SAUM ARABA x - 16 ADVANCE COPIES MIDDLE EAST: NO 10 DOWNING STREET PS PS/SIR I GILMOUR PS/MR HURD CABINET OFFICE DIO PS/PUS MR J C MOBERLY HD/NENAD HD/MED HD/UND (2)HD/OID (2) PUSD NEWS D RESTRENT-CLERK GR 600 CONFIDENTIAL Read is full FM JEDDA 271000Z FEB TO PRIORITY FOO TELNO 195 OF 27 FEB INFO ROUTINE WASHINGTON CAIRO AND TEL AVIV SAVING TO DAMASCUS AMMAN BEIRUT BAGHDAD AND KUWAIT SAUDI / WEST RELATIONS I HAD A LONG MEETING WITH CROWN PRINCE FAHD LAST NIGHT. I AM REPORTING SEPARATELY ON THE SPECIFIC MATTERS DISCUSSED. AS SOON AS I HAD RAISED THE FIRST OF THOSE MATTERS FAHD COMM-ENTED WARMLY ON THE HISTORIACL TIES BETWEEN SAUDI ARABIA AND THE UK AND EXPRESSED APPRECIATION FOR OUR UNDERSTANDING OF MIDDLE EASTERN AFFAIRS. HE THEN LAUNCHED INTO A LONG MONO-LOGUE ON US AND WESTERN WEAKNESS, STARTING WITH VIETNAM AND CONTINUING THROUGH ANGOLA, ETHIOPIA AND ADEN TO AFGHANISTAN. YOU HAVE HEARD IT ALL BEFORE BUT IT WAS DELIVERED WITH OBVIOUS FEELING.

- 3. HE MOVED ON WITHOUT PAUSE TO PALESTINE. HE SAID HE HIMSELF WAS A FRIEND OF THE WEST AND WAS PROUD TO BE SO. THE FRIENDSHIP WAS BASED NOT ON SENTIMENT BUT ON THE COMMON INTERESTS OF HIS COUNTRY AND THE WEST. SAUDI ARABIA WAS EAGER TO HELP THE WEST BUT ALAS SHE GOT PRECIOUS LITTLE IN RETURN. SHE HAD WORKED HARD AND SUCCESSFULLY AT ISLAMABAD TO RALLY THE MUSLIM WORLD AGAINST THE SOVIET UNION. BUT NOW TODAY HE HAD SEEN THE ANNOUNCEMENT FROM PRESIDENT CARTER THAT HE WAS APPOSED TO AN INDEPENDENT PALESTININAN STATE. WAS THE THE SAUDIS' AND THE MUSLIMS' REWARD? WHY DID PRESIDENT CARTER NEED (UNDERLINED) TO SAY SUCH A THING? AND WHY AT THIS PARTICULAR TIME?. THE ARGUMENT THAT A PALESTINIAN STATE WOULD GO COMMUNIST WAS ABSURD: IT WOULD BE SURROUNDED BY ISRAEL, JORDAN AND EGYPT AND IT WOULD HAVE TO RELY FOR FINANCE ON SAUDI ARABIA DND THE GULF STATES.
- 4. THE ARABS HAD BEEN FOOLISH IN THE PAST BUT THEIR VIEWS HAD CHANGED. NOW THEY WERE ALL READY TO ACCEPT RESOLUTION 242 AND THE EXISTENCE OF ISRAEL. THE ONLY PEOPLE NOT (UNDERLINED) WILLING TO ACCEPT 242 WERE THE ISRAELIS.
- A SETTLEMENT OF THE PALESTINE QUESTION. WITHOUT IT THEY WOULD FALL INTO DESPAIR, AND IF THEY DESPAIRED THEY WOULD TURN TO THE RUSSIANS. THEY WERE UNDER NO ILLUSIONS THAT THE RUSSIANS LOVED THEM. THE RUSSIANS WERE AFTER TWO THINGS: AN IMPROVEMENT IN THEIR STRATEGIC STANCE VIS-A-VIS THE WEST, AND THE PHYSICAL RESOURCES OF THE MIDDLE EAST. BUT IF THE WEST WOULD NOT HELP, THE ARABS WOULD HAVE TO FIND SOMEONE WHO WOULD. IN THAT CASE THERE WOULD BE IMMENSE CHANGES IN THE AREA, ALL OF THEM DAMAGING TO THE WEST. ANY LIKELY ALTERATIONS TO PRÉSENT CONDITIONS IN THE MIDDLE EAST WOULD BE, FROM THEWESTERN POINT OF VIEW, FOR THE WORSE.
- 6. THE SAUDIS HAD OPPOSED SADAT'S INITIATIVE FROM THE START, NOT BECAUSE THEY WERE AGAINST SADAT ON THE CONTRARY THEY WISHED HIM WELL AND HOPED HE WOULD CONTINUE TO RULE EGYPT. BUT THEY HAD KNOWN HIS APPROACH WOULD ACHIEVE NOTHING AND THEY HAD BEEN PROVED RIGHT. THE MOSLEM WORLD COULD NEVER ACQUIESCE IN THE SURRENDER OF JERUSALEM.
- 7. ALL THIS AT GREAT LENGTH, ABOUT 40 MINIUTES NON-STOP, HE WAS MUCH MORE FLUENT THAN WHEN HE SPOKE TO YOU. THERE WAS NO NOTE OF THREAT; ONLY SADNESS AND BEWILDERMENT. THE WORD

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