

Duty Clerk No 10

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FROM KUWAIT 200919Z SEPT 81  
TO PRIORITY FCO  
TELNO 375 OF 20/9/81.

PRIME MINISTER'S VISIT

1. I HAVE CONSIDERED HOW BEST WE SHOULD PLAY THE HAND.
2. THE KUWAITIS ARE NOTORIOUSLY DIFFERENT FROM THE OTHER GULF ARABS: SHARPER, MORE ARROGANT, MORE OPINIONATED. BUT BENEATH THE SMUG COMPLACENCY THEY ARE WORRIED MEN. THE THREE HUNDRED THOUSAND PALESTINIANS WHO LIVE HERE ARE DOCILE ENOUGH NOW, BUT COULD DESTABILIZE THE COUNTRY AT ANY MOMENT. BOTH IRAN AND IRAQ HAVE BONES TO PICK WITH KUWAIT AND COULD TURN AGAINST HER AS SOON AS THEIR OWN WAR ENDS. THESE ARE PROBLEMS FAR MORE PRESSING FOR THE KUWAITIS THAN THE RUSSIANS OVER THE HORIZON, AND THEY ARE PROBLEMS WHICH THE KUWAITIS CANNOT HANDLE ALONE. DESPITE THEIR OSTENTATIOUS NON-ALIGNMENT THEY NEED REAL FRIENDS AND SUPPORT. HENCE THEIR INITIATIVE IN ESTABLISHING THE GCC - AND THERE ARE ENCOURAGING INDICATIONS THAT THEY MIGHT NOW LET IT DEVELOP A DEFENCE ROLE.
3. THE PRIME MINISTER'S VISIT IS THEREFORE WELL TIMED. A POSITIVE STATEMENT OF OUR READINESS TO HELP KUWAIT MAINTAIN ITS SECURITY SHOULD NOT ONLY BE WELL RECEIVED: IT COULD, IN KUWAIT'S PRESENT PREDICAMENT, OPEN UP A FRANK AND REALISTIC DISCUSSION BETWEEN US SUCH AS WE HAVE NOT HAD FOR THE PAST DECADE. THE TONE WHICH THE PRIME MINISTER ADOPTS WILL BE IMPORTANT. IT SHOULD BE CANDID AND FORTHRIGHT. INDEED THE KUWAITIS WOULD EXPECT THIS. BUT THEY WOULD NOT RESPOND TO A SEVERE LECTURE.
4. IRKSOME AS IS KUWAIT'S DOUBLE STANDARD IN EAST-WEST RELATIONS (E.G. VIRULENT CRITICISM OF THE RDF AND ONLY RITUAL CONDEMNATION OF THE SOVIET OCCUPATION OF AFGHANISTAN) WE SHOULD SHOW UNDERSTANDING FOR KUWAIT'S TACTICAL NEED TO DEMONSTRATE ITS NON-ALIGNMENT (VIZ THE AMIR'S RECENT MUCH PUBLICISED TOUR OF EASTERN EUROPE). IT IS, I THINK, TOO MUCH TO EXPECT THE KUWAITIS, EVEN IN PRIVATE, TO ADMIT THAT THEIR ULTIMATE STRATEGIC INTERESTS LIE WITH THE WEST. BUT THE PRIME MINISTER, SPEAKING WITH KNOWLEDGE AND AS A FRIEND, CAN TRY TO ENSURE THAT THE KUWAITIS ARE NOT UNDER ANY ILLUSIONS ABOUT THE SOVIET UNION. SHE SHOULD THEREFORE NOT MINCE WORDS IN WARNING THE KUWAITIS OF THE DANGERS OF ALLOWING THE RUSSIANS TO EXTEND THEIR ACTIVITIES IN THE PENINSULA (E.G. KUWAIT'S RECENT ENCOURAGEMENT OF OTHER GULF STATES TO ESTABLISH RELATIONS WITH THE BLOC): AND WE SHOULD QUESTION KUWAITI POLICY TOWARDS THE PDRY.

5. THE PRIME MINISTER WILL NEED TO GIVE AN ACCOUNT OF OUR POLICY ON PALESTINE. BUT DISCUSSION OF THIS SUBJECT IS NOT LIKELY TO BE REWARDING. THE KUWAITIS' RELATIONS WITH THE PLO ARE NOT EASY AND THEY WILL NOT WANT TO PLAY AN ACTIVE ROLE IN BRINGING ARAFAT ROUND. INSTEAD, WE SHALL PROBABLY BE TREATED TO A RESTATEMENT OF THEIR DISAPPOINTMENT WITH THE EC'S EFFORTS.

6. A PRACTICAL DOWN-TO-EARTH EXCHANGE OF VIEWS ABOUT GULF SECURITY SHOULD ENABLE MRS THATCHER TO MAKE AN EFFECTIVE PITCH FOR OUR DEFENCE SALES. THE PRIME MINISTER SHOULD BE QUITE FRANK: WE ARE KEEN TO SELL, WE ARE A NATURAL PARTNER FOR KUWAIT IN THE WEST, AND WE ARE LIKELY TO BE A MORE RELIABLE SUPPLIER OF DEFENCE MATERIAL THAN EITHER THE U.S. (VIZ THE DIFFICULTIES OVER AWACS) OR MITTERAND'S FRANCE.

7. AS THE BRIEFS WILL SHOW, THERE ARE NO CONTRACTS, EITHER DEFENCE OR CIVIL, WHICH ARE LIKELY TO BE CLINCHED DURING THE PM'S VISIT. BUT THERE ARE PLENTY OF WORTHWHILE ONES COMING UP IN REGARD TO WHICH SHE SHOULD CONTINUE TO ARGUE THE CASE FOR BRITAIN. THERE IS, I SUGGEST, AN ADDITIONAL POINT TO BE MADE, ALSO IN THE CATEGORY OF FRANK SPEAKING, AND ONE WHICH THE PM COULD PUT BETTER THAN ANYONE ELSE. WE PROVIDE A GREAT DEAL OF EXPERT HELP TO VARIOUS KUWAITI MINISTRIES (DEFENCE - THE KLT IS THE LARGEST GROUP OF BRITISH LOAN SERVICE PERSONNEL ABROAD, ELECTRICITY, HEALTH, EDUCATION, PLANNING, AGRICULTURE AND SO ON). OUR RESOURCES OF SKILLED PERSONNEL ARE LIMITED. NEVERTHELESS, WE ARE GLAD TO MAKE THESE PEOPLE AVAILABLE BECAUSE OF OUR TRADITIONAL FRIENDSHIP AND BECAUSE IT IS IN OUR INTEREST TO MAINTAIN THAT FRIENDSHIP. BUT FRIENDSHIP IS A TWO-WAY STREET, AND OUR PARTNERSHIP WITH KUWAIT DEMANDS A QUID PRO QUO. THE ECONOMIC CLIMATE IN BRITAIN THESE DAYS MAKES IT VITAL THAT WE SHOULD EARN MORE ABROAD. WE ARE NOT ASKING KUWAIT TO HAND OUT CONTRACTS TO BRITISH FIRMS WHOSE BIDS ARE NOT COMPETITIVE. BUT WHEN THERE ARE CLOSELY COMPETITIVE BIDS FOR GOVERNMENT CONTRACTS, WE HOPE THE KUWAITIS WILL TAKE ACCOUNT OF THE CONSIDERABLE CONTRIBUTION WHICH THIS BRITISH TECHNICAL ASSISTANCE MAKES TO KUWAIT'S DEFENCE AND SOCIAL AND ECONOMIC DEVELOPMENT, AND AWARD MORE OF THESE CONTRACTS TO US. RECENT INSTANCES WHEN THEY DID NOT WERE THE NAVAL PATROL BOATS (WEST GERMANY), GAS TURBINES AND DESALINATION SYSTEMS AT THE DOHA EAST, DOHA WEST AND RAS JULEILA POWER STATIONS (ITALY AND JAPAN), THE ENGINES FOR KAC'S AIRBUS ORDER (U.S.), COMMUNICATIONS EQUIPMENT FOR SHUAIBA (ALMOST CERTAINLY JAPAN). THIS IS NOT AN APPEAL TO SENTIMENT (WHICH IN ANY CASE IS IN SHORT SUPPLY HERE) BUT A PRACTICAL REQUEST TO KUWAIT TO MAKE OUR PARTNERSHIP, WHICH IS CLEARLY IN THE INTERESTS OF BOTH OF US, MORE EFFECTIVE THAN IT IS AT PRESENT.

CAMBRIDGE

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