the United Kingdom when, with all the cash at its disposal, it could have come in much earlier. At the moment, the plan is for United Technologies and Fiat to take over a 30 per cent. shareholding. What would be Her Majesty's Government's view if that shareholding were to be increased to a majority shareholding?

Mr. Brittan: That is a hypothetical question, which I cannot be expected to answer. I can well understand my hon. Friend's comments about the other matters, although I would not wish to join in them.

Mr. Ken Eastham (Manchester, Blackley): Great confusion has been caused today by the Secretary of State's statement and by many of the reports that we have been reading about his colleague, the Secretary of State for Defence. May I remind the right hon. and learned Gentleman that several months ago a deputation met the then Minister of State for Defence Procurement to talk about the serious situation in the industry. He said that there were difficulties sorting out the type of aircraft that was required, yet we learnt this weekend that the Ministry of Defence was thinking about placing an order for six helicopters. Will the Secretary of State explain why the Ministry can now place an order for six helicopters? If he cannot, will he ask his colleague the Secretary of State for Defence to make a statement? What guarantees can be given to the work force, which has had little say in all the paper transactions? Will the Minister go to the trade unions and give them some assurances?

Mr. Brittan: The hon. Gentleman will know that his last points are matters for the company. He mentioned the proposal that six extra Sea Kings should be purchased by

the United Kingdom Government. That order would have been financed out of savings obtained by merging the A129 mark II and PAH2 light attack helicopters. Such a rationalisation may not be achieved, but, if it can be, Westland's link with Sikorsky and Fiat would not prevent it.

Sir Peter Emery (Honiton): Thank you, Mr. Speaker, for at last calling a Member who has many constituents working at Westlands. Does my right hon. and learned Friend realise that what matters most is the future of Westlands and the jobs that will be kept there? One of the factors in favour of the Sikorsky deal is the future production of the Blackhawk helicopter. There are rumours in my constituency that Blackhawk production at Yeovil will be below 50 per cent. of total production. Will my right hon. and learned Friend confirm this rumour?

Mr. Brittan: I cannot confirm that. I can confirm, however, that it is the intention of United Technologies that there should be substantial manufacture of Blackhawk in the United Kingdom. One reason for Westland preferring the Sikorsky deal is that the company compared that firm commitment by United Technologies with an interim provision from the European companies simply for extended subcontracting work in the United Kingdom. There would be more substantial production work with Blackhawk. The possibility of a European helicopter being built in the United Kingdom in the more distant future is very doubtful.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): If there has been a great national interest at stake for the last few months, Westland is the victim, not the villain of the piece, as it has been seeking calm. Indeed, Westland was told by the Government and by other companies in this country to do what happens to turkeys at Christmas. It would have been better if two distinguished members of the Government, one involved in defence and the other in trade and industry, had got together beforehand to discover what was best for Westland. Would it not have been better to launch Westland on the free market, which I believe is an important aspect of the Government's policy?

Mr. Brittan: The matter is being left to the free market. The solution being put forward by Westland involves the private sector rescue of a private sector company, at no cost to the Exchequer. It is perfectly reasonable for the Government to explore the possibility of another offer being put to Westland and to allow the company to choose which is best. That is what the Government have done, and that is in line with the view of my hon. Friend the Member for Birmingham, Selly Oak (Mr. Beaumont-Dark).

Mr. Robert Jackson (Wantage): Is my right hon. and learned Friend worried about the knock-on effects of the decision, and the way in which it has been presented, on any future European defence collaboration?

Mr. Brittan: That is a matter which the Government must consider. The statement made by the president of Agusta about continued collaboration on the EH101 gives one reason to believe that some things said in the heat of the moment by certain of our European competitors might perhaps assume different proportions when matters continue in a more leisurely way.

Mr. David Heathcoat-Amory (Wells): Can my right hon. and learned Friend say whether United Technologies

has agreed to limit its stake in Westlands to 29.9 per cent., or whether that might be a prelude to a full bid in due course? Does he think that it is important that Britain's only helicopter manufacturer should not come under foreign control, with a consequential loss of business in avionics and associated weapons systems?

Mr. Brittan: I am advised that the proposals of Sikorsky and Fiat—and one must not forget that two companies are involved, not one—is for an initial 29.9 per cent. stake, with an option to acquire further shares to bring the holding up to 35 or 40 per cent., but not to exceed that figure. The full details for which the Opposition are thirsting will be made public by the company in a few days.

My hon. Friend will be aware that a vast amount of avionics is currently produced by United Kingdom manufacturers for American concerns, and avionics will not be put at risk in the way that my hon. Friend fears.

Mr. Tony Marlow (Northampton, North): Further to the point raised by my hon. Friend the Member for Wells (Mr. Heathcoat-Amory), will my right hon. and learned Friend confirm that the control of Westland will remain in the United Kingdom and that there have been no discussions to suggest that it should move elsewhere at a later stage?

Mr. Brittan: That is correct.

Mr. David Winnick (Walsall, North): Is the right hon. and learned Gentleman aware that during all the exchanges that have taken place, it has been perfectly clear that the Secretary of State for Defence has disagreed with practically everything that he has been telling us? The Secretary of State for Defence has been more concerned with national issues than has the Secretary of State for Trade and Industry, who has been willing to see British interests given over to the United States.

Mr. Brittan: I do not agree with the hon. Gentleman. I have made it clear that it is Westland's view that the proposals which it is now commending to its shareholders are in the company's best interests.

Mr. Nicholas Winterton (Macclesfield): Can my right hon. and learned Friend tell the House why the Government rejected approaches from Westland earlier this year? He has not answered the question from my hon. Friend the Member for Birmingham, Selly Oak (Mr. Beaumont-Dark). Why must the Government have a public debate between the Secretary of State for Defence and the Secretary of State for Trade and Industry? When a foreign power takes an interest in a vital, strategic industry in this country the opportunity for exports are reduced, and that must be against the national interests.

Mr. Brittan: I do not agree with my hon. Friend on his general proposition. Westland's view that its prospects for exports are enhanced is a reasonable one, but the House will have to wait to see what happens.

The answer to my hon. Friend's first point is perfectly clear. The Government did not favour a solution to Westland's problem which involved the taxpayer paying for the company.

Mr. John Smith: Why has the Secretary of State waited until almost the last question of the term to reveal the important information that US Technologies has an option to increase its holding to 40 per cent.?

Mr. Brittan: United Technologies.

Mr. Smith: If the Secretary of State is going to make a fuss about getting the tiny details right, perhaps he could have helped us by supplying the information at the outset. The Secretary of State tried to tell the House that there was a small minority interest being taken, but hon. Members have now extracted from him, as one would take a bad tooth from a bad mouth, the fact that the holding could increase to 40 per cent. That is a shocking disclosure, because the Secretary of State knows that 40 per cent. equals control of the company.

Mr. Brittan: The right hon. and learned Gentleman could not have made a worse point, as I did not mention any figures at all until I was asked to do so. I made it clear at that stage that there are many other details in relation to the proposal which will be disclosed by the company in a matter of days. That is an entirely reasonable course of action.

Mr. Dennis Skinner (Bolsover): On a point of order, Mr. Speaker. You will have noticed that throughout the whole series of questions and answers the Secretary of State for Trade and Industry did not even consult the Secretary of State for Defence—

Mr. Speaker: Order. Even if that is true it is nothing to do with me.

Mr. Skinner: I know that, Mr. Speaker.

Mr. Speaker: What is the point of order for me?

Mr. Skinner: I was just giving a little background, Mr. Speaker. The point of order is quite clear. It is very rare that Ministers come along giving opposite points of view, but in this case it is clear that they do not even speak to each other. As there are clearly two points of view, should not the Secretary of State for Defence have the chance to put the alternative point of view?

Mr. Speaker: Order.

Private Notice Questions

5.11 pm

Mr. Paddy Ashdown (Yeovil): On a point of order, Mr. Speaker. I should be grateful for your advice. I had understood that a private notice question was a private matter and not for public dissemination. Was it in order for the Labour Front Bench spokesman to make it known in the press last Saturday that he intended to put down a private notice question, and for the fact and perhaps some of the text of the question to be revealed in the Press Association tapes this morning?

Mr. Dennis Skinner (Bolsover): He is still wet behind the ears.

Mr. Speaker: Order. The point of order is for me, not for the hon. Member for Bolsover (Mr. Skinner).

I frequently read in the press at weekends that a question is to be asked about a particular matter in Parliament the following week. I think that that is perfectly in order, but it is not in order to refer to a private notice question which may or may not have been sent in.

Ministerial Statements

5.12 pm

Mr. Alan Williams (Swansea, West): On a point of order, Mr. Speaker. May we have your advice on what seems to be a genuine constitutional predicament?

With regard to today's statement, there are two Departments with clear responsibilities. Until now, all statements on the subject in question have been made by the Secretary of State for Defence. Today, however, the Secretary of State for Trade and Industry has told the House that he has taken over responsibility at the Dispatch Box as the head of the sponsoring Department, but that any questions related to defence arising from his statement have to be referred to the Secretary of State for Defence. As the Secretary of State for Defence, who has dismissed the agreement as "metal-bashing", has had to sit beside his colleague in silence and humiliation and listen to an announcement that an agreement by national armaments directors—

Mr. Speaker: Order. Is this a point of order for me?

Mr. Williams: Yes, Mr. Speaker. We have been told that national armaments directors of the United Kingdom, France, Germany and Italy have agreed that certain helicopter requirements should in future be met solely from aircraft designed and built in Europe. The Secretary of State for Trade and Industry said that that agreement "represented a substantial extension to the Government's policy . . . and of our general approach to defence procurement as set out in the 1985 Statement on the Defence Estimates".

As that agreement has apparently been set aside purely at the request of the Westland board, would it not be appropriate now to have a statement from the Secretary of State for Defence on the defence aspects of the matter?

Mr. Speaker: It might have been more appropriate if the right hon. Member for Swansea, West (Mr. Williams) had been called last from the Front Bench. None of that is a matter for me.

Questions to Ministers

5.14 pm

Mr. D. N. Campbell-Savours (Workington): On a point of order, Mr. Speaker. The matter that I wish to raise is not a matter of Members' interests, although it may at first seem to be so. It relates to the rights of Members to table questions. As a member of the Public Accounts Committee, I have an interest in defence contracts, and

particularly in excess profits by defence contractors. Accordingly, I attempted to table a series of questions this morning. One of them was—

Mr. Speaker: Order. The hon. Gentleman knows that if he goes to the Table Office and seeks advice it is not in order for him to raise in the Chamber with me the questions that he raised there.

Mr. Campbell-Savours: As I understand it, Mr. Speaker—I have also taken advice on this—you have ultimate responsibility for the decisions of the Table Office.

Mr. Speaker: I do not answer for these matters in the Chamber. If the hon. Gentleman wishes to raise matters of this kind with me, he should do so in the normal way. I was not present at the discussions and I cannot possibly say what went on. As the hon. Gentleman has raised the matter, I can tell him that I now know that he spent some time in the Table Office this morning discussing whether he could put down certain questions, but that is all that I know.

Mr. Campbell-Savours: There are many precedents in the House of Members coming to the Chamber to press the case for questions which they were refused the right to table, by the Table Office. I wish to ask you, Mr. Speaker, to consider the implications of certain questions that I was not allowed to table. My point of order is not long. I wonder whether you might care—

Mr. Speaker: Order. The hon. Gentleman is becoming increasingly expert in procedural matters. He should know that the matter that he raises is firmly pointed to in "Erskine May" as follows:

"When a question has been refused and the Member concerned wishes to make representations to the Speaker on the matter, the practice is for these to be made privately to the Speaker and not raised by way of a point of order in the House."

SCOTTISH AFFAIRS

Ordered,

That the matter of the recommendations of the Scottish Tertiary Education Advisory Council concerning higher education in Scotland, being a matter relating exclusively to Scotland, be referred to the Scottish Grand Committee for its consideration.—[*Mr. Peter Lloyd.*]

STATUTORY INSTRUMENTS, &c.

Ordered,

That the Representation of the People (Scotland) Amendment Regulations 1985 be referred to a Standing Committee on Statutory Instruments, &c.—[*Mr. Peter Lloyd.*]