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*Subject filed in Middle East:
Nov 79: Arms sales to Middle East*

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FM F C O 161955Z FEB 81
TO IMMEDIATE BONN
TELEGRAM NUMBER 57 OF 16 FEBRUARY.
INFO IMMEDIATE ROME MODUK (DS 13).

**PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T25A/81**

MIPT : TORNADO SALES TO ARAB COUNTRIES.

1. FOLLOWING IS TEXT OF MESSAGE TO CHANCELLOR SCHMIDT :

BEGINS.

AS YOU MAY KNOW, WE HAVE RECEIVED INDICATIONS FROM KING HUSSEIN THAT A NUMBER OF ARAB STATES, INCLUDING THE SAUDIS, ARE INTERESTED COLLECTIVELY IN BUYING ADVANCED AIRCRAFT. THERE HAS ALREADY BEEN SOME PRESS SPECULATION ABOUT THIS IN RELATION TO TORNADO. PETER CARRINGTON HAD A WORD ON THE POSSIBILITY OF TORNADO SALES LAST WEEK WITH HERR GENSCHER AND TOLD HIM THAT I WOULD BE GETTING IN TOUCH WITH YOU.

ONE IMPORTANT ELEMENT IN THE STABILITY OF THE GULF IS THAT THE ARABS SHOULD BE ABLE TO STAND ON THEIR OWN FEET MILITARILY. I BELIEVE IT IS PARTICULARLY IMPORTANT THAT SAUDI ARABIA SHOULD BE STRENGTHENED. THE IMPORTANCE OF A STABLE REGIME THERE FOR WESTERN EUROPE CANNOT BE OVERSTRESSED. IF THERE IS REAL INTEREST IN TORNADO AND WE REBUFF IT, THE CONSEQUENCES FOR OUR POLICIES AND INTERESTS IN THE REGION COULD BE SERIOUS.

I APPRECIATE THAT SALES OF DEFENCE EQUIPMENT TO THE MIDDLE EAST PRESENT YOU WITH PARTICULAR PROBLEMS. IT WOULD HAVE BEEN BETTER IF THE MATTER HAD NOT COME TO A HEAD SO SOON. BUT, SINCE THERE IS NOW PUBLIC SPECULATION, I DO NOT THINK WE CAN AFFORD TO DELAY ON THIS. QUITE APART FROM THE NEED FOR STRONG, STABLE ARAB STATES, SALES OF TORNADO WOULD BE OF SIGNIFICANT BENEFIT TO OUR JOINT TORNADO PROGRAMME AND WOULD BE OF HELP IN REDUCING UNIT COSTS. THE ARAB/ISRAEL DIMENSION IS, I RECOGNISE, A SERIOUS COMPLICATION IN CONSIDERATION OF ARMS SALES IN THE AREA. BUT THE FACT IS THAT ISRAEL IS THE STRONGEST MILITARY POWER IN THE REGION AND THE

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AMERICANS WILL ALMOST CERTAINLY CONTINUE TO ENSURE SUPPLIES TO HER. IF THEY DID NOT, WE MIGHT HAVE TO RECONSIDER OUR ATTITUDE TO SALES TO ISRAEL OF ADVANCED AIRCRAFT, BUT THESE ARE COMPLICATING FACTORS WHICH I DO NOT THINK WE NEED TO DEAL WITH NOW. WHAT IS IMPORTANT IS THAT WE SHOULD BE IN A POSITION SOON TO DISCUSS THE ARABS' NEEDS WITH THEM SO THAT WE DO NOT CLOSE ANY DOORS FOR THE TIME BEING. TO DO THIS EFFECTIVELY I BELIEVE WE HAVE TO TAKE AN EARLY DECISION OF PRINCIPLE TO SELL TORNADO IF THE SAUDIS AND THE OTHER ARAB STATES ARE GENUINELY INTERESTED. FOR MY PART, I AM READY TO AGREE TO THIS AND I VERY MUCH HOPE THAT YOU WILL BE ABLE TO DO SO TOO.

I SHOULD BE GRATEFUL IF YOU COULD LET ME HAVE YOUR VIEWS AS SOON AS POSSIBLE. WE HAVE OFFERED TO GIVE A DEMONSTRATION FLIGHT OF TORNADO IN THE UNITED KINGDOM TO THE DEPUTY CHIEF OF OPERATIONS IN THE SAUDI AIR FORCE IN THE NEAR FUTURE. MEANWHILE IT OCCURS TO ME THAT YOU MIGHT FIND IT HELPFUL IF BAE AND ROLLS ROYCE, RATHER THAN PANAVIA, WERE TO TAKE THE LEAD ON SALES TO MIDDLE EAST CUSTOMERS. IF YOU SEE MERIT IN THIS IDEA OUR OFFICIALS COULD PURSUE IT AS A MATTER OF URGENCY.

I AM SENDING A SIMILAR MESSAGE TO SIGNOR FORLANI.

ENDS. "

CARRINGTON

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MR P MOBERLY