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Qa 05195

To await OD on Wednesday
3rd December.
J.R.

To: MR ALEXANDER
From: J R IBBS

Defence Sales

1. The Defence and Overseas Policy Committee is due to discuss defence sales on 3 December. The Prime Minister may like to be aware that the CPRS has been concerned for some time over the insufficient return in defence export sales in relation to the high proportion of Government-financed research and development which is devoted to defence. I therefore strongly support the emphasis in the Defence Secretary's note (OD(80)70) on the importance of giving full weight to sales considerations when taking decisions on the defence equipment programme and welcome the positive moves to achieve this.

2. The study, through the National Defence Industries Council, with particular emphasis on what can be done to make our defence equipment more exportable is obviously important. But getting the right procurement decisions is only part of the battle. British defence industries, with some exceptions, also need to be prodded into making more of an overseas marketing effort themselves rather than rely on high price, low volume sales in this country.

3. I am sending a copy of this minute to Sir Robert Armstrong.

J.R.

28 November 1980

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