

CONFIDENTIAL

FROM: CHIEF SECRETARY
DATE: 3 June 1985

PRIME MINISTER

PUBLIC PURCHASING INITIATIVE (PPI)

I have seen a copy of Norman Tebbit's minute of 20 May.

2 Because of the Treasury's central responsibility for public purchasing policy, my officials were consulted when the minute was drafted, and I am broadly content with what is proposed.

3 I ought to put on record one comment about the restatement of the purpose of the Public Purchasing Initiative in paragraph 3 of Norman's minute. We have always to bear in mind that the objective of developing UK sources of supply is subject both to getting value for money to the purchaser in the long-term and to meeting our international commitments on public purchasing.

4 It would probably be useful for a Treasury Minister to join in the discussion envisaged between John Butcher and the Head of the Central Unit on Purchasing.

5 A copy of this letter goes to all Ministers in charge of Departments and to Sir Robert Armstrong.

PETER REES

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GOVERNMENT

