

**SUBJECT**

RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND SHAIKH SALIM AL SABAH, MINISTER OF DEFENCE OF KUWAIT IN KUWAIT ON 27 SEPTEMBER AT 1900 HRS

Present:

Prime Minister	Shaikh Salim Al Sabah
Sir Michael Palliser	Colonel Awhadi
Mr Peter Jeffs	
Mr Michael Alexander	

After an exchange of courtesies, the Prime Minister said that she was delighted with the establishment, on Kuwaiti initiative, of the Gulf Cooperation Council. She thought it was wise that the Council was now considering taking up security matters. She hoped that there could be talks in the future about how the United Kingdom could help and support the work of the Council in this area. As an example of the kind of help we could give, the Prime Minister referred to the number of British loan service personnel in Kuwait. This was a demonstration of the closeness of the relationship between the two countries. Shaikh Salim said that he had been telling friends for some time that defence had not been forgotten in the discussions of Gulf Cooperation. Consideration of it had merely been postponed because the participants did not wish to give a wrong impression. Cooperation in the Gulf was intended to form the basis of future union. It was, therefore, necessary to give priority to economic and political problems. Defence cooperation was in everybody's mind, but it was not a subject to take up at the outset. One should not give the impression that one was only interested in fighting wars. However, the Chiefs of Staff had now met in Saudi Arabia and had come up with a number of recommendations for defence collaboration. The recommendations were mainly concerned with equipment. They might be discussed at the Summit Meeting in November or at a special meeting earlier. The Prime Minister said that acquiring a defensive capability was not the same thing as fighting wars. The aim of a defence policy was to deter war. The Government in the Gulf should make clear that their objective was not war-mongering but peace-mongering. Shaikh Salim said that he very much agreed.

UK/Kuwait Defence Cooperation

Shaikh Salim said that he was very pleased with the British loan service personnel. They were making great efforts to train the Kuwaiti Forces and to transmit their experience to them. There was nothing strange in this. Relations between Kuwait and the United Kingdom were not of recent origin.

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They went back a long way. The present generation were benefiting from friendships established by the last generation. Hopefully, the next generation would benefit from those being established now. Shaikh Salim said that this was a consideration constantly in his mind. It should be borne in mind by other people when they raised questions about Kuwait's relations with third countries. The Prime Minister said that the relationship was also of great value to the United Kingdom. She knew that Shaikh Salim was personally responsible for many of the purchases made by the armed forces of Kuwait and that much equipment had been bought from the United Kingdom. Recalling her recent conversation in London with Prince Fahd, the Prime Minister said that the Chief of Defence Staff had mentioned then the need for a common communications system in the Gulf. Perhaps this was something about the need for which the Kuwaiti Chiefs of Staff would also agree. Shaikh Salim indicated assent. The Prime Minister said that the next step would be a radar system. Shaikh Salim again indicated his agreement. The Prime Minister said that the United Kingdom had developed excellent communications equipment, had invented radar, and was making excellent progress with the sales of Rapier to e.g. the United States and Switzerland, and a number of Gulf countries. (Shaikh Salim said that he knew which countries the Prime Minister had in mind.) If Kuwait decided to go down this path, either in cooperation with other Gulf countries or an ad hoc basis, she hoped the United Kingdom would have a chance to show what it had to offer. She, of course, believed in open competition. She hoped that it would be borne in mind that while our systems might not be the cheapest, they would certainly be good value for money. She knew that there had been problems over delivery times in the past. However, there had been changes recently in the United Kingdom. There had been improvements both on the industrial side and on price. Much defence equipment was now being delivered ahead of time.

Shaikh Salim said that he fully agreed with the Prime Minister about the desirability of international competition. Other countries also regarded the equipment the United Kingdom had on offer as very good. However, when a choice had to be <sup>made</sup> between equipments, e.g. in the field of radar, whose performance was more or less the same, there was no doubt that the existence of a traditional relationship would help. The difficulty was that sometimes the equipment being offered by one's friends was either not as good as that being offered by other countries or not as good as Kuwait needed. Kuwait's particular requirements imposed the need for adaptations in equipment and training. There had in the past

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been delays. Mr Jeffs and the Ambassador had undertook to look into the causes of these delays and to ensure that there would be no repetition. The Kuwaiti Government was not inclined to argue about delivery dates. If the British Government said that something would be delivered in 18 months, the Kuwaiti Government would accept this. Unfortunately, it happened that the undertaking was not kept. Shaikh Salim said he did not want to harp on the point. But these things had happened.

Shaikh Salim then referred to his Government's interest in the Chieftain Tank. Colonel Awhadi had looked into the matter. The 4030/2 Tank had already been sold in the area. A Kuwaiti team which had recently visited the United Kingdom had asked to see the 4030/3 Tank but had been told it would not be available until later. Shaikh Salim said that he hoped that the team could see the newer tank. Mr Jeffs said that they would be able to see the proto-type before the end of the year. He would be happy to arrange the details of the team's visit to the United Kingdom. Shaikh Salim said that the team would certainly go. He hoped they would be given enough time with the tank.

A team would also be going to examine the Tornado. They would let the British Government have the questions in which they were interested before their arrival. He pointed out that France had allowed Kuwaiti pilots to drive the Mirage 2000 along the runway. Mr Jeffs said that the Kuwaitis would be allowed to fly Tornado. Shaikh Salim said that this would be premature. His concern at present was merely to avoid wasting time.

Shaikh Salim said that the Kuwaiti Government would shortly be ordering ammunition for the Chieftain tanks. The Ambassador would be receiving a letter within 10 days. It was to be hoped that delivery would be on time. Some allowance could be made for strikes and similar eventualities, but that allowance had to be limited. The Prime Minister said this was, of course, right. If the British were at fault, they would accept the blame. Shaikh Salim said that he was pleased to have the opportunity to talk the matter out frankly. It was the fact that his officers tended to say "acquiring Chieftains means delay".

Turning to Rapier, Shaikh Salim said that his people had recently met a team from British Aerospace. The answers they had received to their questions, e.g. about the performance of the system in foggy, dusty or humid conditions and

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about its accuracy were honest but less than satisfactory. Mr Jeffs said that he was unaware of this exchange and was a little surprised to learn of it. He wondered whether there had been a proper presentation. Mr Cambridge enquired whether Shaikh Salim was referring to a recent meeting with Mr Cawston. Shaikh Salim said that he was. Mr Jeffs said that it would be essential to arrange a proper presentation, including a test-firing, in the United Kingdom. The missile had been fired over 4,000 times with a 70% hit rate. It was the only missile system of its kind that had been declared operational by SACEUR. If there were problems with heat and dust, it was puzzling that they had not been raised by other customers in the region. Shaikh Salim agreed about the need for a proper presentation. There could be further discussions about the precise timing.

The Prime Minister asked whether Shaikh Salim was aware of any other problems. It was essential that he should be frank. Shaikh Salim said that the delays had been the principal concern. Soldiers did not like being short of ammunition. Mr Jeffs pointed out that the number of outstanding items was falling rapidly. The delays were the subject of great attention at home. Shaikh Salim said that he was still awaiting a reply to a question

he had put to Mr Jeffs about the supply of ships. Mr Jeffs said that the relevant brochures had been sent to the Kuwaiti Military Attache in London only two days after his conversation with Shaikh Salim.

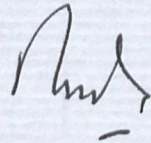
The Prime Minister said that much discussion of defence sales inevitably had to take place on a government to government basis. The supplier's reputation was, after all, at stake. However, she hoped that it would be acceptable to the Kuwaiti Government if we used IMS as an intermediary when the sale of equipment from the Royal Ordnance factories was under discussion. IMS was wholly government owned. Shaikh Salim said that he only dealt with the British Government. The Kuwaiti Government's policy of dealing only on a government to government basis had been laid down by the present Amir when he was Crown Prince and would not be changed. Dealing with agents could give rise to problems. His parliament, like the British Parliament, asked awkward questions. The use of the IMS would result in additional charges being raised from which the Kuwaiti Government would not benefit. Mr Jeffs said that this was not the case. There would always be a government to government understanding. IMS would be responsible for things like shipping, arranging payments, the calling forward of equipment and so on. It was a useful device for relieving the load on the Ministry of Defence. This enabled the Ministry of Defence to abate the normal administration charge. There was, therefore,

no net increase in the cost to Kuwait. Shaikh Salim indicated that he would prefer to pay an administration charge to the Ministry of Defence. Mr Jeffs pointed out that if the Ministry of Defence did everything, the charges would be the same. Moreover, since the IMS was a company, they could hire and fire employees as business fluctuated. They could obtain the benefit of ECGD credit. The Ministry of Defence could do neither of these. In this way, Kuwait benefited from the use of IMS. The Prime Minister said that its use would not cost Kuwait "a penny piece extra." Shaikh Salim said that what the British Government did in Britain was its own business. But he wanted nothing to do with agents. They took money and did nothing. He wished to operate on a government to government basis. Mr Jeffs repeated that he would always have a government to government contract. The Chieftain deal had been done on a government to government basis. HMG had used IMS and the arrangements had worked well. We would like to continue the practice. Shaikh Salim indicated that he did not dissent but that his preference remained for dealing direct with the Ministry of Defence and to avoid having anything to do with agents.

Shaikh Salim said that he hoped the Prime Minister would not blame him if on occasion other countries produced better equipment. It remained the case that when the merits of equipments were similar, Britain would have the advantage. Kuwait had never stopped buying things from Britain. He had followed the development of the Prime Minister's policy with interest. He hoped that Britain was in the process of recovering some of its old reputation. The international market was open and competitive, but other peoples' technologies were advanced and they were trying hard. But Kuwait knew the British.

The Prime Minister said that she would ensure that her conversation with Shaikh Salim was followed up. She intended to keep in close touch with developments. She would wish to be told when the next Kuwaiti military team was in Britain. (She enquired whether Mr Nott had yet visited Kuwait. Mr Jeffs said that he had not.) She asked whether there was any chance of Shaikh Salim visiting the United Kingdom. Shaikh Salim said that once "his neighbours had settled down" he hoped to be able to do some travelling. He had caused Prince Sultan of Saudi Arabia some irritation by his repeated refusals of invitations to visit Riyadh.

The discussion ended at 1935 hrs.



27 September, 1981