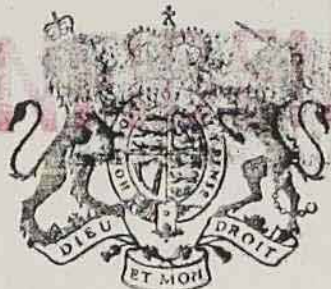


CONFIDENTIAL



cc: Master Sec DS
Middle East SE
PM Tans Abd Galt
hoiks
Yemen

10 DOWNING STREET

From the Private Secretary

23 November 1979

Dear Paul,

Call by the Prime Minister of the Yemen Arab Republic

The Prime Minister of the Yemen Arab Republic, Mr. Abdul Ghani, called on the Prime Minister yesterday evening as arranged. He was accompanied by Mr. Shohati, Mr. Muhanni, Mr. Eriyani and one other official. Mr. Moberley and Mr. Walker were also present.

The conversation was not of sufficient interest to warrant a formal record but one or two points that arose may be worth noting.

On relations between his country and South Yemen, Mr. Abdul Ghani said that the South Yemen was moving increasingly close to the Soviet bloc. As a result, the unity talks between the two countries were going extremely slowly. The majority of the people in his country wanted to live under a democratic regime with a mixed economy and scope for free enterprise. They would not accept a totalitarian system. Mr. Abdul Ghani compared the policies of his Government with those of Mrs. Thatcher in encouraging individual initiative. He said that this policy was in keeping with the Arab character and was working well.

As part of his democratic policy, Mr. Abdul Ghani said that the Government was encouraging the development of small industry in the Yemen Arab Republic. He saw considerable scope for enterprise based on British know-how, Arab capital and Yemen labour. He said that he was very satisfied with relations between his country and the United Kingdom and that his visit was going well. He expressed interest in the prospect of an investment guarantee agreement with the United Kingdom. The Prime Minister said that she understood that he would be discussing this further with Mr. Hurd the following day and that she hoped that agreement could be reached. More generally, Mr. Abdul Ghani said he was seeking closer links with individual Western countries and with the EEC. He expressed the hope that Britain would support the development of closer links between the YAR and the EEC. He was hoping for an increase in aid. He preferred to develop relations with the West, particularly in education, rather than with the Soviet bloc.

There was a brief discussion of the Arab/Israeli dispute. Mr. Abdul Ghani said that he welcomed the Foreign and Commonwealth

CONFIDENTIAL

/Secretary's

Secretary's speech at the UN General Assembly in September. He thought that Britain had a role to play and hoped that we would be prepared to go further in the recognition of Palestinian rights. The Middle East looked to Britain for guidance and leadership. The Prime Minister said that recent initiatives seemed to have run into the sand. The Camp David process was at present getting nowhere. She recalled her discussion with King Hussein in October. Referring to his efforts to get the PLO to moderate their terrorist activities, she said that it was these activities which prevented her from recognising the PLO. The world was taking note of what the PLO had to say and there was therefore no longer any need for them to indulge in terrorist activity. It was not enough to talk about the rights of the Palestinians to self-determination. The matter had to be thought through more thoroughly. Acknowledgement of the Palestinian's rights and of Israel's right to exist would have to be simultaneous. Mr. Abdul Ghani said the PLO had come a long way since the hijacking incidents of the early 70s. If the Palestinian right to a homeland was accepted, it would be easier to influence them. But it would be very difficult for the Palestinians to acknowledge Israel's right to exist. Mr. Moberley commented that a Security Council resolution coupling the two aspects of the problem might be helpful.

The meeting ended with expressions of mutual esteem. Mr. Abdul Ghani invited the Prime Minister to visit the Yemen Arab Republic. The Prime Minister indicated an interest in visiting the Middle East in due course. The Prime Minister also expressed the hope that another member of the Government might be able to visit the YAR at some stage.

Yours ever

Richard Alexander

Paul Lever, Esq.,
Foreign and Commonwealth Office.