



10 DOWNING STREET

From the Principal Private Secretary

20 February 1981

*BF Can for letter
of 22/12 (Rog A)*

Gen Bonani,

DEFENCE SALES

The Prime Minister has asked me to thank your Secretary of State for his minute of 12 February 1981 about defence sales.

She was glad to learn of the steps he is taking to improve our exports of defence equipment. She looks forward to discussing in EX his report on the survey of our sales strategy which is now being undertaken by Lord Trenchard. Similarly, she would like to give every encouragement to the steps which Mr. Nott is taking to reconcile the requirements of our own Armed Forces with the need to make our equipment cheaper and more attractive to overseas customers.

As regards the proposed Rayner-type study of the Defence Sales Organisation, while the Prime Minister agrees on the importance of getting our sales strategy right first, she thinks that it would save time later on if Sir Derek Rayner, who is no stranger to this area, was involved from the outset in the work which is in hand.

The Prime Minister attaches such importance to the efforts which Mr. Nott is making to improve our exports of defence equipment that she would like to continue to receive quarterly reports on sales prospects. She is, however, content to leave it to him to decide how comprehensive these reports should be and the form they should take.

I am sending copies of this letter to George Walden (FCO), Ian Ellison (Department of Industry), Stuart Hampson (Department of Trade) and David Wright (Cabinet Office).

Yours ever,

Alvin Whinn

B.M. Norbury, Esq.,
Ministry of Defence.