

SECRET

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PRIME MINISTER'S

PERSONAL MESSAGE

10 DOWNING STREET
SERIAL No. T68/81

THE PRIME MINISTER

27 April 1981

Dear Mr. President,

Thank you very much for your message delivered to me in Delhi. I have just returned from my tour which included Saudi Arabia, the UAE, Oman and Qatar as well as India. You might be interested to have my main impressions to set beside Al Haig's, which I was very glad to have in London before I set out.

My main purpose in visiting India was to try to consolidate relations with Mrs. Gandhi personally. I believe that I succeeded in fair measure. But there is a good way to go if relations between India and the West are to be put on a really sound footing. Mrs. Gandhi is, as you must know, suspicious of our policies and, in particular, of the policies of successive US Governments. She claims to have had virtually no personal relations with your recent predecessors. You might be surprised, however, by the extent of her suspicion of Russian activities in India. She maintains these have often been directed against her, notably in the election of 1977. She is definitely not a Marxist. Indeed she is greatly concerned about the activities of the Communists in India and is casting around for ways to defeat them. Her agricultural policy, and her support for the mixed economy generally, carries the same message.

India's agriculture, incidentally, seems to me to be one of the success stories of recent years. The country has achieved

/ virtual self-sufficiency

SECRET

virtual self-sufficiency in grain. This is the result of the introduction of the new varieties of wheat in the development of which your experts have played such a part.

On the other hand, perhaps as a counter to the threat she perceives from China, or possibly because she feels that the Soviet Union, as the super power nearest to India, has to be appeased, Mrs. Gandhi remains strongly opposed to any action to support the Afghanistan resistance. She argues that the best hope of achieving Soviet withdrawal from Afghanistan, which she genuinely wants, is through negotiations. I made it clear that I thought she was too sanguine.

Entangled with this is Mrs. Gandhi's extraordinarily deep-rooted fear of Pakistan. I defended in public and in private Pakistan's right to weapons for self-defence, and passed on a message from Zia about his wish for friendship with India. Mrs. Gandhi said that she too wished for friendship: Rao, the Foreign Minister, would be visiting Islamabad next month. But it was quite clear, and she said it in public, that arms supplies to Pakistan are regarded in India as objectionable. If Pakistan does indeed carry out a nuclear test, the consequences will be very serious. President Zia has, of course, assured Peter Carrington that he will not test.

My visits to Saudi Arabia and the Gulf were the first there by a British Prime Minister in office, and also a first for me personally. The four States I went to differed much in character and style. But all made me very welcome, and their hospitality and kindness were encouraging. Oman, as you know, is more receptive to our ideas than the rest. The Sultan sees the Soviet threat as his top priority, with the Arab/Israel problem of secondary importance. On the latter he takes a very different, much more reasonable, line on the way forward.

/ For the Saudis

For the Saudis and the others, Palestine and the recognition of Palestinian rights come first, or at least that is what they said. I believe that in fact they do want a settlement because the continuation of the problem inhibits their cooperation with the West. They are deeply worried about their own Palestinian populations. But they are not yet ready to use their influence with the PLO to persuade them to adopt the more moderate stance which might in turn make possible the kind of talks envisaged in the second stage of the peace process. We shall have to keep working on this, in consultation with your people, the Israelis, and the Egyptians. The position of Syria will be critical. We must somehow try to reduce their sense of isolation. The Soviet Union will, no doubt, be working against us.

Nobody I talked to saw any hope of an early settlement of the Iraq/Iran war. There was much concern about the situation in Iran itself. Similarly, all were pessimistic about Afghanistan. They see little prospect of the UN emissary achieving anything. They are concerned lest his efforts should weaken the resolve of Pakistan whose difficulties, however, they recognise.

The position in North Yemen is confused. Consolidated, it could prove the best barrier to the extension of Soviet influence northwards from the PDRY. But the Saudis, whose influence there is strong, are curiously complacent and indecisive. A number of the other leaders were anxious about the situation. I believe we should give more thought to this problem together.

I was rather impressed by the Sultan of Oman. He has achieved a lot in 10 years and plans more. I told him that we would continue to help him with manpower, at his request. He and his country are important to us. But we must not overburden him.

In the Emirates and Qatar the problems, if any, are those of very rapid development, including populations whose size is growing fast and whose composition is changing. But they seem

/ on the whole

SECRET

- 4 -

on the whole to have coped remarkably well with the more intangible and intractable social problems. The new Cooperation organisation between them, Saudi Arabia, Kuwait, Bahrain and Oman will take time to evolve, but should give greater strength and cohesion. I encouraged them to press ahead and offered our support.

Our bilateral relations with all these states are in good order. I was glad to be told in Abu Dhabi that they would be ordering some of our trainer/strike aircraft. Our ability to make a contribution to the defence of the area in an emergency, even on the modest scale we have in mind, depends crucially on our being able to sell our defence equipment. This order was a great encouragement: we shall be following it up energetically throughout the area.

Warm personal regards and
a rapid recovery to full health and
strength. The world needs you

Yours sincerely

Raymond D. Salter

The President of the United States of America

SECRET

File No.

Department

Drafted by
(Block Capitals)

Tel. Extn.

OUTWARD
TELEGRAM

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PREAMBLE

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TO IMMEDIATE FCO Tel. No. of

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Distribution:-

1. Minister of State

2. P.S. [REPORT]

[TEXT]

Following from Graham, Prime Minister's Party.

Your telno 3 to Salah: Message to Chancellor Schmidt.

1. ^{the} Prime Minister would be grateful if Sir J. Taylor would deliver the following message to ^h Chancellor Schmidt. Begins:

"You will have had an oral ^{report} account through our Ambassador of my discussions in Riyadh with Crown Prince Fahd and and some of the other Saudi Ministers, covering in particular the line I took with them over the Tornado aircraft. I thought however that you might like to have an account of my impressions.

2. My reception could not have been more cordial. The Saudis were at pains to put me at my ease and make me welcome. Similarly the atmosphere at our talks was easy and relaxed. Predictably they urged upon me the need for the European Community to recognise the PLO and the legitimate rights of the Palestinians. The

/ Palestine

Copies to:-

Palestine issue was for them the top priority, with the Soviet threat, which they acknowledge, and inter-Arab differences some way behind.

3. My reply was that we do recognise the right of the Palestinians to self-determination. That was not in doubt. But we also believed that the Palestinians must recognise Israel's right to exist behind secure borders. I urged the Saudis to use their influence with the Palestinians to bring about such recognition, but they argued that while they of course accepted that Israel existed in the region, they could only expect the Palestinians to make such a move when the Israelis recognised the right of the Palestinians to return to their homeland and Jerusalem was restored to its pre-1967 state.

Nonetheless, ^{it is maybe} ~~I sense~~ a little ^{flexibility have} ~~movement~~ on this, and in a separate discussion, the Saudi Foreign Minister

(who ~~however~~ was ill for most of my visit) told Douglas Hurd that the decision ^{on recognition} was up to the Palestinians and hinted that they might be prepared to move if the Community could make some gesture towards them. I do not build too much on this, but I continue to believe that this is our best way forward and that collectively and individually we should use all our influence with the Arabs to try to bring some move on this ~~front~~ by the Palestinians, even if it is couched in conditional terms (eg if Israel ^{would be} ~~withdraws~~ from territory occupied in 1967, then the PLO ^{would be} ~~is~~ prepared to negotiate a settlement on the basis of self-determination for the Palestinians and secure borders for all states).

I hope you will feel able to say something on these lines. I am increasingly convinced that only with some such ^{move} ~~gesture~~ by the Palestinians will it be possible to ~~find a bridge between our efforts and the Americans' "peace process"~~. I wish you luck and look forward to hearing your impressions.

With regards, Margaret Thatcher.

MESSAGE ENDS

however slight,

possibly

point

[omit the bracket and insert;

This should be seen more as a card of entry to the negotiation, if they want a negotiation, rather than as a concession.]

if Israel were to be ready

Give the Americans ^{and ourselves} what they need to bring about a parallel move by Israel

NOTHING TO BE WRITTEN IN THIS MARGIN

SECRET

FM FCO 231437Z APR 81

TO IMMEDIATE SALALAH

TELEGRAM NUMBER 6 OF 23 APRIL

INFO IMMEDIATE WASHINGTON PRIORITY UKDEL NATO BONN PARIS

FOLLOWING FOR ALEXANDER PRIME MINISTER'S PARTY.

US GRAIN EMBARGO

FOLLOWING IS THE TEXT OF A LETTER FROM HAIG TO FOREIGN SECRETARY RECEIVED LATE LAST NIGHT.

BEGINS:

"I WANT YOU TO KNOW THAT THE PRESIDENT WILL ANNOUNCE IN THE NEAR FUTURE HIS DECISION TO LIFT THE PARTIAL GRAIN EMBARGO AGAINST THE SOVIET UNION. AS I KNOW YOU WILL UNDERSTAND THIS DECISION HAS NOT COME EASILY TO THE PRESIDENT WHO REALISES FULL WELL ITS IMPLICATIONS FOR OUR CLOSEST ALLIES. HE HAS THEREFORE PERSONALLY ASKED ME TO SEE THAT YOU AND THROUGH YOU THE PRIME MINISTER ARE THE FIRST TO BE INFORMED OF HIS DECISION AND THE REASONS FOR IT.

THE PRESIDENT HAS LONG BEEN OPPOSED TO THE GRAIN EMBARGO WHICH HE BELIEVES HAS IMPOSED UNEQUAL AND THEREFORE UNFAIR SACRIFICE ON ONE SECTOR OF THE AMERICAN ECONOMY. HE CAMPAIGNED AGAINST THE EMBARGO HE MADE A FIRM COMMITMENT TO THE AMERICAN PEOPLE TO REMOVE IT. NEVERTHELESS FOLLOWING HIS INAUGURATION THE PRESIDENT RECOGNISED THE SUBSTANTIAL FOREIGN POLICY CONSIDERATIONS THAT MILITATED AGAINST LIFTING OF THE EMBARGO. HE HAS FIRMLY AND COURAGEOUSLY STOOD AGAINST THE POLITICAL FORCES WITHIN THIS COUNTRY THAT HAVE SOUGHT FROM THE MOMENT HE TOOK OFFICE A REVERSAL OF PRESIDENT CARTER'S EMBARGO DECISION.

IN ALL FRANKNESS PETER THOSE FORCES HAVE NOW BECOME SO STRONG THAT THE PRESIDENT FEELS HE CAN NO LONGER SUSTAIN HIS POSITION. TO MAINTAIN THE EMBARGO NOW WOULD SERIOUSLY JEOPARDISE AFFIRMATIVE CONGRESSIONAL ACTION ON HIS ECONOMIC PROGRAMME IN GENERAL AND HIS FARM BILL IN PARTICULAR. THE PRICE IN TERMS OF THE ABILITY OF THIS ADMINISTRATION TO RE-ESTABLISH A HEALTHY AND PRODUCTIVE NATION IS TOO MUCH TO PAY. THUS ALBEIT RELUCTANTLY THE PRESIDENT HAD DETERMINED THAT HE MUST ACT NOW IF HE IS TO CARRY FORWARD THE DOMESTIC REFORM PROGRAMMES THAT ARE SO IMPORTANT TO US AND IN THE LAST ANALYSIS OUR ALLIES.

LET ME EMPHASISIE THAT THE LIFTING OF THE EMBARGO DOES NOT INDICATE ANY CHANGE IN US POLICY VIS-A-VIS THE USSR OR US ACCEPTANCE OF THE STATUE QUO IN AFGHANISTAN. THE UNITED STATES REMAINS DETERMINED TO RESIST SOVIET AGGRESSION WHEREVER IT OCCURS. WE WILL CONTINUE TO WORK FOR A POLITICAL SETTLEMENT IN AFGHANISTAN WHICH INCLUDES THE WITHDRAWAL OF SOVIET TROOPS.

WE WILL CONTINUE TO SCRUTINISE ALL OUR COMMERCIAL TIES WITH THE SOVIET UNION CAREFULLY WE OF COURSE URGE OUR ALLIES TO DO THE SAME. NOR DOES OUR ACTION ON THE GRAINS EMBARGO AFFECT OUR BELIEF THAT POLAND CONTINGENCY PLANNING IS VITAL TO ENABLE THE WEST TO TAKE CONCERTED ACTION IF THE SOVIETS SHOULD INTERVENE IN POLAND.

IN THAT REGARD LET ME ALSO ASSURE YOU THAT SHOULD THE SOVIETS INTERVENE MILITARILY IN POLAND WE WILL TAKE THE MOST STRINGENT MEASURES TO LIMIT ECONOMIC RELATIONS BETWEEN THE UNITED STATES AND THE USSR THESE MEASURE WILL NOT BE RESTRICTED TO THE AGRICULTURAL SECTOR ALONE.

FINALLY PETER YOU SHOULD KNOW THAT THE PRESIDENT AND I HAVE APPRECIATED THE FIRM SUPPORT WE HAVE RECEIVED FROM YOU AND THE PRIME MINISTER ON THE ISSUE OF TRADE WITH THE SOVIETS OVER THE PAST SEVERAL MONTHS. YOU HAVE OUR GRATITUDE I HOPE WE HAVE YOUR UNDERSTANDING FOR THE REASON THAT LED THE PRESIDENT TO THIS DIFFICULT DECISION."

ENDS

CARRINGTON

CONFIDENTIAL

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OO ABU DHABI DESKBY 220500Z

OO MUSCAT

PP JEDDA

GRS 142

CONFIDENTIAL

DESKBY 220500Z

FM FCO 211615Z APRIL 81

TO IMMEDIATE ABU DHABI

TELEGRAM NUMBER 130 OF 21 APRIL

AND TO IMMEDIATE MUSCAT

INFO PRIORITY BONN AND JEDDA.

FOLLOWING FOR ALEXANDER, PM'S PARTY. FROM MED

CHANCELLOR SCHMIDT AND SAUDI ARABIA

1. EMBASSY BONN HAVE SUGGESTED THAT BEFORE DEPARTING FOR SAUDI ARABIA ON MONDAY, 27 APRIL, HERR SCHMIDT WOULD WELCOME A BRIEF MESSAGE FROM THE PRIME MINISTER CONTAINING PERSONAL IMPRESSIONS OF HER GULF VISIT: THIS IN ADDITION TO ANY REPORTS RELAYED BY THE SECRETARY OF STATE WHEN HE CALLS ON CHANCELLOR SCHMIDT ON THURSDAY (FCO TELNO 228 TO JEDDA). WED CONSIDER THAT THIS WOULD BE HELPFUL IN PREPARING THE GROUND FOR NEXT MONTH'S ANGLO-GERMAN SUMMIT.
2. A MESSAGE PREPARED AT THE END OF THE OMANI LEG (WHEN THE PM WILL BE SUMMARISING HER IMPRESSIONS FOR JOURNALISTS) COULD BE PASSED BY BONN TO THE CHANCELLOR'S OFFICE ON SUNDAY, 26 APRIL. CARRINGTON

NNNN

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OO JEDDA

RR ANKARA

GR 140

CONFIDENTIAL

FM FCO 181220Z APR 81

TO IMMEDIATE BOMBAY

TELEGRAM NUMBER 85 OF 18 APRIL

INFO IMMEDIATE JEDDA WASHINGTON ROUTINE ANKARA

FOLLOWING FOR PRIME MINISTERS' PARTY

1. THE U S EMBASSY HAVE ASKED US TO PASS THE FOLLOWING MESSAGE TO YOU FROM THE STATE DEPARTMENT:

QUOTE

ON APRIL 1, FOREIGN MINISTER TURKMEN ASKED THE SECRETARY TO RAISE ASSISTANCE TO TURKEY DURING HIS VISIT TO SAUDI ARABIA. IN HIS DISCUSSION WITH CROWN PRINCE FAHD ON APRIL 8, SECRETARY HAIG URGED THE SAG TO PROVIDE SUBSTANTIAL ASSISTANCE FOR TURKEY AGAIN IN 1981. FHAD'S RESPONSE WAS NON-COMMITTAL.

IN 1980 SAG BALANCE-OF-PAYMENTS ASSISTANCE FOR TURKEY TOTALED 250 MILLION DOLLARS. TURKEY'S NEEDS FOR EXTERNAL ECONOMIC AID ARE AT LEAST AS GREAT IN 1981 AS IN 1980. IT WILL NOT BE POSSIBLE FOR SOME OECD DONORS TO PROVIDE AS MUCH ASSISTANCE THIS YEAR, THUS, AID FROM OTHER DONORS TAKES ON ADDED IMPORTANCE. WE BELIEVE IT WOULD BE HELPFUL IF PRIME MINISTER THATCHER AND CHANCELLOR SCHMIDT WOULD ALSO ASK THE SAG TO PROVIDE AID TO TURKEY AGAIN IN 1981. UNQUOTE.

CARRINGTON

CONFIDENTIAL

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CONFIDENTIAL. ¹/_J top copy 25.4.1981

MESSAGE FROM THE PRIME MINISTER TO CHANCELLOR SCHMIDT
(for despatch on the direct line)

Sent on
hotline

Dear Helmut,

You will have had an oral ^{report} ~~account~~ through our Ambassador of my discussions in Riyadh with Crown Prince Fahd and some of the other Saudi Ministers, covering in particular the line I took with them over the Tornado aircraft. I thought however that you might like to have an account of my impressions.

My reception could not have been more cordial. The Saudis were at pains to make me welcome. The atmosphere of our talks was easy and relaxed.

Predictably the Saudis urged upon me the need for the European Community to recognise the PLO and the legitimate rights of the Palestinians. The Palestine issue was for them the top priority with the Soviet threat, which they acknowledge, and inter-Arab differences, some way behind.

My reply was that we do recognise the right of the Palestinians to self-determination. This was not in doubt. But there had to be a counter-part. At present the Palestinians were committed in their Covenant to the destruction of Israel. We believed that the Palestinians must recognise Israel's right to exist behind secure borders.

I urged the Saudis to use their influence with the Palestinians to bring about such recognition. The Saudis argued that while they of course accepted the fact of Israel's existence in the region, they could only expect the Palestinians to move in the direction of recognition when the Israelis recognised the right of the Palestinians to return to their homeland and accepted that Jerusalem should be restored to its pre-1967 state.

Despite their firm line, I sensed some flexibility in Saudi thinking. In a separate discussion, the Saudi Foreign Minister told Douglas Hurd that it was up to the Palestinians

/ to decide

to decide what to do. He hinted that the Palestinians might possibly be prepared to move if the Community could make some gesture towards them.

I do not want to build too much on this. But I believe that collectively and individually we should use all our influence with the Arabs to try and bring about some move by the Palestinians, ^{perhaps in the form of a public statement. Such a statement} ~~such a move~~ would no doubt have to be couched in conditional terms, eg if Israel were to agree to withdraw from territory occupied in 1967, then the PLO would be prepared to negotiate a settlement on the basis of self-determination for the Palestinians and secure borders for ^{Israel & indeed for} all states ^{in the area}.

I hope you will feel able to urge the case for a move on these lines. I am increasingly convinced that only if the Palestinians are prepared to make some such gesture will it be possible to give the Americans and ourselves what we need to bring about a parallel move by Israel.

I hope you enjoy your visit. I look forward to hearing your impressions.

MARGARET THATCHER

25 April 1981

00 NEW DELHI DESKBY 160400Z
GRS120
UNCLASSIFIED
DESKBY 160400Z
FM F C O 151919Z APR 81
TO IMMEDIATE NEW DELHI
TELEGRAM NUMBER 363 OF 15 APRIL

FOLLOWING FOR ALEXANDER , PRIME MINISTER'S PARTY, FROM SANDERS,
10 DOWNING STREET.

BEGINS:

TONY MARLOW HAS PUT DOWN A PRIORITY WRITTEN QUESTION TO THE
PRIME MINISTER, WHICH WILL HAVE TO BE ANSWERED ON 16 APRIL.
FOLLOWING IS THE QUESTION AND DRAFT ANSWER:

''WHETHER , IN HER FORTHCOMING VISIT TO THE MIDDLE EAST, SHE WILL
TAKE ADVANTAGE OF ANY OPPORTUNITY TO MEET WITH MODERATE REPRESENT-
ATIVES OF THE PALESTINE PEOPLE.

MR.WHITELAW: I HAVE BEEN ASKED TO REPLY. THE PURPOSE OF MY RIGHT
HON. FRIEND'S VISIT TO SAUDI ARABIA, OMAN, THE UNITED ARAB EMIRATES
AND QATAR IS TO DISCUSS QUESTIONS OF BILATERAL INTEREST. SHE HAS NO
PLANS TO MEET PALESTINIAN REPRESENTATIVES.''

WE SHALL GIVE THIS ANSWER AT 0930Z UNLESS WE HEAR FROM YOU.
ENDS

CARRINGTON

NNNN