



Prime Minister (2)

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PRIME MINISTER

VISIT TO THE MIDDLE EAST

I visited a number of states in the Middle East between 23rd March and 1st April - Saudi Arabia, Oman, Qatar, the United Arab Emirates and Bahrain. In every case a major effort had been made to make me welcome both in terms of the elaborate ceremonial which accompanied the visit and in the fact that Rulers and their immediate family were all available for talks. I am minuting you separately about Oman, but I would like to report to you the main impressions I formed overall.

2. All the countries I visited perceived the threat from Soviet adventurism. In resisting this they know they must rely primarily on themselves - and they want to - but they made it clear that they were looking to the West, primarily to the United States and ourselves, for help. There is, however, a high degree of ambivalence; sections of the press are clearly highly suspicious of the West's motives. Businessmen, including younger Ministers, prefer not to think too much about an external threat while they are putting away their fortunes and generally whilst they want to feel that the West will protect them should the need arise. There is also a high propensity to wish the threat away. In some Gulf states this was expressed as a determination not to allow the area to become an area of conflict between the super powers. When asked about their attitude towards Afghanistan there is a tendency to suggest that the Afghan freedom fighters were teaching the Russians a substantial lesson! I



do not doubt that the Rulers want our help but they clearly feel under some pressure to play along with woolly concepts such as "zones of peace".

3. Following the Taif conference the practice and means of regional co-operation are much enhanced and I think that this co-operation may in due course be extended into the military sphere (as Oman is already clear that it should be). But it would be unwise to rush the defence aspects of co-operation too hard at this early stage.

4. The Gulf states fully understand the limited nature of the direct military help the United Kingdom could give in an emergency, but they still welcomed the prospect of such help. We have a historic connection and do for them quietly things at which the British Services excell. They welcomed British military assistance in terms of the provision of Loan Service Personnel (LSP) and training in the UK and the receipt of a wide range of military advice. They would like to see some increase of this, often, but not only, in connection with the purchase of British equipment. It is clear that our help must be continued for a number of years. I am reviewing our policy on LSP with the aim of making it possible for us to meet requests more readily and to have personnel in post longer.

5. I should comment on the misunderstandings arising from your brief comments about the Rapid Deployment Force (RDF) in Washington. The Gulf states appreciate that in a major emergency only the United States would have the clout to resist Soviet aggression and that we would be merely a small part of such a response. But in a way there is something to be said for us talking in terms of independent support simply because there is a feeling that we understand them better than the United States and are less likely to embarrass them with their own public opinion.

6. It was clear that the sale of British defence equipment is



going well and that the market is well disposed towards us. Indeed there is still a strong predilection for us in preference to the French. I hope that my visit went some way in enhancing our prospects and we will put some specific possibilities to you in the context of your own impending visit. I recommend that you do not "tick off" a shopping list of items but concentrate your remarks, where appropriate, on Hawk and Rapier. I believe for instance that we are very far down the road to a £300M order for Rapier in Qatar and the Crown Prince in Dubai confirmed that he would like to order 8 Hawks (although other potential orders particularly the Saudi one are much larger). The difficulty is to get the Hawk sales actually started and I am commissioning a special paper on this subject and will let you know the results before your departure.

7. We must, however, recognise that without recourse to the "Arab methods" employed by the French and by our major competitors, we will, of necessity, always be at some disadvantage. To be really sure of gaining contracts in this region one has not only to demonstrate the quality of equipment and to offer competitive prices and delivery dates, but also to give cause for the right individual to see personal advantage in their negotiation. The French indulge their Middle Eastern customers to a range of physical, financial and proprietorial pleasures which would be outside our Parliamentary sanctions - and these practices pay. Indeed two years in my previous appointment led me to the sorry conclusion that in the project business, orders are increasingly won by those who give them away, or bribe them away.

8. As you will be aware the constant theme of every Arab nation is the Palestinian issue. There is little doubt that the Gulf Rulers while understanding that in some ways the UK has a bridge building role between the United States and Europe on this issue



This is a pretty selfphic paragraph. But what I think Mr. Nott is trying to say is that it would be nice if we could adopt as "forward" a policy as the French but that he recognizes we can't!

still express intense frustration at our reluctance to lead.

There is a widespread appreciation that the French are out in front. I am not too sure that if the United Kingdom were to detach itself from our European and American Allies in order to make a major advance in favour of the Palestinians that this would enhance our prestige and sales in the Gulf states although it would certainly make us popular. The Saudis in particular play on this issue above all others and its importance cannot be underrated in Ministerial visits to the region. ←
Phd

9. I feel that the most important impression for you to give on your trip will be that there is a new attitude on the part of HMG towards the Gulf. The previous Government (which was by implication under some criticism at several meetings) was reluctant to take too positive a line in the Gulf for a variety of political reasons. On the other hand since the Conservatives came to power we have stepped up enormously the number of visits and have shown an enthusiasm for assistance which the states in the region see as being new. I see every advantage in emphasising that under your leadership we want to make a new start. Incidentally your own personal stock is extremely high among the Rulers of the Gulf and King Khalid in particular expressed a high degree of enthusiasm about your achievements.

10. I am sending copies of this minute to the Foreign and Commonwealth Secretary; the other members of OD; the Secretary of State for Industry; and Sir Robert Armstrong.

JW

Ministry of Defence

2nd April 1981