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Prime Minister

To note

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24/12



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-~~2307022~~X 218 2111/3

MO 26/9/4

23rd December 1981

Dear John,

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HAWK FOR ABU DHABI

As you may know the contract for the supply of Hawk aircraft to Abu Dhabi has not yet been concluded. We do not think, on balance, that this is ominous: we reckon that the delay has been caused largely by prolonged absences from Abu Dhabi of the Chairman of the Evaluation Committee (Major Khamis) who has been accompanying Lieutenant Mohammed bin Zaid (the third son of Shaikh Zaid and an officer in the Abu Dhabi Air Force), around the USA on other business. The Committee were due to submit their report to General Head Quarters (GHQ) in August and it is not clear if they have done so yet. This was to recommend the specification of the aircraft and numbers to be bought. Even if the report had been submitted, we doubt a decision would have been made, because GHQ has been in a state of turmoil since Sheikh Sultan returned from disgrace to his post of C in C. This has had a considerable effect on the staff and has led to the resignation of the Chief of Staff. As a result no procurement decisions have been made in GHQ for some months.

The Ambassador and Defence Sales have been at pains to keep the Hawk deal in the mind of Sheikh Khalifa (the Deputy Supreme Commander) in the past few weeks, and we believe we have succeeded in allaying his concern over the use and cost of Agents through the draft Memorandum of Understanding between the two Governments to support the deal.

Sheikh Khalifa is on a hunting trip at present and the advice of his Military Secretary is that the Ambassador should call on Khalifa when he returns (expected shortly). I gather our Defence Attaché drew the inference that Khalifa may be prepared to move quickly towards signature of a contract on his return.

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J Coles Esq

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Depending on how GHQ (and Sheikh Sultan) react, it is possible that we and the FCO may propose a further intervention from the Prime Minister. Sheikh Khalifa, however, is aware of her continued interest in the programme. For the moment the Ambassador, British Aerospace and we recommend that we should keep this option in hand until absolutely necessary.

I am copying this letter to Francis Richards (FCO) and to David Wright (Cabinet Office).

Yours sincerely

J D S Dawson

(J D S DAWSON)