

812

PREM 19/1816



Prime Minister's Visit <sup>to Israel</sup> in May 1986

ISRAEL

Priacy

In folder: PM's briefing from FCO.

March 1986

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
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PREM 19/1816









CDP  
16/6

10 DOWNING STREET

*From the Private Secretary*

Prime Minister

This is what Peres' office  
told the Americans about  
his meeting with you. The  
Americans told our Embassy  
in Washington. I think  
that we have been more  
discreet.

CDP  
16/6.

ms



## ISRAELI RECORD OF PERES/MRS THATCHER DISCUSSIONS

1. Following is the US Embassy Tel Aviv's report of their briefing from Peres' Political Counsellor, Novik on the discussions between Peres and Mrs Thatcher during her visit to Israel.

2. First meeting: Peres began by running down his foreign policy priorities. These were:

- i. Egypt: he still had hopes of a summit
- ii. Some Gaza autonomy initiative
- iii. The four problem areas with Syria, their creep forward in the Beka'a, South Lebanon, Golan and terrorism. On terrorism Peres said that the West should keep up the pressure: Syria seemed to be responding, at least in public.

3. On UNIFIL, Peres stuck to Rabin's slightly more open formula.

4. Mrs Thatcher made a tough presentation on terrorism, indicating that she thought the Syrians had double-crossed her over the British hostages in Lebanon. They had denied any knowledge of their whereabouts, but Mrs Thatcher was certain that they knew a good deal.

5. On the peace process, Mrs Thatcher had expressed her willingness to be helpful in any way she could. She mentioned the special relationship she had with King Hussein in Amman and President Reagan in Washington: these were potentially valuable assets. Peres had said he might call on Mrs Thatcher at the appropriate time to relay messages to Hussein. (When pressed, Novik would only mention quality of life measures as the possible subject matter for such messages.)

6. Second meeting (after Mrs Thatcher had met the West Bank Palestinian delegation): Mrs Thatcher commented that she had encountered three levels of argument from the Palestinians whom she had met:

- i. The theme of the petition which they had presented was that the PLO were the only possible leadership of Palestinians.
- ii. In the general meeting, the talk had been about the need to bring Arafat and King Hussein back together.
- iii. In the smaller discussions, views had been diverse. There had been some very guarded willingness to contemplate an alternative Palestinian leadership. In this context, Mrs Thatcher asked Peres about the possibility of elections on the West Bank, noting that Rabin had earlier told her that such elections were out of the question. In response, Peres had distinguished between elections to the municipalities

/and

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and elections to the Jordanian Parliament. He asked Mrs Thatcher to talk with King Hussein when he came to London about elections from the West Bank to the Jordanian Parliament. (The US Embassy asked Novik at this point whether this represented a considered Israeli Government position. Was Rabin on board? Novik answered that elections to the Jordanian Parliament were in the same category as the other quality of life proposals.)

7. Peres gave Mrs Thatcher an account of the fourteen quality of life measures which the Israelis intended to implement. He noted that Israel had received word of King Hussein's priorities and was now waiting for specific Jordanian ideas. Israel's priority was to help King Hussein to re-establish himself on the West Bank. Mrs Thatcher was in full agreement with this, and also agreed on the need for a new Palestinian leadership (in part, Novick thought, as the result of her experience in the Milhem/Khoury episode).

8. On the question of a UN Representative for the West Bank, Mrs Thatcher told Peres she thought it a silly idea, which the King had raised as a vacuum filler, but did not take seriously. Peres repeated Israel's opposition to the proposal.

9. Peres described for Mrs Thatcher a three-phase approach to Jordan, beginning with quality of life measures, moving on to some forum for brainstorming the peace process, and finally direct negotiations in an international conference. Peres also described the present difficulties blocking this strategy.

10. In this regard he brought up the possibility of the Summit Seven perhaps sponsoring an initiative. Mrs Thatcher was enthusiastic about this idea, noting that she had been pushing for some time for the Seven to move into the political arena.

11. Finally, Mrs Thatcher evinced herself a strong supporter of MEREP, and promised seriously to consider Peres' suggestion that Britain appoint an emissary to meet emissaries of the other Summit Seven countries as a way of getting started. (Novik noted that this was a far more positive response than the Israelis had previously heard from the FCO.)



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~~MR DEREK THOMAS~~

MR FERGUSSON

SIN D. MIRAS

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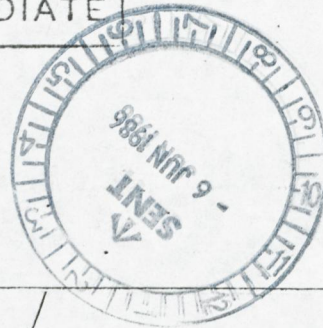
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FM TUNIS

TO IMMEDIATE FCO

TELNO 142

OF 050815Z JUNE 86

INFO PRIORITY MIDDLE EAST POSTS, EC POSTS, WASHINGTON, MOSCOW

INFO PRIORITY UKMIS NEW YORK

FCO TELNO 176 TO CAIRO :

PLO REACTION TO PRIME MINISTER'S VISIT TO ISRAEL

SUMMARY

1. PLO OFFICIALS BITTERLY CRITICAL OF PRIME MINISTER'S STATEMENTS DURING ISRAEL VISIT.

DETAIL

2. HEAD OF CHANCERY CALLED TODAY ON HAEI FAHOM, OF THE PLO POLITICAL BUREAU FOR A DISCUSSION IN THE WAKE OF THE PM'S VISIT TO ISRAEL. FAHOM, NORMALLY A SENSIBLE AND RESTRAINED INDIVIDUAL, WAS FIERCELY CRITICAL, AND SAID EXPLICITLY THAT HIS COMMENTS REFLECTED THE GENERAL VIEW OF THE SENIOR PLO LEADERSHIP. THE MAJOR ELEMENTS OF A LENGTHY EXPOSITION WERE AS FOLLOWS.

3. THE PLO MADE NO CRITICISM OF THE FACT THAT A BRITISH PRIME MINISTER HAD VISITED ISRAEL. THEY ACCEPTED THAT A GOOD UK - ISRAEL RELATIONSHIP WAS DESIRABLE. BUT THE EMOTIONAL ATMOSPHERE OF THE VISIT, COUPLED WITH THE HOSTILE STATEMENTS OF THE PM AGAINST THE PLO HAD EVOKED A STRONG EMOTIONAL RESPONSE AMONG PALESTINIANS AND RESURRECTED OLD GHOSTS AND SUSPICIONS ABOUT BRITAIN, DATING BACK TO BALFOUR. ARAFAT WAS "ANGRY, UPSET AND DISAPPOINTED". HENCE THE UNTYPICALLY PERSONAL ATTACK ON THE PM BY ARAFAT ON 1 JUNE (MY TELNO 141). FAHOM DREW A DISTINCTION BETWEEN THE PRESENT GOVERNMENT'S APPROACH AND THE "POSITIVE" ATTITUDE OF THE OTHER BRITISH POLITICAL PARTIES WITH WHOM THE PLO HAD A GOOD RELATIONSHIP.

4. THE PLO CHALLENGED THE "RIGHT" OF THE PM AT HER PRESS CONFERENCE TO SUGGEST OR PRESCRIBE HOW THE PALESTINIANS SHOULD BE REPRESENTED. EVEN THE WEST BANK PALESTINIANS WHOM THE PM HAD MET IN JERUSALEM HAD MADE CLEAR TO HER THAT THE PLO WAS THEIR SOLE LEGITIMATE REPRESENTATIVE.

*What a shower they are!  
I fear that our Ambassador does not come well out of this exchange.*

*MS*



SOLE LEGITIMATE REPRESENTATIVE.

5. IN RESPONSE TO A REMINDER THAT THE PM DURING HER VISIT HAD SPOKEN IN BLUNT TERMS TO THE ISRAELIS ABOUT THE OCCUPIED TERRITORIES AND HAD REITERATED PUBLICLY THE NEED FOR RECOGNITION OF THE LEGITIMATE RIGHTS OF THE PALESTINIANS, FAHOUM SAID THAT HER SUBSEQUENT PRESS CONFERENCE COMMENTS NEGATED ALL THIS. THE PLO NOW SAW THE BRITISH POSITION AS BEING NO LONGER IN CONFORMITY WITH THE VENICE DECLARATION NOR WITH THE POLICY OF THE REST OF THE EC. FAHOUM ADDED THAT EVEN THE OTHER EC COUNTRIES HAD COMMENTED TO THE PLO IN SUCH TERMS AND THE PLO WAS NOW FORCED TO DIFFERENTIATE BETWEEN THE UK AND THE REST OF THE EC. FAR FROM BUILDING ON THE PRESENT UK/EC POSITION, BRITAIN HAD ALIGNED ITSELF UNEQUIVOCALLY WITH THE US AND JORDAN AND SET ITS FACE AGAINST THE PLO AND ALL PALESTINIANS.

6. TO THE SUGGESTION THAT THE PM'S REMARKS SHOULD BE SEEN IN THE CONTEXT OF A PRAGMATIC BRITISH SEARCH FOR POSSIBLE WAYS FORWARD, FAHOUM REPEATED ARAFAT'S LINE THAT THE PM HAD DEMONSTRATED BRITISH PARTIALITY. TO PLAY A USEFUL ROLE BRITAIN HAD TO BE AN CREDIBLE INTERLOCUTOR WITH SOUND RELATIONSHIPS WITH BOTH PRINCIPAL PARTIES, ISRAEL AND THE PALESTINIANS (IE THE PLO). YET WHILE CONDUCTING A LOVE AFFAIR WITH ISRAEL, BRITAIN HAD AT EVERY STAGE RAISED OBSTACLES TO THE DEVELOPMENT OF A RELATIONSHIP WITH THE PLO. HE REFERRED BACK TO THE PROBLEMS WHICH LED TO THE ABANDONING OF THE JORDAN/PLO DELEGATION VISIT TO LONDON IN 1985. LIKE THE US, BRITAIN APPEARED FREQUENTLY TO ACCEPT OR AGREE, ONLY THEN TO GO BACK ON ITS WORD.

7. FAHOUM DISAGREED CATEGORICALLY WITH THE ASSERTION THAT THE PM HAD NOT RULED OUT THE POSSIBILITY OF THE PLO BEING ASSOCIATED WITH NEGOTIATIONS (PARA 3 OF TUR). THE PLO HAD GONE AS FAR AS IT COULD TO MEET BRITISH CONCERNS (EG THE CAIRO DECLARATION ON TERRORISM). BUT BY CALLING FOR ALTERNATIVE PALESTINIAN REPRESENTATIVES SHE HAD QUITE DELIBERATELY SOUGHT TO EXCLUDE THE PLO FROM ANY NEGOTIATING PROCESS.

8. AT THE END OF THE DISCUSSION, FAHOUM COMMENTED THAT, THOUGH THEIR PICTURE OF CURRENT BRITISH POLICY WAS VERY DARK, THE PLO WAS NEVERTHELESS WATCHING AND WAITING FOR SIGNS THAT THERE WOULD BE A SHIFT FOR THE BETTER.

COMMENT

9. THE PLO CLEARLY WISHED TO MAKE THE MOST OF THIS FIRST 'OFFICIAL' ENCOUNTER SINCE THE VISIT, TO BERATE BRITAIN. QADDOUMI IS HERE AND HAS INDICATED HE IS AVAILABLE TO SEE ME. I HAVE IT IN MIND TO CALL ON HIM OR ABU JAAFAR, AFTER THE EID. PLEASE LET ME KNOW BY MORNING OF 11 JUNE IF THERE ARE ANY SPECIFIC POINTS YOU WISH ME TO MAKE.

ADAMS

YYYY

TKLNAN 0368

NNNN



Date: 9 June 1986

Hofe  
Minister

R/ to copy as below under comp's,  
with attachment: CWRP 9/vi.

ISRAELI RECORD OF PERES/MRS THATCHER DISCUSSIONS

1. Bill Kirby (State) has read aloud to me the US Embassy's report of Mrs Thatcher's conversations with Peres during her visit to Israel. The US account is based on briefing by Peres' Political Counselor, Novik, from the official Israeli records.

2. I attach an (almost) verbatim record of Kirby's briefing. He commented that the US were well aware that this account might be imperfect. It could represent variously what the Israelis thought they had said and heard, what they wished to have on record, or what they wanted the US to believe about the UK/Israeli exchanges (particularly the discussion of MEREP).

A 3. Kirby knew the form and didn't press me for our account (See FCO Telno 155 to Tel Aviv).

CNR Prentice

9 June 1986

C N R Prentice

I suggest cc. Mr Gaulty (personal).

I do know  
9/vi.

Yes, with the view at para 2  
about records.

My  
g (to

cc Sir D. Miers, Mr E Ferguson, Mr Nixon or.

This account must reflect a good deal of  
Israeli editing (cf para 2 above) especially  
as regards paras 4, 10 and 11.

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Affairs

13/6





Personal

Foreign and Commonwealth Office

Mr. C. J. Powell (No 10)

I thought that you  
might be interested to  
see his example, on  
the Israeli site, of  
breaking the seal of the  
confidential!

— 13 / 6





Secretary of State for Trade and Industry

DEPARTMENT OF TRADE AND INDUSTRY  
1-19 VICTORIA STREET  
LONDON SW1H 0ET

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GTN 215)  
(Switchboard) 01-215 7877

*cc/c*

RESTRICTED

5 June 1986

Charles Powell Esq  
Private Secretary to the  
Prime Minister  
10 Downing Street  
LONDON SW1

*200/876*

*Dear Charles,*

**PRIME MINISTER'S VISIT TO ISRAEL: INDUSTRIAL RESEARCH FOUNDATION**

Thank you for your letter of 27 May. This Department is in touch with the Foreign and Commonwealth Office and outside organisations about arrangements for an inward Israeli visit which would be aimed at determining more precisely possibilities for bilateral co-operation. If the delegation is led by the Israeli Minister of Science we envisage discussions with Mr Pattie and other appropriate Ministers.

We will shortly be sending the Israelis suggestions about the scope and timing of the visit. The UK-Israel Joint Committee, which meets in Israel in July, will be a suitable opportunity to follow up and discuss proposed arrangements in greater detail.

I am copying this letter to Robert Culshaw (Foreign and Commonwealth Office), Rob Smith (Department of Education and Science) and to Michael Stark (Cabinet Office).

*Yours ever,  
Michael*

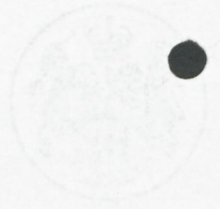
MICHAEL GILBERTSON  
Private Secretary

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BOARD OF TRADE  
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ISRAEL



PM'S VISIT  
3/86

PRIME MINISTER'S VISIT TO ISRAELI INDUSTRIAL RESEARCH FOUNDATION

Dear Sir,  
I am pleased to hear that your visit to Israel was successful and that you were able to meet with the Prime Minister and other officials. The arrangements for your visit were well handled and we hope you enjoyed your stay in Israel. The Israeli industrial research community is very interested in your work and we are sure that you will find many opportunities for collaboration in the future. We are also pleased to hear that you were able to meet with the Prime Minister and other officials. The arrangements for your visit were well handled and we hope you enjoyed your stay in Israel. The Israeli industrial research community is very interested in your work and we are sure that you will find many opportunities for collaboration in the future.

MICHAEL GLICKSON  
Private Secretary

1986  
DEPARTMENT OF TRADE AND INDUSTRY



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30 MAY 1986/2038

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THE RT HON. MARGARET THATCHER  
PRIME MINISTER GREAT BRITAIN  
10 DOWNING STREET  
LONDON-GREATBRITAIN SW1

DEAR MADAME PRIME MINISTER STOP I WAS JUST INTERVIEWED BY THE BBC  
ABOUT YOUR STATEMENT THAT JERUSALEM IS MUCH CLEANER THAN LONDON  
STOP THANK YOU VERY MUCH FOR THE PLUG YOU GAVE OUR CITY AND FOR  
YOUR KIND WORDS STOP I HOPE OUR RESIDENTS WILL TAKE HEED OF YOUR  
REMARKS AND CONTINUE THEIR EFFORTS TO KEEP JERUSALEM CLEAN FOR  
ALL TO ENJOY STOP  
WITH WARM PERSONAL REGARDS

TEDDY KOLLEK

COL ...

2

Prime Minister  
COP  
2/6

23/5

ms

T 1291

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# YAD VASHEM

THE HOLOCAUST MARTYRS' AND HEROES'  
REMEMBRANCE AUTHORITY  
HAR HAZIKARON, JERUSALEM



# יד ושם

רשות-הזיכרון  
לשואה ולגבורה  
הר הזיכרון ירושלים

Jerusalem, June 1st, 1986

②

Mr. Nigel L. Wicks  
Principal Private Secretary  
Prime Minister's Office  
10 Downing St.  
London

*Prime Minister*

*no*

*I think you  
said 120,000 a week, in  
one interview at least.*

*CDP  
4/6*

Dear Mr. Wicks,

I had the honor of conducting Mrs. Thatcher on her visit to Yad Vashem. Unfortunately it seems that the Prime Minister either misunderstood some of my explanations, or-which is more likely - I made a mistake.

I am referring to the number of Jews being killed in the six death-camps. I pointed out that towards the end of the war the capacity of the six death-camps reached 20-25,000 a day, or 120,000 a week, and emphasized that had the war continued for another year the Nazis would have succeeded in murdering the remaining 5 million Jews.

It is most likely that instead of saying "120,000 a week" I erroneously said "120,000 a day" thus inadvertently misled the Prime Minister into mentioning the figure of "120,000 a day" in her TV interview. You can easily figure out, that had the Nazis succeeded in killing Jews at a rate of 120,000 a day it would not take a year to reach the figure of 5 million.

While we cannot undo what was said and written during Mrs. Thatcher's visit, I would hate to think that through no fault of hers, she would continue using the wrong figure.

I shall be most grateful if you will kindly bring the content of this letter to the attention of the Prime Minister with my profound appologies.

Thanking you in advance,

Sincerely yours,

Reuven Dafni  
Vice Chairman



London, June 10, 1955

Mr. Nigel L. Wick  
Principal Private Secretary  
Prime Minister's Office  
Downing Street  
London



I had the honor of conducting Mrs. ... on her visit to Yad  
Vashem. Unfortunately, it seems that the Prime Minister either  
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I made a mistake.

I am referring to the number of Jews being killed in the six  
death-camps. I pointed out that towards the end of the war the  
capacity of the six death-camps reached 20-25,000 a day, or  
150,000 a week, and emphasized that had the war continued for  
another year the Nazis would have succeeded in murdering the  
remaining million Jews.

It is most likely that instead of saying "150,000 a week" I  
unintentionally said "150,000 a day" - thus inadvertently misled the  
Prime Minister into mentioning the figure of "150,000 a day" in  
his interview. You can easily figure out that had the Nazis  
succeeded in killing Jews at a rate of 150,000 a day it would not  
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While we cannot undo what was said and written during Mrs.  
Thatcher's visit, I would hate to think that through no fault of  
hers, she would continue using the wrong figure.

I shall be most grateful if you will kindly bring the content of  
this letter to the attention of the Prime Minister with my  
sincere apologies.

Thanking you in advance,

Sincerely yours,

Reuben Dahn  
Vice Chairman



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THE PRIME MINISTER'S VISIT TO ISRAEL

1. THERE APPEARS TO BE SOME MISUNDERSTANDING IN THE MIDDLE EAST

1

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40127 - 1

OF THE PRIME MINISTER'S REMARKS AT HER PRESS CONFERENCE IN JERUSALEM. IN PARTICULAR, IT HAS BEEN SUGGESTED THAT HER SUPPORT FOR 'SOME KIND OF FEDERATION WITH JORDAN' RULES OUT SELF-DETERMINATION FOR PALESTINIANS AND THAT HER SUPPORT FOR THE ELECTION OF MAYORS AND OF DEPUTIES TO THE JORDANIAN PARLIAMENT FROM THE WEST BANK RULES OUT THE PLO AS THE SOLE LEGITIMATE REPRESENTATIVE OF THE PALESTINIAN PEOPLE. YOU AND OTHER RECIPIENTS OF THIS TELEGRAM SHOULD DRAW ON THE FOLLOWING POINTS TO COUNTER ANY SUCH MISAPPREHENSIONS.

2. THE PRIME MINISTER HAS NOT DISMISSED THE PRINCIPLE OF SELF-DETERMINATION. SHE ADVOCATED 'SOME KIDG OF FEDERATION' AS THE MOST REALISTIC OF THE OPTIONS CURRENTLY UNDER CONSIDERATION FOR ACHIEVING PALESTINIAN SELF-DETERMINATION (IT BEING EVIDENT THAT BOTH ISRAEL AND JORDAN ARE OPPOSED TO AN INDEPENDENT PALESTINIAN STATE). THE PRIME MINISTER'S PHRASE INCLUDES THE POSSIBILITY OF CONFEDERATION WHICH THE PLO AND THE JORDANIANS THEMSELVES ESPOUSED IN FEBRUARY 1985.

3. THE PRIME MINISTER HAS NOT RULED OUT ASSOCIATION OF PLO WITH NEGOTIATIONS. BUT IT CANNOT PLAY A DIRECT ROLE IN NEGOTIATIONS UNTIL IT ACCEPTS RESOLUTIONS 242 AND 338, RECOGNISES ISRAEL'S RIGHT TO EXIST, AND RENOUNCES VIOLENCE. IF IT CANNOT MAKE THESE COMMITMENTS, THE SEARCH WILL CONTINUE FOR ALTERNATIVE REPRESENTATIVES FOR THE PALESTINIANS.

4. YOU MAY ALSO POINT OUT THAT WE ARE NOT NARROWING OR SUBTRACTING FROM OUR PREVIOUS POSITIONS BUT TRYING TO BUILD ON THEM IN A PRACTICAL WAY IN ORDER TO HELP RESTORE MOMENTUM TOWARDS PEACE NEGOTIATIONS.

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10 DOWNING STREET

*From the Private Secretary*

30 May 1986

PRIME MINISTER'S VISIT TO ISRAEL: MEETING WITH  
PALESTINIANS

I enclose a fuller record of the Prime Minister's meeting with leading Palestinians in Jerusalem on 26 May. This is largely the work of the Consul-General in East Jerusalem and Mr. Henderson. Given the way in which the evening was organised, it was impossible for everyone to hear everything. But I think it is a fair account.

CHARLES POWELL

Robert Culshaw, Esq.,  
Foreign and Commonwealth Office.

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VC



FILE  
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10 DOWNING STREET

*From the Private Secretary*

30 May 1986

*Dear Robert,*

**PALESTINIAN COMMENT ON THE PRIME MINISTER'S REMARKS IN ISRAEL**

It is evident from a number of telegrams from our posts in the Middle East that there is some misunderstanding of the Prime Minister's remarks at her press conference in Jerusalem on at least two issues. It would be helpful if you could send out early guidance to posts to counteract any misapprehension.

The first is the suggestion that the Prime Minister's support for "some kind of federation with Jordan" rules out self-determination for Palestinians.

The position is that the Prime Minister has not dismissed the principle of self-determination. She advocated "some kind of federation" as the most realistic of the options currently under consideration for achieving Palestinian self-determination (it being evident that both Israel and Jordan are opposed to an independent Palestinian state). The Prime Minister's phrase includes the possibility of confederation which the PLO and the Jordanians themselves espoused in February 1985.

The second point which needs to be countered is that the Prime Minister's support for the election of Mayors and of Deputies to the Jordanian Parliament from the West Bank rules out the PLO as the sole legitimate representative of the Palestinian people.

The Prime Minister has not ruled out association of PLO with negotiations. But it cannot play a direct role in negotiations until it accepts Resolutions 242 and 338, recognises Israel's right to exist, and renounces violence. If it cannot make these commitments, the search will continue for alternative representatives for the Palestinians.

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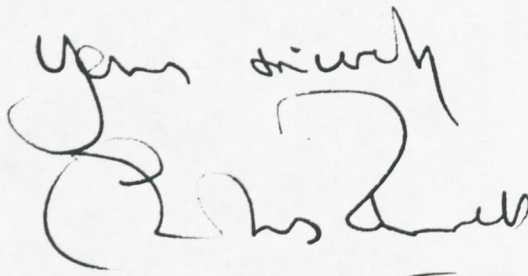


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- 2 -

In general posts could point out that we are not narrowing or subtracting from our previous positions but trying to build on them in a practical way in order to help restore momentum towards peace negotiations.

BF || It would be helpful if guidance on these two points could be sent out as rapidly as possible.

Yours sincerely  


(Charles Powell)

Robert Culshaw, Esq.,  
Foreign and Commonwealth Office.

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SUBJECT  
CUMASTER

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RECORD OF A MEETING BETWEEN THE PRIME MINISTER AND LEADING  
PALESTINIANS HELD AT A DINNER AT THE BRITISH CONSULATE  
GENERAL, JERUSALEM, AT 2030 ON MONDAY 26 MAY 1986

The Prime Minister	Haj Rashad Shawwa (Deposed Mayor of Gaza)
Mr. E. A. J. Fergusson	Elias Freij (Mayor of Bethlehem)
Mr. P. G. de Courcy-Ireland	Izzat al Alloul (Acting Mayor of Nablus)
Mr. Charles Powell	Mustafa Natshe (Deposed Acting Mayor of Hebron)
Mr. Bernard Ingham	Hanna Siniora (Editor of al-Fajr, East Jerusalem)
Mr. V. J. Henderson	Fayez Abu Rahma (Gaza Lawyer)
	Zuhair al-Rayyes (Gaza Lawyer)
	Basil Kan'aan (Nablus businessman)

GENERAL SESSION

The Prime Minister said that she felt a deep sympathy for the problems of the Palestinians in the Occupied Territories, and wanted to help improve their conditions as a prelude to an eventual settlement. It was unacceptable that Israel should apply one set of standards to her own people and lower standards to the people of the West Bank and Gaza. She had discussed these problems at length with Mr. Peres and had made a number of suggestions for improving conditions. She believed that the longer-term solution for the Occupied Territories lay in some sort of federation with Jordan.

The Palestinians invited Haj Rashad Shawwa to speak first. He reviewed conditions in the Gaza Strip in some detail, on familiar lines. The essential points were:



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- 2 -

- (a) Israel spoke of peace but took more of the densely populated Strip's land for settlements: bulldozers were currently clearing newly confiscated land near Khan Younis. This was unacceptable on all grounds; but was made even more so when one considered that population density in Gaza was already approaching 2,000 a square kilometer, as against 140 a square kilometer in Israel.
- (b) The timescale for talks to bring about a peaceful solution was long; land confiscations should be halted immediately and not continued to prejudice the achievement of that solution. HMG should put pressure on the Israelis on this.
- (c) Gazans paid taxes to the Occupation authorities which were not spent on development of the Strip.
- (d) Financial aid was of little use to Gazans as long as the Occupation continued and they were not free to decide how it should be spent. In practice such aid ended up by flowing back into the Israeli economy.
- (e) The Strip's government hospitals were in a highly unsatisfactory condition. There was no decent education.
- (f) The authorities put restrictions on exports of citrus and other produce.
- (g) There was a one-way traffic in goods, with Israeli goods flooding the Gaza market but the Strip's own production banned from entering Israeli markets.
- (h) 50,000 Gazans travelled to Israel every day to work; the Strip was Israel's Soweto.

Mr. Abu Rahma and Mr. Rayyes supported his description, adding examples of Israeli misconduct. In answer to the Prime



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Minister's question, all three expressed their belief that the Gaza Strip could become economically viable after the Israeli occupation was ended, given Palestinian freedom to control their own affairs. Gaza had survived before 1967, principally as an entrepot centre and a citrus exporter, and would be able to manage again.

Mr. Rayyes noted with appreciation the Prime Minister's comment in her speech the previous evening that economic rights were inseparable from political rights. The Prime Minister said that they were of course interlinked; but economic development was no substitute for political movement. Mr. Rayyes believed that, although the Israelis told visiting VIPs that they were interested in improving the "quality of life" of Arab residents of the Territories, the actual facts pointed to the reverse. Meron Benvenisti, a prominent Israeli researcher, had just published a shocking report on conditions in the Strip. The facts it revealed would give everyone pause for thought.

In answer to the Prime Minister's question about how the 50,000 Gazans who worked in Israel would fare upon Israeli withdrawal, Haj Rashad Shawwa said that a transitional period could be negotiated, during which the labour force could be gradually re-absorbed into Gaza, as its own economic activity developed. Mr. Siniora said that, while the need for action to remedy the ills of the Gaza Strip could not be over-estimated, the fate of the Strip and the West Bank were closely tied together. A future independent Palestinian state would need Gaza as its Mediterranean sea port.

Mr. Siniora went on to say that Palestinians approved HMG's acceptance, as a signatory of the Venice Declaration, of their right to self-determination. However, they were realists. Hence their leadership's decision to build a bridge to peace through the Agreement with Jordan of 11 February 1985. A year of joint action had ended in failure.

Palestinians in the Occupied Territories did not blame King Hussein himself for this: he had been misled by some of his



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advisers. The Prime Minister was urged to tell the King, when they next met, that people in the Occupied Territories wanted the Joint Agreement revived and the dialogue with their chosen leadership - the PLO - resumed. The Palestinians could not find a solution alone; but they could not work by proxy either. This had to be explained to the King, and to Mr. Peres and President Reagan as well.

The Prime Minister referred to the problems of living with terrorism and instanced Northern Ireland and the IRA. Although IRA members had civil rights, it did not accept the use of the ballot box, but turned instead to intimidation, to persuade people to do what they did not want. There were numerous examples of terrorist outrages, which she personally could not tolerate. She would do anything possible to help achieve a solution to the Palestinian issue, but she would not deal with terrorists.

Mr. Siniora said that he and his colleagues admired the Prime Minister's courage, and indeed shared her views. He instanced Arafat's Cairo Declaration, and expressed the hope that the Palestinians' "legitimate armed struggle" could be ended for the duration of peace negotiations. The Palestinians were ready for peace; they were undoubtedly prepared to recognise Israel, but as a result of - not before - negotiations. They needed the Prime Minister's help to get together with the Israelis around the negotiating table.

In answer to the Prime Minister's question, the Palestinians confirmed that they had been under great pressure to boycott the meeting, but had ignored it; she congratulated them on having resisted intimidation.

DINNER SESSION

While sitting with the Prime Minister at dinner, Mr. Siniora spoke on the same lines as earlier. Mr. Natshe described at some length the growth of Israeli settlements in and around Hebron; the Israelis' treatment of the elected



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Mayor and Municipal Council; and restrictions on agriculture and industrial development in the Occupied Territories. He recounted the history of the (abortive) Hebron cement plant project and the insistence of Mr. Rabin (the Israeli Defence Minister) and General Goren (the Co-ordinator for the Occupied Territories) that no economic venture would be approved which directly competed with Israeli producers.

As the discussion turned to the PLO's leadership of the Palestinians, the Prime Minister again referred to the need for the PLO to renounce terrorism. Mr. Siniora countered that Arafat was a man of peace, whom he was sure would stop all "armed struggle" during negotiations. The Prime Minister said that Arafat was behind Force 17, which had been implicated in many vicious attacks. The Palestinians present did not deny this, but Mr. Siniora said that the British had ultimately dealt with many statesmen with a terrorist past (e.g. Begin, Mugabe). Mr. Rayyes was glad to see, from the text of her speech, that, despite the interpretations in the Israeli press, the Prime Minister had in fact said nothing about the creation of an "alternative leadership". Mr. Siniora urged the Prime Minister to reactivate the idea of a joint delegation visit to London.

When the Prime Minister moved subsequently to Haj Rashad Shawwa and Elias Freij, she heard a rather different point of view. Both were at pains to say, out of the hearing of their colleagues, that they were not enamoured of the PLO but believed a way forward could be found without them. But they were singularly short of ideas as to how to make progress, despite repeated attempts by the Prime Minister to draw them out.

GENERAL SESSION

The Prime Minister began to sum up what she had learned from her Palestinian guests: Israeli discrimination against Palestinians in all fields, collective punishments, continuing land expropriation, continuing expansion of settlements, no



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free municipal elections, deteriorating public services, restrictions on economic and industrial development. Several Palestinians added other points: the failure of the Israeli authorities to spend in the Territories more than a small proportion of tax revenue derived from the Territories, imbalance in wages paid to Israeli and Arab workers, the operation of the security laws - which encouraged the maltreatment and even torture of those arrested, because of reliance on confessions to obtain convictions - and the general difficulties of everyday life. Mr. Abu Rahma described many of these practices as amounting to "a sort of terrorism". The Prime Minister asked to what degree such resentment might have existed before the occupation. Mr. Freij said that it had not; but others disagreed, indicating disapproval of certain Jordanian policies before 1967.

Mr. Freij blamed the US Administration for failing to take advantage of Jordan's submission last summer of the names of seven Palestinians nominated by the PLO as candidates for a dialogue with the US. If they were acceptable to King Hussein - and two were acceptable to Mr. Peres (Mr. Siniora and Mr. Abu Rahma) - why should the US Administration have any problems over them? Mr. Siniora said, to general agreement, that no Palestinian could work independently of the PLO leadership, because the people would not allow it. He added, in answer to the Prime Minister's questions, that some activity was possible behind the scenes, but that this required the green light from the PLO and the Israeli Government. He asked the Prime Minister how HMG and the Palestinians could help each other, and Mr. Freij urged her to take a leading role in the search for a peace settlement.

The Prime Minister asked how it could be brought to an end. She was worried that no negotiations were under way: without them, no progress was possible. Her Palestinian interlocutors were for the PLO, while the Israelis were dead against it. So how could one proceed? It might be necessary to find Palestinians who were prepared to renounce violence



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- 7 -

and accept Israel's right to exist, to take part in negotiations. Mr. Siniora repeated that the channel was joint action between the PLO and Jordan. The Palestinians simply had to get back on terms with the Jordanians. They were willing to work with King Hussein through their leadership, with recognition of their right of self-determination, however that might be qualified in the context of the Amman Agreement.

The Prime Minister said that she had taken note of all the points raised by her guests, would think about them carefully; and would see if there was not a way forward. She did not like the present vacuum, which only left room for terrorism to flourish. Mr. Freij urged her to convince President Reagan that not all Palestinians were terrorists - a fact which was demonstrable from her conversations that evening.

Finally, the Prime Minister said that it would be useful to agree in broad terms what they would say to the press about the meeting. For her part, she would repeat what she had said in her speech - that no people should be denied rights the Israelis insisted on for themselves - and would add that the Palestinian guests had explained their deep feelings about the discrimination to which they were subject; their wish for self-determination and a peaceful and negotiated settlement; and their rejection and denunciation of terrorism. She would stress that she supported self-determination, rejected terrorism, and was anxious to find a way ahead. For their part, they would refer to their common position with the leadership of the PLO.



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- 8 -

There was general agreement with the Prime Minister's proposition. The Palestinians concluded the meeting by thanking her warmly for sparing so much of her time to listening to their point of view; and Haj Rashad Shawwa handed over a Memorandum signed by seven of those present. The meeting ended at 2250.

C.D.P.

30 May 1986

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INFO PRIORITY WASHINGTON.

TEL AVIV, JERUSALEM, DAMASCUS, BAGHDAD, CAIRO, (PERSONAL FOR HM REPRESENTATIVES). WASHINGTON (PERSONAL FOR HEAD OF CHANCERY).

YOUR TELNO 139: PRIME MINISTER'S VISIT TO ISRAEL

SUMMARY

1. KING HUSSEIN IS VERY GRATEFUL FOR THE PRIME MINISTER'S EFFORTS IN ISRAEL AND LOOKS FORWARD TO THEIR MEETING IN LONDON ON 17 JUNE. HE BELIEVES PRESIDENT ASAD IS NOT PERSONALLY IMPLICATED IN TERRORISM AND STRESSES THE IMPORTANCE OF HANDLING SYRIA WITH SUBTLETY. HE CONSIDERS THAT SOME PROGRESS HAS BEEN MADE IN BRINGING SYRIA AND IRAQ CLOSER TOGETHER.

DETAIL

2. I DELIVERED TO KING HUSSEIN ON 29 MAY THE PRIME MINISTER'S MESSAGE IN YOUR TELNO 139 (NOT TO ALL). HE READ IT ATTENTIVELY AND ASKED ME WITH EMPHASIS TO CONVEY TO THE PRIME MINISTER HIS GREAT ADMIRATION FOR THE WAY SHE HAD CONDUCTED THE VISIT AND HIS APPRECIATION FOR HER EFFORTS TO GET TO THE HEART OF THE PROBLEM.

3. HE SAID HE LOOKED FORWARD TO DISCUSSING POINTS IN THE MESSAGE WHEN HE MEETS THE PRIME MINISTER IN LONDON. HE ACCEPTED AT ONCE THE OFFER OF 1700 HOURS ON 17 JUNE (JERUSALEM TELNO 21 NOT TO ALL). ON PRESENT PLANS THE JORDANIAN PRIME MINISTER WILL BE WITH HIM BUT THE KING WILL MAKE FINAL ARRANGEMENTS WHEN HE REACHES LONDON FROM THE US ON EITHER 14 OR 15 JUNE. I SUGGEST YOU CHECK WITH THE JORDANIAN EMBASSY THEN AS TO WHO WILL ACCOMPANY THE KING.

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4. MEANWHILE THE KING MADE THE FOLLOWING COMMENTS ON THE MESSAGE. HE SAID HE WOULD LIKE TO DISCUSS WITH THE PRIME MINISTER IN SOME DETAIL THE SITUATION IN THE OCCUPIED TERRITORIES. REGARDING GAZA HE REMINDED ME THAT HE HAD TOLD ME AT OUR LAST TALK THAT HE AND PRESIDENT MUBARAK HAD AGREED TO ESTABLISH A JOINT EGYPTIAN/JORDANIAN WORKING GROUP TO CONSIDER ALL ASPECTS OF AN APPROACH TO THE PROBLEM, POLITICAL, HUMANITARIAN AND ECONOMIC. HE THINK THE PURPOSE OF THIS REMARK WAS TO COUNTER THE ISRAELI THOUGHT THAT EGYPT MIGHT INTEREST ITSELF IN ECONOMIC DEVELOPMENT IN GAZA WHILE JORDAN BUILT UP ITS POLITICAL LINKS.

5. AS REGARDS THE PARAGRAPH RELATING TO SYRIA HE SAID THAT WITH THAT COUNTRY EVERYTHING DEPENDED ON HOW ISSUES WERE PRESENTED TO H/T. ASAD HAD BRIEFED HIM ON MURPHY'S RECENT SECRET VISIT TO DAMASCUS. MURPHY HAD BEGUN BY "POUNING THE TABLE", SO MUCH SO THAT ASAD HAD INSTRUCTED HIS PEOPLE TO DELAY A SECOND MEETING WITH MURPHY AND HAD BEEN ON THE POINT OF ASKING HIM TO LEAVE SYRIA. THEN THE TONE HAD CHANGED. CONFRONTATION TACTICS SIMPLY DID NOT WORK WITH THE SYRIANS; BULLYING MERELY MADE THEM INFLEXIBLE.

6. THE KING THEN SAID THAT HE NOW PERSONALLY BELIEVED THAT ASAD HAD NOT HIMSELF BEEN INVOLVED IN THE AUTHORIZATION, OR ANY OTHER ASPECT, OF RECENT TERRORIST INCIDENTS. ON THE CONTRARY, ASAD WAS WELL AWARE OF THE HARM TERRORISM DID BOTH TO SYRIA AND TO THE MORE GENERAL IMAGE OF THE REGION. IT WAS CONCEIVABLE THAT FOLLOWING THE ISRAELI HIJACK OF THE AIRCRAFT CARRYING SYRIANS RETURNING FROM A CONFERENCE IN LIBYA, ASAD HAD IN ANGER SAID SOMETHING TO THE EFFECT THAT THERE OUGHT TO BE SOME REACTION. THAT WOULD HAVE BEEN ENOUGH FOR OTHERS IN THE SYRIAN MACHINE TO PLAN TERRORIST ACTION, BELIEVING IT WAS WHAT ASAD WOULD WANT.

7. ASAD HAD ASKED HIM TO PASS ON ANY INFORMATION WHICH MIGHT BECOME AVAILABLE WHICH APPEARED TO POINT TO SYRIAN INVOLVEMENT IN TERRORISM. HE WOULD THEN DEAL WITH IT. THE KING SAID TO ME THAT IF SUCH EVIDENCE BECAME AVAILABLE TO US WE MIGHT WISH TO CONSIDER LETTING HIM TAKE THE MATTER UP WITH ASAD. HE WOULD KNOW HOW TO HANDLE HIM. EVERYTHING, HE REPEATED, DEPENDED ON HOW YOU APPROACHED ASAD.

8. HE COMMENTED THAT IF PRESIDENT ASAD WAS NOT PRIVY TO ACTS OF TERRORISM THAT WAS TO SOME EXTENT REASSURING AND IT WAS IMPORTANT TO US TO HAVE THE KING'S JUDGEMENT ON THE MATTER WHICH HE WOULD REPORT.

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9. HE THEN SAID THAT DURING OUR LAST TALK HE HAD TOLD ME WITH CONFIDENCE OF HIS EFFORTS TO PROMOTE RECONCILIATION BETWEEN SYRIA AND IRAQ. HE ADMIRERD THE ENERGY HE WAS PUTTING INTO THIS (HE HAS SINCE BEEN TO SYRIA AND IRAQ AND SENT THE JORDANIAN PRIME MINISTER TO SEE PRESIDENT ASAD DURING HIS VISIT TO GREECE). WAS HE MAKING PROGRESS? HE SAID THAT HE WAS. HE HAD HOPED THAT A MEETING WOULD TAKE PLACE BETWEEN THE TWO SIDES BEFORE HE LEFT FOR FRANCE, THE US AND THE UK ON 2 JUNE BUT THAT DID NOT NOW SEEM LIKELY. HOWEVER, HE BELIEVED THAT THE SYRIAN AND IRAQI FOREIGN MINISTERS WOULD MEET IN VERY SECRET CIRCUMSTANCES SHORTLY AND WOULD SPEAK IN ACCORDANCE WITH THE VIEWS WHICH THEIR RESPECTIVE PRESIDENTS HAD EXPRESSED TO HIM. BOTH SIDES WERE LOOKING FOR AN AGREEMENT BETWEEN THEM WHICH WOULD STAND THE TEST OF TIME AND CONTAIN APPROPRIATE SAFEGUARDS. BEYOND THAT HE HOPED THERE WOULD BE AN IRAQI/SYRIAN SUMMIT, PERHAPS WITH JORDANIAN PARTICIPATION. THEN THERE MIGHT BE SCOPE FOR AN ARAB SUMMIT WITH A BROAD AGENDA.

10. IN VIEW OF THE GENERAL INTEREST OF THE KING'S REMARKS HE AM REPEATING THIS TELEGRAM TO TEL AVIV, JERUSALEM, DAMASCUS, BAGHDAD AND CAIRO FOR THE PERSONAL INFORMATION OF HM REPRESENTATIVES AND WASHINGTON FOR THE HEAD OF CHANCERY WHO SHOULD BE AWARE THAT THE PRIME MINISTER'S MESSAGE TO KING HUSSEIN WAS CLASSIFIED SECRET AND THAT THE KING'S COMMENTS UPON IT SHOULD, HE SUGGEST, ACCORDINGLY BE CAREFULLY PROTECTED.

COLES

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PS  
PS | MR RENTON  
PS | PUS  
MR FERGIUSSON  
SIR D MIERS

PS No 10 DOWNING ST

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Foreign and Commonwealth Office

London SW1A 2AH

29 May 1986

Charles Powell Esq  
No 10 Downing Street

Dear Charles

*Prime Minister  
These two clarifications are  
important & will not appear in  
the ~~Article~~ Israelis. Agree that  
we should make them?*

PALESTINIAN COMMENT ON THE PRIME MINISTER'S REMARKS IN ISRAEL

Posts need guidance to correct some of the misapprehensions which are now appearing (eg Tunis telno 136). The points of criticism basically boil down to two (A and B below) and I should be grateful for your agreement that we may brief posts to rebut what has been said on the lines indicated.

*Have virtually ruled out independence & other circumstances state - not*

A. Prime Minister's support for "some kind of federation with Jordan" rules out self-determination for Palestinians.

The Prime Minister has not dismissed principle of self-determination. She advocated "some kind of federation" as the most realistic of options currently under consideration for achieving Palestinian self-determination. The phrase includes the possibility of confederation which the PLO and Jordanians themselves espoused in February 1985.

B. Prime Minister's support of election of Mayors and Deputies to Jordanian Parliament from West Bank, rules out the role of PLO as the sole legitimate representative of the Palestinian people.

✓ The Prime Minister has not ruled out association of PLO with negotiations. But it cannot play a direct role in negotiations until it accepts Resolutions 242 and 338, recognises Israel's right to exist, and renounces violence. If it cannot make these commitments, the search will continue for alternative representatives for the Palestinians.

*Yes even*

*David*

David Miers

*A.S. If we could say that your comments added to, not subtracted from Venice, that would also be helpful, though not essential. Agree?   
 27/5/86*





10 DOWNING STREET

MISS ROBILLIARD

*cm.*

Mr Thatcher's Visit to Israel

I attach a list of people  
to whom Mr. Thatcher may  
wish to consider writing  
thank you letters.

*CP*

(CHARLES POWELL)

29 May 1986



MR THATCHER'S PROGRAMME

General Manager, Osem Ltd

Gen Asher Levy

President, Israel Diamond  
Exchange

Mr Moshe Shnitzer

St John's Ophthalmic Hospital  
Jerusalem

Miss Pauline O'Donnell

Director, British School of  
Archaeology, Jerusalem

Mr Richard Harper FSA

British Council Representative,  
Tel Aviv

Mr Ivor Watts

730-1914



L05 AEG

RECORD OF A MEETING BETWEEN THE PRIME MINISTER AND LEADING PALESTINIANS HELD AT A DINNER AT THE BRITISH CONSULATE GENERAL, JERUSALEM, AT 8.30PM ON MONDAY 26 MAY 1986

Present:

- The Prime Minister
- Mr E A J Fergusson
- Mr P G de Courcy-Ireland
- Mr Bernard Ingham
- Mr C. U. Powell
- Mr V J Henderson

- Haj Rashad Shawwa (Deposed Mayor of Gaza)
- Elias Freij (Mayor of Bethlehem)
- Izzat al Alloul (Acting Mayor of Nablus)
- Mustafa Natshe (Deposed Acting Mayor of Hebron)
- Hanna Siniora (Editor of al-Fajr, East Jerusalem)
- Fayez Abu Rahma (Gaza Lawyer)
- Zuhair al-Rayyes (Gaza Lawyer)
- Basil Kan'aan (Nablus businessman)

General Session

- After brief introductory remarks by the Prime Minister, the Palestinians invited Haj Rashad Shawwa to speak first. He reviewed conditions in the Gaza Strip in some detail, on familiar lines. The essential points were:
  - Israel spoke of peace but took more of the densely populated Strip's land for settlements: bulldozers were currently clearing newly confiscated land near Khan Younis. This was unacceptable on all grounds; but was made even more so when one considered that population density in Gaza was already approaching 2,000 a square kilometer, as against 140 a square kilometer in Israel.
  - The timescale for talks to bring about a peaceful solution was long; land confiscations should be halted immediately and not continue to prejudice the achievement of that solution. HMG should put pressure on the Israelis on this.
  - Gazans paid taxes to the Occupation authorities which were

The Prime Minister said that she felt a deep sympathy for the problems of the Palestinians in an occupied territory, & wanted to help improve their conditions as a prelude to an eventual settlement. Her (and she) apply one set of standards to her own people & lower standards to the people of the West Bank & Gaza. He had dismissed these problems at length in the past. He had said that there was no solution by which the occupied territories could be liberated.

He behaved as if he were a Jew in some sort of plantation in the West Bank. He behaved as if he were a Jew in some sort of plantation in the West Bank. He behaved as if he were a Jew in some sort of plantation in the West Bank.



not spent on development of the Strip.

- d) Financial aid was of little use to Gazans as long as the Occupation continued and they were not free to decide how it should be spent. *in practice - such aid added up by flowing back into the Israeli economy;*
- e) ~~The Strip's government hospitals were in an unacceptable condition.~~ *a high maintenance. There was no health education.*
- f) The authorities put unacceptable restrictions on exports of citrus and other produce.
- g) There was a one-way traffic in goods, with Israeli goods flooding the Gaza market but the Strip's own production banned from entering Israeli markets.
- h) 50,000 Gazans travelled to Israel every day to work; the Strip was Israel's Soweto.

Mr Abu Rahma and Mr Rayyes supported his description, adding examples of Israeli misconduct. In answer to the Prime Minister's questions, all three expressed their belief that the Gaza Strip could become economically viable after the Israeli occupation was ended, given Palestinian freedom to control their own affairs. ~~The Strip~~ <sup>Gaza</sup> had survived before 1967, principally as an entrepot centre and a citrus exporter, and would be able to manage again.

2. Mr Rayyes noted with appreciation the Prime Minister's comment in her speech the previous evening that economic rights were inseparable from political rights. The Prime Minister said that they were of course interlinked; but economic development was no substitute for political movement. Mr Rayyes believed that, although the Israelis told visiting VIPs that they were interested in improving the "quality of life" of Arab residents of the Territories, the actual facts pointed to the reverse. Meron Benvenisti, a prominent Israeli researcher, had just published a shocking report on conditions in the Strip. The facts it revealed would give every ~~freedom-lover~~ <sup>average</sup> pause for thought.

In answer to the Prime Minister's question about how the 50,000 Gazans who worked in Israel would fare upon Israeli withdrawal, Haj Rashad Shawwa said that a transitional period could be negotiated, during which the labour force could be gradually re-absorbed into the ~~Strip~~ <sup>Gaza</sup>, as its own economic activity developed. Mr Siniora said that, while the need for action to remedy the ills of the Gaza Strip could not be over-estimated, the fate of the Strip and the West Bank were closely tied together. <sup>A</sup> The future independent Palestinian state would need Gaza as its Mediterranean sea port.



/3.

DSR 11C

3. // Mr Siniora went on to say that Palestinians approved HMG's acceptance, as a signatory of the Venice Declaration, of their right to self-determination. However, they were realists. Hence their leadership's decision to build a bridge to peace through the Agreement with Jordan of 11 February 1985. A year of joint action had ended in failure. Palestinians in the Occupied Territories did not blame King Hussein himself for this: he had been misled by some of his advisers. The Prime Minister was urged to tell the King, when they next met, that people in the Occupied Territories wanted the Joint Agreement revived and the dialogue with their chosen leadership - the PLO - resumed. The Palestinians could not find a solution alone; but they could not work by proxy either. This had to be explained to the King, <sup>W</sup> and to Mr Peres and President Reagan as well.

4. // The Prime Minister referred to the problems of living with terrorism and instanced Northern Ireland and the IRA. Although IRA members had civil rights, it did not accept the use of the ballot box, but turned instead to intimidation, to persuade people to do what they did not want. There were numerous examples of terrorist outrages, which she personally could not tolerate. She would do anything possible to help achieve a solution to the Palestinian issue, but ~~this could not be attained by means of terrorism.~~ <sup>she would</sup> // Mr Siniora said that he and his colleagues admired the Prime Minister's courage, and indeed shared her views. He instanced Arafat's Cairo Declaration, and expressed the hope that the Palestinians' "legitimate armed struggle" could be ended for the duration of peace negotiations. The Palestinians were ready for peace; they were undoubtedly prepared to recognise Israel, but as a result of - not before - negotiations. They needed the Prime Minister's help to get together with the Israelis around the negotiating table.

5. // In answer to the Prime Minister's question, the Palestinians confirmed that they had been under great pressure to boycott the meeting, but had ignored it; she congratulated them on having resisted intimidation.

#### Dinner Session

6. // While sitting with the Prime Minister at dinner, Mr Siniora spoke on the same lines as earlier. Mr Natshe

/described



described at some length the growth of Israeli settlements in and around Hebron; the Israelis' treatment of the elected Mayor and Municipal Council; and restrictions on agriculture and industrial development in the Occupied Territories. He recounted the history of the (abortive) Hebron cement plant project and the insistence of Mr Rabin (the Israeli Defence Minister) and General Goren (the Coordinator for the Occupied Territories) that no economic venture would be approved which directly competed with Israeli producers.

As the discussion turned to the PLO's leadership of the Palestinians, the Prime Minister again referred to the need for the PLO to renounce terrorism. Mr Siniora countered that Arafat was a man of peace, whom he was sure would stop all "armed struggle" during negotiations. The Prime Minister said that Arafat was behind Force 17, which had been implicated in many <sup>vicious</sup> attacks. The Palestinians present did not deny this, but Mr Siniora said that the British had ultimately dealt with many statesmen with a terrorist past (eg Begin, Mugabe). Mr Rayyes was glad to see, from the text of her speech, that, despite the interpretations in the Israeli press, the Prime Minister had in fact said nothing about the creation of an "alternative leadership". Mr Siniora urged the Prime Minister to reactivate the idea of a joint delegation visit to London.

General Session

The Prime Minister began to sum up what she had learned from her Palestinian guests: Israeli discrimination against Palestinians in all fields, collective punishments, continuing land expropriation, continuing expansion of settlements, no free municipal elections, deteriorating public services, restrictions on economic and industrial development. Several Palestinians added other points: the failure of the Israeli authorities to spend in the Territories more than a small proportion of tax revenue derived from the Territories, imbalance in wages paid to Israeli and Arab workers, the operation of the security laws - which encouraged the maltreatment and even torture of those arrested, because of reliance on

// When talking subsequently to the Prime Minister noted subsequently to Haj Rashad Shamma & Elias Freij, he heard a rather rather different point of view. Both were at pains to say, out of the hearing of their colleagues, that they were not enamored of the PLO but believed a way forward could be found without UN. But they were singularly short of ideas as to how to make progress despite repeated attempts by the Prime Minister to draw them out.



confessions to obtain convictions - and the general difficulties of everyday life. Mr Abu Rahma described many of these practices as amounting to "a sort of terrorism". The Prime Minister asked how <sup>to what degree</sup> much of such resentment might have existed before the occupation. Mr Freij said that it had not; but others disagreed, indicating disapproval of certain Jordanian policies before 1967.

Mr Freij blamed the US Administration for failing to take advantage of Jordan's submission last summer of the names of 7 Palestinians nominated by the PLO as candidates for a dialogue with the US. If they were acceptable to King Hussein - and two were acceptable to Mr Peres (Mr Siniora and Mr Abu Rahma) - why should the US Administration have any problems over them? Mr Siniora said, to general agreement, that no Palestinian could work independently of the PLO leadership, because the people would not allow it. He added, in answer to the Prime Minister's questions, that some activity was possible behind the scenes, but that this required the green light from the PLO and the Israeli Government. He asked the Prime Minister how HMG and the Palestinians could help each other, and Mr Freij urged her to take a leading role in the search for a peace settlement. The Prime Minister said <sup>asked</sup> that she took it as read that the occupation was "hell"; but how could it be brought to an end? She was worried that no negotiations were under way: without them, no progress was possible. Her Palestinian interlocutors were for the PLO, while the Israelis were dead against it. So how could one proceed? Mr Siniora repeated that the channel was joint action between the PLO and Jordan. The Palestinians simply had to get back on terms with the Jordanians. They were willing to work with King Hussein through their leadership, with recognition of their right of self-determination, however that might be qualified in the context of the Amman Agreement. ~~The Prime Minister should be under no illusion about the strength of support for the PLO in the Territories: Zafer Al-Masri's funeral had in effect served as a national referendum demonstrating the PLO's primacy.~~  
 10. The Prime Minister said that she had taken note of all the points raised by her guests; would think about them carefully; and would see if there was not a way forward. She did not like the present vacuum, which only left room for terrorism to flourish. Mr Freij urged her to convince President Reagan that not all Palestinians were terrorists - a fact which

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 exist, to  
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 negotiations.

/was



was demonstrable from her conversations that evening.  
 12.1 Finally, the Prime Minister said that it would be useful to agree in broad terms what they would say to the press about the meeting. For her part, she would repeat what she had said in her speech-that no people should be denied rights the Israelis insisted on for themselves - and would add that the Palestinian guests had explained their deep feelings about the discrimination to which they were subject; their wish for self-determination and a peaceful and negotiated settlement; and their rejection and denunciation of terrorism. She would stress that she supported self-determination, rejected terrorism, and was anxious to find a way ahead. For their part, they would refer to their common position <sup>with</sup> the leadership of the PLO.

12.1 There was general agreement with the Prime Minister's proposition. The Palestinians concluded the meeting by thanking her warmly for sparing so much of her time to listening to their point of view; and Haj Rashad Shawwa handed over a Memorandum signed by seven of those present. The meeting ended at 10.50 pm.



cm





BRITISH CONSULATE-GENERAL  
JERUSALEM

C D Powell Esq  
10 Downing Street

29 May 1986

*GM*

*Dear Charles*

PRIME MINISTER'S MEETING WITH PALESTINIANS

1. As promised, I enclose a draft record of the discussions between the Prime Minister and our Palestinian guests at dinner on 26 May. It goes into a good deal more detail than I think your are wont to record. However, I thought it best to spell things out fairly fully for our purposes, as we found the fullish record we prepared of Sir Geoffrey Howe's meeting with Palestinians in October 1984 of particular value as a point of reference. It would of course be very understandable if you preferred to shortern the draft before giving it any circulation.
2. The draft includes all those points that Vic Henderson or I noted in the course of discussions at which the Prime Minister took part. There may be other points you or Ewen Fergusson might wish to add.

*Yours ever*

*Paddy*

P G de Courcy-Ireland

cc: E A J Fergusson Esq  
DUSS FCO



Yehuda Avner

CD

3075

29.5.86

Personal

Dear Charles,

I would appreciate  
it if you would hand the  
enclosed personal letter to the  
Prime Minister.

How you managed to maintain an  
air of groomed composure, even in the  
desert, I shall never know. It was  
good to be in your rather crowded  
company.

I had a chat with PM Peres on  
Tuesday evening and got from him the



general picture. He asked me to  
get the details from Nimrod Novik  
which I did, together with instructions  
on the PM's behalf. I believe I am  
substantially briefed, not least with  
regard to the sensitivities as they apply  
to here and there.

I can but imagine what your  
agenda is like upon your return to  
your desk. Having said this, I would  
appreciate a quiet chat as soon and  
whenever you can find the time.

Sincerely,

Jehuda



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From: E A J Fergusson

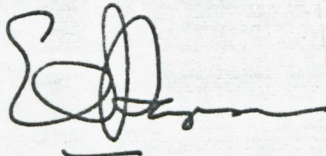
Date: 29 May 1986

Mr Nixon, NENAD, W 97

ISRAEL'S MEMBERSHIP OF THE EC(E)

1. As we were standing at Ben Gurion Airport before departure, the Israeli Ambassador said that he had been asked by Prime Minister Peres to raise the question of Israel's membership of the EC(E), which Mr Peres had not had time/had forgotten to do during his talks with Mrs Thatcher (see also Tel Aviv telegram No 205 of 16 May which foreshadowed an approach).

2. I replied on the lines of the brief but said that I should ensure that Mr Peres' views were passed on. We ought to give a low key reply, perhaps through Mr Squire via Mr Nimrod Novikh of Mr Peres' office, who with Mr Powell alone was present at the various Prime Ministerial talks.



E A J Fergusson

cc:  
Sir D Miers  
TRED  
Mr Powell, No 10

CONFIDENTIAL



GRS 150

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TELNO 205  
OF 161230Z MAY 86  
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*copy to Mr Ferguson  
Sir O Miers*

ISRAELI MEMBERSHIP OF ECE

*R + pa  
Israel / Int Orgs*

*AC 19 / 5*

1. THE DIRECTOR FOR UN AFFAIRS AT THE MFA SPOKE TO ME AT AN INDEPENDENCE DAY RECEPTION ABOUT THE ISRAELI WISH TO JOIN THE ECE. ELIASHIV REFERED TO HIS TALK WITH UKMIS GENEVA (DAVID MOSS7S MINUTE OF 24 APRIL). HE SAID THEY HAD BEEN PROMISED SUPPORT BY FRANCE, GERMANY, ITALY AS WELL AS THE U.S. AND THE SCANDINAVIANS. HE HOPED BRITAIN WOULD ALSO SUPPORT THEIR APPLICATION. IT WAS A MANIFEST INJUSTICE THAT THEY HAD BEEN EXCLUDED FROM THE WEST ASIA GROUP.
2. I SAID OUR CONCERN WAS TO SEE THE ECE CONTINUE ITS USEFUL WORK. WE DID NOT WANT IT DISRUPTED BY IRRELEVANT POLITICAL ARGUMENTS. SUBJECT TO THAT WE WERE FIRMLY IN FAVOUR OF UNIVERSALITY AND HAD SUPPORTED ISRAEL'S CANDIDATURES IN A WIDE RANGE OF UN BODIES AND INSTITUTIONS. THE ATTITUDE OF THE EAST EUROPEANS WOULD ALSO BE RELEVANT. OUR AUTHORITIES IN LONDON WERE AWARE OF THE ISRAELI INTEREST AND I UNDERTOOK TO REPORT HIS DEMARCHE.
3. ELIASHIV SAID IT MIGHT WELL BE RAISED BY THE ISRAELI SIDE DURING THE PRIME MINISTER' VISIT TO ISRAEL AT THE END OF THE MONTH.

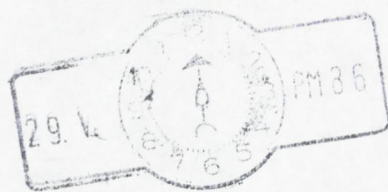
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TELNO 358

OF 291020Z MAY 86

INFO PRIORITY AMMAN, DAMASCUS, JERUSALEM, TEL AVIV

INFO PRIORITY UKMIS NEW YORK, WASHINGTON

MY TELNO 345: THE PRIME MINISTER'S VISIT TO ISRAEL:  
EGYPTIAN REACTIONS

SUMMARY

1. THE EGYPTIAN FOREIGN MINISTER, IN A BBC ARABIC SERVICE INTERVIEW WIDELY REPORTED IN TODAY'S EGYPTIAN PRESS, WELCOMES MRS THATCHER'S STATEMENTS IN ISRAEL ON THE PALESTINIAN RIGHT TO SELF-DETERMINATION BUT CRITICISES HER SUGGESTION THAT AN ALTERNATIVE LEADERSHIP MIGHT HAVE TO BE FOUND. SOME ADVERSE COMMENT IN THE EGYPTIAN PRESS.

DETAIL

2. THE EGYPTIAN PRESS TODAY REPORTS PROMINENTLY AN INTERVIEW GIVEN BY THE EGYPTIAN FOREIGN MINISTER TO THE BBC ARABIC SERVICE, COMMENTING ON THE PRIME MINISTER'S REMARKS IN ISRAEL ABOUT AN ALTERNATIVE PALESTINIAN LEADERSHIP. MAGID SAID THAT THE CHOICE OF LEADERS SHOULD BE LEFT TO THE PALESTINIANS ALONE AND THAT "NO OTHER PARTY HAD A RIGHT TO INTERFERE IN THE MATTER" (SEE MY TELNO 338 GIVING MAGID'S VIEWS ON THIS PRIOR TO THE PRIME MINISTER'S VISIT). HE REAFFIRMED THE EGYPTIAN COMMITMENT



MINISTER'S VISIT). HE REAFFIRMED THE EGYPTIAN COMMITMENT TO THE PLO, UNDER ARAFAT'S CHAIRMANSHIP, AS THE SOLE LEGITIMATE REPRESENTATIVE OF THE PALESTINIAN PEOPLE. MAGHD ADDED THAT THE EGYPTIAN GOVERNMENT'S VIEW WOULD BE MADE KNOWN WHEN FULL REPORTS OF MRS THATCHER'S STATEMENTS IN ISRAEL HAD BEEN RECEIVED (HE HAD IN FACT ALREADY SENT THE RELEVANT TRANSCRIPTS TO MAGHD'S OFFICE).

3. MAGHD THEN WENT ON TO DESCRIBE MRS THATCHER'S VISIT TO ISRAEL AS IMPORTANT AND USEFUL IN DEMONSTRATING BRITAIN'S COMMITMENT TO KEEPING THE PEACE PROCESS GOING. HE ALSO WELCOMED WHAT MRS THATCHER HAD SAID ABOUT THE RIGHT OF THE PALESTINIAN PEOPLE TO SELF-DETERMINATION, AND HER CALL FOR THE HOLDING OF LOCAL ELECTIONS AND THE IMPROVEMENT OF LIVING STANDARDS FOR THE PALESTINIANS.

4. SOME ADVERSE COMMENT HAS APPEARED IN THE PRESS HERE ON THE PRIME MINISTER'S SUGGESTION THAT THE PALESTINIANS MIGHT HAVE TO SEEK AN ALTERNATIVE LEADERSHIP. THE ENGLISH-LANGUAGE DAILY, THE EGYPTIAN GAZETTE, CRITICISED HER REMARKS ON THE SUBJECT AT A TIME WHEN THE OVERWHELMING MAJORITY OF PALESTINIANS INCLUDING THOSE SHE HAD SEEN IN JERUSALEM WERE SO FIRMLY BEHIND ARAFAT AND THE PLO.

URWICK

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TELEPHONE: 01-446 1477. TELEX: 21525.

As from: Lex House, 17 Connaught Place, London, W2 2EL.

28th May, 1986

The Rt Hon Margaret Thatcher, MP,  
10 Downing Street,  
London, SW1.

Dear Prime Minister

Your visit to Ashkelon was, as I am sure you realise, an enormous success. From your speech it was quite evident that you understood clearly the complex processes of urban renewal and particularly the crucially important human dimensions. We in the Joint Israel Appeal, representing British Jewry's efforts in Ashkelon, are immensely appreciative of your visit and your endorsement of our efforts. We know that the approach that we brought to Ashkelon - and the positive impact we achieved - was unique in terms of such efforts in Israel from the various Jewish communities abroad and feel that it was a very specific blend of British as well as Jewish values and attitudes that produced this success. Thank you very much indeed for your encouragement.

All of us who participated in your visit to Ashkelon will treasure the occasion in our memories. The many thousands of volunteers from Britain to Ashkelon and the many more thousands of contributors through our charity to our endeavours there will value your visit as an encouragement of their involvement.

Yours sincerely

Trevor Chinn

R30/5  
Prime Minister  
CDP  
2/6



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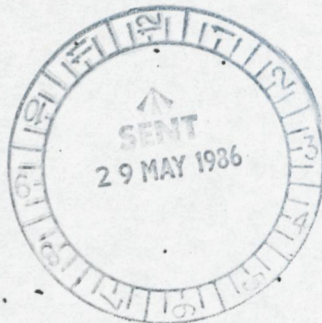
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TO IMMEDIATE FCO

TELNO 135

OF 281300Z MAY 86

INFO PRIORITY WASHINGTON, UKMIS NEW YORK

INFO PRIORITY OTHER MIDDLE EAST POSTS, EC POSTS

NY TELNO 132: PRIME MINISTER'S VISIT: OCCUPIED TERRITORIES

SUMMARY

1. INITIAL ARABIC PRESS COVERAGE NOT UNFAVOURABLE. BUT TODAY'S EDITIONS FOCUS ON PRIME MINISTER'S REMARKS AT HER PRESS CONFERENCE ON PALESTINIAN REPRESENTATION, INTERPRETING THEM AS A CALL FOR AN ALTERNATIVE LEADERSHIP TO THE PLO IN THE TERRITORIES. VIGOROUS DENUNCIATION OF SUCH AN APPROACH.

X

DETAIL

2. PUBLIC REACTION HAS SO FAR BEEN LARGELY CONFINED TO PRESS COVERAGE AND EDITORIAL COMMENT. MRS THATCHER'S MEETING WITH PALESTINIANS ON 26 MAY RECEIVED PROMINENT COVERAGE IN THE ARABIC PRESS YESTERDAY. THE PRO-ARAFAT AL-QUDS AND AL-FAJR PRINTED THE FULL TEXT OF THE MEMORANDUM SUBMITTED AT THE END OF THE MEETING, NOTING THAT MAYOR FREIJ HAD REFUSED TO SIGN IT. BRIEF STATEMENTS BY SOME OF THE PARTICIPANTS GAVE A FAVOURABLE ACCOUNT OF THE MEETING. AL-FAJR REPORTED THAT THE PRIME MINISTER HAD EXPRESSED UNDERSTANDING OF THE 'CATASTROPHIC' SITUATION IN WHICH PALESTINIANS WERE LIVING AND STRESSED THE NEED TO REVIVE THE PEACE PROCESS. THE REJECTIONIST AL MITHAQ VILIFIED THOSE ATTENDING.

3. DESPITE HAVING RECEIVED FROM US A FULL TEXT OF THE PRIME MINISTER'S SPEECH OF 25 MAY (WITH ARABIC TRANSLATION OF RELEVANT EXTRACTS )

We need to counter X. You only mentioned an alternative leadership in a context in which the PLO refused to renounce violence  
occup  
242.



THE RADICAL ASH-SHAAB CHOSE TO QUOTE SELECTIVELY ISRAELI PRESS GLOSSES ON IT DRAWING THE CONCLUSION THAT SHE WAS ENCOURAGING CREATION OF AN ALTERNATIVE PALESTINIAN LEADERSHIP IN THE TERRITORIES. AL-QUDS ALSO INSISTED ON MISINTERPRETING THE SPEECH, SEEING HMG'S ATTITUDE AS A CARBON COPY OF THE US'S. AL-FAJR'S EDITORIAL, HOWEVER, COMMENTED FAVOURABLY AND POSITIVELY, HIGHLIGHTING THE PRIME MINISTER'S REFERENCES TO ECONOMIC DEVELOPMENT NOT BEING A SUBSTITUTE FOR A POLICY OF PEACE.

4. PRESS COVERAGE AND COMMENT TODAY IS UNFAVOURABLE. ALL LEAD STORIES REPORT MRS THATCHER AS HAVING CALLED AT HER PRESS CONFERENCE FOR THE CREATION OF AN ALTERNATIVE LEADERSHIP IN THE TERRITORIES. THEY INTERPRET HER REMARKS AS FAVOURING MUNICIPAL ELECTIONS IN THE TERRITORIES AS A MEANS OF ENCOURAGING THE EMERGENCE OF A NEW PALESTINIAN LEADERSHIP, WITH WHICH ISRAEL AND JORDAN COULD WORK TO ACTIVATE THE PEACE PROCESS. AL-QUDS ALSO REPORTS HER AS HAVING TOLD JOURNALISTS ON THE RETURN JOURNEY TO LONDON THAT OPTIONS FOR PROGRESS INCLUDED ELECTIONS ON THE WEST BANK FOR THE JORDANIAN PARLIAMENT: THOSE ELECTED WOULD SURELY REPRESENT THE OPINIONS OF PEOPLE IN THE WEST BANK. IN EDITORIAL COMMENT AL-QUDS SAYS THAT THE PRIME MINISTER'S

POSITION WAS UNCLEAR UNTIL HER PRESS CONFERENCE. BRITAIN HAD NOW DELIVERED ANOTHER BLOW TO THE PALESTINIANS, WHO WERE BEING TREATED AS A 'COMMUNITY' (JALHYAH), RATHER THAN A PEOPLE WITH FULL NATIONAL RIGHTS. FURTHERMORE, SHE HAD REFERRED TO A 'FEDERATION' WITH JORDAN, RATHER THAN THE 'CONFEDERATION' CALLED FOR IN THE AMMAN AGREEMENT OF 11 FEBRUARY 1995. SHE HAD LAUNCHED YET ANOTHER INITIATIVE WHICH TOOK NO ACCOUNT OF THE PALESTINIANS' MINIMUM ASPIRATIONS.

5. ASH-SHAAB HEADS ITS EDITORIAL 'THE THATCHER DECLARATION' (IT USES THE SAME ARABIC WORD AS FOR THE BALFOUR DECLARATION), SAYING THAT MRS THATCHER HAD MADE VERY CLEAR HER GOVERNMENT'S 'HOSTILE ATTITUDE' TO THE PALESTINIANS. SHE HAD DECLARED WAR ON THE PLO IN THE SAME WAY AS THE US. BRITAIN NOW WANTED TO BYPASS THE PLO AND PURSUE THE JORDANIAN OPTION. PICKING UP THE REFERENCE TO 'FEDERATION', IT SAID THAT MRS THATCHER WANTED JORDAN TO TAKE OVER THE WEST BANK ONCE AGAIN.

6. AL-FAJR PRUDENTLY CHOSE A DIFFERENT SUBJECT FOR COMMENT - SINIORA TOLD US LAST NIGHT THAT HE WAS WORRIED BY WHAT HE HAD HEARD ABOUT MRS THATCHER'S PRESS CONFERENCE AND WISHED TO SEE A FULL TRANSCRIPT BEFORE CONSIDERING PUBLIC COMMENT.

7. OTHER PUBLIC REACTION INCLUDED A RALLY AT AN-NAJAH UNIVERSITY IN NABLUS, ORGANISED BY THE FEDERATION OF STUDENTS' COUNCILS IN THE TERRITORIES (MOST OF WHICH ARE CONTROLLED BY FATAH), WHICH CONDEMNED THE PRIME MINISTER'S VISIT TO ISRAEL, THE PALESTINIANS WHO HAD MET HER, AND 'ATTEMPTS TO CREATE AN ALTERNATIVE LEADERSHIP'. A RALLY AT HEBRON POLYTECHNIC, CALLED TO PROTEST THE JORDANIAN AUTHORITIES' ACTIONS AGAINST YARMOUK UNIVERSITY STUDENTS, ALSO DENOUNCED THE PRIME MINISTER ON SIMILAR LINES.



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Please see page 3.

PRIME MINISTER'S MEETING WITH PALESTINIANS

SUMMARY

1. IN THE FACE OF RADICAL OPPOSITION, 8 LEADING PALESTINIANS FROM THE OCCUPIED TERRITORIES MET THE PRIME MINISTER ON 26 MAY. UNANIMOUS COMMITMENT TO A PEACEFUL SETTLEMENT AND REJECTION OF TERRORISM. UNANIMOUS SUPPORT FOR ARAFAT, AND FOR REVIVAL OF THE JOINT JORDANIAN / PALESTINIAN ACCORD. ALL GREATLY APPRECIATED THE OPPORTUNITY TO MEET MRS THATCHER, AND HER COMPREHENSION OF THEIR CONCERNS. THE BASIC OBJECTIVES OF THE MEETING ACHIEVED.

DETAIL

2. THE PRIME MINISTER MET 8 LEADING PALESTINIANS FROM ONE OCCUPIED TERRITORIES OVER DINNER AT MY HOUSE ON 26 MAY. THEY WERE:

1. HAJ RASHAD SHAWWA (DEPOSED MAYOR OF GAZA)
2. ELIAS FREIJ (MAYOR OF BETHLEHEM)
3. HIZAT AL ALLOUL (ACTING MAYOR OF NABLUS)
4. MUSTAFA NATSHE (DEPOSED ACTING MAYOR OF HEBRON)
5. HANNA SINIORA (EDITOR OF AL-FAJR, EAST JERUSALEM)
6. FAYEZ ABU RAHMA (GAZA LAWYER)



5. HANNA SHNIORA (EDITOR OF AL-FAJR, EAST JERUSALEM)

6. FAYEZ ABU RAHMA (GAZA LAWYER)

7. ZUHAIR AL-RAYYES (GAZA LAWYER)

8. BASHIL KAN'AAN (NABLUS BUSINESSMAN)

OTHERS INITIALLY INVITED, BUT UNABLE TO ATTEND WERE:

HIKMAT AL-MASRI (DEPUTY SPEAKER OF THE JORDAN SENATE AND GRAND OLD MAN OF WEST BANK POLITICS)

HAFEZ TOUQAN (MAYOR OF NABLUS SINCE THE ASSASSINATION OF HIKMAT'S YOUNGER BROTHER ZAFER AL-MASRI) AND

DR GABI BARAMKI (ACTING PRESIDENT OF BEIR ZEIT UNIVERSITY)

3. THERE WAS DOUBT UNTIL ALMOST THE LAST MINUTE WHETHER ALL THE GUESTS WOULD ATTEND. THERE WERE 2 PROBLEMS: THE INITIAL INSISTENCE OF THE MODERATE SUPPORTERS OF ARAFAT (NOS 4 - 7 ABOVE) THAT ALL THOSE INVITED SHOULD SIGN A MEMORANDUM FOR PRESENTATION TO THE PRIME MINISTER: AND AN INCREASINGLY ENERGETIC CAMPAIGN BY RADICAL ARAFAT SUPPORTERS (LED BY ASH-SHAAB NEWSPAPER) AND THE REJECTIONISTS, FOR A TOTAL BOYCOTT. SHAWWA EVENTUALLY DECIDED TO SIGN, BUT FREIJ'S CONSISTENT REFUSAL WAS IN THE END RESPECTED. ALL REFUSED TO BOW TO THE CAMPAIGN OF INTIMIDATION, WHICH INCLUDED STRONG REPRESENTATIONS AT A COORDINATION MEETING HELD IMMEDIATELY BEFORE THE DINNER. NATSHE WAS THE SPOKESMAN OF THE GUESTS. HE SAID THAT KHALIL AL WAZIR (ABU JIHAD) HAD PERSONALLY CONFIRMED TO HIM IN AMMAN 10 DAYS EARLIER THAT THE PLO LEADERSHIP APPROVED THE IDEA OF A MEETING WITH THE PRIME MINISTER (PROVIDED THAT A SUITABLE MEMORANDUM WAS SUBMITTED): THOSE WHO WERE NOW DEMANDING A BOYCOTT SEEMED TO BE SEEKING TO SET THEMSELVES UP IN THE OCCUPIED TERRITORIES AS AN 'ALTERNATIVE' TO THE LEGITIMATE LEADERSHIP.

4. THE MEETING LASTED NEARLY 2 1/2 HOURS. THE PALESTINIANS DESCRIBED THE DIFFICULTIES OF LIFE UNDER OCCUPATION IN SOME DETAIL. FULL REPORT BY EAG. THE MOST SIGNIFICANT POINTS WERE:

A) REJECTION OF TERRORISM BY ALL PRESENT

B) THEIR UNANIMOUS COMMITMENT TO A PEACEFUL SETTLEMENT

C) THEIR UNANIMOUS SUPPORT FOR THE PLO UNDER ARAFAT

D) MRS THATCHER SHOULD TELL KING HUSSEIN THAT PEOPLE IN THE TERRITORIES WANTED THE AMMAN AGREEMENT REVIVED AND THE DIALOGUE BETWEEN JORDAN AND THE 'CHOSEZ LEADERSHIP' OF THE PLO RESUMED

E) ISRAEL SHOULD STOP LAND EXPROPRIATION, SETTLEMENTS ETC, AND GRANT THE TERRITORIES DEMOCRATIC RIGHTS (FREE MUNICIPAL ELECTIONS ETC) AND FREEDOM OF ECONOMIC AND INDUSTRIAL DEVELOPMENT

5. A MEMORANDUM WAS HANDED OVER (BY SHAWWA) AT THE VERY END OF THE MEETING (TEXT SENT TO NENAD). IT CONTAINED CRITICISM (IN MILD TERMS) OF BRITISH SUPPORT FOR THE US ATTACK ON LIBYA, WHICH WAS NOT MEN-



OF BRITISH SUPPORT FOR THE US ATTACK ON LIBYA, WHICH WAS NOT MENTIONED AT ANY POINT IN THE MEETING. IT WAS CLEARLY INTENDED TO BE POSITIVE AND CONSTRUCTIVE IN TONE AND APPROACH - AND IN THIS RESPECT, GOT MUCH CLOSER TO ITS OBJECTIVE THAN ANY SIMILAR EFFORT SEEN HERE IN RECENT YEARS.

6. I SAW FRENJ, SHIMIORA, NATSHE AND RAYYES AT A DINNER LAST NIGHT. AT THE PERSONAL LEVEL, THE MEETING WAS CLEARLY A RESOUNDING SUCCESS. THEY HAD ALL FELT HONOURED THAT A STATESMAN OF THE PRIME MINISTER'S STANDING HAD BEEN PREPARED TO DEVOTE SO MUCH TIME TO LISTENING TO PALESTINIANS WHILE ON AN OFFICIAL VISIT TO ISRAEL. --, ~~THE~~ ~~HE~~ SHOWED SUCH ATTENTION TO AND COMPREHENSION OF THEIR CONCERNS. POLITICALLY, THEY REGARDED THE FIRST EVER MEETING OF THE HEAD OF A MAJOR WESTERN GOVERNMENT WITH A REPRESENTATIVE GROUP OF PALESTINIANS AS A VERY SIGNIFICANT DEVELOPMENT, IN DEMONSTRATING THAT THE PALESTINIANS CASE HAD A RIGHT TO BE HEARD. THEY HOPED THAT IT WOULD LEAD TO POSITIVE RESULTS IN DUE COURSE, BY HELPING TO REACTIVATE THE PEACE PROCESS. BUT THEY RECOGNISED CHANGE COULD NOT COME OVERNIGHT.

7. MY TELNO 135 DESCRIBES PUBLIC REACTIONS TO THE MEETING, AND TOO THE PRIME MINISTER'S PRESS CONFERENCE. ALTHOUGH THESE DETRACT FROM THE INITIAL FAVOURABLE IMPACT OF THE MEETING, I REGARD IT AS HAVING SUCCESSFULLY ACHIEVED ITS BASIC OBJECTIVES.

DE COURCY-IRELAND

THE MEETING WAS A SUCCESS AT THE PERSONAL LEVEL. THE PRIME MINISTER SHOWED SUCH ATTENTION TO AND COMPREHENSION OF THEIR CONCERNS. POLITICALLY, THEY REGARDED THE FIRST EVER MEETING OF THE HEAD OF A MAJOR WESTERN GOVERNMENT WITH A REPRESENTATIVE GROUP OF PALESTINIANS AS A VERY SIGNIFICANT DEVELOPMENT, IN DEMONSTRATING THAT THE PALESTINIANS CASE HAD A RIGHT TO BE HEARD. THEY HOPED THAT IT WOULD LEAD TO POSITIVE RESULTS IN DUE COURSE, BY HELPING TO REACTIVATE THE PEACE PROCESS. BUT THEY RECOGNISED CHANGE COULD NOT COME OVERNIGHT.

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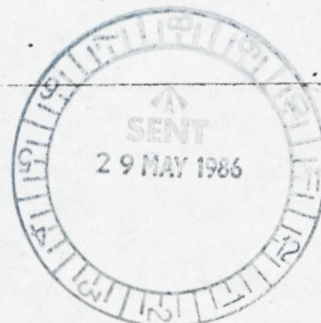
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(WASHINGTON FOR SECRETARY OF STATE'S PARTY)

PRIME MINISTER'S VISIT: PALESTINIAN REACTIONS

1. THE EGYPTIAN CHARGE CALLED ON 28 MAY AND I BRIEFED HIM ON THE LINES OF MRS THATCHER'S PRESS CONFERENCE IN JERUSALEM (27 MAY).
2. I ASKED BASSHOUNY WHAT REACTIONS HE HAD HAD FROM THE ARAB SIDE TO THE PRIME MINISTER'S MEETING WITH PALESTINIANS IN JERUSALEM ON MAY 26: I HAD SEEN PRESS REPORTS OF CRITICAL PLO COMMENTS OUT OF TUNIS. BASSHOUNY SAID THE PALESTINIAN GUESTS HAD BEEN IN TOUCH WITH HIM INDIVIDUALLY AFTER THE MEETING AND THE CONSENSUS WAS THIS WAS THE BEST MEETING WITH A VISITING POLITICIAN SINCE 1967. BOTH SHAWWA AND FREIJ HAD SAID THE EVENING HAD BEEN EXCELLENT, BUT EQUALLY THE PRO-PLO PEOPLE LIKE SIMLORA AND ABU RAHMA HAD BEEN VERY POSITIVE INDEED.
3. I REPORT THESE EGYPTIAN COMMENTS AS A CROSS-CHECK ON WHAT THE PALESTINIANS ARE SAYING TO US, WHICH HMCG IS REPORTING SEPARATELY.

SQUIRE



*Peres at all  
the M - 2 f.u  
ep*

DRAFT TELEGRAM

PRIME MINISTER'S VISIT TO ISRAEL: MEETINGS WITH MR. PERES

The Prime Minister had some four hours of discussions with Mr. Peres as well as a number of incidental conversations while they were travelling around Israel. Mr. Peres asked that the more sensitive aspects of the talks should not be reported more widely. The following summarises the main points which emerged from the various discussions. It should be regarded as for your information only and no direct reference should be made to it in dealings with other governments without specific instructions. The Prime Minister is likely to send messages about her talks to the principal Arab Heads of Government concerned.

EGYPT

Mr. Peres said that the Egyptian leadership realised that there was no alternative to the peace treaty with Israel. At the same time the Egyptians wanted to be accepted again by the Arab world and to achieve something on behalf of the Palestinians. This made them difficult to deal with. The most worrying aspect of the Egyptian situation was the "unbelievably serious" state of the economy and the consequences of this for Mubarak's position. Mubarak was an honourable man and committed to peace, although he tended to dither. Israel preferred him to any alternative Egyptian leader and wanted to help him. Mubarak's immediate aim was to achieve reconciliation between King Hussein and Arafat. But he did not appear to have any very detailed or well thought out ideas for achieving this.

On Taba, Judge Sofer, State Department Legal Adviser, had been conducting a mediation effort which looked promising and might succeed in clearing the way for arbitration. The main difficulty was how to formulate the question which would form the basis of arbitration. If progress could be made on Taba, the way would be open for an Egyptian/Israeli summit and for



Egypt to resume a more central role in Arab/Israel affairs.

GAZA

Peres spoke at some length about his ideas on Gaza. In the absence of any wider peace initiative, he saw advantage in pursuing separate discussions on Gaza. But he did not wish to appear to be making a deliberate effort to divide the Palestinians. Israel would be ready for negotiations with a joint Jordanian/Egyptian delegation with or without Gaza representatives to discuss Gaza's future. Considerable progress could be made towards solving the practical problems of Gaza (water supplies, energy, land and industrial development). There was scope for Egypt to take a hand in Gaza's economic development and for Jordan to build up a political stake in Gaza, initially by issuing Jordanian passports to the inhabitants. He was reluctant to make specific proposals for Gaza's future status, since anything suggested by Israel would automatically be rejected by the Arabs. But he appeared to envisage full autonomy. He knew that King Hussein had reservations about tackling the problem of Gaza separately from the West Bank. But Israel did not want to lose the King's confidence and was prepared to guarantee that no steps would be taken without the King's specific consent. He hoped that the Prime Minister would be prepared to sound out the King of this approach.

JORDAN

Peres made clear that Israel was ready to help King Hussein re-establish his position on the West Bank and develop an alternative Palestinian leadership, although the Jordanian Government itself seemed to be doing little to this end. Israel would also be prepared to implement promptly a number of points for action proposed by the Jordanians: nomination of further Mayors, enlargement of municipal boundaries, establishment of an Arab Bank, doubling of family reunifications, establishment of an industrial committee or Chamber of Commerce for the West Bank as a whole, nomination



of Jordanian candidates as Chancellors of the West Bank Universities and a solution of the problems of the Arab Electricity Company in Jerusalem. As regards elections, the Israeli experience of such elections on the West Bank in 1976 was not a happy one. A more productive way forward would be to hold elections for West Bank representatives to the Jordanian Parliament. Those elected might be regarded as valid representatives of the Palestinians in any future negotiations. The difficulty for Israel was that there seemed to be no effective point of contact on the Jordanian side with whom Israel could discuss practical steps on the West Bank. Indeed, there was a considerable reluctance to get involved. Israel was having to do all the work.

Peres made clear that Israel was not in favour of establishing a special United Nations representative on the West Bank to co-ordinate the work of the various UN agencies there. He clearly did not expect King Hussein to press this.

Peres also referred in general terms to the idea of direct, confidential talks with the Jordanians as a means of overcoming King Hussein's "shyness" about negotiations with Israel. He continued to believe that these offered the best way forward. But they could not be entirely secret. The King had to recognise the need for something to feed the hopes of the Israeli people.

#### SYRIA

Peres thought that the danger of a confrontation between Syria and Israel had receded. Syria was the main casualty of the US action against Libya. Assad now realised the consequences of support for terrorism. He had seen the shortcomings of Soviet military equipment and witnessed the Soviet Union's failure to respond in any way to the action against Libya. He also faced grave economic problems. The effect was to increase Assad's awareness of the risks of confrontation with Israel. Peres made clear that he was not expecting such a confrontation.



There had been recent feelers from Syria about security arrangements in Lebanon. If Israel could be satisfied that a viable authority could be established in Southern Lebanon to prevent attacks across the border, she would be ready to begin withdrawal of remaining Israeli forces from South Lebanon.

In response to the Prime Minister's remarks about the need to deploy UNIFIL up to the Libyan/Israeli border, Peres left little doubt that his preference was to reach some direct arrangement with the Syrians and Lebanese.

#### MARSHALL PLAN

Peres spoke at some length about his ideas for a Middle East economic development programme and handed over a further and more detailed paper. He accepted that economic development could not be a substitute for a political solution. The two should be pursued in parallel. Both Egypt and Syria were clearly interested in the Israeli ideas. The Americans were in favour of the proposals but wanted the Europeans to take a lead in pursuing them. The immediate step needed was for governments to appoint special representatives, who might meet in a working group, to discuss the proposals. The Prime Minister made no commitment on this.

#### ANGLO-ISRAEL RESEARCH FOUNDATION

Peres accepted an invitation to send a delegation of Israeli scientists, headed by the Minister of Science for talks with Government and scientists in the United Kingdom, with the aim of identifying possible areas of collaboration. Since it was evident that HMG would find it difficult to find public funds for a joint research foundation, it might be more profitable to think in terms of a joint committee, bringing together representatives of government, industry and the academic world, to identify projects in pure research on which the two countries could work together. This would require only very limited funds.

No other bilateral issues were raised.

27.5.86



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FOLLOWING STRICTLY PERSONEL FOR PRIVATE SECRETARY FROM  
CHARLES POWELL, PRIVATE SECRETARY TO THE PRIME MINISTER

PRIME MINISTER'S VISIT TO ISRAEL: TALK WITH MR PERES

THE PRIME MINISTER HAD A TALK LASTING SOME 2 1/2 HOURS WITH  
MR PERES YESTERDAY AFTERNOON WITH ONLY NOTETAKERS PRESENT.  
PERES REVEALED A GREAT DEAL OF HIS THINKING ABOUT THE CURRENT  
MIDDLE EAST SITUATION IN STRICT CONFIDENCE AND ON THE EXPLICIT  
CONDITION THAT THE PRIME MINISTER SHOULD NOT PASS IT ON. HIS REMARKS  
INCLUDED A NUMBER OF SENSITIVE DETAILS. WHAT FOLLOWS IS A SUMMARY  
OF THE MAIN POINTS FOR THE SECRETARY OF STATE'S PERSONAL  
INFORMATION. THE PRIME MINISTER IS ADAMANT THAT IT SHOULD NOT BE  
CIRCULATED TO POSTS OR WITHIN THE FOREIGN OFFICE. SHE HOPES  
THAT THE FOREIGN SECRETARY WILL HAVE A FULL DISCUSSION WITH  
SECRETARY SHULTZ OF THE MIDDLE EAST SITUATION. BUT WOULD  
BE GRATEFUL IF HE WOULD AVOID DIRECT REFERENCE TO PERES' REMARKS  
TO HER.

EGYPT

PERES EXPRESSED CONSIDERABLE CONCERN ABOUT THE "UNBELIEVABLY  
SERIOUS" ECONOMIC PROBLEMS OF EGYPT AND THE CONSEQUENCES FOR  
MUBARAK. ON TABA HE GAVE AN ACCOUNT OF THE MEDIATION EFFORTS BEING  
MADE BY JUDGE SOFER WHICH HE THOUGHT MIGHT SUCCEED VERY SHORTLY IN  
CLEARING THE WAY FOR ARBITRATION. IF PROGRESS COULD BE MADE ON TABA,  
THIS WOULD OPEN THE WAY FOR EGYPT TO RESUME PLAYING A MORE CENTRAL  
ROLE IN ARAB/ISRAEL AFFAIRS. MUBARAK WANTED TO BRING ABOUT A  
RECONCILIATION BETWEEN KING HUSSEIN AND ARAFAT BUT DID NOT SEEM  
TO HAVE ANY SPECIFIC IDEAS FOR ACHIEVING THIS.

SECRET DEDIP



2. GAZA

PERES SPOKE AT SOME LENGTH ABOUT HIS IDEAS ON GAZA.

HE WAS CERTAIN THAT THE EGYPTIANS HAD NO POLITICAL INTEREST IN GAZA.

AS FAR AS THEY WERE ACTIVE, IT WAS ONLY TO IMPRESS THE PALESTINIANS.

HE SAW THE WAY FORWARD AS LYING IN A THREE-FOLD APPROACH: JOINT EGYPTIAN/JORDANIAN PARTICIPATION IN ECONOMIC PROJECTS IN GAZA

SEMI-COLON A JORDANIAN POLITICAL STAKE, TO BE ESTABLISHED

INITIALLY BY JORDAN ISSUING JORDANIAN PASSPORTS TO THE INHABITANTS OF GAZA SEMI-COLON AND ISRAEL GRANTING FULL AUTONOMY. ISRAEL WOULD

BE READY TO HOLD A CONFERENCE WITH JORDAN AND EGYPT AND

REPRESENTATIVES FROM GAZA TO DISCUSS THIS APPROACH. HE RECOGNISED THAT KING HUSSEIN HAD SOME RESERVATIONS ABOUT THIS.

BUT HE BELIEVED THAT IF THE KING COULD BE CONVINCED THAT NO STEPS WOULD BE TAKEN WITHOUT HIS SPECIFIC CONSENT, THESE MISGIVINGS COULD BE OVERCOME. THE UNITED STATES WAS ENTHUSIASTIC AND SHULTZ WAS READY TO VISIT THE AREA IF PROGRESS COULD BE MADE.

## JORDAN

PERES SAID THAT ISRAEL WAS READY TO HELP KING HUSSEIN RE-ESTABLISH HIS INFLUENCE ON THE WEST BANK AND WOULD BE PREPARED TO IMPLEMENT A NUMBER OF POINTS PUT BY THE JORDANIANS SEMI-COLON NOMINATION OF FURTHER MAYORS SEMI-COLON ENLARGEMENT OF MUNICIPAL BOUNDARIES SEMI-COLON ESTABLISHMENT OF AN ARAB BANK SEMI-COLON DOUBLING OF FAMILY REUNIFICATIONS. ISRAEL WOULD ALSO BE READY TO SEE ELECTIONS TO THE JORDANIAN PARLIAMENT FROM THE WEST BANK. THE PROBLEM WAS, THERE SEEMED TO BE AN ABSENCE OF ANY STRONG POLICY LINE ON THE JORDANIAN SIDE. ISRAEL WAS HAVING TO DO ALL THE WORK. PERES SAID THAT HE DID NOT SEE MUCH FUTURE IN THE IDEA OF A UN REPRESENTATIVE ON THE WEST BANK AND DID NOT BELIEVE THAT THE KING ATTACHED MUCH IMPORTANCE TO THIS.

PERES CONTINUED THAT KING HUSSEIN WAS WORRIED ABOUT THE CONTINUING IRAN/IRAQ CONFLICT AND THE RISK OF IRANIAN ACTION AGAINST AQABA. ISRAEL WAS READY TO PROVIDE A GUARANTEE THAT IT WOULD NOT TAKE ADVANTAGE OF THE SITUATION TO LAUNCH ANY ATTACK AGAINST JORDAN. THE KING NEED NOT KEEP A SINGLE SOLDIER ON THE JORDAN/ISRAEL BORDER. AT THE SAME TIME SOME MEANS HAD TO BE FOUND TO OVERCOME THE KING'S "SHYNESS" ABOUT NEGOTIATIONS. HE CONTINUED TO HOPE THEREFORE THAT A WAY COULD BE FOUND TO PERSUADE THE KING TO AGREE TO LOW PROFILE, LOW LEVEL CONFIDENTIAL MEETINGS WITH THE ISRAELI GOVERNMENT IN THE UNITED STATES OR THE UNITED KINGDOM. HE HAD THE IMPRESSION THAT THE KING'S MIND WAS NO LONGER CLOSED ON THIS. HE HOPED THAT THE PRIME MINISTER WOULD BE READY TO HELP PERSUADE HIM.



## SYRIA

PERES THOUGHT SYRIA WAS THE MAIN CASUALTY OF THE UNITED STATES' ACTION ON LIBYA. THE DANGER OF A WAR BETWEEN SYRIA AND ISRAEL WAS NOW MUCH LESS THAN BEFORE. ASAD REALISED THAT HE COULD NOT GET AWAY WITH SUPPORT FOR TERRORISM. HE HAD SEEN THE SHORTCOMINGS OF SOVIET EQUIPMENT AND WITNESSED THE SOVIET UNION'S FAILURE TO RESPOND IN ANY WAY TO THE ACTION AGAINST LIBYA. HE ALSO FACED GRAVE ECONOMIC PROBLEMS. ALL THESE FACTORS SEEM LIKELY TO MAKE SYRIA RATHER MORE OPEN TO SOME SORT OF PARTIAL AGREEMENT.

MURPHY HAD MADE AN UNANNOUNCED VISIT TO SYRIA RECENTLY IN WHICH HE HAD DETECTED SOME READINESS TO DISCUSS SECURITY ARRANGEMENTS IN LEBANON WITH ISRAEL. HE HOPED TO PURSUE THIS FURTHER THROUGH THE AMERICANS.

## SOVIET ROLE

PERES DESCRIBED THE RUSSIANS AS BEING MORE ACTIVE BUT LESS MILITANT IN THE MIDDLE EAST IN RECENT MONTHS. THEY SUPPORTED SYRIA'S ROLE IN LEBANON, BUT DID NOT WANT WAR BETWEEN SYRIA AND ISRAEL.

## MARSHALL PLAN

PERES SPOKE ABOUT HIS IDEAS ON FAMILIAR LINES. HIS MAIN REQUEST WAS THAT THE PRIME MINISTER SHOULD APPOINT SOMEONE, PERHAPS OUTSIDE GOVERNMENT, TO TAKE PART IN FURTHER DISCUSSIONS ABOUT IT. HE RECOGNISED THAT HIS PLAN HAD TO BE PUT ALONGSIDE THE STRATEGY FOR PEACE, NOT BE A SUBSTITUTE FOR IT. HE DESCRIBED THE AMERICANS AS SUPPORTIVE BUT WANTING THE EUROPEANS TO TAKE THE LEADING ROLE.

## IRAN/IRAQ

PERES SAID THAT HE DID NOT EXPECT ANY DECISION TO BE REACHED ON THE BATTLE FRONT. THE END WOULD ONLY COME WHEN ONE SIDE OR THE OTHER TIRED. THE SOVIET UNION HAD ATTEMPTED TO BRING SYRIA AND IRAQ TOGETHER AS A STEP TOWARDS ENDING THE CONFLICT BY ORGANIZING A MEETING BETWEEN THEIR FOREIGN MINISTERS IN MOSCOW. BUT THE MEETING HAD PRODUCED NO RESULT.



## 4. UNITED STATES' ROLE

PERES AGREED THAT THE UNITED STATES WAS PREOCCUPIED WITH OTHER PROBLEMS AND HAD NOT GIVEN HIGH PRIORITY TO THE MIDDLE EAST. HOWEVER HE APPEARED TO BELIEVE THAT THIS WOULD CHANGE IF HIS IDEAS FOR THE HANDLING OF GAZA COULD BE BROUGHT NEARER TO FRUITION. HE MENTIONED IN VERY STRICT CONFIDENCE THAT SHULTZ WAS CONSIDERING A VISIT TO THE AREA IN THE WEEK 15/22 JUNE. PERES ALSO FLOATED THE IDEA THAT THE ECONOMIC SUMMIT SEVEN MIGHT PROVIDE A FRAMEWORK FOR DISCUSSION OF A MIDDLE EAST PEACE SETTLEMENT. THEY WERE STRONGER THAN THE UNITED NATIONS AND LESS WOOLLY THAN THE EUROPEAN COMMUNITY.

I WILL DO A BOWDLERIZED VERSION FOR WIDER CIRCULATION AS SOON AS POSSIBLE.

DE COURCY-IRELAND



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[TEXT]

Strictly Personal

Following for Private Secretary from Charles Powell,  
Private Secretary to the Prime Minister

PRIME MINISTER'S VISIT TO ISRAEL: TALK WITH MR PERES

The Prime Minister had a talk lasting some 2½ hours  
with Mr Peres yesterday afternoon with only notetakers  
present. Peres revealed a great deal of his thinking

about the current Middle East situation in strict  
confidence and on the explicit condition that the  
Prime Minister should not pass it on. His remarks  
included a number of very sensitive details. What  
follows is a summary of the main points for the

Secretary of State's personal information. The she  
Prime Minister hopes that the Foreign Secretary will  
have a full discussion with Secretary Shultz of the  
Middle East situation, ~~informed by but not being~~  
~~explicit as to what Peres said to her.~~ but would

be grateful if he would avoid giving  
Shultz any direct reference to Peres' remarks to her.

Copies to:-

# The Prime  
Minister is  
adamant that  
it should not be  
circulated to  
posts or within  
the Foreign Office.



EGYPT

Peres expressed considerable concern about the "unbelievably serious" economic problems of Egypt and the consequences for Mubarak. On Taba he gave an account of the mediation efforts being made by Judge Sofer which he thought might succeed <sup>very shortly</sup> in clearing the way for arbitration. If progress could be made on Taba, this would open the way for Egypt to resume playing a more central role in Arab/Israel affairs. Mubarak wanted to bring about a reconciliation between King Hussein and Arafat but did not seem to have any specific ideas for achieving this.

GAZA

Peres spoke at some length about his ideas on Gaza. He was certain that the Egyptians had no political interest in Gaza. <sup>h</sup> He saw the way forward as lying in a three-fold approach: joint Egyptian/Jordanian participation in economic projects in Gaza; a Jordanian political stake, to be established initially by Jordan issuing Jordanian passports to the inhabitants of Gaza; and Israel granting full autonomy. Israel would be ready to hold a conference with Jordan and Egypt and representatives from Gaza to discuss this approach. He recognised that King Hussein had some reservations about this. But he believed that if the King could be convinced that no steps would be taken without his specific consent, these misgivings could be overcome. The United States was enthusiastic and Shultz was ready to visit the area if progress could be made.

So far as they were active, it was only to impress the Palestinians.

JORDAN

Peres said that Israel was ready to help King Hussein re-establish his influence on the West Bank and would be prepared to implement a number of points put by the Jordanians; nomination of further Mayors; enlargement of municipal boundaries; establishment of an Arab Bank; doubling of family

NOTHING TO BE WRITTEN IN THIS MARGIN



reunifications. The problem was, there seemed to be an absence of any strong policy <sup>line</sup> laid on the Jordanian side. Israel was having to do all the work. Peres <sup>said</sup> continued that he did not see much future in the idea of a UN representative on the West Bank and did not believe that the King attached much importance to this.

Peres continued that King Hussein was worried about the continuing Iran/Iraq conflict and the risk of Iranian action against Aqaba. Israel was ready to provide a guarantee that it would not take advantage of the situation to launch any attack against Jordan. At the same time some means had to be found to overcome the King's "shyness" about negotiations. He continued to hope therefore that a way could be found to persuade the King to agree to low profile, low level confidential meetings with the Israeli government in the United States or the United Kingdom. He had the impression that the King's mind was no longer closed on this. He hoped that the Prime Minister would be ready to help persuade him.

#### SYRIA

Peres thought Syria was the main casualty of the United States' action on Libya. Asad ~~now~~ realised that he could not get away with support for terrorism. He had also seen the shortcomings of Soviet equipment and witnessed the Soviet Union's failure to respond in any way to the action against Libya. He also faced grave economic problems. All these factors seem likely to make Syria rather more open to some sort of partial agreement.

Murphy had made an unannounced visit to Syria recently in which he had detected some readiness to discuss <sup>security</sup> arrangements in Lebanon with Israel. He hoped to pursue this further through the Americans.

#### SOVIET ROLE

Peres described the Russians as being more active but less militant in the Middle East in recent months. <sup>They</sup>

supported Syria's role in Lebanon, but did not want war between Syria & Israel.

Israel would also be ready to see elections to the Jordanian Parliament from the West Bank.

The King need not keep a single soldier on the Jordan/Israel border.

The danger of a war between Israel & Syria is now less than much less than before.



MARSHALL PLAN

Peres spoke about his ideas on familiar lines. His main request was that the Prime Minister should appoint someone, perhaps outside government, to take part in further discussions about it. He recognised that <sup>his plan</sup> it had to be put alongside the strategy for peace, not be a substitute for it. He described the Americans as supportive but wanting the Europeans to take the leading role.

IRAN/IRAQ

Peres said that he did not expect any decision to be reached on the battle front. The end would only come when one side or the other tired. The Soviet Union had attempted to bring Syria and Iraq together as a step towards ending the conflict. But the meeting had produced no result.

UNITED STATES' ROLE

Peres agreed that the United States was preoccupied with other problems and had not given high priority to the Middle East. However he appeared to believe that this would change if his ideas for the handling of Gaza could be brought nearer <sup>to</sup> fruition. He mentioned in very strict confidence that Shultz was considering a visit to the area in the week 15/22 June. Peres also floated the idea that the Economic Summit Seven might provide a framework for discussion of a Middle East peace settlement. They were stronger than the United Nations and less woolly than the European Community.

I will do a bowdlerized  
version for wider circulation  
as soon as possible.

EDD

by organizing  
a meeting  
between the  
Foreign  
Ministers in  
Moscow.



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FOLLOWING FOR PRIVATE SECRETARY FROM CHARLES POWELL, PRIVATE SECRETARY TO THE PRIME MINISTER

PRIME MINISTER'S VISIT TO ISRAEL: MEETING WITH MR SHAMIR

THE PRIME MINISTER SAW MR SHAMIR THIS EVENING, IN A MEETING LASTING SOME 40 MINUTES. SHAMIR WAS ACCOMPANIED BY KIMCHE, AVNER AND BEN AHARON. THE TONE OF THE MEETING WAS EQUABLE WITH THE PRIME MINISTER MAKING CLEAR THAT SHE WAS INTERESTED IN LISTENING TO MR SHAMIR'S IDEAS ABOUT THE PEACE PROCESS, IN THE EXPECTATION THAT HE WOULD AGAIN BE IN THE LEAD WITHIN THE COALITION IN THE AUTUMN. MR SHAMIR THANKED THE PRIME MINISTER FOR STRESSING IN HER PUBLIC REMARKS THE NEED FOR PEACE WITH SECURITY. THE ISRAELI GOVERNMENT RECOGNISED THE RISKS OF A HIATUS IN DISCUSSIONS ABOUT A SOLUTION TO THE ARAB/ISRAEL PROBLEM AND WAS MAKING EFFORTS TO IMPROVE RELATIONSHIPS WITH ISRAEL'S NEIGHBOURS AND OVERCOME THE DIFFICULTIES. IN PARTICULAR THEY HAD MADE CLEAR THAT THEY WERE READY TO NEGOTIATE WITH KING HUSSEIN WITHOUT ANY PRECONDITION. KING HUSSEIN HIMSELF APPEARED READY FOR THIS, AND THERE WERE PALESTINIAN ARABS WHO WOULD PROBABLY ALSO BE WILLING TO TALK WERE THEY NOT AFRAID OF RETALIATION. BUT THE MAIN OBSTACLE TO PROGRESS WAS THE PLO AND THEIR CONTINUING COMMITMENT TO TERRORISM AND VIOLENCE. THIS LED HIM TO THE CONCLUSION THAT THE ONLY WAY TO MAKE PROGRESS WAS FIRST TO DEAL WITH TERRORISM. ONLY THEN WOULD MODERATE ARABS FEEL FREE TO NEGOTIATE.

SHAMIR CONTINUED THAT THE ISRAELI GOVERNMENT HAD BEEN SHOCKED BY THE DECISION OF THE NETHERLANDS FOREIGN MINISTER TO MEET ARAFAT. IT WAS HARD TO UNDERSTAND THIS MEETING, COMING JUST AT THE TIME WHEN KING HUSSEIN WAS TURNING HIS BACK ON ARAFAT. HE THOUGHT THAT THE EFFECT WOULD BE TO DAMAGE PEACE PROSPECTS AND WEAKEN THE MODERATES. THE PLO WOULD CLAIM THAT THE EUROPEAN COMMUNITY HAD TO COME TO THEM IN ORDER TO CONTRIBUTE TO PEACE.

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THE PRIME MINISTER AGREED THAT TERRORISM HAD TO BE DEALT WITH. BUT THIS ALONE WAS NOT ENOUGH. A SERIOUS EFFORT HAD TO BE MADE TO REDRESS JUSTIFIED GREIVANCES. THIS WAS WHY ANY SORT OF VACUUM OR HIATUS IN DISCUSSIONS ABOUT PEACE WERE DANGEROUS. AS REGARDS THE MEETING WITH ARAFAT, THE UNITED KINGDOM HAD MADE CLEAR THAT IT WAS OPPOSED TO SUCH A MEETING. BUT HAD BEEN IN A MINORITY OF ONE. SINCE THERE WERE PRECEDENTS, WE HAD DECIDED NOT TO BLOCK THE MEETING BUT RATHER HAD ATTACHED CONDITIONS TO IT WHICH WE THOUGHT WOULD BE POSITIVELY USEFUL. OUR OWN POSITION ON DEALING WITH THE PLO HAD NOT CHANGED.

THE PRIME MINISTER ASKED HOW TERRORISM COULD MOST EFFECTIVELY BE WEAKENED. MR. SHAMIR SAID THAT BETTER CO-OPERATION BETWEEN ISRAEL AND EUROPEAN SECURITY SERVICES WOULD BE A GREAT HELP. THE UNITED STATE'S ACTION AGAINST LIBYA HAD SHOWN THAT A SHARP BLOW COULD BE EFFECTIVE.

THE PRIME MINISTER ASKED WHAT MR. SHAMIR WOULD LIKE TO SEE FROM THE BRITISH PRESIDENCY OF THE EUROPEAN COMMUNITY. MR. SHAMIR SAID THAT THE BEST WAY FORWARD WOULD BE FOR THE EUROPEAN COMMUNITY TO IGNORE THE PLO AND SUPPORT KING HUSSEIN. HE WOULD ALSO LIKE TO SEE THE COMMUNITY LEND ITS FULL SUPPORT TO IMPLEMENTATION OF THE CAMP DAVID AGREEMENTS. NO BETTER WAY OF MAKING PROGRESS HAD BEEN DEVISED. IN SUM WHAT HE WOULD LIKE TO SEE WAS FIRM DIPLOMATIC AND ECONOMIC MEASURES AGAINST STATE-SPONSORED TERRORISM, WITH USE OF FORCE IF NECESSARY, COMBINED WITH A RENEWAL OF THE CAMP DAVID PROCESS. THE PRIME MINISTER ASKED HOW PALESTINIAN VIEWS WOULD BE REPRESENTED IF NOT BY THE PLO. MR. SHAMIR SAID THAT ONCE TERRORISM WAS DEALT WITH EFFECTIVELY PALESTINIAN POLITICAL PARTIES WOULD RE-EMERGE.

MR. SHAMIR SAID THAT SYRIA WAS INCREASINGLY CLOSE TO THE SOVIET UNION AND SPOKE OPENLY OF MILITARY CONFRONTATION WITH ISRAEL. SYRIA SOUGHT STRATEGIC PARITY IN ORDER TO ACHIEVE THAT. ISRAEL DID NOT WANT WAR WITH SYRIA THOUGH WAS SURE TO WIN A WAR IF IT OCCURRED.

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THE PRIME MINISTER ASKED WHAT SHE SHOULD SAY TO THE PALESTINIANS WHOM SHE WOULD BE MEETING THE FOLLOWING DAY. MR. SHAMIR SAID THAT SHE SHOULD URGE THEM PUBLICLY TO CONDEMN TERRORISM, LEND THEIR FULL SUPPORT TO KING HUSSEIN AND NEGOTIATE WITHIN THE CAMP DAVID FRAMEWORK.

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FOLLOWING FOR PRIVATE SECRETARY FROM CHARLES POWELL,  
PRIVATE SECRETARY TO THE PRIME MINISTER.

PRIME MINISTER'S VISIT TO ISRAEL: MEETING WITH PALESTINIAN  
REPRESENTATIVES.

THE PRIME MINISTER HAD A FRIENDLY MEETING WITH EIGHT LEADING  
WEST BANK AND GAZA REPRESENTATIVES (MOSTLY MAYORS) THIS  
EVENING. THEY DESCRIBED THEIR GRIEVANCES IN STANDARD TERMS  
AND AT CONSIDERABLE LENGTH AND MADE NO SECRET OF THEIR  
UNHAPPINESS AT THE SPLIT BETWEEN KING HUSSEIN AND ARAFAT.  
THEY WERE NOTABLY VAGUE WHEN DISCUSSING NEXT STEPS IN THE  
PEACE PROCESS. THEY WERE EVIDENTLY REASSURED ABOUT OUR  
POSITION BY THE PRIME MINISTER'S SPEECH ON 25 MAY WHICH THEY  
WELCOMED. WHEN THE PRIME MINISTER RECALLED THAT ISRAEL HAD  
COMMITTED ITSELF TO THE ELECTION OF PALESTINIAN REPRESENTATIVES  
ON THE WEST BANK AND IN GAZA IN THE CAMP DAVID AGREEMENTS, THEY  
CAUTIONED ONLY AGAINST REFERRING BY NAME TO CAMP DAVID BUT  
THOUGHT THE POINT A USEFUL ONE.

AT THE END OF THE MEETING THERE WAS SOME DISCUSSION OF WHAT  
SHOULD BE SAID TO THE PRESS. THE PRIME MINISTER SAID THAT WE  
WOULD SAY THAT THE PALESTINIAN REPRESENTATIVES HAD GIVEN HER  
A FULL ACCOUNT OF THEIR VIEWS AND THEIR FEELINGS OF RESENTMENT  
AT THE DISCRIMINATION PRACTISED AGAINST THEM. THEY HAD ASKED  
FOR REASSURANCE THAT SHE SUPPORTED THEIR RIGHT TO SELF-  
DETERMINATION AND SHE HAD GIVEN THEM THIS IN THE TERMS OF HER  
SPEECH ON 25 MAY. SHE WOULD ALSO RECORD THAT THEY HAD SAID

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THAT THEY WERE COMMITTED TO NEGOTIATIONS FOR A PEACEFUL  
SETTLEMENT AND MEANTIME WANTED TO SEE MORE DEMOCRATIC PROCEDURES  
ESTABLISHED IN THE OCCUPIED TERRITORIES. THEY HAD MADE CLEAR  
THEIR REJECTION OF TERRORISM.

THE PALESTINIAN REPRESENTATIVES SAID THAT THEY WERE GENERALLY  
CONTENT WITH THIS SUMMARY AND WOULD FOLLOW IT, BUT WOULD  
REFER ALSO TO THEIR COMMON POSITION WITH THE LEADERSHIP OF  
THE PLO.

PLEASE REPEAT AS APPROPRIATE.

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FOLLOWING FOR PRIVATE SECRETARY FROM CHARLES POWELL,  
PRIVATE SECRETARY TO THE PRIME MINISTER.

PRIME MINISTER'S VISIT TO ISRAEL: MEETING WITH ISRAELI  
MINISTER OF DEFENCE.

THE PRIME MINISTER MET MR. RABIN FOR SOME 40 MINUTES  
THIS MORNING. RABIN, WHO WAS IN RATHER A GRUFF MOOD,  
DID MOST OF THE TALKING.

RABIN REFERRED TO THE UNPRECEDENTED CUT IN ISRAEL'S DEFENCE  
BUDGET WHICH HAD AFFECTED THE ISRAELI DEFENCE FORCES ACROSS  
THE BOARD. IT HAD BEEN POSSIBLE TO CONTEMPLATE THIS DRASTIC  
STEP BECAUSE OF THE STATE OF QUOTE COLD UNQUOTE PEACE WITH  
EGYPT SEMICOLON THE IRAN/IRAQ WAR WHICH KEPT IRAN  
PREOCCUPIED ON ITS EASTERN FRONT SEMICOLON AND AN ASSESSMENT  
THAT A FULL SCALE ISRAEL/SYRIA WAS UNLIKELY.

RABIN ALSO REFERRED TO SYRIA'S INVOLVEMENT IN TERRORISM.  
THE EVIDENCE OF DIRECT SYRIAN INVOLVEMENT AS OPPOSED TO  
SUPPORT FOR THE ACTIVITIES OF PALESTINIAN TERRORIST GROUPS  
WAS A DANGEROUS NEW DEPARTURE. THIS WAS WHY HE HAD DELIBERATELY  
ESCALATED THIS ISSUE DURING HIS VISIT TO THE UNITED STATES. AS  
FAR AS ISRAEL WAS CONCERNED, SYRIA WAS A MUCH WORSE THREAT  
THAN LIBYA.

RABIN SAID THAT ISRAEL'S FIRST PRIORITY SHOULD BE TO STRENGTHEN  
THE PEACE TREATY WITH EGYPT. THIS WOULD BE A DIFFICULT TASK  
SINCE EGYPT'S PRIORITY WAS NOW TO BUILD BRIDGES BACK TO THE  
ARAB WORLD. FOR JORDAN THE MAIN IMMEDIATE PROBLEM SEEMED TO BE  
TO RECONCILE SYRIA AND IRAQ. KING HUSSEIN WAS PREOCCUPIED WITH

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THE RISK OF THE COLLAPSE OF IRAQ AND THE CONSEQUENCES OF AN  
JORDANIAN VICTORY. THE PEACE PROCESS WAS FOR THE TIME BEING,  
SECONDARY FOR JORDAN TO THE INTRA-ARAB PROBLEMS.

TURNING TO THE WEST BANK AND GAZA, RABIN SAID THAT INCREASED  
TERRORIST ACTIVITY IN 1985 HAD STEMMED FROM KING HUSSEIN'S  
DECISION TO READMIT THE PLO TO JORDAN. THE SITUATION WAS NOW  
IMPROVING BECAUSE OF THE DETERIORATION IN JORDAN/PLO RELATIONS.  
JORDAN HAD UNDOUBTEDLY SUFFERED A SETBACK ON THE WEST BANK  
AS A RESULT OF THE KING'S FEBRUARY SPEECH. THE KING WANTED  
ISRAEL TO SUPPORT HIS POSITION ON THE WEST BANK BUT GAVE  
LITTLE INDICATION OF WHAT THIS MEANT IN PRACTICE. AND IT WAS  
AN ILLUSION TO THINK THAT THE KING'S POSITION WAS STRONG  
ENOUGH TO ALLOW HIM TO GO IT ALONE.

RABIN SAID THAT ISRAEL'S POLICY TOWARDS THE OCCUPIED  
TERRITORIES WAS TWO-PRONGED: TERRORISM HAD TO BE DEALT WITH  
FIRMLY SEMICOLON AND MORE HAD TO BE DONE TO IMPROVE THE  
QUALITY OF LIFE ON THE WEST BANK. IN THE LATTER CONTEXT HE  
SAW NO POSSIBILITY OF PROCEEDING BY ELECTIONS. THESE HAD BEEN  
TRIED IN 1976 AND HAD BEEN A COMPLETE FAILURE. WHEN THE  
ELECTIONS WERE HELD UNDER TERRORIST THREAT, EXTREME ELEMENTS  
WON. IN ANY EVENT THERE WERE NOT ANY GENUINE ELECTIONS IN  
THE ARAB WORLD AND HE COULD SEE NO REASON WHY ISRAEL SHOULD  
BE THE FIRST TO HOLD THEM. HE PREFERRED A POLICY OF SMALLER  
STEPS SUCH AS APPOINTING ARAB MAYORS TO TOWNS AT PRESENT  
GOVERNED BY ISRAELI MILITARY OFFICERS AND GIVING LOCAL  
PALESTINIANS A GREATER SAY IN THE HANDLING OF EVERYDAY ISSUES.  
ISRAEL WAS READY TO HAND OVER MORE POWERS OF THIS SORT TO THE  
LOCAL PALESTINIANS. ISRAEL HAD ALREADY TAKEN A NUMBER OF  
IMPORTANT STEPS TO IMPROVE THE WEST BANK ECONOMY SUCH AS  
REMOVING LIMITS ON THE QUANTITY OF FUNDS WHICH COULD BE BROUGHT  
INTO THE WEST BANK. APPROVAL HAD ALREADY BEEN GIVEN FOR AN  
ARAB BANK BUT THIS HAD BEEN BLOCKED BY JORDAN. ISRAEL HAD  
ALSO TRIED TO MOBILISE INTERNATIONAL FUNDS TO CONTRIBUTE

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THE DEVELOPMENT OF THE WEST BANK BUT WITHOUT SIGNIFICANT SUCCESS. THE EUROPEAN COMMUNITY HAD BEEN PARTICULARLY INADEQUATE IN ITS RESPONSE. HE CONTINUED TO BELIEVE, HOWEVER, THAT THE ECONOMIC DEVELOPMENT OF THE WEST BANK SHOULD HAVE HIGH PRIORITY SINCE GIVING PEOPLE A GREATER STAKE IN THEIR LAND HELPED TO DISCOURAGE TERRORISM.

PLEASE REPEAT AS APPROPRIATE.

DE COURCY-IRELAND

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10 DOWNING STREET

From the Private Secretary

27 May 1986

Dear John,

**PRIME MINISTER'S VISIT TO ISRAEL: INDUSTRIAL  
RESEARCH FOUNDATION**

I should record that the Prime Minister spoke to Mr. Peres during her visit to Israel about his proposal for a joint Anglo-Israel Research Foundation, following the line proposed by Mr. Channon in his minute of 21 May. She was not sufficiently clear about the purpose of such a Foundation to agree to it. But she would like to invite a delegation of Israeli scientists to visit the United Kingdom as our guests, with the aim of defining more carefully possible areas of the collaboration between Britain and Israel. Mr. Peres welcomed this offer and hoped that Israel's Minister of Science could participate in the meeting. He understood the difficulty which HMG faced in finding public funds to support a proposal on the lines he had made. But there were alternative possibilities which were worth looking into. For instance, any agreement might cover only basic research rather than applied research; and, rather than a Foundation, there might be a joint committee covering government, industry and the universities.

I should be grateful if you could now, with the Foreign Office, follow up the Prime Minister's proposal and discuss with the Israeli Government the arrangements for the proposed visit.

I am copying this letter to Robert Culshaw (Foreign and Commonwealth Office), Rob Smith (Department of Education and Science) and to Michael Stark (Cabinet Office).

Yours sincerely,  
  
(Charles Powell)

John Mogg, Esq.,  
Department of Trade and Industry.

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10 DOWNING STREET

From the Private Secretary

27 May 1986

PRIME MINISTER'S VISIT TO ISRAEL: SECOND MEETING  
WITH MR. PERES

The Prime Minister had a second meeting with Mr. Peres this morning over breakfast, lasting some one-and-a-half hours, with once again only notetakers present.

Meeting with Palestinians

The Prime Minister briefed Mr. Peres fully on her meeting the previous evening with the Palestinians from the West Bank and Gaza. She had found them rather more impressive and reasonable than she had expected. A number at least of their grievances appeared to be justified. But they had few practical ideas on how to move from the present unsatisfactory situation to a durable settlement. Mr. Peres was clearly somewhat nettled by some of the allegations made by the Palestinians and attempted to rebut them in detail. The Prime Minister said that she was not sufficiently expert to know the rights and wrongs of each individual point. What was clear was that the Palestinians felt a strong sense of grievance. She wondered whether the implementation of Israeli rule in the occupied territories in practice was not unnecessarily harsh. The Prime Minister added that one point which had struck her when talking to the Knesset Foreign Affairs Committee the previous day was that, despite the considerable differences between the Israeli political parties on all the main Arab/Israeli issues, there was broad agreement that being an occupying power was not in Israel's interest.

West Bank

Mr. Peres said that he would like to go over once more some of the points which he had made to the Prime Minister in their earlier meeting. Israel was genuinely prepared to go a long way to accept and implement the various actions on the West Bank which the Jordanians had identified as useful. They were ready to nominate Arab mayors for those towns where there were at present vacancies and to announce this as a package. They were ready to extend the boundaries of the municipalities, to set up an Arab Bank as soon as the

T.S.



Jordanians could produce a sensible nominee to run it, and to allow the Jordanians to nominate chancellors for the various universities on the West Bank. They were prepared to deal with the difficulties which had arisen over the Arab Electricity Company. Israel could also accept the establishment of an industrial committee or chamber of commerce to cover the West Bank as a whole. In short, Israel was ready to go as far as possible to meet King Hussein's requirements and help to strengthen his position on the West Bank, subject only to the overriding need to protect Israel's security. So far as the King's proposal for a United Nations representative on the West Bank was concerned, the United Nations' agencies were already free to carry out their tasks there and bring in funds. He could not see that establishing a UN co-ordinator would have any practical value.

The Prime Minister raised the subject of Mr. Rabin's remarks about elections on the West Bank. The way which he had ruled them out so brusquely had been unhelpful. Mr. Peres said that he had little sympathy with the way which Mr. Rabin had chosen to speak on this point, although there were difficulties over free elections on the West Bank. One possible way forward lay in holding elections to the Jordanian Parliament and regarding those elected as representatives of the Palestinian people who could participate in peace negotiations.

#### Gaza

Mr. Peres also reverted to his ideas on Gaza, describing his approach not as Gaza First but as First Gaza (I am not sure I see the difference but it seems significant to him). Israel was ready to negotiate with a joint Jordanian/Egyptian/Gaza delegation about the future of Gaza, leading to the establishment of economic links between Gaza and Egypt and political links between Gaza and Jordan. Such a negotiation would help the solution of the main practical problems confronting Gaza, notably the shortage of water, confiscation of land, energy and industrial development. On the last, Israel would be content for investment and industrial development to be handled directly by the Gaza authorities rather than channelled through Israel. The only condition would be that the PLO should not be involved. If King Hussein would agree to negotiate on Gaza he would find that Israel was ready to go a long way. Mr. Peres continued that he did not want to volunteer proposals for Gaza's future status since they would automatically be rejected by the Arabs. He would rather that the initiative came from Jordan and Egypt so that Israel could respond. Mr. Peres repeated his hope that the Prime Minister would discuss this with King Hussein.

#### Lebanon

Mr. Peres said that Israel was receiving confused messages from Syria about willingness to discuss the security situation in Lebanon. Israel's response had been that if a responsible authority could be identified to



police South Lebanon and prevent cross border attacks on Israel, and was able to demonstrate its ability to do so for a period of say six months, Israel would be ready to begin to withdraw its forces from South Lebanon.

United States Hostages

The Prime Minister said that she was disturbed at reports that the United States was trying to purchase the release of American hostages in Lebanon by the provision of funds and arms to Iran. This was wrong in principle and would cause the United Kingdom considerable difficulty. Mr. Peres said that he did not believe that the Syrians were in a position to secure release of the hostages even if they wished to. They had virtually no control over the Hizbollah. He was aware that negotiations with Syria and Iran were in course. His information was that the results or lack of them would become apparent within a week or so.

Jordan

Mr. Peres repeated his plea for discreet, low level negotiations between Israel and Jordan. One problem was that the King demanded complete secrecy and it was almost impossible to offer this. He seemed to forget that Israel had to be able to offer its own people some hope if concessions were to be made. This meant that the existence of negotiations had to be acknowledged.

Soviet Union

Mr. Peres said that he had very recently received a message from the Soviet Union. This expressed concern about Israel's intentions vis-a-vis Israel, but said that the Soviet Union was firmly opposed to terrorism and would be willing to take action against it if it could be satisfied that Israel's intentions were peaceful.

SALT II

The Prime Minister gave Mr. Peres, in strict confidence, warning of President Reagan's likely statement later today announcing the United States' intention to breach the SALT II limits.

Once again I have to ask you to treat this report as strictly for the Foreign Secretary's personal information. I shall be producing a consolidated version of the two conversations for wider circulation as rapidly as possible.

CHARLES POWELL

A. C. Galsworthy, Esq., C.M.G.,  
Foreign and Commonwealth Office.



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Re KB  
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10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

27 May 1986

PRIME MINISTER'S VISIT TO ISRAEL:  
TALKS WITH MR. PERES

I promised to produce a note of the Prime Minister's various discussions with Mr. Peres which could be distributed to those concerned within the Foreign Office and to our posts abroad, with a request to handle the information in it with the greatest possible discretion. I suggest that in practice it should go only to the Ambassadors in Tel Aviv, Amman, Cairo, Riyadh, Damascus and Washington, and be given only very limited distribution within the Office.

I enclose a draft telegram which attempts to do this and should be grateful if you would arrange for its despatch. It should be regarded as for information only and none of it should on any account be attributed to the Prime Minister's talks with Mr. Peres.

CHARLES POWELL

A. C. Galsworthy, Esq., C.M.G.,  
Foreign and Commonwealth Office.

AGS



DRAFT TELEGRAM

PRIME MINISTER'S VISIT TO ISRAEL: MEETINGS WITH MR. PERES

The Prime Minister had some four hours of discussions with Mr. Peres as well as a number of incidental conversations while they were travelling around Israel. Mr. Peres asked that the more sensitive aspects of the talks should not be reported more widely. The following summarises the main points which emerged from the various discussions. It should be regarded as for your information only and no direct reference should be made to it in dealings with other governments without specific instructions. The Prime Minister is likely to send messages about her talks to the principal Arab Heads of Government concerned.

EGYPT

Mr. Peres said that the Egyptian leadership realised that there was no alternative to the peace treaty with Israel. At the same time the Egyptians wanted to be accepted again by the Arab world and to achieve something on behalf of the Palestinians. This made them difficult to deal with. The most worrying aspect of the Egyptian situation was the "unbelievably serious" state of the economy and the consequences of this for Mubarak's position. Mubarak was an honourable man and committed to peace, although he tended to dither. Israel preferred him to any alternative Egyptian leader and wanted to help him. Mubarak's immediate aim was to achieve reconciliation between King Hussein and Arafat. But he did not appear to have any very detailed or well thought out ideas for achieving this.

On Taba, Judge Sofer, State Department Legal Adviser, had been conducting a mediation effort which looked promising and might succeed in clearing the way for arbitration. The main difficulty was how to formulate the question which would form the basis of arbitration. If progress could be made on Taba, the way would be open for an Egyptian/Israeli summit and for



Egypt to resume a more central role in Arab/Israel affairs.

GAZA

Peres spoke at some length about his ideas on Gaza. In the absence of any wider peace initiative, he saw advantage in pursuing separate discussions on Gaza. But he did not wish to appear to be making a deliberate effort to divide the Palestinians. Israel would be ready for negotiations with a joint Jordanian/Egyptian delegation with or without Gaza representatives to discuss Gaza's future. Considerable progress could be made towards solving the practical problems of Gaza (water supplies, energy, land and industrial development). There was scope for Egypt to take a hand in Gaza's economic development and for Jordan to build up a political stake in Gaza, initially by issuing Jordanian passports to the inhabitants. He was reluctant to make specific proposals for Gaza's future status, since anything suggested by Israel would automatically be rejected by the Arabs. But he appeared to envisage full autonomy. He knew that King Hussein had reservations about tackling the problem of Gaza separately from the West Bank. But Israel did not want to lose the King's confidence and was prepared to guarantee that no steps would be taken without the King's specific consent. He hoped that the Prime Minister would be prepared to sound out the King of this approach.

JORDAN

Peres made clear that Israel was ready to help King Hussein re-establish his position on the West Bank and develop an alternative Palestinian leadership, although the Jordanian Government itself seemed to be doing little to this end. Israel would also be prepared to implement promptly a number of points for action proposed by the Jordanians: nomination of further Mayors, enlargement of municipal boundaries, establishment of an Arab Bank, doubling of family reunifications, establishment of an industrial committee or Chamber of Commerce for the West Bank as a whole, nomination



of Jordanian candidates as Chancellors of the West Bank Universities and a solution of the problems of the Arab Electricity Company in Jerusalem. As regards elections, the Israeli experience of such elections on the West Bank in 1976 was not a happy one. A more productive way forward would be to hold elections for West Bank representatives to the Jordanian Parliament. Those elected might be regarded as valid representatives of the Palestinians in any future negotiations. The difficulty for Israel was that there seemed to be no effective point of contact on the Jordanian side with whom Israel could discuss practical steps on the West Bank. Indeed, there was a considerable reluctance to get involved. Israel was having to do all the work.

Peres made clear that Israel was not in favour of establishing a special United Nations representative on the West Bank to co-ordinate the work of the various UN agencies there. He clearly did not expect King Hussein to press this.

Peres also referred in general terms to the idea of direct, confidential talks with the Jordanians as a means of overcoming King Hussein's "shyness" about negotiations with Israel. He continued to believe that these offered the best way forward. But they could not be entirely secret. The King had to recognise the need for something to feed the hopes of the Israeli people.

#### SYRIA

Peres thought that the danger of a confrontation between Syria and Israel had receded. Syria was the main casualty of the US action against Libya. Assad now realised the consequences of support for terrorism. He had seen the shortcomings of Soviet military equipment and witnessed the Soviet Union's failure to respond in any way to the action against Libya. He also faced grave economic problems. The effect was to increase Assad's awareness of the risks of confrontation with Israel. Peres made clear that he was not expecting such a confrontation.



There had been recent feelers from Syria about security arrangements in Lebanon. If Israel could be satisfied that a viable authority could be established in Southern Lebanon to prevent attacks across the border, she would be ready to begin withdrawal of remaining Israeli forces from South Lebanon.

In response to the Prime Minister's remarks about the need to deploy UNIFIL up to the Libyan/Israeli border, Peres left little doubt that his preference was to reach some direct arrangement with the Syrians and Lebanese.

#### MARSHALL PLAN

Peres spoke at some length about his ideas for a Middle East economic development programme and handed over a further and more detailed paper. He accepted that economic development could not be a substitute for a political solution. The two should be pursued in parallel. Both Egypt and Syria were clearly interested in the Israeli ideas. The Americans were in favour of the proposals but wanted the Europeans to take a lead in pursuing them. The immediate step needed was for governments to appoint special representatives, who might meet in a working group, to discuss the proposals. The Prime Minister made no commitment on this.

#### ANGLO-ISRAEL RESEARCH FOUNDATION

Peres accepted an invitation to send a delegation of Israeli scientists, headed by the Minister of Science for talks with Government and scientists in the United Kingdom, with the aim of identifying possible areas of collaboration. Since it was evident that HMG would find it difficult to find public funds for a joint research foundation, it might be more profitable to think in terms of a joint committee, bringing together representatives of government, industry and the academic world, to identify projects in pure research on which the two countries could work together. This would require only very limited funds.

No other bilateral issues were raised.



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10 DOWNING STREET

27 May 1986

*From the Private Secretary*

PRIME MINISTER'S VISIT TO ISRAEL: TALKS WITH MR. PERES

During his talks with the Prime Minister, Mr. Peres handed over, in confidence, two documents which I enclose:

- (i) A draft proposal for a Middle East economic development programme. This is dated 25 May so I assume that it is a revision and expansion of earlier Israeli proposals;
- (ii) a note headed "Reactions to the American Document" (dated 30 March) which appears to deal with steps which the Israeli Government would be prepared to take on the West Bank.

I think you should regard both documents as for information only for the time being. No doubt we shall receive the revised proposal for a Middle East economic development programme through separate channels in due course.

CHARLES POWELL

Robert Culshaw, Esq.,  
Foreign and Commonwealth Office.

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25/5/86

MIDDLE EAST ECONOMIC DEVELOPMENT PROGRAM  
A Draft Proposal

1. GENERAL

- a. The Industrialized Countries will establish a system for Middle East economic development.
- b. Participation in the system will be open to the entire region, including the West Bank and Gaza Strip.
- c. The system will be established on the basis of consultations between the Industrialized Countries and regional participants.
- d. The system will be based on a ten-year program (1987-1997).

2. OBJECTIVES

- a. Economic growth, welfare and prosperity of regional participants and the region as a whole.
- b. Stabilization of the economy in areas in distress.
- c. Easing the debt burden and enhancing foreign currency earning capacity of the regional participants.

3. SPHERES OF ECONOMIC DEVELOPMENT

The system will support individual as well as joint projects of local as well as regional nature, as proposed by members in the following areas:

- a. Industry: Advanced infrastructure and projects.
- b. Agriculture: Advanced infrastructure and projects.



- c. Marketing: Advanced service and distribution systems.
- d. Water projects.
- e. Energy plants.
- f. Transportation systems.
- g. Tourism.
- h. Free trade zones.

4. ORGANIZATIONAL STRUCTURE AND FUNCTIONS

a. Economic Commission

- (1) The Commission will include one representative of each member at the rank of an Economic Minister, Bank Chairman or equivalent.
- (2) The Commission will elect a chairman from among the Industrialized Countries and four deputy chairmen. The chairman and deputies will rotate on an annual basis.
- (3) The Commission will establish the rules for electing the Director General, deputies and principal officers of the Board of Directors of the MEDF and will set their policy guidelines.

b. Middle East Development Fund (MEDF)

The Development Fund will be headed by a Board of Directors composed of a representative and an alternate from each member. The Director General and the principal officers will be appointed with the approval of the members of the Board for a period of several years. The Board will have at its disposal a mechanism for implementing project viability assessments, distribution of funds and project-performance follow-up. Its functions will include:

- (1) Operating the Development Fund.
- (2) Mobilizing financial resources.



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- (3) Determining the Fund's participation in projects proposed by the regional members.
  - (4) Allocating resources.
  - (5) Maintaining a framework of insurance against political risks for private investors in the region.
  - (6) Promoting international transfer of technology required for economic development.
  - (7) Encouraging international investment firms to invest privately in the region, inter alia, by making the Fund's facilities available to them.
- c. Projects submitted by a regional member and approved by the Board for MEDF support will be eligible to all benefits due to approved investments under the laws of the same member.

5. FUNDS AND SOURCES

The MEDF will be based on a commitment of \$US 25-30 billion over a 10-year period (\$US 2.5-3 billion per annum). This sum can be mobilized as follows:

- a. Approximately 50% of the total amount will be contributed by the Industrial Countries in the form of a special reserve for risk insurance and provision for bad debts, debt recycling, and grants and loans at a moderate rate.
- b. The remaining 50% will be mobilized primarily from private financial resources in the following manner:
  - (1) Bond issues by the Fund to be sold on the international money markets, guaranteed by the Industrialized Countries in the initial stages.
  - (2) Syndicated loans from commercial banks.
  - (3) Co-financing with other international or regional organizations.



6. IMPLEMENTATION: PHASE I - Preparations

- a. It is suggested that the Industrialized Countries will:
- (1) Approve the concept of a Middle East Economic Development Program.
  - (2) Establish a senior-level Experts Working Group (EWG) representing the Industrialized Countries to undertake the following:
    - (a) Consultations with potential regional members.
    - (b) Development of a detailed proposal.
  - (3) Schedule interim meetings for consultations between the Experts Working Group on the one hand, and the "Sherpa" group on the other.
  - (4) Set the next summit of the Industrialized Countries as a target-date for approval of the final proposal and for launching of Implementation Phase II.
- b. It is suggested that these resolutions be implemented on the basis of the following timetable:
- (1) Formation of senior-level Experts Working Group: Spring 1986.
  - (2) Consultations of EWG with potential regional members: Summer 1986.
  - (3) Preparation of detailed proposal by the EWG: Winter 1986.
  - (4) Approval of the detailed proposal and launching of Implementation Phase II: next summit meeting of the ICS.



שחי תוספות שלא נמסרו לארצות-הברית

13. נכונות לביקורי קיץ גם של מי שאינם קרובי משפחה של תושבי השטחים.

14. נכונות להארכת שעות פתיחת הגשרים



REACTIONS TO THE AMERICAN DOCUMENT - DETAILED

1. Israel will in 1986 increase by 100% the number of permits for family reunification over the number issued in 1985.
2. Members of the Jordanian Parliament living in the West Bank will be permitted to open parliamentary bureaus.
3. The civil administration will allow and encourage the establishment of credit institutions.
4. The civil administration has approved the establishment of an "industrial committee" for the development and advancement of industry in the West Bank.
5. The civil administration will lift the conveyance fee at the Jordan bridge crossings for trucks transporting certain agricultural products at peak season in order to reduce prices for export.
6. The civil administration will permit the resumption of trucking for export via the Jordan bridges.
7. We are in the midst of a multi-year plan for the development of communications in the territories.
8. There are no restrictions on the development and establishment of health institutions. We are in the midst of the implementation of a plan for the development of government hospitals and communal health services. At the same time, we place no restrictions on private initiatives for the development of health institutions.
9. The defense authorities permit cultivation and grazing throughout a third of the year, even in those zones held by the army.



10. The civil administration is now studying requests by several municipalities to enlarge their area of jurisdiction.
11. Moderate mayors and leaders are permitted to take any security measures they deem fit and necessary to ensure their personal security, including the bearing of weapons, by themselves and their bodyguards.
12. The Israeli police are training Palestinian policement as officers for positions of command in the police force in the territories.

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REACTIONS TO THE AMERICAN DOCUMENT - GENERAL

1. Israel will continue to foster an environment of dialogue with the Palestinian public in the territories.
2. Israel will continue its policy of the "Arabization" of administration in the territories.
3. Our policy to transfer the mayoralty in the three cities today administered by Israelis to Palestinian hands -- remains unchanged.
4. We will permit financial aid from external sources to the municipalities and will encourage anyone prepared to extend such aid.
5. We will encourage every international or regional initiative for capital investment in the territories, for their economic development.

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FOLLOWING STRICTLY PERSONEL FOR PRIVATE SECRETARY FROM  
CHARLES POWELL, PRIVATE SECRETARY TO THE PRIME MINISTER

PRIME MINISTER'S VISIT TO ISRAEL: TALK WITH MR PERES on 25.5.82.

THE PRIME MINISTER HAD A TALK LASTING SOME 2 1/2 HOURS WITH  
MR PERES YESTERDAY AFTERNOON WITH ONLY NOTETAKERS PRESENT.  
PERES REVEALED A GREAT DEAL OF HIS THINKING ABOUT THE CURRENT  
MIDDLE EAST SITUATION IN STRICT CONFIDENCE AND ON THE EXPLICIT  
CONDITION THAT THE PRIME MINISTER SHOULD NOT PASS IT ON. HIS REMARKS  
INCLUDED A NUMBER OF SENSITIVE DETAILS. WHAT FOLLOWS IS A SUMMARY  
OF THE MAIN POINTS FOR THE SECRETARY OF STATE'S PERSONAL  
INFORMATION. THE PRIME MINISTER IS ADAMANT THAT IT SHOULD NOT BE  
CIRCULATED TO POSTS OR WITHIN THE FOREIGN OFFICE. SHE HOPES  
THAT THE FOREIGN SECRETARY WILL HAVE A FULL DISCUSSION WITH  
SECRETARY SHULTZ OF THE MIDDLE EAST SITUATION. BUT WOULD  
BE GRATEFUL IF HE WOULD AVOID DIRECT REFERENCE TO PERES' REMARKS  
TO HER.



## EGYPT

PERES EXPRESSED CONSIDERABLE CONCERN ABOUT THE 'UNBELIEVABLY SERIOUS' ECONOMIC PROBLEMS OF EGYPT AND THE CONSEQUENCES FOR MUBARAK. ON TABA HE GAVE AN ACCOUNT OF THE MEDIATION EFFORTS BEING MADE BY JUDGE SOFER WHICH HE THOUGHT MIGHT SUCCEED VERY SHORTLY IN CLEARING THE WAY FOR ARBITRATION. IF PROGRESS COULD BE MADE ON TABA, THIS WOULD OPEN THE WAY FOR EGYPT TO RESUME PLAYING A MORE CENTRAL ROLE IN ARAB/ISRAEL AFFAIRS. MUBARAK WANTED TO BRING ABOUT A RECONCILIATION BETWEEN KING HUSSEIN AND ARAFAT BUT DID NOT SEEM TO HAVE ANY SPECIFIC IDEAS FOR ACHIEVING THIS.

## GAZA

PERES SPOKE AT SOME LENGTH ABOUT HIS IDEAS ON GAZA. HE WAS CERTAIN THAT THE EGYPTIANS HAD NO POLITICAL INTEREST IN GAZA. SO FAR AS THEY WERE ACTIVE, IT WAS ONLY TO IMPRESS THE PALESTINIANS. HE SAW THE WAY FORWARD AS LYING IN A THREE-FOLD APPROACH: JOINT EGYPTIAN/JORDANIAN PARTICIPATION IN ECONOMIC PROJECTS IN GAZA SEMI-COLON A JORDANIAN POLITICAL STAKE, TO BE ESTABLISHED INITIALLY BY JORDAN ISSUING JORDANIAN PASSPORTS TO THE INHABITANTS OF GAZA SEMI-COLON AND ISRAEL GRANTING FULL AUTONOMY. ISRAEL WOULD BE READY TO HOLD A CONFERENCE WITH JORDAN AND EGYPT AND REPRESENTATIVES FROM GAZA TO DISCUSS THIS APPROACH. HE RECOGNISED THAT KING HUSSEIN HAD SOME RESERVATIONS ABOUT THIS. BUT HE BELIEVED THAT IF THE KING COULD BE CONVINCED THAT NO STEPS WOULD BE TAKEN WITHOUT HIS SPECIFIC CONSENT, THESE MISGIVINGS COULD BE OVERCOME. THE UNITED STATES WAS ENTHUSIASTIC AND SHULTZ WAS READY TO VISIT THE AREA IF PROGRESS COULD BE MADE.

## JORDAN

PERES SAID THAT ISRAEL WAS READY TO HELP KING HUSSEIN RE-ESTABLISH HIS INFLUENCE ON THE WEST BANK AND WOULD BE PREPARED TO IMPLEMENT A NUMBER OF POINTS PUT BY THE JORDANIANS SEMI-COLON NOMINATION OF FURTHER MAYORS SEMI-COLON ENLARGEMENT OF MUNICIPAL BOUNDARIES SEMI-COLON ESTABLISHMENT OF AN ARAB BANK SEMI-COLON DOUBLING OF FAMILY REUNIFICATIONS. ISRAEL WOULD ALSO BE READY TO SEE ELECTIONS TO THE JORDANIAN PARLIAMENT FROM THE WEST BANK. THE PROBLEM WAS, THERE SEEMED TO BE AN ABSENCE OF ANY STRONG POLICY LINE ON THE JORDANIAN SIDE. ISRAEL WAS HAVING TO DO ALL THE WORK PERES SAID THAT HE DID NOT SEE MUCH FUTURE IN THE IDEA OF A UN REPRESENTATIVE ON THE WEST BANK AND DID NOT BELIEVE THAT THE KING ATTACHED MUCH IMPORTANCE TO THIS.

PERES CONTINUED THAT KING HUSSEIN WAS WORRIED ABOUT THE CONTINUING IRAN/IRAQ CONFLICT AND THE RISK OF IRANIAN ACTION AGAINST AQABA. ISRAEL WAS READY TO PROVIDE A GUARANTEE THAT IT WOULD NOT TAKE ADVANTAGE OF THE SITUATION TO LAUNCH ANY ATTACK AGAINST JORDAN. THE KING NEED NOT KEEP A SINGLE SOLDIER ON THE JORDAN/ISRAEL BORDER. AT THE SAME TIME SOME MEANS HAD TO BE FOUND TO OVERCOME THE KING'S 'SHYNESS' ABOUT NEGOTIATIONS. HE CONTINUED TO HOPE THEREFORE THAT A WAY COULD BE FOUND TO PERSUADE THE KING TO AGREE TO LOW PROFILE, LOW LEVEL CONFIDENTIAL MEETINGS WITH THE ISRAELI GOVERNMENT IN THE UNITED STATES OR THE UNITED KINGDOM. HE HAD THE IMPRESSION THAT THE KING'S MIND WAS NO LONGER CLOSED ON THIS. HE HOPED THAT THE PRIME MINISTER WOULD BE READY TO HELP PERSUADE HIM.



## SYRIA

PERES THOUGHT SYRIA WAS THE MAIN CASUALTY OF THE UNITED STATES' ACTION ON LIBYA. THE DANGER OF A WAR BETWEEN SYRIA AND ISRAEL WAS NOW MUCH LESS THAN BEFORE. ASAD REALISED THAT HE COULD NOT GET AWAY WITH SUPPORT FOR TERRORISM. HE HAD SEEN THE SHORTCOMINGS OF SOVIET EQUIPMENT AND WITNESSED THE SOVIET UNION'S FAILURE TO RESPOND IN ANY WAY TO THE ACTION AGAINST LIBYA. HE ALSO FACED GRAVE ECONOMIC PROBLEMS. ALL THESE FACTORS SEEM LIKELY TO MAKE SYRIA RATHER MORE OPEN TO SOME SORT OF PARTIAL AGREEMENT.

MURPHY HAD MADE AN UNANNOUNCED VISIT TO SYRIA RECENTLY IN WHICH HE HAD DETECTED SOME READINESS TO DISCUSS SECURITY ARRANGEMENTS IN LEBANON WITH ISRAEL. HE HOPED TO PURSUE THIS FURTHER THROUGH THE AMERICANS.

## SOVIET ROLE

PERES DESCRIBED THE RUSSIANS AS BEING MORE ACTIVE BUT LESS MILITANT IN THE MIDDLE EAST IN RECENT MONTHS. THEY SUPPORTED SYRIA'S ROLE IN LEBANON, BUT DID NOT WANT WAR BETWEEN SYRIA AND ISRAEL.

## MARSHALL PLAN

PERES SPOKE ABOUT HIS IDEAS ON FAMILIAR LINES. HIS MAIN REQUEST WAS THAT THE PRIME MINISTER SHOULD APPOINT SOMEONE, PERHAPS OUTSIDE GOVERNMENT, TO TAKE PART IN FURTHER DISCUSSIONS ABOUT IT. HE RECOGNISED THAT HIS PLAN HAD TO BE PUT ALONGSIDE THE STRATEGY FOR PEACE, NOT BE A SUBSTITUTE FOR IT. HE DESCRIBED THE AMERICANS AS SUPPORTIVE BUT WANTING THE EUROPEANS TO TAKE THE LEADING ROLE.

## IRAN/IRAQ

PERES SAID THAT HE DID NOT EXPECT ANY DECISION TO BE REACHED ON THE BATTLE FRONT. THE END WOULD ONLY COME WHEN ONE SIDE OR THE OTHER TIRED. THE SOVIET UNION HAD ATTEMPTED TO BRING SYRIA AND IRAQ TOGETHER AS A STEP TOWARDS ENDING THE CONFLICT BY ORGANIZING A MEETING BETWEEN THEIR FOREIGN MINISTERS IN MOSCOW. BUT THE MEETING HAD PRODUCED NO RESULT.



UNITED STATES' ROLE

PERES AGREED THAT THE UNITED STATES WAS PREOCCUPIED WITH OTHER PROBLEMS AND HAD NOT GIVEN HIGH PRIORITY TO THE MIDDLE EAST. HOWEVER HE APPEARED TO BELIEVE THAT THIS WOULD CHANGE IF HIS IDEAS FOR THE HANDLING OF GAZA COULD BE BROUGHT NEARER TO FRUITION. HE MENTIONED IN VERY STRICT CONFIDENCE THAT SHULTZ WAS CONSIDERING A VISIT TO THE AREA IN THE WEEK 15/22 JUNE. PERES ALSO FLOATED THE IDEA THAT THE ECONOMIC SUMMIT SEVEN MIGHT PROVIDE A FRAMEWORK FOR DISCUSSION OF A MIDDLE EAST PEACE SETTLEMENT. THEY WERE STRONGER THAN THE UNITED NATIONS AND LESS WOOLLY THAN THE EUROPEAN COMMUNITY.

WILL DO A BOWDLERIZED VERSION FOR WIDER CIRCULATION AS SOON AS POSSIBLE.

DE COURCY-IRELAND

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JCTVAN 0369

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Short Speech by Mr Peres at Reception at  
King David Hotel, Israel; 26.5.86

PRIME MINISTER PERES

Prime Minister, Your Excellencies, my Colleagues of the Cabinet,  
the Speaker of the House, Friends:

The Government of Israel did whatever it could in order to make the visit of Mrs. Thatcher here a complete success. I am referring to the fact that on the evening of her arrival we have had a full moon and in the morning a brilliant sun. That is what a government can do after all! But the rest was done by her and may I tell you, Mrs. Thatcher, you have warmed the hearts of our people after your warm admiration of us following your deeds. It was a very moving experience and I simply was a witness to see with what great and high degree of warmth, of love and appreciation you were received wherever you moved around. As a matter of fact, our Speaker of the Parliament - not the present one - came back from Paris and we asked him how was his visit and his reply was: "I became a mobile Arc de Triomphe" so in a way I felt like you were a mobile Arc de Triomphe in our country representing your own people, representing whatever Great Britain stands for and your own personality and the Jewish community in Great Britain which is very dear to our hearts as well.

I think we have had very constructive talks for the future. Israel would be hold to say that we would solve all of our problems, so we keep some of them for the future and nobody can accuse us of being but a very dramatic country and drama we shall continue to play.

May I say that you did a great service to your people, to our people, to the relations between Great Britain and Israel, historically, at present and for the future. May I thank you



PRIME MINISTER PERES (CONTD.)

full-heartedly for your very successful and very moving visit to our country. Thank you very much indeed. (applause)

PRIME MINISTER THATCHER

Carry on with the party please!

=====



GR 380

Confidential

Subject  
cc Master

CONFIDENTIAL  
FM JERUSALEM  
TO IMMEDIATE FCO  
TELNO 133  
OF 262350Z MAY 86

FOLLOWING FOR PRIVATE SECRETARY FROM CHARLES POWELL,  
PRIVATE SECRETARY TO THE PRIME MINISTER.

PRIME MINISTER'S VISIT TO ISRAEL: MEETING WITH PALESTINIAN  
REPRESENTATIVES.

THE PRIME MINISTER HAD A FRIENDLY MEETING WITH EIGHT LEADING  
WEST BANK AND GAZA REPRESENTATIVES (MOSTLY MAYORS) THIS  
EVENING. THEY DESCRIBED THEIR GRIEVANCES IN STANDARD TERMS  
AND AT CONSIDERABLE LENGTH AND MADE NO SECRET OF THEIR  
UNHAPPINESS AT THE SPLIT BETWEEN KING HUSSEIN AND ARAFAT.  
THEY WERE NOTABLY VAGUE WHEN DISCUSSING NEXT STEPS IN THE  
PEACE PROCESS. THEY WERE EVIDENTLY REASSURED ABOUT OUR  
POSITION BY THE PRIME MINISTER'S SPEECH ON 25 MAY WHICH THEY  
WELCOMED. WHEN THE PRIME MINISTER RECALLED THAT ISRAEL HAD  
COMMITTED ITSELF TO THE ELECTION OF PALESTINIAN REPRESENTATIVES  
ON THE WEST BANK AND IN GAZA IN THE CAMP DAVID AGREEMENTS, THEY  
CAUTIONED ONLY AGAINST REFERRING BY NAME TO CAMP DAVID BUT  
THOUGHT THE POINT A USEFUL ONE.

AT THE END OF THE MEETING THERE WAS SOME DISCUSSION OF WHAT  
SHOULD BE SAID TO THE PRESS. THE PRIME MINISTER SAID THAT WE  
WOULD SAY THAT THE PALESTINIAN REPRESENTATIVES HAD GIVEN HER  
A FULL ACCOUNT OF THEIR VIEWS AND THEIR FEELINGS OF RESENTMENT  
AT THE DISCRIMINATION PRACTISED AGAINST THEM. THEY HAD ASKED  
FOR REASSURANCE THAT SHE SUPPORTED THEIR RIGHT TO SELF-  
DETERMINATION AND SHE HAD GIVEN THEM THIS IN THE TERMS OF HER  
SPEECH ON 25 MAY. SHE WOULD ALSO RECORD THAT THEY HAD SAID  
THAT THEY WERE COMMITTED TO NEGOTIATIONS FOR A PEACEFUL  
SETTLEMENT AND MEANTIME WANTED TO SEE MORE DEMOCRATIC PROCEDURES  
ESTABLISHED IN THE OCCUPIED TERRITORIES. THEY HAD MADE CLEAR  
THEIR REJECTION OF TERRORISM.

THE PALESTINIAN REPRESENTATIVES SAID THAT THEY WERE GENERALLY  
CONTENT WITH THIS SUMMARY AND WOULD FOLLOW IT, BUT WOULD  
REFER ALSO TO THEIR COMMON POSITION WITH THE LEADERSHIP OF  
THE PLO.

PLEASE REPEAT AS APPROPRIATE.

DE COURCY-IRELAND

LIMITED  
NENAD  
PUSD  
NEWS D  
SCD  
Ps  
Ps/MR RENTON  
Ps/PUS

MR FERGUSON  
MR DEREK THOMAS  
SIR D MIERS

Confidential



CONFIDENTIAL Subject cc Master

CONFIDENTIAL  
FM JERUSALEM  
TO IMMEDIATE FCO  
TELNO 134  
OF 262358Z MAY 86

FOLLOWING FOR PRIVATE SECRETARY FROM CHARLES POWELL,  
PRIVATE SECRETARY TO THE PRIME MINISTER.

PRIME MINISTER'S VISIT TO ISRAEL: MEETING WITH ISRAELI  
MINISTER OF DEFENCE.

THE PRIME MINISTER MET MR. RABIN FOR SOME 40 MINUTES  
THIS MORNING. RABIN, WHO WAS IN RATHER A GRUFF MOOD,  
DID MOST OF THE TALKING.

RABIN REFERRED TO THE UNPRECEDENTED CUT IN ISRAEL'S DEFENCE  
BUDGET WHICH HAD AFFECTED THE ISRAELI DEFENCE FORCES ACROSS  
THE BOARD. IT HAD BEEN POSSIBLE TO CONTEMPLATE THIS DRASTIC  
STEP BECAUSE OF THE STATE OF QUOTE COLD UNQUOTE PEACE WITH  
EGYPT SEMICOLON THE IRAN/IRAQ WAR WHICH KEPT IRAN  
PREOCCUPIED ON ITS EASTERN FRONT SEMICOLON AND AN ASSESSMENT  
THAT A FULL SCALE ISRAEL/SYRIA WAS UNLIKELY.

RABIN ALSO REFERRED TO SYRIA'S INVOLVEMENT IN TERRORISM.  
THE EVIDENCE OF DIRECT SYRIAN INVOLVEMENT AS OPPOSED TO  
SUPPORT FOR THE ACTIVITIES OF PALESTINIAN TERRORIST GROUPS  
WAS A DANGEROUS NEW DEPARTURE. THIS WAS WHY HE HAD DELIBERATELY  
ESCALATED THIS ISSUE DURING HIS VISIT TO THE UNITED STATES. AS  
FAR AS ISRAEL WAS CONCERNED, SYRIA WAS A MUCH WORSE THREAT  
THAN LIBYA.

RABIN SAID THAT ISRAEL'S FIRST PRIORITY SHOULD BE TO STRENGTHEN  
THE PEACE TREATY WITH EGYPT. THIS WOULD BE A DIFFICULT TASK  
SINCE EGYPT'S PRIORITY WAS NOW TO BUILD BRIDGES BACK TO THE  
ARAB WORLD. FOR JORDAN THE MAIN IMMEDIATE PROBLEM SEEMED TO BE  
TO RECONCILE SYRIA AND IRAQ. KING HUSSEIN WAS PREOCCUPIED WITH

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THE RISK OF THE COLLAPSE OF IRAQ AND THE CONSEQUENCES OF AN  
IRANIAN VICTORY. THE PEACE PROCESS WAS FOR THE TIME BEING,  
SECONDARY FOR JORDAN TO THE INTRA-ARAB PROBLEMS.

TURNING TO THE WEST BANK AND GAZA, RABIN SAID THAT INCREASED  
TERRORIST ACTIVITY IN 1985 HAD STEMMED FROM KING HUSSEIN'S  
DECISION TO READMIT THE PLO TO JORDAN. THE SITUATION WAS NOW  
IMPROVING BECAUSE OF THE DETERIORATION IN JORDAN/PLO RELATIONS.  
JORDAN HAD UNDOUBTEDLY SUFFERED A SETBACK ON THE WEST BANK  
AS A RESULT OF THE KING'S FEBRUARY SPEECH. THE KING WANTED  
ISRAEL TO SUPPORT HIS POSITION ON THE WEST BANK BUT GAVE  
LITTLE INDICATION OF WHAT THIS MEANT IN PRACTICE. AND IT WAS  
AN ILLUSION TO THINK THAT THE KING'S POSITION WAS STRONG  
ENOUGH TO ALLOW HIM TO GO IT ALONE.

RABIN SAID THAT ISRAEL'S POLICY TOWARDS THE OCCUPIED  
TERRITORIES WAS TWO-PRONGED: TERRORISM HAD TO BE DEALT WITH  
FIRMLY SEMICOLON AND MORE HAD TO BE DONE TO IMPROVE THE  
QUALITY OF LIFE ON THE WEST BANK. IN THE LATTER CONTEXT HE  
SAW NO POSSIBILITY OF PROCEEDING BY ELECTIONS. THESE HAD BEEN  
TRIED IN 1976 AND HAD BEEN A COMPLETE FAILURE. WHEN THE  
ELECTIONS WERE HELD UNDER TERRORIST THREAT, EXTREME ELEMENTS  
WON. IN ANY EVENT THERE WERE NOT ANY GENUINE ELECTIONS IN  
THE ARAB WORLD AND HE COULD SEE NO REASON WHY ISRAEL SHOULD  
BE THE FIRST TO HOLD THEM. HE PREFERRED A POLICY OF SMALLER  
STEPS SUCH AS APPOINTING ARAB MAYORS TO TOWNS AT PRESENT  
GOVERNED BY ISRAELI MILITARY OFFICERS AND GIVING LOCAL  
PALESTINIANS A GREATER SAY IN THE HANDLING OF EVERYDAY ISSUES.  
ISRAEL WAS READY TO HAND OVER MORE POWERS OF THIS SORT TO THE  
LOCAL PALESTINIANS. ISRAEL HAD ALREADY TAKEN A NUMBER OF  
IMPORTANT STEPS TO IMPROVE THE WEST BANK ECONOMY SUCH AS  
REMOVING LIMITS ON THE QUANTITY OF FUNDS WHICH COULD BE BROUGHT  
INTO THE WEST BANK. APPROVAL HAD ALREADY BEEN GIVEN FOR AN  
ARAB BANK BUT THIS HAD BEEN BLOCKED BY JORDAN. ISRAEL HAD  
ALSO TRIED TO MOBILISE INTERNATIONAL FUNDS TO CONTRIBUTE

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TO THE DEVELOPMENT OF THE WEST BANK BUT WITHOUT SIGNIFICANT SUCCESS. THE EUROPEAN COMMUNITY HAD BEEN PARTICULARLY INADEQUATE IN ITS RESPONSE. HE CONTINUED TO BELIEVE, HOWEVER, THAT THE ECONOMIC DEVELOPMENT OF THE WEST BANK SHOULD HAVE HIGH PRIORITY SINCE GIVING PEOPLE A GREATER STAKE IN THEIR LAND HELPED TO DISCOURAGE TERRORISM.

PLEASE REPEAT AS APPROPRIATE.

DE COURCY-IRELAND



CONFIDENTIAL

FM JERUSALEM

TO DESKBY 270400Z AMMAN

TELNO 021

OF 262325Z MAY 86

AND TO IMMEDIATE FCO

FROM PRIVATE SECRETARY TO PRIME MINISTER.

YOUR TELEGRAM NO 1 TO JERUSALEM.

THE PRIME MINISTER PUT NO REPEAT NO NEW PROPOSALS TO THE ISRAELIS FOR NEGOTIATIONS BETWEEN ISRAEL AND A JORDANIAN/PALESTINIAN DELEGATION. THIS IS A FIGMENT OF THE BBC'S IMAGINATION. WE HAVE TOLD THEM SO.

WE HEARD VERY SHORTLY BEFORE LEAVING LONDON THAT KING HUSSEIN WAS LIKELY TO VISIT THE UNITED KINGDOM IN JUNE. IT SEEMS PERFECTLY NATURAL TO EXPECT THAT HE WOULD WISH TO SEE THE PRIME MINISTER AND SHE HIM. THE PRIME MINISTER COULD OFFER 1700 HOURS ON 17 JUNE.

WE SHALL TRY TO DO A MESSAGE TO THE KING ON RETURN TO LONDON - GIVING HIM SOME ACCOUNT OF THE PRIME MINISTER'S TALKS. BUT THE PRIME MINISTER WILL WISH TO RESERVE MOST OF WHAT SHE HAS TO SAY UNTIL THEY MEET.

DE COURCY-IRELAND



Mr Powell

## PRIME MINISTER'S MEETING WITH PALESTINIANS: 26 MAY

1. This evening's dinner is the subject of sharp debate amongst Palestinians here. Although I have been assured that Khalil al Wazir (Abu Jihad) conveyed PLO approval to Palestinians in the Occupied Territories meeting the Prime Minister, the more radical supporters of the PLO - and the Rejectionists - have been mounting a determined campaign for a total boycott. The mouthpiece of this group is Ash-Shaab, whose editor summarised their views to me this afternoon as being that this was the only proper response to British refusal to receive Bishop Khoury and Mayor Milhem in London on 14 October 1985; and Britain's support of the US "aggression" on Libya. I have, however, been assured by Hanna Siniora and other moderate Arafat supporters that they will not be deterred by this campaign.
2. Siniora is the leading light in the efforts to prepare a Memorandum to be presented to the Prime Minister. This is a cause of dissention amongst the group: Shawwa has told me he objects in principle to the idea of a Memorandum, and Mayor Freij has said that he will not sign a Memorandum "under any circumstances", even if he agrees with the content. There is to be a final "drafting meeting" this evening, attended by all the Palestinian guests. The balance of probabilities is that all will attend, whether or not all sign the Memorandum. But it is quite possible that there will be tensions within the group. For this reason in particular, I have sought to make each of the groups during dinner as homogeneous as possible.
3. I saw the first draft of the proposed Memorandum, which had some promising elements (though also some unsatisfactory ones). I have not been able to get hold of the latest version, which I gather is a good deal shorter. I have been assured that every effort is being made to make the tone "positive".
4. Despite some of the reactions in the press (see attached note) the Prime Minister's speech last night seems to have been well received by our guests, who have noted in particular the point that economic proposals cannot be a substitute for a policy for peace. This meets a particular concern that support for "quality of life" projects and economic development is designed to promote a "Camp David autonomy", rather than a broader solution (the Jerusalem Post headline this morning suggests the Prime Minister is supporting "devolution steps" on the West Bank, and is not helpful in this respect). When discussing the "quality of life" the guests will be certain to emphasize that the most important single factor affecting their lives is the Israeli security policy: and that no amount of economic development can compensate for the treatment they endure daily at the hands of the security forces.

Points on which the Prime Minister is likely to be questioned include:

/a)





- a) Attitude to the PLO, in the light of media reports (not yet confirmed by Tunis) that the Dutch Foreign Minister met Arafat yesterday, in his capacity as President of the European Community. Will the UK do the same when it assumes the Presidency on 1 July? (The meeting is likely to revive sensitivities over the failure of the visit of the Joint Delegation last October).
- b) Are the Prime Minister's remarks about "the emergence of responsible political leaders ready for peace" to be interpreted as support for Jordanian and Israeli efforts to create a substitute for the PLO?
- c) Mr Peres is seen to have made positive remarks about the peace process and improvement of conditions in the Occupied Territories; but the Palestinians here do not see any concrete signs of this. Did the Prime Minister press the Israelis - and will she continue to press them - to translate their fine words into realities?
- d) What were the private reactions of Mr Peres and Mr Rabin to the Prime Minister's remarks about eg elections? (Kol Israel broadcast some very negative remarks by Rabin this morning)
- e) Shawwa and Freij in particular will raise the question of creeping extension of settlements, land expropriation etc (the co-Chairman of the World Zionist Organisation Settlement Department was reported in the Arabic press this morning as talking of 2 new settlements in Gaza; and Shawwa will be bound to refer to other encroachments).
- f) Several will be bound to mention aspects of economic development, and in particular access for Palestinian agricultural and other produce to the EC.
- g) For most, the only sure way of achieving a durable settlement is through Jordanian / PLO cooperation: will the Prime Minister use her standing and join eg President Mubarak in urging King Hussein to mend fences?

5. Shawwa's visit to Cairo earlier this month, and his discussion with the Egyptians of proposals for Israeli withdrawal from Gaza "first" (handing over control to the Egyptians), have now been widely publicised in the local press. They have stimulated opposition, as PLO supporters here (and, it would seem, King Hussein) fear that this would complicate, rather than simplify, a settlement of the problems of the West Bank. Shawwa may prefer to say nothing about these proposals on such a relatively public occasion (but will have the opportunity to do so, if he wishes).

6. Siniora and Abu Rahma were both approved by the PLO (and

/subsequently





subsequently Mr Peres) as members of a joint Jordanian /  
Palestinian Delegation for discussions with the Americans last  
year. Both are very conscious of the damage violence of any  
sort does to the Palestinian cause: Siniōra has condemned  
particular violent acts in his paper, and Abu Rahma has told me  
that when he was abroad last month, he wrote personally to Arafat  
(with whom he was at University in Cairo), to say that all forms  
of violence (including the "armed struggle") should be renounced.

26 May 1986

P G de Courcy-Ireland

cc: Mr Fergusson



PRIME MINISTER'S VISIT: PALESTINIAN PRESS COVERAGE

Saturday: All dailies quoted from Prime Minister's statement to the Press Association

Sunday: All dailies covered Mrs Thatcher's arrival in Israel. Al-Quds (pro-Arafat) and Ash-Shaab (pro-Fatah hard-liners) quoted from her arrival statement, including the point about self-determination.

In its editorial Al-Quds raked over ancient history and went on to say that HMG followed US policy on every issue, the latest example being the Security Council veto last week. HMG had never really backed the Venice Declaration and their attitude to the Palestinians had been demonstrated by refusal to meet PLO members of a Joint Delegation in London last October. If HMG really respected Palestinian self-determination, why did they not deal with their leadership, ie the PLO?

Ash-Shaab commented in its editorial on references by the US, Israel and the UK, to negotiations with "the Palestinians". What they really meant was that they wanted to find an alternative leadership to the PLO. These attempts would fail.

Monday: All papers had front page coverage of the visit, but only Al-Quds quoted from the Prime Minister's speech at the Knesset last night, getting across all the items we would wish.

Al-Quds carries a signed article by a senior editor, critical of HMG's attitude to the PLO. Tonight's meeting with Palestinian personalities was part and parcel of attempts, spearheaded by the US, to find an alternative leadership, but the finger was not pointed at any of those invited to attend. If HMG really wanted to help find a peaceful solution, they should knock on the right door, behind which was the PLO.

Editorial comment in Al-Fajr (pro-Arafat) urged HMG to use their influence to press the US and Israel to recognise Palestinian self-determination, as enshrined in the Venice Declaration, thus removing the most important obstacle to peace.





Al-Mithaq (Rejectionist) and Ash-Shaab reported a statement by institutions in the Occupied Territories denouncing the meeting with Palestinians scheduled for tonight and describing those attending as "outside the national consensus". The statement also criticised Rashad Shawwa and his "Gaza First" proposals and recent Jordanian actions, which were blessed by the US and Israel.



Mr Powell

PRIME MINISTER'S MEETING WITH PALESTINIANS: 26 MAY 1986

1. I attach a list of the Palestinian guests who have accepted invitations to meet the Prime Minister at dinner this evening. I have been assured that, despite a campaign by radicals (including some Arafat supporters), all will be attending. But I cannot exclude last minute surprises.
2. The guests have been asked to arrive before the Prime Minister's arrival at 8.30 pm, and will be waiting on the terrace at the front of the house. TV camera teams and press photographers will be in the garden to film the introductions; but they will not be allowed in until after the Prime Minister has arrived, and will be required to leave after not more than 5 minutes.
3. At present (1400 hours), the intention is that the Prime Minister should be handed a Memorandum summarising the views of those attending the dinner. All will be meeting shortly beforehand, so change cannot be excluded. The current intention is to give it to her at the end of the evening (to serve as as aide memoire), rather than at the beginning (when it might tend to become an agenda for detailed discussion).
4. Previous meetings with distinguished visitors have tended to have adopted the form of a "majlis" with all present sitting round for a formal exchange of greetings, and an open general discussion. This approach is in conformity with a deeply-rooted Palestinian tradition. However, experience has shown that this can lead to rather sterile exchanges, more particularly if Palestinians of divergent views start sniping amongst themselves. On this occasion, there seems general readiness to accept the Prime Minister's preference for discussion in small groups. It could, however, be useful if she were to say a few words to set the discussions over dinner firmly in context. This might lead to a general discussion rather like a majlis. If the Prime Minister were to wish to make such remarks, I would suggest these be left until shortly before we move into the dining room, thus reducing the opportunity for collective discussion.
5. There will be 3 tables. As there will be 3 courses, I propose that the Prime Minister, Mr Fergusson and myself should change places for each course, thus giving the Prime Minister the opportunity to speak to all the Palestinians individually (the groups have been made as homogeneous as possible). I attach a table plan showing how this would be done.

/6. As





6. As you will know, the serving of coffee is a sign here that the host considers the occasion is drawing to its end. I suggest that after dessert we move into the sitting room (remaining standing as far as possible), and that coffee is served after say, 20 minutes of further talk, unless you signal to the contrary.

26 May 1986

P G de Courcy-Ireland

cc: Mr Fergusson





IZZAT AL ALLOUL

Born Nablus 1937. Muslim.

Wealth businessman from leading Nablus family. Member of Board of Nablus Chamber of Commerce since 1973. Member of Municipal Council appointed in December 1985, when Zafer al-Masri became Mayor. Deputy Mayor in March 1986, following Masri's assassination.

A pro-Jordanian moderate, not active in national (as opposed to local) politics.

Shrewd and genial, speaks good English.



DINNER IN HONOUR OF THE PRIME MINISTER  
BRITISH CONSULATE-GENERAL, JERUSALEM  
MONDAY 26 MAY 1986

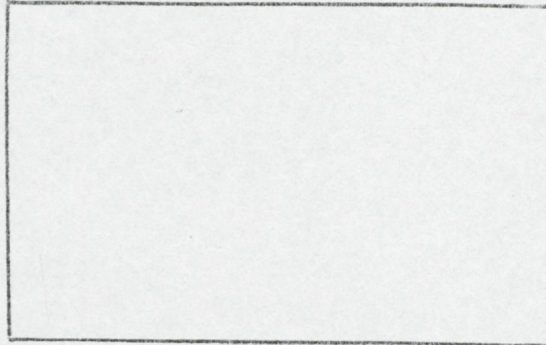
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SEATING PLAN

Mustafa Natshe

Zuhair al Rayyes

1. Prime Minister
2. Mr Fergusson
3. Mr de Courcy-Ireland

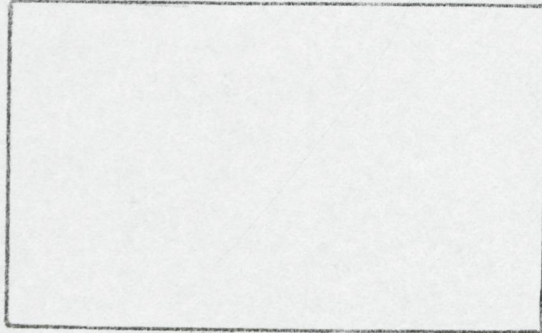


Hanna Siniora

Mr Henderson

Elias Freij

1. Mr de Courcy-Ireland
2. Prime Minister
3. Mr Fergusson

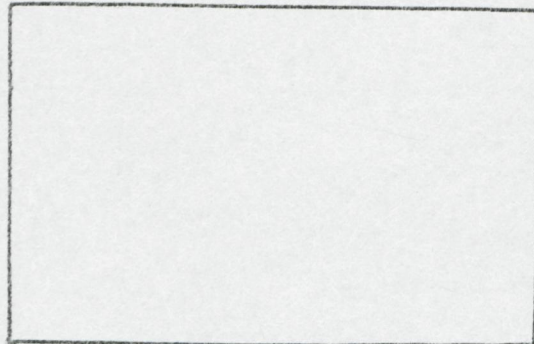


Haj Rashad al Shawwa

Izzat al Aloul

Basil Kan'aan

1. Mr Fergusson
2. Mr de Courcy-Ireland
3. Prime Minister



Fayez Abu Rahma

Mrs de Courcy-Ireland



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Subject cc Master

CONFIDENTIAL

TEL JERUSALEM

TO IMMEDIATE FCO

TEL NO 127

OF 260005Z MAY 86

FOLLOWING FOR PRIVATE SECRETARY FROM CHARLES POWELL, PRIVATE SECRETARY TO THE PRIME MINISTER

PRIME MINISTER'S VISIT TO ISRAEL: MEETING WITH MR SHAMIR on 25.5.86.

THE PRIME MINISTER SAW MR SHAMIR THIS EVENING, IN A MEETING LASTING SOME 40 MINUTES. SHAMIR WAS ACCOMPANIED BY KIMCHE, AVNER AND BEN AHARON. THE TONE OF THE MEETING WAS EQUABLE WITH THE PRIME MINISTER MAKING CLEAR THAT SHE WAS INTERESTED IN LISTENING TO MR SHAMIR'S IDEAS ABOUT THE PEACE PROCESS, IN THE EXPECTATION THAT HE WOULD AGAIN BE IN THE LEAD WITHIN THE COALITION IN THE AUTUMN. MR SHAMIR THANKED THE PRIME MINISTER FOR STRESSING IN HER PUBLIC REMARKS THE NEED FOR PEACE WITH SECURITY. THE ISRAELI GOVERNMENT RECOGNISED THE RISKS OF A HIATUS IN DISCUSSIONS ABOUT A SOLUTION TO THE ARAB/ISRAEL PROBLEM AND WAS MAKING EFFORTS TO IMPROVE RELATIONSHIPS WITH ISRAEL'S NEIGHBOURS AND OVERCOME THE DIFFICULTIES. IN PARTICULAR THEY HAD MADE CLEAR THAT THEY WERE READY TO NEGOTIATE WITH KING HUSSEIN WITHOUT ANY PRECONDITION. KING HUSSEIN HIMSELF APPEARED READY FOR THIS, AND THERE WERE PALESTINIAN ARABS WHO WOULD PROBABLY ALSO BE WILLING TO TALK WERE THEY NOT AFRAID OF RETALIATION. BUT THE MAIN OBSTACLE TO PROGRESS WAS THE PLO AND THEIR CONTINUING COMMITMENT TO TERRORISM AND VIOLENCE. THIS LED HIM TO THE CONCLUSION THAT THE ONLY WAY TO MAKE PROGRESS WAS FIRST TO DEAL WITH TERRORISM. ONLY THEN WOULD MODERATE ARABS FEEL FREE TO NEGOTIATE.

SHAMIR CONTINUED THAT THE ISRAELI GOVERNMENT HAD BEEN SHOCKED BY THE DECISION OF THE NETHERLANDS FOREIGN MINISTER TO MEET ARAFAT. IT WAS HARD TO UNDERSTAND THIS MEETING, COMING JUST AT THE TIME WHEN KING HUSSEIN WAS TURNING HIS BACK ON ARAFAT. HE THOUGHT THAT THE EFFECT WOULD BE TO DAMAGE PEACE PROSPECTS AND WEAKEN THE MODERATES. THE PLO WOULD CLAIM THAT THE EUROPEAN COMMUNITY HAD TO COME TO THEM IN ORDER TO CONTRIBUTE TO PEACE.

CONFIDENTIAL



CONFIDENTIAL

THE PRIME MINISTER AGREED THAT TERRORISM HAD TO BE DEALT WITH. BUT THIS ALONE WAS NOT ENOUGH. A SERIOUS EFFORT HAD TO BE MADE TO REDRESS JUSTIFIED GREIVANCES. THIS WAS WHY ANY SORT OF VACUUM OR HIATUS IN DISCUSSIONS ABOUT PEACE WERE DANGEROUS. AS REGARDS THE MEETING WITH ARAFAT, THE UNITED KINGDOM HAD MADE CLEAR THAT IT WAS OPPOSED TO SUCH A MEETING. BUT HAD BEEN IN A MINORITY OF ONE. SINCE THERE WERE PRECEDENTS, WE HAD DECIDED NOT TO BLOCK THE MEETING BUT RATHER HAD ATTACHED CONDITIONS TO IT WHICH WE THOUGHT WOULD BE POSITIVELY USEFUL. OUR OWN POSITION ON DEALING WITH THE PLO HAD NOT CHANGED.

THE PRIME MINISTER ASKED HOW TERRORISM COULD MOST EFFECTIVELY BE WEAKENED. MR. SHAMIR SAID THAT BETTER CO-OPERATION BETWEEN ISRAEL AND EUROPEAN SECURITY SERVICES WOULD BE A GREAT HELP. THE UNITED STATE'S ACTION AGAINST LIBYA HAD SHOWN THAT A SHARP BLOW COULD BE EFFECTIVE.

THE PRIME MINISTER ASKED WHAT MR. SHAMIR WOULD LIKE TO SEE FROM THE BRITISH PRESIDENCY OF THE EUROPEAN COMMUNITY. MR. SHAMIR SAID THAT THE BEST WAY FORWARD WOULD BE FOR THE EUROPEAN COMMUNITY TO IGNORE THE PLO AND SUPPORT KING HUSSEIN. HE WOULD ALSO LIKE TO SEE THE COMMUNITY LEND ITS FULL SUPPORT TO IMPLEMENTATION OF THE CAMP DAVID AGREEMENTS. NO BETTER WAY OF MAKING PROGRESS HAD BEEN DEVISED. IN SUM WHAT HE WOULD LIKE TO SEE WAS FIRM DIPLOMATIC AND ECONOMIC MEASURES AGAINST STATE-SPONSORED TERRORISM, WITH USE OF FORCE IF NECESSARY, COMBINED WITH A RENEWAL OF THE CAMP DAVID PROCESS. THE PRIME MINISTER ASKED HOW PALESTINIAN VIEWS WOULD BE REPRESENTED IF NOT BY THE PLO. MR. SHAMIR SAID THAT ONCE TERRORISM WAS DEALT WITH EFFECTIVELY PALESTINIAN POLITICAL PARTIES WOULD RE-EMERGE.

MR. SHAMIR SAID THAT SYRIA WAS INCREASINGLY CLOSE TO THE SOVIET UNION AND SPOKE OPENLY OF MILITARY CONFRONTATION WITH ISRAEL. SYRIA SOUGHT STRATEGIC PARITY IN ORDER TO ACHIEVE THAT. ISRAEL DID NOT WANT WAR WITH SYRIA THOUGH WAS SURE TO WIN A WAR IF IT OCCURRED.

CONFIDENTIAL



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THE PRIME MINISTER ASKED WHAT SHE SHOULD SAY TO THE PALESTINIANS WHOM SHE WOULD BE MEETING THE FOLLOWING DAY. MR. SHAMIR SAID THAT SHE SHOULD URGE THEM PUBLICLY TO CONDEMN TERRORISM, LEND THEIR FULL SUPPORT TO KING HUSSEIN AND NEGOTIATE WITHIN THE CAMP DAVID FRAMEWORK.

PLEASE ADVANCE TO RESIDENT CLERK (FCO) AND PLEASE COPY AS YOU SEE FIT.

P G DE COURCY--IRELAND

CONFIDENTIAL



ADDRESS OF THE SPEAKER OF THE KNESSET, MR SHLOMO HILLEL  
IN HONOUR OF PRIME MINISTER MARGARET THATCHER  
IN THE CHAMBER OF THE KNESSET  
MONDAY, 26 MAY 1986, 17 IYAR 5746

*H. enter  
on p. 6*

It gives me great honour to welcome our distinguished guest, Mrs Margaret Thatcher, Prime Minister of the United Kingdom and Northern Ireland, both as a representative of a friendly state and as a true and steadfast friend of Israel.

Our history has brought our two peoples together more than once. Sometimes this convergence between us has marked a time of jubilation and an uplifting of the spirit, and sometimes of distress and anguish.

Today, as the Knesset hosts Mrs Thatcher, the British Prime Minister, I recall the England of Lord Balfour and of Wingate, and a long list of Englishmen who showed understanding and sympathy for the Zionist cause, thanks to a knowledge and love of the Bible, and a cleaving to the principle of human justice.

I recall too the England of Churchill during the Second World War, when England stood almost alone in Europe against the great Nazi war machine, and paid a heavy price for her refusal to surrender. Most European leaders then preferred to ignore the aggression which threatened to destroy the liberty of states and individuals. They came to terms with it and, in the foolish belief that they would thus escape the evil, even collaborated - and brought tragedy upon themselves, their people and the world. England's stand and the courage of her citizens and especially of her sons during those dark days, saved the world from subjugation, and for this the entire free world owes England a debt of gratitude.

Today too, as we confront the new tyranny which seeks to destroy man's spirit and the liberty of states and individuals through vicious and vile international terror, there are many leaders in the world who think that it is permissible or desirable to ignore the phenomenon and to come to terms and even to collaborate with it. And now, as then, the steadfastness and sincerity of those who are prepared to sacrifice so much in order to safeguard the freedom of the world and the individual, is thrown into sharp perspective. Now too England takes its rightful place in the front-line of those courageous and honourable European nations as a spearhead in this vital struggle, and for this too we are thankful.

During Mrs Thatcher's brief trip to Israel, she has tried to visit many places and to meet people from as many walks of life as possible. I hope and believe that this visit and her various meetings and discussions will increase the understanding and friendship between our two nations.

Madame Prime Minister, on behalf of the Knesset, I extend to you and to your entourage our traditional welcome greeting of "B'ruchim Haba'im", and express the sincere hope that you will have an enjoyable stay in Israel.





*file*

10 DOWNING STREET

THE PRIME MINISTER

25 May 1986

*Dear Mr. Argov.*

I want you to know how delighted I am to be in Israel and what a very happy and successful visit it has already proved to be. The only sorrow is that we shall not have a chance to meet. You are very much in my thoughts, and I send you my warm regards.

*Yours sincerely*

*Margaret Thatcher*

---

Mr. Shlomo Argov



~~26.5.88~~  
Received: 25.5.88

Reference.....

EXTRACT FROM HOME SECRETARY'S INTERVIEW ON CHANNEL 4 PROGRAMME  
'CREDO' WHEN HE WAS TALKING ABOUT THE MORALITY OF POLITICAL  
VIOLENCE

"You get the borderline cases and you get the difficult cases like we have talked about the ANC. If you go on to the Palestinians you would find another difficult case where again I think that violence is wrong because Israel is not what you would call a last resort situation. So you get the difficult cases and you also get the very clear-cut cases of which Ireland is one."

The Home Secretary was talking about the philosophy of terrorism and he was comparing for instance Northern Ireland with Afghanistan. Afghanistan is clearly a foreign power in charge of the country effectively, therefore the rebels have a case as distinct from Northern Ireland which is part of a democratic system. Essentially he was saying that Israel was by no means a last resort situation so violence was wrong.



Charles  
Gren  
Coanfle



note for  
file?

10 DOWNING STREET

*From the Private Secretary*

Leviticus.

Chapter 19

Verse 34

---

But the stranger that dwelleth with you shall be unto you as one born among you, and thou shalt love him as thyself; for ye were strangers in the land of Egypt: I am the Lord your God.



PROGRAMME NOTES

A. Arrival Ceremony

Details in Tel Aviv Telno 197 to FCO.

B. Breakfast with Mayor Teddy Kollek

Mayor Kollek will be accompanied by:

Ambassador Shmuel Ovnat - Special Adviser  
Mrs Ruth Cheskin - Director, Jerusalem Foundation  
Viscount Samuel - Weizmann Institute

C. "Yad Vashem" Martyrs and Heroes Memorial

"A Wall and a Name": memorial park dedicated to victims of the Holocaust. On arrival, visitors walk along Avenue of the Righteous Gentiles to the historical exhibition of Nazi persecution of the Jewish people. Hall of Remembrance has mosaic floor inscribed with names of 21 largest death camps, and eternal flame.

The tour of the historical exhibit will be curtailed to allow Mrs Thatcher to see the new monument to Jewish fighters of WWII (unveiled last year by Mr Shultz).

Wreathlaying: while rest of party remain near entrance, Mrs Thatcher will be guided to rear of hall, where wreath will be positioned. Wreath is laid in front of eternal flame: all stand for a moment of silence, then leave the Hall.

Heads should be covered in the Hall of Remembrance.

D. ORT Vocational School, Givat Ram

The School is on the campus of the Hebrew University. It caters for 1181 students, aged 14-18, specialising in electronics, computers and data processing, and also provides teacher-training classes for 400 adults.

Mrs Thatcher will be greeted at the school entrance by a delegation of students, who will present her with an example of the school's handiwork. After a brief guided tour of the laboratories, she will sit in the school meeting room, to hear greetings from the Director of ORT International, Mr Joseph Harmetz, and the President of ORT Israel, Mr Uzi Steinberg.

E. Mount Scopus Commonwealth War Graves Cemetery

Established in 1917: predominantly a WWI cemetery. The dead are mainly from General Allenby's campaign against the Turks. The site is maintained by four Arab gardeners.

The War Memorial, which includes a small chapel, was designed by Sir Hugh Casson and completed in 1925/26. The panels list 3,382 war dead. There are 2,539 war graves: 2,178 British,  
/144



144 Australian, 51 South African, 34 New Zealanders, and 132 others.

On arrival, Mrs Thatcher will be guided to the memorial cross where she will lay a wreath. She will then proceed to the chapel to sign the cemetery's visitors' book.

F. Meeting with Mrs Ilana Friedman

Mrs Friedman will be accompanied by her husband and, as interpreter, Mrs Raya Jaglom, President of the Women's International Zionist Organisation and of the Israeli group "Women for Ida Nudel". The Friedmans do not speak English.

G. Talks with Prime Minister Shimon Peres

Mr Peres will be accompanied by:

Dr Nimrod Novik - Political Adviser

H. Meeting with Vice-Premier Yitzhak Shamir

Mr Shamir will be accompanied by MFA officials.

I. Meeting with Defence Minister Yitzhak Rabin

Mr Rabin will be accompanied by Defence Ministry officials.

J. Ben-Gurion Memorial, Kibbutz Sde Boker

Sde Boker means "Morning Field". David Ben-Gurion was a founding member of the kibbutz in 1953: he later made it his permanent home after his retirement from political life. He and his wife are buried there, on a site overlooking the Wilderness of Zin. Ben-Gurion's simple kibbutz hut has been preserved in his memory: it is now a tourist attraction. Present population of Sde Boker is 220.

Wreathlaying: on arrival, the party will travel by bus and minibus to the site of David and Paula Ben-Gurion's tombs. The Trustees of Ben-Gurion University and other spectators will be present. The VIP party will stand while a brief reading is given from Ben-Gurion's works (in English). Mrs Thatcher will then lay a wreath at the tomb. The VIP party will then reboard buses to move to:

K. The Jacob Blaustein Institute for Desert Research

Part of the Ben-Gurion University of the Negev (based in Beersheva), the Institute is a national centre for desert research, focussed on the development of the Negev. It was named in 1980 after Jacob Blaustein, an American industrialist, leader of American Jewry and personal friend of David Ben-Gurion.

/L.



L. Project Renewal, Ashkelon

The entire party will travel by bus to the Burton Community Centre, in the centre of a "Project Renewal" slum rehabilitation area. On entering the grounds, Mrs Thatcher will receive flowers from two children (one an Ethiopian Jew). The Mayor of Ashkelon, Mr Eli Dayan, will make a short speech of welcome, present Mrs Thatcher with a small gift, and introduce a welcoming group of municipal and neighbourhood officials. There will be time (about 10 mins.) for Mr and Mrs Thatcher to view displays of British-supported social schemes in Ashkelon and meet British volunteers.

M. Henry Ronson Comprehensive School, Ashkelon

The school is scheduled to open for the 1988 academic year. It will cater for 1,400 boys and girls aged 12-18. Sited in the exact centre of Ashkelon, it will aim to draw children from all the mixed ethnic communities of the city. In addition to academic studies, the school will teach car mechanics, computer studies, data processing and applied arts.

At the school site Mr and Mrs Thatcher with a small group will enter a VIP enclosure, where Mrs Thatcher will be invited to sign a commemorative scroll (to be buried on the spot).

After introduction by Mayor Dayan, Mr Trevor Chinn will make a very short speech, and will present Mrs Thatcher with a statuette on behalf of the Joint Israel Appeal. Mrs Thatcher and Mr Ronson will speak briefly; Mrs Thatcher will then be asked to formally inaugurate the site by turning the first shovelful of earth, after which the party will depart for:

N. Weizmann Institute of Science, Rehovot

Founded in 1934 by the Sieff family: renamed in honour of Chaim Weizmann in 1944. Of international reputation in the fields of natural and life sciences.

Mr and Mrs Thatcher will be entertained at lunch as the guest of Prof Arye Dvoretzky, President of the Institute. She will be presented with two bound volumes of Chaim Weizmann's writings.

O. Knesset, Jerusalem

Parliament building, inaugurated in 1966. The party will be greeted at the main gate to the Knesset, by the Speaker, Mr Shlomo Hillel, the Secretary-General, Mr Shmuel Jacobson and the Sergeant-at-Arms. Mrs Thatcher will be invited to inspect a Guard of Honour. She will then be escorted to the memorial to the Unknown Warrior where she will lay a wreath. The party will then enter the Knesset building.



P. Foreign Affairs and Defence Committee

Mr Abba Eban (Labour) is Chairman; Mr Michael Harish (Labour) Vice-Chairman. Other members are drawn from all major parties represented in the Knesset.

Q. Departure Ceremony, Knesset Rose Garden

Mr & Mrs Thatcher will travel with Mr and Mrs Peres from the King David Hotel (other members of the party will leave a few minutes earlier, to be in position for the Prime Minister's arrival).

On arrival, Mrs Thatcher will be conducted to a rostrum. National anthems will be played. She will then be invited to inspect a Guard of Honour.

R. Ramat Gan

"Garden Heights", founded as garden suburb of Tel Aviv in 1921. Now an indistinguishable part of the greater Tel Aviv conurbation.

On arrival, Mrs Thatcher will be greeted in Kikar Rambam by Mayor Uri Amit and will receive flowers from local children. She will be escorted to a rostrum to meet local personalities. The Deputy Mayor (Mrs Shahal) and the Mayor will make short speeches; Mrs Thatcher will reply. (Interpretation into Hebrew will be provided).

Mrs Thatcher will receive a gift from the Mayor (a vase made from a British shell-case of Allenby's campaign). The party will then move to the Municipality Building where Mrs Thatcher will be greeted by schoolchildren and dancers.

The Mayor will then accompany Mrs Thatcher on a brief car tour of Ramat Gan, taking leave of her at the municipal border.

Mayor Amit is a Labour Party member. He speaks poor English.



ccpc  
②



EMBASSY OF ISRAEL  
2 PALACE GREEN  
LONDON W8 4QB  
Telephone: 01-937 8050

שגרירות ישראל  
לונדון

BY HAND

23 May 1986

MT  
Prime Minister  
CDP  
23/5

Dear Prime Minister

As the Ambassador has already left for Israel in anticipation of your arrival, may I take this opportunity to wish you a most successful visit to our country.

I can assure you that the Prime Minister and his colleagues are looking forward to welcoming you and conducting with you discussions on subjects of mutual interest. We do hope that your encounters with our people in all walks of life will afford you an opportunity to gain a first-hand flavour of Israel in the Eighties.

May this first official visit of a British Prime Minister to Israel be a joyful trip for you and Mr Thatcher, as well as a historic landmark in the advancement of our mutually friendly relations.

With every good wish

*Yours sincerely,*

MOSHE RAVIV  
Charge D'Affaires a.i.

The Rt Hon Mrs Margaret Thatcher MP  
Prime Minister  
10 Downing Street  
LONDON SW1









## 10 DOWNING STREET

THE PRIME MINISTER

23 May, 1986.

Dear Julian,

Thank you very much for your letter of 21 May and for your thoughts about what I might say in Israel. As always it was very valuable to have your views with which I broadly agree. I shall certainly be discussing the conditions on the West Bank and urging the Israeli Government to take steps to improve them. I did, in fact, arrange with Mr. Peres in January to introduce some very discreet cooperation against terrorism. But I think that we have to be careful not to make too much of this in public.

I am particularly looking forward to seeing Teddy Kollek again.

Yours ever  
Margaret





10 DOWNING STREET

From the Private Secretary

23 May 1986

PRIME MINISTER'S VISIT TO ISRAEL: SPEECHES

I enclose:

i) the current and I hope final version of the Prime Minister's speech at Mr. Peres' dinner. I suggest that you telegraph this to Tel Aviv and ask the Ambassador to give the Israeli Government an account of it, particularly the final section. But it would be better not to hand over a text, since there could still be changes.

ii) the text for the Prime Minister's remarks at Ashkelon (though she may well in practice ad lib).

iii) text for the Prime Minister's remarks at the Weizmann Institute Lunch (though again, she may speak without a text).

You already have the text of the Prime Minister's Arrival Statement.

I am most grateful to David Miers and the Department for their help.

(C.D. POWELL)

Robert Culshaw, Esq.,  
Foreign and Commonwealth Office

\* ENCLOSURES  
in Relevant  
SPEECH folders  
in PM's Speeches  
# Broadcasts file

UA  
23/5







BALANCE (CF AMMAN TELNO 212) IF THERE WERE ANOTHER MODERATE PRO-JORDANIAN. THE BEST OPTION WOULD BE HZZAT ALLOUL, WHO IS ACTING MAYOR OF NABLUS IN TOUCAN'S ABSENCE. HE IS A WELL KNOWN NABLUS BUSINESSMAN, WITH GOOD ENGLISH; A TRUSTEE OF AL-NAJAH UNIVERSITY; AND AN ACTIVE SUPPORTER OF AND GENEROUS CONTRIBUTOR TO CHARITABLE WORK IN THE NABLUS AREA. DISCREET INDIRECT SOUNDINGS INDICATE HE SHOULD BE HERE FOR THE DINNER.

4. WE HOPE THERE WILL BE NO MORE LAST MINUTE SURPRISES. HOWEVER, AGAINST THAT POSSIBILITY, IT WOULD SEEM AS WELL TO INCREASE OUR RESERVES, TO PERMIT MAXIMUM FLEXIBILITY. IN ADDITION TO SAID KAN'AAN, WE WOULD RECOMMEND IBRAHIM ABDUL HADI, A LEADING MODERATE BUSINESSMAN FROM NABLUS, AND MEMBER OF THE NEW MUNICIPAL COUNCIL (PAGE 1 OF ANNEX TO LPP), AND KHALID OSAILY, A LEADING BUSINESSMAN FROM HEBRON, WHO IS A MODERATE AND PRAGMATIC ARAFAT SUPPORTER (LPP NO 37).

5. I AM MAKING FURTHER RECOMMENDATIONS SEPARATELY FOR THE MANAGEMENT OF A MEETING WHICH IS LIKELY TO PROVE DELICATE, IN THE LIGHT OF RECENT LOCAL DEVELOPMENTS. STAGE MANAGING WILL BE VERY IMPORTANT, AND WE HOPE YOU CAN AGREE TO INCLUDING HENDERSON (AS WELL, OF COURSE, AS MY WIFE).

DE COURCY-IRELAND

YYYY

JCTVAN 0358

NNNN



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EGPC

LEX HOUSE  
17 CONNAUGHT PLACE  
LONDON W2 2EL  
Telephone: 01-723 1212

From the office of Trevor Chinn

22nd May 1986

Charles Powell, Esq.,  
10 Downing Street,  
London S W 1

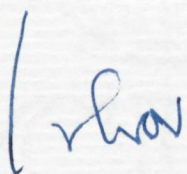
Dear Charles

As promised I enclose a briefing note for the Prime Minister in regard to her visit to Ashkelon.

I look forward to seeing you in Jerusalem on Sunday.

Kindest regards,

Yours sincerely,



Trevor Chinn



## BRIEFING ON PROJECT RENEWAL ASHEKON

Project Renewal, started in 1978, was designed to raise the quality of life in over 100 Israeli communities living below the poverty line. Each of these communities was to be twinned with a Jewish community in the Diaspora. British Jewry was twinned with Ashkelon, a town of 60,000 people of whom 45,000 lived in six separate depressed districts.

For the majority of the 'Renewal' area residents, Ashkelon had become their second home, since most of them were refugees from countries such as: Morocco; Iraq; Iran; Syria and Yemen. They came in such large numbers that it was found extremely difficult to provide adequate housing, educational and social amenities to satisfy all of their needs. As a result, for many years they lived in crowded conditions, had to put up with inadequate services, and sustained themselves in an environment which, while friendly, was totally unprepared.

When the first British Jewry mission visited Ashkelon in 1979, it found a forgotten, neglected town, suffering from overcrowding, limited job opportunities, a high crime rate, poor housing, and barely adequate social services. They found a city in the throes of a cycle of depression and deprivation.

A Steering Committee, based in the UK, was set up by the Joint Israel Appeal in association with the charity, The Jewish Philanthropic Association for Israel and the Middle East, to undertake the task of social rehabilitation and renewal. Trevor Chinn, National President of the JIA and Chairman of Lex Service PLC, asked Henry Strage, a senior Director of McKinsey & Company, to join him as Co-Chairman of the UK Committee.



The Committee decided that its first task was to launch half a dozen so-called preemptive strike projects, designed to have a high impact and a high visibility on the 'Renewal' residents. Such a strategy would demonstrate in practical terms the clear, unswerving dedication of the Committee to making lasting and meaningful change. Initial projects included a programme of refurbishment of substandard kindergartens, construction of mothers' laundry clubs to provide a setting for social community activities, an extensive sports programme which created an English style youth football league, a scholarship programme and the beginnings of a volunteer programme.

With these projects under way, it was decided that, however, wellmeaning, urban renewal was not an undertaking for the enthusiastic layman; a well documented catalogue of failures clearly suggested that there were lessons to be learned. And so a series of studies was undertaken, under the guidance of London based specialists Nathaniel and Dalia Lichfield. They brought together a cross cultural and multi-disciplined team to define the problems of Ashkelon in more precise terms, to prepare a strategy for intervention, and to initiate a programme of implementation.

It was decided early on in the process that every project, every programme, every initiative, must be based on real, not token, resident involvement. The bottom line of every project was 'to help the people of Ashkelon to help themselves'.

Ashkelon's neighbourhood chairmen, the lay leaders of the city's Residents Council, have led the way in developing the ideas of "self help" and shared decision making among the people of Ashkelon. The chairmen, together with their committees, participate in and influence the entire renewal process. The community management skills which they have



developed through extensive Project Renewal training have helped them to become really effective in voicing the needs of the people.

Only by having the citizens of Ashkelon involved in the 'Renewal' process was it felt that there was a chance really to make a difference. And so, from the very beginning and throughout the 7 years in which the project has been going, the UK Steering Committee and the residents have been involved together - in planning, decision making, execution, monitoring, control, and budgeting.

After 7 years of intensive work, the impact of over 200 separate projects on the quality of life in the city and the fabric of the community as a whole is evident everywhere. The cycle of despair has been turned into a cycle of hope. Today people are concerned about their destinies. Pride in their city and a constant effort to find more and better creative activities to improve the quality of their lives has become a living testament to the success of the effort. The programme has acted as a catalyst for recruiting the hearts and minds of the total population.

While a few of the projects have involved physical renewal, the majority have been concerned primarily with the development of community activities, the introduction of educational programmes, projects for improving health care, bringing social and educational amenities, and significantly improving the environment. What once was a black spot on the southern coast of Israel is today regarded as an oasis. Where just a few years ago sand and rubbish were the predominant sight between built up areas, today there are hundreds of parks and thousands of flowers. Ashkelon is regarded today as an example of the success of the impact of Project Renewal. Residents, whose dream 7 years ago was to move to a 'better area', are now fiercely proud of their own cleaner, greener housing districts.



As a result of the joint efforts of British Jewry through the Project Renewal Committee and the people of Ashkelon, Project Renewal Ashkelon has been uniquely recognised as a model to be emulated in the other 160 'Renewal' neighbourhoods identified as being disadvantaged. The arithmetic of urban development can hardly tell the whole story. But it does provide an impressive benchmark. Thus, for example:

- \* The dental clinic manned by volunteer dentists from the UK who donate 2 weeks of their time has attracted more than 350 dentists and has carried out over 60,000 treatments.
- \* A programme which brings British volunteers of all ages to Ashkelon to teach in schools, sports programmes, summer camps, and help in hospitals has attracted over 5,000 people.
- \* Forty new kindergartens have been built and renovated.
- \* Another creative 'first of its kind' project, the English Teaching Resource Centre, initiated by Inter-Action and supported by the British Council, has received nationwide recognition, and has plans for extending its activities in many other cities.
- \* Imaginative community environmental art programme of sculptures - some 40 in all - have brightened up what were previously drab surroundings, and the success of this form of community activity was highlighted in the first International Community Sculpture conference and exhibition held last year in Jerusalem.



The careful planning of projects, imaginative use of community resources, and translation of successful initiatives throughout the world to Ashkelon has allowed this Project Renewal effort to be exceptionally cost effective. Every segment of the city's activities has been affected by Renewal. Whether it is children involved in keeping their city clean as part of the Beautiful Israel environmental project, young adults involved in various social rehabilitation centres, mothers running their own clubs or going to literacy classes, or the senior citizens participating in a vast array of activities - no one has been left out of Renewal.

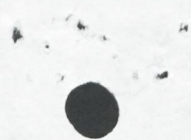
After 7 years, the UK Steering Committee is now planning the next phase of the involvement. This phase envisages the gradual reduction in budgets for programmes, and the eventual handover of all education, health and social welfare projects to total local control.

The Prime Minister's visit includes a Community Centre run by residents and professional community workers, in one of the poorest districts, where slums have been changed into a 'rose garden'; and the cornerstone laying ceremony of the Henry Ronson ORT School. This school will enable the educational programme in Ashkelon to change from a 4 year high school (14-18) to a 6 year (12-18), thereby extending the years of integration.

\* \* \*

Ashkelon has benefitted from the imagination and commitment of both dedicated amateurs and experienced professionals, who have together moulded a resident involvement programme. Many of the ideas used in the programmes have come from the experience of the UK professionals concerned with social rehabilitation and urban renewal.







SECRET



Foreign and Commonwealth Office

London SW1A 2AH

22 May 1986

Dear Charles

Prime Minister's Visit to Israel

The Israeli Cabinet Secretary has told Mr Squire that Mr Peres may ask the Prime Minister to commend to King Hussein secret and deniable bilateral talks with the Israelis at working level, perhaps in London. Beilin claimed that King Hussein was aware of this idea and had not so far rejected it, and that intervention by Mrs Thatcher might tip the balance. The Israeli Ambassador has also mentioned to Ewen Fergusson a hint which he had had from Mr Peres that Britain might be asked to act as host for proximity talks with Jordan.

The idea of such talks is not new. It reflects the longstanding Israeli objective of peace talks with Jordan without the PLO, an objective which remains unrealistic as long as King Hussein is unable to build himself a Palestinian constituency. There have been secret Jordan/Israel talks in the past, for example about the Jordan river. These have been not without risk to Jordan, and King Hussein will have carefully assessed the balance of advantage in going further by agreeing to political talks. The risks to King Hussein personally and to Jordan's position in the Arab world if they became public knowledge would clearly be considerable.

We think that the main Israeli interest in seeking Mrs Thatcher's help would be to exploit her good relationship with King Hussein to put pressure on the King. He is currently in a mood of disillusionment with the Americans. The Israelis may feel that Mrs Thatcher could persuade him.

King Hussein for his part would not need our help in setting up bilateral contact; and talks held at a local venue are more likely to remain secret than if they were held in a major capital. Mr Coles doubts whether the King

/would

SECRET

Prime Minister  
I am sure this is  
right. King Hussein does not  
need our help to get in  
touch with Mr. Peres.

CDP  
23/5

ms

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SECRET

would consider that the chances of making real progress are nearly good enough to justify taking such a risk at the present time.

If Mr Peres raises these ideas we therefore recommend that the Prime Minister should avoid endorsing them or giving any commitment to press King Hussein against his better judgement to accept them. She might offer instead to transmit a message to King Hussein (who is likely to be in London for about a week from 14/15 June), and seek to draw Mr Peres out on the subjects for discussion at the talks and what he hopes they will achieve.

This letter has not been seen by the Foreign Secretary, but will be submitted to him in parallel tonight.

*Yours ever*

(R N Culshaw)  
Private Secretary

C D Powell Esq  
PS/10 Downing Street

SECRET



PRIME MINISTER

SPEECH AT MR. PERES' DINNER

The text attached is as you saw it last night. We now need to finalise it.

The Foreign Office have now retreated and withdrawn their proposed passage. But the Foreign Secretary would still want to see an explicit reference to the Palestinians' right of self-determination. He believes that absence of such a reference will be a source of great concern to King Hussein and President Mubarak.

I already have a veiled reference to it on page 27. The choices seem to me:

- (i) to leave the text unchanged;
- (ii) to modify the passage on page 27 to read:  
".... which embraces the right of free peoples including the Palestinians to determine their own future ....."
- (iii) add a phrase at the top of page 26:  
"the emergence of responsible political leaders ready for peace, based on the exercise of the Palestinian people's right to self-determination".

Which would you prefer?

Content with text as a whole?

CDP

CHARLES POWELL



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JORDAN / OCCUPIED TERRITORIES

SUMMARY

1. MAYOR FREIJ OF BETHLEHEM RETURNS FROM AMMAN DISCOURAGED BY THE UNHAPPY ATMOSPHERE THERE. HE URGED THE PLO TO CURB CRITICISM OF JORDAN IN THE EAST JERUSALEM PRESS, TO CREATE A MORE FAVOURABLE CLIMATE FOR THE RAPPROCHEMENT WITH JORDAN THEY CLAIM TO WANT. BUT HE DETECTED NO JORDANIAN WILLINGNESS FOR RAPPROCHEMENT.

DETAIL

2. MAYOR FREIJ RETURNED FROM ATHENS AND AMMAN YESTERDAY AFTERNOON (21 MAY). HE CALLED THIS MORNING FOR A TOUR D'HORIZON BEFORE HE SEES THE PRIME MINISTER AT DINNER ON 26 MAY.

3. FREIJ WAS UNABLE TO SEE THE KING, BUT CALLED ON ZAID RIFAI, ADNAN ABU ODEH (MARWAN GASSEM WAS AWAY), TARIQ ALAUDDIN (DG OF THE GID), AND THE PLO TRIO OF KHALIL AL WAZIR (ABU JIHAD), BRIG GEN ABDUL RAZZAQ YAHYA, AND MOHAMMED MILHEM. HE WAS STRUCK BY THE GENERAL AIR OF UNHAPPINESS IN AMMAN, AND IN SOME QUARTERS EVEN DESPONDENCY. THE ECONOMIC SITUATION WAS BAD, AND MANY WERE ACUTELY NERVOUS ABOUT THE RECENT VIOLENCE AT YARMOUK UNIVERSITY (AMMAN TELNO 228). FEW COULD BELIEVE THAT THE FULL TRUTH HAD YET EMERGED: HE HIMSELF WAS SURE MUCH STILL LAY UNDER WRAPS. IT WAS STRIKING TO HIM TO HEAR EAST BANKERS BEING SO CRITICAL OF THE WAY THE INCIDENT WAS HANDLED, AND EXPRESSING SUCH UNEASE.

4. RIFAI AND ABU ODEH WERE ADAMANT THAT THERE WAS NO BASIS ON WHICH JORDAN COULD WORK WITH ARAFAT AND THE PRESENT LEADERSHIP OF THE PLO: THEY HAD PROVED THEMSELVES TOTALLY UNRELIABLE AND UNTRUSTWORTHY.



THEY HAD PROVED THEMSELVES TOTALLY UNRELIABLE AND UNTRUSTWORTHY. BOTH HAD GONE OUT OF THEIR WAY TO EMPHASIZE THAT ONLY THOSE IN THE OCCUPIED TERRITORIES WHO HAD BEEN OPENLY CRITICAL OF JORDAN NEED WORRY; THEY WOULD RECEIVE THEIR JUST DESERTS, BUT OTHERS WOULD REMAIN WELCOME IN THE FOLD. (FREW HERE DENIED THAT HE HIMSELF HAD BEEN SEARCHED OR IN ANY WAY DISCOMFORTED ON CROSSING THE BRIDGE.) JORDAN WOULD BE WORKING TO STRENGTHEN ITS STRUCTURES IN THE WEST BANK, AND TO SHOW THAT WEST BANKERS' TRUE INTERESTS LAY IN COOPERATION WITH JORDAN. INVITED TO OFFER SUGGESTIONS, FREW HAD STRESSED THE IMPORTANCE OF HELP FOR "LEGITIMATE" MUNICIPALITIES, EDUCATION, AND HOSPITALS AND OTHER HEALTH SERVICES. WHEN HE ASKED FREW WHERE HE THOUGHT THE MONEY WOULD COME FROM, GIVEN THE GENERALLY DIFFICULT ECONOMIC SITUATION IN JORDAN, AND THE DRYING UP OF CONTRIBUTIONS TO THE JOINT FUND, HE SAID THAT DOLLARS 20 MILLION A YEAR COULD ACHIEVE A LOT IN THE WEST BANK; IT SHOULD NOT BE BEYOND JORDAN'S CAPABILITY TO FIND SUCH A SUM (IF ONLY FROM UNDER THE FLOOR TILES).

5. THE PLO TRIO SAID THAT THEY WERE SEEKING TO CALM THE SITUATION, AND TO AVOID GIVING THE JORDANIANS OFFENCE; IF THE PLO LOST THEIR Foothold IN JORDAN, "ALL WOULD BE OVER". FREW CLAIMED TO HAVE ATTACKED THEM STRONGLY FOR ALLOWING THEIR SUPPORTERS IN THE PRESS - PARTICULARLY IN THE OCCUPIED TERRITORIES - TO ATTACK JORDAN, AND IN PARTICULAR, TO SPEAK IN LESS THAN RESPECTFUL TERMS ABOUT THE KING. THIS WOULD ONLY MAKE THEIR OWN POSITION IN JORDAN MORE DIFFICULT, AND WOULD DO NOTHING TO PERMIT THE RAPPROCHEMENT WITH THE KING THEY CLAIMED TO WANT. IT ALSO MADE THINGS MUCH MORE DIFFICULT FOR PALESTINIANS IN THE TERRITORIES. THE FIRST STEP THEY SHOULD TAKE WAS TO INSTRUCT THE EAST JERUSALEM PRESS TO CALM DOWN. HE CLAIMS THAT HIS THESIS WAS ACCEPTED, WITH YAHYA BEING A PARTICULARLY VIGOROUS SUPPORTER.

6. FREW COMMENTED THAT IT WAS JUST NOT POSSIBLE, IN PRESENT CIRCUMSTANCES, TO BRUSH ASIDE THE PLO AND TO IGNORE ITS STRENGTH AND INFLUENCE IN THE TERRITORIES; IF NOTHING ELSE, IT HAD ENORMOUS SYMBOLIC APPEAL. HE COULD NOT SEE ANY EARLY READINESS ON JORDAN'S PART TO PATCH THINGS UP; HIS ANGER WITH THE PLO WAS ALL TOO EVIDENT. BUT THE PRESENT STATE OF TENSION WAS UNDESIRABLE, AND PEOPLE IN THE TERRITORIES WOULD ONLY SUFFER FROM IT. IT WAS ESSENTIAL TO LOWER THE TEMPERATURE, IN THE HOPE THAT THIS WOULD PERMIT A CALMER AND MORE RATIONAL AND PRAGMATIC APPROACH. THAT STAGE (IF IT WERE TO BE REACHED AT ALL) WAS STILL A GOOD WAY OFF. THERE WAS CERTAINLY NO POSSIBILITY, IN PRESENT CIRCUMSTANCES, OF A DELEGATION OF CONCILIATION FROM THE TERRITORIES GETTING ANYWHERE (AN IDEA SENIORA HAD ASKED HIM TO TAKE SOUNDINGS ON); HE HAD NOT THEREFORE PURSUED IT.

DE COURCY-IRELAND

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Speeches in  
PM; speeches & broadcasts file ①

PRIME MINISTER

VISIT TO ISRAEL: SPEECHES

In addition to your speech at the dinner given by Mr. Peres, you will be called upon to make short speeches:

- (i) during your visit to Ashkelon, where you will visit a community centre and lay the foundation stone of a school; and
- (ii) at lunch at the Weizmann Institute.

I attach drafts for both speeches for your approval.

The Embassy have confirmed that there will be no speeches at President Herzog's lunch, only an exchange of toasts.

C.D.P.

Charles Powell

22 May 1986



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1333 #

MY TELNO 341: EGYPTIAN VIEWS ON ARAB/ISRAEL

1. PRESIDENT MUBARAK'S MESSAGE TO THE PRIME MINISTER EMPHASISES MANY OF THE POINTS PREVIOUSLY MADE BY THE FOREIGN MINISTER (MY TELNO 338) IN THE CONTEXT OF MRS THATCHER'S VISIT TO ISRAEL:
  - (A) THE IMPORTANCE OF RESTORING MOMENTUM TO THE PEACE PROCESS IN ORDER TO CHECK THE RISE OF EXTREMISM;
  - (B) THE DESIRABILITY OF RECONCILING KING HUSSEIN AND ARAFAT;
  - (C) THE NEED FOR THE ISRAELIS TO BE BROUGHT TO RECOGNISE THE RIGHT OF THE PALESTINIANS TO SELF-DETERMINATION WITHIN THE FRAMEWORK OF A CONFEDERATION WITH JORDAN;
  - (D) THAT THE ISRAELIS SHOULD NOT BE ALLOWED TO REGARD THE PURSUIT OF IDEAS FOR IMPROVING THE QUALITY OF LIFE FOR THE INHABITANTS OF THE OCCUPIED TERRITORIES MERELY AS A PRELUDE TO IMPOSING SOME FORM OF AUTONOMY. ANY SUCH MEASURES MUST BE FIRMLY LINKED TO PROGRESS TOWARDS A COMPREHENSIVE SETTLEMENT.
  
2. THE EGYPTIANS EMPHATICALLY REJECT THE ISRAELI CONTENTION, APPARENTLY SHARED BY KING HUSSEIN, THAT WE CAN AFFORD A TIME FOR REFLECTION AND THAT AN OPPORTUNITY NOW EXISTS TO GET RID OF THE PRESENT PALESTINIAN LEADERSHIP AND SUBSTITUTE AN ALTERNATIVE. WHILE MUBARAK HIMSELF HAS LITTLE LOVE FOR ARAFAT, HE SIMPLY DOES NOT BELIEVE IT IS A PRACTICABLE OPTION TO GET RID OF HIM IN THE LIGHT OF THE OVERWHELMING SUPPORT WHICH THE PLO LEADERSHIP ENJOYS IN THE OCCUPIED TERRITORIES. AT THE SAME TIME MUBARAK REMAINS DEEPLY SUSPICIOUS OF ASAD (HE HAS NO DOUBT OF HIS INVOLVEMENT IN TERRORISM) AND BELIEVES KING HUSSEIN NURTURES ILLUSIONS ABOUT WHAT HE CAN ACHIEVE THROUGH WORKING WITH SYRIA. UNFORTUNATELY WE HAVE NOT BEEN ABLE TO SEE MUBARAK PRIOR TO THE PRIME MINISTER'S DEPARTURE (SIMPLY BECAUSE HIS SCHEDULE IS TOO FULL, ACCORDING TO AL BAZ). HOWEVER WE MUST REGRETFULLY COMMENT THAT THE VARIOUS









## 10 DOWNING STREET

*From the Private Secretary*

22 May 1986

## VISIT TO ISRAEL

The Prime Minister has considered the Trade and Industry Secretary's minute of 21 May suggesting how she should respond, during her visit to Israel, to Mr Peres's proposal for a joint research foundation. She is grateful to Mr Channon for explaining the background so clearly and agrees that she should follow the approach proposed in paragraph 5 of his minute.

I am copying this letter to the Private Secretaries to the Foreign and Commonwealth Secretary, the Chancellor of the Exchequer, the Secretary of State for Education and Science, the Minister for Overseas Development and Sir Robert Armstrong.

C. D. POWELL

John Mogg, Esq.,  
Department of Trade and Industry

CA



cup  
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Foreign and Commonwealth Office

London SW1A 2AH

22 May 1986

Dear Charles,

ms

Prime Minister  
This is inconvenient but  
not too serious. I think that  
you should be frank with the  
President. We opposed the  
meeting, but nobody else did

Presidency Meeting with Arafat

The Prime Minister will wish to be aware that Mr van den Broek, acting in his Presidency capacity, is likely to meet Yasser Arafat, at PLO request, during his visit to Tunis from 25-26 May. The main aim of this visit is to see the Secretary-General of the Arab League and the Foreign Minister of Tunisia, in line with the Twelve's approved policy of keeping in touch with the parties to the Arab/Israel dispute. We have asked the Dutch to try to ensure, given the coincidence with the Prime Minister's visit to Israel, that the meeting with Arafat takes place at the latest possible moment in Mr van den Broek's programme.

we were not prepared to block it.

Our

The possibility of a PLO request for a meeting with the Presidency at Foreign Minister level (for which there are precedents in 1980, 1981 and 1982) was considered by the Political Committee on 14/15 May. None of our partners raised any objection, or endorsed the strong reservations we expressed. The Prime Minister will have seen the account of this meeting in The Hague telegram number 301 (copy enclosed for ease of reference).

Minister will not meet

we PLO until...

Sir Geoffrey Howe concluded that, rather than block a meeting which had the unanimous support of our partners, we should work to ensure that the Presidency make the best use of it to put across clear European views. The Presidency have circulated a line to take for the meeting. This includes, at our urging, pressing the PLO to accept SCRs 242 and 338 and renounce violence. This should reinforce and not cut across King Hussein's efforts to bring pressure to bear on the PLO leadership to change their policy.

CDP 22/5

In taking his decision, Sir Geoffrey Howe was particularly conscious of the danger that any UK efforts to block the proposed meeting would be leaked and, in the light of our support for US action against Libya and the Prime Minister's visit to Israel, would fuel damaging speculation in the Arab world that we were adopting a new unbalanced policy towards the region. The King's 19 February speech, rebuffing Arafat,

/did





did not receive the expected support in the West Bank, and has caused concern among his Arab friends, especially the Egyptians, who continue to believe that no progress is likely unless Arafat can be brought along. The Egyptians have in fact been urging reconciliation with Arafat on the King and have pressed us to do the same. By any attempt to block the meeting, we would not only have alienated Arab opinion but would also have risked increasing the pressure on ourselves for a meeting with Arafat during our own Presidency.

The Israelis are lobbying vigorously against the meeting and will certainly complain to the Prime Minister about it. Sir Geoffrey Howe sees no need for the Prime Minister to be defensive in reply. She might emphasise that there are several precedents for such meetings (including one by an earlier Dutch Foreign Minister), that there has been no change in the Twelve's policy, that it is important to keep in touch with Palestinians whose views must find expression in any peace negotiations, and that the Presidency will take the opportunity to put the Twelve's views to Arafat directly in a forthright and constructive way. Her own meeting with Palestinians resident in the Occupied Territories is an indication of the importance we attach to keeping in touch with Palestinian opinion, and our own handling of the abortive Jordanian/Palestinian mission in September last year was a clear demonstration of the caution and firmness with which we approach contacts of this kind.

*Yours ever*

*R N Culshaw*

(R N Culshaw)  
Private Secretary

C D Powell Esq  
PS/10 Downing Street



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EUROPEAN POLITICAL COOPERATION: POLITICAL COMMITTEE:  
THE HAGUE, 14-15 MAY: ARAB-ISRAEL

SUMMARY

1. (A) PRESIDENCY TO CONTINUE WITH DISCREET DIPLOMACY. ALL AGREED A NEW STATEMENT WOULD BE PREMATURE. PRESIDENCY KEEN ON SENDING A CONFIDENTIAL LETTER TO THE PARTIES STATING THE TWELVE'S VIEWS. GENERAL LACK OF ENTHUSIASM, BUT WORKING GROUP LIKELY TO HAVE TO REVERT TO THIS AT LEAST FOR CONTINGENCY DRAFTING WORK.

(B) VAN DEN BROEK TO VISIT TUNIS 26 MAY FOR TALKS WITH KLIBI (ARAB LEAGUE) AND TUNISIAN FOREIGN MINISTER. PRESIDENCY SOUGHT AGREEMENT THAT WHILE PRESIDENCY WOULD NOT THEMSELVES SEEK A MEETING WITH ARAFAT, IF ARAFAT ASKED FOR A MEETING HE SHOULD NOT BE REFUSED. UK ARGUED STRONGLY AGAINST, BUT ELEVEN TO ONE IN FAVOUR. UK INSISTED (AS PRICE OF NOT BLOCKING CONSENSUS) THAT IN THE EVENT OF A REQUEST FOR A MEETING, PRESIDENCY SHOULD SPEAK STRONGLY TO ARAFAT ON RENOUNCIATION OF VIOLENCE AND ACCEPTANCE OF SCRS 242 AND 338.

(C) ORAL REPORT OF EURO-ARAB DIALOGUE GROUP APPROVED WITHOUT DISCUSSION.

DETAIL

2. THE PRESIDENCY'S ANALYSIS OF ITS REPORT ON CONTACTS WITH THE PARTIES IN THE REGION WAS WELCOMED AND ITS RECOMMENDATIONS BROADLY ENDORSED, IN PARTICULAR THAT THE PRESIDENCY SHOULD CONTINUE WITH QUIET DIPLOMACY. BUT THE IDEA OF A POSSIBLE STATEMENT BY THE

/TWELV.

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TWELVE AT THIS STAGE GOT SHORTER SHRIFT. JACOBVITS (PRESIDENCY) THEN SUGGESTED A CONFIDENTIAL LETTER FROM THE PRESIDENCY TO THE PARTIES (ISRAEL, PLO, JORDAN, SYRIA, EGYPT, US). THE TWELVE HAD TO DO SOMETHING. A LETTER WAS A WAY TO MOVE THINGS FORWARD WITHOUT MAKING AUSTERE STATEMENT. THE LETTER MIGHT EXPRESS CONCERN AT THE STANDSTILL IN THE PEACE PROCESS AND WILLINGNESS TO HELP REACTIVATE THE PROCESS. ON SUBSTANCE THE LETTER MIGHT RECALL THE TWELVE'S EXISTING POSITIONS (VENICE ETC) AND SUGGEST AN INTERNATIONAL CONFERENCE BASED ON SCRS 242 AND 333 WITH PARTICIPATION OF A JOINT JORDANIAN/PLO DELEGATION.

3. THOMAS (UK) QUESTIONED WHAT SUCH A LETTER WOULD ACHIEVE. HOW WOULD IT BE RECEIVED BY THE PARTIES CONCERNED? WE OUGHT TO HAVE A CLEAR VIEW OF THIS. IT WOULD HARDLY REMAIN CONFIDENTIAL. MOREL (FRANCE) AGREED. IT WAS NOT AT ALL CLEAR IF THE IDEA OF A JORDANIAN/PALESTINIAN CONFEDERATION WAS STILL VIABLE, WHILE PALESTINIAN SELF-DETERMINATION MEANT MANY THINGS TO MANY PEOPLE. THERE WAS A LITTLE MORE SCOPE FOR PROGRESS ON THE IDEA OF AN INTERNATIONAL CONFERENCE. BUT A LETTER FROM THE TWELVE ENDORSING A CONFERENCE WOULD BE A HIGHLY SIGNIFICANT STEP. THE TWELVE WOULD HAVE SPONSORSHIP OF THE CONFERENCE PINNED UPON THEM. BIANCHERI (ITALY) SAID A LETTER WAS AN INTERESTING PROCEDURAL SUGGESTION, NOT TO BE TOTALLY DISCARDED. ON SUBSTANCE, THIS WAS NOT THE MOMENT TO BACK A CONFEDERATION. IT WAS AN IDEA THAT MIGHT HAVE ITS DAY AGAIN DEPENDING ON JORDAN AND THE PLO, BUT NOT NOW. HE WAS DOUSTFUL TOO ABOUT OPEN SUPPORT FOR AN INTERNATIONAL CONFERENCE. MURPHY (IRELAND) SAID A LETTER COULD AROUSE EXAGGERATED EXPECTATIONS ABOUT EUROPE'S ROLE IN THE PEACE PROCESS.

4. JACOBVITS SAID AGAIN THAT EUROPE HAD TO DO SOMETHING. KASEL (LUXEMBOURG) SUGGESTED FLOATING SOME NEW IDEAS (UNSPECIFIED) IN THE TROIKA TALKS WITH THE ARAB LEAGUE. JACOBVITS POINTED OUT THAT THE ARAB TROIKA (BAHRAIN, TUNIS, ALGERIA) WERE HARDLY KEY PLAYERS. KERKINOS (GREECE) COMPLAINED THAT THE TWELVE MIGHT WAKE UP ONE DAY TO FIND THE US AND SOVIETS HAD DONE A DEAL IN PRIVATE. VON BRAUNMUHL (FRG) SYMPATHISED WITH THE PRESIDENCY'S WISH TO ACT BUT SAW NO ALTERNATIVE TO CAUTION. THE MEWG COULD EXAMINE THE IDEA OF A LETTER. MOREL THOUGHT THE JUNE EUROPEAN COUNCIL WOULD BE IMPORTANT AND OUTLINED AN ELABORATE STRUCTURE OF POSSIBLE FURTHER CONTACTS LEADING TO AN AGREED REFERENCE DOCUMENT ON ARAB/ISRAEL WHICH THE LONDON EUROPEAN COUNCIL COULD PONDER AT THE END OF THE YEAR.

5. THOMAS WARNED AGAINST ACTIVITY FOR ITS OWN SAKE. IN PRACTICE THERE WOULD BE NO DIFFERENCE BETWEEN A LETTER OR A STATEMENT. IT WOULD BE A MISTAKE TO PROMOTE THE EUROPEAN COUNCIL AS A MILESTONE IN THE PROCESS: IT WAS NOT AT ALL CLEAR WHAT IT COULD USEFULLY SAY ON ARAB/ISRAEL. QUIET DIPLOMACY REMAINED THE RIGHT APPROACH. THAT DID NOT MEAN THE TWELVE WERE INDIFFERENT OR INACTIVE. FOR EXAMPLE BILATERAL CONTACTS COULD HELP (EG THE PRIME MINISTER'S FORTHCOMING VISIT TO ISRAEL). MOREL URGED THE TWELVE TO HAVE A FUNDAMENTAL THINK ABOUT ARAB/ISRAEL, ESPECIALLY IF THEY WERE SERIOUS ABOUT GETTING ON TOP OF THE TERRORIST THREAT.

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6. JACOBVITS SUMMED UP THAT THE PRESIDENCY'S REPORT ON ITS CONTACTS WOULD BE REVISED IN THE LIGHT OF THE DISCUSSION AND SUBMITTED AS AN AID TO REFLECTION AT THE 7/8 JUNE INFORMAL MINISTERIAL. ALL AGREED THAT THE PRESIDENCY SHOULD CONTINUE WITH ITS DISCREET CONTACTS. THE IDEA OF A LETTER COULD BE KEPT IN RESERVE. THE PRESIDENCY WOULD NEVERTHELESS PRODUCE A DRAFT FOR THE MEWG TO CONSIDER IN JUNE. MOREL AND THOMAS BOTH SAID THAT THIS WOULD IN ITSELF BE A SENSIBLE STEP. IF THE PRESIDENCY WANTED TO PRODUCE A DISCUSSION DOCUMENT FOR THE MEWG IT SHOULD BE DONE ON A HIGHLY CONFIDENTIAL AND PURELY EXPLORATORY BASIS.

7. DISCUSSION THEN TURNED TO THE QUESTION OF CONTACT WITH ARAFAT. JACOBVITS SAID THAT THE DUTCH AMBASSADOR IN TUNIS HAD REQUESTED A CALL ON ARAFAT, AS AGREED BY THE TWELVE, BUT THIS HAD NOT YET BEEN ACCEPTED. A SENIOR PLO REPRESENTATIVE, ABU JAAFAR, HAD BEEN RECEIVED IN THE HAGUE BY THE DIRECTOR FOR THE MIDDLE EAST AND AFRICA (HORAK) AND THE DEPUTY POLITICAL DIRECTOR (WIJNAENDTS). VAN DEN BROEK WOULD BE VISITING TUNIS ON 26 MAY FOR A MEETING WITH THE ARAB LEAGUE. HE WOULD DO NOTHING TO SEEK OUT ARAFAT BUT IT WAS POSSIBLE THAT ARAFAT WOULD REQUEST A MEETING WITH HIM. IF SO, IN THE PRESIDENCY'S VIEW, VAN DEN BROEK COULD NOT REFUSE. DID ANY OF THE TWELVE DISAGREE?

8. THOMAS EXPRESSED STRONG RESERVATIONS, STRESSING THE PLO'S ASSOCIATION WITH TERRORISM AND KING HUSSEIN'S CURRENT EFFORTS TO PUT PRESSURE ON THE PLO TO ADOPT A MORE REALISTIC POLICY. A MEETING WITH ARAFAT AT MINISTERIAL LEVEL WOULD BE A MAJOR STEP FOR THE TWELVE. AN APPEAL FOR SUPPORT FROM OTHERS ELICITED TOTAL SILENCE. THOMAS SAID THAT IN THOSE CIRCUMSTANCES THE UK WOULD NOT BLOCK A CONSENSUS, BUT IF THE PLO PROPOSED SUCH A MEETING, THE DUTCH AMBASSADOR IN TUNIS SHOULD, BEFORE ANY COMMITMENT WAS MADE, ESTABLISH THE AGENDA FOR TALKS, THEIR TERMS OF REFERENCE AND REACH AGREEMENT IN ADVANCE ON PUBLIC HANDLING. IN ADDITION, IF SUCH A MEETING TOOK PLACE, VAN DEN BROEK SHOULD BE BRIEFED TO SPEAK IN FORTHRIGHT TERMS TO ARAFAT, URGING THE PLO TO RENOUNCE THE USE OF VIOLENCE AND TO ACCEPT UN RESOLUTIONS 242 AND 338. THE UK RESERVED THE RIGHT TO SEND A COREU WITH SPECIFIC SUGGESTIONS FOR A CONTINGENCY LINE TO TAKE. JACOBVITS AGREED, SOMEWHAT RELUCTANTLY.

MARGETSON

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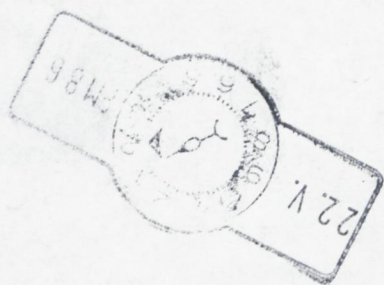
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ARAB/ISRAEL

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Speech in  
PM; Speeches & Broadcasts file ①

PRIME MINISTER

SPEECH AT MR. PERES DINNER

I attach a revised version of the speech in which I have taken account of comments from both the Foreign and Commonwealth Office and Sir David Wolfson.

The main outstanding problem concerns self determination. The Foreign Office want to put in a passage which would read:

"The two linked principles which must underlie an eventual settlement are Israel's right to secure existence and the Palestinians right of self determination."

They argue that the Foreign Secretary said this when he went to Israel and that if you say less it will look as though we are resiling. I do not accept that all speeches about Arab/Israel have to use identical language but I think there should be some reference to self determination and I have slipped one in on page 27.

I have consulted David Wolfson about the length of the speech. He thinks that, since this will be the major occasion for you to say something in public in Israel, you should make a substantial speech and that this is about the right length.

---

CDP

mb

Charles Powell  
21 May 1986

JALASE



FROM: THE RT. HON. JULIAN AMERY, M.P.



112, EATON SQUARE,  
SW1W 9AA  
TEL: 01-235 1543  
01-235 7409

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*Prime Minister*  
*I am not sure that this is a great help. Point 1 is unnecessarily defensive. The Israelis have not yet fully taken up our offer on point 2. Point 3 you are doing. And point 4 you could discuss with Teddy Kollek or not mention publicly*

21st May, 1986

I have been thinking about your visit to Israel and venture to offer the following thoughts about the line you might take in whatever speeches you may have to make.

1. Israel and Jordan are both, as it were, "children" of the old British Empire. Lawrence of Arabia, as his letters show, supported Balfour's proposal for the "national home". The British Government of those days saw no necessary conflict between Jews and Arabs. You personally have established a genuine friendship with King Hussein and I think this is genuinely welcome in Israel (more particularly since the King broke with Arafat). It is only natural, and a return to the Balfour/Lawrence concept, that you should cement your friendship with Peres by your forthcoming visit. (The FCO, at any rate when I was in it, don't like this line of approach but I have found it goes down well with both Arabs and Israelis).

*could discuss with Teddy Kollek or not mention publicly*  
*CDP*  
*21/5*

2. You may remember that when Mr. Peres came to see you in January I suggested you should give him a 'present' by way of discussing joint action against terrorism. This, of course, has since grown into a major issue and might be developed with advantage. Your early interest in the subject and since then your stand on Tripoli puts you in a very strong position.

3. You may want, and I have little doubt King Hussein hopes, you will urge, the Israelis to liberalise their Administration on the West Bank. I believe Peres would be responsive to an approach on this. The question is

*mt*



how best to do it? You could, of course, take the bull by the horns and say what you hoped the Israelis would do. On the other hand this might be counterproductive with some sections of Israeli opinion. I have been wondering whether it might not be more fruitful to try and get Peres to say what liberalising measures he had in mind. You could then endorse these and, if necessary, try and take them a bit further. The Arabs would be quick to understand this indirect approach, Peres would be flattered and Shamir's room to manoeuvre somewhat limited.

4. A thought for the back of your mind. I don't think the Israelis will ever give up Jerusalem short of a military defeat. The Old City within the walls is, however, a very distinct entity. Much more so than the Vatican in Rome. As I understand, the Vatican though a sovereign state, depends on the Roman municipality for most of its services. I wonder if the Old City, sacred to Jews, Christians and Moslems alike, could not have a special status distinct from modern Jerusalem. I don't suggest that you should propose this at this stage. But if you have time to visit the Old City you might have the concept in mind. The only person you could sound out on the subject is Teddy Kollek. If you should see him, he is a very engaging person and we worked together in the early part of the last war. The last time I saw him was at breakfast at the King David hotel. We started off with Bloody Mary's, but I don't suggest you should do the same!

*Julian*

Julian Amery  
The Rt. Hon. Mrs. Margaret Thatcher, M.P.





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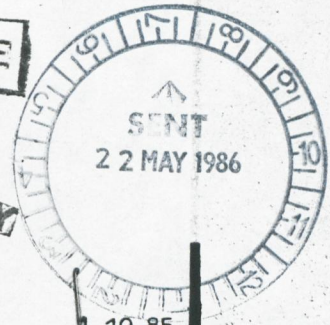
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TELNO 389

OF 211430Z MAY 86

INFO IMMEDIATE TEL AVIV

INFO ROUTINE DAMASCUS, WASHINGTON

TEL AVIV TELNO 216: PRIME MINISTER'S VISIT TO ISRAEL

1. IT WOULD OBVIOUSLY ADD CREDIBILITY AND STRENGTH TO THE LINE WE TAKE HERE AND ELSEWHERE (NOTABLY IN NEW YORK) ON UNIFIL IF PRESS BRIEFING AT SOME STAGE OF THE VISIT COULD INDICATE THAT THE PRIME MINISTER HAD TOLD THE ISRAELIS OF OUR DISAPPOINTMENT THAT THEY HAD STILL NOT FULLY IMPLEMENTED UNSC RESOLUTION 425.

2. ARGUMENTS IN FAVOUR OF IMPLEMENTATION ARE, OF COURSE, WELL-KNOWN TO THE DEPARTMENT.

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PRIME MINISTER

VISIT TO ISRAEL

As requested in your Private Secretary's letter of 20 May, I have looked at the possibilities for strengthening our scientific and technological collaboration with Israel in the context of Mr Peres' proposal for a joint research foundation.

2 Mr Peres appeared to have in mind something on the lines of the Israel-US Binational Industrial Research and Development Foundation (BIRD) whose purpose the Israelis say is to act as a marriage broker between Israeli firms providing R&D and American firms marketing the products of collaboration. It is primarily about enhancing Israeli exports. BIRD has been financed by the two Governments on a 50:50 basis to the tune of \$110 million. It characteristically meets half the costs of approved projects.

3 I have two reservations about the Israeli proposal. First I suspect the Israelis of aiming to gain access to the frontiers of UK technological advances - particularly in the areas of biotechnology, medical instrumentation and laser technology to facilitate the development of export industries based in Israel.

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They have already demonstrated their capabilities in the area of medical instrumentation and are exporting to British hospitals. Second, if we were to increase support for R&D - responsibility which we have hitherto seen as one largely for the private sector - I should prefer the money to be spent here in the UK for the immediate and sole benefit of British industry. There ought to be other priorities for expenditure in this field.

4 Israel does indeed have some able scientists from whom we may have something to learn. But enterprising companies ready to collaborate in the development of their ideas are already welcomed in Israel without the support of a Foundation. We should not be drawn into funding something that is likely to happen anyway or alternatively into underwriting projects which British companies are not willing to back with their own funds. Of course, some firms are already collaborating with Israeli companies. But there is evidence that many others - possibly inhibited by the Arab Boycott and their own suspicions of Israeli motives - are reluctant to become too closely involved. This has become very apparent when we have tried to promote interest in Israeli co-operation.

5 But I agree that we must not appear negative about Mr Peres' proposal. To this end and to demonstrate our interest in the

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principle of strengthening Anglo-Israeli scientific and technical collaboration, you might take the initiative in your talks with Mr Peres, and perhaps during your visit to the Weizmann Institute, by proposing that a team of distinguished Israeli scientists and technologists should come to the UK as our guests to exchange ideas with their British counterparts on R&D in the two countries and to explore the possibilities for co-operation with British companies, Universities and Research Establishments. The visiting team would have more impact if it were to be led by an Israeli Minister (Mr Peres would probably suggest Gideon Patt, the Minister of Science). As to timing, a visit in the early autumn would be welcome.

6 I could meet the cost of the proposed mission within my existing Departmental budget, although I should look to other Departments, not only for help in organising the visit, but also to support any necessary follow-up action.

7 I am copying this minute to Geoffrey Howe, Nigel Lawson, Keith Joseph, Timothy Raison and Sir Robert Armstrong.

PAUL CHANNON

21 May 1986

Department of Trade & Industry

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INFO ROUTINE AMMAN, BEIRUT, CAIRO, DAMASCUS, JERUSALEM, RIYADH

INFO ROUTINE WASHINGTON

## PRIME MINISTER'S VISIT TO ISRAEL

1. AHEAD OF THE PRIME MINISTER'S VISIT IT MAY BE HELPFUL TO HAVE SOME BACKGROUND IMPRESSIONS. MRS THATCHER WILL ARRIVE AT A TIME WHEN ISRAELIS ARE MORE CONFIDENT THAN THEY HAVE BEEN FOR YEARS, BUT GENUINELY PUZZLED ABOUT WHAT TO DO FOR THE BEST IN FOREIGN POLICY.
2. THE ISRAELI ECONOMY, THOUGH FRAGILE, HAS BEEN STEADIED AND INFLATION REDUCED. THEIR ARAB ENEMIES ARE IN DISSARRAY (OIL PRICE, IRAN/IRAQ WAR. INTERNAL TROUBLES IN LEBANON AND SYRIA, INTERNATIONAL OUTCRY AGAINST TERRORISM. US/ISRAELI RELATIONS ARE AT A PEAK UNKNOWN FOR YEARS (AND ARAB INFLUENCE IN WASHINGTON AT A LOW EBB).
3. THE OVERRIDING AIMS OF MOST ISRAELIS ARE THE SECURITY OF THE STATE AND THE MAINTENANCE OF ITS JEWISHNESS. ISRAELIS TAKE IN DEADLY EARNEST THE ASSERTION OF THE ARAB WORLD (EXCEPT EGYPT) THAT A STATE OF WAR EXISTS. ISRAELIS ROUTINELY ACCEPT A DEFENCE BUDGET THAT MAINTAINS MORE COMBAT AIRCRAFT AND THREE TIMES AS MANY BATTLE TANKS AS THE UK; THREE YEARS' NATIONAL SERVICE FOR ITS YOUNG MEN (TWO YEARS FOR YOUNG WOMEN); AND ANNUAL RESERVE SERVICE FOR MOST ADULT MALES UNDER 55. A MAN OF MRS THATCHER'S GENERATION WILL HAVE FOUGHT IN FOUR OR FIVE ARAB WARS AND SEEN HIS SONS FIGHT IN AT LEAST ONE.
4. JEWISHNESS  
AFTER SECURITY THE JEWISHNESS OF THE STATE IS THE PRIME CONCERN. THE DEMOGRAPHIC TRENDS DISTURB THE ISRAELIS - THERE COULD BE ALMOST AS MANY ARABS AS JEWS IN ISRAEL AND THE OCCUPIED TERRITORIES BY THE YEAR 2000. THE OLD DILEMMA IS AS REAL AS EVER: ISRAELIS SEE RETENTION OF THE WEST BANK AND ITS POPULATION AS A THREAT TO THE JEWISHNESS OF THE STATE, ITS SURRENDER IN WHOLE OR PART AS A THREAT TO ITS SECURITY.
5. PEACE PROCESS  
AGAINST A BACKGROUND OF ISRAEL'S MILITARY POWER AND ARAB DISSARRAY, MR PERES HAS TRIED TO OPEN PEACE NEGOTIATIONS WITH KING HUSSEIN AND THE PALESTINIANS, WITHOUT SUCCESS. AS A RESULT MR SHAMIR AND THE SCEPTICAL HALF OF THE GOVERNMENT ARE CONFIRMED IN THEIR BELIEF THAT ISRAEL CAN AFFORD TO WAIT, THAT THE STATUS QUO IS PREFERABLE TO ANY RISKY MOVES, AND THAT ISRAEL CAN ACCEPT THE CHANCE OF WAR IN THE LONGER TERM SHOULD ANY ARAB STATE BE SO.

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/FOOLISH



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FOOLISH. YET THE DESIRE FOR A NEGOTIATED PEACE SETTLEMENT IS VERY STRONG AMONGST PEOPLE AT LARGE. THE GENERAL AIR OF SCEPTICISM WOULD QUICKLY CHANGE IF REAL PEACE MOVES WERE IN EVIDENCE.

## 6. INTERNAL

THE COALITION GOVERNMENT WAS BORN OF NECESSITY. THE LACK OF AN OVERALL MAJORITY FOLLOWING THE 1984 ELECTIONS REFLECTED DEEP DIVISIONS IN SOCIETY WHICH A NEW ELECTION WILL NOT RESOLVE. THE COALITION GOVERNMENT HAS NEVERTHELESS ACHIEVED TWO AIMS ON WHICH THERE WAS A NATIONAL CONSENSUS: TO SLOW DOWN RUNAWAY INFLATION AND GET THE ARMY OUT OF THE LEBANESE WAR. ECONOMIC POLICY IS STILL A MAJOR PREOCCUPATION: BUT IN THE ABSENCE OF ANY OTHER SPECIFIC AIM THE COALITION IS INCREASINGLY TAKING ON THE AIR OF A CARETAKER GOVERNMENT. FEAR OF ELECTIONS AS WELL AS NATIONAL CONSIDERATIONS HAVE SO FAR HELD IT TOGETHER. BUT IT LOOKS INCREASINGLY FRAGILE AND COULD EASILY SPLIT OVER SOME FOREIGN POLICY ISSUE (EG TABA OR WITHDRAWAL FROM OCCUPIED TERRITORIES), PERSONALITIES, OR SOME ARCANE RELIGIOUS DISPUTE (THE RABIN GOVERNMENT FELL OVER A SABBATH VIOLATION).

## 7. ROTATION

THE CHANGE OF PRIME MINISTER FROM PERES TO SHAMIR IN OCTOBER DOES NOT ALTER THE BALANCE OF FORCES IN THE CABINET NOR THE POLICIES LAID DOWN IN THE ORIGINAL COALITION AGREEMENT. UNDER SHAMIR THERE WILL BE A DIFFERENT STYLE, AND A DIFFERENT ORDER OF PRIORITIES IN THE MATTERS BROUGHT FORWARD FOR CABINET DECISION. AND A GOVERNMENT LED BY SHAMIR WILL BE DIFFERENTLY PERCEIVED ABROAD. THE MAIN QUESTION IS WHETHER SHAMIR WILL HAVE THE STRENGTH TO RESIST EXTREMIST PRESSURE WITHIN HIS OWN PARTY (ESPECIALLY FROM SHARON). IF HE DOES NOT, THERE IS LITTLE DOUBT LABOUR WOULD BRING DOWN THE GOVERNMENT. IN ANY EVENT, A PRE-ELECTION ATMOSPHERE WILL INCREASINGLY DOMINATE THE ISRAELI SCENE. IN PERES, SHAMIR AND RABIN THE PRIME MINISTER WILL BE HAVING DISCUSSIONS WITH THREE MEN WHO HAVE BEEN, AND HOPE TO BE AGAIN, THE PRIME MINISTER OF ISRAEL.

8. MORE DETAILED COMMENT ON SOME OF THE ISSUES AND PERSONALITIES IS IN MY TWO IFTS.

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PRIME MINISTER'S STATEMENT IN FOREIGN AFFAIRS TO THE KNESSET

SUMMARY

1. PRIME MINISTER PERES SUMMARISED AS FOLLOWS THE MAIN POINTS OF A STATEMENT ON FOREIGN AFFAIRS IN THE KNESSET ON 19 MA

"FROM OUR POINT OF VIEW, IMPROVEMENT OF RELATIONS WITH EGYPT IS THE IMMEDIATE ISSUE, AND IT MIGHT EXPAND THE CIRCLE OF PEACE. A LOWERING OF THE TENSION WITH SYRIA WHILE ATTEMPTING TO INSTITUTIONALIZE A BINDING SYSTEM OF RELATIONS OUT OF THE CURRENT SITUATION ENCOURAGEMENT OF SELF-ADMINISTRATION IN THE TERRITORIES: AND A CONTINUATION OF THE EFFORT TO OPEN NEGOTIATIONS WITH OUR NEIGHBOUR TO THE EAST."

DETAIL

2. TERRORISM.

PERES GAVE WARM PRAISE TO THE UNITED STATES FOR LEADING THE STRUGGLE AGAINST TERRORISM AND ORGANISING THE FREE WORLD AGAINST IT.

3. SYRIA

SYRIA HARBOURED TERRORIST ORGANISATIONS. IT ALSO HAD A SECURITY BODY WHICH MAINTAINED A BROAD NETWORK OF AGENTS AND ACTIVISTS WHOSE PURPOSE IS ABETTING TERRORIST ACTIONS. ASSAD HAD USED THESE ORGANISATIONS AS INSTRUMENTS OF SYRIAN POLICY, BUT HE HAD NOW FOUND THAT HE HAS TO PAY A COST FOR HARBOURING THEM. HE WAS DENYING THE SYRIAN PLOT TO ATTEMPT TO PLANT A BOMB ABOARD AN EL AL PLANE, AND HAS EXPRESSED HIS READINESS TO HELP OBTAIN RELEASE OF THE AMERICANS HELD BY HIZBOLLAH. THIS IS VERBAL PROGRESS. BUT THE QUESTION THAT ARISES IS: WILL IT BECOME CONCRETE PROGRESS OR WILL IT REMAIN PURELY VERBAL? THE TEST IS NOT IN THE WORD BUT IN DEED.... WHETHER SYRIA CONTINUES TO SERVE AS THE MOTHER-SHIP FOR ALL THESE TERRORIST ORGANISATIONS: IF ITS INTELLIGENCE BODY CONTINUES TO ABET TERRORISM: IF THE KIDNAPPERS OF CIVILIANS CONTINUE TO ENJOY A SURE HAVEN IN THE BEKA'A, AT BA'AL-BEK AND IN BEIRUT? THE ATLSVPT TO PLANT A BOMB ON A CIVILIAN PLANE HAS ALSO BEEN URVCCRDED - AND CERTAINLY ANSWERS WILL HAVE TO BE GIVEN TO THESE QUESTIONS. AND IF DESPITE ASSAD'S DECLARATIONS, SYRIA CONTINUES TO CONSTITUTE A HOST-BODY FOR TERRORISM THE WORLD TODAY IS EQUIPPED WITH A SERIES OF COUNTER-MEASURES BOTH DIPLOMATIC AND ECONOMIC. IT IS NOT ESSENTIAL TO TAKE THE WEAPONS ROUTE.... DEALING WITH TERRORIST ASPECTS OF SYRIA IS NO LONGER AN EXCLUSIVELY ISRAELI MATTER. THERE IS TODAY AN INTERNATIONAL COALITION WHICH HAS AT ITS DISPOSAL A RANGE OF MEANS RICHER THAN OUR OWN IN ORDER TO DEAL WITH STATE TERRORISM OR WITH A TERRORIST STATE.... WE READ WITH INTEREST THE REMARKS OF THE PRESIDENT OF SYRIA ON THE ABATING OF THE TENSION. AND WE REITERATE THAT IF SYRIA IS BENT ON A NEW FUTURE, A FUTURE OF PEACE, WE WILL BE READY TO ENTER INTO NEGOTIATIONS WITH IT."



4. LEBANON

ISRAEL WOULD NOT DESPATCH SOLDIERS TO PLAY A ROLE IN LEBANESE POLITICS BUT WOULD SEE TO IT THAT LEBANON DOES NOT SERVE AS A 'MISSILE LAUNCHER AGAINST IT NOR A SPRINGBOARD FOR TERRORISTS'.

5. THE 'MARSHALL PLAN'

WITH THE DECLINE OF WORLD OIL PRICES REGIONAL ECONOMIC PROBLEMS WERE BECOMING SERIOUS AND THIS WAS OF CONCERN TO ISRAEL. 'ECONOMIC AND ALONE WILL NOT LIKELY BRING PEACE. BUT BECAUSE OF SHAKINESS, FOLLOWED BY RADICALISATION AND UNREST, WILL CERTAINLY POSE A THREAT TO THE PROSPECTS OF PEACE. ONE LEBANON IN THE MIDDLE EAST IS ENOUGH: THERE IS NO NEED FOR LEBANONISATION OF THE ENTIRE REGION'.

6. EGYPT

IMPROVEMENT OF BILATERAL RELATIONS WAS 'THE IMMINENT ISSUE'. THE TABA NEGOTIATIONS WERE 'MORE OF A LEGAL THAN A POLITICAL NATURE AND IF THE JURISTS DO NOT FIND A REDEEMING FORMULA, THEN THE LEGAL ARGUMENT IS LIABLE TO REND THE POLITICAL PROSPECT, AND A GREAT EFFORT WILL HAVE BEEN WASTED... ISRAEL AND EGYPT MUST SEIZE MEANS THAT WILL BUILD TRUST, AND ARRIVE AT DIRECT AND INTENSIVE DIALOGUE, BOTH IN ORDER TO RESOLVE THE ISSUES IN DISPUTE BETWEEN THEM, AND IN ORDER TO ADVANCE THE PEACE IN THE ENTIRE REGION'.

7. PLO/JORDAN

ISRAEL STILL STOOD READY TO OPEN DIRECT NEGOTIATIONS WITHOUT PRIOR CONDITIONS WITH JORDAN OR WITH AN AGREED JORDANIAN/PALESTINIAN DELEGATION. 'WE ARE READY TO HAVE THE NEGOTIATIONS OPEN WITH INTERNATIONAL ACCOMPANIMENT WHICH WOULD PLAY A SUPPORTIVE BUT NOT DICTATING ROLE. UNTIL THEN ISRAEL IS READY TO OFFER, THOUGH NOT TO IMPOSE, SELF-ADMINISTRATION OF THE ONGOING LIFE IN THE TERRITORIES: IT IS READY TO AID IN ECONOMIC DEVELOPMENT AND IN THE COMMENCEMENT OF CONTACTS BETWEEN RESIDENTS OF THOSE TERRITORIES WHO ARE JORDANIAN CITIZENS, AND THE KINGDOM OF JORDAN. ISRAEL DOES NOT INTEND TO APPLY UNILATERALLY ITS SOVEREIGNTY OVER THESE TERRITORIES, AS IT UNDERTOOK AT CAMP DAVID.... WE MUST SAY TO OUR NEIGHBOUR AT THE EAST THAT TIME DOES NOT STAND STILL. SITUATIONS ALSO CHANGE. WHAT IS NOT OBTAINED TODAY WILL PROBABLY NOT BE OBTAINABLE TOMORROW'.

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UK/US ANALYSTS TALKS ON SYRIA: 20 MAY

1. FOLLOWING ARE THE MAIN POINTS OF AGREEMENT REACHED AT THE UK/US ANALYSTS MEETING ON SYRIA IN THE CIA ON 20 MAY:

(I) SYRIAN INVOLVEMENT IN THE EL AL AFFAIR WAS UNCHARACTERISTIC BUT INCONTROVERTIBLE. IT HAD CLEARLY BEEN INTENDED AS A DENIABLE TARGET OF OPPORTUNITY. THE INITIATIVE APPEARED TO HAVE COME FROM THE BOTTOM UP, BUT THE CHAIN OF CONTROL STRETCHED BACK AT LEAST AS FAR AS AL KHOULY. WHILE THERE WAS NO FIRM EVIDENCE, THERE WAS A PRESUMPTION THAT ASSAD WOULD HAVE BEEN AT LEAST GENERALLY, AND PERHAPS SPECIFICALLY, AWARE OF THE OPERATION. (II) WITH EVERY DAY THAT PASSED, ASSAD COULD FEEL SAFER ABOUT AVOIDING MILITARY RETALIATION.

US ASSURANCES IN DAMASCUS THAT ISRAEL WAS NOT PREPARING AN OFFENSIVE, TOGETHER WITH THE CONTINUING VALUE TO THE AMERICANS OF THE SYRIAN CONNECTION CONCERNING THE US HOSTAGES, WOULD PROBABLY BE CONSTRUED BY ASSAD AS INDICATIONS THAT THE US WAS UNLIKELY TO RESORT TO MILITARY MEASURES.

(III) A CLEAR DISTINCTION SHOULD BE DRAWN BETWEEN LIBYAN AND SYRIAN USE OF TERRORISM. QADHAFI'S TERRORISM SERVED A WORLDWIDE, SELF-STYLED REVOLUTIONARY PURPOSE, WITH RELATIVELY LITTLE ATTEMPT AT CONCEALMENT. SYRIAN USE OF TERRORISM WAS TRADITIONALLY FAR MORE CALCULATED AND PRECISE. IT WAS USED AS A WEAPON TO FURTHER SPECIFIC POLICY ENDS, FROM ELIMINATING DISSIDENTS TO PROSECUTING SPECIFIC INTER-ARAB QUARRELS, AND - IN THE ARAB/ISRAELI CONTEXT - AS A SUBSTITUTE FOR STRATEGIC PARITY WITH ISRAEL.

(IV) THE FUTURE COURSE OF SYRIAN TACTICS REMAINED UNCERTAIN. ASSAD ATTACHED IMPORTANCE TO INTERNATIONAL RESPECTABILITY, AND IN THAT RESPECT WOULD BE VERY CONCERNED AT THE ADVERSE CONSEQUENCES OF THE EL AL AFFAIR. HE WOULD CERTAINLY REDOUBLE EFFORTS TO COVER HIS TRACKS, AND WOULD PROBABLY BE SHY OF ANY FURTHER SPECTACULAR TERRORIST ATTEMPTS AT LEAST FOR THE TIME BEING.

(V) THIS DID NOT, HOWEVER, SIGNIFY ANY BASIC CHANGE IN ASSAD'S POLICIES. HE WOULD CONTINUE TO USE TERRORISM, ESPECIALLY WITHIN THE LEBANON. HE WOULD CONTINUE TO LOOK FOR WAYS OF TESTING ISRAELI RESOLVE, WHILE AVOIDING PROVOKING THEM INTO FULL-SCALE HOSTILITIES.

(VI) THE MOST LIKELY PROGNOSIS, SUBJECT TO POINT IV ABOVE, WAS BUSINESS AS USUAL. ASSAD REMAINED SELF-CONFIDENT, AND TOUGH MINDED IN PURSUING HIS OBJECTIVES. THERE WAS NO EVIDENCE TO SUGGEST ANY THREAT TO ASSAD'S PERSONAL POSITION.

2. ANALYSTS REVIEWED BRIEFLY DEVELOPMENTS IN LIBYA. IT WAS AGREED:

(I) QADHAFI STILL SHAKEN BY THE US RAID: THERE WAS NO EVIDENCE TO SUGGEST ANY NEW CONCERTED LIBYAN-SPONSORED TERRORIST CAMPAIGN: BUT

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(III) THERE WAS NO SIGN OF ANY INTERNAL DEVELOPMENTS IN LIBYA OF A KIND WHICH WOULD WEAKEN SUPPORT FOR QADHAFI'S USE OF STATE-SPONSORED TERRORISM.

(IIIF) ASSESSMENT NOW MUCH MORE DIFFICULT WITH LESS EFFECTIVE INTELLIGENCE COVER: THE MOST LIKELY SCENARIO WAS THAT QADHAFI WOULD WAIT FOR A REDUCTION IN STATES OF ALERT BEFORE CONSIDERING ANY FURTHER INCREASE IN TERRORIST ACTIVITY.

(IV) THERE WERE SIGNS THAT THE MEASURES TAKEN BY THE EUROPEANS WERE BEGINNING TO HAVE AN IMPACT AND WERE CAUSING QADHAFI CONCERN.

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INFO ROUTINE DAMASCUS, JERUSALEM, RIYADH, UKHIS NEW YORK

MY TELNO 331: EGYPT/MIDDLE EAST

SUMMARY

1. THE EGYPTIAN FOREIGN MINISTER HOPES THAT, WHEN MRS THATCHER VISITS ISRAEL, SHE WILL REFER PUBLICLY AS WELL AS PRIVATELY TO THE NEED FOR THE PALESTINIANS TO BE GIVEN THE RIGHT TO SELF-DETERMINATION, WITHIN A CONFEDERATION WITH JORDAN, AND EXPRESS HER SUPPORT FOR THE HUSSEIN/ARAFAT AGREEMENT OF FEBRUARY 1985. MAGHD EMPHASISES THAT EGYPT IS NOT RESPONSIBLE FOR THE FAILURE SO FAR TO REACH AGREEMENT WITH ISRAEL OVER TABA. HE ALSO EXPRESSES DOUBTS ABOUT KING HUSSEIN'S EFFORTS TO BRING ABOUT A RECONCILIATION BETWEEN SYRIA ON THE ONE HAND AND IRAQ AND EGYPT ON THE OTHER. MEANWHILE, HE REITERATES EGYPT'S DISAPPOINTMENT OVER THE RESULTS OF THE TOKYO SUMMIT FOR THE THIRD WORLD. ON TERRORISM, HE SUGGESTS THERE SHOULD BE CONTACT BETWEEN OUR TWO MISSIONS IN NEW YORK.

*[At your  
prev  
reference]*

DETAIL

2. WHEN HE CALLED ON THE EGYPTIAN FOREIGN MINISTER ON 19 MAY, HE CONFIRMED THAT PRESIDENT MUBARAK WOULD BE SENDING A FORMAL REPLY TO THE PRIME MINISTER'S MESSAGE BEFORE MRS THATCHER LEFT FOR ISRAEL. MAGHD SAID THAT THE SITUATION IN THE MIDDLE EAST WAS DETERIORATING AND, IF THERE WAS NO SIGN OF MOVEMENT TOWARDS PEACE, COULD BECOME VERY DANGEROUS. MRS THATCHER'S VISIT TO ISRAEL CAME AT AN IMPORTANT TIME. HE HOPED THAT, BOTH PUBLICLY AND IN HER PRIVATE DISCUSSIONS WITH PERES, SHE WOULD STRESS THE NEED TO WORK FOR A SETTLEMENT WHICH INCLUDED THE RIGHT OF SELF-DETERMINATION FOR THE PALESTINIANS, WITHIN A CONFEDERATION WITH JORDAN.

3. MAGHD HOPED THAT MRS THATCHER WOULD ALSO FIND IT POSSIBLE TO EXPRESS HER SUPPORT FOR THE JORDANIAN/PALESTINIAN AGREEMENT OF FEBRUARY 1985. DESPITE THE CURRENT DIFFICULTIES BETWEEN KING HUSSEIN AND ARAFAT, EGYPT BELIEVED IT WAS IMPORTANT TO KEEP THIS AGREEMENT ALIVE. AS A FRIEND, HE WOULD LIKE TO TELL US THAT IT WAS NOT IN THE INTERESTS OF THE UK TO SUPPORT KING HUSSEIN 100 PER CENT AGAINST THE PLO: BY DOING SO, WE WERE ALIENATING OPINION IN THE WEST BANK AND GAZA, WHERE THE PLO ENJOYED WIDESPREAD SUPPORT. MAGHD'S ADVICE WAS THAT WE SHOULD NOT TAKE SIDES BETWEEN THE KING AND ARAFAT, BUT CONCENTRATE ON HELPING TO BRING THE TWO OF THEM TOGETHER SO THAT EVENTUALLY THEY WOULD BE ABLE TO SORT AT

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THE CONFERENCE TABLE WITH ALL THE OTHER PARTIES CONCERNED. WHEN ASKED WHETHER THE EGYPTIANS HAD DETECTED ANY CHANGE IN KING HUSSEIN'S ATTITUDE TOWARDS ARAFAT, MAGHD (WHO ACCOMPANIED MUBARAK ON HIS RECENT VISIT TO AQABA) REPLIED THAT THE KING HAD SAID HE HAD NO OBJECTION TO EGYPTIAN EFFORTS TO EFFECT A RECONCILIATION, ALTHOUGH HE WAS SCEPTICAL OF THEIR CHANCES OF SUCCESS.

#### TABA

4. MAGHD SPOKE ON FAMILIAR LINES ABOUT THE TABA ISSUE (SEE MY TELNOS 320 AND 329). THE TASK OF THE ARBITRATORS WAS NOT TO GO INTO THE WIDER QUESTIONS, BUT SIMPLY TO CONFIRM WHERE THE INTERNATIONAL BOUNDARY LINE LAY. ONCE THIS MANDATE WAS ACCEPTED, EGYPT WAS READY TO SIGN THE ARBITRATION DOCUMENT IMMEDIATELY. IT WAS NONSENSE TO SUGGEST, AS THE ISRAELIS WERE ALLEGING, THAT EGYPT DID NOT WANT TO REACH AGREEMENT WITH ISRAEL OVER TABA AND WAS GIVING HIGHER PRIORITY TO RELATIONS WITH OTHER ARAB STATES. MUBARAK WAS NOT THE SORT OF MAN TO BE INTIMIDATED AND, IF THIS HAD BEEN HIS AIM, HE WOULD NOT HAVE UPHELD THE CAMP DAVID AGREEMENTS. AS SOON AS THE MANDATE OF THE ARBITRATION PANEL WAS AGREED, THE EGYPTIAN AMBASSADOR WOULD RETURN TO TEL AVIV AND ONE OF HIS FIRST TASKS WOULD BE TO DISCUSS ARRANGEMENTS FOR A PERES/MUBARAK MEETING. THE EGYPTIANS SHARED PERES' WISH THAT THIS MEETING SHOULD TAKE PLACE WITH HIM, BEFORE ROTATION: BUT THEY COULD NOT SACRIFICE THEIR POSITION OVER TABA AND BE SEEN TO BE RELINQUISHING PART OF EGYPT'S NATIONAL TERRITORY IN ORDER TO ACHIEVE THIS.

#### GAZA

5. REFERRING TO RECENT DISCUSSIONS THEY HAD HAD WITH BOTH SHAWWA AND KING HUSSEIN ON GAZA, MAGHD SAID THE EGYPTIANS WERE READY TO DISCUSS WITH THE PEOPLE OF GAZA WHAT COULD BE DONE TO PROMOTE THEIR POLITICAL RIGHTS, AS THEY WERE WITH THE INHABITANTS OF THE WEST BANK. IT WAS IMPORTANT TO DIFFERENTIATE BETWEEN POLITICAL RIGHTS AND THE QUALITY OF LIFE: MEASURES TO IMPROVE THE QUALITY OF LIFE SHOULD NOT BE SEEN AS AN END IN THEMSELVES AND MUST BE ACCOMPANIED BY POLITICAL PROGRESS. SHAWWA HAD BEEN CAREFUL TO AVOID SPEAKING OF AUTONOMY, WHICH HAD BECOME SOMETHING OF A DIRTY WORD BECAUSE OF ITS CAMP DAVID CONNOTATIONS, AND APPEARED TO FAVOUR THE RETURN OF AN EGYPTIAN ADMINISTRATION TO GAZA. BUT THIS RAISED DIFFICULT ISSUES AND THE EGYPTIANS WOULD CERTAINLY NOT AGREE TO IT UNLESS BOTH KING HUSSEIN AND ARAFAT WERE IN FAVOUR AND A CLEAR UNDERSTANDING HAD BEEN REACHED WITH THE ISRAELIS ON ARRANGEMENTS FOR ADMINISTERING THE AREA AND THE DEGREE OF FREEDOM TO BE GRANTED TO THE INHABITANTS, PARTICULARLY WITH REGARD TO TRADE AND FOREIGN CONTACTS. WHEN THE EGYPTIANS HAD DISCUSSED GAZA WITH ARAFAT, HE HAD NOT OBJECTED TO ISRAELI WITHDRAWAL, AS THIS WOULD BE AN IMPROVEMENT ON THE PRESENT SITUATION.

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THE EGYPTIANS HAD ALSO DISCUSSED SHAWWA'S IDEAS WITH THE JORDANIANS. KING HUSSEIN HAD NOT EXPRESSED A VIEW, BUT ZAHID RIFAH HAD BEEN SCEPTICAL. THE EGYPTIANS WERE ANXIOUS TO DO NOTHING OVER GAZA WHICH WOULD UPSET OR EMBARRASS KING HUSSEIN. THEY HAD THEREFORE SUGGESTED TO SHAWWA THAT HIS NEXT STEP SHOULD BE TO GO TO AMMAN IN ORDER TO TALK THINGS OVER WITH THE JORDANIANS. MEANWHILE PERES WANTED TO PRESS AHEAD AND ~~THE EGYPTIANS WERE KEEPING~~ IN TOUCH WITH THE ISRAELIS

ON ALL THIS.

#### SYRIA/IRAQ

6. KING HUSSEIN WAS TRYING TO BRING ABOUT A RAPPROCHEMENT BETWEEN SYRIA AND IRAQ. EGYPT DID NOT BELIEVE THAT HE COULD SUCCEED, BECAUSE OF THE DEEP DIFFERENCES BETWEEN THEM. NOR DID MAGID THINK THAT THE KING COULD DO MUCH FOR SYRIAN/EGYPTIAN RELATIONS: AS MAGID HIMSELF HAD RECENTLY SAID PUBLICLY, EGYPT HAD NOTHING AGAINST THE SYRIAN PEOPLE BUT THERE WERE NO CONTACTS AT PRESENT BETWEEN EGYPT AND THE SYRIAN REGIME. MAGID THOUGHT ASAD'S POSITION WAS GROWING MORE DIFFICULT AND THAT IMPROVED RELATIONS WITH KING HUSSEIN WOULD BENEFIT HIM MUCH MORE THAN THE KING. THE EGYPTIANS HAD NO DOUBT WHATEVER ABOUT SYRIAN INVOLVEMENT IN TERRORISM: THE MAIN DIFFERENCE BETWEEN ASAD AND QADHAFI WAS THAT ASAD WAS MORE CUNNING. HIS SHREWDNESS SEEMED TO HAVE DESERTED HIM OVER THE EL-AL CASE IN LONDON, HOWEVER, AND HIS ACTIVITIES HAD BEEN EXPOSED.

#### TERRORISM

7. THE EGYPTIANS WOULD LIKE TO CONSULT WITH US ABOUT HOW TO DEAL WITH THIS DIFFICULT SUBJECT FROM WHICH THEY TOO HAD SUFFERED GREATLY. MAGID RECOGNISED THAT A PROBLEM EXISTED OVER WHAT WAS LEGITIMATE FOR LIBERATION MOVEMENTS (I.E. WITHIN THE OCCUPIED TERRITORIES), BUT BELIEVED AN AGREEMENT COULD BE REACHED WHICH TOOK ACCOUNT OF THIS. THE EGYPTIANS HAD NOT SOUGHT TO CREATE PROBLEMS WHEN THEY HAD SUGGESTED THAT THE SUBJECT SHOULD BE DISCUSSED AT THE UNITED NATIONS. ALTERNATIVE IDEAS WOULD BE WELCOME. IT WOULD BE USEFUL IF OUR TWO MISSIONS IN NEW YORK COULD DISCUSS THE MATTER FURTHER.

#### MIDDLE EAST DEVELOPMENT PLAN

8. HE SPOKE AS INSTRUCTED IN YOORTELNO 163 (NOT TO ALL). MAGID THANKED ME FOR THE INFORMATION, BUT SAID THAT HE WISHED TO CONVEY TO YOU PERSONALLY EGYPT'S DISAPPOINTMENT WITH THE OUTCOME OF THE TOKYO SUMMIT: THE RESULTS HAD BEEN VERY MEAGRE FOR THE DEVELOPING COUNTRIES. BY SUGGESTING THAT THE DEVELOPMENT PLAN SHOULD BE DISCUSSED IN TOKYO, EGYPT HAD SOUGHT TO EMPHASISE THE GRAVITY OF THE ECONOMIC PROBLEMS FACED BY A NUMBER OF MIDDLE EAST STATES AND THEIR IMPACT ON THE PEACE PROCESS. HE DID NOT UNDERESTIMATE THE IMPORTANCE OF DEALING WITH TERRORISM, BUT REGRETTED THAT THE ATTENTION PAID TO IT SEEMED TO HAVE PREVENTED DISCUSSION OF THE EVEN MORE SERIOUS

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UNDERLYING.



UNDERLYING PROBLEMS WHICH CREATED THE CLIMATE IN WHICH  
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HAD OBJECTED TO DISCUSSING THE SUBJECT IN THE TOKYO FORUM.  
HE DID NOT BELIEVE THAT DISCUSSION AT, FOR EXAMPLE, THE UNITED  
NATIONS WOULD BE LIKELY TO PROVE ANY MORE EFFECTIVE. NOR  
WOULD COUNTRIES SUCH AS EGYPT FARE BETTER BY DISCUSSING THEIR  
ECONOMIC PROBLEMS WITH THE IMF OR BILATERALLY WITH THEIR  
CREDITORS WHOSE ONLY RESPONSE AT PRESENT WAS THAT THE OBLIGATIONS  
TO THEIR PARTICULAR COUNTRIES MUST BE MET, EVEN THOUGH THEY  
WERE BEYOND THE CAPACITY OF THE DEBTORS. WHEN ASKED ABOUT  
JORDANIAN VIEWS ON THE DEVELOPMENT PLAN, MAGHD SAID HE FELT  
THAT JORDAN, AND SUDAN TOO, COULD BE BROUGHT ALONG.

COMMENT

9. MUCH OF THIS IS ALREADY FAMILIAR: IT REMAINS TO BE  
SEEN WHETHER MUBARAK'S REPLY TO THE PRIME MINISTER'S LETTER  
BREAKS NEW GROUND. THE EGYPTIANS HAVE ALMOST CERTAINLY  
ALREADY GOT WIND OF THE LINE WE TOOK IN THE EC POLITICAL  
DIRECTORS MEETING ON 14/15 MAY (THE HAGUE TELNO 301) AND  
THEY ARE OBVIOUSLY DISTURBED BY SPUUR RELUCTANCE TO GO ALONG  
WITH ALL OUR OTHER EC PARTNERS IN MAINTAINING PRESIDENCY  
CONTACT WITH ARAFAT AT MINISTERIAL LEVEL (ON THE GROUNDS THAT  
THIS WOULD INTERFERE WITH KING HUSSEIN'S EFFORTS TO PUT  
PRESSURE ON THE PLO). IN TAKING THIS LINE, WE ARE WORKING  
AGAINST EGYPTIAN EFFORTS TO KEEP THE PLO SAFELY WITHIN THE  
PEACE PROCESS AND TO ACHIEVE AN EVENTUAL RECONCILIATION BETWEEN  
JORDAN AND THE PLO. THE EGYPTIANS SIMPLY DO NOT BELIEVE  
THAT JORDAN NOW ENJOYS, OR CAN EVER CREATE, SUFFICIENT SUPPORT  
AMONG THE PALESTINIANS TO BE ABLE TO GO IT ALONE WITHOUT THE  
PLO: THEY ALSO POINT TO JORDAN'S ECONOMIC AND POLITICAL  
VULNERABILITY IN MUCH THE SAME ALARMIST TERMS AS JORDANIAN  
LEADERS SPEAK OF EGYPT'S PROBLEMS. THE EGYPTIANS ARE SCEPTICAL  
ABOUT SYRIAN INTENTIONS AND PARTICULARLY ABOUT KING HUSSEIN'S  
EFFORTS TO BRIDGE THE DIFFERENCES BETWEEN SYRIA ON THE ONE  
HAND AND IRAQ AND EGYPT ON THE OTHER. THEY ALSO BELIEVE  
ASAD IS LYING OVER HIS GOVERNMENT'S INVOLVEMENT IN TERRORISM  
AND THAT HE CANNOT BE TRUSTED. MAGHD WAS CLEARLY ANXIOUS TO  
REFUTE IN ADVANCE ANY ISRAELI SUGGESTION TO THE PRIME MINISTER  
(MADE TO ME DURING MY RECENT VISIT TO ISRAEL) THAT IT WAS  
EGYPT WHICH WAS BLOCKING AN AGREEMENT OVER TABA.

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BPRIME MINISTER'S VISIT TO ISRAEL

1. FOLLOWING ARE SOME MISCELLANEOUS POINTS FOR CONSIDERATION:

2. PUBLIC STATEMENTS

IN ADDITION TO A STATEMENT ON ARRIVAL, THE SPEECH AT PERES' DINNER ON 25 MAY AND THE PRESS CONFERENCE ON 27 MAY, MRS THATCHER WILL BE EXPECTED:

- A) TO REPLY TO PRESIDENT HERZOG'S TOAST AT LUNCH ON 25 MAY: (WILL CONFIRM AS SOON AS POSSIBLE HOW LONG THE PRESIDENT WILL SWERT - BUT ALMOST CERTAINLY NOT FOR LONG).
- B) TO SAY A FEW WORDS AT THE FOUNDATION STONE LAYING CEREMONY IN ASHKELON ON 26 MAY (2-3 MINUTES ONLY: MRS THATCHER MIGHT LIKE TO DRAW ATTENTION TO BRITISH INVOLVEMENT IN THE DEVELOPMENT OF ASHKELON AS AN EXAMPLE OF THE EXTENSIVE LARGELY UNSUNG TIES BETWEEN THE BRITISH AND ISRAELI PEOPLES AT GRASSROOTS LRC L.
- C) IN REPLY TO THE PRESIDENT OF THE WEIZMANN INSTITUTE AT LUNCH ON 26 MAY: PROBABLY NO MORE THAN A FEW WORDS REQUIRED - INCLUDING PERHAPS SOME ON THE THATCHER'S PERSONAL CONNECTIONS WITH THE INSTITUTE.
- D) TO REPLY TO THE MAYOR OF RAMAT GAN ON 27 MAY (A FEW MINUTES ONLY, PERHAPS FOCUSING ON SIMILARITIES/CONTRASTS BETWEEN RAMAT GAN AFFAIRS TWIN OF FENCHLEY).

3. GIFTS

IN ADDITION TO MAJOR GIFTS (PERES, SHAMIR, MAYOR KOLLEK, PRESIDENT HERZOG) THE ISRAELIS SAY MRS THATCHER CAN EXPECT TO RECEIVE SMALL MEMENTOS OF HER VISITS FROM:

- A) THE ORT SCHOOL (A PIECE OF SCHOOL HANDWORK).
- B) THE MAYOR OF ASHKELON (A LOCAL ARCHAEOLOGICAL ITEM).
- C) MR TREVOR CHINN, ON BEHALF OF THE JOINT ISRAELI APPEAL IN ASHBCELON (A STATUETTE).
- D) THE MAYOR OF RAMAT GAN.

SMALL SIGNED PHOTOGRAPHS WOULD BE SUITABLE RETURN GIFTS FOR THE TWO MAYORS. WE SEE NO NEED TO RECIPROCATE FOR THE OTHER GIFTS. WILL MRS THATCHER WISH TO HAND OVER THE MAJOR GIFTS PERSONALLY? IF NOT, GIFTS CAN BE EXCHANGED VIA THE MFA PROTOCOL OFFICE.

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## 4. CLOTHING

IT HAS BEEN UNSEASONALLY COOL HERE, BUT NOW SEEMS TO BE WARMING UP (WE ARE STILL CONSIDERING WHETHER THE RECEPTION ON 26 MAY SHOULD BE OUTSIDE). TO BE SAFE, THE PARTY MAY WISH TO BRING SOMETHING WARM FOR JERUSALEM EVENINGS.

## 5. PROGRAMME

PHOTOGRAPHS WITH CONSERVATIVE MEPS (YOUR TELNO 126). THERE WOULD BE TIME FOR THIS AT THE KING DAVID HOTEL ON 25 MAY: EITHER BETWEEN 1525-1550 OR 1930-2050. ARE WE EXPECTED TO PROVIDE A PHOTOGRAPHER?

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MIPT: THE PRIME MINISTER'S VISIT: ISSUES: JORDAN/PLO

1. THE ISRAELIS NEVER THOUGHT KING HUSSEIN COULD PERSUADE ARAFAT TO MAKE THE CONCESSIONS NECESSARY FOR NEGOTIATIONS. BUT THE MANNER OF HIS BREAK WITH THE PLO IN FEBRUARY TOOK THEM BY SURPRISE. ISRAELIS ARE DISTURBED BY WHAT THEY SEE AS THE KING'S INEPTITUDE IN HANDLING HIS RELATIONS WITH THE WEST BANK ARABS, BUT WILL COOPERATE WITH HIS NEW STRATEGY OF DEVELOPING AN ALTERNATIVE INDIGENOUS LEADERSHIP WHICH SUITS THEM WELL. THEY CONSIDER THIS A VERY LONG TERM AIM, BUT TO SOME PARTICULARLY THE HARDLINERS, THE HIATUS IS WELCOME AVERTING THE NEED FOR PAINFUL DECISIONS ON THE WEST BANK.

OCCUPIED TERRITORIES

2. ISRAELIS SEE VERY CLEARLY THE DILEMMAS POSED BY ANNEXATION/RETENTION OF THE WEST BANK AND GAZA AND THE CONFLICTING DEMANDS OF SECURITY, JEWISHNESS AND DEMOCRACY. MANY THINKING ISRAELIS FEAR THAT THE CONTINUED OCCUPATION IS BRUTALISING THEIR SOCIETY. BUT NO CONCEIVABLE ISRAELI GOVERNMENT SEES THE WEST BANK AS HAVING AN EXCLUSIVELY ARAB FUTURE (AND THERE IS A NATIONAL CONSENSUS ON RETAINING JERUSALEM). EVEN LABOUR DOVES ARE RELATIVELY HAWKISH IN OUR TERMS. LABOUR'S OFFICIAL POSITION IS TO RETAIN CONTROL OVER SPECIFIED KEY SECURITY AREAS OF THE WEST BANK AND TO STRENGTHEN JEWISH SETTLEMENTS IN THOSE AREAS. THE POSSIBILITY OF COMPLETE WITHDRAWAL FROM GAZA IN THE RIGHT CIRCUMSTANCES IS OPEN UNDER THE PLATFORM ADOPTED IN 1986.

3. THE STATUS QUO SUITS LIKUD. THERE IS NO PROSPECT THAT THEY WOULD MOVE TOWARDS EARLY ANNEXATION OF THE WEST BANK SINCE THIS WOULD MEAN FACING BITTERLY CONTROVERSIAL DECISIONS OVER THE STATUS OF THE ARAB INHABITANTS WITH NO PARTICULAR GAIN. TO GIVE ARAB POLITICAL RIGHTS WOULD FOR DEMOGRAPHIC REASONS RISK THE SURVIVAL OF A JEWISH MAJORITY IN ISRAEL BEYOND THE END OF THIS CENTURY. TO DEPRIVE THEM OF POLITICAL RIGHTS WOULD BE A NEGATION OF THE DEMOCRATIC PRINCIPLES ON WHICH THE STATE OF ISRAEL WAS BUILT, AND DIVISIVE BOTH HERE AND IN THE DIASPORA.

SYRIA

4. ISRAELIS REGARD ASSAD AS THEIR MOST IMPLACABLE ENEMY, BUT A COOL HEADED ONE. THEY DO NOT BELIEVE HE IS INTERESTED IN NEGOTIATIONS FOR A PEACE SETTLEMENT AT PRESENT, THOUGH THE DOOR SHOULD BE OPEN FOR HIM AT ANY CONFERENCE. BUT THE RECENT INCREASING EVIDENCE OF SYRIAN SUPPORT FOR TERRORISM WORRIES THEM AS EVIDENCE OF A LESS PREDICATBLE SYRIAN LEADERSHIP.

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5. IN SOUTH LEQNON, CURRENTLY THE MOST LIKELY FLASHPOINT, THE ISRAELIS HAVE BEEN SEEKING TO INHIBIT ANY SYRIAN MOVE SOUTHWARD. TENSION HAS SUBSIDED, AND THOUGH ISRAELI STRIKES CANNOT BE RULED OUT, THEY WILL AVOID IF THEY CAN BEING DRAWN INTO PROLONGED MILITARY OPERATIONS.

#### LEBANON

6. THIS IS NO LONGER A MAJOR ISSUE IN DOMESTIC POLITICS. THERE IS A PRACTICAL ARGUMENT ABOUT THE BEST TACTICS FOR SECURITY THE NORTHERN BORDER, AND SOME DISCUSSION OF, BUT NO REAL PROGRESS TOWARDS, COMPLETE WITHDRAWAL TO THE INTERNATIONAL BORDER. RABIN'S VOICE IS DECISIVE HERE AND, AGAIN, PERCEPTIONS OF SECURITY INTERESTS ARE PARAMOUNT.

#### EGYPT

7. PERES PUTS GREAT IMPORTANCE ON IMPROVING BILATERAL RELATIONS BUT A SOLUTION ON ARBITRATION OVER TABA REMAINS ELUSIVE, AND THIS PREVENTS A SUMMIT WITH MUBARAK AND THE ARRIVAL OF AN EGYPTIAN AMBASSADOR. THE ISRAELIS ARE IN NO DOUBT OF THE IMPORTANCE OF THE BILATERAL RELATIONSHIP AND TAKE MUBARAK SERIOUSLY. THEY ARE CONCERNED FOR THE STABILITY OF HIS REGIME IN ITS CURRENT ECONOMIC DISTRESS (ONE REASON WHY PERES IS SERIOUS IN HIS PROPOSALS FOR A REGIONAL 'MARSHALL PLAN').

#### DOMESTIC ECONOMY

8. THE LAST YEAR HAS SEEN SOME MAJOR SUCCESSES IN THE GOVERNMENT'S BI-PARTISAN AUSTERITY MEASURES (PRICE FREEZE, STRICT WAGE CONTROL, CONTROL OF RATE OF EXCHANGE AGAINST THE U.S. DOLLAR AND FOREIGN CURRENCY TRANSFER RESTRICTIONS). INFLATION IS DOWN TO DOUBLE FIGURES AND STILL DROPPING FROM OVER 400 PER CENT PER ANNUM AT THE END OF 1984. WAGES HAVE BEEN REDUCED IN REAL TERMS BY 20 PER CENT. BALANCE OF PAYMENTS AND FOREIGN RESERVES HAVE IMPROVED (LARGELY THANKS TO U.S. AID, THOUGH THE FALL IN OIL PRICES AND EUROPEAN CURRENCY MOVEMENTS HAVE HELPED). BUT THE ECONOMY IS STILL STAGNANT AND HEAVILY DEPENDENT ON U.S. AID (OVER 4 BILLION DOLLARS IN FY 1986). INTEREST RATES ARE HIGH (40 PER CENT PER MONTH), INVESTMENT LOW, AND SENSITIVE AREAS LIKE AGRICULTURE FACE INCREASING DIFFICULTY IN FINDING AND HOLDING MARKETS. THE PROSPECT IS FOR CONTINUED AUSTERITY THOUGH BOTH PARTIES ARE LOOKING FOR ELECTIONEERING OPPORTUNITIES.

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MR. INGHAM

PRIME MINISTER'S VISIT TO ISRAEL : LOBBY BRIEFING

You may find it helpful to have the following general steer for your lobby briefing on the Prime Minister's visit to Israel.

The most important thing about the visit is the fact that it is taking place. British Prime Ministers have hitherto found it impossible to visit the Middle East, and particularly the countries central to the Arab/Israel conflict, for fear of upsetting either the Arab governments or the Jewish lobby here respectively, and damaging our wider interests in the Middle East. It is a mark of this Prime Minister's diplomacy that she has created a situation in which she is able to visit both sides, not only without damage to our interests in either but successfully to advance them. She has the confidence of both sides to an unprecedented degree. This is a result both of her personal prestige and respect for her determination to play a helpful and practical role in advancing the Middle East peace process. Hence the visits to Saudia Arabia, to Egypt and Jordan last year and now to Israel; and the fact that the Prime Minister maintains an extensive personal correspondence with all the main Arab leaders and with Mr. Peres.

The visit also marks the culmination of two years hard work to strengthen our relations with Israel without prejudicing our basic position on the Arab/Israel conflict. We acknowledge very readily the debt owed to Mr. Peres for his role in this. But the Prime Minister has demonstrated, and will underline with this visit that we can have a friendly relationship with Israel while maintaining the confidence of Arab governments. She has not shirked difficult steps to achieve this, from some of which British governments have for years shied away, e.g. ending the practice of authentication by the FCO of signatures on certificates of origin required by the Arab Boycott.



The Prime Minister will not be taking new proposals for a Middle East settlement and we have no illusion that the visit will in itself move the peace process forward significantly. That process is at a very difficult stage with the failure of King Hussein's initiative. It is important that there should not be a vacuum, which could lead to instability. The Prime Minister will of course be reiterating our views on what is required for a settlement - arrangements to give Israel secure and defensible borders, an end to settlements on the West Bank and Gaza, withdrawal from the Occupied Territories, recognition of the legitimate rights of the Palestinians. But more immediately she will be exploring the possibilities of a number of practical steps to improve conditions on the West Bank and Gaza, enabling the Palestinians there to have a greater say in running their own affairs. This is the way to build up a responsible political leadership on the West Bank and to improve the prospects for eventual peace negotiations. In all this, what the Prime Minister says in private will be a lot more important than what she says in public. It is in private that her influence can best be applied.

The Prime Minister will also, during the visit, meet Palestinian leaders on the West Bank to hear their views and explain our policies.

An important point to get across is that Britain's role on Middle Eastern issues is independent of the United States. Of course we do not have their degree of influence: nor would we do things which would wantonly cut across their efforts to achieve progress. Indeed we want them to take a more active role. But ours is a distinct voice and one which is ready to say things less palatable to the Israelis where necessary.

The visit also comes on the eve of the British Presidency of the EC. It can be assumed that the Prime Minister will be discussing how the European Community can help the peace process during our six months in office.



You should discourage speculation that the Prime Minister will be carrying any specific proposals from King Hussein or will in any way seek to act as a broker between Jordan and Israel (e.g. through proximity talks). But you can say that she has conducted a round of consultations with Middle Eastern leaders and the Americans before her visit, either personally, e.g. meetings with King Hussein and President Reagan or by messages; and will no doubt be discussing the results with them afterwards.

There are no great expectations on the bilateral front. In particular no relaxation of our arms embargo is likely while Israeli forces remain in Lebanon. Our policy on the sale of North Sea Oil remains unchanged.

You will also want to play down terrorism and measures to combat it as a theme of the visit. We have a clear policy on the response to terrorism reflected in the communiqué of the Tokyo Economic Summit, and do not expect this issue to feature in any particular way in the Prime Minister's talks.

C DP

(C. D. POWELL)

20 May 1986

SRWADW





10 DOWNING STREET

*From the Private Secretary*

20 May 1986

**PRIME MINISTER'S VISIT TO ISRAEL**

At the briefing meeting this morning for her visit to Israel, the Prime Minister raised the question of the Anglo-Israeli Research Foundation which had been proposed to her by Mr. Peres during his visit to London in January. The Israelis clearly attached importance to this proposal and wanted to see some progress towards realising it during her visit to Israel, perhaps by agreement in principle to establish such a Foundation or other collaborative effort in the Research field. She felt that there were likely to be gains for the United Kingdom from collaboration with Israel in some areas of science and research.

The Prime Minister would like the Trade and Industry Secretary to establish urgently whether some funds can be committed to collaboration with Israel in this area, in a form which could be announced during her visit.

I am copying this letter to Robert Culshaw in the Foreign and Commonwealth Office and Martin Dinham in the Overseas Development Administration.

(C. D. POWELL)

John Mogg, Esq.,  
Department of Trade and Industry.



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OUR TELNO 1327: US/SYRIA: ASAD INTERVIEW

1. THE WASHINGTON POST OF 18 MAY CARRIED A LONG INTERVIEW WITH PRESIDENT ASAD (FULL TEXT FOLLOWS BY BAG - NOT TO ALL).
2. ABOUT ISRAEL, ASAD SAID: QUOTE NEITHER SYRIA NOR ISRAEL HAS UNDERTAKEN ANY UNUSUAL TROOP MOVEMENTS ON THE GROUND IN RECENT DAYS DESPITE REPORTS OF GROWING TENSIONS. THE TENSIONS NOW SEEM TO BE LESSENING UNQUOTE. STATE TELL US THEY FIND THIS ENCOURAGING: WITH PERES' RECENT REMARKS IN THE SAME VEIN IT SHOULD REDUCE SPECULATION ABOUT AN IMMINENT SYRIAN/ISRAELI CLASH.
3. ON THE OTHER HAND, ASAD REFUSED ONCE AGAIN TO ACKNOWLEDGE ABU NIDHAL ACTIVITIES IN SYRIA: QUOTE ABU NIDHAL IS NOT IN SYRIA ... HE DOES NOT OPERATE ANYTHING IN SYRIA. THERE IS AN OFFICE DOING CULTURAL AND POLITICAL WORK AMONG THE PALESTINIANS, BUT THOSE WHO ARE IN SYRIA HAVE NOTHING TO DO WITH TERRORIST ACTS UNQUOTE. STATE SAY THEY HAD HOPED THAT RECENT PRESSURES MIGHT HAVE PERSUADED ASAD IN SOME MEASURE TO ACCOMMODATE WESTERN CONCERNS ABOUT THE ABU NIDHAL PRESENCE IN DAMASCUS. THEY WILL CONTINUE TO PRESS SYRIA HARD ON THIS ISSUE.
4. ASAD DENIED THAT SYRIA HAD BEEN INVOLVED IN THE ATTEMPTED EL AL BOMBING AT HEATHROW: QUOTE ALTHOUGH WE WISH ALL KINDS OF DISASTERS TO BEFALL ISRAEL, SINCE WE ARE ENEMIES AND IN A STATE OF WAR FOR 38 YEARS - AND THE ISRAELIS WISH THE SAME FOR US - WE REFUSE TO CARRY OUT SUCH ACTS AGAINST CIVIL AVIATION. WE CONDEMN THE HIJACKING OR EXPLODING OF CIVILIAN AIRCRAFT. SUCH ACTS ARE COWARDLY UNQUOTE. HE ALSO SAID THAT SYRIA WOULD CONTINUE TO DO ALL IT COULD FOR THE RELEASE OF HOSTAGES IN LEBANON.

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PRIME MINISTER

VISIT TO ISRAEL: BRIEFING MEETING

The briefing meeting for your visit to Israel is tomorrow morning. The Foreign Secretary wants a few words privately first.

You will not have time to read the briefs tonight. This note sets out some of the issues which you will wish to raise.

Arab/Israel peace process

We need to decide what is the principal message that you want to get across both publicly and privately. The weight of advice - see attached minute from Percy Cradock - is that you will need to say stern and unpalatable things about Arab/Israel and Lebanon, if we are to avoid damage to our interests in the Arab world. But I wonder what this will really achieve. It certainly won't influence the Israelis, indeed the opposite. Nor do I think that it will greatly impress the Arabs provided you send private messages to the key Arab leaders immediately after your visit, to give them reassurance.

It seems best to focus, therefore, on the problems where there is some chance of movement. The best bet seems to be the Occupied Territories. You will want to go through the particular steps which we want the Israeli Government to take and satisfy yourself that what we shall be proposing is sensible and has a chance of being acted upon. Insofar as there is a prospect of any concrete result from the visit, it may be here. But what exactly do we want?

Other points under this heading are:

- the possible suggestion by the Israelis that the UK should sponsor proximity talks with Jordan. You will want to



treat this very cautiously: there is no evidence that King Hussein wants it.

- our intentions during our EC Presidency, on which the Israelis will want reassurance; and
- King Hussein's idea of a UN presence on the West Bank. This does not have any Israeli or US support.

### Syria

There is a risk that highlighting the issue of terrorism will be misinterpreted in the Arab world, so you will not want to make too much of it. The even greater risk is that the Israelis might subsequently use your remarks to justify our attack on Syria. You will therefore need to be cautious and stress the importance of non-military measures against countries supporting terrorism.

### Lebanon

You will want to pass on Perez de Cuellar's remarks about UNIFIL and the readiness of the UN to be the channel for discreet negotiations between the Israeli's and the various Lebanese groups about security in South Lebanon.

### Bilateral Matters

There are a number of points you should raise:

- i. Anglo-Israeli Research Foundation. Peres proposed this to you in January and appeared to attach some importance to it. The DTI are unwilling to provide any public funds, so you will have to give a disappointing reply.
- ii. Exchange on counter-terrorism. The Israelis have taken up only partially your offer of exchanges in January. There are no grounds to expand exchanges yet.



- iii. Defence Sales. It is not the moment to relax the embargo, and the Israelis are not expecting this.
  
- iv. Israel/Argentina. You will want to reinforce our strong opposition to the sale of Skyhawks to Argentina (but they will of course only come back at you with Tornado for Saudi Arabia).
  
- v. North Sea Oil. We envisage no change in our policy on North Sea oil (and the Israelis do not seriously expect it). Anyway they have no difficulty in getting oil in the present conditions of over-supply.

Charles Powell

19 May 1986



com.

PRIME MINISTER

SPEECH AT DINNER FOR MR. PERES

I attach a revised version in which I am trying to take account of your comments as well as some from David Wolfson, and to deal with the question of the treatment of the Arabs on the West Bank in a less peremptory way. It would be helpful if you were able to go through it tonight since the subject is likely to come up at your briefing meeting for the Israel visit with the Foreign Secretary tomorrow. There is a very difficult line to be drawn between undermining your influence by saying too many unpalatable things in the wrong tone; and standing firmly by the position which we have taken in the past and which the Arab Governments will scan your speech to find. I think that we are close to the right balance but it is very much a matter for you to say.

CDP

CDP

19 May 1986

VC4AHB

I think we shall have to start with his economic proposals it's need to raise standards of living but no substitute for policy of peace and security for Israel & all states in the region. Good country but must have some self respect - security & order people live & work there with peace & comfort.



Charles - if I were to

make this speech, I should have no  
chance whatsoever of influencing things at  
behind the scenes. Their reactions would be

PRIME MINISTER

to come at the problem and it would be better not to go. We have  
secure borders definitely included democracy and that the present situation if implemented would  
VISIT TO ISRAEL: SPEECHES ① I am the first to  
② you you would be of

You have a number of small speeches in Israel, but the main opportunity to speak on the record will be at the dinner given by Mr. Peres.

The Foreign Secretary has advised that you should be ready to make some points which will be unpalatable to the Israelis on Arab-Israel peace negotiations, the Occupied Territories and withdrawal from Lebanon. His advice is based on two premises. First your high personal standing in Israel and the authority which this gives you to speak candidly. Second, the need to dispel any suspicion among moderate Arab Governments that following our support for American action against Libya, a sort of US/Arab/UK axis is in process of being formed.

If you accept this advice it will not be an easy speech to make. You will not want to go on too long (the draft supplied by the Foreign Office would take some 20 minutes to deliver) and you don't want to tread too heavily on your hosts' sensibilities (which the FCO draft certainly would). There is the added difficulty that it is only a matter of a very few weeks since you spoke at dinner for Mr. Peres here, and used up a lot of the points which might otherwise be made.

I attach a first draft of my own. It singles out the treatment of the Arabs in the Occupied Territories as an area on which your remarks might concentrate because I believe this is the most practical area to look for progress in the near term. It approaches the issue by way of Israel's proud record for democracy and protection of individual rights within its own borders, our position on the rights of Soviet Jews and our determination to fight terrorism. But it deals only passingly

⑤ Underlined plea to reduce poor conditions by economic aid but no ability for political movement



with broader Arab-Israel issues and does not mention Lebanon at all. I believe this is as much as the Israelis will bear. And there will of course be other opportunities to make points on Arab-Israel and on Lebanon, for instance at your Press Conference and in your discussions with the Foreign Affairs Committee of the Knesset.

It would be very helpful to have a steer on how you find this approach.

CDP

Charles Powell

18 May 1986

JALARO



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bc PC ✓

10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

16 May 1986

**PRIME MINISTER'S VISIT TO ISRAEL:  
MEETING WITH PALESTINIANS**

Thank you for your letter of 15 May setting out the proposed arrangements for the Prime Minister's meeting with leading Palestinians over supper at the Consulate General in Jerusalem on Monday 26 May.

I am sure that the Prime Minister would be content with the arrangements and the selection of Palestinians proposed. I agree that she should be accompanied by Mr. Fergusson and by me. It would be helpful if a place could also be found for Sir David Wolfson.

(C.D. Powell)

Robert Culshaw, Esq.,  
Foreign and Commonwealth Office

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Foreign and Commonwealth Office

London SW1A 2AH

15 May 1986

Dear Charles,

Yes

Prime Minister.

Are you content  
with these  
arrangements?  
CDP

Prime Minister's Visit to Israel: Meeting with Palestinians

15/5

We now need to make firm arrangements for the Prime Minister's meeting with leading Palestinians over supper at the Consulate General in Jerusalem on Monday 26 May.

Sir Geoffrey Howe recommends that we should instruct HM Consul General at Jerusalem to arrange for attendance by a group of Palestinians which provides a representative cross-section of leading moderate opinion with a good geographical spread and taking into account local jealousies and sensitivities. The number of representative Palestinians with local stature who are also articulate and meet these criteria is small. But Sir Geoffrey does not recommend inviting any representatives with more extreme views: their presence could inhibit the moderates, a dialogue with them would be unlikely to be productive, and the Israelis might well in any case block their attendance. On this basis Sir Geoffrey recommends attendance by eight Palestinians. I enclose a suggested list with two reserves. HM Consul General assesses the risk of any of the proposed guests choosing to boycott the occasion as slight, although this cannot be ruled out.

No leading Palestinian in the Occupied Territories is able openly to admit membership of the PLO but all of those included in our suggested list except Mayor Freij of Bethlehem proclaim their loyalty to the PLO, whatever their private reservations. They are likely to state this in public after their meeting with the Prime Minister. Mr Coles sees a risk that the Jordanians may also take it amiss if the group devote much of the meeting to lauding the current PLO leadership and, by implication or in terms, criticising King Hussein's policy. The Jordanians may not welcome the

/inclusion

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inclusion of Hanna Siniara who has openly criticised Jordanian policy after the break with the PLO. But Sir Geoffrey believes that his omission would be taken by the Palestinians as a deliberate snub to their indigenous leadership as he was selected by the PLO, with US, Jordanian and Israeli acquiescence, as one of the two Palestinians to form part of a joint delegation to meet a United States delegation. To forestall Jordanian criticism Sir Geoffrey proposes to ask Mr Coles to outline in advance to the Jordanians arrangements for the meeting.

Palestinians are more than usually inclined to indulge in sterile argument about the legalities of the Arab/Israel dispute when speaking formally to Western representatives in front of an audience of their peers. To diminish this problem the Consul General intends to organise an informal buffet supper. The guests would be seated at three tables of four, to enable the Prime Minister to move around between courses and have a good talk with each group. We recommend that the Prime Minister be accompanied by Mr Fergusson and a Private Secretary.

It is likely that the Palestinians will present a memorandum on the Arab/Israel dispute. This is a tiresome but probably inevitable formality which enables all participants to claim that they have put certain views on record. The Prime Minister would not be required to respond to this. Nor do we recommend that the Prime Minister should make any formal speech, although some informal opening remarks on her visit and British concern for Palestinian rights would be appropriate.

The Israelis already know that the Prime Minister plans to meet a group of Palestinians and have accepted that this will be outside her official Israeli programme. In accordance with our past practice we propose to give them in advance the names of the Palestinians to be invited. This reduces the risk that the Israelis could attempt to disrupt the occasion.

*Done now*

*R N Culshaw*

(R N Culshaw)  
Private Secretary

C D Powell Esq  
PS/10 Downing Street

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PRIME MINISTER'S VISIT TO ISRAEL: 24-27 MAY 1986

PALESTINIAN PERSONALITIES

DR GABI BARAMKI

Dean and Acting President of Bir Zeit University since 1974. Born 1929, university studies in Beirut and Montreal. Orthodox Christian. Staunch Palestinian nationalist (and supporter of Arafat), but adopts a relatively moderate, pragmatic approach. Met Sir G Howe in Jerusalem in 1984. Excellent English.

ELIAS FREIJ

Businessman and Mayor of Bethlehem since 1972. Born 1918. Greek Orthodox Christian. Leading moderate, with links with Mr Peres, accused by the radicals of being a collaborator. Publicly committed to, but privately very critical of, the PLO leadership. Met Sir G Howe in Jerusalem in 1984 and has also met Mr Shultz in Washington. Excellent English.

BASIL KAN'AAN

Leading pro-Jordanian in Nablus. Born 1938, businessman and farmer. Close family links with Jordan. More prepared than most to have dealings with the Israeli authorities if satisfied that this is of benefit to Palestinians. Fair English.

MUSTAFA NATSHE

Acting Mayor of Hebron (1980-83). Born 1930, prominent businessman. Moslem. Moderate, pragmatic supporter of Arafat. Reputation for courage and plain speaking, eg condemnation of terrorist attacks against Israelis in 1983 and 1985. Fair English.

FAYEZ ABU RAHME

One of the two candidates proposed by the PLO in 1985 as Palestinian members of a joint delegation to meet the US, also acceptable to both US and Israel. Until recently President of the Gaza Strip Bar Association. Born 1929, studied in Cairo. Moslem. One of Arafat's leading supporters in Gaza. Good English.



HAJ RASHAD SHAWWA

Deposed Mayor of Gaza. Born 1908, educated in Jerusalem, Beirut and Cairo. Moslem. A distinguished and patrician figure from Gaza's leading family with a long history of political activity. Extensive social and charitable work. A pragmatic moderate whose main objective is to end Israeli occupation: mixed relations with the PLO. Met Sir G Howe in Jerusalem in 1984 and has met Mr Shultz in Washington. Good English.

HANNA SINIORA

One of the two candidates proposed by the PLO in 1985 as Palestinian members of a joint delegation to meet the US, also acceptable to both US and Israel. Jerusalem newspaper publisher. Born 1937, educated in Jerusalem, San Francisco, Beirut and Benares. Committed support of Arafat. Forthright and articulate. Good English.

HAFEZ TOUQAN

Vice President of Nablus Chamber of Commerce and successor to Zafer Al Masri as Mayor of Nablus. Born 1931. Moslem. Moderate political views. Limited English.

ReservesZUHAIR RAYYES

Journalist and businessman. Born 1935. Law graduate from Gaza. Pro-Arafat. Limited English.

SAID KAN'AAN

Businessman and pro-Fatah activist in Nablus. Born 1940, educated in Beirut. Moslem. A committed proponent of joint Jordanian/Palestinian action. Good English.







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File  
CCPC

10 DOWNING STREET

*From the Private Secretary*

15 May 1986

MRS. IDA NUDEL

I am content with the proposed reply to Mrs. Friedman. You asked whether a meeting with her should form part of the Prime Minister's programme. I thought that it already did.

C D POWELL

Colin Budd, Esq.,  
Foreign and Commonwealth Office

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Foreign and Commonwealth Office

London SW1A 2AH

15 May 1986

Dear Charles,

Mrs Ida Nudel

Mrs Friedman, sister of the well-known Soviet refusenik, Mrs Ida Nudel, has approached our Ambassador in Tel Aviv to ask for the UK to continue to press the Soviet authorities on Mrs Nudel's behalf; for the attached letter, enclosing an appeal from Mrs Nudel to Mr Shevardnadze, to be passed to the Foreign Secretary and to Number 10; and for the Prime Minister to meet her in Israel later this month.

I understand that the Prime Minister has previously taken an interest in this case, and that she wrote to Mrs Friedman on 22 February 1982. Mrs Friedman also made a similar call on our former Ambassador in Tel Aviv in January 1984. Number 10 were consulted at the time over the terms of his reply.

We would propose to instruct our Ambassador to reply along the following lines:

"As Mrs Friedman will be aware, from her correspondence with the Prime Minister and previous contact with the Embassy, British Ministers are greatly concerned at the problems faced by the Jewish community in the Soviet Union and the continued maltreatment of many individuals who seek to exercise the fundamental freedom of religious expression and practice. The recent drastic cutback in Jewish emigration and the harassment of those who express a wish to emigrate are issues which have frequently been brought to the attention of the Soviet authorities. The Prime Minister recently stressed her concern when she met the departing Soviet Ambassador. Mrs Nudel's case is well-known to us, and has been raised with the Soviet authorities on a number of occasions at both Ministerial and official level, most recently at the CSCE Experts Meeting in Ottawa and Berne. The Prime Minister was particularly perturbed to hear from Mrs Friedman of Mrs Nudel's deteriorating state of health. Mrs Friedman can rest assured that we will not allow Mrs Nudel's plight to be forgotten, though she will understand that decisions on how best to pursue the case must inevitably be a matter for our judgement".

You will also want to consider whether a meeting with Mrs Friedman should form part of the Prime Minister's programme in Israel.

Yours ever,  
Colin Budd

(C R Budd)  
Private Secretary

C D Powell Esq  
PS/10 Downing Street

CONFIDENTIAL



March 31, 1986

The Honorable Foreign Minister  
of Great Britain

c/o Mr. Squire

Dear Sir;

The enclosed letter, sent by my sister Ida Nudel to the Foreign Minister of the U.S.S.R. is an eloquent plea for freedom by one who has already suffered too much. In asking for your help on her behalf, as I have asked the Foreign Ministers of all freedom loving countries, I seek your aid on solely humanitarian grounds.

I would like to draw your attention to the following:

In an interview on French television, Mr. Gorbachev, the Secretary General of the CPSLL, stated that the Soviet authorities may keep persons from leaving the country for a period of five to ten years. My sister has been held now for fifteen years.

Ida is 55 years old. She is isolated, sick and exhausted by ceaseless struggle against impassive authority. She has no relatives besides myself, my husband and my son, who reside in Israel. Surely it is time she was reunited with her family.

I am confident that you can help to bring this about.

Sincerely, *E. Spudis*



TO: THE MINISTER OF FOREIGN AFFAIRS OF THE USSR, MR. E. SHEVARDNADZE

FROM: IDA YA. NUDEL, CITIZEN OF THE USSR, ID NO. LUOM 515668, ISSUED ON 25 MAY 1982 BY THE DEPT. OF THE INTERIOR OF THE KRIVOSHEINO REGION; CITIZEN OF ISRAEL, CERT. NO. 648, ISSUED ON 1 JUNE 1978 BY THE ISRAELI KNESSET.

DEAR SIR,

I APPEAL TO YOU WITH REQUEST TO USE YOUR INFLUENCE ON THE APPROPRIATE SOVIET AUTHORITIES IN ORDER THAT AN EXIT VISA TO GO TO ISRAEL TO JOIN MY SISTER RESIDING THERE IS GRANTED TO ME.

I HAVE BEEN TRYING TO OBTAIN AN EMIGRATION PERMIT SINCE 1971. REPRESENTATIVES OF YOUR MINISTRY IN MANY FOREIGN CAPITALS HAVE TO DEVOTE A LOT OF TIME IN DISCUSSING MY FATE AND THE CIRCUMSTANCES IN WHICH I LIVE WITH MY FRIENDS AND WITH PEOPLE SYMPATHETIC TO MY CAUSE. SOME OF YOUR COLLEAGUES, SUCH AS, FOR EXAMPLE, MR. A. DOBRYNIN, PROBABLY KNOW BY HEART ALL THE DETAILS ABOUT MY PAST AND PRESENT LIFE. UNFORTUNATELY, YOU YOURSELF PROBABLY HAD TO OBSERVE MY NUMEROUS PORTRAITS, WHICH WERE PUT ON DISPLAY, AND TO HEAR THE SLOGANS CHANTED ABOUT MY DESIRE TO LEAVE FOR ISRAEL.

WHO NEEDS ALL THIS UNPLEASANTNESS AND WHY?

IN DECEMBER 1971, WHEN THE OVIR OFFICE IN MOSCOW NOTIFIED ME THAT AN EXIT VISA WAS BEING DENIED TO ME, I WAS TOLD THE FOLLOWING:

REASON FOR REFUSAL: "STATE INTERESTS"

VALIDITY OF REFUSAL: "TILL JANUARY 1977"

GROUND FOR REFUSAL: "YOU KNOW NO SECRETS, BUT YOU MAY HAVE OVERHEARD SOMETHING".

IT WOULD BE USELESS TO CLAIM: "I DID NOT PRY AND DID NOT EAVESDROP ON ANYONE, I WAS NOT A SPY AND I DID NOT PASS ON INFORMATION TO ANYONE". NO ONE WOULD BELIEVE ME. BUT 14 YEARS HAVE PASSED. IS IT POSSIBLE THAT FOR THESE 14 YEARS THE SECRETS, WHICH I DID NOT HEAR, STILL HAVE NOT LOST THEIR RELEVANCE - DESPITE THE PRESENT TEMPO OF SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT? ANY PERSON, EVEN NOT A VERY EDUCATED ONE, CAN UNDERSTAND THAT ALL THE RUMOURS HAVE BEEN FORGOTTEN AND ALL THE SECRETS HAVE STOPPED BEING SECRETS.

WHY, THEN, ALL THIS AGGRAVATION? AND I DO NOT REFER HERE TO MY SHORT-TERM ARRESTS, THE TRUMPED-UP HOOLIGANISM CHARGE PRESENTED AGAINST ME, THE TRIAL, THE 4 YEARS OF EXILE, THE REFUSAL OF THE AUTHORITIES (WHO SEEMED TO MAKE A MOCKERY OF THE LAW) TO GRANT ME A RESIDENCE PERMIT SO THAT I COULD RETURN AFTER THE TERM OF EXILE TO MY OWN MOSCOW APARTMENT, MY EXPULSION FROM MOSCOW, THE WONDERINGS FROM TOWN TO TOWN WHILE SEEKING A RESIDENCE PERMIT AND THE FORCED EXPULSIONS, THE FACT THAT I WAS DEPRIVED OF MY PRIVATE APARTMENT - AGAIN IN VIOLATION OF THE LAW, THE CONSTANT BUGGING OF ANY PLACE WHERE I LIVED, THE THEFT OF MY LETTERS AND OF CORRESPONDENCE ADDRESSED TO ME, THE THREATS TO WHICH MY FRIENDS HAVE BEEN SUBJECTED IN ORDER TO BRING ABOUT MY ISOLATION, THE ENDLESS INVITATIONS TO COME TO THE POLICE FOR "BRAINWASHING" SESSIONS, ETC. ETC. THE LIST IS ENDLESS.

ALL THIS HAS BEEN DONE IN ORDER TO TAKE REVENGE FOR MY ACTIVE POSITION IN THE MATTER OF REPATRIATION TO ISRAEL AND THE QUESTION OF RIGHTS OF OTHER JEWS LIKE ME. IN THE MEANTIME, MEN OF GOOD WILL HAVE MORE AND MORE SYMPATHY FOR ME AS A WOMAN WHO HAS BEEN SUBJECTED TO SENSELESS TORTMENTS.

DEAR MINISTER! ALL THIS CAN BE CHANGED BY A STROKE OF A PEN, BY ISSUING ME AN EXIT VISA. MY FRIENDS WILL SHOUT SOME MORE, BUT THESE WILL BE SHOUTS OF JOY AND YOUR OFFICIALS WILL NOT HAVE TO TAKE ANY MORE TIME OFF THEIR DUTIES IN ORDER TO GIVE MY FRIENDS ANY MORE EXPLANATIONS. I ASSURE YOU THAT MANY OF YOUR REPRESENTATIVES WILL SIGH WITH RELIEF, TOGETHER WITH MY FRIENDS AND ACQUAINTANCES, AS THEY, OFFICIALS STATIONED IN VARIOUS WESTERN CAPITALS, WILL HAVE LESS UNNECESSARY WORK TO DO.

I APPEAL TO YOU ONCE AGAIN TO HELP ME IN MY EFFORTS TO OBTAIN AN EXIT VISA TO GO TO ISRAEL.

RESPECTFULLY YOURS

2 JANUARY 1986  
BENDERY 278100, MOLDAVSKAYA SSR  
UL. SOVETSKAYA 6/2.

IDA NUDEL



CC 8/10/86

MR POWELL

PM has read

AD 2/95

12 May 1986PRIME MINISTER'S VISIT TO ISRAEL

1. I am worried that our action against terrorism, both Libyan and Syrian, and our support for US action could get us into a position where our Middle East policy is seen as virtually indistinguishable from that of the United States, even that of Israel, with consequent damage to our Middle East interests. This danger would be most acute if the Israelis, who have their own reasons for doing so, were to strike at Syrian positions in the Lebanon and cite Syrian terrorism, eg El Al, in justification. I doubt whether they will do this before 24 May. Nor do I think we shall have another US raid on Libya in that period. But even without that, given the terrorist background and the total lapse of movement over Arab/Israel the Prime Minister's visit to Israel will need careful handling if it is not to feed misperceptions.

2. It is too late to arrange a balancing visit, eg Cairo, so we shall have to depend on words. There will have to be clear statements on terrorism in the speeches. But they should not be too long. And they will need to be accompanied, in fact overshadowed, by our prescriptions on the central Arab/Israel peace issue and perhaps on Lebanon. It is natural when visiting Israel to seek to say things that please the Israelis. But on this occasion the trick will be to say things that - to a carefully judged extent - displease them.

3. I have no illusions that this will change hearts or relaunch the peace process. But it will re-emphasise that, particularly in the Middle East, we have an independent policy and thereby do something to protect our interests in the Arab world.



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4. The draft included with the FCO letter of 9 May makes a good beginning.

A handwritten signature in blue ink, appearing to be 'P. Cradock', with a small horizontal line underneath.

PERCY CRADOCK



PRIME MINISTERCDP  
13/5

## VISIT TO ISRAEL

I had a talk at dinner last night with the Israeli Ambassador about your forthcoming visit. He is just back from Israel where he had seen Mr Peres.

According to the Ambassador, Peres is ruminating how to make best use of the visit. He will want to discuss with you the general Arab-Israel situation, relations with Egypt, international terrorism, Iran-Iraq and his proposals for a Marshall Plan. Peres wonders whether you will be able to bring him any news from King Hussein. He is also considering whether to propose a United Kingdom role in setting up proximity talks (presumably with Jordan in the first instance) though he is worried that our impending Presidency of the European Community might lead to the EC being drawn in, which he would not want. Peres wonders how you see the visit and what you want to see emerge from it.

I said that you had not yet had an opportunity to focus fully on the visit, but would no doubt do so this week. I did not think that the list of subjects proposed would cause you any difficulty. You would certainly want the visit to underline the strength of the bilateral relationship with Israel. On the Arab-Israel front, you were concerned at the absence of any political initiative and the consequences of this for the moderate Arab governments. You did not see the 'Marshall Plan' proposed as a substitute for a political initiative: it would need to be combined with progress on the political front if it was to get anywhere: and the political step would need to be taken first. I did not think you would have any new message from King Hussein: indeed we found Israeli expectations that he would be ready for direct talks unrealistic. It was more likely that you would concentrate on the West Bank and the prospect of securing some advance there, both in terms of physical conditions and a greater degree of Palestinian self-government. It was in this area that we



would most like to see something emerge from the visit. I did not think that it would be wise to make too much of British/Israel solidarity against international terrorism during the visit: there was a risk that this would seem to be directed against the Arabs in general, and look like a US/UK/Israel axis in the Middle East. I thought, however, that you would want to talk to Mr Peres about Israel's intentions towards Syria.

The Ambassador asked whether you would propose anything specific on the bilateral front. The Israelis would like to see progress on the idea of a Joint Fund for Industrial Research which Peres had proposed to you in January. Agreement in principle would be sufficient. It seemed to be bogged down somewhere in the DTI. Was there any chance of a relaxation of the arms embargo? I said that it did not seem to me a good moment to raise this latter point. He did not press.

I hope that this fairly reflects your intentions.

Yes - Charles  
CP

CP

CHARLES POWELL

12 May 1986

CJ2AAK



Israel, PM's visit, March 1986



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Foreign and Commonwealth Office

London SW1A 2AH

9 May 1986

Dear Charles,

Appalling: I have asked for a

rewrite.

can 16/5

Prime Minister's Visit to Israel:  
Speeches

I enclose a first draft of the Prime Minister's speech at the dinner to be hosted by Mr and Mrs Peres on 26 May, and some ideas for brief remarks by the Prime Minister on other occasions during her visit.

Sir Geoffrey Howe considers that very careful attention should be given to the Prime Minister's public statements during her visit to Israel. Israeli hardliners will seek to play up rhetoric about a common crusade against terrorism and to cast the Arabs in general as the villains. The Arabs will be straining for every nuance in the Prime Minister's words against the background of our support for the US action against Libya and the accusations of Syrian involvement in terrorism.

Mr Squire has recommended (Tel Aviv telegram number 161) that the Prime Minister should exploit her high standing in Israel to speak firmly on the Arab/Israel issue: this would be helpful to Mr Peres against Israeli hawks. Sir Geoffrey Howe entirely agrees; careful drafting will, of course, be needed to stay within the bounds of Israeli tolerance. He would like to discuss the sensitivities of this speech and the visit as a whole with the Prime Minister at their next bilateral meeting. Meanwhile he will himself look further at this draft speech, which he has not had time to study in the great detail it deserves.

Yours ever,

*Robert Culshaw*

(R N Culshaw)  
Private Secretary

C D Powell Esq  
PS/10 Downing Street



SPEECH BY THE PRIME MINISTER AT DINNER HOSTED BY MR PERES,  
25 MAY 1986 AT 2030

Mr Prime Minister, Mrs Peres, Your Excellencies,  
ladies and gentlemen.

Just four months ago Denis and I welcomed Mr Peres to No 10 Downing Street. We are delighted to be paying a return visit so soon. This is a land rich in history. Britain has shared the legacy of its ancient past and has been closely involved in its modern history. So it gives me particular pleasure that this visit should itself make history in Anglo-Israeli relations: it is the first to Israel by a British Prime Minister in office.

#### Anglo/Israeli relations

We have absorbed from the Jewish tradition some of the fundamentals on which our society is based. Not least the Jewish contribution to the Rule of Law of which President Herzog spoke eloquently in London 2 years ago. The State of Israel has in turn adopted features of the British legal system. To this day an Israeli lawyer is "called to the Bar", a term for which no Hebrew translation has been found.

This cross-fertilization extends to our political systems. In London in January Mr Peres witnessed a particularly unruly Prime Minister's Question Time at the Palace of Westminster. I have long been an admirer of



Israel's no less lively democracy and look forward to visiting your Knesset. But Disraeli rightly said: "England does not love coalitions." If I may say so, I prefer my majority to your special brand of cohabitation.

Denis and I are most grateful for the warmth of your welcome. This is not of course a new experience for British visitors. In 1840 a British lady said of her reception by the Jewish community in Jerusalem: "They received us admirably, insisting on our partaking of sherbet and sweetmeats." Denis and I are no less delighted by the warm reception we have received, and by this splendid dinner.

Anglo/Israeli relations are warm and close. They are prospering in many fields to our mutual advantage. Our bilateral trade has reached record levels; the UK/Israel Joint Committee meets next month to see that the momentum is maintained. The two way flow of tourism has reached 300,000 a year. Cultural exchanges are no less active: I have heard that "Yes Prime Minister" has an enthusiastic following here. Of course its portrayal of British political life is far-fetched - at least some of the time! I hope that the arrival of the real thing is not a disappointment.

Certainly for me a visit to Israel could never be disappointing. No visitor could fail to be struck in Israel by the resilience and creativity of the Jewish people despite the barbaric crimes committed against them



in Europe. The technological and social achievements of this young country are nothing short of miraculous. I wish I could see more of your beautiful country on this visit. But Prime Ministers must devote their time to the issues of the day. There is a lot to discuss.

#### Terrorism

The struggle against terrorism is in all our minds. We did not pick this fight. But we shall not flinch from it. My Cabinet colleagues and I have had direct experience of the terrorist's brutality and cowardice. We shall not allow terrorists to dictate our lives. We shall protect the innocent.

We shall defend ourselves against terrorists by lawful means. The Tokyo Summit agreed a series of national and international measures needed against states which organise and fund terrorism. They set an example and a standard for others to follow: not as retaliation or revenge, but for the civilised world to show that crime does not pay.

Most important of all, we must not allow the terrorist to deflect us from searching for the peaceful settlement of problems. It is the man of violence who has most to gain from continuing conflict and from the insecurity and fear it breeds.



Soviet Jews

We are proud in Britain of our unflinching attachment to principle. This applies especially to human rights. Britain has strongly supported the right of the refuseniks to leave the Soviet Union. We have shared your joy over those who have gained their freedom.

Arab/Israel

Principles are also important in the search for peace in the Middle East. May I offer some advice, as a friend? Good advice is not always welcome, even from a friend. But the best friends are those most ready to be candid.

The establishment of the State of Israel was a remarkable achievement. It was made possible by the vision, imagination and conviction, coupled with the determination, energy and commitment of thousands of Jews rising to a historic challenge. Could the Jewish people grasp the momentous opportunity to found a twentieth century state? They did.

That State is now faced with a similar challenge and a similar opportunity. This time it is not the establishment of a Jewish State that is at stake: but provision for its future security. Your friends in Britain do not believe that the future security of Israel can be safeguarded



except through a just and durable accommodation, both with the neighbours who surround you and with the Palestinians dwelling on your doorstep and indeed in your midst. Geography and demography cannot be ignored.

For nineteen years now decisions over the future of the Occupied Territories have been avoided. In facing up to the choices that sooner or later must be made, the views of Israel's friends and of the international community cannot be ignored. Can you envisage a future in which two classes of citizens with different rights have to co-exist indefinitely? Or a future in which Israel has to accept responsibility for a swelling of the number of refugees? Can Israel contemplate aggravation of the despair among Palestinians which fuels the violence and terrorism to which I made allusion earlier?

Israel's friends are confident that those same qualities of vision and commitment which the Jewish people have shown in the past will govern the decisions which need to be taken soon for the sake of Israel's security in the future.

#### Occupied Territories

There is concern in Britain that the human rights of Arabs in the Occupied Territories should be safeguarded in accordance with Israel's democratic principles. We British are proud of our pragmatic approach to solving problems.



Pragmatism and principle are not mutually exclusive: good and wise government requires both.

A pragmatic approach is especially important in the Occupied Territories. This is at the very heart of the Palestinian problem. Further practical progress in restoring to the Palestinian inhabitants their pride and self-respect could improve confidence among the Palestinians, neighbouring Arab states and even Israel itself. I know from my contacts with Arab leaders that Israeli policy on settlements is regarded as an acid test of Israeli intentions.

I applaud the new, imaginative proposals to reduce the extent of Israeli involvement in the administration of the Occupied Territories. It is right that the Palestinian inhabitants should have the fullest possible control over their own lives.

Of course it takes two hands to clap. There is an equally onerous responsibility on the Arab side to show the pragmatism, imagination and resolve required. I applaud those statesmen of courage and foresight on both sides of the divide. There can be no illusions about the obstacles. I have no easy answers and no new plan to offer. But it is possible to make progress by patient and imaginative negotiation. Israel and Egypt have made a start and we wish both countries well in overcoming their remaining differences.



For a future settlement of the Arab/Israel problem, negotiations can only take place between representatives who share a commitment to peace and who enjoy the support of their people. Only they can make the difficult choices required in negotiation.

A just and lasting settlement will have to include:

- the acknowledgement by all concerned of Israel's right to security:
- the acceptance of the equally legitimate right of the Palestinian people to determine their own future. There can be no peace unless they can freely choose new constitutional arrangements.

Security Council Resolutions 242 and 338 provide a widely accepted basis for negotiation.

#### Lebanon

Principle and pragmatism are equally needed in addressing the appalling problems of Lebanon. Against the wishes of the majority of decent Lebanese, parts of Lebanese territory have become havens for terrorism and lawlessness. Innocent Lebanese and foreigners, including Britons and Jews, have been chased out, kidnapped and murdered. The Lebanese communities have a responsibility to work towards a new national consensus. But they need



the encouragement of the international community to help them restore the rule of law and ensure the security of their borders.

Britain continues to call for the complete withdrawal of all unauthorised foreign forces and full cooperation with the UN Interim Force in Lebanon. The removal of foreign troops is right in principle and is also right in practice. External intervention has only added to the Lebanese problem. It has not enhanced the security of Lebanon's borders or of the region as a whole.

#### Conclusion

I have spoken frankly this evening because of the gravity of the problems in this region, the urgent need for solutions, and Britain's firm commitment to the existence of the State of Israel. All people of goodwill will hope for progress towards a just and lasting peace in the Middle East. But as Francis Bacon said: "Hope is a good breakfast but it is a bad supper". I know that you, Mr Prime Minister, are committed to using your influence to turn hope into reality. You and other like-minded leaders in this region are assured of Britain's support.



REMARKS BY THE PRIME MINISTER ON ARRIVAL AT BEN GURION  
AIRPORT, ISRAEL, 24 MAY 1986

Mr Prime Minister, ladies and gentlemen. I am delighted to be here and honoured that Mr Peres should have come to meet me in person at such a late hour.

The dialogue between our 2 countries is frank and constructive. That is how it should be. We know each other well, we have close ties in many fields and we share a strong interest in peace in the Middle East.

Since our talks in London, Mr Prime Minister, there have been important developments affecting British and Israeli interests. We have therefore a lot to discuss. I look forward to a stimulating exchange of views with you and other Israeli leaders.



SHORT SPEECH BY THE PRIME MINISTER AT LUNCH AT THE  
WEIZMANN INSTITUTE, 26 MAY 1986

Mr President, Ladies and Gentlemen, I am very grateful for this opportunity to visit the Weizmann Institute, both for personal reasons and for its significance in Anglo-Israeli relations.

My personal reasons are well known to you. You have honoured me by endowing a chair in my name at this world renowned place of research and learning. It is a distinction which I hold especially dear because of my admiration for Dr Weizmann. This Institute, which continues the pursuit of excellence for which his name stands is a lasting and fitting memorial of his achievements.

Britain and Israel are proud to claim Dr Weizmann as their own. On hearing of Dr Weizmann's death Winston Churchill departed from a prepared speech to express the heavy sense of loss felt in Britain at the passing of a man who was famous and respected throughout the free world and whose son was killed fighting for Britain. Dr Weizmann personified the close personal, scientific and political links between our countries.

As a politician Dr Weizmann was acutely aware of the vital need for co-existence between Israel and her Arab neighbours. He saw that Israel could not afford to be, as he put it "an island in the Arab sea". He believed that the Jews had to come to an understanding with their Arab neighbours. He tried himself to promote such an agreement



in talks with Arab leader including the Emir Feisal at the 1919 Peace Conference. He lived to see the foundation of the State of Israel and to be its first President. But his dream of Israel at peace and accepted in the region has yet to be fulfilled. The challenge has lost none of its urgency since Dr Weizmann's day.



REMARKS BY THE PRIME MINISTER AT ASHKELON COMMUNITY CENTRE,  
26 MAY 1986

Ashkelon is an ancient city. Its name is familiar to British people from the Bible. This visit is an opportunity for me to see the modern Ashkelon, and the contribution to it by British Jewry.

I am grateful to Mayor Dayan and the people of Ashkelon for their warm welcome. Mayor Dayan visited Britain in February as a guest of the Foreign Office. I hope his visit was as valuable as mine to Israel. He certainly did not enjoy such pleasant weather!

Many countries nowadays face the challenge of catering for citizens of different cultural heritages. In Israel this issue has understandably been of central importance. In Ashkelon you have tackled this problem imaginatively and with success, and I am delighted that British volunteers and British financial assistance have made such a contribution.







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TOKYO TELNO 531: THE PERES 'MARSHALL PLAN'

1. JUDGING BY PERES' RECENT MESSAGE TO THE PRIME MINISTER, HE WILL HOPE TO DISCUSS THE 'MARSHALL PLAN' IN SOME DETAIL DURING MRS THATCHER'S VISIT HERE.

2. IN YOUR CONSIDERATION OF ADVICE TO MRS THATCHER YOU WILL NO DOUBT TAKE ACCOUNT OF THE ISRAELIS' STATED READINESS TO 'FADE INTO THE BACKGROUND' IF THIS WILL HELP TO GET THE IDEA OFF THE GROUND. PERES MAKES THIS POINT IN HIS MESSAGE. NOVIK UNDERLINED IT WHEN I TOOK SIR A URWICK TO CALL ON HIM ON 5 MAY. HE ALSO TOLD US THAT THE ISRAELIS KNOW ALL ABOUT THE APPROACH WHICH THE EGYPTAINS HAD MADE TO COUNTRIES REPRESENTED AT THE TOKYO SUMMIT (CAIRO TELNO 304): AND INDEED SAID THERE HAD BEEN AN ISRAELI INPUT INTO IT. I DO NOT THINK THE ISRAELIS WOULD BAULK IF THEY KNEW THAT THE EGYPTIAN AMBASSADOR HAD TOLD THE PUS THAT HIS GOVERNMENT'S PROPOSAL DID NOT INDICATE SUPPORT FOR PERES' PLAN AND THAT THE LATTER WOULD BE 'UNACCEPTABLE' (YOUR TELNO 153 TO CAIRO).

3. NO DOUBT SOME HERE FAVOUR THE PLAN BECAUSE THEY SEE IT AS AN ALTERNATIVE TO PROGRESS IN THE PEACE PROCESS. BUT PERES IS SINCERE IN HIS BELIEF THAT A MAJOR RESCUE ACT IS REQUIRED TO PREVENT FURTHER ECONOMIC COLLAPSE IN THE REGION THE CONSEQUENCES OF WHICH COULD DAMAGE ISRAEL BECAUSE

A) GENERAL DESTABILISATION COULD BRING WAR CLOSER AND IF THERE IS IN ANY CASE TO BE A LENGTHY HIATUS IN THE PEACE PROCESS SOME FORM OF REGIONAL ECONOMIC PROGRAMME COULD DO SOMETHING TO ALLEVIATE ARAB TENSION AND FRUSTRATION WHICH WILL INCREASE ISRAELI SECURITY CONCERNES:

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/B)



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B) ISRAEL WOULD NOT BE ISOLATED FROM THE ECONOMIC EFFECTS (SOME AUTHORITIES HERE ARE ALREADY CONCERNED BY THE PROSPECT OF A MAJOR INFLUX OF UNEMPLOYED PALESTINIANS RETURNING FROM THE GULF TO THE OCCUPIED TERRITORIES).

4. THE PRIME MINISTER CAN EXPECT TO FIND PERES IN PERSUASIVE FORM ON THIS SUBJECT. FROM WHAT THE US EMBASSY TELL US HE MANAGED WHEN HE VISITED WASHINGTON LAST MONTH TO CONVINCED MR SHULTZ AND PRESIDENT REAGAN THAT THERE WAS MERIT IN HIS PLAN DESPITE UNIFORM SCEPTICISM IN THE US BUREAUCRACY.

5. I RECOGNISE THAT, IF WE ARE TO TAKE A POSITIVE LINE, A MAJOR PROBLEM WILL BE WHAT FORM BRITISH SUPPORT SHOULD TAKE. THIS MIGHT BE AN OPPORTUNITY TO LOOK AGAIN AT ACCESS TO THE EUROPEAN COMMUNITY FOR PRODUCE FROM THE OCCUPIED TERRITORIES. THIS COULD POSE PROBLEMS FOR ISRAEL (AND JORDAN) AS WELL AS THE EC. BUT IF WHITEHALL FAVOURED THIS ROUTE OUR CONTRIBUTION IN PART COULD BE A COMMITMENT TO USE OUR PRESIDENCY TO PUSH FOR WORKABLE ARRANGEMENTS.

SQUIRE

MIDDLE EAST

LIMITED

NENAD

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NAD

SOVIET D

PLANNING STAFF

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SIR D MIERS

MR SLATER

MR RATFORD

MR LONG

MR MACINNES

MR BARRINGTON

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① CHARLES POWELL  
② PRIME MINISTER

11 Lampard House 8 Maida Avenue London W2 1SS 01-262 2186

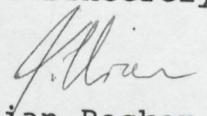
David Wolfson  
Bouro Place  
London W.8

7 May 1985

Dear Sir David,

The Prime Minister has spoken of another British initiative in the Middle East. To explain just why another move of the same kind as the last time is likely to be very dangerous, I enclose a copy of an article of mine which was recently published in a Washington periodical. I have marked a particular passage on page 48, and if you agree that it makes sense, that my article as a whole substantiates fully what I say at that point, perhaps you will bring the point to the notice of the Prime Minister? Quite simply, she has lives in her hands. Arafat's people are terrorists, not statesmen, and no inclusion of any "PLO" representatives in peace talks is possible. But perhaps this time the idea is to nudge King Hussein into the peace talks with Israel that both the King and Israel desire, excluding Arafat's men which neither side wants? If there is to be any British move at all (my own view is that it would be better if there were no such thing), I hope that it will be in that direction only. I know that whatever overtures have been made to her from the Arab side are likely to be aimed at urging her to use her influence with President Reagan to adjust his view of the matter. But President Reagan's view, as far as I know it, seems far more realistic than the one long nurtured by our Foreign Office.

Yours sincerely,



Jillian Becker



## EXPLODING THE MYTH OF THE PLO

by Jillian Becker

If the Palestine Liberation Organization (PLO) can be said to exist at all anymore, it can only be as a political fiction. This has been the case for some years now, but until a few months ago it suited the interests of many states, both Western and Eastern, to believe in it the way older children still let themselves believe in Santa Claus—and for the same reason: most of them still hoped it might bring them a present, namely, peace negotiations.

### The PLO before 1982

The PLO was never a cohesive organization. Before its ultimate disintegration in 1982, it consisted of eight groups, supported by different Arab powers. These were inimical to each other, and within the PLO the enmities were fought out, frequently and with bloodshed, group against group, so representative were they, not of the Palestinians, but of their masters.

The largest group was Fatah, led by Yasser Arafat, who from February 1969 had the title of chairman of the PLO. He received money chiefly from Saudi Arabia, some from other Arab oil producers, and some from taxes levied on Palestinian workers in a number of Arab states.

The second biggest was Saiqa, supported by Syria, whose interest in "liberating" Palestine was to acquire it as a Syrian province. Another was the Popular

Front for the Liberation of Palestine (PFLP), led by a Greek Orthodox Lebanese doctor, George Habash, whose first patron was President Nasser of Egypt.

From his group two others had broken off in the late 1960s and become constituent factions in their own right: first, the PFLP-GC (General Command), led by a Syrian named Ahmad Jibril, supported by Syria; and then, the PDFLP (the Democratic Front), led by a Jordanian Bedouin Christian named Nayef Hawatmeh, who developed a closer relationship than the others with the Soviet Union.

Hostility between the three groups remained intense through all the years that they were nominally associated with each other under the PLO umbrella—from which, at times, the PFLP all but totally severed itself.

Then there was the ALF (Arab Liberation Front), an Iraqi group with few Palestinian members, which positively did not seek a Palestinian state since its declared aim was a single, unified Arab state under Iraqi hegemony.

In 1977, another group broke off from the PFLP-GC, naming itself the Palestine Liberation Front (PLF). Its main backer was Iraq, but it was also partly financed by Libya. One of the smallest groups was the Palestine Popular Struggle Front, formed by Palestinians of the

West Bank and consisting of about 100 members.

What bound them together just sufficiently was the 1968 covenant, which declared that the aim of the PLO was the total annihilation of Israel through armed struggle only.

After the 1973 war, which the Arabs claimed as a victory, the possibility arose of a Palestinian state being established by negotiation at a multinational peace conference presided over by the United States and the Soviet Union.

The question of whether to enter into negotiations or not split the loosely bound PLO into two main policy groups opposed to each other. On the one side, Fatah, the PDFLP (which followed



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not accurate  
not mine

### TERRORIST GROUPS WORLDWIDE

#### MIDDLE EAST

##### PALESTINIANS

Arab Liberation Front (ALF)  
Abu Nidal Group  
Al-Asifa  
Al-Beeir  
Arab Nationalist Movement  
Arab Nationalist Youth Organization for the Liberation of Palestine  
Arab Revolutionary Army—Palestine Command  
Democratic Front for the Liberation of Palestine (DFLP)  
Black September Group  
~~Black September June Organization~~  
Eagles of the Palestine Revolution  
The Storm (al-Saiga)  
Popular Front for the Liberation of Palestine (PFLP)  
Popular Front for the Liberation of Palestine-General Command (PFLP-GC)  
Popular Struggle Front (PSF)  
Palestine Liberation Front  
Palestine Communist Party  
Palestine National Front (PNF)  
Palestine Liberation Organization  
Movement for the National Liberation of Palestine

##### BAHRAIN

Al-Sandūq Al-Husseini Society  
Islamic Front for the Liberation of Bahrain  
National Liberation Front Bahrain  
Popular Liberation Front of Aman and The Arab Gulf

##### IRAQ

Al-Daawa (The Call)  
Dawah Party  
Dissident Baathists  
Democratic Party of Kurdistan (DPK)  
Iraqi Communist Party (ICP)  
Kurdish Democratic Party (KDP)  
Kurdish Socialist Party (Bassok)  
National Front for the Liberation of Iraq (NFLI)  
National Democratic and Pan-Arab Front  
Patriotic Union of Kurdistan (PUK)  
Supreme Council of the Islamic Revolution of Iraq  
Unified Kurdistan Socialist Party (UKSP)

##### ISRAEL

Arab Liberation Front  
Black June Organization  
Black September Organization  
Democratic Front for the Liberation of Palestine  
Heroes of the Return  
Movement of Arab Nationalists  
Palestine Armed Struggle Command  
Palestine Liberation Army  
Palestine Liberation Front  
Palestine Liberation Organization  
Palestine National Front in Occupied Territories  
Palestine National Liberation Movement  
Palestine Popular Struggle Front  
Popular Front for the Liberation of Palestine  
Popular Front for the Liberation of Palestine General Command  
Rejection Front  
Sa'iqā  
Najure Carta  
Redemption of Israel  
Jewish Defense League

##### JORDAN

Arab Nationalist Movement  
Force-17

Jordanian Communist Party (JCP)

Moslem Brotherhood

##### KUWAIT

Moslem Fundamentalists



The U.S. Embassy, in Beirut, following a terrorist bombing.

the Soviet line, and the Soviet Union wanted the peace conference), and Saiqa (which did as Syria wished it to do, and Syria was being armed by the Soviet Union) agreed that their aims could be attained by negotiation as well as armed struggle and that "Palestine" could be "recovered" in stages instead of all at once—first; the occupied territories of the West Bank and Gaza; then, Israel.

On the other side, the remaining groups (not including the PLF, which had not yet come into existence) rejected both modifica-

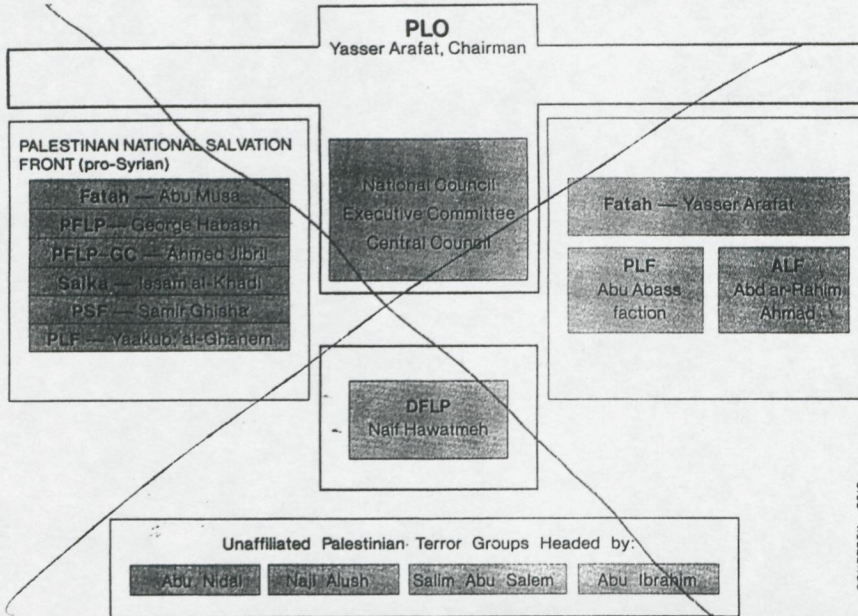
tions and so came to be known as the "rejectionists." The Fatah-led side was the majority by far, and so the new "moderate" proposals were adopted as official policy by subsequent Palestine National Councils (PNCs), one which met in 1974, when the "stages" idea was ratified, and one in 1977, when political negotiation was accepted as an auxiliary means to achieve the Palestinian state.

For all the divisions within it, the PLO occasionally gave the appearance of unity during the years that it held territory in Lebanon. In 1975 and 1976, the alien



CURRENT ISSUES

STRUCTURE OF THE PALESTINE LIBERATION ORGANIZATION (PLO)



fat sought for somewhere to go, for an Arab government that would take him in. President Bourguiba finally agreed to let him lodge in Tunis, with a small contingent of armed supporters.

The rest of the fighters who remained loyal to him, about one-third of the Palestinian fighting force, were banished to an island off the coast of Yemen. Among those who went with Arafat to Tunis was the leader of the PLF, Abu Abbas, and most of its small membership, although some of them broke away and went to Damascus. The ALF retracted into Iraq.

The other faction leaders were allowed into Syria by Assad, and there they went, unreconciled to each other, and their fighting men were shut away in camps. An initial restlessness among them was soon settled by the prompt arrival of Assad's tanks.

After 1982

In 1982, a full-scale internecine war broke out within the Fatah organization. Arafat returned to Lebanon, to the northern town of Tripoli, where he still had some supporters in the camps. Angry cohorts of rebel Fatah fighters, armed and paid by Syria and led by a Fatah officer, Abu Musa (real name, Musa Sa'id), besieged the camps; they were bitter at what they saw as their betrayal in 1982 by inept, cowardly, and greedy commanders, especially Abu Ammar (better known as Yasser Arafat) and Haj Ismail, who had ruled Sidon with the gun and greatly enriched himself with loot but had fled ignominiously before the Israeli advance in June 1982.

They rained fire upon Arafat

PLO, heavily armed by Syria, and in alliance with some revolutionary Lebanese factions, waged a civil war against the Lebanese Christians. Syrian forces came in to impose peace and gain control of the territory, but Israel warned them not to advance or dig in too close to her border. President Hafez Assad of Syria handed over West Beirut to Yasser Arafat and drew back his forces to the east of Lebanon, where they remain to this day.

The PLO gained unchallenged possession of most of southern Lebanon, subjecting the Lebanese and Palestinian refugees alike to the arbitrary and trigger-happy rule of its internally warring factions.

When President Sadat of Egypt made his historic journey to Jerusalem in November 1977, the immediate response of all the PLO groups was to declare themselves united in their opposition to Egypt's treachery. But within a few weeks, they split apart irrevocably over reactions to the

Egyptian-Israeli peace treaty.

Arafat wanted to keep a line open to Sadat, but the other groups wanted only Sadat's blood. Mutinies raged within Fatah itself, not for the first time.

In 1973, a splinter group led by Abu Nidal (real name, Sabri al-Banna) mutinied and has attacked Arafat men with as much fury as Israelis ever since. Arafat, in turn, condemned Abu Nidal to death and ordered the death of a number of his rival's followers. In 1978, some 140 Fatah men broke away, most of them under the leadership of Abu Daoud who had planned the massacre of the Israeli athletes at the Olympic games in Munich in 1972; some of Abu Nidal's men joined forces with the new rebels. Groups proliferated as the "united" organization continued to crumble away.

The final, visible dissolution of the PLO came when the organization was pushed out of Beirut by the Israelis in August 1982. Ara-

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### TERRORIST GROUPS WORLDWIDE

#### LEBANON

Al Amal  
 Arab Democratic Party  
 Arab Socialist Action Party  
 Armenian Community  
 Armenian Revolutionary Federation  
 Al-Murabitoun Militia  
 Alawite Youth  
 Arab Liberation Party  
 Cedar Guardians  
 Christian Militia  
 Conservative Lebanese Front or Kufur Front  
 Druse Progressive Socialist Party  
 Free Lebanese Army  
 Front for the Liberation of Lebanon  
 Fityan Ali Organization  
 Guardians of the Cedars of Lebanon  
 Hezbollah  
 Islamic Amal  
 Islamic Group  
 Independent Nasserite Movement  
 Kataeb  
 Lebanese National Movement  
 Lebanese Revolutionary Party (LRP)  
 Lebanese Communist Party  
 Lebanese Forces  
 Lebanese Youth Movement  
 Lebanese Red Brigades  
 Lebanese Armed Revolutionary Factions  
 Marada Militia  
 Maronite League  
 Marada Brigade  
 Movement of the Disinherited  
 Murabitoun  
 Muslim Brotherhood  
 Musawi  
 Nationalist Front  
 National Guards  
 National Liberation Militia  
 National Movement  
 National Resistance Front  
 Organization of Holy Struggle  
 Organization of Revolutionaries of the North (ORN)  
 Organization of the Baath Party  
 Organization of Communist Action  
 Organization of the Oppressed in the World  
 Palestine Liberation Organization  
 Permanent Congress of the Lebanese Order of Monks  
 Phal'Ange, or Lebanese Phalangist Party  
 Pink Panther/Militia  
 Populist Nasserite Organization  
 Progressive Socialist Party  
 Progressive Vanguard  
 Rawnad Al Islah Militia  
 Revolutionary Islamic Organization  
 South Lebanon Army  
 Syrian Socialist Nationalist Party  
 Tanzim  
 Towhid Tigers Militia  
 Union of Forces of the Working People-Corrective Movement  
 Zahra Bloc  
 Zghartan Liberation Army  
 Workers' League

#### OMAN

Popular Front for the Liberation of Oman (PFLO)  
 Dhofar Liberation Front (DLF)  
 Popular Front for the Liberation of Oman and the Arabian Gulf (PFLOAG)

#### QATAR

Popular Front for the Liberation of the Arabian Peninsula  
 Shi'ite Moslem Fundamentalists

and his last few supporters in Lebanon, Palestinians who, being encamped in the north, had not had to live under his tyranny between 1976 and 1982. He would certainly have been killed had he not run for his life to the sea and sailed away under the protection of the United Nations.

From then on, Arafat was the leader of a minority faction of the PLO—except that it was no longer possible to speak of the PLO and its factions. New groups were formed out of the disintegrated parts. Arafat's remnant of Fatah, along with the PDFLP, the PFLP, a part of the PLF, and a newly formed communist group, banded together as the Democratic Alliance. The remaining factions, those under the protection of Assad, called themselves the National Salvation Alliance. Which group now was "the sole representative of the Palestinian people"—as the PLO had been termed by the Arab states since 1974?

#### Western wishful thinking

Still the world—that is, the United Nations, Western governments and the media, and the Soviet Union spoke of "the PLO." What they meant by it was Arafat and his broken piece of a group. He still bore the title of PLO Chairman, making it possible, with a little political license, to call that piece the PLO. He also held another asset: a fair amount of support among Palestinians in the Israeli-occupied territories. The great powers still hoped that he might be able to speak for the Palestinian people if only negotiations could be launched to settle territorial disputes.

It must have seemed to Arafat

that his luck was endless. With no effective armed strength, with such as he had removed too far from Israel to launch attacks across its borders, with Arab leaders—Qaddafi and Assad—refusing to let him set foot in their territory, he was nevertheless courted by newsmen, received by the Pope, and made welcome and treated as a head of state in many lands, both East and West. His "minister of foreign affairs," Farouq Qaddoumi, was sought out in Tunis by a junior minister of the British Foreign Office, Douglas Hurd, now Home Secretary.

**Which group now was "the sole representative of the Palestinian people"—as the PLO had been termed by the Arab states since 1974?**

It was rumored that President Assad was worried that Arafat might set up a Palestinian government-in-exile in Cairo; Mubarak of Egypt received him with honor, and King Hussein of Jordan conducted a series of talks with him. Something was expected of him by the powers, and as long as this was the case, he went on smiling for the cameras.

Apparently the world supposed that he could deliver peace, or negotiations for peace, or permission to the king of Jordan to negotiate for peace—if only he would. By the look of it, "the PLO," in his person, had never been so important, even in its heyday, when its chairman had



received a standing ovation in the United Nations (just fourteen months after the Munich Massacre by his Black September terrorists) or when he had sat like a president of his own little state in Lebanon.

Yet he may have suspected how hollow was the ground on which he walked, how it quaked beneath red carpets spread for him even in Western Europe. In November 1984, he managed to call a PNC in Damascus, with some slight support from his less unfriendly partners in the old PLO. The assembly itself was packed with notables on whom he could rely. The idea was that he would be strengthened by their assured support by the mere fact that a PNC of some kind had been summoned to lend a semblance of legitimate sanction to such decisions and actions as he might be pushed to take, however much opposition might be voiced by other faction leaders and the heads of the "progressive" Arab states.

#### The Events of 1985

In February 1985, Arafat reached an agreement with King Hussein of Jordan. It was widely hailed as a breakthrough. There would be a joint Jordanian-Palestinian delegation, the media claimed, ready to start peace talks with Israel. The Israeli government declared itself willing to enter into such talks, provided there were no PLO members in the Arab team.

King Hussein wanted the long-sought multinational conference. He would understandably feel safer from the wrath of other Arab heads of state if both the United States, as arms suppliers to the "conservatives," and the Soviet Union, as arms suppliers

to the "progressives," were to participate. The prospects for a negotiated peace looked more promising than ever before. Arafat must have felt head-of-stateship for himself, or something very much like it; to be almost within his grasp. He had to bring off just one more trick. The conference would have to declare the West Bank and Gaza a self-governing Palestinian entity, but the issue of whether it would be a province of Jordan, as the king wished it to be or a Palestinian state, as he must have it, would be clarified, once the territory had been wrested from Israel's grasp.

But the conference itself had to get under way without his conceding recognition to Israel, without seeming to abandon the armed struggle, and with his own men as the Palestinian side of the Arab negotiating team to prove

that his PLO was still the "sole representative of the Palestinian people."

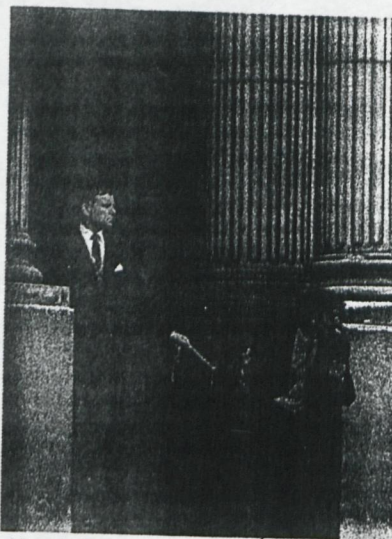
Even to Arafat himself, it must have looked like a tough proposition. But his luck might hold, and something might turn up to help him unexpectedly as it so often had before.

Whatever the media had reported, he had not, in fact conceded the Israeli conditions backed by the United States: recognition of Israel's right to exist, abandonment of the armed struggle, and no PLO members in the Jordanian team. The talks he had been having over many months with the government of Jordan had not been about how to make peace with Israel or about which Palestinians could join a Jordanian negotiating team.

They had for most of that time been about whether or not the king could be persuaded to let Arafat's fighters come from their distant island and establish themselves in bases in Jordan so they could make raids on Israel. The February 1985 agreement had been a compromise. The king finally conceded that Arafat might have a headquarters in Amman but no bases for the Fatah militiamen—the *fedayeen*—anywhere in Jordan.

Arafat was disappointed but did not contradict the king when he announced his joint-delegation plan (Palestinian names to be decided later). After all, Arafat had agreed, that negotiation might accompany armed struggle more than ten years ago, so there was nothing new in that.

King Hussein had learned his lesson bitterly. Fifteen years earlier, the *fedayeen* had established their own state within a state in



Abdul Kareem Khalki holds a hostage by chain outside the Nantes courtroom he had immobilized in order to release two defendants on trial. Khalki belongs to the Abu Nidal faction of the Palestinian terror network.



### TERRORIST GROUPS WORLDWIDE

#### SAUDI ARABIA

Baath Party of Saudi Arabia  
Communist Party of Saudi Arabia  
Committee for the Defense of the Rights of Man in Saudi Arabia  
El-Salat El-Saleh (Sunnite)  
Moslem Revolutionary Movement in the Arabian Peninsula  
Party of Labor  
Popular Front for the Liberation of the Arabian Peninsula  
Shi'ite Moslem Fundamentalists  
Union of the People of the Arabian Peninsula

#### SYRIA

Arab Communist Organization  
Islamic Front in Syria  
Moslem Brotherhood  
National Alliance for the Liberation of Syria  
National Salvation Command  
Party of Communist Action  
Vanguard of the Arab Revolution

#### SOUTH YEMEN

Front for the Liberation of Occupied South Yemen - FLOSY  
National Democratic Front - NDF  
National Liberation Front - NLF  
Organisation for the Liberation of the Occupied South - OLOS  
South Arabian League

#### YUGOSLAVIA

Cominformists  
Croat Illegal Revolutionary Organisation (Hrvatska Illegalna Revolucionarna Organizacija—HIRO)  
Croat Liberation Movement (Hrvatski Oslobojilacki Pokret—HOP)  
Croat National Congress (Hrvatsko Narodno Vijeće—HNV)  
Croat National Resistance (Hrvatski Narodni Otpor—HNO)  
Croatian Intelligence Service  
Croatian National Liberation Forces—Fighters for a Free Croatia  
Croatian National Resistance  
Croatian Revolutionary Brotherhood (Hrvatsko Revolucionarno Bratstvo—HRB)  
Croatian Youth (Hrvatska Mladost—HM)  
Drina  
Fighters for a Free Croatia (Borciza Slobodnu Hrvatsku—BSH)  
Freedom for the Serbian Fatherland (SOPO)  
Krizari (Crusaders)  
Rebel Croat Revolutionary Organisation (Ustasa Hrvatska Revolucionarna Organizacija—UHRO)  
Trotskyist Organization  
United Croats of West Germany (Ujedinjeni Hrvati Njemске—UHNJ)  
World League of Croat Youth (Svetska Liga Hrvatske Omladine—SLHO)  
Young Croatian Army for Freedom  
Young Croatian Republican Army

#### ALBANIA

Anti-Communist Military Council

#### AUSTRIA

Justice Guerrilla

#### BELGIUM

Julien Lahaut Brigade

Revenge and Freedom

#### CYPRUS

Enosis Movement (EOKA-B)

Ethniki Organosis Kypriou Agoniston—EOKA

(National of Cypriot Fighters)

Ethniki Organosis Kyprion Agoniston-B

—EOKA-B (National Organisation of Cypriot Fighters-B)

his kingdom. Armed by Syria, they had nearly toppled him from his throne by force. They had coveted Jordan as part of Palestine. In 1970 and 1971, he had gone to war against them and finally expelled them after much bloodshed. They would have won if Syrian intervention on their side had not been stopped by the Israelis, who, as a warning, massed their own forces on the Israeli-Syrian-Jordanian border. King Hussein will not easily be persuaded to give another opportunity to Arafat brethren to attempt his destruction again.

Arafat lacked strength in his bargaining position. He had only one ace in his hand. King Hussein had, under threat of death, recognized the PLO as "the sole representative of the Palestinian people" at an Arab summit held at Rabat in 1974. At least two-thirds of his subjects on the East Bank of the Jordan are Palestinian—that is, they were born in the area designated as Palestine when it came under British mandatory rule after the First World War. That fact could, however, be overlooked.

The West Bank was a different story: there, just about all the Arab inhabitants are Palestinian. His acquiescing in the Rabat decision was tantamount to a formal acknowledgment that the rightful claimant to the West Bank was not he but the PLO. He could not enter into negotiations over territory, and therefore over a peace settlement, with Israel without the agreement of the PLO, as long as there was anything widely recognized as owning that name. He needed Arafat's consent—unless the other Arab states were willing to recon-

sider the Rabat decision.

Jordan was not strong enough to defy the veto of the PLO alone, as Egypt had done. But all decisions of the Arab League have to be unanimous. If Arafat could not make the king's peace with Israel possible, then Assad, King Hussein's worst enemy, would have to be persuaded to let him negotiate with Israel, recognize Israel, call off the holy war against Israel—all that Assad stood fiercely against! But last summer, it still looked as if Arafat was capable of giving King Hussein the go-ahead, so the king did not need to petition Assad. That hopeless attempt was to come later.

### Passing the political buck

President Assad owes his swollen prestige chiefly to the refusal of the West to insist on his withdrawing from Lebanon; to its failure to condemn or even officially notice his command over the suicide terrorist squads that emerged from Baalbek to kill hundreds of Americans in the U.S. embassy in Beirut and the Marine headquarters in 1983 and 1984; and to the stream of visiting Arab leaders, and occasional American diplomats, who come to kneel figuratively speaking on his mat. He can say a decisive "no" and there is no one to compel him to change his mind.

Or is there? The Soviet Union has some 7,000 advisers in Syria and has armed Assad's army so heavily with small arms, artillery, fighter aircraft, and SAM (surface to air) missiles, that it is reasonable to believe that he is susceptible to Soviet influence. The Soviet Union, however, was still looking to Arafat to get them into a peace conference with a





*London's Heathrow Airport two days after the Vienna and Rome airports were attacked by Abu Nidal's hit squads. Tanks, armoured vehicles, and armed soldiers participate in a security exercise.*

status equal to that of the United States. That would give the Soviets what they have long been craving—a legitimate role in the Middle East.

It is for that prize the Soviets have hitherto been giving their support to Arafat. They saw that Western European governments, anxious that there should be somebody who could negotiate for the Palestinians, were prepared to grant him recognition, in varying degrees, as leader of a "representative" body, which they continued to call the PLO. The Western European governments gave him that recognition partly because the Soviet Union did, which meant that the Soviets would not oppose any agreement he might reach, and partly because the conservative Arab states continued to recognize him as chairman of the PLO. The conservative Arab leaders had to recognize somebody as leader of the PLO in which they had invested

special rights of decision; and Arafat, unlike the other faction chiefs, belonged by background and inclination to their side of the great conservative-progressive divide.

Israel blocked the possibility of the Soviet Union participating in multinational peace talks by insisting that it would accept no country with which it does not have diplomatic relations. This has prompted the Soviets to consider reestablishing such relations, which were broken off after Israel's victory in 1967. Israel has another object in view in entering discussions to this end with the patron of her bitterest enemies: the release of Jewish would-be emigrants from the Soviet Union.

#### The British invitation

The months of 1985 wore on, and visible developments were slow. Arafat prevaricated. He could not now, at this vital junc-

ture, give up his claim to "sole representative" status and let other men acceptable to Israel but distant from him negotiate for territory. He wanted Palestine on the map, but he could not take the step that might now bring it into existence. He waited. And his luck held. Something turned up for him once more.

Prime Minister Margaret Thatcher, while on her official visit to Egypt and Jordan in September 1985, decided that two members of Arafat's PNC might have talks with the foreign secretary. Her decision was sudden. In Cairo, she told the press that she, like President Reagan, hoped for a Palestinian delegation as part of a Jordanian negotiating team and was only waiting for acceptable names of persons not connected with the PLO to be put forward. In Aqaba, Jordan, a few days later, she announced that Mr. Mohammed Milhem and Bishop Elia Khoury, both members of



Arafat's PNC, were to come to London for talks with the foreign secretary. Somewhere up in the clouds between Cairo and Amman it seems, she had changed her mind. Or perhaps King Hussein persuaded her to accept the persons Arafat was prepared to send.

The invitation restored Arafat to the forefront of the world-shaking Middle East political drama. Fair prospects opened before him again. Here at last was official recognition of his organization's representative status by the British government. No junior minister was to meet with his people now, but the foreign secretary himself. Perhaps, through Thatcher, his shrunken PLO might even reach the best position of all—recognition by the United States government.

Thatcher could not have examined the Israeli-Jordanian-Palestinian question of the moment with her usual care and insight. If the role of mediator was what she had in mind, the choice of two men entirely unacceptable to one side of any proposed peace talks—the Israeli side—was counterproductive. Perhaps she hoped that if she extracted from these two representatives a promise that the PLO would recognize Israel and give up violence, it would be so significant a breakthrough that Israel would relent and smooth the way to a settlement after all.

Probably assurances were given by King Hussein, or attributed to him, that the two PNC men would declare themselves willing to pursue peaceful means only to settle the Palestinian question and that they would recognize Israel's right to exist. It is more

than likely that Arafat believed that once Mr. Milhem and Bishop Khoury were in London, a verbal formula might be devised, like so often in the past, of such a kind as to convey one meaning to Britain and the West (moderation) and quite another to the Arab world (steadfastness).

Sir Geoffrey Howe did not offer proofs to back up his assurances that these were "men of peace" who were willing to recognize Israel's right to exist, although such proofs were requested. In fact, all available evidence pointed the other way. Both men had gone on record as saying, firmly and publicly, several times in the preceding months, that they

***But the cold-blooded murder of an elderly, crippled American, Leon Klinghoffer, on the Achille Lauro was not so easily digestible.***

would most certainly not abandon the armed struggle.

Howe did, however, assure Britain and the world that they would sign a clear statement committing themselves to abandonment of violence and recognition of Israel. A clear statement in plain English? No. They would not, could not do it, they said. They went away without meeting Howe.

The British government was left with egg on its face, though not nearly as much as if the meeting had taken place. The excuse for having ventured to the brink was that assurances had been

given by King Hussein. But King Hussein, through the national press, denied all culpability. He himself, he said innocently, had been misled.

Howe also wore a look of wounded innocence. Yet innocence had not been within splashing range. The truth is, there had been excellent reason to call off the meeting before the arrival of the two PNC envoys, had not the foreign office been blindly determined that it should take place. What is remarkable in retrospect is how tenaciously some civil servants must have clung to their plan of getting the foreign secretary to receive Arafat's men in the face of events that should have induced anyone in a position of responsibility for Britain's fair name to abandon it.

#### **Arafat overreaches himself**

It was while the visit of Arafat's envoys to London was awaited that the murder of three Israelis at Larnaca was carried out by members of Arafat's Force 17, one of whom was a British citizen. And soon afterwards came the terrorist attack on the Achille Lauro cruiser, carried out by members of the PLF.

The Larnaca affair did not send a noticeable tremor through Britain or any other Western country and the news media generally found that those killings could be borne with fortitude. But the cold-blooded murder of an elderly, crippled American, Leon Klinghoffer, on the Achille Lauro was not so easily digestible. The media hastened to report that Arafat was acting as honest broker, trying to persuade the terrorists on the vessel to stop their action. He was being assisted by another



honest broker, Abu Abbas, but then again they were his men, and not members of the other piece of the PLF loyal to Assad. And if he was their leader, then he must surely have had something to do with their activities in the first place. Furthermore, Abu Abbas had his office in Arafat's Tunis headquarters. If such actions as this could be planned in those headquarters without Arafat knowing, there was little point in negotiating with him, or getting his signature to any agreement whatsoever, since he clearly had no control even over those nearest to him. If, on the other hand, he had been party to the plans, did this not contradict the British foreign secretary's assertion that his two representatives were men of peace who had abandoned violence in favor of negotiation?

Abu Abbas welcomed his men ashore in Cairo, and the Egyptian President, Hosni Mubarak, made a plane available to them. When the United States asked him not to let them go, he replied that it was too late, they had already gone. But they had not, and the Americans knew it. When it did leave Egypt, the United States Air Force compelled the plane to land on Italian soil. The Italian prime minister, Mr. Craxi, preferred to uphold the tale of Abu Abbas being an honest broker and thus let him go, to the fury of the United States administration. By then, it was fairly obvious that Arafat's faction had no intention of abandoning violence. Still, the British foreign office did not call off the projected meeting with Arafat's men.

But the case is worse even than that. The disastrous and ugly



Yasser Arafat

truth about all that diplomatic folly is this: the very fact that the British government declared Milhem and Khoury to be men of peace, its insistence that Arafat's PLO was willing to abandon the armed struggle and recognize Israel, forced Arafat to launch the Larnaca and Achille Lauro plans. He had to prove to the Arab world that he was still what he was paid to be—the wager of the holy war against Israel.

#### Pride before a fall

He had made his worst mistake. Just as it seemed that Thatcher would raise him to the heights of success, he fell.

Arafat is now thoroughly discredited. Even his own propagandists cannot deny it, but they are doing their best to repair the colossal damage. They print headlines announcing his "comeback."

As yet, however, no such thing is perceptible, nor is it very likely.

If the West looks upon him with distaste, it is not worth the Soviets' while to go on backing him as their most likely entry ticket to a peace conference. After all, he had never really been their

sort.

But Arafat knows that if he loses Soviet support he will drop out of the wide political arena where he has circled and performed for nearly twenty years. He is therefore very anxious to please the Soviets. When, very recently, he was warned by Moscow not to interfere in the bloody faction fighting between rival power groups of communist South Yemen, he strove to obey. His fighters remained passive on their Kamaran Island—which indicates that over them, at least, he still has some control.

How long these wild men will contain their frustration is a question that might trouble Arafat himself as he shifts insecurely between Tunis and Baghdad. In Tunis, he is no longer welcome since Israel's punitive raid on his headquarters there after the Larnarca killings. In Baghdad, he has been granted a narrow foothold by President Saddam Hussein, perhaps through Abu Abbas's honest brokerage. For Arafat himself, the question of how he can use his fighters has importance but not for the rest of the world. He has fallen, and it will not be easy for him to rise again. His power of veto has been suspended. What will happen now depends on King Hussein, Hafez Assad, Israel, the United States, the Soviet Union and Western Europe, all of which are watching each other for the next move. ■

*Jillian Becker has traveled extensively throughout the Middle East, interviewing those on all sides of the conflict. In addition to numerous articles and broadcasts on the subject of the PLO, she has authored a book, *The PLO, The Rise and Fall of the Palestine Liberation Organization, 1984*, St. Martin's Press.*



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*mt*

YOUR TELNO 79: PRIME MINISTER'S VISIT TO ISRAEL: SPEECH

1. I WOULD NOT PRESUME OF OFFER DRAFTING OR A DETAILED SYNOPSIS FROM HERE. BUT I THINK IT IMPORTANT TO BEAR IN MIND THAT THE PRIME MINISTER'S STOCK IS VERY HIGH HERE (EVEN MORE SO AFTER THE US RAIDS ON LIBYA). HER STAND ON TERRORISM, HER INFLUENCE BOTH WITH PRESIDENT REAGAN AND WITH KING HUSSEIN COMBINE TO PUT HER IN A SPECIAL POSITION OF BEING ABLE TO SAY THINGS TO THE ISRAELIS WHICH THEY WOULD RESENT FROM THE LIPS OF OTHERS AS INTERFERENCE IN DOMESTIC AFFAIRS.
2. I HOPE THE PRIME MINISTER CAN BE ADVISED TO TAKE THIS OPPORTUNITY TO TRY TO FOCUS HER AUDIENCE ON THE LONGER TERM PROSPECTIVE: TO POINT OUT THE NEED FOR A REALISTIC APPROACH TOWARDS THE ARAB/ISRAEL DISPUTE, INCLUDING THE PROBLEMS OF THE WEST BANK AND GAZA, WHICH TAKES ACCOUNT OF THE REALITIES OF PALESTINIAN NATIONALISM AND OF THE INEXORABLE PRESSURED DEMOGRAPHY IN THE TERRITORIES, WHERE THE PROBLEMS WILL ONLY GET WORSE IF LEFT TO DRIFT.
3. THIS SORT OF TOUGH MESSAGE WOULD BE PARTICULARLY TIMELY. THE PEACE PROCESS IS HALTED ON ALL FRONTS, WITH INTERNAL DIVISIONS PARALYSING THE ARAB SIDE. FOR THE HARDLINERS HERE, THIS SHOWS UP MR PERES (AS UNREALISTIC) IN HOPING FOR A SERIOUS ARAB PARTNER AND STRENGTHENS THE PROPONENTS OF THE STATUS QUO. TO SPEAK LESS FIRMLY WOULD UNDERCUT THOSE LIKE PERES WHO THINK THE STATUS QUO MORE DANGEROUS FOR ISRAEL THAN THE ACTIVE PURSUIT OF THE PEACE PROCESS AND PROGRESS OF SOME SORT IN THE TERRITORIES.
4. IN SHORT I THINK THE PRIME MINISTER SHOULD SEEK TO STRETCH THE LIMITS OF WHAT ISRAELIS REGARD AS 'THINKABLE'. BESIDES A PASSAGE ON PRACTICAL 'NEXT STEPS', THE SPEECH MIGHT THEREFORE SEEK TO LIFT THE DEBATE ABOVE SHORT TERM TACTICAL CONSIDERATIONS TOWARDS THE STRATEGY FOR SECURING PEACE FOR FUTURE GENERATIONS. A POSITIVE ATTITUDE TO THE ISRAELI/EGYPTIAN IDEAS ON A MIDDLE EAST ECONOMIC PLAN, AND A CHARACTERISTICALLY ROBUST LINE ON THE EVILS OF TERRORISM WILL DO MUCH TO MITIGATE WHAT FOR SOME OF THE AUDIENCE WILL BE AN UNWELCOME MESSAGE.

SQUIRE

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 NENAD  
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10 DOWNING STREET

*From the Private Secretary*

25 March 1986

PRIME MINISTER'S VISIT TO ISRAEL

The Prime Minister has noted Tel Aviv telegram no. 67 which suggests that the Israeli Government is considering how to use her visit to Israel to advance the peace process.

We shall of course wish to avoid the Prime Minister's visit being used simply to promote Israeli ideas or to give the appearance that we act as messengers for the Israelis (a role which is very adequately filled by others). This points to a need to work up ideas of our own and identifiably so which we could put both to the Israelis and to King Hussein. These ideas might in practice be in the areas identified by the Israelis - the economic field, devolution, an international conference - but must clearly originate with us. Even if our ideas have little chance of being realised in practice, they could be useful in helping to fill the current vacuum, by creating the impression that some way forward was under discussion.

I think that the Prime Minister would welcome some proposals which she could discuss with the Foreign Secretary.

C.D. POWELL

R.N. Culshaw, Esq.,  
Foreign and Commonwealth Office.

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INFO ROUTINE AMMAN, WASHINGTON, CAIRO, DAMASCUS, JERUSALEM

ARAB/ISRAEL: PEACE PROCESS

SUMMARY

1. ISRAELI INTEREST IN USING MRS THATCHER'S VISIT TO ADVANCE THE PEACE PROCESS.

DETAIL

2. THE PRIME MINISTER'S POLITICAL ADVISER TOLD ME ON 19 MARCH THAT DURING MR PERES BRIEF TRIP TO THE U.S. AT THE END OF MARCH HE HOPED TO FIRM UP A RANGE OF IDEAS FOR ACTION TO BE PUT TO THE KING. NOVIK CLAIMED THAT MR SHULTZ WAS "DEFINITELY INTERESTED" IN EARLY ACTION. NOVIK SAID THERE WERE IDEAS IN THE ECONOMIC FIELD, DEVOLUTION AND HELP OVER THE INTERNATIONAL CONFERENCE.

3. I SAID IT WAS DIFFICULT TO SEE HOW PROGRESS COULD BE MADE TILL THE KEY ISSUE OF PALESTINIAN PARTICIPATION WAS SETTLED. NOVIK SAID THERE WAS NO DOUBT THAT PALESTINIAN REPRESENTATION WAS THE KEY ISSUE AND COULD NOT BE DODGED. PERES HAD NO INTENTION OF WASTING THE NEXT 6 MONTHS. HE WOULD PURSUE HIS POLICIES REGARDLESS OF THE ROTATION.

4. NOVIK CONTINUED THAT BY THE TIME MRS THATCHER CAME HERE AT THE END OF MAY THE SITUATION WOULD BE CLEARER AND HER OWN RELATIONSHIP WITH KING HUSSEIN MIGHT LEAD TO SOME NEW MOVE FOLLOWING HER TALKS WITH PERES IN JERUSALEM. I SIMPLY SAID THAT AS THE ISRAELIS WOULD KNOW FROM THE TALKS IN LONDON HMG WERE ALWAYS READY TO CONSIDER WHAT THEY COULD DO TO HELP THE PARTIES TO DIRECT NEGOTIATIONS.

- 1 -

/s.

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5. I ASKED MY U.S. COLLEAGUE ABOUT THIS ON 21 MARCH. PICKERING THOUGHT WASHINGTON WAS STILL IN A PROCESS OF POLICY REAPPRAISAL TO WHICH THE PERES VISIT WOULD CONTRIBUTE. HE DID NOT SEE IT AS LIKELY TO RESULT IN MAJOR NEW INITIATIVES. BEARING IN MIND KING HUSSEIN'S CURRENT RATHER LONG TERM APPROACH TO THE CENTRAL ISSUES ATTENTION IN WASHINGTON WAS FOCUSED MORE ON DEVOLUTION-RELATED ISSUES.

6. PICKERING SAID THERE HAD BEEN SOME INTEREST IN THE SINIORA/EBAN IDEAS OF APRELIMINARY MEETING WITHOUT PRECONDITIONS BETWEEN JORDANIAN/PALESTINIAN AND ISRAELIS (JERUSALEM TELNO 58), BUT IT WAS NOT AT ALL CLEAR WHAT WEIGHT SUCH IDEAS CARRIED ON THE ARAB SIDE, OR WHETHER THE KING WAS INTERESTED. THEY DIFFERED VERY LITTLE FROM PROPOSALS MADE BY THE ISRAELIS IN THE PAST WHICH HAD BEEN REJECTED AS DIRECT TALKS BY ANOTHER NAME.

SQUIRE

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10 DOWNING STREET

*From the Private Secretary*

10 March 1986

I enclose a copy of a letter from the Prime Minister about a village for deprived children in Israel. The writer suggests that the Prime Minister might find time to visit it during her short stay in Israel in May. I doubt that this is possible but you might like to pass on the suggestion to those preparing the programme.

(C.D. Powell)

Robert Culshaw, Esq.,  
Foreign and Commonwealth Office

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10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

10 March, 1986.

The Prime Minister has asked me to thank you for your letter of 6 March about the Youth Aliyah village for deprived children on Mount Carmel. She was very pleased to hear of this, and of the happy atmosphere at the school.

I have noted your suggestion that the Prime Minister might visit the village during her short stay in Israel, though I have to say that she will be there for such a short time that it may well not be possible to include it. But it was very kind of you to put forward the idea.

The Prime Minister has asked me to send you her best wishes.

(C.D. Powell)

Mr. and Mrs. R. Thornton



Robert G. Thornton  
D.S. R.C.S. (ENG.)

Dental Surgeon

Telephone: Almondsbury 612300  
STD 0454

3 Red House Lane,  
The Hill,  
Almondsbury,  
Bristol.  
BS12 4BB

20/3

6.3.86.

Dear Mrs Thatcher,

My wife and I have just returned from a very remarkable experience. We have spent two weeks at the Youth Aliyah Village at Yemin Orde on Mount Carmel Israel. About three hundred deprived children are being educated there - many have suffered very traumatic experiences - many are Ethiopians and unrooted. There are children from Panama (on a short visit) France, Germany, Roumania,



etc: In spite of past bad experiences  
the children look very happy, have  
spontaneous good manners and are very  
friendly due no doubt to the dedicated  
& loving care of the staff from a  
charming Headmaster Chaim Perri and  
his wife through all the staff to  
domestics and even the Arab gatekeeper.

The project is mainly financed by Jews  
in England. My wife and I are not  
Jewish - but I went as part of a scheme  
to supply Dental care by volunteers who  
do two week stints throughout the year.  
We were deeply impressed by the atmosphere  
of relaxed & spontaneous happenings which is  
not always noticeable in a group of  
teenagers - We were also impressed by the  
ex-students who have come back to visit & to  
work there. Part of their policy is to train them  
to give, in return for what they have received  
and in this way to break the vicious cycle  
of deprivation.



I write to tell you of this visit  
in the hope that you may be able  
to visit Yemin Orde on your  
forthcoming visit to Israel in May.

If it was possible for you to  
do so, I believe you, like us  
would feel greatly rewarded, by  
sharing a few hours of the life  
of this community.

With best wishes

Yours sincerely,

Bob and Helen Howatt.



Inches 1 2 3

Centimetres

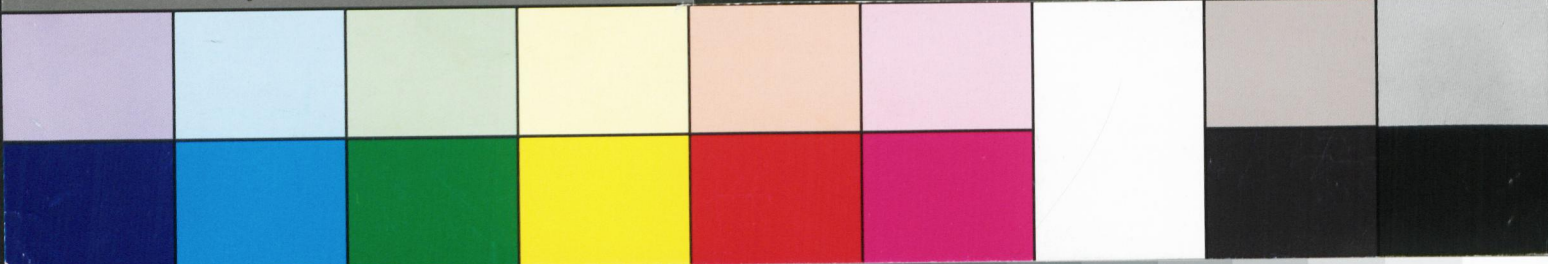
# Colour Chart #13

Blue

Cyan

Green

Yellow



A 1 2 3 4 5 6 M 8 9 10 11 12 13 14 15 B 17 18 19

Grey Scale #13

