CONFIDENTIAL RECENTED IN REGISTRY NO. 29 MAY 1986 1 Sec (L) 2 Sec (K) Mr Day, MED, FCO CONVERSATION WITH HERR WALTER NOWAK, FRG AMBASSADOR, 13 MAY the equivalent of the Energy Department of the Auswertigesamt.

- 1. This was an agreeable call on somebody I had known since the Conference on International Economic Co-operation in Paris in 1974/75, and afterwards at the meetings of the International Energy Agency at OECD. Herr Nowak was in
- 2. At his request I briefed the Ambassador in standard terms on the outcome of the Defence Secretary's visit. He commented that on past form, it would take us ages to reach agreement with the Saudis on all the arrangements and re-arrangements stemming from the signature of the main MOU on 17 February.
- In return, he gave me an account about Prince Naif's visit to Bonn last week. This had been billed as a great success and the Saudi publicity had been excellent, but Herr Nowak could not understand why. If his reports from Bonn were complete, the Saudi Minister of the Interior had asked for a wide range of training and the latest German equipment for interception of signals and general bugging of large buildings and a range of vehicles, including public and official transport. For various "political and moral" reasons, Bonn had decided that neither equipment nor training in these fields could be supplied to Saudi Arabia. Herr Nowak thought that the Saudis would turn next to French suppliers, then to British, and in the last resort to the United States. His guess was that the French would agree to supply. But his authorities in Bonn thought that they had already done enough for Saudi Arabia by providing equipment and staff to train Saudis in monitoring international phone calls to and from Saudi Arabia. These arrangements were now working well, so much so that records of all conversations to and from international destinations could theoretically be on Prince Naif's desk (not Prince Turki bin Faisal's desk) in 24 hours, complete with summary translations into Arabic. This behoved all of us to be extremely careful in what we said on open telephone lines to external destinations. I said we were already pretty careful, but I was most grateful to have this awkward reminder of the position now reached by Prince Naif's particular monitoring service.
- Herr Nowak said that Bonn had also maintained its previous refusal, despite pleas from Princes Salman and Saud al Faisal, to supply the Saudi armed forces with the Leopard tank. The refusal had been dressed up politely as a multilateral offer: FRG Ministers from Genscher downwards had explained to the Saudis that they had no objection to supplying Leopard in an EC/GCC context. But whenever the

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FM WASHIMOTOR TO ROUTHINE TELNO 1200 CONFIDENTIAL OF 22732 WED DO MEDE Germans got this message across to the Saudis, there was a complete silence and the Saudis changed the subject. Apart from these two rather embarrassing subjects, Saudi-FRG relations were excellent, and Herr Nowak found Riyadh a most interesting post. He said he was well settled in his large and imposing downtown offices and would be in no hurry to move his staff to the building being erected in the Diplomatic Quarter. If all went well, the move might take place next Spring, but he had no intention of moving into the new Residence, which was tucked in for security reasons behind the Chancery building. The house and garden were small and not befitting the dignity of a German Ambassador used to entertaining and being entertained by Saudi princes. So he proposed to stay in his larger downtown residence until he was transferred, perhaps in a couple of years time. I congratulated him on his adaptation of the "Cutler formula" devised by our US colleague. Stephen Egerton 13 May 1986

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