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MR J. C. McBRIDE

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SAVING TO: TRIPOLI, ALGIERS, RABAT, CAIRO, TEL AVIV, MOSCOW,

UKMIS NEW YORK, UKDEL NATO.

VISIT OF PRIME MINISTER TO SAUDI ARABIA

1. THIS IS A SUMMARY OF THE PROGRAMME, THE ATMOSPHERE AND THE MAIN SUBJECTS DISCUSSED. DETAILED RECORDS FOLLOW.
2. THE SAUDI WELCOME WAS WARM AND FULLY REKQECTED THE HIGH ESTEEM IN WHICH MRS THATCHER IS HELD BY THE ROYAL FAMILY AND GOVERNMENT. SHE MADE A COURTESY CALL ON KING KHALID AT WHICH HE WAS UNUSUALLY RELAXED AND TALKATIVE. SHE WAS THEN ENTERTAINED TO DINNER BY HIM, ALL THE OTHER GUESTS (APART FROM THE VISITORS) BEING PRINCES AND MINISTERS. ON THE SECOND DAY THERE WAS AN IMPRESSIVE PRESENTATION OF THE THIRD DEVELOPMENT PLAN BY THE MINISTER OF PLANNING, A VISIT TO A HOSPITAL, THREE BRITISH COMMUNITY FUNCTIONS, A LARGE DINNER WITH THE CROWN PRINCE AND A VISIT TO A GROUP OF ROYAL LADIES. THERE WERE ALSO TWO SESSIONS OF TALKS WITH THE CROWN PRINCE AND A TEAM INCLUDING PRINCE ABDULLAH (SECOND DEPUTY PRIME MINISTER AND COMMANDER OF THE NATIONAL GUARD) AND PRINCE SULTAN (MINISTER OF DEFENCE). ON THE THIRD DAY THERE WERE A VISIT TO THE AIR ACADEMY, SUCCESSIVE TALKS WITH ABDULLAH, SULTAN AND NAIF (INTERIOR) AND A PRESS CONFERENCE.
3. WITH FAHD THERE WAS A WIDE-RANGING REVIEW OF CURRENT INTERNATIONAL ISSUES: GULF SECURITY AND RDF, PALESTINE, THE SOVIET THREAT, THE SUDAN, THE TWO YEMENS, AND (FROM FAHD) SOMALIA, LIBYA AND POLISARIO. FAHD'S EXPOSITIONS WERE ON FAMILIAR LINES AND LITTLE WAS SAID THAT HAS NOT BEEN SAID BEFORE.
4. THE P.M. TOOK ADVANTAGE OF THE TALK OF YAR TO MENTION THE NAVAL BASE PROJECT. FAHD ASKED IF WE HAD PREPARED ANY COSTINGS (ANSWER: NO) BUT OTHERWISE MADE NO COMMENT ON IT EXCEPT ABOUT SAUDI ANXIETY TO AVOID FURTHER SOVIET ENCROACHMENT. IN GENERAL HE SEEMED RATHER SANGUINE ABOUT YAR READINESS TO RESIST SOVIET ADVANCES.
5. ON THE SUDAN THE P.M. MENTIONED THE SUDANESE NEED TO TRAIN MORE PILOTS AND (QUIETLY, SO AS TO AVOID THE APPEARANCE OF TOUTING FOR BUSINESS) THE POSSIBLE SALE OF STRIKEMASTER. THE INTERPRETER SPOILT THIS PLOY BY FAILING TO TRANSLATE THE STRIKEMASTER POINT.
6. THE P.M. THEN RAISED TORNADO, SAYING THAT THOUGH THE SAUDIS MIGHT NOT NEED A NEW AIRCRAFT FOR SOME YEARS, THEY SHOULD KNOW OF THE POSSIBILITY OF A JOINT DEVELOPMENT OF A NEW AIRCRAFT

OF THE POSSIBILITY OF A JOINT DEVELOPMENT OF A NEW AIRCRAFT BASED ON TORNADO BUT TAILORED TO CUSTOMERS' REQUIREMENTS. JORDAN AND SOME GULF COUNTRIES HAD ALREADY EXPRESSED INTEREST. FAHD TOOK NOTE BUT MADE NO COMMITMENT. THE P.M. ALSO MENTIONED OUR WISH TO SELL HAWK WHICH WAS THE MOST SUITABLE AIRCRAFT FOR RSAF TRAINING.

7. FINALLY, THE P.M. TALKED OF THE ANGLO-FRENCH BID FOR ARABSAT, STRESSING THAT IT WAS WHOLLY EUROPEAN AND, IF SUCCESSFUL, COULD BE A SYMBOL OF EURO-ARAB CO-OPERATION.

8. ABDULLAH WAS IN A MERRY MOOD, THOUGH THIS DID NOT PREVENT HIM MAKING THE RITUAL POINTS ON ARAB-ISRAEL. ON SANGCOM HE SAID ALL DIFFICULTIES HAD BEEN SETTLED, THANKS TO SAUDI FLEXIBILITY. ON SANGMED, WHEN THE P.M. ASKED WHETHER A DECISION TO AWARD THE CONTRACT WAS NEAR, HE SAID THERE WAS ONLY ONE PROBLEM REMAINING: JURISDICTION AND IMMUNITIES FOR THE BRITISH TEAM (SEPARATE TELEGRAM TO MOD). HE WELCOMED THE FORTHCOMING PRESENTATIONS OF THE CHALLENGER AND VALIANTSWANKS. THE P.M. CONGRATULATED HIM ON HIS MEDIATION BETWEEN JORDAN AND SYRIA.

9. PRINCE SULTAN, TOO, SPOKE AT LENGTH ABOUT ARAB/ISRAEL AND (WITH SOME HEAT) ABOUT PRESIDENT SADAT AND THE WRONGHEAD-NESS OF CAMP DAVID. (WHEN I SAW HIM OUT, AND AGAIN AT THE AIRPORT, HE EXPRESSED ANXIETY LEST HE HAD BEEN TOO BLUNT. BUT HE SAID HE HAD ENJOYED THE P.M.'S FRANKNESS AND THE DING-DONG OF THE ARGUMENT.) THE P.M. BROUGHT HIM BACK TO SPECIFICS. HE HAD DONE SOME RESEARCH OVERNIGHT ON THE YAR NAVAL BASE AND SAID HE HOPED WE WOULD PURSUE THE IDEA SEMICOLON SAUDI ARABIA WOULD PROBABLY BE ABLE TO HELP BUT ON THE BASIS OF YAR/UAE/SAUDI/BRITISH CO-OPERATION; SAUDI ARABIA WOULD NOT FINANCE THE WHOLE PROJECT. ON HAWK HE SAID THE SAUDIS WERE STILL STUDYING WHAT TRAINING AIRCRAFT WOULD BEST SUIT THEIR REQUIREMENTS. ON TORNADO, HE WELCOMED THE P.M.'S EXPLANATION OF OUR PLANS FOR DEVELOPING A NEW GENERATION AIRCRAFT BASED ON TORNADO TECHNOLOGY BUT DESIGNED TO MEET THE NEEDS OF OTHER POTENTIAL USERS BESIDE OURSELVES. HE LIKED THE IDEA OF A JOINTLY PRODUCED EUROPEAN AIRCRAFT BUT GAVE NO COMMITMENT.

10. FINALLY, PRINCE NAIF (INTERIOR) THANKED THE P.M. FOR OUR REPORT ON THE SECURITY OF OFFSHORE OIL INSTALLATIONS AND HOPED THE MATTER COULD BE TAKEN FURTHER. HE DID NOT ASK FOR A FURTHER VISIT BY OUR EXPERTS BUT VOLUNTEERED THAT HE MIGHT WANT TO SEND HIS OWN MEN TO SEE THE MEASURES WE HAD TAKEN IN THE SAME FIELD. THE P.M. THANKED HIM FOR HIS HELP OVER CONSULAR CASES AND ASKED

THE P.M. THANKED HIM FOR HIS HELP OVER CONSULAR CASES AND ASKED HIM TO LOOK INTO TWO OR THREE PARTICULAR CASES ON WHICH I WOULD SEND HIM DETAILS. HE READILY AGREED, WHILE POINTING OUT THAT SAUDI LAW MUST BE OBSERVED. HE ASKED, AND THE P.M. AGREED, THAT WE SHOULD TREAT WITH UNDERSTANDING SAUDIS WHO GOT INTO TROUBLE IN THE U.K. THROUGH IGNORANCE OF OUR LANGUAGE OR CUSTOMS. FINALLY, THE SAUDI AMBASSADOR ASKED HIM TO AUTHORISE THE ISSUE IN LONDON OF MULTIPLE-ENTRY VISAS TO SAUDI ARABIA AND HE AGREED TO WORK SOMETHING OUT WITH THE MFA. THERE WAS YET ANOTHER PASSAGE ON ARAB/ISRAEL.

11. THE HOSPITALITY WAS LAVISH AND THE ARRANGEMENTS EFFICIENT, THOUGH WITH SOME TYPICALLY NERVE-WRACKING MOMENTS OVER TIMING. THE ATMOSPHERE WAS CORDIAL AND I JUDGE THAT THE SAUDIS WERE IMPRESSED. ON SPECIFIC BILATERAL DEALS, THERE WERE NO PROMISES. ONLY TIME WILL TELL WHETHER THE P.M.'S ADVOCACY WILL AFFECT THE DECISIONS, MOST OF WHICH ARE STILL SOME WAY OFF IN THE FUTURE.

FCO PLEASE PASS TO SAVING ADDRESSEES

CRAIG

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TO THE HONORABLE MEMBER OF PARLIAMENT FOR THE CONSTITUENCY OF
SURREY AND SURREY SOUTH WEST
BY AIR MAIL TO THE HOUSE OF COMMONS
ON 11/11/64

DEAR MR. HARRIS

I AM PLEASED TO HEAR THAT YOU WERE ENJOYING YOUR VISIT TO
LONDON AND TO THE HOUSE OF COMMONS. I AM SURE YOU WILL
HAVE BEEN INTERESTED IN THE DEBATE ON THE MIDDLE EAST
AND THE SITUATION IN ISRAEL AND ARABIA.

Yours faithfully,
CRAIG

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Distribution:-

[TEXT]

Following from Graham, Prime Minister's Party.

Riyadh telno 10 to FCQ: 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, overruling his staff, said there were no problems arising out of the work of the missions; 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

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recognition of the PLO, a theme which had clearly been coordinated.

3 The meeting with Sultan lasted an hour. He referred to what the PM had said about Tornado the previous day: 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

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to negotiate with King Hussain who would not be willing to act without the other Arabs.

5. Sultan said he had briefed himself about the projected YAR naval 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

NOTHING TO BE WRITTEN IN THIS MARGIN

including the UAE and Britain. There had been recent changes in the Yemeni 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 30,000 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 terrorists, the organisation would not.

8. The Prime Minister raised the ~~question~~ security of offshore installations. 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 ~~XXXXXXXXXX~~ subjects resident in Saudi Arabia. Naif said he would pursue that with the MFA.

MESSAGE ENDS