NOTE OF A MEETING BETWEEN THE PRIME MINISTER AND THE PRIME MINISTER
OF SPAIN, HELD AT THE SPANISH AMBASSADOR'S RESIDENCE, BELGRADE, AT
2015 HOURS ON 7 MAY 1980

Present: Prime Minister

Mr. C. A. Whitmore

His Excellency Senor Don Adolfo Suarez Gonzalez

The Spanish Ambassador to Yugoslavia

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## European Community

After the <u>Prime Minister</u> had said that she was very pleased that the British and Spanish Governments were now trying to settle the problem of Gibraltar, she asked Senor Suarez how the negotiations for Spanish accession to the European Community were going.

Senor Suarez said that there were no major problems and the negotiations were proceeding as expected. There were, however, one or two political problems with France and he did not expect to see these resolved until after the French Presidential elections in 1981. He thought that the vote of ratification by the Spanish Parliament would take place in 1982 and that Spain would be a Member of the Community by the beginning of 1983.

## The Middle East

Senor Suarez said that he had just finished a tour of Middle Eastern countries. He had been to Syria, Iraq and Jordan and had left Saudi Arabia only that morning. For historic reasons Spain had a special relationship with the Arab world and felt that she had something to contribute on the problem of the Middle East. Before he had left Madrid on his tour the British Embassy there had asked him to see whether he could do anything about the deterioration in relations between the United Kingdom and Saudi Arabia which had resulted from the production of the film "Death of a Princess". He had raised this matter with Prince Fahd and had explained to him that the British Government could stop neither the making of the film nor its showing. He had asked him to think over the position

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which Saudi Arabia had adopted towards Britain because of the film. In response, Prince Fahd had told him that he understood that the British Government was unable to stop the showing of the film, but the difficulty for Saudi Arabia was that the very fact of the showing had offended against Islamic law. Moreover, the British Government had offered no excuse for the transmission of the film. It seemed that the Saudi Arabians were in particular put out by a statement made by a Foreign Office Minister in the House of Commons that the British Government had not expressed regret about the film to Saudi Arabia. Nonetheless, Prince Fahd, who knew that he. Senor Suarez, would be seeing the Prime Minister in Belgrade, had told him that he wanted to be friendly with the United Kingdom again and would study how and when relations might be put on a better keel again. He would let Senor Suarez know what he proposed to do. and Senor Suarez would in turn let the British Government know. Senor Suarez added that his feeling was that Prince Fahd wanted a few weeks to prepare his tactics.

The <u>Prime Minister</u> said that she was very grateful to Senor Suarez for the action he had taken with Prince Fahd. The Government was very concerned about the deterioration in our relations with Saudi Arabia. We had, for example, lost contracts in Saudi Arabia which we would otherwise have gained. We had asked the TV company not to show the film but we had no means of preventing them from doing so and they had gone ahead and shown it.

Ministers had made clear in the House of Commons that we were sorry that the film had given offence to our friends in Saudi Arabia. As soon as Prince Fahd indicated that he was ready to establish better relationships again, Britain would respond immediately.

Senor Suarez said that his visit to the Middle East had brought home to him very clearly the lack of confidence in the United States on the part of the Arab countries, and the total absence of U.S. prestige in the area. American actions had been such that if the Soviet Union had not made such a colossal mistake over Afghanistan, moderate Arab nations would have been put in a very difficult position and could not have avoided coming

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more under Soviet influence. He had been doing his best to convince Arab countries that the U.S. were still their friends and that they should try to draw closer to the Americans and to distance themselves from the Soviet Union. Unfortunately, however, he thought it unlikely that there would be much development in the United States' position until the Presidential election was out of the way. It was as well that Yasser Arafat was also prepared to wait and to try and play a moderate role, despite problems like the recent developments on the West Bank and the activities of Colonel Qadhafi.

Senor Suarez continued that he believed that the moderate Arab countries wanted to get closer to Europe. They were not fundamentally against the West but they found it difficult to seek closer ties with Europe so long as the European countries appeared to be associated with the present American position on the Palestinian problem. The issue for Europe would come into stark relief if a special meeting of the General Assembly of the United Nations was called under the "uniting for peace" procedure: the Arabs would be watching the European position then very closely indeed. He would be very happy to let the British Government have a paper setting out Spain's assessment of the Middle East situation and including records of his conversations during his recent tour with King Khalid, Prince Fahd, President Asad of Syria, King Hussein of Jordan and Yasser Arafat. The Prime Minister said that she welcomed the role that Spain was playing in relations between the West and the Arab world: she was probably able to play a part which no other country could. Britain was very anxious to see a better relationship between the United States and the Arab world but the Americans did not appear to understand the sensitivities of the Arab countries. Lord Carrington had been in Washington earlier in the week and he had drawn the attention of the Americans to the damage which their actions on Iran had done to their relations with other Middle East countries. She believed that any country was entitled to mount a rescue operation to save its citizens of the kind which the Americans had attempted, but what worried the British Government was the talk in Washington of military intervention. Such action would do enormous damage to the United States' standing with the Arabs. We were urging the Americans not to contemplate military intervention, but to go on trying to secure the release of the hostages by other means.

The Prime Minister continued that she would welcome
Senor Suarez's views on the position of Iraq. She was herself
very concerned about the possibility of a clash between Iraq and
Iran. She was also very worried about the role being played by
Libya. Two Arabs who were known for their anti-Qadhafi views
had been murdered recently in London and there was reason to
suppose that the Libyan Embassy had been involved. We were trying
to pursue this matter quietly with Colonel Qadhafi, but he did not
appear to be disposed to be cooperative.

Senor Suarez said that Colonel Qadhafi was a fanatic with whom it was difficult to reach agreement on anything. He lived on the mistakes of other Arab countries and was too close to the Soviet Union. He had no standing in the Arab world.

Senor Suarez agreed that there was a very serious risk of conflict between Iran and Iraq. Their disagreements had their origin in the personal tension that existed between Ayatollah Khomeni and Saddam Hussein. The Ayatollah had been expelled from Iraq in the past and had not forgotten it. The Kurdish problem also added a difficult dimension. We should do all we could to avoid a clash between the two countries. The Syrian Prime Minister and Foreign Minister had told him that they believed that Saddam Hussein was a creature of the United States. This seemed very unlikely and indeed when he had met Saddam Hussein he had been very critical of the Americans. Nonetheless, he had tried to persuade him to distance himself more from the Soviet Union and to get closer to the Americans and in particular to consider re-establishing diplomatic relations with the United States. Saddam Hussein had said that he would seek a rapprochement with the United States, provided he was satisfied that he would not thereby damage his image in the Arab world. Hussein was trying to establish himself as a leader of the nonaligned countries, who were due to hold a meeting in Baghdad shortly, and this might encourage him to move away from

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the Soviet Union. Senor Suarez added that he had written to President Carter about the outcome of his tour.

The <u>Prime Minister</u> said that the British Government hoped that the action they had taken to save the Iranian diplomats who had been taken hostage in their Embassy in London would convince the Iranians that they should treat similarly the American hostages in Tehran. If only the problem of the hostages could be solved, the West's relationship with Iran and indeed with the whole of that area could be improved. But the great difficulty was moving Ayatollah Khomeni. President Bani Sadr was disposed to be helpful, but whenever the Revolutionary Council could not reach agreement, matters were referred to the Ayatollah. He was believed to be ill, and it was possible that many decisions attributed to him were in fact taken by his entourage. And they were only too willing to distract the attention of the Iranian people from their domestic problems by being virulently anti-American.

The Prime Minister added that she had found her talk with Senor Suarez very valuable and she would welcome the paper on the Middle East which he had offered.

## Visit to Spain

At the conclusion of the meeting, <u>Senor Suarez</u> extended an invitation to the Prime Minister to pay an official visit to Spain, and the <u>Prime Minister</u> thanked him for it.

The meeting ended at 2100.

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8 May 1980

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