



CONFIDENTIAL

Prime Minister

PRIME MINISTER

DEFENCE PROCUREMENT

Yes ~~not~~

These exchanges follow your correspondence with Cranley Onslow. Content to commission work by officials as at "x"?

MAP 4/8

I have read with great interest the minute of 17 July to you from the Secretary of State for Defence concerning his discussion with Cranley Onslow on defence procurement matters.

2 The question of R&D levies on defence sales seems to me to be of relevance in the context of public purchasing policy.

X /

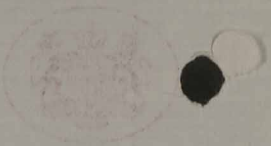
I would find it helpful, therefore, if officials could be invited to quantify for us the financial effects in recent years of crediting the defence budget with such receipts.

3 I am copying this to Francis Pym and the other recipients of his minute.

K.J.

K J

4 August 1980



- 4 AUG 1980