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OD(81)36 COPY NO  
15 July 1981

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CABINET  
DEFENCE AND OVERSEA POLICY COMMITTEE

FOREIGN POLICY IMPLICATIONS OF ARMS SALES  
TO THE MIDDLE EAST

Memorandum by the Secretary of State for  
Foreign and Commonwealth Affairs

Introduction

1. In reaching decisions on the proposals set out in the Defence Secretary's Memoranda, we need to take account of our Middle East policies as a whole as well as of the commercial and other advantages of such sales. Sales are likely to be controversial. If we go through with them, we shall face accusations that we are introducing weapons of increased sophistication into an already unstable area and that our policy favours volatile and unreliable Arab states and endangers Israeli security.

Iraq

2. As the Defence Secretary has pointed out, Iraq offers significant arms sales opportunities. It is clear that Iraq is determined to secure from one source or another the armaments she needs to match her ambitions. But we should be clear about the risks involved:

i) The Iraqi regime is revolutionary and violent. It is at war with Iran, bitterly hostile to Israel, quarrelling with Syria and its present co-existence with the very different regimes in Saudi Arabia and the Gulf is not secure. We cannot be sure how the weapons which we supply may be used.

ii) The Iraqi regime is also fragile. If recent history is any guide, the weapons which we supply will last longer than the regime to which we supply them. The present regime is at present anti-Communist and seeks to pursue its ambitions

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in reasonable friendship with the West. No prediction is possible about its successor.

In becoming a principal supplier of arms to Iraq we are thus taking a risk of which we should be aware and which should lead us to refrain from supplying equipment - in particular offensive weapons of a high degree of sophistication - which Iraq is not able to obtain elsewhere. The IDS version of the Tornado may fall into this category and Iraqi interest in acquiring it poses particular difficulties. Quite apart from the security issues involving our own and allied use of this aircraft, the fact is that it is a long range (1400 km) bomber aircraft. This argues for extreme caution over supply, given Iraq's suspected nuclear aspirations and deep seated hostility to Israel. Even if we were able to overcome our own and any Italian reservations, there is at present no prospect of securing the agreement of our German collaborative partner.

Syria

3. Syria is interested in Tornado and Chieftain. Our commercial interests in Syria are less than in Iraq, but in view of her central role in the Arab/Israel dispute, our political interests are at least as great. Syria is both a front-line state in the confrontation with Israel and at loggerheads with Iraq. Thus the arguments against the provision of sophisticated weapons which apply to Iraq apply with as much force to Syria, and there is the added complication that discrimination in favour of Iraq might jeopardise Syria's present pragmatic approach to the UK and EC position. Both countries have friendship treaties with the Soviet Union.

Israel

4. In recent years the bulk of our arms sales in the Middle East have in practice gone to the Arabs. The sales now proposed would increase this imbalance. Although we acknowledge that Israel depends almost exclusively on the US, our policy until now has been an even-handed refusal to sell more advanced weapons to any confrontation states. (The sale of tanks to Jordan in 1979 was agreed as an exception). To avoid further weakening our relationship with Israel and to maintain even-handedness, we might need to agree in principle to sell the same categories to Israel as to Arab confrontation states. Such a balanced policy would fit with our position as a potential broker for a peace settlement. It would also leave us better placed

publicly to justify our sales policies. On the other hand high profile sales to Israel would endanger our interests in the Arab world.

5. In practice American supply must remain more attractive to Israel when accompanied by large scale military aid and easy terms. Furthermore she will not want Tornado. It does not suit her requirements. The P110, if it is a collaborative project with the Arabs, would not be available. Israeli interest in technical discussions on the RB199 (Tornado) engine, which we refused, has lapsed. They have chosen an American engine for their home-produced fighter. They might, however, revive an interest in British tanks with Chobham armour and other sophisticated equipment, if only to test our intentions.

#### Arab/Israel Military Balance

6. Israel at present has a significant military superiority, but Arab equipment and improving technological skills are likely to narrow the gap in time. Even-handed supply of equipment to both sides (if this were possible to achieve) might tend to consolidate the status quo. But firms supplying Israel would run the risk of an Arab boycott. Although ultimately this is a matter for the commercial judgement of the firms, the effect of a boycott, e.g. on Rolls Royce and BAe, could be extremely damaging to their sales prospects in the area. An even-handed policy may therefore not be easy to implement.

7. On the other hand it could be argued that supply predominantly to the Arabs would not affect the overall balance because on the Arab side our weapons would presumably substitute for Soviet (or other Western) weapons and Israel will continue to get what she needs from the US. But we could expect Israeli objections and might be vulnerable to general criticism for supplying one side in an area of direct conflict (see Annex on Policy Presentation).

#### Continuity of Supply

8. The Arab states, including Iraq, are likely to seek assurances of continuity of supply. Indeed our readiness to offer these assurances may be a sine qua non, especially in the case of collaborative ventures. Yet in the event of war, not only would

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continued supply be contrary to our obligations as a neutral but we may have strong political and defence reasons for ceasing to provide equipment. In practice we may have to show willing, e.g. by responding positively to proposals for local manufacture of simple items, while maintaining a tacit right to interrupt the supply of UK made items. If an arrangement on these lines could be achieved it might make it easier for us to contemplate the sale of advanced equipment to certain regimes.

Consultation with Allies

9. We have no understanding with our allies, in particular the Americans and the French, on the supply of arms to the Middle East. This is a paradox at a time when we are seeking a more coherent Western policy outside the NATO area. The subject is one of immense importance for the stability of the Middle East, yet we pursue our respective policies without agreement, usually without consultation. The reason is, of course, the fierce commercial competition between us. In my view this competition rules out the possibility of any firm agreement between the allies about the supply of arms. Nevertheless we should realise the danger that unco-ordinated policies are leading us to fill with dangerous weapons a notably explosive area of the world without any considered assessment of what is required to maintain stability and deter the Soviet threat. We should watch for opportunities to discuss these issues with our allies, without prejudicing the competitive thrust of our own sales effort.

Conclusions

10. Decisions about supply must continue to be related to the sensitivity of the equipment and the nature of the customer. An all-embracing policy is not practicable. We should continue to take decisions on a case-by-case basis. In marginal cases we need not rule out responding positively in the first instance, while quoting terms or conditions which later frustrate supply. Where we cannot agree to supply, however, it may on occasion avert trouble to say so firmly at the beginning. This points to the following recommendations on specific proposals:

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- a) Iraq
- i) Maintain agreement in principle to supply tanks. If Iraq cannot be dissuaded from request for Chobham armour, quote a long delivery date. In any event make supply conditional on cessation of hostilities with Iran.
  - ii) agree in principle to supply FH70 gun, but enlist Iraqi help in persuading Germans/Italians to acquiesce.
  - iii) decide now on security grounds not to supply the IDS version of Tornado on the pretext (if asked) that German agreement will not be forthcoming in near future; offer co-operation on development of P110.
- b) Arab Consortium
- As a tactic to draw Arab attention away from the IDS version, we should tell King Hussein that the UK is ready to continue discussion about supply of either version of Tornado but no prospect of German agreement in near future. Suggest concentration on joint development of P110 as best prospect for co-operation.
- c) Israel
- We need make no decisions until the Israelis approach us. If they do, we should make clear that our general policy is one of even-handedness but, with this overall guideline, leave final decisions to the commercial judgement of firms.
- d) Syria
- Tornado should be refused (as for Iraq). Difficult to sell tanks to Iraq but not to Syria. Better to play long rather than refuse outright.

11. We shall need to review how we present our policies. Some suggestions for how to handle this are at annex.

Foreign and Commonwealth Office  
15 July 1981

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## ANNEX

1. Our public line hitherto has been that we are willing to consider requests to supply items which in our view would not endanger the achievement of a peaceful settlement of the Arab/Israeli dispute. We should as far as possible adhere to this. In practice it leaves us considerable room for manoeuvre. But in view of the new factors of the Iran/Iraq war, the known activity of the Arab consortium and the aspirations widely attributed to Iraq, we should add that decisions, on a case-by-case basis, take account not only of the economic and industrial benefits, but also of all the relevant considerations, including:

- a) the need to withhold weapons whose sophistication and usefulness would give a potential aggressor significant offensive advantage. This will apply particularly to long-range strike aircraft;
- b) the requirement to withhold equipment in use by HM Forces from countries where its security might be compromised;
- c) the importance of acting as far as possible in concert with other countries concerned for Middle East stability;
- d) the problem that in many cases others will be ready to supply what we withhold;
- e) the desirability of weakening Soviet influence in the area.