



Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

4 August 1983

The Rt Hon Patrick Jenkin MP
Secretary of State for the Environment

A large, cursive handwritten signature, likely of Patrick Jenkin.

Handwritten initials, possibly 'J/S', in the right margin.

FALKLAND ISLANDS STRATEGIC AIRFIELD: PLANT AND VEHICLES

77M
w box

I was grateful to you for sending me a copy of your letter of 2 August about the BL sub-contract. I have since obtained a copy of the letter from Cecil Parkinson to which you were replying, and have been considering how to respond to your request for an agreed decision.

I have however been told today that you in fact settled the matter, in BL's favour, on 2 August, and that the contract was signed that day. That seems unfortunate, both procedurally and on policy grounds. Since the tender still fell a long way short of the competition, favouring BL means imposing an additional charge on Michael Heseltine's budget. And if our purchasing policy is not to waste money on 'Buy British' regardless of cost, value for money considerations should not be lightly over-ridden.

That said, I recognise that the pressures for the decision taken were strong, and it is of course now water over the dam. But given the need to hold down public expenditure, I hope that we shall in future cases revert to the policy of leaving the main contractor for a project to make his own commercial decisions on sub-contracts in accordance with the conditions of his contract. And when departures from that policy have to be considered, I hope that all those concerned will be consulted in due time.

Copies of this letter go to the other recipients of yours of 2 August.

A large, cursive handwritten signature, likely of Nigel Lawson.

NIGEL LAWSON

ARGENTINA: Relations: Pt 34

5 AUG 1983

1983
AUG 5
10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31



DEPARTMENT OF TRADE AND INDUSTRY

Room 1103 Ashdown House 123 Victoria Street SW1E 6RB

Telex 8813148

Telegrams Advantage London SW1

Telephone Direct Line 01-212 5902

Switchboard 01-212 7676

From the
Minister of State
Norman Lamont MP

The Rt Hon Patrick Jenkin MP
Secretary of State for the
Environment
2 Marsham Street
London SW1

DL
8/4
5 August 1983

Dear Patrick

FALKLAND ISLANDS STRATEGIC AIRFIELD: PLANT AND VEHICLES

in box
In Cecil Parkinson's absence I am replying to your letter of
2 August.

You will already know that we agree with the line you propose. I
should just like to add my appreciation of your prompt action in
averting a potentially highly embarrassing outcome.

I am sending copies of this letter to the Prime Minister,
Geoffrey Howe, Nigel Lawson and Michael Heseltine.

NORMAN LAMONT

Norman

Norman

Argentine
Relations 1834

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

4 August 1983

Dear Private Secretary,

A
4/8.

Falkland Islands: Strategic Airfield: Plant and Vehicles

Thank you for copying to us Mr Jenkin's letter of ^{in box} 2 August to Mr Parkinson about the airfield contractors' purchase of transport vehicles.

We agree that the reduced British Leyland bid should be accepted if at all possible. We also agree that it is only sensible for the contractors to go ahead with the purchase of dump trucks from Volvo and excavators from Caterpillar, though were it not for the decision in favour of British Leyland even this would have generated difficulties in Parliament and the press.

Yours sincerely
J. E. Holmes

(J E Holmes)
Private Secretary

J Ballard Esq
PS/Secretary of State
for the Environment

CONFIDENTIAL

CC: PS/No 10
PS/Chancellor of the Exchequer
PS/SOS of Defence
PS/SoS Trade & Industry

Argentina
Relations # 34

4 AUG 1963

