



X ref please
 DEPARTMENT OF TRANSPORT
 2 MARSHAM STREET LONDON SW1P 3EB

26 August 1983 *Questions*

W Ricketts Esq
 Private Secretary to the
 Prime Minister
 10 Downing Street
 LONDON
 SW1

Dear Mr Ricketts

In his letter of 3 ^{attached.} May Jonathan Spencer asked Departments to keep you informed of potentially controversial foreign purchases by nationalised industries.

Although major controversy is most unlikely, you may like to know that the National Bus Company (NBC) have recently taken steps to acquire 12 continental luxury coaches. Six Daf/Berghof single deckers have been ordered because of delivery problems from British manufacturers, and 6 Volvo/Jonckheere double deckers because they are of a low height specification not currently available in this country.

These purchases represent only a very small proportion of NBC's 1983 vehicle intake of about 635 vehicles. Nearly all the remainder will be manufactured in this country, reflecting the very close relationships between NBC and a variety of UK suppliers.

High specification luxury coaches have been until recently a definite gap in the UK product range. But several manufacturers (including Leyland, Metro-Cammell Weymann and Hestair Dennis, and the body builders Plaxtons and Duple) have now moved into this market, with active encouragement from NBC. As a result, NBC expect as a general rule to meet their future needs for vehicles of this type from UK sources, although there may still be a limited number of occasions where they find it necessary to purchase specialist vehicles from abroad.

If you would like any more information, please let me know.

I am sending a copy of this letter to Jonathan Spencer at Trade and Industry.

Yours sincerely
Andrew Melville

for MISS S FAULKNER
 Private Secretary



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30 AUC 1983

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Secretary of State for Industry

Top Copy with Questions

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3 May 1983

Michael Scholar Esq
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PS/Secretary battle PB
Mr Croft Mr Field
Mr Manzie IC(B)4
Mr Gill (on file)
Miss Mueller
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Mr Leeming IC(B)
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Mr Sherbourne

Dear Michael,

PUBLIC PURCHASING : PRIME MINISTER'S QUESTIONS

You will recall that after the recent CEGB barge case, we discussed how the Prime Minister might be provided with more systematic briefing in advance on public purchasing cases which are liable to give rise to public concern and, hence, to questions in the House.

2 I attach a copy of the letter which I have now circulated to all Departments asking for their help in identifying and briefing on potentially controversial cases. I would again emphasise that no such system be entirely foolproof and there will undoubtedly continue to be cases which slip through, either because Departments have not been told of impending orders or sometimes simply because orders are given far more prominence than could be reasonably foreseen. However, I hope that what we are proposing to Departments will result in an improvement in the present situation. As a "belt and braces" operation, Department of Industry Sponsor Divisions are being asked separately to be alert to this need for briefing in cases of which they may themselves become aware. Since this procedure is being introduced for legitimate briefing purposes and is not confined to cases involving prospective foreign purchases, we see no reason why it should be held to be objectionable under the Treaty of Rome if Brussels became aware of it.

3 It would be useful to know, say, in six months time, the extent of briefing provided as a result of this early warning procedure and your perception of its usefulness.

4 I am copying this letter to Margaret O'Mara in the Chancellor of the Exchequer's Office.

Yours sincerely,

Jonathan Spencer

JONATHAN SPENCER
Private Secretary

31 AUG 1951

