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Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon George Younger TD MP
Secretary of State
Ministry of Defence
Main Building
Whitehall
LONDON
SW1A 2HB

9th April 1987

Dear George,

WESTLAND : SUPPORT HELICOPTERS

I have seen your minute to the Prime Minister of 7 April and attachments.

I am content with your draft statement and with your proposed reply to Sir John Cuckney. I hope that, as you say in that letter, Westland can be persuaded to present these very substantial orders in as positive a way as possible.

I am sending a copy of this letter to the Prime Minister, Willie Whitelaw, Geoffrey Howe, Norman Tebbit, Paul Channon, David Young, John Biffen, John Wakeham and to Sir Robert Armstrong.

*Yours,
JH*

JOHN MacGREGOR

AEROSPACE : westland PE7



905

[Mr. Peter Shore]

he assure her that there is a very strong view that Birmingham's loss is Stepney's gain—particularly at a time when strong moral leadership is needed to denounce the un-Christian, wretched and discriminatory policies imposed on helpless people who are homeless, and who are now to be evicted by the Liberal council in the borough?

Mr. Biffen: It was a very neat piece of elastic work to embrace so many concepts within one contribution. The right hon. Gentleman's remarks deserve consideration on that account alone, and they will of course be referred to the Prime Minister.

Helicopter Orders

4.20 pm

The Secretary of State for Defence (Mr. George Younger): With permission, Mr. Speaker, I wish to make a statement about the future defence requirement for support helicopters and the orders that I intend to place with Westland plc.

The services possess a number of different types of helicopter capable of transporting troops and undertaking logistic and other tasks: Chinooks, Puma, Sea King, Wessex and Lynx. A key task is to support our Army in Germany, for which—in addition to Lynx of the Army Air Corps—Chinook and Puma helicopters are currently assigned. There is also a wide range of other deployments worldwide.

Until 1985, it was envisaged that both RAF Puma and Wessex support helicopters would be replaced one-for-one by a helicopter of similar size. That approach, however, came increasingly into question as a result of trials conducted by 6 Airmobile Brigade that suggested a requirement for an increased number of larger helicopters. A comprehensive review of the requirement for support helicopters in all roles well into the next century was therefore set in hand.

That work showed the need for additional large helicopters in the central region, capable of lifting a platoon—that is, about 30 men and their equipment—or a substantial logistic load. Those large helicopters, together with some Lynx battlefield helicopters, would enable the Army to provide an airmobile capability and thereby enhance our defence contribution in Germany.

The choice for the large helicopter lies between additional Chinooks, which are already in service in Germany, and the introduction of a utility version of the Anglo-Italian EH101 helicopter, which is due to enter service in the naval version in the early 1990s. The Government have decided that the right choice is to introduce the utility EH101 to meet that requirement. The choice will build on the investment that we have already made in the naval version, and reflects our policy on European helicopter collaboration.

We have at the same time reviewed the case for continued British participation in the NH90 collaborative helicopter project beyond the study phase that was recently completed. NH90 is a smaller helicopter than EH101, and will be available later. With the decision that we have now reached on the future composition of our support helicopter force, we no longer have an early requirement for a helicopter in the NH90 class, nor is there the money to fund both participation in the NH90 definition and development programme—which is due to begin soon—and an early purchase of other helicopters. We are therefore informing our partners that we do not intend to proceed to the next stage of the NH90 project.

In reaching a decision on the choice between alternative support helicopters, and, particularly on the timing of orders, I have had much in mind the work load at Westland Helicopters, until work builds up on the naval version of the EH101. Subject to satisfactory resolution of the contractual and other issues with the companies concerned and our Italian partners, we intend to place an order for an initial batch of 25 utility EH101 for delivery in the early 1990s. I also intend—subject to satisfactory

Duchy to warn recipients of letters from Mr. Lewis within the Duchy and elsewhere that patriotic people of common sense would be unwise to contribute to any appeal conducted by Mr. Lewis on behalf of the Conservative Party.]

Some might argue that the salting away of £22 million-worth of shares in a Caribbean tax haven qualifies Mr. Lewis admirably as a Conservative party fund raiser, but will the right hon. Gentleman have urgent words with the right hon. Member for Chingford (Mr. Tebbit), the Chancellor of the Duchy of Lancaster, to persuade him to do what he has so far not done following a letter that I sent to him on 28 March, in which I asked him to dissociate the Conservative party from the financial appeal that is being conducted by Mr. Alan Lewis?

Mr. Biffen: The hon. Gentleman, with unerring accuracy, has observed that I have no responsibilities for the activities of Conservative Central Office. I am sure that if there were found to be any malpractices, they would be referred to the appropriate authorities. I shall ensure that the hon. Gentleman's observations are drawn to my right hon. Friend's attention.

Mr. Tony Favell (Stockport): Will my right hon. Friend support the Leader of the Opposition's plea for an early debate on the EEC research and development initiative? That is not because we are for it; we are against it. Most of my right hon. and hon. Friends are in favour of competition. We believe that competition is the spur to research and development and not EEC bureaucrats running an R and D programme. What would have happened to our laser technology if GEC and Ferranti had pooled their research and development departments?

Mr. Biffen: My hon. Friend makes it clear that such a debate would be lively and certainly two-sided. I fear that I cannot say that that necessarily makes it any more likely that Government time can be made available for it in the near future. I have prayed in aid already the fact that the consideration of the Finance Bill will make considerable demands upon the time that is available for debates on the Floor of the House. My hon. Friend has made a fair point and I hope that the occasion will arise eventually when it can be deployed more fully.

Mr. Robert N. Wareing (Liverpool, West Derby): Has the Leader of the House seen early-day motion 758, which calls for time for Members to be able to debate and vote upon the principle of anti-discrimination legislation for the disabled?

[That this House recognises that disabled people suffer unjustified discrimination in many areas of their lives; notes that there have been four attempts in the past years to place on the Statute Book a measure which would outlaw this practice; further notes that members of the House of Lords have already been given an opportunity to express themselves on this issue; and calls for time to be found in order that right hon. and hon. Members of this House can vote on the principle of anti-discrimination legislation.]

Is the right hon. Gentleman aware that it was one of the demands made by the massive lobby in Westminster hall yesterday? Will he try to redeem the Conservative party from the disgraceful attitude that it displayed on 18 November 1983, when I tried previously to introduce such legislation? The right hon. Gentleman could redeem his party by providing Government time to debate such a measure during this Session.

Mr. Biffen: I thank the hon. Gentleman for raising the matter. I think that he will find that the disabled were debated reasonably recently, in mid-February. I observe that the hon. Gentleman would like a further debate, but I must tell him, as I have told many others, that there is no time available—certainly not Government time—in the near future to enable such a debate to take place.

Mr. Eric Forth (Mid-Worcestershire): Has my right hon. Friend considered the possibility of having a debate on the arrangements that may arise in the Parliament following the next general election? I have in mind the possibility of multitudes of parties and organisations within the parties in this place, which perhaps have heretofore been unforeseen. Will my right hon. Friend take into account the possibility of parties based on racial or ethnic grounds, or on any other grounds? Has he given any thought to seating arrangements in the Chamber, the use of Committee rooms, voting procedures and various other matters that may affect political parties on the Opposition Benches, especially in the light of recent events in Birmingham, which should concentrate our minds, including the mind of my right hon. Friend, on the arrangements that may have to be made after the next general election?

Mr. Biffen: Apart from thinking that the precondition outlined by my hon. Friend will presage a substantial Government majority following the next general election, everything else fills me with foreboding. The more we have factions, the more we have groups within groups—the Labour party could tell us much about that—the more we shall find that the anguished life of the usual channels will become torn worse than ever. That is something that I would not wish on anyone.

Mr. Tom Clarke (Monklands, East): In view of the terse account of the events leading to the passing of the Disabled Persons' Rights Act 1986 that was given by the hon. Member for Huntingdon (Mr. Major), the Minister for Social Security and the Disabled, in the "Today" studio yesterday, when he was conveniently beyond challenge, does the Leader of the House agree that in fairness we should have a full debate on these matters so that we can examine closely and precisely what was said during the passage of the Act? Perhaps more importantly, will the right hon. Gentleman respond to the excellent lobby yesterday and the eloquent description of it by my hon. Friend the Member for Liverpool, West Derby (Mr. Wareing) by agreeing that we should have a specific debate on the implementation of the Disabled Persons' Rights Act?

Mr. Biffen: I happened to hear the contribution made by my hon. Friend the Minister for Social Security and the Disabled in the "Today" programme to which the hon. Gentleman refers. I can understand why he feels vexed about it. In my view, my hon. Friend made a most impressive contribution to the debate. I fully understand those who would wish to see the debate carried forward in the Chamber in the near future. It is a request that I shall bear in mind, but given the responsibilities that oblige me to make provision for the Finance Bill, there is no prospect of such a debate early on in Government time.

Mr. Peter Shore (Bethnal Green and Stepney): When the Leader of the House reports to the Prime Minister on the exchanges concerning the appointment of bishops, will

contractual negotiations—to order a further 16 Lynx helicopters for the support of airmobile operations. The cost of the orders—which have a total value well in excess of £300 million—will be contained within the overall public expenditure planning totals. They are in addition to an order already announced for a further seven Sea King helicopters for the Royal Navy, which I hope to place soon, following the completion of contractual negotiations.

Those orders are also in addition to the continuing defence work for Westland in support of the services' existing helicopter fleet; to earlier Sea King and Lynx orders already announced; to the very large and challenging naval EH101 programme, for which we plan an initial order of 50 helicopters; and to the first stage of a new light attack helicopter. The package that I am announcing will sustain a British helicopter industry capable of meeting the demanding requirements of the services into the 1990s and beyond.

Mr. Denzil Davies (Llanelli): The right hon. Gentleman's statement, although extensively trailed, will nevertheless come as a blow both to Britain's armed forces and—perhaps more strongly—to the helicopter business of Westland, and those who work in that business.

Our armed forces now have fewer helicopters than they had 10 years ago—at a time when the Americans and, more important, the Russians, are building up their own military helicopter fleets. The order will not make up for that deficiency, especially in battlefield helicopters on the central front; it will not safeguard the future of Britain's helicopter industry; and it will not preserve jobs in that industry.

First, does not the statement prove that those of us—including the right hon. Member for Henley (Mr. Heseltine)—who argued that the Sikorsky solution was no solution, and that British participation in the NH90 project would not survive the Sikorsky project, were correct? Was not the Prime Minister wrong about that?

Secondly, is it not the case that, although the French and German partners were informed about the NH90 some time ago, our Italian partners in the EH101 project, were not told? If that is so, is it not an insult to our partner in the project?

Thirdly, will the Secretary of State confirm that at least 2,000 direct jobs in Westland as well as indirect jobs, will be lost, and that one factory is likely to close down in its entirety?

The Secretary of State mentioned contractual arrangements. Can he say when Westland will receive a bankable contract under those arrangements? He also mentioned that more than £300 million would be found within the public expenditure planning totals. Will he explain that? Will the money come out of the existing defence budget totals, and, if so, where will cuts be made to provide it?

Finally, will the Secretary of State tell the House how much of that £300 million will leave the defence budget during this financial year to satisfy all the orders that he announced?

Mr. Younger: I am very surprised at the right hon. Gentleman's response. If, as he says, the announcement will be a blow to the company, will not safeguard industry and is a disaster generally, I cannot imagine what an announcement that no helicopters were being ordered would have meant.

As the right hon. Gentleman can see, this is a very large order, and it will be extremely helpful to the company. The right hon. Gentleman may be interested to know that the company is issuing a statement this afternoon, in which it welcomes my statement.

I assure the right hon. Gentleman that all the partners have been informed at the same time; none were informed before the others. I have written to all of them.

I hope that the contract will be concluded after the appropriate negotiations have taken place. That always takes some time.

The right hon. Gentleman spoke of the relationship with the Sikorsky deal. I assure him that there is no connection of any kind between the ownership arrangements for Westland and the need or otherwise to order the NH90. The simple reason, which I gave in my statement, is that we have no requirement for more helicopters of the size of the NH90, and it would therefore seem somewhat strange to continue with the programme officially when there are many other uses for funds. As for funds, the cost of the orders that I have announced today will come from within the defence budget, except that for the 60 Lynx helicopters there will be an addition to the defence budget to help with the cost. I cannot tell the right hon. Gentleman offhand how much of the cost will fall on this year's budget, but it will not be very much.

Mr. Jerry Wiggin (Weston-super-Mare): Having pressed so very hard and for so very long for these orders, I welcome them, but is it not outrageous that at this very moment Westland is announcing the closure of its factory in Weston-super-Mare? Is my right hon. Friend satisfied that from now on the existing Ministry of Defence fleet of Westland helicopters will have satisfactory spare parts and customer support operations, without the skilled help of my constituents?

Mr. Younger: I am grateful to my hon. Friend for his welcome of the announcement, but I absolutely appreciate the extremely sad effect that it must have had on him and his constituents, which I greatly regret. I pass my sympathy to those concerned for what to them must be a very unhappy announcement. As for the provision of spare parts and customer support operations, I am assured by the company that any restructuring that it carries out will safeguard its ability to service and support all the Westland helicopters that are in service with the forces. These orders will also enable the company as a whole to look to the future, to restructure itself and to be a thoroughly sound and effective company, with what will be a very large order book. I assure my hon. Friend that the difficulties that undoubtedly will follow in some parts of the company, including that part of it which is in his constituency, will be very much in our minds and that if we can help in any way we shall do so.

Mr. Paddy Ashdown (Yeovil): The Secretary of State will recognise that this will be bitter news for the Westland work force and for the community, who now will have to pay in jobs for the mismanagement of this sad and sorry affair.

Mr. Dennis Skinner (Bolsover): The hon. Gentleman backed it.

Mr. Ashdown: The Sikorsky deal had absolutely nothing to do with it.

Does the Secretary of State not agree that if the company had been in the hands of the consortium that was

[*Mr. Ashdown*]

proposed by the right hon. Member for Henley (Mr. Heseltine) it would have been in an immeasurably worse position than it is in today and that its future viability might have been threatened? The NH90 decision was not taken as a result of Sikorsky but because this Government wished to withdraw from the European consortium. Is it not also the case that the British Army asked for more helicopters than the Secretary of State has provided to fulfil its tactical roles in Europe? Is not this, therefore, a case of the Government's short-term vision damaging the country's long-term perspectives?

Mr. Younger: I cannot agree with all that the hon. Gentleman said. Of course this must be extremely unhappy news for those who may find that they lose their jobs at Westland, but it is very good news for the company as a whole and for those who will continue to work for it. It gives the company a firm base on which to plan for the future. I respectfully suggest to the hon. Gentleman that he ought to bear in mind that he has a large number of constituents whose jobs will be secured by this announcement. They will welcome it. Of course the hon. Gentleman was absolutely right to say that the question of who owns Westland has nothing to do with going on with the NH90. The careful staff studies we have made show that we do not require more helicopters of that size. If we required them, we would be ordering some. As we do not require them, it does not seem to be reasonable to spend limited defence funds on a product that we do not intend to order. It is not the case that we have been asked for more than has been provided. The services and Westland will be very glad to have a large order for the EH101 utility version, which I hope will be a very successful helicopter for many years to come.

Sir Antony Buck (Colchester, North): Will my right hon. Friend reiterate for the benefit of Opposition Members that what he has just announced shows that we have laid a firm foundation for the continuation of a prosperous helicopter industry in this country, and will he say a word about the export potential of the types of helicopter that he has mentioned?

Mr. Younger: I am most grateful to my hon. and learned Friend. He is quite correct. This is the type of announcement for which the company has been calling. It has told me continually that it wants to know what helicopters the Ministry of Defence wants so that it can sort out the restructuring of the company. The orders that I have announced for the EH101—the naval and utility version—the Lynx and the Sea King amount to no fewer than 98 helicopters. In addition, 12 helicopters are now under construction. In the face of that, anybody who says that the Government have not done their utmost to give the company a good, secure sign for the future is running the danger of making himself look very foolish indeed.

Mr. Lewis Carter-Jones (Eccles): Does not the right hon. Gentleman agree that despite the long delay and the orders that have now been announced, we shall still be 50 per cent. short? It reminds me a little of 1939, when we had the appropriate aircraft but not enough of them. The right hon. Gentleman ought to bear that in mind. Will he take it from me that unless there is collaboration with Europe

we shall lose face? If he cannot proceed with helicopter collaboration, will he urge on his right hon. Friend the need to proceed with the A330 and the A340 venture so that at least some of the face that we have lost in Europe will be restored?

Mr. Younger: The latter point is of course a matter for my right hon. Friend the Minister of State for the Armed Forces, and I am sure that he will have noted what the hon. Gentleman said. As for the provision of helicopters, when these orders are eventually completed there is no doubt that the British services will be extremely well equipped with helicopters. What is more, the helicopters that they will have will be modern and up to date. I hope that in consequence Westland will be able to sell some of them abroad. It ought to be able to do so, with the boost of the British Government having placed orders for them.

Sir Edward du Cann (Taunton): Is my right hon. Friend aware that the ending of this long period of uncertainty will be warmly welcomed by the company, by those who work in it, including a number of my constituents, and by the armed services? Is he further aware that the company very badly needs additional orders, despite the fact that his announcement, together with past announcements, means that it is already in receipt of the largest volume of orders that it has ever had in its history? Will he take note of the general feeling that there undoubtedly is in the House that, since the helicopter is a new weapon of war that has been proved both at sea and on land, further attention has to be given to its development, which means further orders in the years to come?

Mr. Younger: I am very grateful to my right hon. Friend, whose knowledge of these matters goes back further than that of most right hon. and hon. Members. I am sure he is right to say that, above all, the company will be glad that the uncertainty under which it has been labouring has been removed. The company has a short-term problem, to which reference has been made in some of the recent statements, but there is no doubt that in the long term Westland has a very large order book. I am sure that all those who live in the west country will be extremely glad to know that it will be a major force in Europe's helicopter industry for a long time to come.

Mr. Doug Hoyle (Warrington, North): Does the Secretary of State accept that there will be a void when orders run out between 1988 and 1992 and that today's announcement represents only a drop in the ocean? It will not fill the gap. Although it is welcome, the announcement will not save jobs. Will the right hon. Gentleman tell the House just how many people will lose their jobs and whether the plant at Weston-super-Mare is to close? It is all right for the right hon. Gentleman to say that Sikorsky is not involved, but where are all the orders that it promised to fill the gap? Does it not mean that the right hon. Member for Henley (Mr. Heseltine) was right to propose the European consortium? He resigned over it. As the present Secretary of State has failed to fill the gap, will he also resign and go to the Back Benches?

Mr. Younger: The hon. Gentleman's long supplementary was a little contradictory. He is right when he says that there is a short-term gap. Therefore I am glad that to some extent we have been able to fill it with the Lynx order and by bringing forward, as far as we possibly can, the order for the utility EH101s. As for the loss of jobs and

the possible closure of any of the Westland factories, that is very much a matter for the company. It has been asking us to let it know where we stand so that it can work out the correct disposition of its resources. That will be for the company to decide and to announce. It is no part of my responsibility as to whether or not Sikorsky takes further business to Westland, but I am sure that Sikorsky has a genuine interest in the company and will do what it can to help. It is not the case, with respect, that the orders I have announced today can be described as non-European. All of them are European collaborative projects: the EH101 with Italy and the Agusta light attack helicopter, also with Italy. That is very good European collaboration and does not bear any of the construction that the hon. Gentleman placed upon it.

Dr. Keith Hampson (Leeds, North-West): Does my right hon. Friend agree that the scale of the Government's contribution is indeed welcome in safeguarding this country's only helicopter manufacturer? That welcome is tinged with some regret because, yet again, in the eyes of our European partners, this country is seen as pulling out of a collaborative project. Does my right hon. Friend agree that much of the responsibility for the work force's disappointment and the redundancies rest on the exaggerated expectations that it was led to have by the hon. Member for Yeovil (Mr. Ashdown) when he so enthusiastically endorsed the prospects for the sale of the Black Hawk? Clearly that has not come about. Has Sikorsky put any orders to Westland for the Black Hawk? Have any Black Hawks been sold?

Mr. Younger: I am grateful to my hon. Friend. He is right that the scale of the orders will be helpful to the company — indeed the company has said so in its statement today. I also agree with my hon. Friend that there will undoubtedly be regret that we have decided not to proceed with the next phase of the NH90 collaborative project. I also believe that that decision will be understood. There are not many countries that are prepared to carry on with a collaborative project when they have no prospect of ordering any of the aircraft that might come out of it. I believe that that is a reasonable proposition. I am not sure about the exaggerated expectations raised, if they were, by the hon. Member for Yeovil (Mr. Ashdown) about these matters. It is a pity if such expectations were raised. However, I do not believe the question of the Sikorsky Black Hawk is relevant to these considerations —

Mr. Doug Hoyle: Nobody wants it.

Mr. Younger: I am assured by the company that, even supposing there were orders for the Black Hawk, it would not produce any work for the company for about five years. It is not in five years hence that Westland will have a problem, but in the next two years. Therefore, whether the Black Hawk is a desirable development or not, it is not a solution for the short-term problem at Westland.

Mr. Tam Dalyell (Linlithgow): It was on 18 November 1985, long before any political difficulties, that I was shown round the Yeovil plant by Captain Gueterbock and trade unionists. Did the Secretary of State know that there were political overtones and political associations? That was the view of one of the Westland executives on the radio yesterday morning. Cannot such problems be exorcised only by the truth?

What is the Government's view of the "World in Action" one-hour programme on Westland? If that programme is not representative and a fair reflection of the truth should not the Government ask for an apology from Granada Television? If it is the truth does it not reveal the sheer depth of the Prime Minister's deception of Parliament on this matter? After all —

Mr. Speaker: Order. The hon. Gentleman must rephrase that please — nobody deliberately deceives any one in this House.

Mr. Dalyell: I am sorry, Mr. Speaker, but I am not —

Mr. Speaker: Order. Please do not challenge the Chair on that. Please withdraw and rephrase the question.

Mr. Dalyell: This is a fair reflection, Mr. Speaker, of a programme that 8 million people have seen.

Mr. Speaker: Order. The hon. Gentleman is a very experienced parliamentarian. I am asking him please to withdraw that comment and rephrase his question.

Mr. Dalyell: The programme says that the Prime Minister must have known the role of the —

Mr. Speaker: Order. We are dealing with some new orders that have been given to Westland today, not with a television programme.

Mr. Dalyell: I am sorry. A senior executive of that company has said on radio that this is one of the problems —

Mr. Speaker: Order. I do not mind about that, but I must ask the hon. Gentleman please to withdraw what he said about deliberate deception and rephrase his question.

Mr. Dalyell: I am sorry, but this is a fair precis of a programme that 8 million people have seen —

Mr. Speaker: Order. I am not concerned with the programme or what was on it, but I am asking the hon. Gentleman to do what I have asked and I urge him to do that.

Mr. Dalyell: Well, Mr. Speaker —

Mr. Speaker: No.

Mr. Dalyell: A Member of Parliament —

Mr. Speaker: Order. The hon. Gentleman knows the rules of the House as well as anyone. Please will he rephrase his question.

Mr. Dalyell: There is no way of rephrasing it honestly. The fact is that —

Mr. Speaker: Order. I must say to the hon. Gentleman that if he does not rephrase his question I shall have to ask him to resume his seat.

Mr. Dalyell *rose* —

Mr. Speaker: Order. The hon. Gentleman has heard what I have said.

Mr. Dalyell: Then, frankly, I think that the only reasonable thing to do is to withdraw.

Mr. John Wilkinson (Ruislip, Northwood): May I say to my right hon. Friend how warmly I applaud his decision to procure the utility version of the EH101. In so doing will it not also enhance the potential civil sales of the aeroplane

[Mr. John Wilkinson]

as the transport variant can, as he has demonstrated, be developed more quickly than the naval variant? Can my right hon. Friend also tell the House whether the EH101 is to be powered by the Anglo-French RTM322 engine into which the Government have put funds. Last, but not least, will the EH101 be flown by the Royal Air Force as would be normal in the circumstances?

Mr. Younger: On the last point, I assure my hon. Friend that that will be the case. There are discussions on those matters, but no change is contemplated at the present time. I am grateful to my hon. Friend for what he said about applauding the order for the EH101 utility version. He is absolutely right that this is an aircraft that should have a good civilian market. I attended its roll-out earlier this week and saw the initial civilian version of this aircraft. It looks an extremely attractive buy and I hope that it will do well. There are still discussions going on as to which precise engine will be used in this aircraft and it is not yet decided whether it will be the RTM322. However, I recognise my hon. Friend's interest in that.

Mr. Dave Nellist (Coventry, South-East): Given the battle that was fought in the Tory party over the Westland workers and the fact that the solution that won that battle has not offered long-term security for the jobs of those who work in the Westland company is not early-day Motion 317, which I tabled 15 months ago, ever more urgent today? It called for the public ownership and the integration of Westland into the rest of the aerospace sector.

Given the present urgency, for example, for the air-lifting of grain to famine-stricken areas of the world—*[Interruption.]* Why is the Secretary of State prepared to come to the Dispatch Box today and witness the destruction of a further 2,000 jobs in that industry? Those workers will take no comfort from his synthetic sympathy this afternoon or from his promises for future job security. They heard all that last year.

Mr. Younger: We are very grateful to have that contribution from the hon. Gentleman from the depth of his roots in the west country. Those roots are very apparent. I do not agree that this does not give long-term security to the employees of Westland. I understand from the company that there may be some who will lose their jobs—that is extremely regrettable. But this announcement does give some long-term security to the company in the future and, as I said, it has a large order book stretching well through the 1990s.

With regard to the hon. Gentleman's suggestion of the public ownership of Westland—and I think that the hon. Member for Yeovil (Mr. Ashdown) will agree with me—if there is any cause that would have absolutely unanimous support in the west country, it would be opposition to a proposal of public ownership of Westland. The hon. Member for Coventry, South-East (Mr. Nellist) is out on a limb there.

Mr. David Heathcoat-Amory (Wells): As someone representing an area significantly affected by this statement I thank my right hon. Friend for the positive way in which he has responded to representations made to him about the need for some additional helicopter orders to see the company through the two-year revenue gap between 1988 and 1990.

Does my right hon. Friend agree that the job losses announced today by the company are highly regrettable? However, is he aware that the company has confirmed that many of the redundancies would have happened anyway? Is it not highly irresponsible and untrue for Opposition Members to try to lay all the blame at the Government's door? In fact, the additional orders that my right hon. Friend has announced today are a significant help to that company.

Mr. Younger: I am very grateful to my hon. Friend. I can certainly say, as he said, that all the representations that I have had from Members of Parliament who represent people in that part of the country which Westland covers have been extremely effective. People have been very diligent in letting me know the needs of the company. I am grateful to all of them. The answer to my hon. Friend's second point is contained in statement that the company issued this afternoon. It says:

"It should be noted some further reduction in the size of the workforce would have had to take place under any order scenario to improve competitiveness."

I think that that is the answer my hon. Friend is seeking.

Mr. Dennis Skinner (Bolsover): But, on the other hand, one of those workers who has lost his job as a result of the company's statement might have a different story to tell. The chances are that that person, or one of the 1,000 or 1,200 people who have been put on the scrap heap, might well say that, 12 months ago, it was the Labour Opposition who were correct in their stance in trying to ensure that the operation was carried out in a different fashion.

Mr. Paddy Ashdown (Yeovil): Seventeen hundred to one.

Mr. Skinner: They might well conclude that the Liberal spokesman, "Mr. Paddy Backdown", who is currently heckling, has got it wrong again, and that the Sikorsky plan has now bitten the dust. Some of those workers on the dole might well say that once more here is another example of Britain's manufacturing base being reduced. No wonder the Japanese are laughing all the way to the bank. There is only one person in Britain laughing more than the Japanese, and that is the right hon. Member for Henley (Mr. Heseltine).

Mr. Younger: I am not sure that the view from Bolsover is any more convincing than the view from Coventry. I prefer the view from the west country, which will be relieved to have a clear indication about the future of Westland. That will be much more welcome to people in the west country than the sort of political nonsense that others are producing.

Mr. James Couchman (Gillingham): I visited Westland in September and heard then from senior executives. We have heard again since that time that the company's greatest worry was the gap in orders that it had coming up in two years' time. Today's news will come as a profound relief to the company. Can my right hon. Friend say whether our Italian collaborators in this project are likely to accelerate the ordering of their requirements for the EH101, and can he say a little more about the hope for export orders for the EH101?

Mr. Younger: I am most grateful to my hon. Friend for what he says. He is absolutely right. The really critical matter is the short-term gap over the next two years in the Westland work load. I hope the House will feel that I have

certainly done everything I possibly can to help about that, although, unfortunately, it was not possible altogether to eliminate that gap.

My hon. Friend asked about export orders. It can only be helpful that there has been a successful roll-out of the new aeroplane and that the first orders placed for it are from the British Government. Such orders are always the first catalyst in getting orders from overseas. I very much hope that that is what will now ensue.

Several Hon. Members *rose*—

Mr. Speaker: I will call the four hon. Members who are standing and then the Opposition Front Bench. After that we must move on.

Mr. Cyril D. Townsend (Bexleyheath): Although the Department has taken rather a long time to produce the statement, I congratulate my right hon. Friend on the realism that it contains. He mentioned the Chinook support helicopter. Is he satisfied about the safety of that helicopter, bearing in mind recent incidents in the North sea and in the Falklands? Can he give us an assurance that the tremendous work of supporting and upgrading the fleet of helicopters owned by his Department will be generously shared with private enterprise?

Mr. Younger: I thank my hon. Friend for his welcome. My hon. Friend asked about the Chinook helicopters that we have in service with the armed forces. I can assure him that we take the greatest care to investigate most carefully all the incidents that have taken place. Although we have not yet had complete conclusions about those, and certainly not about the regrettable recent incident in the Falklands, inquiries are continuing. I assure him that the Chinooks involved were of a different type to that which was involved in another recent incident in the Shetlands. That is why it is taking longer to work out the precise cause.

In terms of the general ordering of helicopters, my hon. Friend is correct in his assessment that what we really need is some certainty for the future.

Mr. Peter Griffiths (Portsmouth, North): Does my right hon. Friend accept that while the orders that he has announced will be important in leading to future security for Westland, they are, perhaps, of even greater importance in securing the future of the subsidiaries of Westland. FPT in Portsmouth, for example, has succeeded in selling components to aircraft and helicopter manufacturers in the United States and the health of that company depends very much on the long-term success of Westland itself.

Mr. Younger: I agree with my hon. Friend. The success of subsidiaries depends upon the health of the parent company and subsidiaries of Westland must at least be assisted by today's announcement. Of course, it is for Westland to decide the future work load for any subsidiaries. My hon. Friend is quite right in looking for future security as the most important matter. My hon. Friend and other hon. Members asked about the future servicing by Westland of the existing helicopter fleet. The company will be reorganising itself with the full intention of carrying on the excellent service that it presently gives.

Lord James Douglas-Hamilton (Edinburgh, West): What will be the implications of my right hon. Friend's statement for the contractors and potential contractors of

Westland? Will he confirm that his statement means that Britain will have a sustained helicopter industry well into the next century?

Mr. Younger: My hon. Friend's first point is very much a matter for Westland, now that it knows the ordering position. In answer to my hon. Friend's second question, there is no doubt that after the first difficult year or two of a gap in orders, Westland now has a very large order book with orders amounting to many hundreds of millions of pounds. That is a good long-term prospect for the employees of Westland and for the communities in which they live.

Mr. Neil Thorne (Ilford, South): In welcoming my right hon. Friend's statement and its commitment to British jobs in the helicopter industry, may I ask him whether he can assure the House that this will also lead to a substantial number of jobs being generated in the British electronic and communications industries, and that orders for such products resulting from these contracts, will not go to foreign companies?

Mr. Younger: I do not expect that Westland will in any way change its normal practice which, I think, is always to give the maximum participation to contractors with which the company has done business in the past.

Mr. Kevin McNamara (Kingston upon Hull, North): Eighteen months ago we had the high drama of Westland and today we have had demonstrated the farce of the Sikorsky solution and the tragedy for the many employees who will lose their jobs. I should be grateful if the Secretary of State could tell us precisely how many jobs will go and from where. He quoted extensively from the company's statement. The hon. Member for Weston-super-Mare (Mr. Wiggin) yesterday suggested that 1,500 would go there. The hon. Member for Yeovil (Mr. Ashdown) who must be wondering about the way that he urged his constituents to vote last year, suggested that 1,000 jobs would go at Yeovil. Can the Secretary of State give a more precise estimate of the number of real jobs that will go?

The sub contractors to Westland have been concerned over the past few years about their future. What estimate has been made of the number of subcontracting jobs that will go? The right hon. Gentleman said that some extra money will come from outside the defence budget. Can he tell us what extra money, how much and for how long? He also said that the rest of the money would come from expenditure within the budget. Can he say how much, for how many years, and where the cuts will be made to meet that additional expenditure?

Is the right hon. Gentleman aware that the order for Lynx goes nowhere towards meeting the Army's needs for battlefield helicopters on the central front? It will not solve the problem of our conventional helicopter needs in that area. Our NATO allies have suggested that we need at least an additional 100 helicopters. The decision announced today may assert the viability of Westland in the near future, but it does nothing to meet the need for a European pillar of collaboration or the real defence needs of the British Army on the central front. For many constituents of Conservative and Liberal Members in the west country it will bring nothing but heartbreak.

Mr. Younger: I rather feel that that was the question that the hon. Gentleman had hoped to be able to ask

[Mr. Younger]

before he heard the statement because it does not bear any relation to the scale of the announcement that I made today. First, it is quite wrong to produce comments or suggestions as if Sikorsky has somehow let everybody down in this matter. In fact, it has fulfilled all that it undertook to do in taking its interest in Westland. There is no sense, profit or truth in trying to suggest that in any way it has let down Westland or us. That is not the case.

On the estimate of job losses, as the hon. Gentleman will perhaps appreciate, it is not I who run Westland. It is up to Westland to work out the consequences to it of the orders that I have announced today. It is perfectly clear that those consequences will be much better after today's announcement than they would have been if the announcement had not been made. That applies also to the point that the hon. Gentleman raised about subcontractors—[*Interruption.*] The hon. Gentleman would find it easier to get answers to his questions if he listened to them. The subcontractors will benefit from the fact that this large number of new orders is being given to the company. When one adds together all the orders that I have announced today, those that the company already has in hand, the naval version of the EH101, which has been on the cards for some time, and the possibility of export orders, it is clear that we are discussing a company which, over the next decade or so, has orders worth well over £1 billion. It cannot be said that that is disastrous news either for the company or for the subcontractors who work for it.

As far as expenditure being within budget is concerned, any expenditure on defence is expenditure that cannot be made twice. Therefore, if one buys anything with the defence budget, one cannot buy something else. However, it is different in this case in that I have got some extra money—this will be published in due course—for the 16 Lynxes that we have added to the order today.

Finally, I agree with the hon. Gentleman that the Lynx is no use for the Army's need for battlefield helicopters. That is correct because it is not intended for that purpose. As the hon. Gentleman will know, there is a joint project with the Italians, whereby the A129 Agusta battlefield helicopter is under a project definition stage with the Italian partners. The Army's need for battlefield helicopters may eventually be met there, and not in this announcement today. It is quite irrelevant to bring it in today.

British Gas (Multiple Share Applications)

5.2 pm

Mr. Kevin Barron (Rother Valley): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 20, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the thousands of illegal multiple applications for shares in last year's British Gas privatisation".

It has been brought to public attention today by the accountants, Touche Ross, brought in to police the flotation of British Gas, that they have discovered what appear to be some substantial attempts at fraud in the British Gas share offer.

That report surely calls into question the Government's entire privatisation programme, both past and planned. That public assets such as British Gas should be put at the mercy of organised share-dealing rings and individuals, whose whole motivation is private greed, is a disgrace.

The public and the House have a right to know whether the Conservative party will write to British Gas shareholders for donations to its fighting fund, and also issue a survey asking those people what should be sold off next from the public sector, as it did to British Telecom shareholders.

Touche Ross must be congratulated on using, for the first time, computers to cross-check names and addresses. It is a shame that that system was not used in the past, as it would, presumably, have saved the right hon. Member for Chingford (Mr. Tebbit) the bother of writing six times to an hon. Member of this House asking for his party's paydirt for the selling off of the national asset of British Telecom.

Finally, it is thought that the multiple applications alone are larger than the 6,600 in the British Telecom case, and that the sums of money involved are higher. This House should have the opportunity to discuss this specific and important matter before the Government proceed with any further privatisation, especially with the proposed sale of Rolls-Royce, which seems to make this a matter for the most urgent consideration. I beg to seek leave to move the Adjournment.

Mr. Speaker: The hon. Gentleman asks leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that he believes should have urgent consideration, namely, "the thousands of illegal multiple applications for shares in last year's British Gas privatisation".

I listened with concern to what the hon. Gentleman said, but I regret that I do not consider the matter which he has raised as appropriate for discussion under Standing Order No. 20, and I cannot, therefore, submit his application to the House.