

SECRET

TORNADO: MESSAGE TO KING FAHD FROM THE PRIME MINISTER

1. Please arrange to deliver the following message to King Fahd as soon as possible. Sir O. Wright should give the text personally to Prince Bandar, if necessary in advance of any appointment you may obtain with the King, since Bandar particularly wants to explain the upshot of his latest mission to Fahd, in Sultan's prolonged absence in Pakistan.

Begins

"I was delighted to learn from Prince Bandar on 7 January that Your Majesty has decided to acquire Tornado for the Royal Saudi Air Force. I am sure that it is a wise decision. Tornado is the most powerful and sophisticated Combat aircraft of its kind in the world, and incorporates the latest technology. I can assure Your Majesty that the British Government will be responsible for providing non-UK manufactured spares and parts, if necessary from our own stocks, so that the supply provisions of the contract will be honoured. I also fully understand and appreciate Your Majesty's wish to keep this decision absolutely confidential for as long as possible. You may be confident of our complete discretion, though given the certainty of enquiries by the press, leading no doubt to much speculation, it may be prudent to finalise the details of sale soon.

Your Majesty also suggested that there should be consultation between Britain and Saudi Arabia on developments in the oil market. Our aim has long been to avoid violent fluctuations in the oil price which could create major economic and financial problems, not least for the banking systems of many countries, including the United States, which may be attracted by lower oil prices. But though the British Government's aim is stability (or at least the avoidance of sudden changes) in oil prices, we do not believe that this can be achieved at present

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/ official

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official price levels which are under increasing strain. The British National Oil Company has been losing over one million pounds a day. We are very conscious of how much Saudi Arabia has done and is doing to halt the erosion of prices by limiting its own production, and by active diplomacy.

In response to Your Majesty's suggestion

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/ I have asked

I have asked Mr. Peter Walker, our Energy Secretary, to meet Shaikh Yamani early next week to discuss how our objectives in relation to oil prices might be met. As you will know they have already had frequent meetings. In the last resort, each Government will have to be free to make its own decisions, but we are anxious that we always have the fullest exchanges with you.

Prince Bandar told me that Your Majesty had advanced your visit to Washington to 11 February, a little over a week before I am due there myself for further discussions with President Reagan. At those meetings I shall repeat my concern about the situation

in the Middle East and encourage the President once again not (not) to delay the new Middle East initiative which, as I told Your Majesty in my message of 31 December, he has promised to pursue. If Your Majesty were able to stop over in London on your way to or from Washington in February, I believe it would be a most useful opportunity to discuss our respective approaches to President Reagan on the Middle East, as well as to exchange views on other matters of interest including the very important recent developments on East/West relations and arms control. I hope very much that you will feel able to accept this suggestion.

Usual courtesies."

Ends

Please note the commitment to total discretion. The Prime Minister has instructed that there are to be no (no) leaks from the British side. Knowledge of the Saudi decision should rest with Heads of Mission only.

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DEYOU

SECRET

FROM WASHINGTON 102330Z JAN 85
TO IMMEDIATE F C O
TELEGRAM NUMBER 93 OF 10 JANUARY.

YOUR TELEGRAM NUMBER 7 TO BAHRAIN.

PRIME MINISTER'S MESSAGE TO KING FAHD

1. I DELIVERED THE MESSAGE TO PRINCE BANDAR THIS EVENING. WHILE I WAS THERE, YAMANI TELEPHONE FROM SWITZERLAND TO SAY THAT THE KING HAD INSTRUCTED HIM TO GO TO LONDON TO MEET MR WALKER.

2. BANDAR SAID THAT HE HAD RECOMMENDED TO THE KING THAT HIS MAJESTY SHOULD CALL IN ON THE PRIME MINISTER ON HIS WAY BACK FROM WASHINGTON. IN THAT MANNER THE KING WOULD BE ABLE TO COMPARE NOTES WITH THE PRIME MINISTER ON HIS TALKS WITH THE PRESIDENT.

3. I AM WRITING SEPARATELY TO RECORD A FEW INTERESTING POINTS BANDAR MADE ABOUT THE TORNADO ORDER.

WRIGHT

LIMITED
PS
PS/PUS
MR EGERTON

COPIES TO:
PS/NO 10 DOWNING STREET
PS/S OF S DEFENCE

SECRET

file

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10 January 1985

TORNADO FOR SAUDI ARABIA

I enclose a revised version of the draft message from the Prime Minister to King Fahd which the Prime Minister has now approved. I should be grateful if it could be shown to Sir Antony Acland and to Sir Clive Whitmore, in the absence of their respective Secretaries of State, and, provided they are content, despatched as soon as possible. The telegram containing it should be "DEYOU".

I am copying this letter and enclosure to Denis Brennan (Ministry of Defence). It should have no further distribution.

Charles Powell

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

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PRIME MINISTER

Tornado for Saudi Arabia

I attach a copy of a message to King Fahd following on your discussion with Prince Bandar on Monday. It has been drafted by Mr. Egerton, and only he and Mr. Blyth have seen it all, though the paragraph on oil has been cleared with Mr. Walker and with the Treasury. Mr. Walker is already in touch with Sheikh Yamani.

THIS IS A COPY. THE ORIGINAL IS
RETAINED UNDER SECTION 3 (4)
OF THE PUBLIC RECORDS ACT

TEMPORARILY RETAINED. J. Gray 8/7/2014

Agree the message?

CDP

Yes no

9 January, 1985.

SECRET



Foreign and Commonwealth Office

London SW1A 2AH

8 January 1985

Dear Charles,

Tornado

Thank you for the two records of conversation of the Prime Minister's meeting with Prince Bandar bin Sultan on 7 January.

/ As requested, I enclose a draft message from the Prime Minister to King Fahd. This has been cleared by Stephen Egerton with Sir James Blyth, but not yet with the Department of Energy. We have, as you suggested, stuck to the wording of your record on oil matters.

As you know, Bandar was at first keen to take the signed copy of the Prime Minister's message himself to King Fahd, but we ruled this out for reasons of precedent and security. We now propose that Sir O Wright give a copy of the message to Bandar in Washington as soon as he can reach him; but that the original should be transmitted, as is customary, through Sir P Wright as soon as he can get an appointment. There may be no harm done on this occasion if Bandar manages to get to the King first, so that HMA can subsequently provide any necessary corrective.

Y ever,

Pete Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

OUT TELEGRAM (CONT)

Classification and Caveats
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2 Majesty that the British Government will be fully responsible for
3 providing non-UK manufactured spares and parts, if necessary
4 from our own stocks, so that the supply provisions of the contract
5 will be honoured at all times. I also fully understand and
6 appreciate Your Majesty's wish to keep this decision absolutely
7 confidential for as long as possible. You may rest assured that
8 our discretion will be total, though given the certainty of
9 enquiries by the American and French press as well as by the press
10 here, leading no doubt to much speculation, it may be prudent to
11 finalise the details of sale as soon as possible.

12 ~~I was most interested in~~ Your Majesty's ^{also} suggestion ^{ed} that there
13 should be consultation between Britain and Saudi Arabia on
14 developments in the oil market. Our aim has long been to avoid
15 violent fluctuations in the oil price which could create major
16 economic and financial problems, not least for the banking
17 systems of many countries, including the United States, which may
18 be attracted by lower oil prices. But though the British
19 Government's aim is stability (or at least the avoidance of sudden
20 changes) in oil prices, we do not believe that this can be
21 ^{achieved} ~~found~~ at present official price levels which are under increasing
22 strain. The British National Oil Company has been losing over
23 one million pounds a day. We are very conscious how much Saudi
24 Arabia has done and is doing to halt the erosion of prices by
25 limiting its own production, and by ^{active} ~~brilliant~~ diplomacy. In
26 response to Your Majesty's suggestion I ^{have} ~~am~~ asking Mr Peter Walker,
27 our Energy Secretary, to get in ^{meet} ~~touch~~ with Shaikh Yamani ^{early next week} ~~about a~~
28 ~~meeting~~ to discuss how ^{our objectives in relation to} ~~sharp changes~~ in oil prices might be
29 ~~avoided~~.

30 ~~But~~ in the last resort, each Government will have to
31 be free to make its own decisions, ^{but we are anxious that we}
32 Prince Bandar told me that Your Majesty had advanced your
33 visit to Washington to 11 February, a little over a week before I
34 am due there myself for further discussions with President Reagan.
At those meetings I shall repeat my concern about the situation

NNNN ends
telegram

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Catchword

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As you will know they have already had frequent meetings.