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Foreign and Commonwealth Office

London SW1A 2AH

10 October 1985

CDP
B/K

Dear Charles,

Saudi Arabia: Tornado/Hawk

/ You may like to have for information the attached note summarising an article from the October issue of the aperiodical Arabic-language news sheet "Sourakia", published in London, on commissions payable on the Tornado/Hawk deal with Saudi Arabia. It is clearly possible that the content will be picked up by the British or continental (?French) press before long. We suggest MOD, who handle press queries about the contract, should simply refuse all comment.

I am sending a copy of this letter and enclosure to Richard Mottram, MOD.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

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Reference.....

Mr Egeston
to see.

Mr Boyce
MED

Abu
8/x

SOURAKIA ARTICLE ON TORNADO DEAL

1. We spoke. A summary account of the relevant parts of the Sourakia article follows.

2. The article names the beneficiaries of the deal as Akram Ojje, "the arms dealer"; Prince Bandar Bin Sultan, the Saudi Ambassador in Washington; Muhammad Wafiq Rida Saeed and his "partner"; and Abdul Aziz al Ibrahim and his brother. The article claims that five per cent of the bill for the British equipment to be purchased by Saudi Arabia is to be paid for in cash, with the rest being paid for in oil. It says that this is because "the arms dealer" (Ojje, presumably) would not wish to take his commission in oil, as he would then be compelled in his turn to pay commissions in order to sell his share on the oil market. It goes on "and then behind the deal was more than one dealer, and more than one beneficiary." The article goes on to feign surprise at having discovered the name of Prince Bandar Bin Sultan on the list of beneficiaries. It continues "We say we were surprised, because we know the man to be a glittering diplomat and not an arms dealer, but our informant, who is reliable in respect of the extent of his information, reminded us that the diplomat Prince spent ten years studying at the British and American military colleges," before he became his country's Ambassador in Washington. Prince Bandar also benefitted from his studies in International Relations at Hopkins University in the USA, and this blend of studies in military matters and international relations helped him to promote the arms deal. According to the article, Sourakia asked its informant why, as Saudi Ambassador in Washington, Prince Bandar was involved in a deal with the UK. The informant said that this was because of the need for an American "green light" for the deal, and Bandar "had this in his gift."

3. As to Muhammad Wafiq Rida Saeed, the article says nothing more than that he and his partner (not named) were compelled under "specific high-level pressure" to accept two new partners, Abdul Aziz al Ibrahim and his brother (not named), on condition that the percentage commission was increased from five to twenty per cent. According to the article, this means that "the four cavaliers" will take the sum of £600,000,000, in five unequal shares, one of £200,000,000 and four smaller shares summing to £400,000,000. The article gives no more details about the role played by the various beneficiaries than are set out above. It does not, for example, even hint at a link between Ojje on the one hand and Saeed and Al Ibrahim on the other, or give the reader any idea of the benefit which Prince Bandar is supposed to have derived from the deal.



MINISTRY OF DEFENCE

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PQ 3036

22nd October 1985

Dear Nicky,

You asked earlier this morning for a briefing on the article, which appeared in Sunday's Observer, on the sale of Tornado to Saudi Arabia.

A background to the sale was included in the briefing sent over on 16th October (PQ 3009) on arms sales to the Middle East. The attached copy of a letter sent by the Secretary of State yesterday to Christopher Murphy MP provides a definitive line to take on the question of a "pay off".

Yours,

(MIRANDA KINGDON-BUTCHER)
Parliamentary Clerk

Miss N Roche
Parliamentary Clerk
10 Downing Street