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OO JEDDA

OO RIYADH

GRS 890

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FM FCO 311530Z DECEMBER 1984

TO IMMEDIATE JEDDA

TELEGRAM NUMBER 529 OF 31 DEC

AND TO IMMEDIATE RIYADH

INFO ROUTINE MODUK (PS/SOFS AND PS/HDS)

EGERTON'S TELELETTER OF 20 DECEMBER AND YOUR TELNO 622: TORNADO

1. PLEASE NOW DELIVER THE FOLLOWING MESSAGE TO KING FAHD FROM THE PRIME MINISTER:

BEGINS. I SHOULD LIKE TO THANK YOUR MAJESTY BOTH FOR YOUR LETTER DATED 25 NOVEMBER AND FOR THE KIND SENTIMENTS CONVEYED TO ME ON YOUR BEHALF BY HIS ROYAL HIGHNESS PRINCE BANDAR BIN SULTAN, WITH WHOM I HAD A USEFUL AND WIDE-RANGING DISCUSSION ON 17 DECEMBER. I TOO AM DELIGHTED THAT RELATIONS BETWEEN THE UNITED KINGDOM AND SAUDI ARABIA ARE WARM AND FRIENDLY. I ATTACH THE VERY HIGHEST IMPORTANCE TO MAINTAINING AND IMPROVING THEM AND I AM CONVINCED THAT THE POSSIBILITIES FOR COOPERATION BETWEEN OUR TWO GOVERNMENTS AND PEOPLES ARE VERY GREAT INDEED. I AM PARTICULARLY ENCOURAGED BY YOUR MAJESTY'S WELCOME ASSURANCE THAT BRITISH PRESS REPORTING ON SAUDI ARABIA WILL NOT BE ALLOWED TO INFLUENCE OUR BILATERAL RELATIONS.

SINCE MY MEETING WITH PRINCE BANDAR I HAVE TRAVELLED ROUND THE WORLD TO PEKING, HONG KONG AND WASHINGTON. IT WAS A STRENUOUS JOURNEY BUT AN IMPORTANT ONE. I ATTACH GREAT VALUE TO THE KIND OF FRANK PERSONAL EXCHANGES WHICH I WAS ABLE TO HAVE. PRINCE BANDAR MENTIONED YOUR PARTICULAR INTEREST IN MY VISIT TO THE UNITED STATES. I THOUGHT THAT YOU MIGHT FIND IT USEFUL THEREFORE TO HAVE, IN CONFIDENCE, A BRIEF ACCOUNT OF MY VISIT.

MY TALKS AT CAMP DAVID WITH PRESIDENT REAGAN COVERED A VERY WIDE FIELD. I WAS ABLE TO GIVE THE PRESIDENT MY IMPRESSIONS OF MR GORBACHEV. GORBACHEV STRUCK ME AS INTELLIGENT AND RESPONSIVE TO ARGUMENT. THOUGH HE HAD NOTHING NEW TO SAY HE CONVEYED THE WELL-KNOWN SOVIET POSITIONS WITH CLARITY - AND CONSIDERABLE

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PERSONALITY. FOUND HIM A FORMIDABLE MAN.

I ALSO DISCUSSED WITH THE PRESIDENT THE APPROACH TO SECRETARY SHULTZ' FORTHCOMING MEETING WITH GROMYKO IN GENEVA. I BELIEVE IT VITAL THAT THE NORTH ATLANTIC ALLIANCE SHOULD SPEAK WITH ONE VOICE ON THE SUBJECT OF ARMS CONTROL, AND WE FOUND A GREAT DEAL OF COMMON GROUND. OUR DISCUSSIONS ON THIS TOPIC CENTRED ON THE UNITED STATES' STRATEGIC DEFENCE INITIATIVE. YOU MAY BE INTERESTED IN THE TEXT, WHICH I ATTACH, OF MY REMARKS ON THE STRATEGIC DEFENCE INITIATIVE FOLLOWING MY MEETING WITH THE PRESIDENT. WHO HAD AGREED THE FOUR POINTS.

THE MIDDLE EAST WAS ONE OF THE MOST IMPORTANT SUBJECTS IN MY TALKS WITH PRESIDENT REAGAN. I BEGAN BY DRAWING ATTENTION TO THE MODERATE OUTCOME OF THE PALESTINE NATIONAL COUNCIL IN AMMAN. I THEN ASKED THE PRESIDENT WHETHER HE INTENDED TO TAKE A NEW MIDDLE EAST INITIATIVE. I SAID THAT TIME WAS SHORT, AND THAT SUCH AN INITIATIVE SHOULD BE TAKEN RAPIDLY.

PRESIDENT REAGAN REPLIED THAT IT WAS HIS FIRM INTENTION TO PRESS AHEAD WITH HIS INITIATIVE. HE RECOGNISED THE IMPORTANCE OF SECURING THE COOPERATION OF MODERATE ARAB STATES, AND WELCOMED ENCOURAGING RECENT DEVELOPMENTS. IN PARTICULAR, HE LOOKED FORWARD TO SEEING YOUR MAJESTY SOON. HE REGRETTED THE PROBLEMS WHICH HAD ARISEN BETWEEN KING HUSSEIN AND THE US CONGRESS. HE STRESSED THAT HIS IDEAS WERE FIRMLY BASED ON SECURITY COUNCIL RESOLUTION NO 242, AND THAT HE DID NOT WISH TO IMPOSE ANY PLAN ON THE AREA. BUT THE CENTRE OF GRAVITY REMAINED HIS INITIATIVE OF SEPTEMBER 1982. THE UNITED STATES WOULD STAND BY THAT INITIATIVE AND WORK WITH MODERATE ARAB GOVERNMENTS TO MAKE PROGRESS. HE ALSO SAID THAT THE AMERICANS WERE MAKING ACTIVE EFFORTS TO BRING ABOUT EARLY ISRAELI WITHDRAWAL FROM LEBANON, AND TO IMPROVE THE CONDITIONS OF LIFE OF THE PALESTINIANS IN THE OCCUPIED TERRITORIES.

I FIND IT ENCOURAGING THAT PRESIDENT REAGAN HIMSELF IS SO FULLY ALERTED TO THE NEED FOR EARLY PROGRESS. WE SHALL CONTINUE TO DO ALL WE CAN TO CONTRIBUTE TO THE SEARCH FOR PEACE AND TO PROMOTE MOVES TOWARDS A NEGOTIATED SETTLEMENT OF THE ARAB-ISRAEL DISPUTE,

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WHICH HAS CAUSED SO MUCH INSTABILITY AND HUMAN SUFFERING. MAIN  
TEXT ENDS.

2. PLEASE ATTACH FOLLOWING ANNEX:

BEGINS. PRESS CONFERENCE AT ANDREWS AIR FORCE BASE ON 22  
DECEMBER. QUOTE PRESIDENT REAGAN AND I HAVE HAD A VERY THOROUGH  
AND EXTENSIVE DISCUSSION OF THE PROSPECTS FOR ARMS CONTROL  
NEGOTIATIONS, IN THE COURSE OF WHICH WE ALSO NATURALLY TOUCHED ON  
THE STRATEGIC DEFENCE INITIATIVE (SDI).

I WAS NOT SURPRISED TO DISCOVER THAT WE SEE MATTERS IN VERY  
MUCH THE SAME LIGHT. I TOLD THE PRESIDENT THAT I HAD MADE IT  
ABSOLUTELY CLEAR TO MR GORBACHEV THAT THERE WAS NO QUESTION OF  
THE SOVIET UNION BEING ABLE TO DIVIDE THE UNITED KINGDOM FROM THE  
UNITED STATES ON THESE MATTERS. WEDGE-DRIVING IS JUST NOT ON.  
I TOLD THE PRESIDENT OF MY FIRM CONVICTION THAT THE SDI RESEARCH  
PROGRAMME SHOULD GO AHEAD. RESEARCH IS OF COURSE PERMITTED UNDER  
EXISTING US-SOVIET TREATIES: AND WE OF COURSE KNOW THAT THE  
RUSSIANS ALREADY HAVE THEIR RESEARCH PROGRAMME, AND, IN THE US  
VIEW, HAVE ALREADY GONE BEYOND RESEARCH.

WE AGREED ON FOUR SPECIFIC POINTS:

- A. THE US, AND WESTERN, AIM WAS NOT TO ACHIEVE SUPERIORITY, BUT  
TO MAINTAIN BALANCE, TAKING ACCOUNT OF SOVIET DEVELOPMENTS.
- B. SDI-RELATED DEVELOPMENT WOULD, IN VIEW OF TREATY OBLIGATIONS,  
HAVE TO BE A MATTER FOR NEGOTIATION:
- C. THE OVERALL AIM IS TO ENHANCE, NOT UNDERCUT, DETERRENCE:
- D. EAST-WEST NEGOTIATION SHOULD AIM TO ACHIEVE SECURITY WITH  
REDUCED LEVELS OF OFFENSIVE SYSTEMS ON BOTH SIDES. THIS WILL BE  
THE PURPOSE OF THE RESUMED US-SOVIET NEGOTIATIONS ON ARMS  
CONTROL, WHICH I WARMLY WELCOME. UNQUOTE ANNEX ENDS.

HOWE

COPIES TO:-

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NENAD

ACDD

SOVIET DEP

PS

PS/MR LUCE

MR EGERTON

MR FERGUSSON

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10 DOWNING STREET

*From the Private Secretary*

31 December 1984

Saudi Arabia: Tornado

Thank you for your letter of 28 December to Charles Powell, to which was attached a draft message from the Prime Minister to King Fahd.

The Prime Minister has approved the draft message subject to a few amendments. I enclose a copy of the amended version.

I should be grateful if the Prime Minister's message could now be telegraphed in advance. A signed version will follow shortly.

David Barclay

P.F. Ricketts, Esq.,  
Foreign and Commonwealth Office.

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1/11/84

Le. 28.12  
(D/Clark)



Foreign and Commonwealth Office

London SW1A 2AH

28 December, 1984

Dear Charles,

Saudi Arabia: Tornado

Thank you for sending me a copy of your letter of 17 December to Richard Mottram containing the record of the call on the Prime Minister by Prince Bandar bin Sultan of Saudi Arabia.

As you know, the Tornado deal remains in the balance. We believe that we are still in with a chance and that we should do all we can to keep up pressure on the Saudis. The Prime Minister wrote to King Fahd on 9 November pointing out the merits of the Tornado. We believe that it would help to support our efforts to clinch the deal if the Prime Minister now agreed to send a further brief message to King Fahd, with whom the final decision on Tornado now rests.

Rather than reiterate her earlier message, which was addressed specifically to Tornado, we believe that the Prime Minister might give the King an account of her visit to Washington as it addressed the Middle East (Sir O Wright has already given Prince Bander an oral account) coupled with a brief word on her impressions of Mr Gorbachev and on her discussions with the President on arms control.

*Need - as rightly amended. not.*

I attach a draft. I should be grateful if you would let me know whether the Prime Minister agrees.

I am sending a copy of this letter to Richard Mottram. I shall be showing the Foreign Secretary a copy over the weekend.

Yours ever,  
Peter Ricketts

(P F Ricketts)  
Private Secretary

C D Powell Esq  
10 Downing Street

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DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM: PRIME MINISTER

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO: H M KING FAHD BIN ABDUL AZIZ

Your Reference

Top Secret

Secret

Confidential

Restricted

Unclassified

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

I should like to thank Your Majesty both for your letter dated 25 November and for the kind sentiments conveyed to me on your behalf by His Royal Highness Prince Bandar bin Sultan with whom I had a useful and wide-ranging discussion on 17 December. I too am delighted that relations between the United Kingdom and Saudi Arabia are warm and friendly. I attach the very highest importance to maintaining and improving them and I am convinced that the possibilities for cooperation between our two governments and peoples are very great indeed. I am particularly encouraged by Your Majesty's welcome assurance that British press reporting on Saudi Arabia will not be allowed to influence our bilateral relations.

Since my meeting with Prince Bandar I have travelled round the world to Peking, Hong Kong and Washington. It was a strenuous journey has been a busy week but an important one. I attach great value to the kind of frank personal exchanges which I was able to have. Prince Bandar mentioned your

Enclosures—flag(s).....

particular interest in my visit to the United States. I thought that you might find it useful therefore to have, in confidence, a brief account of my visit.

My talks at Camp David with President Reagan covered a very wide field. I was able to give the President my impressions of Mr Gorbachev. Gorbachev struck me as intelligent and responsive to argument. Though he had nothing new to say he conveyed the well-known Soviet positions with clarity - and with ~~unusual charm.~~ <sup>considerable personality. He</sup> I found ~~did not have a prepared text; but he talked with -~~ <sup>him</sup> a formidable man. I also discussed with the President the approach to Secretary Shultz' forthcoming meeting with Mr Gromyko in Geneva. I believe it vital that the North Atlantic Alliance should speak with one voice on the subject of arms control, and we found a great deal of common ground. Our discussions on this topic centred on the United States' Strategic Defence Initiative. You may be interested in the text, which I attach, of my remarks on the Strategic Defence Initiative following my meeting with the President - <sup>who had agreed</sup> ~~the four points.~~

The Middle East was one of the most important subjects, in my talks with President Reagan. I began by drawing attention to the moderate outcome of the Palestine National Council in Amman. I then asked the President whether he intended to take a new Middle East initiative. I said that time was short, and that such an initiative should be taken rapidly.

President Reagan replied that it was his firm intention

to press ahead with his initiative. He recognised the importance of securing the cooperation of moderate Arab states, and welcomed encouraging recent developments. In particular, he looked forward to seeing Your Majesty soon. He regretted the problems which had arisen between King Hussein and the US Congress. He stressed that his ideas were firmly based on Security Council Resolution no 242, and that he did not wish to impose any plan on the area. But the centre of gravity remained his initiative of September 1982. The United States would stand by that initiative and work with moderate Arab governments to make progress. He also said that the Americans were making active efforts to bring about early Israeli withdrawal from Lebanon, and to improve the conditions of life of the Palestinians in the Occupied Territories.

I find it encouraging that President Reagan himself is so fully alerted to the need for early progress. We shall continue to do all we can to contribute to the search for peace and to promote moves towards a negotiated settlement of the Arab-Israel dispute, which has caused so much instability and human suffering.



STATEMENT BY THE BRITISH PRIME MINISTER, THE RT HON MARGARET THATCHER MP AT HER PRESS CONFERENCE ON 22 DECEMBER 1984 AT ANDREWS AIRBASE

President Reagan and I have had a very thorough and extensive discussion of the prospects for arms control negotiations, in the course of which we also naturally touched on the Strategic Defence Initiative (SDI).

I was not surprised to discover that we see matters in very much the same light. I told the President that I had made it absolutely clear to Mr Gorbachev that there was no question of the Soviet Union being able to divide the United Kingdom from the United States on these matters. Wedge-driving is just not on.

I told the President of my firm conviction that the SDI Research Programme should go ahead. Research is of course permitted under existing US-Soviet treaties; and we of course know that the Russians already have their Research Programme, and, in the US view, have already gone beyond research.

We agreed on four specific points:

- (i) the US, and Western, aim was not to achieve superiority, but to maintain balance, taking account of Soviet developments;
- (ii) SDI-related deployment would, in view of treaty obligations, have to be a matter for negotiation;
- (iii) the overall aim is to enhance, not undercut, deterrence;
- (iv) East-West negotiation should aim to achieve security with reduced levels of offensive systems on both sides. This will be the purpose of the resumed US-Soviet negotiations on arms control, which I warmly welcome.