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FM JEDDA 120614Z APR 81

TO PRIORITY FCO

TELNO 281 OF 12 APRIL 1981

INFO ROUTINE WASHINGTON, CAIRO, TEL AVIV, BEIRUT, DAMASCUS,

AMMAN, MODUK (ZBG)

INFO SAVING TO SANAA

MR HAIG'S VISIT

1. AMERICAN CHARGE D'AFFAIRES BEING HEAVILY COMMITTED TO VISITING SENATORS, HEAD OF CHANCERY CALLED ON AMERICAN POLITICAL COUNSELLOR ON 11 APRIL FOR DEBRIEFING. BOVIS WAS NOT PRESENT WHEN HAIG MET CROWN PRINCE FAHD BUT WAS ON THE DELEGATION AND HAD SEEN ALL REPORTS, INCLUDING THAT TO PRESIDENT REAGAN.

2. THE VISIT HAD GONE WELL. ORIGINALLY PRINCE SAUD HAD BEEN BILLED AS HOST BUT FAHD HAD INSISTED ON TAKING OVER. IN ADDITION, HAIG HAD CALLED ON THE KING AND PRINCE ABDULLAH SEMICOLON AND PRINCE SULTAN HAD ATTENDED THE CALL ON FAHD. THERE HAD BEEN A BRIEF CALL ON SAUD, LARGELY DEVOTED TO LEBANON.

ARAB/ISRAEL

3. FAHD HAD TAKEN A PREDICTABLE LINE: PALESTINE WAS THE CENTRAL ISSUE - SOLVE THAT AND YOU SOLVED EVERYTHING SEMICOLON THE SOVIET UNION DID NOT WANT PEACE - SO PEACE WOULD CURB SOVIET EXPANSIONISM. HAIG HAD ARGUED THAT SOVIET THREATS WENT WIDER THAN THE MIDDLE EAST SEMICOLON AND THAT EVEN WITHIN THE MIDDLE EAST THERE WOULD BE PLENTY OF SCOPE FOR SOVIET INTERFERENCE EVEN IF THE PALESTINE PROBLEM WERE SOLVED.

4. FAHD HAD CONDEMNED CAMP DAVID AS DIFICIENT ON TWO CRUCIAL POINTS: SELF-DETERMINATION AND JERUSALEM. HAIG HAD REPLIED THAT THE ADMINISTRATION GAVE EQUAL WEIGHT TO THE PEACE PROCESS (ACCORDING TO BOVIS, THIS PHRASE HAS NOW SUPERSEDED CAMP DAVID IN CURRENT STATE DEPARTMENT USAGE) AND TO REGIONAL SECURITY, AND ACCEPTED THE RELATIONSHIP BETWEEN THEM. IN RETURN, HE ASKED THAT THE SAUDIS NOT GIVE PRIORITY TO THE PEACE PROCESS OVER REGIONAL SECURITY. FAHD CONCEDED THAT CAMP DAVID HAD HAD SOME GOOD POINTS, AND HE DID NOT WANT TO BE OVERLY-CRITICAL OF SADAT WHO WAS WORKING FOR THE RIGHT END BY THE WRONG MEANS SEMICOLON BUT IT WAS TIME TO MOVE ON. (IN REPLY TO A QUESTION, BOVIS SAID THAT THE AMERICANS HAD NOT GOT THE IMPRESSION THAT THE SAUDIS WERE READY TO TALK TO SADAT ABOUT RECONCILIATION).

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/REGIONAL

REGIONAL SECURITY

5. FAHD HAD CRITICISED PRESIDENT CARTER WHOSE POLICIES HAD UNDERMINED AMERICA'S CREDIBILITY AS AN ALLY READY TO HELP MAINTAIN SECURITY IN THE REGION. HAIG HAD REPLIED THAT THE NEW ADMINISTRATION WAS FIRMLY COMMITTED TO MAINTAINING THE SECURITY OF THE MIDDLE EAST. THEY WERE MAKING SIGNIFICANT OFFERS OF ECONOMIC AND MILITARY ASSISTANCE TO PAKISTAN AND WOULD ALSO OFFER MILITARY AID TO TURKEY AND SUDAN. FAHD HAD SEEMED TO BE REASSURED BY THESE REMARKS AND SAID THAT HE WAS IMPRESSED BY THE STRONG STAND PRESIDENT REAGAN WAS TAKING AGAINST SOVIET EXPANSIONISM WORLD-WIDE. HE HAD EVEN ADDED THAT THE SAUDIS WOULD SUPPORT AMERICAN EFFORTS TO COMBAT SOVIET INTERVENTION IN POLAND, ANGOLA, ETHIOPIA, SOMALIA AND THE TWO YEMENS. IN REPLY TO GRAY'S QUESTIONS, BOVIS SAID THAT HAIG HAD NOT COME TO ASK FOR BASES NOR HAD THERE BEEN ANY DISCUSSION OF PRE-POSITIONING OF EQUIPMENT SEMICOLON HAIG HAD MADE IT PLAIN THAT THE AMERICANS WERE NOT EXPECTING ANY STRATEGIC CONCESSIONS IN EXCHANGE FOR F-15S. THERE HAD BEEN NO DISCUSSION OF AMERICAN PARTICIPATION IN THE SINAI FORCE.

6. GRAY ASKED WHETHER THERE HAD BEEN ANY REFLECTION IN THE SAUDI POSITION OF PRINCE SAUD'S REPORTED FEAR THAT THE WEST (AND NOTABLY THE AMERICANS) WERE MORE WORRIED ABOUT THE SECURITY OF THE OILFIELDS THAN ABOUT THE SURVIVAL OF THE AL SAUD. BOVIS SAID HE HAD SEEN AND HEARD NOTHING ALONG THOSE LINES. HE GAVE A SIMILAR RESPONSE WHEN GRAY ASKED WHETHER THE SAUDIS HAD ATTEMPTED TO DRAW ANY PARALLELS BETWEEN SAUDI ARABIA AND IRAN, WHERE SOME PEOPLE HAD CRITICISED THE AMERICANS FOR FAILING TO SUPPORT THE SHAH AGAINST INTERNAL ATTACK. BOVIS THEN VOLUNTEERED THAT HAIG HAD NOT RAISED THE QUESTION OF THE INTERNAL SITUATION IN SAUDI ARABIA BECAUSE IT WOULD HAVE BEEN DIFFICULT TO DO SO WITHOUT SEEMING TO INTERFERE SEMICOLON THOUGH AT ONE POINT, AND FOR REASONS WHICH WERE NOT CLEAR TO BOVIS, FAHD HAD ASSURED HAIG THAT INTERNAL SECURITY IN SAUDI ARABIA WAS VERY GOOD.

ARMS SALES

7. HAIG HAD ASSURED FAHD THAT THE F-15 ENHANCEMENT PROGRAMME WOULD GO AHEAD AS ANNOUNCED SEMICOLON BUT THE SALE OF BOMB-RACKS WAS STILL UNDER STUDY (THEY ARE NOT FITTED TO AMERICAN F-15S). AWACS WOULD ALSO BE SUPPLIED, DESPITE STRONG ISRAELI OPPOSITION. (BOVIS COMMENTED THAT THE ISRAELIS WOULD PROBABLY ORGANISE SOME RESISTANCE IN CONGRESS BUT WOULD NOT "GO TO THE MAT" ON IT). MILITARY SALES GENERALLY WOULD BE INCREASED - NEWS WHICH DELIGHTED FAHD WHO ADDED, HOWEVER, A PLEA FOR QUICKER DELIVERY THROUGH INCREASED PRODUCTION CAPACITY.

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PLO

8. FAHD HAD URGED HAIG TO RECOGNISE THE PLO. HAIG HAD GIVEN HIM NO ENCOURAGEMENT TO THINK THIS WAS LIKELY. BOVIS COMMENTED THAT ACCORDING TO HAIG (SPEAKING PRIVATELY WITHIN THE DELEGATION) PRESIDENT REAGAN STILL VIEWS THE PLO AS MERE TERRORISTS AND IS DISINCLINED TO HAVE ANY DEALINGS WITH THEM AT ALL SEMICOLON AND THERE IS SOME TENDENCY IN THE STATE DEPARTMENT TO SEE PROGRESS AS DEPENDING ON THE EUROPEANS DELIVERING THE PLO WHILST THE AMERICANS DELIVER ISRAEL. GRAY SAID THIS DIVISION OF LABOUR WOULD ALMOST CERTAINLY BE UNACCEPTABLE TO THE EUROPEANS.

LEBANON

9. HAIG HAD EXPRESSED GRAVE CONCERN AND URGED THE SAUDIS TO INTERVENE. FAHD HAD TALKED OF QUIET, UNPUBLICISED EFFORTS: HE HAD NOT MENTIONED WHO WITH, BUT THE AMERICANS UNDERSTOOD SYRIA.

YAR

10. SULTAN, IN FAHD'S PRESENCE, HAD URGED HAIG TO STEP UP AMERICAN MILITARY SALES TO THE YAR, SO AS TO BOLSTER THE PRESENT REGIME. BOVIS FOUND THIS SURPRISING, BUT IN LINE WITH POSITIVE REMARKS ABOUT THE YAR MADE BY DEPUTY FOREIGN MINISTER MANSOURI TO THE AMERICAN CHARGE ON 6 APRIL. GRAY SUGGESTED THAT THERE WERE OTHER SIGNS OF A RECONCILIATION BETWEEN SALEH AND THE SAUDIS.

FCO PLEASE PASS SAVING TO SANAA

CRAIG

[REPEATED AS REQUESTED]

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ADDITIONAL DISTRIBUTION
ARAB/ISRAEL DISPUTE

[NOT ADVANCED]