



MINISTRY OF DEFENCE  
MAIN BUILDING WHITEHALL LONDON SW1  
Telephone 01-~~830 7622~~ 218 2111/3

MO 26/2

18th June 1984

Prime Minister

A promise: and  
an answer.

mt C.D.F.  
18/6

Dear Charles,

On 12th April John Coles wrote to Richard Mottram following a discussion which the Prime Minister had had with Mr Heseltine on general issues of defence procurement and competitiveness in our defence industry. Following that meeting we are due to provide the Prime Minister with a paper on the present state of Mr Heseltine's initiative to increase the extent of competition in the procurement and supply of defence equipment and support services. I am sorry that this is late but a great deal of work is currently being done on competition within the Department and the present situation is fluid. A draft paper had been produced but Mr Heseltine was not satisfied with it because it did not give a tight enough account of the procedures which are being introduced. He has, therefore, commissioned further work with the aim of sending the Prime Minister an up-to-date assessment by the end of June.

At the meeting on 12th April the Prime Minister also asked whether France was able to tender for certain NATO contracts. The position on this is that, since France's withdrawal from the NATO Integrated Military Structure, she has continued to contribute to the funding of one of the 13 categories of NATO Infrastructure, namely Radar Warning Installations. This category represents about 10% (£230M) of the total 1983/84 Infrastructure programme (£2300M). French companies are therefore eligible to (and do) tender for contracts in this category.

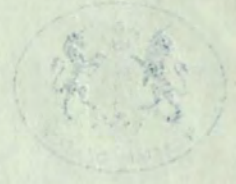
Yours ever

Nick Evans

(N H R EVANS)

DEFENCE : Procurement of Weapon  
Systems : R2

MINISTRY OF DEFENCE  
MAIN BUILDING WHITEHALL LONDON SW1  
Telephone 07 920 3033





to cabinet  
allc

10 DOWNING STREET

*From the Private Secretary*

19 June 1984

Thank you for your letter of 18 June.

BF | I note that the Prime Minister may expect a paper on the present state of Mr. Heseltine's initiative to increase the extent of competition in the procurement and supply of defence equipment and support services by the end of June.

The Prime Minister was grateful to have her questions on France's right to tender for certain NATO contracts answered.

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N.H.R. Evans, Esq.,  
Ministry of Defence.

NR