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Foreign and Commonwealth Office

London SW1A 2AH

20 March 1981

*Top Copy on
Middle East: Nov 79
Arms Sales Military Assistance*

Dear Michael,

Tornado Sales to the Middle East

Lord Carrington considers that we need to maintain momentum on sales of Tornado to the Middle East. He suggests that the Prime Minister should take the opportunity of her meeting with Chancellor Schmidt at Maastricht to refer to his reply to her message of 17 February about Arab interest in the aircraft.

The Chancellor's message is very guarded but does not rule out sales to the Middle East. In thanking him for it, the Prime Minister might take the opportunity to put across the points in the enclosed brief which has been cleared with the MOD.

I am copying this letter to Brian Norbury.

Yours ever,

(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

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DRAFT BRIEF FOR PRIME MINISTER - FOR USE WITH CHANCELLOR SCHMIDT IN
THE MARGINS AT MAASTRICHT

SALES OF TORNADO TO THE MIDDLE EAST

Line to Take

1. Grateful for your reply.
2. Entirely understand your difficulties.
3. But the Arabs are showing interest in an advanced aircraft. They seem to want to avoid the super powers.
4. Defence Secretary is visiting Saudi Arabia this week. If, as is likely, the question is raised, he will say that we are in touch with you.
5. It would be helpful to have your reaction to my suggestion that BAe might lead on sales to Middle East.
6. Agree we need to consider security issues carefully. Understand arrangements are in hand for officials to do this.
7. Agree that we must now stay closely in touch so that the security and marketing problems can be resolved early.

SALE OF TORNADO AND RB199 TO MIDDLE EAST

ESSENTIAL FACTS

- A 1. The Chancellor has now replied to the Prime Minister's message of 16 February. A similar message went to Signor Forlani.

Herr Schmidt's Reply

- B 2. The Chancellor's reply, which is an interim one, does not take us much further. At least, he has not sounded too negative a note. But he suggests further examination especially of security issues.

Latest Development

3. Since the question of sales to Middle East was first raised, there have been several developments which are promising. Jordanian interest has been maintained. At Jordanian request MOD have agreed to make a presentation on Tornado to them next week. BAe have prepared literature on the IDS and ADV versions and will talk about a development specifically tailored to Arab requirement. A presentation to the Saudis will follow.

4. It is possible that seven or eight Arab countries, plus Pakistan and Morocco, will act together in procuring a common multi role combat aircraft. This could mean a total order of 300 or so. We believe that Jordan will continue to take the lead in co-ordinating the Arab countries assessment of Tornado. This might be to our advantage. As a result of the Prime Minister's message, King Hussein has indicated that no final decision on procurement will be made without a full assessment of the Tornado. Competition comes from the French Mirage 4000; but we have not specifically mentioned this in our contacts so far with the Germans, though they must be aware of the fact.

Israeli Reactions

5. Israel appears already to have begun a campaign against Tornado sales to the Arabs. The Israeli Foreign Minister made a determined attempt to persuade the Italians not to agree such sales. We can expect lobbying to continue and intensify both in Rome and Bonn.

6. The Israelis showed interest in 1979 in buying the RB199

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(Tornado's Rolls Royce engine) for the Israeli designed Lavi fighter. We refused at the time, though the sale of Tornados to the Arabs may make it necessary to reconsider this. The Israelis have shown no interest in buying Tornado.

The Italian View

7. The Italians have not replied formally to the Prime Minister's message. Italian Officials have told us that Forlani is likely to approve although he is aware of German political difficulties in arms exports to the Middle East. Though the Italians were shaken by the wright of the Israeli attack, we think it is unlikely to change their view.