



10 DOWNING STREET

THE PRIME MINISTER

PRIME MINISTER'S March 1981

PERSONAL MESSAGE SERIAL No. T. 56 A / 81

Your Majesty,

Thank you for your letter of 18 February. I am glad to hear that my message about Tornado reached you in time for you and your colleagues to take note of it at the Islamic Summit. I am also most grateful for the trouble you have taken to set out the various factors affecting your thinking on a new advanced combat aircraft.

For our part we fully understand that the Arab countries wish to standardise their military equipment and develop an indigenous manufacturing capability of their own. We welcome the spirit of co-operation in which you discussed these objectives with us and we are ready to assist you in any way we can in achieving them.

I have recently received a report on the discussion which you and your senior commanders had with Sir Ronald Ellis and Mr. Jeffs earlier this month. I am most grateful for the warm welcome which you extended to them and I hope that these discussions have answered some of the points in your letter. Further information on the technical aspects of our proposals will be conveyed to you in the presentations which British Aerospace are making in Amman on 30 and 31 March and we very much look forward to arranging a flight in Tornado for you during your visit to the United Kingdom in April.

As I believe you are now aware, our proposals centre on a new aircraft based on Tornado technology but specifically designed to meet the requirements of Jordan and other Arab countries by the late 1980s. We believe that this aircraft will be superior to the

/Mirage 4000

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Mirage 4000 at about the same cost. If you decided to pursue this course, a development would be undertaken in the UK and we would want to consider what industrial collaboration with the participating countries would be feasible. Meanwhile, pending the development of the new aircraft, we expect to be able to offer the Tornado aircraft in both the IDS and ADV versions which should be available for supply in 3 to 4 years' time.

I have made a personal approach to Herr Schmidt on this.

Our proposals may present some difficulty for the German Government, but I expect that we shall be able to reach an accommodation. As I am sure you will appreciate, it is particularly important that our German and Italian partners should be fully aware of the strength of Arab interest in the aircraft.

You also asked me about continuity of supply. I can assure you that this Government attaches great importance to our reputation as a reliable arms supplier and I feel confident that we should be able to devise arrangements which provide the safeguards which you require.

I very much look forward to seeing you again during your visit herein April.

Yours sincerely,

(sgd) Margaret Thatcher