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Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

2 June 1981

Dear Michael,

State Visit of King Khalid

You may wish to see, in advance of King Khalid's State Visit next week, the attached advance copy of a despatch from Jeddah.

A copy has already been sent separately to Buckingham Palace.

Yours ever,

Francis Richards

(F N Richards)
Private Secretary

M O D'B Alexander Esq
10 Downing Street
LONDON SW1

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18 May 1981

S U M M A R Y
=====SAUDI ARABIA: THE FORTHCOMING
STATE VISIT OF KING KHALID

1. Visit postponed from last year because of the row over the TV film. Reconciliation achieved, but the Saudis still do not understand our free press and there may be similar troubles again. There are also other sources of friction, even though (or because) we have closer ties with the Saudis than most other countries enjoy. (Paras 1 - 3).
2. Objects of the Visit:
 - (a) to seal the reconciliation and build up goodwill against future troubles;
 - (b) to demonstrate that we have not lost interest in the Arabian peninsula: quite the contrary;
 - (c) to promote British trade by winning the support of Saudi leaders and by publicising to British business the opportunities available. (Paras 4 - 6)

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3. Saudi Arabia is increasingly important: she has enormous oil and financial resources, which have given her a new role and authority in the world, an authority which she is increasingly willing to use. She uses it, so far, in a way friendly to us, supporting the West politically and economically. If the present regime were to go, so would that support. (Paras 7 - 10).
4. What kind of place is Saudi Arabia? Forget Lawrence and the noble nomad: it is now airports and PhD's. But conservative Islam has survived in strength (with the help of some hypocrisy). Important social changes, but in slower time than the physical and mechanical ones. So there are problems. (Paras 11 - 13).
5. The Royal Family rules (though a Cabinet administers). Family solidarity is a source of national stability. A few senior princes take the policy decisions. Several thousand others, of varied ability and education, but none of them poor, are active in all walks of life. King Khalid is perhaps a little dull but pious, decent, conscientious, thoroughly old-fashioned. Prince Sultan, the Minister of Defence, is a bluff King Hal, without modern education, but shrewd. (Paras 14 - 16).
6. The Saudis will be impressed and flattered by the invitation and will gain prestige from it. We must encourage them without patronising. (Para 17).



18 May 1981

The Right Honourable
The Lord Carrington KCMG MC
etc etc etc

My Lord,

SAUDI ARABIA: THE FORTHCOMING
STATE VISIT OF KING KHALID

1. The visit of King Khalid was supposed to take place last year. It had been agreed, but not yet announced, when in April a storm blew up over the television film, Death of a Princess. The Saudis, particularly the Royal Family, were incensed both by the film itself and by the unwillingness of Her Majesty's Government even to try to stop it. I was asked to go home; the despatch of the Saudi Ambassador-designate to London was deferred; and for nearly four months our relations went through a bad patch. Visits to Saudi Arabia by British Ministers were refused; the number of Saudi visitors to Britain, particularly princely ones, was severely reduced; and British firms here met a good deal of prejudice, both private and official, which did damage to our trade to a degree we have not been able to quantify.

2. After four months of effort there was a reconciliation. Those Saudi leaders who had always doubted the wisdom of so fiery a reaction were able to persuade their hot-headed

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brothers and cousins that the British had been taught a lesson and that the estrangement was harming both sides. Since August 1980 relations have steadily improved. We have had a series of ministerial visits, culminating in the warm welcome given to the Prime Minister last month. On the whole our policies and the Saudis' march comfortably together. On the whole they like us as well as the next man and occasionally remember old ties with sentiment. English is their second language. They like to visit Britain and they buy houses there for the summer holidays. They send their children to British schools and take their ailments to British doctors. But they are critical of London's growing rapacity and they do not respect our economic record or our industrial performance. Above all, though they have set aside their wrath over the film, they have not forgotten it. How could they when every week there is some disobliging reference in the British press to "Saudi hell-hole jails" or "roly-poly princes"? They do not understand free speech and they do not understand the Government's impotence vis-à-vis the media. Nor will they, till they have learned, what it has taken us centuries to learn - and still occasionally doubt - that censorship is a graver danger to society than damage to our relations with friends and allies, and that the irresponsible utterances of the press are of little importance when set beside the considered statements of

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government policy. Meanwhile we live on a knife edge.
Nervously we scan the British press each day to see what new impudence and (to be fair) what perfectly valid criticism it may contain.

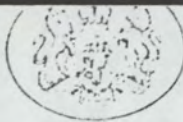
3. Ironically, I may break off to remark, our close personal ties with the Saudis operate in this field to our disadvantage. They little heed, they little know, what the hacks of Paris, Bonn and Tokyo are writing, however dis-
obliging. As for America, the press there is regarded, unfairly perhaps, as a lost cause; and in any case, while they can dispense with us if need be, they cannot do without the Americans.

Objects of the Visit

4. So the first aim of the invitation to King Khalid must be to set the final seal on the reconciliation and to build up a store of goodwill which will tide us over future crises and misunderstandings. Attention paid by the Sovereign -- for whom there is here the highest respect and admiration -- will go far to make plain the difference between official policies and the views of Grub Street.

5. Next, there is a feeling here that with the decline of empire (however welcome that may be in theory to the never-colonised Saudis) we have tended to neglect the Arabian peninsula. It is only ten years since we virtually ruled in the statelets of the Gulf; and, however paradoxically,

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many Saudis tend to think that we have incomprehensibly withdrawn our interest from the area just as it was emerging on the international scene with a new and dramatic importance. We need to show that we recognise that importance and that our interest, if temporarily abated, is now fully restored.

6. Finally, we have vast commercial interests in Saudi Arabia which the visit should do much to promote. She has just launched the third of her five-year plans, on which the sum of \$ 235 billion is to be spent and there are splendid opportunities for contracts and sales. She is our second biggest customer outside Europe and North America: our exports last year were worth just over £1,000 million. But our imports (almost entirely oil, to mix with our own crudes) were nearly £2,000 million. So there is a big gap to make up. The attention of our businessmen (who are still, many of them, tepid and slothful) has to be drawn to the prospects in Saudi Arabia; and the goodwill of the Saudi leaders has to be won, in a country where the decisions of individuals count more than elsewhere. This is particularly true in the field of defence sales where increasingly we shall need not only to sell to her but to co-operate with her in the financing and developing of new weapons for our own use as well as hers.



The Importance of Saudi Arabia

7. Why is Saudi Arabia so important? First, because of her wealth and her oil. The figures in finance and development are staggering. During the past ten years the gross domestic product grew by nearly 300 per cent; government expenditure by 44 per cent per annum; cargo unloaded rose from less than 2 million tons to 46 million; electricity capacity from 244 megawatts to 6,527. In oil, the picture is no less impressive. Saudi Arabia produces more oil than any other country except the Soviet Union. She exports, at the moment, four times as much oil as any other country in the whole world. She holds a quarter of the world's proved reserves and can go on producing for at least another 60 or 70 years.

8. This oil and this wealth have given Saudi Arabia a new authority in the international community. She is a large contributor to the International Monetary Fund and the World Bank. She is the shepherd of the Gulf States, the leader of the Islamic bloc and a prominent member of the Non-Aligned Movement. Her place in the Arab League, now that Egypt is isolated, is higher than ever before, and her consent and co-operation are indispensable in the search for a solution to the Arab/Israel problem, on which the peace of the world may well depend. Not only has her authority grown: in the past few years she has become more willing to wield it. Not so long ago she was loth to accept the responsibilities which wealth and oil had

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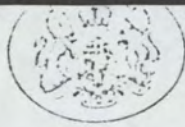


imposed upon her, slow to decide, and ineffective in action. One cannot pretend that her effectiveness yet matches her potential. But she is learning and improving, and more and more she is feeling her oats: she wants, and asks, to be taken seriously as a full partner in the councils of the world.

9. In these circumstances we are lucky that so far she has stayed on the side of the angels. She is firmly committed to the West. "Do not try to test our will to resist the Soviet Union", said her Foreign Minister to me; "it is stronger than yours". She has no diplomatic or commercial relations with the Communist world. Her financial reserves are invested in the West. Her policies on the pricing and the production rates of oil are moderate, and concerned always not to disrupt the Western economic system, despite severe pressure from the extremists in OPEC. The West needs her co-operation politically, economically and perhaps, in the future, militarily in the conflict with the eastern bloc.

10. This co-operation depends on the survival of the present regime; any other would be bound to be less favourable to our interests. There is much talk of Saudi instability, of social decay and princely corruption. I have already reported my view that though Saudi Arabia faces severe problems, many of them inevitable in a society changing so fast, and many of them so far inadequately

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treated, they are not of a nature to produce, as in Iran, an early upheaval. There is time for the government, given encouragement and understanding, to introduce the evolution which must come, which indeed is coming, though perhaps too slowly.

The Nature of Saudi Arabia

11. What kind of a place is this strange country, whose King, born and reared in a society of tents and camels and battles by the sword, is about to sleep in Buckingham Palace? The old days of the desert and the nomad are gone for ever. The desert is now by-passed by airlines and long ribbon roads. The nomads are few in number and move about with their flocks in Toyota lorries, saving their camels for the royal races. The old dress has survived, but in a stylised form, and is now worn, not only by the diminishing nomads, but by city merchants with Persian names who would not have been seen dead in it 40 years ago - Alistair Higginbotham in a kilt. The desert still has a nostalgic appeal, like Claymores and Glencoe to a Macdonald brought up in Croydon. For the rest we are in a modern land of air-conditioning, television stations and desalination plants, accountants, chemical engineers and PhD's from Berkeley, California.

12. What has survived in strength is the puritan faith on which the Saud family's empire was founded 250 years ago. Women are veiled and segregated, alcohol is strictly forbidden, the five daily prayer times are (sometimes fiercely) enforced, cinemas and theatres do not exist.

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Of course there is hypocrisy, particularly on trips abroad, particularly by the sophisticated; for the temptations are too strong. But the sinners believe, even while they sin. Islam is in everyone's life.

13. Undoubtedly standards are changing. Women are now being educated, even at the universities. There are stewardesses (foreign ones) on Saudi Airlines. There is singing on the television. There is football and ten-pin bowling. But the change is slowed to a crawl by the strong conservatism of public opinion and by the downright obscurantism of a few - the archaic divines whom the Government, made particularly nervous by the rising at Mecca eighteen months ago, feel obliged to humour. So it is three paces forward and two paces back. Inevitably the slowness of social change, combined with the breakneck speed of mechanical and physical change, causes problems which are disturbing. One of them is the excessive reliance on foreigners to do the work.

14. This strange, calvinistic and hypocritical, arrogant and courteous, xenophobic and hospitable people in their barren and luxurious land are ruled by one family, the Al Saud. Certainly, there is a Cabinet, with Ministers of this and that - and able men, many of them are - who build hospitals and licence factories and administer the telephone system. But the policy decisions are taken by half a dozen princes at the top. The armed forces, internal security,

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foreign relations, economic and oil policy are all firmly in royal hands. And the rest of the Family, 5,000 or so strong, are everywhere: army officers, air force pilots, deputy ministers, provincial governors, owners of trading companies, agents for foreign firms. All of them are rich, though some are much richer than others. Many of them are highly educated, Harvard and Oxford, speaking almost perfect English, quite at home in a dinner jacket. The older ones, who grew up before the oil and the money began to flow, know little more than the three r's and, though they have grown accustomed to modern comforts, are in other respects very much like their forefathers. As in every group of men, some are wise and some are stupid. But all are aware of being different, of being members of the Family. Despite the traditional democracy of the desert, and though there is no word for "commoner" in Arabic, the distinction between His Royal Highness and His Highness is universally recognised and observed: at a state banquet there is no placement for princes, for each one knows exactly where his precedence comes. This hierarchical solidarity is of great political importance when one comes to consider the stability of the regime.

15. King Khalid is one of the older breed. Born in 1911, married and leading warrior bands by the time he was fourteen, he belongs to the days of camel raids and desert encampments, of Curzon and the raj and the pax Britannica.

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He has adjusted himself remarkably well to the role of constitutional monarch: he is titular Prime Minister but leaves the conduct of affairs largely to Crown Prince Fahd, his younger half-brother. He is pious, shy, kindly and well liked. He cannot conceal his boredom with the long round of official duties and he likes, as often as possible, to escape into the desert for hawking and story-swapping with the bedouin. But he is conscientious: his papers and his boxes go with him.

16. Prince Sultan, who is to accompany the King to London, is a different kettle of fish. A half-brother, he was born in 1924, too late to take part in his father's desert campaigns which unified the peninsula and formed the state; yet too early to be one of the generation which was sent abroad for education. Bluff, burly and in rude health, he has few doubts about himself and sees things black and white: bonhomous like Henry VIII, but shrewd and not lightly to be crossed. He has been Minister of Defence since 1962, has presided with growing confidence over the expansion of the armed forces

*Passage deleted and closed, 40 years,
under FOI Exemption. (Wayland, 18 Oct 2012)*

17. The Saudis will be impressed by the grace and pageantry of a State Visit. They will regard it, together with The Queen's visit to Saudi Arabia in 1979, as further evidence that they have emerged on to the world stage, no longer patronised, but needed and respected. They will expect

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to gain prestige from it at home and abroad, for they put it in a higher category than the King's visit to Spain, which follows, or to Germany last year. It is for us to encourage them by valuing their achievements and understanding their weaknesses. Perhaps that itself is patronising; if so we must disguise it.

I have the honour to be,

My Lord,

with the utmost truth and regard

Your Lordship's most humble and obedient servant

(James Craig)