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subject Pledon
PRIME MINISTER:
meetings with
Warren Hawksley MP:
January 1986



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10 DOWNING STREET

From the Private Secretary

4 February 1986

PURCHASE OF THYSSEN TM170 ARMoured PERSONNEL CARRIERS
FROM BERLIN OCCUPATION COSTS BUDGET (OCB)

Mr. Warren Hawksley M.P., came to see the Prime Minister this afternoon to discuss the procurement of armoured personnel carriers, alias hard-skinned troop carrying vehicles, for Berlin. The Minister of State for the Armed Forces, Mr. John Stanley, M.P., was also present.

Mr. Hawksley's main points were first, that publicity about British troops being driven around in German-built APCs would be very damaging to the export prospects of the GKN-Sankey Saxon vehicle. This had already proved to be the case in India. Second, he thought it intrinsically unfair that GKN-Sankey should not be able to compete for an order for equipment for British Forces in a part of Germany. And thirdly, he argued that GKN-Sankey had been prepared to bid through a Dusseldorf-based subsidiary and to use German steel and components in the manufacture of their vehicle.

The Prime Minister explained the position as set out in the attachment to your letter of 3 February making clear that it was not a choice between the Thyssen and GKN-Sankey vehicles but between the Thyssen vehicles or nothing. Unfortunately, because of the fuss which had already been created, the Federal German Government were showing signs of reluctance to proceed with the purchase of the Thyssen vehicles financed from the Occupation Costs Budget. If this were to happen, it would damage the effectiveness of our Forces in Berlin. Mr. Stanley pointed out that GKN-Sankey would be able to argue, in their export markets, that they were supplying all the United Kingdom's Government-financed requirements for armoured personnel carriers in this class. This should be effective in countering any possible propaganda about use of the Thyssen vehicles in Berlin.

Mr. Hawksley said that he had asked his local MEP, Christopher Prout, to establish whether the lack of competition for these vehicles in any way contravened European Community law. The Prime Minister urged Mr. Hawksley not to contribute to further unsettling German opinion on the matter. Mr. Hawksley said that he believed that Jane's Defence Weekly would be publishing a further article on the matter this week.

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I am copying this letter to Colin Budd (Foreign and Commonwealth Office).

CHARLES POWELL

Jeremy Wright, Esq.,
Ministry of Defence.

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