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DESKBY 230930Z ( FCO, MODUK )

FM DUBAI 230515Z DEC 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 148 OF 23 DECEMBER

INFO IMMEDIATE MODUK( DS 11 AND DEFENCE SALES ) ABU DHABI

YOUR TELNOS 74 TO 76 AND TELECONS: HAWK AIRCRAFT.

1. HEAD OF CHANCERY, DEFENCE ATTACHE AND I SAW SHAIKH ZAID AT AL AIN LAST NIGHT. WE WERE RECEIVED PROMPTLY AND COURTEOUSLY AT 2130 HOURS LOCAL TIME. THE LEBANESE FORMER PRIME MINISTER, SELIM AL-HOSS, WHO ARRIVED SIMULTANEOUSLY, WAS KEPT WAITING UNTIL WE FINISHED.

2. I SAID THAT THE PRIME MINISTER HAD CHARGED ME WITH TWO INTER-LINKED MESSAGES, ONE WRITTEN AND ONE ORAL. I THEN WENT BRIEFLY THROUGH THE MAIN POINTS OF THE MESSAGE IN YOUR TELNO 75. ZAID LISTENED ATTENTIVELY, AND INDICATED APPROVAL AT THE PRIME MINISTER'S COMMENTS ON AFGHANISTAN. AT THE END OF MY RESUME, I HANDED OVER THE MESSAGE TOGETHER WITH AN ARABIC TRANSLATION. ZAID READ THIS CAREFULLY BUT OFFERED NO COMMENT. QU'DID NOT THEREFORE MAKE USE OF THE FORMULA IN PARA 5 OF YOUR TELNO 74. 3. I THEN SAID THAT THE ORAL MESSAGE AROSE OUT OF THE PRIME MINISTER'S REMARKS ON DEFENCE COOPERATION. YOU AND THE PRIME MINISTER ATTACHED THE UTMOST IMPORTANCE TO SECURING A CONTRACT FOR THE SUPPLY OF HAWK AIRCRAFT. HAD A FINAL DECISION ON THE U A E'S REQUIREMENTS YET BEEN MADE? ZAID SAID THAT IT HAD NOT AND WOULD NOT BE TAKEN UNTIL AFTER SHAIKH KHALIFA'S RETURN FROM PAKISTAN, WHICH WAS NOW EXPECTED ON MONDAY 29 DECEMBER. HOWEVER, HE UNDERSTOOD THAT HIS EXPERTS HAD SOME CRITICISM OF THE HAWKS FOR EXAMPLE, ITS AIRBORNE RADAR WAS NOT POWERFUL ENOUGH ( BY WHICH I ASSUME HE MEANT ITS RANGE WAS TOO SHORT ). 4. I COMMENTED THAT THIS SOUNDED LIKE THE TYPE OF TECHNICAL QUESTION WHICH COULD EASILY BE ANSWERED BY THE MANUFACTURERS. BRITISH AEROSPACE HAD THE GOVERNMENT'S FULLEST SUPPORT IN THEIR BID FOR THIS IMPORTANT CONTRACT. DE WERE PREPARED TO OFFER A SUBSTANTIAL AMOUNT OF FREE TRAINING ABOVE WHAT WAS CONTAINED IN THE FREE PACKAGE. MORE IMPORTANT, THE PRIME MINISTER WISHED TO SEND OUT MR HURD, SIR RONALD ELLIS AND H M AMBASSADOR TO DISCUSS

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THE MATTER FURTHER BEFORE A FINAL DECISION WAS TAKEN. THEY COULD ARRIVE NEXT DAY IF THE U A E AUTHORITIES WISHED. ZAID SAID THERE WOULD BE NO POINT IN THEIR COMING BEFORE KHALIFA'S RETURN. I AGAIN SOUGHT AND RECEIVED A CATEGORICAL ASSURANCE THAT NO DECISION WOULD BE TAKEN BEFORE THEN. I ASKED IF THE PARTY SHOULD PLAN TO ARRIVE ON 30 JANUARY. ZAID THOUGHT THAT KHALIFA WOULD WISH TO GET HIS BEARINGS AND BRING HIMSELF UP TO DATE BEFORE RECEIVING THEM. A WEEK AFTER KHALIFA'S RETURN MIGHT BE ABOUT RIGHT.

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PS/LPS

PS/MR HURD

PS/PUS

SIR J GRAHAM

SIR A ACLAND

MR J C MOBERLY

MR P MOBERLY

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DESKBY 230930Z (FCO, MODUK)

FM DUBAI 230735Z DEC 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 149 OF 23 DECEMBER

INFO IMMEDIATE MODUK (FOR DS 11 AND DEFENCE SALES) ABU DHABI

## MIP TE HAWK AIRCRAFT.

1. SO FAR SO GOOD. WE HAVE MANAGED TO BUY A LITTLE TIME, BUT MY ASSESSMENT IS THAT THE CARDS ARE STILL STACKED AGAINST US. THE PROPONENTS OF ALPHA JET HAVE CLEARLY BEEN AT PAINS TO UNEARTH MATERIAL WHICH MIGHT BE UNFAVOURABLE TO HAWK! WITNESS ZAID'S COMMENTS ABOUT THE AIR-BORNE RADAR, WHICH AS FAR AS I KNOW IS AN ENTIRELY NEW POINT, AND MAY IN FACT BE BASED ON A SIMPLE MISUNDERSTANDING. OUR EXPERTS MUST BE PREPARED TO COUNTER THIS AND ANY FURTHER CRITICISMS PROMPTLY AND EFFECTIVELY. THEY MUST ALSO BE READY TO DEPLOY PERSUASIVELY ALL THE INFORMATION WE HAVE ABOUT THE DISADVANTAGES OF ALPHA JET. IN MY VIEW, THIS IS AT LEAST AS IMPORTANT AS THE FREE TRAINING PACKAGE, USEFUL THOUGH THE LATTER WILL UNDOUBTEDLY BE IN THE DETAILED DISCUSSIONS WITH KHALIFA.

2. WE SAW SUWAID! AT AL AIN LAST NIGHT, BUT HE CONSPICUOUSLY DISASSOCIATED HIMSELF FROM MY TALK WITH ZAID, AND THOUGH HE WILL NO DOUBT HAVE HEARD ABOUT IT LATER, WE MUST I THINK ASSUME THAT HE DOES NOT WANT TO BECOME INVOLVED. OTEIBA IS STILL IN THE FAR EAST, BUT WE SHALL BRING HIM UP TO DATE ON HIS RETURN. WE SHALL DO LIKEWISE WITH SAROUR, WHO IS IN ABU DHAB! AT PRESENT. HOWEVER, OUR MOST VITAL TASK WILL BE TO SEE KHALIFA IMMEDIATELY HE IS BACK, GIVE HIM A COPY OF THE PRIME MINISTER'S MESSAGE, AND EXTRACT A DATE FOR FURTHER DISCUSSIONS ON HAWK AND A RENEWED PROMISE THAT NO IRREVOCABLE ACTION WILL BE TAKEN BEFORE THEN.

METHER SIR R ELLIS AND A B A E TEAM MIGHT COME OUT FOR DISCUSSIONS IN ADVANCE OF A MINISTERIAL VISIT. IN THIS CONNECTION, YOU WILL BE AWARE THAT MR HOWELL IS DUE IN ABU DHABI ON 6 JANUARY AND MR PYM ON 14 JANUARY. BOTH SHOULD BE BRIEFED ON THE LATEST STATE OF PLAY, AND THE LATTER COULD OBVIOUSLY MAKE HAWK THE CENTRAL FEATURE OF HIS DISCUSSIONS WITH KHALIFA, IF THE TIME-TABLE FOR A DECISION STRETCHES UNTIL THEN ( AS IT WELL MAY ).

4. IN ANY CASE, IT IS ESSENTIAL THAT THE B A E TEAM INCLUDES MEMBERS WHO CAN ARGUE THE TECHNICAL CASE FOR HAWK AND AGAINST ALPHA JET, CLEARLY, CONCISELY AND CONVINCINGLY, WHILE I HAVE NOT MYSELF BEEN INVOLVED IN ALL THE DISCUSSIONS ABOUT HAWK, MY IMPRESSION IS THAT UNTIL NOW THE B A E REPRESENTATIVES WHO HAVE VISITED ABU DHABI HAVE NOT REALLY CARRIED THE CONVICTION NECESSARY TO SWING THIS ORDER, AGAINST THE ODDS, IN OUR DIRECTION.

5. LOOKING FURTHER AHEAD, IF DESPITE ALL OUR EFFORTS WE LOSE THE HAWK CONTRACT, WE CAN REASONABLY ASK THAT THE ABU DHABIANS MAKE IT

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UP TO US IN OTHER WAYS: E G BY SUBSTANTIAL PURCHASES OF OTHER MILITARY EQUIPMENT. WE SHOULD THEREFORE GIVE SOME THOUGHT TO WHAT SUCH PURCHASES MIGHT INCLUDE: THE LIST IN DA'S SIC Z8G OF 180822Z TO TIPPING WOULD BE A GOOD STARTING POINT. AT THE SAME TIME, I RECOGNISE THAT THIS WOULD BE VERY MUCH A SECOND BEST TO THE HAWK CONTRACT, FOR WHICH WE MUST CONTINUE TO FIGHT TO THE BITTER END.

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