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Defence Budget
Pk
5

CONFIDENTIAL



British Embassy
Jedda

11 May 1981

Michael Alexander Esq
No 10 Downing Street

~~Mr Alexander (O/M)~~

hw.

hw.

Dear Michael,

DEFENCE SALES: TRAINING COURSES

1. During the Prime Minister's visit to Riyadh she expressed a keen interest in the difficulties that have regularly arisen over the years about the prices we charge for training and the disadvantage at which those prices put our sales effort. You were not in the room at the time and she asked me for a note on the subject. I told her that there was already a note among her briefs and I gave my copy of that particular brief to your Private Office with suitable underlinings. I also referred to that brief in my despatch on the visit.

2. One of the dumbfounding things which the brief said was, as I recall, that there was no evidence that our competitors offered any better rates over training costs. I now enclose a piece of evidence in the form of a telegram sent by my Defence Section to the Ministry of Defence.

Your own
James

James Craig

CONFIDENTIAL

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PRI
070740Z MAY 81
FM COMMCEN HSP
TO MODUK

RESTRICTED
SIC Z8G
GR 130

RESTRICTED
FM JEDDA 070740Z MAY 81
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TELNO Z8G/365 OF 7 MAY

FROM ADA1 FOR CARTER MDS 2 AND D SALES 1. IMS ARTY
PACKAGE. REF D/MD/HDS/77/5/14 OF 23 MAR 81 GIVING
ARTY COURSES DETAILS (NOT TO SALES 1).

1. COMD SAUDI ARTY SCH HAS TOLD IMS:
A. TOP STUDENT ON IMS GSP COURSE NOW NOMINATED
FOR LONG GUNNERY COURSE IN USA.

B. THOUGH UK COURSES PREFERRED HE CONSIDERS PRICES
QUOTE EXORBITANT UNQUOTE. US/FRENCH PRICES QUOTE
VERY VERY MUCH CHEAPER UNQUOTE AND WILL ORIENTATE
STUDENTS TO THOSE NATIONS EQPTS.

2. BEARING IN MIND OUR HOPES FOR FURTHER ARTY SALES NOT
LEAST FH70, IS THERE ANYTHING THAT CAN BE DONE TO AVOID
POTENTIAL DISASTER BY:

A. GETTING COURSE COSTS LOWERED CONSIDERABLY
OR
B. OBTAINING D SALES/IMS SUBSIDY TO SAME END.

CRAIG
BT

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