CONFIDENTIAL

Middle Bash

Brue 1 Umilier

Foreign and Commonwealth Office

London SW1A 2AH

has seen + affroved menage to king thusein. A Richards informed by telephone.

23 January 1981

Dean Milbad,

/ hud 23/

Tornado

The Prime Minister will wish to see the attached telegram from the Head of Defence Sales, who is now visiting Jordan.

The Mirage 4000 is a private venture development by Dassault to follow on from the Mirage 2000. A prototype of the twin engined Delta wing (single seat) aircraft is flying and we believe it could be in service by about 1986/87 (about the same time export versions of the Tornado will be available on the current programme). Arabinterest in the aircraft has been fostered by the French as part of their strategy for selling their current Alpha Jet and Mirage 2000 aircraft. Prince Sultan of Saudi Arabia has stated publicly that he is discussing the Mirage 4000 programme with the French. It was reported at the previous summit in Amman that King Hussein had spoken in terms of the Arab States standardising on the Mirage 4000 and of a purchase of 300 aircraft funded by Saudi Arabia. Tornado was said to be an alternative.

The responsibility for the marketing of Tornado rests with Panavia under the overall direction of NAMMA, the joint Anglo-German-Italian organisations responsible for the programme. Recently, the UK have begun to take the initiative and have decided to offer an evaluation flight to Saudi Arabia and Oman. Mr Hurd is also writing this weekend to offer to discuss the aircraft with Abu Dhabi as part of the Hawk sales campaign. It should be stressed that these moves have been taken without consultation with the Germans, who we expect may well see difficulty, since the MOD believe that we must establish a strong interest before raising the matter with the German Government.

The main political difficulty is that the introduction of Tornado or Mirage 4000 would introduce a new element into the Arab arsenal. We were approached by the Israelis in May 1979 and asked to approve technical discussions between them and Rolls Royce about the possible use of the Tornado's engine, the RB199, in a new advanced fighter aircraft to be developed in Israel for the late 1980s. We consulted the Germans and Italians, putting it to them that the deal would not be compatible with the common objective of avoiding arms sales likely to impair the prospects for a peace settlement in the area. Our partners agreed and we so informed the Israelis in August 1979.



This decision was one of the complaints contained in a letter from Mr Begin to Mrs Thatcher immediately after the Venice Declaration of June 1980. Mrs Thatcher decided not to reply to Mr Begin's letter but authorised us to confirm to the Israelis that our decision stood.

If, therefore, we start to talk seriously to the Arabs about the Tornado, we shall have to look again, with our partners, at the decision on Israel.

The situation in the Middle East has changed substantially since our refusal in August 1979 to supply the Israelis with the Tornado's RB199 engine. Supplies of the US F15 and F16 fighters (which incorporate "state-of-the-art" technology) are beginning. The dangers of military confrontation in the area have risen. The invasion of Afghanistan and the Iran/Iraq war have engendered deep concerns about the ability of the Gulf states adequately to defend themselves. In this new situation, as the Prime Minister knows, we are making strenuous efforts to provide the military assistance which is necessary to stimulate confidence in the Gulf and to permit the rulers to improve their defence capabilities.

There is, however, an important American angle to this issue. The F15 is an air superiority, as opposed to strike, aircraft. Although the F15 can be adapted for a limited strike role, this is not the purpose for which it is designed, and we are advised that the Americans have been very cautious (eg over the provision of bomb racks) not to increase substantially the offensive capabilities of either side. (The supply of this equipment to Saudi Arabia has become a major political issue both in Saudi Arabia and in the US.) If we were now to supply the Arab states with Tornado, we would probably face American criticism that, even if a Tornado deal did not provide the Arabs with a level of general technology beyond that already being made available to both Israelis and Arabs, we would be giving them an offensive capability which could alter the local balance of power.

Against this we must remember that this is a colossal project with defence/industrial implications which speak for themselves. We must keep the door open. There is no prospect of getting a positive view from the German or Italian Governments in the timescale referred to by Sir R Ellis, and we are not in any case convinced that a decision is so imminent as he suggests. Nevertheless, Lord Carrington, after consultation with the Ministry of Defence at official level, thinks that we should take immediate action and recommends that the Prime Minister should send a message on the lines of the attached draft to King Hussein immediately. The Ambassadors in Jedda, Kuwait, Muscat, Abu Dhabi and Doha would be instructed to take supporting action by speaking on the same lines.



It is Lord Carrington's intention to bring the Germans and Italians into this through their Ambassadors in London. But we do not believe that it would be advisable for the Prime Minister to bring in her German and Italian colleagues unless they raise the subject.

We are sending you this advice in the absence of the Secretary of State for Defence, who is at present unavailable (see Mr Norbury's letter attached).

Yours over. Javis Belade

> (F N Richards) Private Secretary

M O'D B Alexander Esq 10 Downing Street LONDON

Jd INENAD

SECRET

SECRET EXCLUSIVE UK EYES ALPHA

FM AMMAN 221200Z JAN 81

TO IMMEDIATE MODUK

TELNO SIC AAA/A2G/A2P/A2M/A2N/ZMC OF 221200Z JAN 81

INFO MODUK (EXCLUSIVE FOR SECRETARY OF STATE FOR DEFENCE, MINISTER

OF STATE FOR DEFENCE, PUS, CDS, AUS (SALES) AND HDS

FOR SECRETARY OF STATE FROM HDS.

1. I HAVE JUST HAD AN AUDIENCE WITH KING HUSSEIN OF JORDAN WHERE HE GAVE ME THE DISTINCT IMPRESSION THAT THE ARAB LEADERS ARE VERY CLOSE TO MAKING A DECISION TO PURCHASE 300 FRENCH MIRAGE DELTA 4000 AIRCRAFT. I HAVE PLAYED FOR TIME TO ALLOW THE KING AND OTHER ARAB AIR FORCES TO CONSIDER TORNADO. HOWEVER THE KING IS AWARE OF THE INTRANSIGENCE OF THE FEDERAL GERMAN GOVERNMENT ON THIS SUBJECT. THIS MEANS THAT IF THE MATTER IS FURTHER DISCUSSED AT THE ISLAMIC SUMMIT ON 25 JANUARY HE WILL NOT BE ABLE TO SPEAK WITH CONVICTION ABOUT TORNADO. I WOULD STRONGLY RECOMMEND THAT THE MATTER BE BROUGHT TO THE ATTENTION OF THE PRIME MINISTER AS SOON AS POSSIBLE AND THE ISSUE RAISED AT THE HIGHEST LEVEL WITH THE FRG. UNFORTUNATELY, ALTHOUGH I RETURN TO LONDON LATE ON FRIDAY, I SHALL BE LEAVING AGAIN FOR MALAYA ON SATURDAY EVENING AND THEREFORE WILL BE UNABLE PERSONALLY TO BRIEF YOU. HOWEVER, MY FULL REPORT SHOULD BE AVAILABLE ON MONDAY. I WILL BE RETURNING ON SUNDAY, I FEBRUARY.

## URWICK

HD/DEFENCE D
HD/NENAD
HD/MED
HD/MED
PS
PS/LPS
PS/MR HURD
PS/PUS
SIR J GRAHAM
MR J MOBERLY

SECRET

I understand that you and other Arab Leaders are close to making decisions about the long term re-equipment of your Air Forces. As you know, the Tornado aircraft has been developed in both a strike and interceptor version and is about to enter service in the Royal Air Force, together with the German and Italian Air Forces. It will be the most advanced aircraft of its type in the world.

I would like to assure you that the United Kingdom would be willing to discuss with you and other Arab countries the sale of this aircraft and for this purpose is prepared to lay on a presentation and evaluation flight as soon as you would wish. It will be necessary to consult our other partners in the project eventually once we have established an interest in Tornado but I thought I should let you know of the UK's position and a say how disappointed we would be in view of the close relationship between us, particularly in the field of arms supplies, if a decision of this nature were to be taken without any opportunity to discuss the very real alternatives that exist.

Perhaps you would let me know directly if you wish us to initiate the action I have proposed.