

Prime Minister.

PA.

10/2/1012

I do not think that Geoffrey Patten is entirely right in what he says about defence sales in his letter below. If one reads Frank Cooper's paper in its entirety, it is clear that he is not complaining about lack of Ministerial support for defence sales: rather, when he talks about the need for a positive strategy (paragraph 33), he has in mind a much greater effort to draw up the operational requirements for equipment with the needs of potential overseas customers in mind as well as those of our own armed forces - as the French have done for years.

This is for MOD

In short, the remedy lies in the MOD's own hands. But the Services have always been reluctant to accept second-best equipment for their own purposes, in the interests of improving defence sales and of gaining the political advantages which often go with arms deals. And I do not see them willingly changing their attitude now. But they may in any case be forced to as the cost of weapons in real terms continues to rise with increased sophistication. If, for this reason, they have to accept that they have got to make do with

Something less than the ideal, but would be opportunity to build into equipment specifications features which will help to make our weapons more saleable.

In my experience FCO Ministers are as keen as MOD Ministers to sell arms, provided there are not obvious political disadvantages in doing so. Indeed, they often argue in favour of sales which the MOD are reluctant to contemplate because they mean diverting equipment from the British Service.

As regards Ministerial visits to the Middle East, you will see from a letter in your Information Folder that FCO Ministers have asked Mr Pym to go to Saudi Arabia; which he has agreed to do. In any case, I do not think that the figures on Annexes B and C show us as particularly lagging behind the French in sending Ministers to the Middle East; and the French Minister of Defence has paid only one visit to that part of the world and to only one country (Saudi Arabia) at that.

Having said all that, I think that there would be some advantage in asking Mr Pym to put a paper to OD setting out how he proposes to respond to your call in your Flying Display speech for greater defence sales. Agree? Alth 6ix.

Yes not

From: Geoffrey Pattie, M.P.



Clive - ① would you ask about the Qatar point

Done. Spoke to Mr Patten's  
Patten, also with Patten  
House of Commons,  
LONDON, SW1A 0AA.

not 4<sup>th</sup> September 1980

② Have the F.O.

take account of receiving arrangements The PMZ between is complex

He was to see by Mr Patten. H.H.

Dear Margaret,

Although it is not open to me to make any comment about the content of your flying display dinner speech, I can tell you from my discussions with the chaps afterwards that they received the speech enormously well.

You were so right when you said that our defence exports were not enough, particularly when our  $\pounds 1,200$  million this year is compared with the French  $\pounds 2,604$  million last year.

I thought you might like to see a copy of a report prepared by Frank Cooper for Michael Patten which contains many telling passages, none more so than paragraph 33 - it calls for a positive strategy. The French give their industries far more support Ministerially than

we do — it is interesting to note from the list  
of Ministerial visits to the Middle East that there is  
not a Defence Minister from Britain among them.

It is my belief that we Defence Ministers  
should be giving a lead, as happened with Rapier,  
but any initiatives are squashed by the Foreign  
Office. I met one of our Ambassadors to a  
Middle East country at Farnborough who was  
almost begging for support Ministerially to secure  
£200 million in helicopter and air defence contracts in  
the face of French competition. Charles — I versed  
on request. Alternatively send for our man in Qatar — ask  
him directly.

It is all rather frustrating when one knows  
that the opportunities are there — and that we can  
seize them if we try hard enough.

Congratulations again on the speech.

Yours ever

John