



Foreign and Commonwealth Office

London SW1A 2AH

4 March 1981

Dear Michael,

Arms Sales to Iraq

Flap A

The Foreign and Commonwealth Secretary would like the Prime Minister to know that he has agreed to the Head of Defence Sales taking an important further step in the discussions over the overhaul for the Iraqis in Jordan of captured Iranian Chieftain tanks (which was the subject of discussion in OD on 29 January). Lord Carrington accepts that if we seek further to play for time the Iraqis may lose patience and order French tanks. MOD officials have accordingly been informed that, when Sir R Ellis visits Amman on 10 March, the Foreign and Commonwealth Secretary would be content for him to make it clear to the Iraqis that HMG can agree to the overhaul of the tanks in Jordan provided suitable arrangements are worked out to protect HMG's position as and when a leak occurs. Officials are still working on Sir R Ellis' brief, but one way of protecting HMG's position would be to insist on an end-user undertaking to the effect that no 'lethal' parts would be shipped on to Iraq for a specified period.

attached
Flap B

On the long-term supply of new tanks to Iraq, which was mentioned in the Foreign and Commonwealth Secretary's minute of 13 November to the Defence Secretary. Lord Carrington is content that Sir R Ellis should make it clear to the Iraqis that we have no objection in principle to supply. He understands that no deliveries could take place for two years, and that therefore the question of supplying tanks to Iraq as a belligerent does not arise now. Supplying tanks to Iraq would represent a significant development in our Middle East arms policy. We have agreed to sell Chieftains to one confrontation state, Jordan, but we held the line that this was not a precedent. In selling Chieftains to Iraq we are going a step further and can expect a strong and hostile reaction from Israel, and possibly a request to supply also to Syria (which we

/refused



refused to supply in January 1980). But the Foreign and Commonwealth Secretary believes that Ministers must accept these implications in the interests of the more dynamic arms sales policy to which they are committed.

I am copying this letter to the Private Secretaries to members of OD and to David Wright (Cabinet Office).

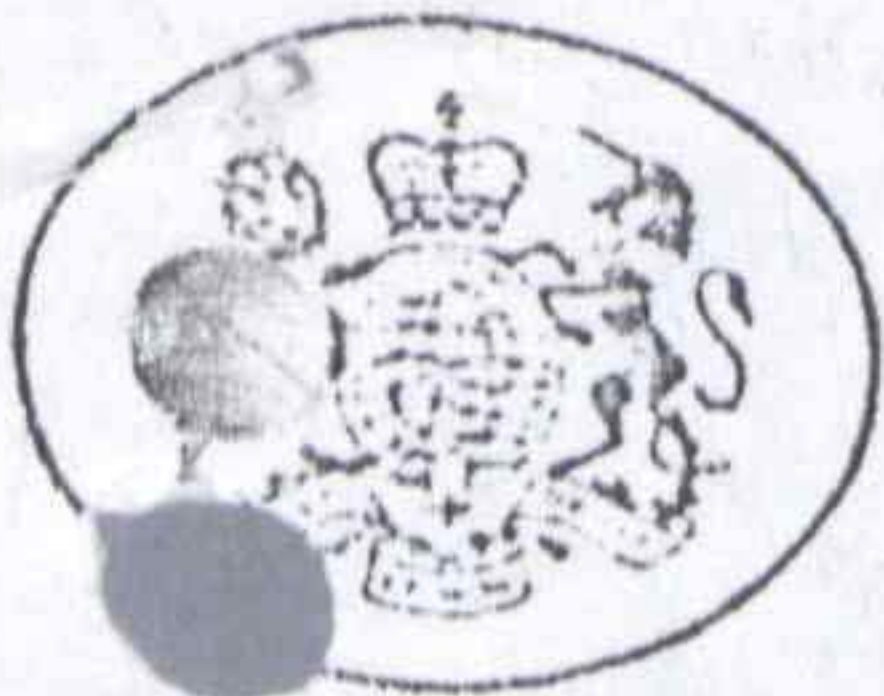
Yours ever,

(F N Richards)
Private Secretary

A handwritten signature in dark ink, appearing to read 'F N Richards', written over the typed name.

cc: PS/Members of OD

M O'D B Alexander Esq
10 Downing St



MED
 cc PS
 PS/LPS B
 PS/Mr Hand
 Sir J. Graham
 Mr J. Moberly
 Legal Adviser
 Defence Dept
 Planning Staff

FCS/80/160

SECRETARY OF STATE FOR DEFENCE

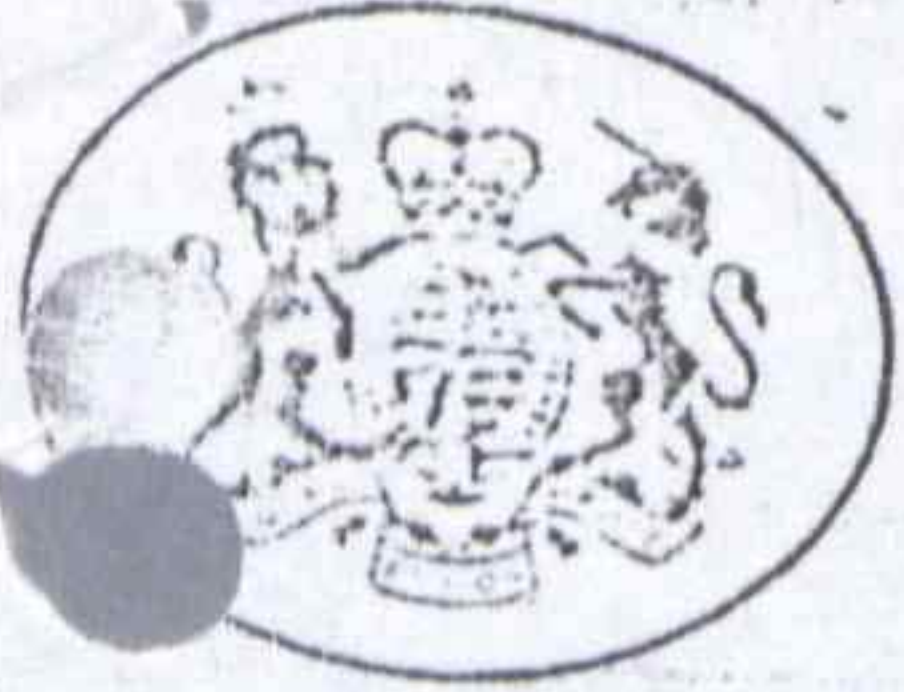
Arms Supplies to Iraq

1. My officials have been in touch with yours about a number of items of defence equipment for possible supply to Iraq. The details are attached.

2. I have minuted separately about our general policy towards Iraq and Iran if and when the US hostages are released. In respect of supplies to Iraq I think that we should honour existing commitments - ie supply items for which orders were placed before the war. Otherwise we should agree to supply non-lethal equipment but not weapons and ammunition. As for long term contracts which are unlikely to involve the supply of equipment during the time we can reasonably expect hostilities to continue, I see no reason why negotiations should not proceed as normal. I have particularly in mind the indication we have had via King Hussein of Jordan of Iraqi interest in acquiring Chieftain tanks.

3. I believe that this is a position we as a non-belligerent can defend politically in diplomatic discussions with the parties involved and if necessary in public. But I foresee serious difficulties if we agree to allow even small

/quantities



principle sanction the supply of Scammell recovery vehicles. The Iraqi evaluation team for Hawk should be received at the level it would have been if hostilities were not in train and IMS's negotiations with the Iraqi Navy about a possible naval base should proceed as normal. However, I hope you can agree that we should not supply the ammunition for the Iraqi Airforce Hunters. A decision on the automotive spares for Russian tanks should be deferred until officials have examined the implications in more detail (for instance, should ~~such~~ such spares count as 'arms and ammunition': would we incur an objection to let the Iranians have their Chieftain spares?)

5 I am sending copies of this minute to the Prime Minister, the Secretary of State for Trade, the Home Secretary and to Sir R Armstrong.

C
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(CARRINGTON)

(14/11/80)

Foreign and Commonwealth Office

13.11.80

ANNEX

ITEMS OF DEFENCE EQUIPMENT FOR IRAQ AND OTHER POSSIBLE DEFENCE RELATED CONTRACTS

1. SCAMMELL RECOVERY VEHICLES: 10 ton wheeled vehicles for recovery transporting tanks heavy lorries etc. Quantity: 200; value: £30m (approx). Delivery of first vehicles scheduled for 4 months from date of contract. (Some models available for immediate delivery).
2. SPARES FOR SOVIET BUILT TANKS: wide range of automotive spares which Lucas have been producing for Egypt's T54 and T55 tanks. Value: approx £3m but would represent the first order outside the Egyptian market and thus offering potential for further business. Delivery of some items 'off the shelf'. Any that required adaptation for the particular Iraqi range of tanks would require 3-4 months' delivery.
3. AMMUNITION FOR ADEN 30MM MACHINE GUN
Guns are fitted to Iraqi Air Force's four remaining Hawker Hunters supplied before 1967. Approx 45,000 rounds required. Value £1.5m. The guns are antiquated and ammunition is available from other suppliers eg France.
4. HAWK: VISIT BY IRAQI EVALUATION TEAM
General Janab, Assistant CGS and Chief of military procurement wishes to lead a mission starting 6 November to evaluate Hawk and look at other arms supply issues. British Aerospace would act as host but the visitors would expect to call on Head of MOD Defence Sales and perhaps the Vice Chief of the General Staff.
5. NAVAL BASE
IMS Limited have good prospects of obtaining the initial consultancy for this new project. It might be worth £500m.