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10 DOWNING STREET

From the Private Secretary

26 September 1985

FOR INFO
Mr Baker PEP

PS/mtc
PS/SURPH
Mr Roberts
Mr Benjamin
PS/sec (E&I)
Mr Nicholl
aur

Dear Richard,

Prime Minister's Meeting with
Prince Sultan

I enclose a record of the Prime Minister's meeting with Prince Sultan yesterday evening. Arrangements have been made for Foreign Office officials to call on Prince Saud today to discuss the situation in the Gulf.

I am copying this letter and enclosure to Colin Budd (Foreign and Commonwealth Office), John Mogg (Department of Trade and Industry), Rachel Lomax (HM Treasury) and Michael Stark (Cabinet Office).

Yours sincerely
C.D. Powell
(C.D. Powell)

Richard Mottram, Esq.,
Ministry of Defence

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RECORD OF A MEETING BETWEEN THE PRIME MINISTER AND HRH PRINCE
SULTAN BIN ABDULAZIZ AL-SAUD AT 10 DOWNING STREET ON THURSDAY
26 SEPTEMBER 1985 AT 1915 HOURS

Present:

Prime Minister
Secretary of State for
Defence
HM Ambassador, Riyadh
Mr. Stephen Egerton
Mr. Charles Powell

HRH Prince Sultan Bin
Abdulaziz Al-Saud
HRH Prince Saud-al-Faisal
HRH Prince Bandar bin Sultan
bin Abdulaziz
HE Ambassador Mamoun Kabani
HE Ambassador Nassar
Almanqour
HE Mr. Ali Al-Shaar

The Prime Minister asked Prince Sultan to convey her warm best wishes to King Fahd. She had always been received by the King on her visits to Saudi Arabia with the greatest kindness. She wished in return to make sure that everything possible was done to make Prince Sultan's visit a success. Prince Sultan thanked the Prime Minister for the British Government's hospitality and spoke warmly of the good relations between Britain and Saudi Arabia.

Tornado

The Prime Minister said that the signing of the Memorandum of Understanding for the purchase by Saudi Arabia of Tornado was a great event. It was one of the biggest contracts ever placed. But it was important not just for the sale itself but in wider economic, industrial and political terms. Prince Sultan said that the agreement to

purchase Tornado was designed to serve peace and stability in the Middle East. Because of his great respect for the Prime Minister, King Fahd had worked hard to bring about the purchase as a means of consolidating the relationship between Britain and Saudi Arabia. The Prime Minister asked whether there were any further matters arising from the agreement which needed to be discussed. Prince Sultan said that everything had gone very well. The proof of this was King Fahd's decision to increase the order by requesting an additional 24 Tornado.

Bilateral Relations

Prince Sultan said that Saudi Arabia wanted to strengthen and improve relations with Britain. The two countries had similar views on many international issues, for instance Afghanistan. Both were special friends of the United States. The Prime Minister said that she regarded the agreement on Tornado as opening a new chapter in relations between Britain and Saudi Arabia. She would like to see more industrial co-operation, more joint ventures and co-operation on economic matters all leading to a stronger political relationship.

Arab-Israel

Prince Sultan said that Saudi Arabia wanted to see the United States make a further determined effort to achieve progress towards solving the Arab-Israel problem. The Prime Minister's recent initiative in inviting a joint Jordanian/Palestinian delegation to London had been very well received in the Arab world. King Fahd had been particularly pleased by this step which showed that Britain had an impartial approach to the problems of the Middle East. The Prime Minister explained the reasons which had led her to invite the joint delegation. The main purpose was to demonstrate support for the position of the moderate Arab States. She had found King Hussein dispirited. She was concerned that if the proposed meeting between Ambassador Murphy and a joint Jordanian/Palestinian delegation

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did not go ahead, King Hussein's initiative might end in failure. She had therefore wanted to help the King to sustain his staged approach. The Palestinian members of the joint delegation which would come to London had been carefully chosen at King Hussein's suggestion. They were people who rejected terrorism and were prepared to say so publicly. She hoped that Britain's example would encourage the United States to resolve the difficulties over Ambassador Murphy's meeting with a joint delegation. She had sent President Reagan a message urging him not to let King Hussein down.

Prince Sultan thanked the Prime Minister for her account of the background to her decision. King Fahd had telephoned that very evening to ask that a message be sent to Secretary Shultz to tell President Reagan that King Hussein must not leave the United States without some concrete results from his initiative. He would ensure that King Fahd was informed of the fact that the Prime Minister had already sent President Reagan a message on the same lines. In his forthcoming speech to the United Nations General Assembly, he would be calling upon the super powers and the Security Council to give greater attention to the Middle East. The Prime Minister agreed that it was important to make early progress. The focus of the United States Administration's attention would increasingly be upon the forthcoming meeting between President Reagan and Mr. Gorbachev and this would take precedence over everything else. She expected the Middle East to be on the agenda for that meeting. This was an additional reason to press President Reagan to take a step forward so that the United States could be seen to have taken action to further a solution before the Summit.

The Gulf

Prince Saud said that he would like to talk to Ministers and officials about the deteriorating situation in the Gulf and the threat to navigation there, in the hope that Britain and Saudi Arabia could jointly develop some proposals. The Prime Minister welcomed this suggestion and promised that

arrangements would be made for such discussions to take place
on 27 September.

The meeting ended at 2000 hours.

E.D.P.

26 September 1985

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