

**Mr. Robert Rhodes James** (Cambridge): I was involved in the establishment, maintenance and administration of a UN peacekeeping force. Is my hon. and learned Friend aware that it is difficult enough to establish an effective land force—as we have discovered in Lebanon, Cyprus and elsewhere—and that the UN is totally incapable of having a UN naval force? Although the UN may have a role in the area, a UN naval force is not the answer.

**Mr. Mellor:** I entirely agree with my hon. Friend. The right hon. Member for Manchester, Gorton (Mr. Kaufman) said that it had taken nearly six months to achieve a follow-up resolution on paper imposing an arms embargo. How long does anyone believe that it would take to establish a UN naval force? We are faced with a problem not next year or in the next decade, but now.

**Mr. George Galloway** (Glasgow, Hillhead): Opposition Members are not troubled by the fact that there has been a response against Iranian aggression—we are in favour of a tough response against such aggression—but what troubles us, and troubles the Royal Navy personnel with whom I have spoken in the Gulf, is the unilateral nature of such American action. I have heard the Minister say three times in the House that a UN commanded naval force in the Gulf is impractical. I have never heard him explain exactly how and why that is so. Will he give the House the benefit of such an explanation now?

**Mr. Mellor:** It is interesting that the one country that has been anxious to see a UN naval force, the Soviet Union, avoided giving details for some months about exactly what that force would involve. When the Soviet Union came up with those details, it appeared that it envisaged a force accompanying vessels, not just to the side of the Gulf not involved in the conflict, but into Iranian ports. The idea of a UN naval force interposing itself between two combatants who are determined to attack shipping serving each other's ports is, I believe, a sign of the hopeless impracticability of the scheme. Such sentiment as there was in favour of a UN naval force before the Soviet Union came up with its plan almost totally melted away once the full details of that plan were given.

**Mr. Jim Lester** (Broxtowe): Did my hon. and learned Friend have time to consult the Gulf Co-operation Council, and if so, what were its views about the incident?

**Mr. Mellor:** We have not had time to receive any such opinion. We will want to consult our friends in the Gulf about the matter, as it is in protection of their right to trade with us and with other countries freely that we are playing our role.

**Several Hon. Members** *rose*—

**Mr. Speaker:** Order. I remind the House that this is a private notice question—an extension of Question Time. We have a heavy day ahead of us.

## Shipbuilding

3.49 pm

**The Chancellor of the Duchy of Lancaster and Minister of Trade and Industry (Mr. Kenneth Clarke):** British Shipbuilders has been approached about the disposal of a number of its facilities, notably at Govan on the Clyde and Appledore in Devon. Those approaches are being considered in line with our policy of returning as much of the corporation as possible to the private sector.

As regards Govan, BS has today received a letter of intent to purchase the yard from Kvaerner Industries, a Norwegian company at the forefront of international gas ship technology, which operates an important fleet of its own. Kvaerner Industries is a respected company with expertise in gas-carrying ships which it would propose to build in future on the Clyde. I regard this as a very welcome proposal. I hope that the negotiations succeed.

Should it acquire Govan, Kvaerner intends to transfer its gas ship technology to the United Kingdom via the yard by giving project support and assistance for gas ships built at Govan. Thereafter, Kvaerner plans to develop Govan into its centre for gas ship technology in support of worldwide activities in this sphere.

Kvaerner would want to attach certain conditions to an agreement in Govan. The company says that some restructuring would be inevitable to ensure that the yard is fully competitive in the international market place. As an important part of the agreement, Kvaerner would undertake to place an order for two medium-sized LPG carriers to be built at Govan for delivery in 1990 and 1991.

I also have to tell the House that the chairman of British Shipbuilders has told me about contractual difficulties with the ferry programme at North East Shipbuilders at Sunderland. Naturally I hope these difficulties can be overcome and I am keeping closely in touch with developments. I shall keep the House closely informed and make a further statement if necessary in due course.

**Mr. Bryan Gould** (Dagenham): Is the Minister aware that his statement not only places major question marks over the future of the Govan yard, but poses even more worrying questions about the viability of what will be left of British Shipbuilders? With regard to Govan, is this not a further example of the Government's readiness to sell off to foreign interests an investment in a strategic British industry which the Government themselves are not prepared to sustain? If Govan is an attractive prospect to a Norwegian company, why can it not be supported in the national interest by the British Government?

If the Norwegians have work to place with Govan, which is in itself very welcome, why must that be accompanied by giving away the yard? What assurances can the Minister give the work force at Govan and the House about jobs and pension rights? What write-offs of taxpayers' money will be made? What price will the taxpayer receive for the substantial investment that has been made?

Is this death by one thousand cuts not the inevitable consequence of the policy of dismembering British shipbuilding, upon which the Government embarked four years ago? What is the future of those yards in the north-east and the south-west? Will the Minister now amplify his cryptic remarks about Appledore and North East Shipbuilders? Can he categorically assure the House that

statement is not the forerunner of a decision, reported in many quarters, to cut British Shipbuilders' lifeline by withdrawing Government support later this year?

Would it not be ironic—though all too typical—if the Government destroyed our merchant shipbuilding industry just at the time when that industry has become technologically advanced and is therefore well placed to take advantage of the increased demand for world shipping? Is the Minister aware that he will not be forgiven if he allows a historic and vital British industry to expire, with all the damage that will do to jobs, to the regions and to the national strategic interest? I invite the Minister to tell the House that his statement will not be, and is not intended to be, the death knell of British shipbuilding.

**Mr. Clarke:** What I have announced today is very good news for a part of British shipbuilding on the Clyde, at Govan. The Norwegian company involved is an operator of gas-carrying ships. It has been constructing them, putting its technology under licence, at various yards throughout the world. The company wishes to acquire a yard of its own where that technology can be developed. It has given up shipbuilding in Norway because it is too expensive. It believes that Govan can be turned into such a yard and that it can be the base for the company's activities. It has work to place. That is good news for Govan, where they are building two Chinese container ships which are likely to be completed in the fairly near future.

I cannot give the House details of the basis on which we might dispose of the yard. What I have announced today is that British Shipbuilders has received a letter of intent and that negotiations are now to take place. A purchase of the yard would involve taking over employees. They would be transferred to the new company with their accrued pension benefits intact.

As for Appledore, we have a number of expressions of interest, but they are all commercially confidential at the moment. It would be most unwise of me to run the risk of prejudicing discussions about the future of Appledore by giving further details to the House now.

At North East Shipbuilders, as people in that part of the world know, there are certain contractual difficulties at the moment between British Shipbuilders and the purchaser of the ferries built there. There are six very good ferries in the water in the Wear, and British Shipbuilders is negotiating with its customer how to resolve the contractual difficulties. I hope that those discussions are successful. I am keeping steadily in touch and I shall keep the House informed if I have anything to report.

**Mr. Bruce Millan** (Glasgow, Govan): Is the right hon. and learned Gentleman aware that nobody is more anxious than I am to get additional work placed at the Govan yard? I would warmly welcome orders for ships from Norway or anywhere else. What we object to is the disposal, or, more accurately, the give-away, of the yard. The Minister has produced absolutely no justification for that. Why can there not be an ordinary commercial contract? There might even be a joint venture between the Norwegian company and British Shipbuilders. Why is the yard being disposed of, bearing in mind the long-term implications, to say nothing of those for the rest of British shipbuilders?

What we want for Govan are long-term assurances for the future, not short-term relief. We are talking of an

international company which operates abroad. It is closing its own yard in Norway, despite vehement protests from the trade unions involved. There are to be 600 job losses. We are apprehensive of the fact that the same could happen to Govan in a comparatively short time.

**Mr. Clarke:** Kvaerner prefers to buy the yard. We cannot force it to place orders in a yard on any terms other than those in which it is interested. This is an attractive proposition. At the moment Kvaerner places orders for ships in various yards around the world, using its own technology under licence. It wants to acquire a yard where it can develop that technology and use it as the basis for future developments. That is extremely good news.

While the Govan yard is owned by British Shipbuilders, it is completing work on two Chinese container ships. The right hon. Member for Glasgow, Govan (Mr. Millan) knows that that work will be completed in the reasonably near future. Lay-offs will begin this year if no other work is forthcoming and, unless other orders are found, the yard will have to close by next year. What I have described today is the most encouraging development that we have seen in regard to Govan for a long time. I hope that the negotiations succeed and that everybody who is interested, as the right hon. Gentleman says he is—I am sure that he is—in the long-term future of the yard will welcome the development, trust that the negotiations will succeed and encourage people to do everything possible to bring them to a successful conclusion.

**Mr. Tony Speller** (Devon, North): May I press my right hon. and learned Friend, not for any commercially confidential information, but to bear in mind when he mentions the Appledore shipyard en passant the fact that it is one of the smaller but more efficient and highly productive yards and is a vital cog in the north Devon and Torridge economy? When he speaks of the yard, will he bear in mind the yard's relative smallness, but its great importance to north Devon and north Cornwall?

**Mr. Clarke:** I realise the importance of the yard to the economy of Devon, as it is the major engineering employer in the area. It has had some success in attracting orders for dredgers, which are a speciality of the yard. It is encouraging—I hope my hon. Friend agrees—that a number of people have expressed an interest in acquiring the yard and running it as a going business. We will enter such a deal only if we are convinced that it is in the best interests of the yard and of the economy of the surrounding area.

**Mr. Bob Clay** (Sunderland, North): Will the Minister confirm that the contractual difficulties at NESL to which he referred are not in any way the responsibility of either the management or the work force at NESL but lie with the purchaser, and that the programme for the delivery of those ships is on time?

Does the Minister also accept that his statement today, with the background of press rumours that have been continuing for some days, strikes great fear into the hearts of everyone who is committed to the future of British merchant shipbuilding? The previous chairman, Mr. Graham Day, who butchered the industry enough, always said that one could not sink below the present level of facilities and that any further reduction in capacity would make the industry unviable.

The Minister has given no assurance about the future of NESL and the very uncertainty reflected in this

[*Mr. Bob Clay*]

statement, with the further division of the industry and what is happening at Govan, makes it virtually impossible at present for NESL or any of the other subsidiaries to obtain the few orders that are around in the world at present. I believe that the Minister knows that. He should underwrite the future of the industry now. He should stop the rumours and the nonsense. He should keep British Shipbuilders together and enable it to obtain the significant orders that are available at present, rather than sabotage them, as the statement does.

**Mr. Clarke:** I regret the uncertainty that surrounds the future of the industry, and I understand the demoralising effect of that uncertainty. For that reason, when I was in Sunderland last Friday, I had a meeting with the hon. Gentleman and the trade union—

**Mr. Clay:** The Minister said nothing about it then.

**Mr. Clarke:** It was probably a good thing that I did not enter into more detail, because had I done so I would have fed the uncertainty and might have run the risk of prejudicing the negotiations with Kvaerner, about which I could not tell the hon. Gentleman. They have been leaked to the press and have caused some excitement in Scotland. I hope that I have been able to calm down fears in Scotland, because it is good news for Scotland.

Meanwhile, it is not helpful for me to enter into the merits of any dispute that may develop between British Shipbuilders and the purchaser of the Danish ferries. I am keeping in touch with the discussions between the chairman of British Shipbuilders and his colleagues and the customer and, as I have said, I hope that those discussions will come to a satisfactory conclusion. If they do not, we may face a serious situation, because the only orders in Sunderland at present are for the Danish ferries. However, if a serious situation arises, we shall face it then and certainly do whatever we can to ensure that the well-being of Sunderland is sustained.

**Mr. Robin Maxwell-Hyslop** (Tiverton): Is not the truth of the matter that there is a vast tonnage of very new general merchandise carriers laid up and that there is a vast number of shipyards throughout the world in competition for the available demand? Should we not, therefore, welcome the opportunity to bring the focus of specialist skills for specialised markets to shipyards of our own that have no other prospects?

**Mr. Clarke:** I agree with my hon. Friend. As he has shrewdly said, this is a buyers' market, where there is a huge excess of would-be builders of ships compared with would-be purchasers. That is why it is so foolish for Scottish Members to say, "We prefer the industry to remain nationalised, come what may," and wait for the purchasers to come along. That is no guarantee that any purchasers will come along.

A good Norwegian company wants to make Clydeside the basis for its particular strength in the market place in gas technology. That should be welcomed by all Scottish Members.

**Mr. Chris Mullin** (Sunderland, South): Is the Minister aware that in the past few weeks there have been repeated reports that the Government plan to pull the plug on what remains of the entire British shipbuilding industry, by cutting all further Government aid? Will he say now

whether there is any truth in that, and will he recognise that the possible deal with Govan spells ruin for thousands of people in Sunderland?

**Mr. Clarke:** It makes no sense for one Member of Parliament for Sunderland to complain about the rumours and uncertainty, and for the other Member for Parliament for Sunderland to say, "I have just heard another rumour. Would the Minister like to comment on it?"

As I said to the hon. Member for Sunderland, North (Mr. Clay) last Friday, on the last occasion that I met him, the Government have taken no new decisions on British shipbuilding since we had a protracted debate on the subject in the House last summer. As hon. Members will gather, this is a fast-moving scene and I am keeping in close touch with events in all the yards. We have to keep the future of the yards under review because the Government have already lost £1½ billion in those yards over the last nine years. We are putting substantial amounts of money into the yard, but the situation is so serious that one must keep in close touch with it and deal properly with events as they come up, sometimes week by week, as is now the case in Govan.

**Mr. Neville Trotter** (Tynemouth): Does my right hon. and learned Friend accept that this will be seen as good news in Scotland, with a future assured for Govan? However, does he also accept that there will be great concern in the north-east about the future of the industry there? Will he give an assurance that the Government remain committed to intervention fund assistance for all shipbuilders in this country, and, in particular, will seek every possible order for Sunderland shipbuilders, bearing in mind the difficulties in respect of the Danish ferries?

**Mr. Clarke:** Fortunately, the yard closest to my hon. Friend's constituency, Swan Hunter, is at present in a good state, has an order book and is doing well in its newly privatised condition.

As I have said, the Government have given substantial support for orders throughout the past eight or nine years and British Shipbuilders has also incurred substantial losses on top of that intervention fund support. If orders come alone, the Government have to consider what is proposed and see what the costs are and whether they are justified to continue maintaining the yard for that particular order. However, at present, I know of no orders in prospect for Sunderland after the completion of the Danish ferry contract.

**Mrs. Ray Michie** (Argyll and Bute): Why is the Minister allowing British Shipbuilders to take that course, when he knows that the privatisation of Scott Lithgow was really a rip-off? I still do not understand why the Norwegians' buying Govan shipyard will make all the difference. I do not understand why Govan shipyard should not be able to build those gas-carrying ships itself.

I should also like to know what consultations the Minister has had with the Secretary of State for Scotland and the Scottish Office on the question of selling off what is known as the jewel in the crown of British shipbuilding, Govan shipyard?

**Mr. Clarke:** I am not quite sure on what basis the hon. Lady says that the sale of Scott Lithgow was a rip-off. I do not know what she believes British Shipbuilders would be building in the yard if it still owned it. As she knows,

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## STATEMENT ON SHIPBUILDING

British Shipbuilders have been approached about the disposal of a number of its facilities, notably at Govan on the Clyde and Appledore in Devon. These approaches are being considered in line with our policy of returning as much of the Corporation as possible to the private sector.

As regards Govan, BS have today received a Letter of Intent to purchase the yard from Kvaerner Industries, a Norwegian company at the forefront of international gas ship technology, which operates an important fleet of its own. Kvaerner Industries are a respected Company with expertise in gas carrying ships which they would propose to build in future on the Clyde. I regard this as a very welcome proposal. I hope the negotiations succeed.

Should it acquire Govan, Kvaerner intends to transfer its gas ship technology to the UK via the yard by giving project support and assistance for gas ships built at Govan. Thereafter, Kvaerner plans to develop Govan into its centre for gas ship technology in support of worldwide activities in this sphere.

Kvaerner would attach certain conditions to an agreement in Govan. Kvaerner say that some restructuring would be inevitable to ensure that the yard is fully competitive in the international market place. As an important part of the

agreement Kvaerner would undertake to place an order for two medium sized LPG carriers to be built at Govan for delivery in 1990 and 1991.

I also have to tell the House that the Chairman of British Shipbuilders has told me about contractual difficulties with the ferry programme at North East Shipbuilders at Sunderland. Naturally I hope these difficulties can be overcome and I am keeping closely in touch with developments. I will keep the House closely informed and make a further statement if necessary in due course.

## DRAFT STATEMENT ON BS

British Shipbuilders have been approached about the disposal of a number of its facilities, notably at Govan on the Clyde and Appledore in Devon. These approaches are being taken seriously, in line with our policy of returning as much of the Corporation as possible to the private sector.

As regards Govan, BS have today received a Letter of Intent to purchase the yard from Kvaerner Industries, a Norwegian company at the forefront of international gas ship technology, which operates an important fleet of its own. Kvaerner Industries are a respected Company with expertise in gas carrying ships which they would proposed to build in future on the Clyde. I regard this as a very welcome proposal. I hope the negotiations succeed.

Should it acquire Govan, Kvaerner intends to transfer its gas ship technology to the UK via the yard by giving project support and assistance for gas ships built at Govan. Thereafter, Kvaerner plans to develop Govan into its centre for gas ship technology in support of worldwide activities in this sphere.

Kvaerner will attach certain conditions to an agreement in Govan. In particular it will be necessary to reach appropriate agreements with the workforce. Some restructuring will be inevitable to ensure that the yard is

fully competitive in the international market place. As an important part of the agreement Kvaerner will undertake to place an order for two medium sized LPG carriers to be built at Govan for delivery in 1990 and 1991.

I also have to tell the House that the Chairman of British Shipbuilders has told me about contractual difficulties with the ferry programme at North East Shipbuilders at Sunderland. Naturally I hope these difficulties can be overcome and I am keeping closely in touch with developments.

I have to say that, for over a decade, BS has survived only through Government subsidy much of it to meet losses on contracts. Since 1979 we have lost over £1½bn of the taxpayers money in the Corporation, which today only employs less than 6,500 people.

When I came to the House last July to propose increasing BS's borrowing limit by £200m, that increase alone represented over £30,000 for each employee of the Corporation. Our backing for British Shipbuilders has clearly been strong and continuous. Our commitment to the Corporation over the last eight years cannot therefore be seriously in question. That said, in view of the continuing high cost of support for British Shipbuilders, high losses on contracts under their control, and the fact that there is capacity in plenty to absorb any general recovery in merchant shipbuilding demand, and that any such recovery could well be short lived, I am convinced that it makes no commercial sense for Britain to have a nationalised shipbuilding industry and no sense at all to continue to use taxpayers money to attract further orders into yards remaining in the Corporation's hands.

We have therefore decided that British Shipbuilders should take no more orders that require support or make losses. I expect there to be further bids from the private sector in addition to those I have mentioned to takeover some of the Corporation's facilities. Inevitably we are facing the expectation that some of the facilities will close when present work runs out. We shall continue to provide support to meet the costs of each yard until present work is completed. We shall take powers in due course to allow for the rundown of the Corporation and for the management of its outstanding affairs.

I know of course the enormous problems that the areas affected by this outlook face. We are therefore announcing special measures, with new spending commitments by £30m, to make assistance available to encourage the modern local economy and the new jobs that people living in the North East need.

My Rt Hon Friend the Secretary of State for the Environment intends to establish an Enterprise Zone in Sunderland in order to promote new job opportunities through attracting new investment and stimulating the expansion of existing businesses. He will make an announcement on this shortly. In addition, I propose to ensure that new factories will be built, as soon as possible, on several sites to provide advance factory space for new and expanding businesses in the Sunderland area. <sup>out</sup> We have allocated £7½m of new public spending in the next financial year for this factory building programme in Sunderland. // Debate

To manage this activity in the North East, and to make arrangements in Bideford in Devon should the disposal of the Appledore yard not succeed, we shall establish a new Enterprise Company under the Chairmanship of John Lister, the Chairman of British Shipbuilders. This will carry out the full range of training, counselling and placement activities previously undertaken by British Shipbuilders Enterprise Limited. In addition it will place a much stronger emphasis than British Shipbuilders Enterprise

Limited was able to do on the stimulation of new employment in the vicinity of all British Shipbuilders yards, whether in England or Scotland.

It is our firm intention to work closely with individuals and communities affected by today's announcement to build a more secure future for their areas. Today's measures backed by new spending commitments totalling £30m show how determined we are to help Sunderland and the other areas affected by make the change to more secure jobs. That change can and must be made for the sake of today's workforce and future generations of residents in those towns.

This Announcement certainly does not represent the end of shipbuilding in Britain. On the contrary, there is the excellent prospect of a further expansion of private sector merchant shipbulding as a result of the disposals presently in hand. There are already well over 26,000 people building ships in the private sector, four times as many as presently employed by BS. It does however represent the end of a policy that no longer has any commercial justification and no sensible aim. Allowing BS to pretend to struggle on would merely slow up the development of a stronger more diversified and more soundly based economy for the towns that have no future in shipbuilding.

The House knows that British Shipbuilders have received expressions of interest for the disposal of a number of its facilities, notably at Govan on the Clyde and Appledore in Devon. These approaches are being taken seriously, consistent with our policy of returning as much of the Corporation as possible to the private sector. No interest has yet been expressed in North East Shipbuilders at Sunderland, or in the Ferguson yard on the Clyde.

As regards Govan, British Shipbuilders have received a Letter of Intent to purchase the yard from Kvaerner Industries, a Norwegian company at the forefront of international gas ship technology, which operates an important fleet of its own. This is a very welcome development. I hope the negotiations succeed.

I have to tell the House that the Chairman of British Shipbuilders has told the Government about contractual difficulties with the ferry programme at North East Shipbuilders at Sunderland. Naturally I hope these difficulties can be overcome. But I have to say that, for over a decade, British Shipbuilders has survived only through Government subsidy much of it to meet losses on contracts. Since 1979 we have invested over 1bn in the Corporation, a company that today only employs less than 6,500 people.

Last July, the Government proposed increasing British Shipbuilders' borrowing limit by 200m. That increase alone represented over 30,000 for each employee of the Corporation. Our backing for British Shipbuilders has clearly been strong and continuous. Our commitment to the Corporation over the last eight years cannot therefore be seriously in question. That said, in view of the continuing high cost of support for British Shipbuilders, high losses on contracts under their control, and the fact that there is capacity in plenty to absorb any general recovery in merchant shipbuilding demand, and that any such recovery could well be short lived, I am convinced that it makes

no commercial sense for Britain to have a nationalised shipbuilding industry and no sense at all to continue to use taxpayers' money to attract further orders into yards remaining the Corporation's hands.

We have therefore agreed with the British Shipbuilders that they will take no more orders that require support or make losses. Unless there are any bids from the private sector in addition to those I have mentioned to takeover any of the Corporation's facilities, inevitably we are facing the expectation that the yards will close as shipbuilding yards when present work runs out. We shall continue to provide support to meet the costs of each yard until present work is completed. We shall take powers in due course to allow for the rundown of the Corporation and for the management of its outstanding affairs. (Reassurance on backing for borrowing).

I know of course the enormous problems that the areas affected by this outlook face. We are therefore announcing special measures to make assistance available to encourage the modern local economy and the new jobs that people living especially in the North East need.

My Rt Hon Friend the Secretary of State for the Environment intends to establish an Enterprise Zone in Sunderland in order to promote job opportunities through attracting new investment and stimulating the expansion of existing businesses. He will make an announcement on this matter shortly. In addition, I propose to ensure that new factories will be built on several sites to provide advance factory space for new and expanding businesses in the Sunderland area. We have allocated 7m of new public spending in the next financial year for this factory building programme in Sunderland.

To manage this activity in this North East and to make

arrangements in Bideford in Devon should the disposal of the Appledore yard not succeed, we shall establish a new Enterprise Company under the Chairmanship of John Lister, the Chairman of British Shipbuilders. This will carry out the full range of training, counselling and placement activities previously undertaken by British Shipbuilders Enterprise Limited. In addition it will place a much stronger emphasis than British Shipbuilders Enterprise Limited was able to do on the stimulation of new employment in the vicinity of all British Shipbuilders yards, whether in England or Scotland.

Also in Scotland My Rt Hon Friend will announce measures he is proposing in addition to the support to be offered through the new Enterprise Company (to be cleared with the Scottish Office).

It is our firm intention to work closely with individuals and communities affected by today's announcement to build a more secure future for their areas. Today's measures backed by new spending commitments totalling 30m show how determined we are to help Sunderland and the other areas affected by make the change to more secure jobs. That change can and must be made for the sake of today's workforce and future generations of residents in those towns.

This Announcement certainly does not represent the end of shipbuilding in Britain. On the contrary, there is the excellent prospect of a further expansion of private sector merchant shipbuilding as a result of the disposals presently in hand. There are already well over 26,000 people building ships in the private sector, four times as many as presently employed by British Shipbuilders. It does however represent the end of a policy that has no commercial justification and no sensible aim. Allowing British Shipbuilders to pretend to struggle on would merely slow up the development of a stronger more diversified and more soundly based economy.