



Foreign and Commonwealth Office

London SW1A 2AH

8 January 1981

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Hurd*

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Prime Minister

Dear Michael, To note

Hurd 9/1

Mr Hurd's Visit to the UAE

I enclose at Mr Hurd's request a copy of his minute of 8 January to Lord Carrington on his visit to the UAE from 5-7 January.

I am sending a copy of this letter and its enclosure to David Omand.

Yours ever,

(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

This is a copy. The original has been extracted and closed, 40 years.

Secretary of State

VISIT TO THE UAE: 5-7 JANUARY

The Hawk

It is not just a competition between the Hawk and the Alphajet. The Abu Dhabi authorities are thinking of a flying school and a Hunter replacement as well as a training plane. The professional military, for what it is worth (which is not much), appear to favour a British solution. As in most such cases in the Middle East, the worth of the product is of secondary importance compared to the politics and personalities. It seems likely that Shaikh Zaid has left the matter to be settled by agreement between two of his sons, Khalifa and Sultan. Sultan (Commander-in-Chief) is in favour of Alphajet, as of all things French. Khalifa (Crown Prince and Deputy C-in-C) is probably inclined to the Hawk and to Britain. In the end, ie probably in a month or so, the matter will have to be referred back to Zaid.

2. Both the French and ourselves have exerted strong political pressure. In favour of the French are:

- (a) the general feeling that the French are more imaginative and offer more glamorous products than the British, and that they are more pro-Arab, by conviction and because of their dependence on Gulf oil;
- (b) the prospect dangled by the French that purchase of the Alphajet would lead to participation in and acquisition of the highly sophisticated Mirage Delta 4, perhaps on an all-Gulf basis. (We cannot apparently yet talk realistically of exporting Tornado.);
- (c) certain specifics, in particular that the ground-attack version of the Alphajet exists on the shelf, whereas the ground-attack version of the Hawk is a plan.

On our side is:

- (a) the general feeling that recently we have exerted ourselves in the area, particularly since the Iran/Iraq war, and that therefore we deserve some recognition;
- (b) the professional feeling in favour of the Hawk;
- (c) the prospect of the Prime Minister's visit. I pushed this hard with all whom I saw, and it was warmly received.

3. Abu Dhabi, like all Gulf States, is full of nuances, cross-currents and so the above is bound to be oversimplified. I would guess that the ruling family will now seek a compromise - hence probably the interest in Jaguar (in which we take 63% of proceeds of overseas sales). They might

/even do

**~* Passages deleted and closed,
40 years, under FOI Exemption
Wayland, 8/9/11*

even do something silly like buying a handful of both Alphajets and Hawks. Or (the worst case) they might buy Alphajet and compensate with an order for tracked Rapier (British Aerospace) or radar (Plessey). We have a reasonable chance now of at least a favourable compromise.

4. Our Defence Attaché is good (he is the key coordinator on the spot). The local representation of BAe is poor, but at the top level they know this and it would be a mistake to change now. The Rolls-Royce agent is a powerful local figure, but characteristically BAe on the spot distrusted and were not working with him - I think we have put this right.

5. I telegraphed about the next steps to be taken in this siege, and will now follow them up.

The Emirates

6. The Federation may soon enter a troubled patch. Not economically, for there is no recession there. Nor because of external threat, about which they are now serene after the scare in the autumn. The difficulty will be internal. The Federation ^{of 7} holds together because of the cooperation of two remarkable old ^{States} men, Shaikh Zaid of Abu Dhabi and Shaikh Rashid of Dubai, who are about 70 and 75 respectively. Shaikh Rashid in particular is now in poorish health. There is no rule of primogeniture, so the succession in both states is in doubt. Worse, the younger generation of shaikhs in each state tend to dislike those in the other and make little pretence of working together. The Federation is definitely not past the point of no return. Dubai, which is the less rich of the two, is more open, more pro-British, and has a slightly better rising generation of princelings.

7. The UAE is a vital country. We have found a good Ambassador with Gulf experience to go there in the summer. We need to keep up a steady flow of Ministerial visits. We must pay particular attention to the rising generation, impressive and unimpressive alike, since we cannot be sure who will come to the top.

Douglas Hurd

Douglas Hurd

8 January 1981

cc: Lord Privy Seal
PUS
Sir J Graham

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Middle East Defence
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Prime Minister

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A timely & useful discussion.

cc Middle East, Situation

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RECORD OF A CALL BY THE SECRETARY OF STATE FOR ENERGY AND MINISTER OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS ON SHAIKH KHALIFA BIN ZAID, CROWN PRINCE OF ABU DHABI AND DEPUTY SUPREME COMMANDER OF THE UAE ARMED FORCES IN ABU DHABI ON 6 JANUARY 1981

Present:

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|--------------------------------------------------------------------------|----------------------------------------------------------------|
| The Rt Hon David Howell MP | HE Shaikh Khalifa bin Zaid |
| The Hon Douglas Hurd CBE MP | HE Rashid Abdulla,
Minister of State for
Foreign Affairs |
| Sir Ron Ellis,
Head of Defence Sales | HE Dr Mana' Said al Otaiba,
Minister for Petroleum |
| Sir Frederick Page,
Chairman British Aerospace
(Aircraft Division) | Colonel Muhammad Said al Badi,
Chief of Staff |
| HE Mr David Roberts CMG CVO | Mr Zaki Nusseibeh,
Interpreter |
| Lt Colonel R Jury MVO | |
| Mr C T W Humfrey | |

1. Mr Hurd said that he remembered his talk with Shaikh Khalifa the previous year about security cooperation between the Gulf states. There had obviously been good progress since then, including, he understood, at the recent Amman Summit. Were the proposals put forward by Kuwait at Amman for Gulf cooperation likely to develop into the defence field? Shaikh Khalifa said that he was very pleased with the steps which had been taken. They had long been sought by the UAE which was glad to see them taking concrete shape. Two conditions were needed to make progress. First, the political interest in the Gulf states should be maintained and, second, that a full time staff should be established.

2. Mr Hurd said that we were anxious to see such cooperation succeed. We were glad to have had quick consultations with the UAE after the outbreak of the Iran/Iraq war and to have arranged visits by General Perkins and Mr Moberly. We wanted our friendship to have a practical and modern aspect. Shaikh Khalifa said that they were very glad to have had these consultations and to feel that they had a long-lasting and concrete friendship with us. This cooperation had now to be developed. Mr Hurd said that the present British Government were trying to play a more active role in the Middle East. It was very important at this time when there was a new US Administration, whose ideas we still had to discover. It had just been agreed that Mrs Thatcher and Lord Carrington would visit Washington in February. They both hoped to discuss the Middle East with the new US Administration. These would be

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the first discussions between President Reagan and a new European Head of Government.

3. Shaikh Khalifa hoped that the new Reagan administration would be even-handed in their dealings in the Middle East. Mr Hurd said that we hoped that we might be able to help in that direction. Mrs Thatcher had asked him to say that, if Shaikh Zaid agreed and convenient dates could be found, she would like to visit the UAE in Spring, in April. Shaikh Khalifa immediately replied that without having to refer to his father he could say that the Prime Minister would always be welcome. Mr Hurd said that he knew Mrs Thatcher was anxious to see the UAE for herself and discuss some of these questions. Shaikh Khalifa said that they would attach great importance to her visit and only wanted to be told when it would be. Mr Hurd said that we would discuss dates through our Ambassador.

4. Mr Hurd said that in this context of trying to make our friendship modern and practical, the Prime Minister had asked him to mention the Hawk negotiations. He understood that there was a choice to be made and we did not claim a monopoly of supply. But it might become difficult for us to pursue ideas and cooperation if we felt that all the UAE's main procurement policies were directed to other countries and we were left with nothing substantial. He would not have dared say this nor would the Prime Minister have asked him to, if we did not believe that Hawk was a superior aircraft and that the proposals that we had made and could make regarding it would meet the UAE's requirements. Shaikh Khalifa said that the UAE was also very keen that bilateral cooperation should continue and strengthen in all fields, especially military. They were presently studying the purchase of aircraft to meet both training and jet interceptor requirements. He was grateful for and appreciative of British interest and goodwill. He was sure that Mr Hurd would not have raised the matter if he did not consider that Hawk would meet the UAE's requirements. Mr Hurd said that Sir Ronald Ellis and Sir Frederick Page, as the experts, could continue discussions with the UAE's technical experts immediately after the meeting. We believed that "the customer was always right", and that we could meet the UAE's technical requirements when these were known. On training, we believed that the offers we had made were unique and could not be matched, for example the offer of a place at our Central Flying School which had a high reputation. The training of an instructor there would enable Abu Dhabi to begin its own training. If there were any particular points on training, they should let us know. The Prime Minister had instructed that we should do our best to meet any particular suggestions which the UAE might like to raise about training, additional to those already included in our offer.

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5. Shaikh Khalifa readily agreed that his Chief of Staff should discuss with our experts. He asked whether the rumour was true that we had stopped producing the Jaguar aircraft. Sir Frederick Page said that it was not. The Jaguar was very much in production for a number of countries and had been selected for licensed production. There were regular deliveries of the aircraft from British Aerospace's Wharton Division and the French Air Force were still taking deliveries. We would be delivering for several years and commitments extended to the end of this century. HMG had authorised a number of developments of the aircraft. He would be happy to discuss the details with the Chief of Staff. Shaikh Khalifa encouraged this and said that he would be kept informed. He asked about reports of accidents to Jaguar in Oman. Sir Frederick Page said that there had been one case where faulty equipment load had been used resulting in an accident, but the equipment had not been supplied by the UK. Jaguar's record had been good. It used the same basic well proven engine as the Hawk so that there was commonality. The Omanis had been so pleased with the results that they had re-ordered the aircraft. Mr Hurd said that Sultan Qaboos's recent order for a third squadron of Jaguar was the best compliment that could be paid it. Shaikh Khalifa said that he had seen Jaguar on a demonstration flight and had been impressed by it. Mr Hurd asked what the timing would be for a decision on aircraft purchase. Shaikh Khalifa said that a decision would be made quite soon. His experts needed to consider the matter further. A decision had been deferred until his return from Pakistan. He was particularly keen to develop the Air Force including training. He hoped that, as soon as a decision had been made, we could keep the salesmen from him!

6. Turning to the Iran/Iraq war, Mr Hurd said that we saw a military stalemate with fighting continuing, but not particularly intense. No military breakthrough seemed likely by either side. Shaikh Khalifa thought that the really important factor would be whether either side received new supplies of arms. Had the Soviet Union been delivering such supplies? Mr Hurd said that our information was that the Iraqis were displeased with the Soviet Union's performance. They had been receiving deliveries of some arms which had been ordered earlier from the Soviet Union and France, but nothing extra. The Iranians had been looking in the international arms market but had found nothing substantial. The Iranians' foolishness in holding the US hostages had lost them friends. Shaikh Khalifa believed that both sides were feeling exhausted but that the Iranians were the weaker because they had made enemies of everyone. He regretted the destruction in both countries. He had heard that the Iranians had only eight aircraft remaining. Mr Hurd said that we thought they had more aircraft than that though they never got more than fifty per cent of their Air Force into the air and had suffered losses. They were still flying some forty sorties a day, though these tended to be hit and run rather than intensive attacks. They were having increasing

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difficulty in getting their Phantoms into the air. Mr Howell added that we thought the Iranian Air Force was still a threat to the oil installations in Iraq.

7. In conclusion, Shaikh Khalifa said that he had been particularly pleased to welcome two British Ministers to the UAE.

Howell
8/1

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