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10 June 1981

King Khalid

I enclose a copy of the record of the conversation between the Prime Minister and King Khalid of Saudi Arabia which took place here earlier today.

MICHAEL ALEXANDER

Francis Richards, Esq.,
Foreign and Commonwealth Office

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SUBJECT

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RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND
KING KHALID OF SAUDI ARABIA AT NO. 10 DOWNING STREET ON
10 JUNE 1981 AT 1205 HOURS

Present:

Prime Minister	King Khalid of Saudi Arabia
Foreign and Commonwealth Secretary	His Royal Highness Prince Sultan bin Abdul Aziz
Secretary of State for Defence	Dr. Rashad Pharaon
The Hon. Douglas Hurd MP	Sheikh Mohammed Al-Nuwaisser
Sir James Craig	His Excellency Sheikh Nasser Almanqour
Sir John Graham	His Excellency Ambassador Mamoon Qabbani
Mr. M. O'D. B. Alexander	His Excellency Dr. Mizar Madani

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Arab/Israel Dispute

After an exchange of courtesies, in the course of which King Khalid said that the friendship between Saudi Arabia and the United Kingdom went back more than 70 years, the Prime Minister commented that we lived in particularly troubled times. A serious new problem had arisen following the Israeli attack on the nuclear installation in Iraq. Almost all Governments had condemned the Israeli action in the strongest terms. She herself had done so in the House of Commons the previous day. Virtually the entire House had joined in condemning what was an unprovoked attack. A number of Members of the House had argued that the incident had shown the need for as many Governments as possible to sign the Non Proliferation Treaty. She had pointed out in response that Iraq was already a signatory to the Non Proliferation Treaty and that the Iraqi nuclear installation had been inspected by the International Atomic ^{Energy} Agency as recently as January.

/ The Prime Minister

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The Prime Minister said that of course the country with most influence on Israel was the United States. She had been much encouraged by the robust U.S. condemnation of the Israeli attack. The matter had now been referred to the Senate because of the possibility that Israel had contravened the terms of her defence sales agreement with the United States. King Khalid commented that F 15 and F 16 aircraft had carried out the raid. The air raids had been the result of the growing co-operation between the Gulf States. Israel did not like this and hoped through the attack to pave the way for super-power intervention in the area. The statements of the State Department spokesman in Washington had not been good. The Prime Minister said that it would be very depressing if King Khalid's analysis proved to be accurate. This would be the worst interpretation of what had happened. However, assuming this was the Israeli plan, she doubted whether it would succeed. The United States Government had demonstrated during the Iran/Iraq conflict how anxious they were to contain hostilities. They had made a similar effort to contain the crisis in the Lebanon. It was to be hoped that Mr. Habib would continue to succeed in confining the differences within the negotiating process. King Khalid agreed, but added that the Israelis were so inflexible that it was impossible to deal with them. They were never satisfied with anything.

The Prime Minister said that she was concerned that the result of the Israeli raid might be condemnation but nothing more. She hoped that the attempts to resolve the Arab/Israeli dispute would now take on a new urgency. The British Government intended to do everything possible during their Presidency of the European Community to see that this happened.

Unfortunately there was reason to fear that Mr. Begin might win the forthcoming election in Israel. King Khalid agreed that this seemed to be the case, particularly in the light of the raid. The Prime Minister asked what effect the raid was likely to have on the attitudes of the PLO.

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/ King Khalid

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King Khalid said the PLO were liable to escalate their efforts to liberate Palestine. They might well launch new attacks. The Foreign and Commonwealth Secretary said that Israel's action had made the task of finding peace in the area more difficult. It had increased Arab distrust of Israel and this was bound to have a negative effect on the efforts of those who wished to move towards a settlement. King Khalid agreed.

The Foreign and Commonwealth Secretary asked for King Khalid's view on how the Europeans could best carry forward their initiative in the next six months. King Khalid said that the best thing the Europeans could do would be to persuade all parties concerned to attend a conference in Geneva. The Foreign and Commonwealth Secretary asked whether the Soviet Union should attend. King Khalid said that he thought the Soviet Union could play a useful role in Geneva unless there was already a tacit agreement between the United States and the Soviet Union that the problem should not be solved. Perhaps the Europeans could bring pressure to bear on the United States to solve the problem without involving the Soviet Union? The Prime Minister observed that this might be a better approach. There was a need to have matters more fully worked out before going to Geneva. The Europeans would be trying to persuade the United States to influence Israel in the direction of negotiation. A major international conference should only be convened when the parties involved were on the brink of a settlement. King Khalid agreed.

The Foreign and Commonwealth Secretary commented that one excuse given by Israel and by Israel's friends for resisting movement towards negotiation was that the PLO's Covenant envisaged the destruction of Israel. Was there any chance that the PLO would be prepared to offer conditional recognition of Israel's right to exist? King Khalid said that there should be direct negotiations with the PLO aimed at convincing them of the validity of this approach. Although the PLO had observer status at the United Nations, many countries, including some in Europe, refused to talk with the PLO.

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/ The Foreign

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The Foreign and Commonwealth Secretary asked whether the Saudi Government would be prepared to try to persuade the PLO of the advantages to themselves of action along the lines he had proposed. King Khalid replied that the PLO represented the Palestinians. The Palestinians had a legitimate right to have their territory back. The Saudi Government did not back them because they were Moslems - many of them were Christians - but because they had a just cause and were entitled to a fair solution. The Prime Minister observed that PLO conferences were liable to result in communiques calling for the destruction of Israel. Each time they did so, Israel was able to respond by saying, in effect, "We told you so". King Khalid said that in his view only Palestinian extremists envisaged the destruction of Israel. There were moderates and they should be listened to. Unfortunately the Israelis went on building settlements on the territories they had occupied in 1967. It was not surprising that the Palestinians were obstinate.

The Prime Minister said that the British Government had repeatedly condemned the policy of the Israeli Government on settlements. They recognised the legitimate rights of the Palestinians. She herself had told the Israelis that most Arab States recognised the right of Israel to exist and that therefore the destruction of Israel was not a real issue. Prince Sultan commented that Israel had still not delimited its borders. They claimed the right to further territories, including some in the Arabian Peninsula. It would be helpful if Resolution 242 could be modified so as to recognise the rights of the Palestinians. Action in this direction, which would be consistent with the Venice Declaration, would be welcomed by all Arabs.

/ Afghanistan

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Afghanistan

The Foreign and Commonwealth Secretary said that, as the Saudi Government was aware, the situation in Afghanistan remained unacceptable. Unfortunately, despite the efforts of the Islamic Conference, of the Non Aligned Movement, and of the United Nations, no progress had been made towards a solution that would enable the Soviet Union to withdraw. The British Government now wished to propose a two-stage conference. The first stage would be attended by the permanent members of the Security Council and some other obvious countries. It would discuss the external aspects of the affair and its international repercussions. It would be followed by a second stage in which the Afghan people and the internal parties would be represented.

This proposal had already been discussed with a number of friendly countries and had been warmly received. It was hoped that it would shortly be endorsed by the other members of the European Community and would become a European initiative. We should then be approaching the Governments of India, of the Soviet Union and of China. None of these Governments were yet aware of the new proposal. We would shortly be spelling out our proposal in more detail to Jedda. It was hoped that the Saudi Government would be able to support the proposal. In the meantime it was important that there should be no publicity about the initiative. King Khalid said that the initiative described by the Foreign and Commonwealth Secretary sounded very promising and useful. During the discussions in Jedda, the British representative would be brought fully up to date with information available to the Saudi Government about the situation in Afghanistan.

The discussion ended at 1250.

And

10 June 1981

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Musafa
has seen
Foreign and Commonwealth Office

London SW1A 2AH

3 June 1981

Dear Michael,

Saudi State Visit: Talks at No 10

Further to Clive Whitmore's letter of 20 May, we have consulted the Saudi Ambassador about which members of the official Saudi suite will want to be involved in talks with the Prime Minister.

You will wish to be aware then that our understanding at present is that the King will be accompanied by the two attendant Ministers, Prince Sultan and Prince Saud al Faisal, his Private Advisor Rashad Pharaon and the Saudi Ambassador. Also present of course will be the King's interpreter, and here there has been a change. We have now been informed that for the whole of the visit it will be Mr Abdullah bin Abdul Karim (and not Mr Mansour al Khouraiji as previously listed). That will give us a total of six.

As you know, for the UK side we shall have as interpreter Mr Douglas Galloway who has arranged to be at No 10 at 11.45. We are also arranging for other interpreters as necessary to cover conversations at the lunch, although we shall be waiting for experience of the previous day's functions to gauge precisely how many interpreters we shall need.

Both my Secretary of State and the Secretary of State for Defence are also planning to have tete-a-tete discussions with their opposite numbers, and given the existing timetable of functions for that day the most suitable opportunity will be immediately after lunch at about 2.30. So you should be aware that we are making arrangements for Prince Saud to depart with the Secretary of State for the FCO and Prince Sultan to

/leave



leave with Mr Nott for the Ministry of Defence.

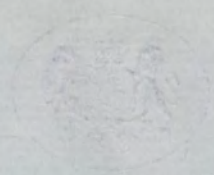
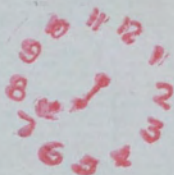
Yours ever,

A handwritten signature in dark ink, appearing to read 'F N Richards'. The signature is written in a cursive style with a large, prominent initial 'F'.

(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

1-3 JUN 1981



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