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Defence
MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-~~936 7022~~ 218 2111/3

MO 14/19

23rd December 1980

Mr Whitmore has seen

B/F 12 January.

Int. 23/X1

Dear Michael,

The Defence Secretary has seen your letters of 22nd December to Brian Norbury and to Paul Lever on Defence Sales. He has asked me to reply straightaway.

You listed a number of points arising from the Prime Minister's discussions yesterday with Sir Austin Pearce; Mr Pym's comments follow seriatim. First, Mr Pym wholeheartedly endorses the view that there must be more involvement of Government and of private industry - as part of the effort to win more defence sales orders. This was one of the points made in his paper on defence sales (OD(80)70) which was endorsed at OD(80)25th meeting. To this end he hopes to take with him (your point B) when he visits a number of Gulf states, including the UAE, next month a small group of senior business men including a top level representative of British Aerospace. Ministers of other departments have, when appropriate, taken business men with them on overseas visits to promote exports of all kinds, including defence sales, and Mr Pym hopes that this practice will continue to be extended (though he recognises that not all visits would lend themselves to such arrangements).

He fully agrees that in promoting defence sales (your point C) there should be closer co-ordination between the MOD, the FCO and companies. He hopes that the Ministerial impetus given to defence sales will act as a spur to officials and industry to make greater efforts. He sees the establishment of a Ministerial working group aimed at cutting through impediments to defence sales, both within the MOD and also in Whitehall, as a major contribution to this objective. He agrees that intractable difficulties should be referred to the Prime Minister (your paragraph E) through OD or EX Committees, but he would hope that the machinery aimed at securing such matters and now in being would keep these cases to a minimum.

M O'D B Alexander Esq

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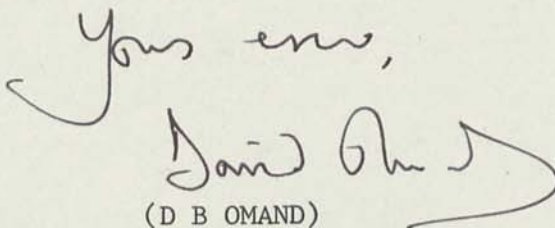
We will make the necessary arrangements for the Prime Minister to receive a report on major defence sales contracts for which we are competing (your paragraph D) and regular reports thereafter.

Finally, you mentioned the "quality of the Military Attache Establishment"; the Defence Secretary sets great store by ensuring that the quality of our Service Attache representation is of the highest possible standard. It is clearly stated in the terms of reference of each Defence Attache that, in addition to reporting on defence policy and defence intelligence matters relating to the country to which he is accredited, he should also provide local advice to British Companies seeking to sell defence equipment, and also to report back to London any military or commercial information which might be used to this end. Mr Pym believes that HM Ambassadors and British High Commissioners can - and do - play important roles in securing defence sales contracts.

In respect of the UAE, I understand that the Prime Minister has already been informed by the FCO of the delay in the despatch of the team of Abu Dhabi (to which you referred in the penultimate paragraph of your letter to Paul Lever) until the return of Shaikh Khalifa to Abu Dhabi. We or the FCO will keep you posted of further developments.

You also mention the question of training; I have written to you separately today.

I am copying this letter to Paul Lever (FCO), John Wiggins (Treasury), Stuart Hampson (Department of Trade) and David Wright (Cabinet Office).

Yours ever,

(D B OMAND)