



10 DOWNING STREET

From the Private Secretary

9 June 1981

Dear Catherine,

PRITCHARD SERVICES GROUP LIMITED

We spoke a few moments ago about the suggestion made by Mr. Anthony Grant MP that the Prime Minister should mention to King Khalid the tender made by the Pritchard Services Group for a cleaning contract in Jeddah. We agreed that it would not be appropriate for the Prime Minister to mention this but that Mr. Parkinson might usefully be briefed on the matter before his departure later this week for Saudi Arabia. I enclose a copy of the note which Mr. Grant sent to the Prime Minister.

I will arrange for Mr. Grant to be informed that the Prime Minister will not be raising the matter but that the Minister of State has been briefed.

Yours sincerely

Richard Alexander

Mrs. Catherine Capon,
Department of Trade.

MR. GOW

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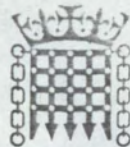
I have discussed Mr. Grant's letter with the Department of Trade. They confirm my own feeling that this would not be a suitable question for the Prime Minister to raise with King Khalid. It seems to me unlikely in the extreme that King Khalid would be aware of a matter such as this.

I have, however, arranged for Mr. Norman Parkinson, who is leaving for a visit to Saudi Arabia later this week, to be briefed about the contract.

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9 June 1981

From: Anthony Grant, M.P.



HOUSE OF COMMONS
LONDON SW1A 0AA

Urgent

8th. June 1981

Dear Ian

Further to our conversation today I enclose a hasty aide-memoire for the Prime Minister in the profound hope that she has an opportunity to breathe a word in the King's ear.

He may well be informed of much of this even though not prepared to reveal his knowledge. I believe he would be impressed if he knew the Prime Minister was interested in view of her highly successful visit to Saudi.

I will gladly talk and supply more information if need be.

Anthony Grant

Ian Gow Esq. MP
PPS to the Prime Minister

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From: Anthony Grant, M.P.



HOUSE OF COMMONS
LONDON SW1A 0AA

8th. June 1981

Pritchard Services Group Ltd. is a large British public company (turnover approximately £150 million). It is the foremost cleaning and maintenance company in UK and its activities are worldwide.

In particular, in recent years it has acquired an expertise in operating in the Middle East. It has spent the last four years carrying out a five year contract to clean Riyadh. The contract is worth 850 million ~~regis.~~ ^{Saudi} Riyals [about £200m].

A contract of approximately the same size is becoming available in respect of the city of Jeddah. A consortium of Pritchards, their US partner, and their Saudi partner have submitted the lowest bid. On this basis and ⁱⁿ view of Pritchard's extremely successful conduct of the Riyadh contract and their reputation in the Arab world generally one would expect the consortium to be awarded the Jeddah contract. However there seems a possibility that a French consortium which has Renault involved (and therefore is in effect a nationalised concern with French Government money behind it) might be favoured.

The reasons are obscure but it is odd in view of the sympathies the new French President is said to have with Israel.

It would be very helpful, and in Britain's trade interests, if the Prime Minister could find an opportunity to express the hope to King Khalid during his visit that a partnership involving a British firm of proven ability may be granted this important contract.