

My Interventions on the Public Procurement Motion (3)

Is there not also a strong national security argument for procuring all defence items in Britain and creating a more competitive market at home to have honesty on prices?

That is exactly right. One of the arguments for buying steel from, mainly, Sweden—and possibly from France—was “We do not produce steel of that quality here”, but if we do not provide the orders for that quality of steel, our plants will gradually stop producing it, and we will also lose the skills. That has been a constant row. The same has applied to trains. When I was a Transport Minister, Alstom came along, having taken over the Washwood Heath factory, and said, “Our problem is that when we go to corporate headquarters, we will be told that if we want to sell trains in France we must produce them in France, and if we want to sell trains in Germany we must produce them in Germany. Britain will buy from anyone; where do you think the investment goes?” That has been a regular theme.

During the period of Labour government—and I fear that it is probably still the same with this Government—we heard Ministers say, “We have to abide by these rules because otherwise we cannot expect other people to do so.” I say, “Join the real world, the world in which people do fight their corner, the world where people battle for their corner!” The real, deep irony is that the failure to protect our industry is also a failure to protect our industrial communities, and to protect not just the livelihoods but the life of those communities. We talk about left-behind towns, which are very much at the heart of this issue, but it has also happened to quite an extent in America. It drives a populist feeling that people decry, but which they have been instrumental in bringing about.

If the argument that we have to follow some theoretical rules, rather than be part of the practical world, was wrong previously, which it certainly was, it is even less sustainable now. What the Ukraine conflict has shown is the need for industrial capacity. When I say “industrial capacity”, I do not just mean a plant; I also mean trained personnel. I do not just mean scientists, high technicians and skilled trades—semi-skilled production workers with the ability to make the machines work and to turn materiel out are also a core part of this.

We have seen that drain and drift away, so when we are faced with an existential crisis and Ukraine is on the frontline for freedom against an aggressive and assertive Russia, it becomes incredibly difficult—regardless of whether we will the money out of the Treasury, which I accept is important—to get production ramped up because of the lack of skills throughout the economy. I accept that some of the equipment in the second world war was less technically advanced, but the allies were quickly able—America was astonishingly quick—to move civil capacity into war production.

Although we often focus on the “whizz bang” stuff—the hi-tech stuff—a lot of it is about good machining, which requires those abilities and that capacity.

When I argue for maintaining capacity in the UK, it does not mean that we should not co-operate with other countries, but we should do so on the basis of ensuring that our interests get dealt with as well, which will be mutually beneficial in the long run. If we are able to play our part, we will have that greater industrial capacity, but we cannot be the universal donor. We also have to have a degree of reciprocation and investment coming into the UK.

As I said, I accept that the changes introduced by the regulations are an improvement, but they have still not broken the psychological grip inside the civil service, which is not interested in industry and does not rate it, even in the face of the Ukraine crisis and the world dividing up into trade blocs. I am asking not for Britain to be an outlier, but for Britain to become part of the international community, behave like a normal country and have prosperity spread out much more across the country. I think it is called levelling up—we even have a Department that is supposed to be dealing with that.