

OPS cc MASTER  
SUBJECT: DEFENCE: Sales  
Pt 3.



10 DOWNING STREET

THE PRIME MINISTER

**PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL No. 783/83**

6 June, 1983

Dear Prime Minister,

Thank you for your letter of 12 May about the Tornado weapon system. We regard this aircraft as a most successful example of European collaboration and foresee significant benefits for Greece in participating in this well-proven advanced technology programme. Partnership in this venture, alongside the three current members of the consortium, would lead not only to immediate operational, logistic and industrial advantages for Greece, but also to longer term co-operation in the defence, political and economic spheres.

Your comments on Panavia's offset proposals have been passed to the company who are now submitting further provisions which I hope you will find satisfactory. The major British companies concerned, British Aerospace and Rolls Royce, both have excellent records in fulfilling their offset obligations to overseas customers but I can assure you that the British Government will be taking a close interest in the performance of the British companies involved, both with regard to their offset undertakings and to their successful implementation of the contract. As a Government we shall also be looking for opportunities to increase defence purchases from Greece. Indeed, we have already arranged for Hellenic Aircraft Industries to be invited to tender for engine overhaul work on our further purchase of Phantom aircraft.

On credit the British Government has taken careful note of the points made in your letter and fully recognises the importance of

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submitting an attractive offer in support of Tornado. We are currently discussing a revised credit package with our partners which we hope will meet your overall requirements and prove fully competitive. The terms will be communicated to your authorities as soon as the final details are agreed.

Finally, I would reaffirm that the Government's co-operating in the Tornado programme consider that this aircraft provides excellent value for money in terms of capability and performance and would make a unique contribution to the capability of the Hellenic Air Force.

Yours sincerely  
Raymond Stalder

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His Excellency Mr. Andreas Papandreou