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INDEX	PA Action Taken

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(37)

17 December 1986

T Knapp Esq
Director General Marketing
Ministry of Defence
Main Building
Whitehall
LONDON SW1A 2HB

*We await Riyadh's
Reply*
Riyadh 29/12/86

LAST PAPER

Dear Trevor,

ARMS EXPORT POLICY : SAUDI ARABIA'S FH70 GUNS

I think "x" is right. Unless there
is media or Parliamentary interest,
there seems little point in stirring
the pot. Dec 29/12

Mr. Day
On the contrary, I feel
we need to know below
the question.

1. As you know, this subject reared its head again following the publication of an article in Frankfurter Allgemeine Zeitung reported in Bonn telno 1010. You will have noted from the subsequent exchange of telegrams and from your own contacts with IMS that, while IMS have been refused access to the weapons and suspect that up to 18 guns may have been sent to Iraq, we have no hard evidence that this is so.

2. The FCO have suggested (in their telno 671, which was not copied to you) that the easiest way to establish that our arms export policy has not been breached might be to secure a statement from the Saudis that they still have all the FH70s in their possession. I wonder whether we really want to raise the subject with the Saudis in the way suggested. Obviously, if the German newspaper article had focussed the attention of the British news media on this matter, it would be necessary to take the matter up with the Saudis. In the absence of such publicity and in view of the fact that such evidence as we have is heresay, there seems little to be gained by posing our question, the answer to which we shall be unable to verify - that is unless the Saudi Land Forces have a change of heart over IMS's request to inspect the weapons.

3. If the decision remains that we should make a formal approach to the Saudis on this matter, we need to know the precise terms of the End User Certificate issued in connection with the sale. I can find no trace of a copy in the Embassy here. We would also need to consider the best means of raising the subject with the Saudis. The alternatives appear to be an approach by the Defence Attaché to the Saudi Land Forces (either orally or in writing), or a letter from the Secretary of State for Defence. Only by the latter course are we likely to receive a meaningful response, but the drawbacks in terms of offending the Saudi sensibilities at a time when we are trying to achieve further defence sales, notably of submarines, are obvious. I believe we should think again before doing anything.

CONFIDENTIAL
-2-

087/3

17 December 1986

4.
FCO. I am sending a copy of this letter of Ian Cliff, MED,

*Yours sincerely,
Tom McKane.*

T C McKane

cc: I C Cliff Esq ✓
MED, FCO