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BRITISH EMBASSY

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4 May 1981

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SAUDI ARABIA: THE VISIT OF THE
PRIME MINISTER, APRIL 1981

Handwritten notes:
Mr. Sqa 7/5
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for
②
Prime Minister
mf. Arab

1. The Prime Minister was in Riyadh from 19 to 21 April.
The programme was efficient and the hospitality generous.
(Para 1)

2. The Saudis' main emphasis was on Palestine: self-determination, a Palestinian state, European responsibility for progress, recognition of the PLO. Arab recognition of Israel would follow. The Prime Minister replied that Europe accepted self-determination and the need to involve the PLO. But the Arabs must help by foregoing terrorism and accepting Israel. No promises from the Saudis. We must persevere sympathetically. (Paras 2 - 3)

3. Agreement between the two sides on the RDF, Gulf security and other regional problems. (Para 4)

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4. The Prime Minister spoke strongly of our wish for contracts. No Saudi commitments. Better to stress co-operation than straight sales: the Saudis, both for their power and for their friendliness, need to be treated as a partner. The Prime Minister's declaration of renewed interest in the area was well received. So was her undertaking to support the British commercial effort, if necessary by personal intervention. (Paras 5 - 8)
 5. A minor complaint about penny-pinching. (Para 9)
 6. But the talks were frank and friendly, the press flattering, the British community encouraged, the welcome warm. We must follow up: hope is a good breakfast but a bad supper. (Para 10)

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talks but also from the other Prince-Ministers with whom there were more specific subjects to discuss. Even Prince Fahd, whose The Right Honourable The Lord Carrington KCMG MC al affairs, spoke earnestly about etc etc etc

the constant need to resolve the Arab-Israeli dispute. I do not think that this capability was the result of prior conversation. I think that the Arab-Israeli question is the subject which

My Lord, all others in the world. It is not clear that the

SAUDI ARABIA: THE VISIT OF THE PRIME MINISTER, APRIL 1981

1. I have the honour to report that the Prime Minister, The Right Honourable Mrs Thatcher MP, paid a visit to Riyadh, the capital of Saudi Arabia, from the 19th to the 21st of April, 1981. I enclose a copy of her programme as printed in advance by the Saudis, and our own account of how it was actually carried out. The normal practice in Saudi Arabia ensured that there was a good deal of change and improvisation at the last minute. But the arrangements were competent and the hospitality generous. The Prime Minister was accompanied by the Minister of State for Foreign Affairs, Mr Douglas Hurd, by Sir John Graham and the Head of Defence Sales and by Mr Thatcher and Miss Thatcher.

2. Records of the official talks have already been sent to the Department by telegram. Here I pick out only the main points. On the Saudi side the principal emphasis was inevitably on the Palestine problem, not only from Prince Fahd who led the

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talks but also from the other Prince-Ministers with whom there were more specific subjects to discuss. Even Prince Naif, whose responsibility is for internal affairs, spoke earnestly about the clamant need to resolve the Arab-Israel dispute. I do not think that this unanimity was the result of prior concertation: rather that the Arab-Israel question is the subject which dominates all others in the Arab mind. It was not that the Saudis had anything new to say: rather that they had a new audience whom they expect to be influential.

3. The Saudi message was clear, even if familiar: the Palestinians must be given their full rights, which included a state of their own if they so wished, once the Israelis had withdrawn; thereafter, the recognition of Israel would be no problem; Europe and particularly Britain must ensure there was progress; part of that progress was recognition of the Palestine Liberation Organisation. The Prime Minister was equally clear: the Venice Declaration showed that Europe, including Britain, accepted Palestinian self-determination and the need to involve the Palestinian Liberation Organisation in the negotiations for a settlement. But the Arabs must help us by eschewing terrorism and by expressing willingness, if need be conditionally, to accept the existence of Israel. In response to this message the Saudis made no promises. But its repetition, provided the tone is rational, firm and sympathetic, can do nothing but good; and the Saudis can be in no doubt that Her Majesty's Government have in recent years moved a good way towards a better understanding of

/their



On all these specific proposals it is not possible now to say what success the Prime Minister's visit has had. It is sure that the more we can emphasize the co-operative nature of our approach the better. Their case. They have learned the lesson that moderation produces sympathy. We should ensure that continued moderation produces increased sympathy.

4. The Prime Minister's assurances about the Rapid Deployment Force and Gulf security were readily accepted. On that subject I believe there were some things left unsaid by the Saudis: they are not displeased, even if they are unwilling to say so, with the knowledge that the West has its contingency plans. Prince Fahd's review of other international and regional issues, though self-indulgently prolonged, revealed an approach generally in accord with our own.

5. On specific bilateral questions the Prime Minister made it clear, even if obliquely and without producing a shopping list, that if we are to help on the political questions we shall need some Saudi help on the economic and commercial side. She covered Hawk, Tornado, the new Memorandum of Understanding for the Royal Saudi Air Force, tanks and the medical contract for the National Guard, Arabsat, the Yemeni naval base and Strikemasters for the Sudan. On none of these subjects did the Saudis give any firm commitments; but the message has gone home. In particular, the Prime Minister's statement at her press conference that we would welcome orders and that she would not be deterred by propaganda has made a very favourable impression, especially now that Saudi requests for arms from the Americans and the Germans have run into difficulties and delay.



6. On all these specific proposals it is not possible now - and it may never be possible - to say what success the Prime Minister's visit has had. I am sure that the more we can emphasise the co-operative nature of our approach (as she did, for example, with her idea of the joint development of a Tornado-based aircraft for the 1990's) the more likely we are to receive a favourable response from the Saudis. The Saudis are proud and they are now, like it or lump it, one of the world's leading powers. A recent article by the Observer's experienced diplomatic correspondent suggests that Napoleon's attribution of the title "the most important country" to Egypt would now be more appropriate to Saudi Arabia. There must be no kowtowing. But there must be recognition of the indisputable facts: first, that Saudi Arabia by virtue of her oil, her wealth and her growing acceptance of responsibility in international issues has to be taken very seriously indeed; and secondly, that Saudi Arabia's present policies make her a good friend of the West. It follows that she needs and deserves more attention.

7. It was the Prime Minister's asseveration that Britain recognised this corollary and that her comparative neglect of the area in recent years was now over that did most to ensure the undoubted success of her visit. I have not made up my mind about that success in haste. There were things she said frankly which will not have been welcome to her hosts: our unwillingness to recognise the PLO, our insistence

/on



on the need for the Arab side to make a forward move, perhaps her emphasis on our expectation of defence contracts. And we have in Arab eyes a handicap to overcome in our historical responsibility for some of the ills which now beset the Middle East. But the soundings I have taken indicate that both as a person and as a representative of Great Britain Mrs Thatcher was a welcome guest before, during and after her visit. The Saudis have always admired her style and her policies; they were not disappointed when they met her face to face.

8. There was another point which will have gone down well. The Prime Minister made it clear both to the Saudis and to British businessmen living here that Her Majesty's Government stand solidly behind the efforts of British firms and are prepared to give them full support, on both the political and the commercial levels. The Saudis have in the past criticised us for a lack of aggression in pushing our wares, and British firms have complained that we have been less ready than some other governments, notably the French, to intervene on political grounds, whether with foreign customers or with Whitehall departments. Neither charge has been entirely just; but the Prime Minister's visit dealt vigorously with them both and will have given much satisfaction. So will her expressed willingness to take a personal interest in solving problems and overcoming delays if they are brought to her attention, even though her first intervention - over Arabsat - has not landed the fish.



charge full actual costs plus 30 per cent, and

9. I am reluctant to disturb the optimistic tenor of this report with a small complaint. But it has been one of the themes of my reporting from this post that in the face of such great opportunities (which the Prime Minister saw for herself in the Minister of Planning's exposition of the Third Saudi Plan) we must be ready to use a sprat to catch a mackerel. The preparations for the visit on our side did not encourage me to believe we have learned this lesson. I know and sympathise with the Prime Minister's insistence upon austerity in government expenditure. But there were several examples during the visit of the short-sighted penny-pinching for which we are becoming notorious:

- (a) we were instructed to refuse the Saudis' standard offer of a direct telephone line to No 10 Downing Street because it would cost us £100;
- (b) there was a limit of £300 imposed on the cost of the Prime Minister's present to King Khalid. In the event the present was very well received and has since been on exhibition by a women's charitable society; but it came near to being spoiled for a ha'p'orth of tar;
- (c) the brief on the fees we charge for training and loan service personnel was a typical Whitehall drip-on-the-nose document which admitted that for training courses (which have a large influence on our defence sales) we

In the event we had a direct line: the extra expense arose here in London

We spent about £270: the embellishment sought by Mr Craig (special calligraphy) must have put the bill somewhere nearer £600 (But, basically, I agree with Mr Craig.)

You are familiar with this problem.

/charge

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charge full actual costs plus 30 per cent, and
claimed that even this was not economic.

RIYADH, APRIL 1981

This is not the way to woo and win a country as lavish and
generous as Saudi Arabia.

10. But let me not end sourly. The official talks were frank,
but nonetheless friendly. What we can do for Saudi Arabia and
what we hope from her were both clearly expressed. The local
press (on whose reaction I enclose a memorandum by my Informa-
tion Officer, Mr Lamb) paid the visit flattering attention.
The British community here, on which many of our exports depend,
was given much encouragement. The Saudi welcome was warm,
bounteous and more than usually efficient. We have cause to
feel encouraged. But we now need action and energy. Hope is
a good breakfast but a bad supper.

11. I am sending copies of this despatch to Her Majesty's
Representatives at Kuwait, Doha, Bahrain, Abu Dhabi, Dubai,
Muscat, Sana'a, Khartoum and Washington.

I have the honour to be,

My Lord,

with the utmost truth and regard

Your Lordship's most humble and obedient servant

A handwritten signature in black ink, reading 'James Craig' in a cursive style.

(James Craig)

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PRIME MINISTER'S PROGRAMME

TUESDAY 21 APRIL

RIYADH, APRIL 1981

09.00

Visit to King Fahd Air Academy

10.00

Call on HRH Prince Abdulrahman, Deputy
Prime Minister and Commander of the National
Guard

SUNDAY 19 APRIL

- 12.30 Arrival at Riyadh airport. Met by HRH the Crown Prince, Prince Abdullah, Prince Sultan Guard of Honour. National Anthems. Presentation of members of the Cabinet
- 13.30 Private lunch and briefing
- 17.30 Call on HM King Khalid
- 19.00 Dinner given by HM King Khalid
- 21.00 Sightseeing tour of Riyadh (private)

MONDAY 20 APRIL

- 09.00 Visit to Ministry of Planning's Planning Board. Explanation of Third Five-Year Plan by HE Shaikh Hisham Nazer, Minister of Planning
- 10.00 Visit to King Faisal Specialist Hospital
- 11.45 Talks with HRH Crown Prince Fahd and other Princes and Ministers
- 13.45 Lunch given by British businessmen in Riyadh
- 15.30 Visit to British Council offices
- 16.30 Reception for members of the British community in Riyadh
- 18.15 Second session of talks with HRH Crown Prince Fahd
- 19.30 Dinner given by HRH Crown Prince Fahd
- 21.30 Call on wife of HRH Crown Prince Fahd and other royal ladies
- 22.30 Private chat with junior staff



PRESS REACTION TO MRS THATCHER'S

TUESDAY 21 APRIL

VISIT TO SAUDI ARABIA

- 09.00 Visit to King Faisal Air Academy
- 10.00 Call on HRH Prince Abdullah, Second Deputy Prime Minister and Commander of the National Guard
- 11.30 Call by HRH Prince Sultan, Minister of Defence and Aviation
- 12.30 Call by HRH Prince Naif, Minister of the Interior
- 13.00 Press conference
- 13.30 Private lunch
- 14.30 Departure for airport, accompanied by HRH Crown Prince Fahd. Farewell ceremony (attended by members of the Cabinet)
- 15.00 Departure for Abu Dhabi



PRESS REACTION TO MRS THATCHER'S

VISIT TO SAUDI ARABIA

1. The visit aroused a great deal of interest in the media. This was due to a mixture of curiosity and admiration for a Prime Minister known as "The Iron Lady" and the feeling that Britain, as the former imperial power in the Middle East, has a responsibility to help solve the Arab-Israel dispute. Press comment both before and during the visit reflected the hope that, following our statements on the Middle East in recent months, Britain's assumption of the Presidency of the European Community would produce some real movement towards an acceptable solution.

2. Press and television coverage during the visit was extensive. Saudi television, for example, expanded an eight minute COI profile of the Prime Minister into a twenty minute programme and the TV news each night followed her programme at unusual length. Newspaper editorials described the visit as a success for both sides: for the Saudis because they were said to have persuaded Mrs Thatcher that a solution of the Arab-Israel dispute was more important to Middle East stability than a Western-Arab alignment against Soviet expansionism; and a success for

/Mrs



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Mrs Thatcher because she was able to dispel misapprehensions about British intentions regarding the Rapid Deployment Force; and because, as nearly all papers commented in more or less similar language, Britain was moving in the right direction on the Middle East question (or, as al-Jazira put it, "Mrs Thatcher's visit has helped to narrow the gulf between Britain and the Arabs created by the mistakes of British officials during the Mandate and the Empire"). There was also a warm welcome for the Prime Minister's forthright expression of willingness to supply military equipment to the Arabs, who may see a contrast between this willingness and the problems being encountered with the Americans and the Germans. As Asharq al Awsat, the Saudi newspaper published in London, put it, "The English have taken matters firmly in hand: others have not".