

for PS

GR550

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FM JEDDAH 240825Z SEP 80

TO ROUTINE FCO

TELNO 692 OF 24TH SEPTEMBER 1980

REPEATED ROUTINE UKMIS NEW YORK, HONG KONG (GOV HOUSE),
CAIRO, KUWAIT, DOHA, BAHRAIN, ABU DHABI, BAGHDAD, DUBAI,
MUSCAT, AMMAN, TEL AVIV, WASHINGTON.

SAVING TO PARIS, DAMASCUS, MOSCOW, UKDEL NATO, UKREP BRUSSELS,
SANAA, ADEN.

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No. 10 DOWNING ST

Prime Minister

To see all

MAD

MF

ANGLO/SAUDI RELATIONS

1. I HAVE NOW BEEN BACK A MONTH AND OWE YOU AN ASSESSMENT OF THE POST-RECONCILIATION POSITION. IT IS DIFFICULT TO SPEAK WITH AUTHORITY BECAUSE SAUDI ARABIA IN THE PERIOD BETWEEN THE RAMADHAN FEAST AND THE PILGRIMAGE IS AS EMPTY AS PARIS IN AUGUST: AND THINGS ARE WORSE THIS YEAR BECAUSE OF THE EXTRAORDINARY SERIES OF CONFERENCES WHICH IS TAKING EVEN MINISTERS AND MORE OFFICIALS THAN USUAL ABROAD.

2. BUT FROM THE CONTACTS I HAVE HAD IT IS CLEAR THAT MOST RESPONSIBLE SAUDIS, ALTHOUGH UPSET BY THE FILM, THINK IT WAS A MISTAKE TO REACT SO VIOLENTLY. MANY NOW CLAIM TO HAVE DISAGREED WITH THE MEASURES TAKEN BY THE GOVERNMENT AND TO RECOGNISE THAT IT WOULD HAVE BEEN BETTER TO TURN A BLIND EYE WHEN THE CAUSE OF OFFENCE WAS COMPARATIVELY TRIVIAL. TO SOME EXTENT WE MAY HOPE THAT THE DAMAGE WE HAVE SUFFERED WILL ACT AS A KIND OF INOCULATION AGAINST FURTHER INCIDENTS OF THE SAME SORT. THE ARNOT CASE HAS BEEN GIVEN LITTLE PUBLICITY AND FEW SAUDIS HAVE SHOWN INTEREST IN IT SO FAR. BUT THIS SHOULD NOT MAKE US COMPLACENT. THERE COULD WELL BE ATTACKS ON SAUDI ARABIA IN THE BRITISH PRESS OF A MORE DIRECT OR MORE OFFENSIVE KIND THAN DEATH OF A PRINCESS, TO WHICH THE SAUDIS MIGHT FIND IT HARD NOT TO REACT. THE COVER OF PRIVATE EYE NO 489 IS A PROVOCATIVE EXAMPLE. WE MUST THEREFORE PUSH AHEAD WITH THE CULTURAL COMMITTEE, EVEN THOUGH ITS FIRST MEETING SEEMS LIKELY TO BE DELAYED, GIVEN THAT THE SAUDIS HAVE SO FAR FAILED TO MAKE THE NECESSARY ARRANGEMENTS ON THEIR SIDE AND THAT THE PILGRIMAGE IS COMING UP.

3. COMMERCIALLY WE ARE BACK IN BUSINESS AGAIN WITH, I SHOULD JUDGE, NO RESIDUAL HANDICAP. THE ROYAL COMMISSION FOR JUBAIL AND YANBU, WITH WHOM WE WENT THROUGH A PARTICULARLY COOL PERIOD, IS COMPLETELY FRIENDLY AGAIN: AND WE ARE BEGINNING TO WIN CONTRACTS WITH OTHER GOVERNMENT AGENCIES INCLUDING THE SALINE WATER CORPORATION, WHICH

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HAD BEEN HOSTILE. THE PRIVATE SECTOR PROBABLY SUFFERED LITTLE DAMAGE AND SEEMS READY TO CONDUCT BUSINESS WITH US AS BEFORE. THAT SAID, THE DEFECTS IN THE BRITISH APPROACH TO THE SAUDI MARKET REMAIN (THEY HAVE BEEN REHEARSED MANY TIMES IN CORRESPONDENCE WITH THE DEPARTMENT CONCERNED).

4. MR LAMONT'S VISIT IS GOING AHEAD AND HE IS TO BE RECEIVED AND ENTERTAINED BY YAMANI, EVEN THOUGH IT IS A PARTICULARLY BUSY TIME FOR HIM. THE POSTPONEMENT OF THE PROPOSED VISITS BY MR JENKIN AND BY THE RED ARROWS AEROBATIC TEAM HAVE PERFECTLY GENUINE REASONS BEHIND THEM, UNCONNECTED WITH ANGLO/SAUDI RELATIONS.

5. WE MUST CONTINUE TO RECOGNISE, HOWEVER, THAT SO LONG AS OUR ECONOMY IS FRAGILE, OTHER COUNTRIES HAVE AN EDGE OVER US IN SAUDI ARABIA BOTH POLITICALLY AND COMMERCIALY. I THINK ESPECIALLY OF FRANCE AND WEST GERMANY, AND OF COURSE THE AMERICANS, EVEN THOUGH THEY HAVE SEVERE POLITICAL DIFFICULTIES WITH THE SAUDI GOVERNMENT AT THE MOMENT, ARE HERE IN SUCH A MASSIVE AND WELL-ENTRENCHED PRESENCE AND ARE SO NECESSARY TO SAUDIS THAT THEY ARE ALWAYS PLAYING IN A BIGGER LEAGUE THAN US.

FCO PLEASE PASS SAVING TO PARIS DAMASCUS MOSCOW UKDEL NATO AND UKREP BRUSSELS.

THIS TELEGRAM
 WAS NOT
 ADVANCED

CRAIG

(REPEATED AS REQUESTED)

SAUDI/BRITISH RELATIONS

STANDARD

MED	ES VSD
NENAD	ERD
NAD	TRED
UND	ECON D
EESD	CONS.D
ECD	CONS E.M. UNIT
WED	CABINET OFFICE
MAED	

ADDITIONAL DIST:

ANGLO/SAUDI SPECIAL

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