CONFIDENTIAL

GR 800

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FROM ABU DHAB! 220600Z APR 81

TO PRIORITY FCO

TELEGRAM NUMBER 138 OF 22 APRIL

AND TO MODUK (FOR DEFENCE SALES)

INFO PRIORITY JEDDAH AND BONN (FOR S/S)

SAVING WASHINGTON

FOLLOWING FROM GRAHAM, PRIME MINISTER'S PARTY.

RIYADH TELNO 10 TO FCO: PM'S VISIT TO SAUDI ARABIA

- 1. ON 21 APRIL THE PRIME MINISTER VISITED THE KING FAISAL AIR ACADEMY AND HAD TALKS, SEPARATELY, WITH THE MINISTERS OF THE NATIONAL GUARD (ABDULLAH), DEFENCE (SULTAN) AND INTERIOR (NAIF).
- 2. WITH ABDULLAH THE DISCUSSION TURNED MAINLY ON THE WORK OF THE VARIOUS BRITISH MISSIONS, AND THE PROSPECTS FOR THE MEDICAL PROJECT (SANGMED). ABDULLAH, OVER-RULING HIS STAFF, SAID THERE WERE NO PROBLEMS ARISING OUT OF THE WORK OF THE MISSIONS SEMI COLON AS FOR SANGMED ALL THE DIFFICULTIES HAD BEEN CLEARED UP, EXCEPT FOR ONE OVER JURISDICTION (THE LAST POINT AT THE PROMPTING OF HIS OFFICIALS). IT WAS AGREED THAT OFFICIALS SHOULD LOOK AT THIS URGENTLY AND THE PRIME MINISTER SAID SHE WOULD TAKE A PERSONAL INTEREST. REFERENCE WAS ALSO MADE TO TANK PRESENTATION. CONCLUDING THE MEETING, ABDULLAH MADE A STRONG PITCH FOR THE RECOGNITION OF THE PLO, A THEME WHICH HAD CLEARLY BEEN COORDINATED.
- THE MEETING WITH SULTAN LASTED AN HOUR. HE REFERRED TO WHAT THE PM HAD SAID ABOUT TORNADO THE PREVIOUS: SAUDI ARABIA WELCOMED THIS. THERE WAS DISCUSSION OF HAWK TRAINER AIRCRAFT, SULTAN SAYING THAT SAUDI ARABIA WAS STUDYING VARIOUS AIRCRAFT AND WOULD WANT TO BUY THE BEST FOR THE NEXT STAGE OF ITS FLYING TRAINING PROGRAMME. HE WAS ASSURED THAT THE HAWK IS THE BEST. HE WAS NON-COMMITTAL ABOUT THE RENEWAL OF THE MEMORANDUM OF UNDERSTANDING. IN GENERAL HE COMPLAINED THAT BRITISH PRICES WERE TOO HIGH AND BRITISH NEGOTIATIONS TOO INFLEXIBLE. THE PM ASKED HIM TO LET HER KNOW OF PARTICULAR PROBLEMS.
- 4. THERE FOLLOWED A DISCUSSION OF THE ARAB-ISRAEL QUESTION. SULTAN TOOK A VERY CRITICAL LINE ON CAMP DAVID AND SADAT PERSONALLY. WHOSE POLICIES AT HOME AND ABROAD HAD ALL FAILED. CAMP DAVID SHOULD BE RENOUNCED. SAUDI ARABIA TRUSTED MR HAIG ON THE OTHER HAND AND HOPED HE WOULD PREVAIL OVER OTHERS IN WASHINGTON. WASHINGTON, EG DICK ALLEN, WHO HAD OBJECTED TO THE SALE TO SAUDI ARABIA OF AWACS AND EQUIPMENT FOR THE F15S, SHOULD BE TOLD THAT "WINTER WAS COMING WHEN THE US MIGHT NEED THE OIL". THE PRIME MINISTER REPLIED THAT WE ALL NEEDED THE US AND COULD NOT FIND AN ALTERNATIVE IN THE SOVIET UNION. SADAT WAS A LEADER AND EGYPT WAS SURROUNDED BY ENEMIES. THE TASK OF PEACE-MAKING WHICH HE HAD STARTED WAS NOT COMPLETE: WE COULD NOT IN ANY CASE UNDO WHAT HAD BEEN DONE AND IT DID NOT HELP TO ALLOT BLAME. WE NEEDED TO GET ALL WORKING TOGETHER FOR A SOLUTION WITHOUT PRE-CONDITIONS. PERES MIGHT BE MORE FLEXIBLE THAN BEGIN BUT HE WANTED TO NEGOTIATE WITH KING HUSSAIN WHO WOULD NOT BE WILLING TO ACT WITHOUT THE OTHER ARABS. /5. SULTAN CONFIDENTIAL

5. SULTAN SAID HE HAD BRIEFED HIMSELF ABOUT THE PROJECTED YAR MAVAL BASE. THE ESTIMATED COST WAS SAID TO BE £25 MILLION. THE BRITISH SHOULD AGREE IT ALL WITH THE YEMENIS: IF THE LATTER THEN CAME TO SAUDI ARABIA FOR HELP. THEY WOULD BE READY TO CONTRIBUTE FUNDS WITH OTHERS INCLUDING THE UAE AND BRITAIN. THERE HAD BEEN RECENT CHANGES IN THE YEMEN! MILITARY COMMAND AND IN THE GOVERNMENT WHICH WERE FAVOURABLE. HE ADVISED US TO APPROACH THE YEMENIS AGAIN. 6. THE PRIME MINISTER TOLD NAIF THAT SOLUTIONS TO THE PROBLEMS OF THE REGION WERE URGENTLY NEEDED. SHE WAS HOPEFUL THAT DURING REAGAN'S PRESIDENCY PROGRESS MIGHT BE POSSIBLE. NAIF STRESSED THE IMPORTANCE OF RECOGNISING THE PALESTINIANS' RIGHTS INCLUDING THEIR RIGHT TO INTERNATIONAL RECOGNITION. THE PRIME MINISTER SAID THAT THEIR RIGHT TO SELF-DETERMINATION WAS RECOGNISED AND NOT IN DOUBT. THE PROBLEM WAS HOW TO ACHIEVE IT. TO PROVIDE A BASIS FOR NEGOTIATION HOWEVER THE RIGHT OF ISRAEL TO EXIST BEHIND SECURE BORDERS HAD ALSO TO BE RECOGNISED - AS SET OUT IN SECURITY COUNCIL RESOLUTION 242 AMPLIFIED IN THE VENICE DECLARATION. 7. NAIF SAID THERE WERE 30, COC PALESTINIANS IN SAUDI ARABIA. LIKE ANY OTHER FOREIGNER THEY WERE SUBJECT TO RESTRICTIONS AND LEFTISTS WERE EXCLUDED. ONE HAD TO RECOGNISE THAT SOME HAD BEEN FORCED TO TAKE TO TERRORISM IN DESPERATION OVER THE PALESTINIAN QUESTION. IF THE WEST CHANGED THEIR VIEWPOINT, MOST, PERHAPS ALL, WOULD TURN AWAY FROM TERRORISM. IN REPLY TO A QUESTION, HE SAID THAT THOUGH INDIVIDUALS MIGHT CONTINUE WORKING WITH INTERNATIONAL TERRISTS, THE ORGANISATION WOULD NOT. 8. THE PRIME MINISTER RAISED THE SECURITY OF OFFSHORE INSTALL-ATIONS. NAIF SAID HE WAS STUDYING THE PRELIMINARY REPORT AND WOULD BE SENDING A SAUDI TEAM TO THE UK. THE PRIME MINISTER WELCOMED THIS. 9. THE PRIME MINISTER THANKED NAIF FOR HIS UNDERSTANDING AND HELP OVER BRITISH SUBJECTS WHO GOT INTO TROUBLE IN SAUDI ARABIA. MENTIONING TWO WHO HAD BEEN FIVE MONTHS IN DETENTION WITHOUT CHARGES, AND CHRISTIE WHO WAS PREVENTED FROM LEAVING THE COUNTRY. NAIF SAID HE HAD TO FOLLOW THE LAW BUT WOULD LOOK INTO THESE CASES. BRITAIN OUGHT TO BRIEF BRITISH SUBJECTS BEFORE THEY CAME TO SAUDI ARABIA. IN RETURN HE HOPED WE WOULD COOPERATE WITH THE SAUDI AMBASSADOR OVER ANY DIFFICULTIES SAUDIS MIGHT ENCOUNTER IN BRITAIN. THE AMBASSADOR SAID THAT THERE HAD BEEN NO PROBLEMS DURING HIS TENURE. HE PUT TO NAIF HOWEVER THE NEED TO GRANT MULTIPLE RE-ENTRY VISAS TO BRITISH SUBJECTS RESIDENT IN SAUDI ARABIA. NAIF SAID HE WOULD PURSUE THAT WITH THE MFA. MESSAGE ENDS. FCO PASS SAVING WASHINGTON [PASSED SAVING AS REQUESTED] FCO/WHITEHALL CONFIDENTIAL