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FROM: THE RT. HON. JULIAN AMERY, M.P.

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Confidential

23rd September, 1981.

Dear Margaret,

I gather from Republican Party Middle East friends that the chances of the Senate blocking the AWACS deal are pretty high. I also understand that in your talk with Prince Fahad there was discussion of the Saudis taking the Nimrod but only as a fall-back position, i.e. after an adverse Senate vote.

I have been wondering whether it might not be wiser for the Saudis to be encouraged to forget about AWACS and go for Nimrod before there is a vote on the Hill. If the Senate turned down the President it would be a very great blow to his personal standing. It would also seriously weaken the position of the Saudi regime and indeed all other Conservative Arab Governments, particularly of the weaker links like North Yemen and Somalia.

If, on the other hand, the Saudis go for Nimrod now, their prestige would emerge intact and to some extent strengthened by the evidence that they were not entirely dependant on the Americans. President Reagan for his part would be spared a humiliating setback and could blame the loss of American business on his critics.

We could, of course, only proceed on these lines after consultation and in full agreement with President Reagan. But we might reasonably say to him "you will be the best judge whether you can get the AWACS deal through. If you think you can, we will of course support you to the best of our ability. *But* if you are in doubt, would it not be wiser to get yourself and the Saudis off the hook by encouraging Prince Fahad to go for the Nimrod right away. We, of course, would benefit from the deal financially, but we could also take the opportunity to urge the Saudis to mend their fences with Sadat, and we might also offer Nimrod to the Egyptians and so make a European contribution to the Middle East defence system you are trying to build".

I do not, of course, know how your talks with Fahad went or how you assess the chances for AWACS. My Middle Eastern friends, however, are very concerned at the consequences for them of a defeat for Reagan on the Hill.

I expect all these considerations are already before you. *But* sometimes it is helpful to have an opinion from outside.

I am copying this letter to Peter Carrington.

Yours ever,
Julian

Julian Amery

The Rt.Hon. Mrs. Margaret Thatcher, M.P.

12 SEP 1981

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