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PRIME MINISTER

MEETING WITH PRINCE BANDAR

Prince Bandar is coming to see you on Monday morning at his own request. You last saw him in New York with Prince Saud.

You will want to hear what he has to say about Prince Sultan's comments on the scope for negotiations between Iraq and Kuwait. It seems that he was mis-reported by the Press: but some unease nonetheless lingers that the Saudis might be up to something. This is reinforced by Saddam Hussein's comment to Mr. Heath (which you should not of course repeat) that Iraq was in direct contact with Saudi Arabia. Clearly you will not want to give Prince Bandar the impression that we have any lack of confidence in them. So I suggest you tackle the subject obliquely by referring to your displeasure at Primakov's activities, and by making your point that you are not prepared to order British soldiers to fight to recover anything less than the whole of Kuwait.

You should also have something to report to him from the discussions in Rome, with luck a good robust statement. You will not want to conceal from him some worries as to whether all the Europeans are as robust as we are. You might also get his assessment of whether the Arab coalition against Iraq can continue to hold together for the next two or three months. How can we all discourage them from pursuing unsatisfactory compromise solutions?

You will no doubt want to touch on Jordan. The breakdown between Saudi Arabia and Jordan seems irreversible. But we think King Hussein is now doing his best to apply sanctions: and we continue to assess that any alternative to him would be worse.

Prince Bandar, for his part, may encourage you to take another initiative to restore relations with Syria. He has already been on to me about this, arguing that Syrian participation in the Arab coalition against Iraq is of absolute crucial importance,

and we should do everything possible to maintain it. He is likely to offer his own good offices to help. You might take the line that you understand the strategic arguments for getting back on terms with Syria: but our attempt to do so was rebuffed, and we regard the ball as in the Syrian court. We would be prepared to receive a Syrian representative here at an appropriately high level if Bandar could organise this - although it would be best to pre-cook the outcome of a visit, so there would be no question of disappointed hopes.

The FCO want you to raise the question of British journalists in Saudi Arabia. I doubt you will have much appetite for this: but it does appear that, largely for bureaucratic reasons, our journalists are being given less favourable treatment than those from the United States and France. You might simply ask Prince Bandar to see if there is anything which he can do to ease the situation.

Finally, I should report that the Chairman and Chief Executive of Westland Helicopters came to see me the other day. They reckon they have excellent export opportunities for Saudi Arabia and the UAE for Black Hawk, and that this has the support of Prince Bandar. But nothing is happening because BAe control the flow of funding for project Al Yamamah, and ensure that the money goes in the first instance to Tornado, Hawk and other BAe interests. A clear signal from you that we would welcome an early decision by the Saudis to acquire Black Hawk from Westland, and to make the necessary funds available (particularly now that oil revenues are so much up), might help unblock the road for Westland.

C.D.P.
CHARLES D. POWELL

26 OCTOBER 1990

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Foreign and Commonwealth Office

CONFIDENTIAL London SWIA 2AH

26 October 1990

Dear Charles,

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Prime Minister's Meeting with Prince Bandar

Prince Bandar will call on the Prime Minister at his request at 1115 on Monday 29 October. I enclose a record of the Prime Minister's last meeting with the Saudi Foreign Minister on 1 October, which Prince Bandar attended. The central issue for the meeting is likely to be a review of recent signs of wobbling in the coalition against Iraq, and of how best to counter Iraqi wedge-driving tactics.

There has been a disturbing resurgence of mediatory activity. Primakov has visited Cairo and plans to travel to Damascus, Amman and Baghdad again in the course of a further tour of the region. Egyptian officials have described Primakov as appearing subdued by his reception in London: he told the Egyptian Ambassador in Moscow that the Prime Minister had spoken more forcefully even than the Americans. But the signs are that he is continuing to explore the scope to find a face-saver for Saddam Hussain.

In a separate development the Algerian Foreign Minister is to visit Cairo and Riyadh on 25-8 October amidst speculation that he will sound out Egypt and Saudi Arabia on a possible mediation effort by the President of Algeria. The sense of wobble has not been helped by the reports that the Saudi Defence Minister had indicated the possibility of territorial concessions to Iraq after a withdrawal from Kuwait. Despite the rapid denial (repeated by Prince Bandar to US Secretary of State Baker on 23 October) a lingering impression has been created that there has been some debate within the house of Saud about the possibility of making concessions to Iraq.

Amongst Western members of the coalition, strains have begun to appear over how to respond to Iraqi wedge-driving over release of hostages of different nationalities. Some EC Partners (Germany, Denmark) are under pressure to send envoys to negotiate the release of their nationals and the matter is likely to be discussed at the informal European Council over the weekend. Mr Heath's mission to secure the release of sick and elderly British hostages has doubtless increased the

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domestic pressure on these governments, although German officials have indicated that Chancellor Kohl has sought to defer a similar visit by Willy Brandt at least for the time being. Sweden's action in sending a government envoy, which has reportedly ended in agreement to release five of the ninety Swedish hostages, has been criticised, notably by the Danes. France has made clear that the release of all French detainees was a unilateral Iraqi decision and is considered by the French government as no more than a step towards the liberation of all hostages which will in no sense affect the French approach to the crisis. Two Greek opposition PASOK party politicians have gone to Baghdad to seek the release of Greek hostages.

Against this background the Prime Minister may wish to tell Prince Bandar of the firm line taken with Primakov in London and to be taken at the informal European Council this weekend. Noting the prompt refutation of the misreporting of Prince Sultan's comments, she might seek his advice about what practical steps might be taken to stiffen resistance to the proponents of partial solutions and to ensure that there is no sliding away from the firm provisions of the Security Council Resolutions.

In particular, the Prime Minister might seek Prince Bandar's reading of the mood among Arab states. The Saudis were instrumental in securing the 11:10 decision of the Arab League not to criticise the United States at the Foreign Ministers' meeting following the Temple Mount shootings. But this issue is set to further complicate efforts to keep the focus at the United Nations on Iraq/Kuwait. We have made clear our commitment to renew efforts to resolve the Palestinian question after the crisis is resolved. What can the Saudis and their friends in the Arab world do to keep the focus on the need to deal with Saddam Hussain? Can they keep a majority in the Arab League and amongst the Arab group in New York? What are the prospects for successfully discouraging President Chadli of Algeria from pursuing compromise solutions, as King Hassan has been?

The breakdown in relations between Saudi Arabia and Jordan looks irredeemable. The Prime Minister might nevertheless wish to affirm to Prince Bandar that we believe Jordan is now making genuine efforts to implement sanctions, and that Jordan should be a priority for economic assistance. We remain convinced that any alternative to King Hussein would be disastrous - not least for Saudi Arabia.

The Prime Minister might ask Prince Bandar for his assessment of Saudi relations with Yemen and of Yemeni performance on sanctions breaking. Public criticism of each other by the two countries appears to be growing. What is the objective of Saudi policy towards Yemen?

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Prince Bandar may revert to the question of restoring relations with Syria, raised by Prince Saud with the Prime Minister on 1 October, and repeat his offer of Saudi assistance. If he does, the Prime Minister might say that we should like to have normal relations with Syria, but need to resolve the substantive problems of Syrian involvement in terrorism. Following recent unsatisfactory contacts, the ball is in the Syrian court.

It would be helpful if the Prime Minister raised the recent restrictions placed by the Saudi authorities on visas for British journalists covering Operation Granby. A number of journalists already in Saudi Arabia have been asked to leave, just as the Seventh Armoured Brigade started to arrive. Representations by the Embassy in Riyadh and with the Saudi Ambassador here have succeeded in getting a ruling from the King that there should be no overall reduction (but no increase either) in the 42 strong British press corps. But problems remain over the implementation of the rules by the Ministry of Information, who are insisting on rotation of journalists within the ceilings set by the King, and with the Saudi Embassy in London which is slower and less flexible on this question than the Embassies in Paris and Washington. The situation is set out in Riyadh telno 1080 (copy attached).

Our aim is to ensure that British journalists are able to renew their visas, or else to be replaced by colleagues as their editors wish. Saudi sensitivities mean that all decisions on media access are taken at very senior levels. The Ambassador in Riyadh has recommended that the issue be raised with Prince Bandar, whose own Embassy in Washington is apparently able to deliver a smoother operation for American journalists.

I am copying this letter to Simon Webb (MOD), who is providing separate briefing on defence equipment sales.

Simon Webb
S L Gass
(S L Gass)
Private Secretary

C D Powell Esq
10 Downing Street

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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

Mr. Elson 3/10
Date 1 Oct 4/x
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Mr. Young, EU (23)
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cc PS
PS / Mr. Hildegarde
PS/PUS
Mr. Fairweather
Mr. Gore - South
Mr. Fuller, WENAD.

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[Signature]
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Dear Jeffrey,

PRIME MINISTER'S MEETING WITH THE SAUDI FOREIGN MINISTER

The Prime Minister had a meeting in New York this afternoon with the Saudi Foreign Minister. Prince Saud was accompanied by Prince Bandar, the Saudi Ambassador in Washington.

The Gulf

Prince Saud complimented the Prime Minister on her interviews on early morning television and the severity with which she had ruled out negotiations. This was exactly the right line to take. President Mitterrand's speech at the UN had been a hornet's nest, although he now seemed to be backing away from it. Luckily the Iraqis, instead of trying to exploit the speech, had jumped all over it. But Mitterrand was not the only one: he had himself seen Signor Andreotti earlier in the day and found him casting around for some negotiated solution. The truth was only military strength and the prospect of a confrontation would get Saddam Hussain out of Kuwait. The Prime Minister said she was doubtful whether he would leave even then. Prince Saud said that he might do so, if he was isolated and if we had enough force and the will to use it. Saddam Hussain was gambling that the Western countries would not be prepared to make sacrifices to recover Kuwait. Prince Saud commented that it was a positive development to have Russians aboard. Although they might not openly approve the use of force, at least they would not try to prevent it. The Prime Minister commented that they needed the West too much for that.

The Prime Minister said there was still not enough effective counter-propaganda against Iraq. She had discussed this with the Amir of Kuwait and understood that the Iraqis were jamming foreign broadcasts to both Kuwait and Iraq. Prince Bandar said the thing was to broadcast on Iraqi frequencies with a more powerful transmitter and drown them out.

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Prince Saud continued that the picture in the Arab world was improving. The countries standing with Saudi Arabia were sending more forces. The Syrians were ready to send another division, as were the Egyptians. There had been a positive response, too, from several West African countries. He had talked to the Iranians in New York and was reasonably confident they would not exploit Islamic emotions over the presence of foreign troops.

Relations with Syria

Prince Saud said that he had a plea to make to the Prime Minister and that was to ask the United Kingdom should restore relations with Syria. The Syrians had done extraordinary service to the Saudi cause in the Gulf and were playing a vital role with the Iranians. It would be very helpful if Britain could get back into contact with them. The Prime Minister intimated that we had taken some discreet steps in that direction, but the response had been very disappointing. Prince Bandar said that it would be better to have told the Saudis first and they could have arranged things. Prince Saud urged that we should not give up but should make a further attempt, allowing the Saudis to prepare the ground for this. The Prime Minister said that she would discuss this with the Foreign Secretary.

Al Yamamah Project

Prince Saud said that King Fahd had instructed him to tell the Prime Minister formally that newspaper speculation that the defence contracts which Saudi Arabia was placing with the United States would be at the expense of Al Yamamah were absolutely not true. If anything, Saudi Arabia was likely to ask for more equipment under Al Yamamah. We should give no credence to the stories.

British forces in the Gulf

The Prime Minister gave an account of the additional forces we were sending to the Gulf. Prince Bandar asked when they would be ready for action. The Prime Minister said they should be in place and operational by the first half of November. Prince Bandar said that we ought to be ready for military action against Iraq as soon as possible thereafter. Prince Saud commented while adding that the Iranians were passing on very useful information about the chemical weapons used by the Iraqis.

Jordan

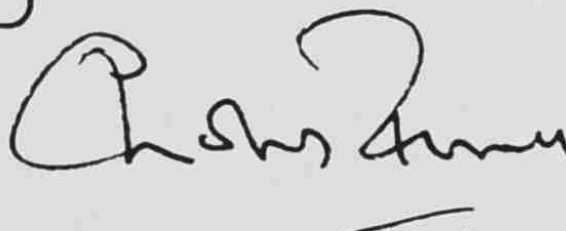
Prince Saud asked whether the Prime Minister had been in contact with the Jordanians. The Prime Minister said she had seen Crown Prince Hassan but had not found him very helpful. She thought the Jordanians were now genuinely trying to apply sanctions. She was not sure that King Hussein had been fully apprised of some of the earlier breaches. Prince Saud said that the King was still acting as an apologist for Saddam Hussain. What the Saudis found hardest to forgive was the way he was consorting with Palestinian extremists and giving them credibility. The Prime Minister said it would nonetheless be

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very unfortunate if we were to lose King Hussein. Prince Saud said that Saudi Arabia would be ready to help him if he got back on to the right track. Prince Bandar commented that King Hussein had pulled off a remarkable feat of alienating the four countries of the world which were most important to Jordan: the United States, the United Kingdom, Egypt and Saudi Arabia. Prince Saud concluded that, overall, the situation in the Arab world was turning and getting better.

I am copying this letter to Simon Webb (Ministry of Defence), Martin Stanley (Department of Trade and Industry), John Gieve (H.M. Treasury) and Sonia Phippard (Cabinet Office).

Yours sincerely,


C. D. POWELL

J. S. Wall, Esq.,
Foreign and Commonwealth Office.

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