

PS/MR HURD
PS/PUS
SIR J LEAHY
MR MOBERLY
SIR J BULLARD
HD/NENAD
HD/MED
HD/UND
HD/SEC DEPT
HD/... ..

~~NO 10 DOWNING STREET~~
CABINET OFFICE D10

HD/CONSULAR DEPT

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PUSD (2)
NEWS D
RESIDENT CLERK

GRS 250
CONFIDENTIAL
FM JEDDA 080910Z AUG 82
TO IMMEDIATE FCO
TELNO 342 OF 08 AUG
INFO PRIORITY: ME POSTS AND WASHINGTON

YOUR TELNO 179 TO ABU DHABI: ARAB REACTIONS TO BEIRUT

1. ON WEDNESDAY OR THURSDAY 4/5 AUGUST KING FAHD WAS IN TOUCH WITH PRESIDENT REAGAN BY TELEPHONE. AFTER THE CABINET MEETING ON 5TH A STATEMENT WAS ISSUED EXPRESSING FAHD'S SATISFACTION WITH REAGAN'S RESPONSE.

2. ON FRIDAY 6TH AFTER THE INTENSIFICATION OF THE ISRAELI ATTACK AND THE AMERICAN VETO OF THE SOVIET DRAFT RESOLUTION A SECOND STATEMENT WAS ISSUED CONDEMNING ISRAEL AND "THE POWERS WHICH

SUPPORT HER".

3. THIS VOLTE-FACE WAS AN UNTYPICAL MOVE BY THE SAUDI GOVERNMENT

AND REFLECTS AN ANTI-AMERICAN FEELING UNANIMOUS AMONG THE SAUDI PEOPLE AND INCREASING EVEN WITHIN THE CABINET. THE FEELING IS MIXED ANGER AND SHAME. FAHD IS UNDOUBTEDLY UNDER PRESSURE TO MODIFY HIS COOPERATION WITH THE US.

4. I DO NOT THINK WE ARE YET NEAR THE POINT WHERE A SUBSTANTIAL CHANGE OF POLICY CAN BE EXPECTED. BUT THE SECOND STATEMENT COULD BE THE FIRST OF THE SIGNALS TO WHICH I REFERRED IN PARAGRAPH 13 OF MY DESPATCH OF 3 AUGUST. IF THE HORRORS IN BEIRUT WERE TO INCREASE, THE OTHER SIGNALS COULD FOLLOW. IN THAT CASE, THOUGH THE REGIME IS NOT/NOT LIKELY TO BE OVERTHROWN, PUBLIC OPINION COULD FORCE THE GOVERNMENT INTO SOME OF THE MEASURES WHICH I LISTED IN MY DESPATCH.

5. FCO PLEASE CONSIDER WHETHER TO REPEAT TO BEIRUT.

CRAIG