

SECRET

CONFIDENTIAL FILING

Visits of the Israeli Foreign Ministers

ISRAEL

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3008

September 1986

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22-1-87							
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7-9-92							

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file
SUBJECT
MASTER *JK*

Filed on:

10 DOWNING STREET

LONDON SW1A 2AA

8 September 1992

From the Private Secretary

Dea Christopher,

**CALL ON THE PRIME MINISTER BY THE FOREIGN MINISTER
OF ISRAEL: 8 SEPTEMBER**

Thank you for your letter of 7 September with briefing for Mr. Shimon Peres' call on the Prime Minister which took place this afternoon.

Mr. Peres said the Israeli Government had been sceptical about the prospects of making progress with the Syrians and had thought to deal with the Palestinians first. But they have made better progress with Syria than they had expected. The Syrians had listened carefully and Syria and Israel were now exchanging papers privately. The real problem was Assad who held his cards close to the chest. Reaching an agreement with Egypt was like climbing a pyramid. Reaching an agreement with Assad was like climbing a mountain. Israel was not sure she could get to the top.

Mr. Peres said that the Israeli Government's handling of the Settlement issue had missed a trick or two in propaganda terms. The substance of what they were doing was more significant than it appeared. He described the other gestures which had been made to the Palestinians. The real problem of the Palestinians was lack of a coherent leadership. Some of them were on the ground. Some were in exile, and the exiles were more interested in rhetoric than reality. He worried about the extent of control. There was moreover a confusion between autonomy and independence. The Israeli Government were proposing not independence but autonomy. Autonomy contained an ambiguity but that was desirable if disputes were to be avoided.

Mr. Peres said that there were also difficulties with Jordan who would not compromise but were at the same time worried about their exclusion from the peace process. Israel was ready to settle on the issues of refugees, water and the border. At the end of the conversation, Mr. Peres reverted to this issue and asked the Prime Minister to pass a private message to King Hussein to say

- (i) the new Israeli Government were as committed to the continuation of the Hashemites as the previous

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Government;

- (ii) Israel really was serious about negotiating an agreement with Jordan on the issues he had described.

Mr. Peres said that Israel wanted to beef up the peace negotiations. Two out of the five committees did not really function. Israel wanted a steering committee at Foreign Minister level to discuss things more informally and if necessary indiscreetly. The Americans were in favour and had consulted the Egyptians who were also in favour. The Jordanians and the Saudis were reluctant but Israel had not given up. Israel also wanted Europe to take a more prominent role. There had been suggestions that the Americans were opposed to this, but the Israelis had consulted Baker and Bush who were both in favour.

Mr. Peres said that after World War I, there had been a search in Europe for mechanical means of preventing a recurrence. After World War II, Europe had turned, not to mechanical means, but to structures and institutions. The Middle East needed to follow that example. There needed to be a new Middle East and Europe could play a major role in creating it. Concentrating the Middle East peace talks in one place on the lines of the Helsinki Conference was one suggestion but something extra was needed: a serious and coherent economic policy for the entire region. The Middle East was divided between oily countries and holy countries. Israel was a holy country. The Middle East was not ripe at this juncture for constitutions and institutions except perhaps in the financial sphere. There needed to be a bank for Middle East development, maybe drawing its resources from e.g. a 10 per cent reduction in the arms race. The Middle East was an area of wealth and corruption. We needed to separate the two. That had to be done by the oil buyers. Maybe one dollar per barrel of oil should be levied for Middle East development. It would repay itself in time. We needed a Middle East for people, not just for leaders. Water was a classic case of a resource that needed to be managed. Egypt's population had grown ten times since the 1950s. The Nile had not grown with it. Transportation and tourism were further examples. Europe could play an historic role.

The Prime Minister said that Mr. Peres had set out a very substantial agenda which was very refreshing in many ways. There was no doubt that the elections and the Israeli Government's actions had radically changed the atmosphere and the prospects. They had also raised expectations. There was certainly quite a different attitude in the European Community. We were urging the Arabs to respond to the changed mood e.g. through an EC demarche on the Arab boycott. The Prime Minister thought the Arabs would be cautious but they were perceptive.

Mr. Peres said that the early days were the crucial ones in which to make progress i.e. before Labour were accused of being a giveaway party. One of the problems of the negotiation was that Israel had to make tangible concessions for rather intangible gains. If the picture could be broadened out so that the negotiations were leading to a whole new Middle East that would be a different story altogether. In any case there could be no real settlement if present economic disparities remained. Further examples were the fact that there was no water in Gaza. This was an urgent problem. A canal was needed between the Red Sea and the Dead Sea. The Jordanians wanted it but said that a political solution was needed first. Israel was saying that planning alone would take several years and should start now. This new approach was not a substitute for bilateral negotiations. Israel looked to Britain and Europe to help. This would also be useful in countering some of the domestic heat the Labour Government would take. It had been very difficult, for example, for Rabin to put forward a compromise on the Golan Heights, given his previous public utterances. There was, Mr. Peres thought, a new mood. The Arabs were coming to realise that cartridges did not feed children. The PLO had been an organisation for its day. Now the Palestinians could vote for their own representatives and the PLO's day had passed.

The Prime Minister said we would do what we could to help. He would discuss Mr. Peres' ideas with our partners in the Community. There was no doubt that the peace process had wings today. But that might not last. Domestic tolerance for what the Israeli Government was doing would be enhanced if there were reciprocity from the Arabs (Mr. Peres warmly agreed). We would see what we could do. Mr. Peres said he had already had discussions, notably with Mitterrand and Delors and they were supportive.

Mr. Peres said he would not be earning his keep if he did not raise two issues, (i) the Arms Embargo; and, (ii), the fact that, despite the lifting of the oil embargo, companies were refusing to sell oil to Israel. The arms embargo had been imposed because of Israeli policy in Lebanon. Lebanon was really down to the Syrians, not Israel, and Israel hoped that in the context of a settlement of Golan they might be able to address Lebanon as well. Israel was grateful for the fact that Britain was now able to procure weapons from Israel but the embargo on arms sales to Israel made no sense. The Prime Minister said he would review it to see if it was possible to put the issue behind us.

Follow-up

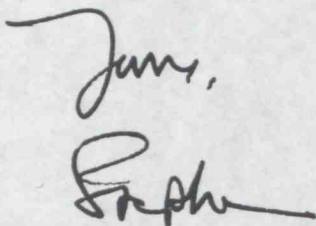
The Prime Minister would be grateful to know how you propose to take forward within the EC Mr. Peres' suggestions of a new Middle East agreement.

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- 4 -

I shall revert to Mr. Peres' private messages to King Hussein once we know whether the Prime Minister will, after all, be able to see King Hussein of Jordan.

I am copying this letter to John Pitt-Brook (Ministry of Defence), Jeremy Heywood (HM Treasury), Peter Smith (Department of Trade and Industry) and Melanie Leech (Cabinet Office).

A handwritten signature in dark ink, appearing to read 'J. S. Wall', with a stylized, cursive script.

J. S. WALL

Christopher Prentice, Esq.,
Foreign and Commonwealth Office.

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b-up

Foreign &
Commonwealth
Office

London SW1A 2AH

7 September 1992

Prime Minister

Dear Stephen,

29/9

**CALL ON THE PRIME MINISTER BY THE ISRAELI FOREIGN MINISTER,
8 SEPTEMBER**

Mr Shimon Peres will call on the Prime Minister at 1700 on 8 September. He will be accompanied by the Israeli Ambassador (Mr Yoav Biran), his Deputy Director General (Mr Uri Savir), and a note-taker from the Embassy (Mr Gideon Meir). HM Ambassador (Andrew Burns) and Mark Elliott (DUS and ex-Ambassador to Israel) will also attend.

Mr Peres will have met the Defence Secretary over lunch at the Israeli Ambassador's Residence and will be going on to a working dinner with the Foreign Secretary. These will be the first Ministerial meetings with the new Israeli government. They provide important opportunities to discuss the peace process and will set the tone for EC/Israel and bilateral relations.

/ A personality note on Mr Peres is enclosed. He has been a leading figure in Israeli politics since the days of Ben Gurion. He is the one Israeli statesman of international repute. He has been a frequent visitor to No 10 and had a close working relationship with Mrs Thatcher when he was Prime Minister from 1984 to 1987. He has a brilliant mind and is an engaging talker; his English is fluent, although accented. His high reputation overseas has never been matched by popularity at home, where he is regarded as devious. Within

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the Labour party there has long been intense rivalry between him and Rabin, whom he ousted as leader in 1977. Rabin's re-election over Peres as party leader early this year was followed by a dramatic resurgence in Labour's popularity, resulting in their remarkable victory over Likud at the end of June. The two are said to have achieved a *modus operandi* since the election, but how durable this is remains to be seen. Rabin adopts a tough but pragmatic approach on the peace process, with Peres somewhat to his left and more of a visionary. Rabin has taken charge of the several bilateral negotiations, with Peres coordinating policy on the multilateral track.

Labour's victory reflected dissatisfaction with Likud's economic failures but also a growing recognition in Israel that Likud's stance on the peace process and hard-line defence of the status quo was leading Israel up a cul de sac, alienating world, including Jewish diaspora, opinion and particularly the US Administration, whose refusal to guarantee \$10 billion loans for Soviet immigration (because of Likud's refusal to curb settlement in the Occupied Territories) greatly exacerbated the economic problem. The shift in Israeli public opinion presents new opportunities for progress in the peace process. But it is a mood which, as Peres will argue, could change very quickly if the government cannot show results.

This will be an important visit for Peres. He needs to show to the Israeli public that moves forward in the peace process are achieving a positive response from the European Community. He also needs to prove to Rabin, who is more sceptical about Europe's role in the Middle East, the validity of his own preference for developing political as well as economic relations with the Community.



It is in our interests to show public support for the Israeli government. But it is pursuing impractical objectives - such as ^{an} EFTA-type relationship with the European Community, and grandiose proposals for regional economic development to be addressed in the multilateral negotiations. The Prime Minister will be able to offer little in the way of concrete support, apart from an undertaking to make renewed efforts to persuade the Arabs to lift the trade boycott on Israel. In these circumstances, the Prime Minister's primary objective might be to reassure Mr Peres of solid political support for the shift in Israel's position on the peace process and of a new climate in EC/Israel political relations; and this in terms that Peres can deploy publicly.

The Peace Process:

(a) The Bilaterals

The first round of negotiations since the change of government in Israel began in Washington on 23 August and are scheduled to last until 24 September. All parties report the atmosphere as having greatly improved. The Israelis made significant unilateral gestures before the talks began, including:

- Curbs on settlement activity in the Occupied Territories; enough to secure President Bush's agreement to the \$10 billion loan guarantees but falling short of the total ban demanded by the Arabs (and by us).
- Acceptance of the full application of Security Council Resolutions 242 and 338; an acknowledgement that Israel is prepared to compromise on territory on all fronts.



- Alleviation of illegal and repressive measures against Palestinians in the Occupied Territories, including deportation, and the release of 800 detainees.

- Appointment of a distinguished and moderate academic to lead the negotiations with Syria.

The Israelis have tabled new proposals for interim arrangements for the West Bank and Gaza. The Palestinians claim that these fall well short of expectations. But there are fair prospects that both the Palestinians and the Syrians will engage in substantive negotiation. The talks are in recess until 14 September while parties reassess positions. Despite Mr Baker's move to the White House, the American contribution remains active and effective.

(b) Multilaterals

The second round of multilateral negotiations on regional issues (economic development, water, the environment, refugees, arms control) will take place during the next two months. The EC are participating in all of them. Mr Peres seeks to revitalise these and to convert them into a more structured CSCE-style institution. He has grandiose schemes for regional economic development for which he may lobby as we, as EC Presidency, will chair next month's meeting of the economic working group. The Prime Minister will not wish to dismiss these aspirations, but in reality the Arabs will not cooperate much in any measures to normalise relations with Israel before there is substantial progress in the bilateral negotiations on the territorial issue. (Mr Peres should also bring with him improved proposals for EC representation in the Arms Control and Regional Security Working Group - meeting in Moscow next week - on which there has been a long-running dispute with Israel. If he raises this, the Prime Minister



might suggest that he discuss details with the Foreign Secretary.)

The Prime Minister might say:

- We welcome wholeheartedly measures taken by the new Israeli government to inject life into the peace process. The basic shift in policy is engendering a new climate in political relations between Israel and the EC.

- We are urging the Arabs to recognise the new mood in Israel and catch the tide by responding with public gestures and by engaging seriously in the negotiations on the basis of Israeli proposals. Anything specific we can do to help?

- We are interested to hear Israeli ideas for reviving the multilateral track of the peace process, particularly on economic and regional development. Europe ready to play a serious role. But progress likely to be slow given strict Arab insistence on parallel progress on the bilateral track. There are limits to any EC financial commitments at this stage.

The Arab Boycott

Mr Peres may ask the Prime Minister to urge the Arabs to lift the trade boycott with Israel as a confidence-building measure in response to Israeli gestures. We have secured EC agreement at official level for démarches to the Arabs, urging removal of at least the secondary and tertiary aspects of the boycott which restrict trade with Israel by companies of third countries. We can take credit for this. The Prime Minister might say:



- We are coordinating an EC démarche to the Arabs to lift the boycott in response to Israeli moves including curbing of settlement activity. Realistically, they are unlikely to agree to lift the ban on their own trade with Israel. We shall focus on the lifting of secondary and tertiary restrictions.

EC/Israel Relations

Peres's main objective will be to press for the EC to accord a new status to the relationship with Israel. Rabin spoke to the Dutch Foreign Minister on 2 September of Israeli "anchorage" in Europe (a vague phrase coined by the Likud government) and sought EFTA-type arrangements. The policy adopted by the Community over the past year or so has been that any qualitative improvement in EC/Israel relations should be conditional on a "positive Israeli attitude to the peace process". This preceded the formation of the Labour government. The Community has for some time declared itself willing to discuss incremental improvements within the terms of the existing 1975 EC/Israel Cooperation Agreement. (This provides for reciprocal free trade in industrial goods and generous concessions to the Israelis on agricultural goods.) Rabin, in line with the Likud government, told van den Broek that the 1975 Agreement was inadequate. Peres may well argue that the Community should recognise Israel's more positive attitude to the peace process by agreeing to negotiate a qualitatively new agreement. There has been no substantive discussion in the Community on these issues since the new Israeli government took over. There are major practical objections to Israel's inclusion in the European Economic Area. The Prime Minister might undertake to report to partners any specific proposals for enhanced economic relations which Peres makes. (Plans are under way - but not



yet final - for him to meet Foreign Ministers of the Twelve in New York on 24 September.)

The Prime Minister might say:

- I should like to work towards a sound EC/Israel economic relationship, and believe this should prove possible in the new political climate.

- It is important for us to know exactly what your objectives are. We still believe that the 1975 Cooperation Agreement is a good basis for enhancing economic ties. The Community is ready to discuss what can be achieved within the terms of this Agreement. Let us see if it proves inadequate before considering any new framework.

The UK Arms Embargo

We imposed an arms embargo on Israel following its invasion of Lebanon in 1982. It is an irritant in the bilateral relationship, though mainly of a symbolic nature, as it is unlikely that the Israelis would want to place large orders in Britain. Our line has been that we cannot lift it while Israeli troops remain in southern Lebanon. The Israelis think that this is a fig-leaf and that our real motive is to safeguard relations with the Arabs. The Prime Minister has recently agreed that we should look at any case for lifting the embargo in slower time. He could say, if Peres raises the issue:

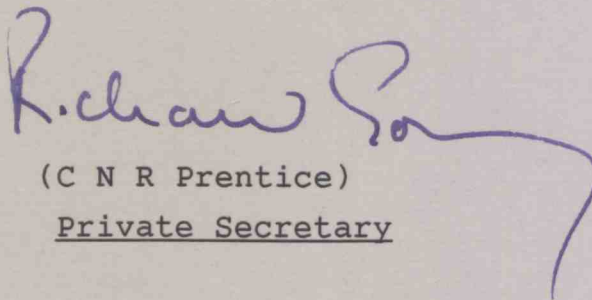
- Hear what you say. We will keep the policy under review, and I would like to put the issue behind us. But it is difficult to drop the embargo until you can give us some movement on Lebanon to warrant it.

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I am copying this letter to Simon Webb (MOD) and
Melanie Leech (Cabinet Office).

Your ever,

for 
(C N R Prentice)
Private Secretary

Stephen Wall Esq
10 Downing Street

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45. PERES, SHIMON

Foreign Minister since July 1992. Former Prime Minister 1984-87.

Born Poland 1923. To Palestine 1934. Educated Ben Shemen Agricultural High School and Harvard. Haganah from 1939. Secretary General of Histadrut Youth Movement 1941-45. Ministry of Defence from 1949 rising to Director General 1952-59. Legion D'Honneur in recognition of Franco-Israeli defence relations in 1957.

Labour member of Knesset 1959. Deputy Minister of Defence 1959-65. Secretary General Ben Gurion's breakaway Rafi Party 1965-68. Deputy Secretary General Labour Party 1968-69. Minister without Portfolio 1969-70. Minister of Transport and Communications 1970-74. Minister of Defence 1974-77. Prime Minister in National Unity Government 1984-86, and following 'rotation' Foreign Minister and Vice-Premier 1986-88. Finance Minister and Vice Premier 1988-90.

Israel's great statesman who never was: undoubted talents (eg. as one of principal architects of Israel's mid-80s economic recovery) and vision, but political star dogged by part in Rafi break, association with Moshe Dayan (which may have cost him the Prime Ministership following Mrs Meir's resignation in 1974 when Dayan was under the cloud of the Yom Kippur war), and by persistent rivalry with Rabin. Survived Rabin's challenge in 1990 following his own failure to form a coalition government, but the Labour Party remains racked by the conflict between the two men.

Has led the Labour Party to four electoral defeats, the last in 1988. He lost the Labour Party leadership contest to Yitzhak Rabin in early 1992. Rabin went on to win the election in June 1992, and appointed Perez Foreign Minister shortly afterwards.

Polished, wide range of interests and sense of humour. But Israelis see him as aloof, uncharismatic, devious and a loser.

Speaks English and French. Shy wife, two daughters, and son.

Revised September 1992.

cc: B up
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ISRAEL: VISIT BY FOREIGN MINISTER PERES

SUMMARY

1. VISIT COMES AT A TESTING TIME FOR THE RABIN GOVERNMENT. A LOT IS AT STAKE IN THE PEACE PROCESS. THE OPPOSITION IS IN DISARRAY AND THE LEFT-WING DOVES ARE PRESSING FOR GREATER CONCESSIONS. BUT MANY ISRAELIS REMAIN VERY WORRIED AT HOW MUCH HAS ALREADY BEEN GIVEN AWAY. SO THE RABIN/PERES TEAM NEED TO SHOW EARLY RESULTS.

2. MUCH IS EXPECTED OF THE UK, BOTH AS EC PRESIDENCY AND AS A COUNTRY WITH PERCEIVED LEVERAGE IN THE ARAB WORLD. ISRAEL WANTS A MORE NORMAL RELATIONSHIP WITH THE REST OF THE WORLD, BUT IS DETERMINED TO ACHIEVE THIS THROUGH DIRECT SECURITY DEALS WITH ITS NEIGHBOURS, BOLSTERED BY OUTSIDE POLITICAL AND ECONOMIC SUPPORT.

DETAIL

2. PERES IS VISITING LONDON AT A TESTING TIME FOR THE NEW GOVERNMENT. RABIN CONTINUES TO LEAD FROM THE FRONT, THOUGH HE LOOKS TIRED AND IS CLEARLY TROUBLED BY HIS WIFE'S RECENT ILL-HEALTH. THE KNESSET IS IN RECESS AND LIKUD IS STILL IN SHOCK. BUT AN INTENSE DEBATE IS RAGING ABOUT THE CENTRAL PLANKS OF THE GOVERNMENT'S POLICY: HOW TO REALLOCATE ECONOMIC RESOURCES AND HOW MUCH TO CONCEDE TO THE SYRIANS AND PALESTINIANS IN THE SEARCH FOR PEACE.

3. ON THE ECONOMIC FRONT, PERES (A FORMER FINANCE MINISTER AS WELL AS PRIME MINISTER) LEAVES FOR LONDON JUST AFTER THE CRITICAL CABINET DEBATE STARTS ON THE CONTENT OF THE 1993 BUDGET. THE DESIRE FOR A GREATER FOCUS ON THE ECONOMIC NEEDS OF ISRAEL PROPER UNDERLAY LABOUR'S ELECTION VICTORY. MINISTRIES ARE LOOKING FOR GUIDANCE ON PRIORITIES. BUT, GIVEN INHERITED COMMITMENTS, IT WILL BE DIFFICULT TO MEET EXPECTATIONS. THERE HAVE ALREADY BEEN BRUISING BATTLES WITH THE TEACHERS OVER PAY AND WITH THE HISTADRUT

(TRADE UNION) OVER MEDICAL INSURANCE, ON BOTH OF WHICH THE GOVERNMENT, PARTLY THROUGH ITS OWN MISTAKES, HAS HAD TO COMPROMISE.

4. IT IS THE PEACE NEGOTIATIONS IN WASHINGTON WHICH ARE PROMPTING THE LIVELIEST DISCUSSIONS BOTH INSIDE THE GOVERNMENT AND IN THE PRESS. RABIN CONCEALS NEITHER HIS IRRITATION WITH PALESTINIAN SHILLY-SHALLYING NOR HIS OWN DETERMINATION TO PRESS AHEAD AND EXPLOIT THE PRESENT WINDOW OF OPPORTUNITY. HE NEEDS ISRAEL'S FRIENDS TO HELP IMPRESS UPON THE PALESTINIANS THAT THEY SHOULD RESPOND CONSTRUCTIVELY AND TO SHOW ISRAELI DOMESTIC OPINION THAT THE NEW GOVERNMENT'S POLICIES ARE PRODUCING RESULTS. BUT WHEREAS RABIN'S DECISION TO CHANGE THE ISRAELI LEADER FOR THE SYRIAN TALKS IS THOUGHT TO HAVE PRODUCED A MARKED IMPROVEMENT IN TONE AND ATMOSPHERE, HE IS FACING A LOT OF CRITICISM FROM THE PRESS AND HIS OWN SUPPORTERS FOR BEING UNWILLING TO MOVE SUFFICIENTLY FAR AND FAST AWAY FROM EARLIER LIKUD ATTITUDES TOWARDS PALESTINIAN AUTONOMY. THIS PROBABLY UNDERESTIMATES RABIN'S READINESS TO TAKE HARD DECISIONS IN ORDER TO BE SHOT OF THE BURDEN OF THE OTS. HE IS A HARD-HEADED PROBLEM SOLVER, AND, WITH THE RETURN OF THE NEGOTIATING TEAM FOR A WEEK'S DISCUSSIONS HERE, HE MAY WELL BE ABLE TO IDENTIFY FURTHER WAYS OF ENTICING THE PALESTINIANS INTO DETAILED DISCUSSION OF AUTONOMY AND ELECTIONS ACCORDING TO HIS PREFERRED TIMETABLE (ELECTIONS IN THE SPRING OF 1993).

5. PERES WILL MISS MOST OF THAT DISCUSSION, BUT HIS CONCERN IS TO TURN THE MULTILATERAL PROCESS FOR WHICH HE IS RESPONSIBLE INTO SOMETHING REAL. HE SEEMS FRUSTRATED BY THE EPISODIC NATURE OF THE WORKING GROUP AND BY THE NEBULOUS NATURE OF MUCH OF THE DISCUSSIONS SO FAR. HE WANTS TO CREATE A MORE STRUCTURED CSCE-STYLE FRAMEWORK AND HE WANTS TO HARNESS EUROPEAN EXPERIENCE BEHIND HIS IDEAS FOR REGIONAL ECONOMIC COOPERATION. BUT LIKE ALL ISRAELIS HE WANTS TO AVOID OUTSIDE INTERFERENCE IN THE HARD NEGOTIATIONS OF ARMS CONTROL AND REGIONAL SECURITY. HE DOES NOT DENY A LEGITIMATE EUROPEAN INTEREST, BUT HE WANTS TO AVOID CREATING FORA IN WHICH THE ARABS CAN AVOID NEGOTIATING DIRECTLY WITH ISRAEL ON WHAT THE ISRAELIS SEE AS CENTRAL ISSUES OF THEIR EXISTENCE.

6. THIS VISIT WILL PREPARE THE WAY FOR PERES' MEETING WITH EC FOREIGN MINISTERS IN THE MARGINS OF THE UN GENERAL ASSEMBLY, BY WHICH TIME THE FULL ACHIEVEMENTS OF THE MONTH-LONG WASHINGTON NEGOTIATIONS SHOULD BE APPARENT. THE AMERICANS WILL HAVE THEIR OWN VIEWS ON PERES' IDEAS, BUT SEEN FROM HERE OUR BEST COURSE IS TO TRY TO ESTABLISH SOME CLARITY AND MUTUAL UNDERSTANDING ON THE PROSPECTS AND LIMITATIONS IN FOUR MAIN AREAS:

- (A) CLOSER EC/ISRAEL RELATIONS:
- (B) REGIONAL ECONOMIC DEVELOPMENT, IN PARTICULAR IDEAS ON HOW TO PREPARE FOR MEANINGFUL DISCUSSION IN PARIS IN OCTOBER EG ON A DEVELOPMENT BANK AND FUND AND CROSS-BORDER JOINT VENTURES:
- (C) ISRAEL'S SECURITY CONCERNS AND THE CONCRETE AREAS IN WHICH THEIR INTERESTS AND THOSE OF EUROPE OVERLAP:
- (D) PERES' AMBITION TO TRANSFORM THE MULTILATERAL PROCESS INTO A MORE STRUCTURED AFFAIR MANAGED BY A STEERING COMMITTEE AT MINISTERIAL LEVEL.

7. PERES FOR HIS PART WILL VALUE ANY CONTRIBUTION WE AS THE PRESIDENCY CAN MAKE TO THESE CONCERNS. BUT HE WILL HOPE TO TAKE HOME TANGIBLE SIGNS OF MOVEMENT ON THE QUESTIONS OF THE ARAB BOYCOTT, THE ARMS EMBARGO, EC TRADE RELATIONS, AND (POSSIBLY) ANTI-ISRAELI DISCRIMINATION AT THE UN. HE WILL BE INTERESTED IN WHAT WE HAVE TO SAY ABOUT IRAQ AND YUGOSLAVIA AND WILL CONTRIBUTE FROM HIS OWN RECENT CONTACTS ON THE QUESTION OF HOW TO HELP THE STATES OF THE FORMER SOVIET UNION.

BURNS

YYYY

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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

Sandra

CF
Have we had a
reply, it is
attendance now
clear on both
sides?

28 August 1992

S 7/9

Sandra

No list of those attending
on file. Yay

Jan Richard

PRIME MINISTER'S MEETING WITH MR. SHIMON PERES: 8 SEPTEMBER

Thank you for your letter of 27 August suggesting that Andrew Burns and Mark Elliott might attend the Prime Minister's meeting with Mr. Peres on 8 September.

Numbers on our side obviously depend a bit on the size of Mr. Peres' party but I am sure the Prime Minister would be happy for Andrew Burns and Mark Elliott to be present. He will, however, almost certainly ask whether either the Foreign Secretary or Mr. Hogg would be present as well. Perhaps you could let me know.

NO.

1
answer

Jan,
Steph

(J. S. WALL)

Richard Gozney, Esq.,
Foreign and Commonwealth Office.

Only Andrew Burns
of Mark Elliott
from FCO. How
Stephen has cash list.

P.a.
S 7/9

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cc RB

Foreign &
Commonwealth
Office

27 August 1992

London SW1A 2AH

Jean Seppan,

Prime Minister's Meeting with Mr Shimon Peres,
8 September

Shimon Peres, the Israeli Foreign Minister, will be calling on the Prime Minister on 8 September, shortly before his dinner with the Foreign Secretary. Andrew Burns, HMA Tel Aviv, is returning for the Peres visit, and would be willing to attend. You may also find it helpful if Mark Elliott, Deputy Under Secretary and Andrew Burns' predecessor in Tel Aviv, comes too. Please let me know.

We do not yet know the size of Peres' party for the meeting, but the Israeli Embassy has assured us it will not outnumber ours: we have asked the Embassy to find out who is coming on the Israeli side, and will let you know.

Yours ever,

R H T Gozney

(R H T Gozney)

Private Secretary

J S Wall Esq
10 Downing Street

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c h contacts



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

11 August 1992

CONTACTS WITH THE ISRAELI GOVERNMENT

The Prime Minister has considered your suggestion that he meets the Israeli Foreign Minister during his visit to London in September. He has agreed to meet Mr. Peres between 1700 and 1730 on Tuesday, 8 September. I should be grateful if you would provide briefing in due course. The Prime Minister is also content for you to issue the message to Mr. Rabin by telegram.

MARK ADAMS

Christopher Prentice, Esq.,
Foreign and Commonwealth Office.

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PRIME MINISTER

TALKS WITH THE ISRAELI GOVERNMENT

The Foreign Secretary will be having a working dinner with the Israeli Foreign Minister, Shimon Peres, on 8 September.

Mr. Peres has asked to call on you.

Mr. Peres has asked to see you when is in London. On balance, a short meeting would be worthwhile as a signal of encouragement for the commitments to the peace process made by the new Israeli Government. You have asked to keep 8 September as free as possible, and currently preparation for the CBI speech is pencilled in (see diary extract attached). If you are content, I would suggest a half hour slot towards the end of the afternoon.

Prime Minister Rabin will be passing through London in a few days time, while you are in Candeleda. To ensure that he is not put out if you do see Mr. Peres, I suggest you sign the attached letter.

Content?

MARK ADAMS

10 August 1992

c\h\peres (aa)



Mr Peirce
cc PC

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

14 February 1990

ISRAEL

We have had a request from the Israeli Foreign Minister to call on the Prime Minister in late March or early April. The Prime Minister has said that she is willing to see him and could manage 1130 on Monday 2 April. I shall be so informing the Israelis.

I am copying this letter to Simon Webb (Ministry of Defence).

C. D. POWELL

R.N. Peirce, Esq.,
Foreign and Commonwealth Office.

✓

BA

~~Boots~~
lets you - Israelis
injured
CB

~~1130 on
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April~~
AP 14/2

AMANDA PONSONBY

ISRAELI FOREIGN MINISTER

The Prime Minister has agreed in principle to see the Israeli Foreign Minister. He could manage something on either 23 or 24 March or on 2 or 3 April. Could you give me an hour please?

CB

Charles Powell
13 February 1990

EB

CONFIDENTIAL

Like 20



*bc. SP
PC*

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

3 November 1989

ISRAEL

We have heard that the Israeli Foreign Minister may be coming to London on 4/5 December to address the Joint Israel Appeal. If this is confirmed, the Prime Minister would like to see Mr. Arens while he is here for 30 to 45 minutes. Perhaps you could keep me informed.

C.D. POWELL

Stephen Wall, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

8

PRIME MINISTER

ISRAEL

The Israeli Foreign Minister is likely to come here on 4/5 December to address the Joint Israel Appeal. Mr Arens wonders whether he could possibly see you for 30-45 minutes. The diary looks possible.

Agree to see him?

CDP

Yes not

CHARLES POWELL

2 November 1989



2

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

שגרירות ישראל
לונדון

Mr
Dear Minister

BY HAND

Does not quite square

PRIVATE AND CONFIDENTIAL

24th March 1989

with the American account.

Dear Charles,

But useful that he
keeps you informed

CD 24/3

Further to our telephone conversation of this morning, please find enclosed herewith a message which we received by cable to transmit to Prime Minister Margaret Thatcher from Professor Moshé Arens, Minister for Foreign Affairs.

Many thanks for your kind co-operation.

Sincerely
Nathan Meron

Nathan Meron
Charge d'Affaires a.i.

Mr. Charles Powell,
Private Secretary to
The Prime Minister,
10 Downing Street,
London, S.W.1.



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

שגרירות ישראל
לונדון

PRIVATE AND CONFIDENTIAL

24th March 1989

"Dear Prime Minister,

I returned a few days ago from a visit to the United States and, in the spirit of the exchange we had when you were kind enough to receive me in London last month, I would now like to share with you some substantive impressions of my talks with the leaders of the Administration, among them President Bush, Vice-President Quayle, Secretary of State Baker, National Security Adviser Scowcroft and Members of Congress.

May I say at the outset that the talks were warm and very friendly throughout, reflective of the long-standing amity and special relationship between our countries. If anything, this relationship encouraged the honest candour of our conversations as we earnestly strove together to explore paths that might enhance the peace process, without falling prey to premises that could prove to be illusory and false and, hence, potentially disastrous. The need for close consultation and maximum coordination was affirmed. Secretary of State Baker spoke, in this context, of the need to create a unified approach. If there is to be any progress at all in pushing the peace effort along it will depend, not a little, on Israel and the United States working together. In this, as in other manifestations of the unique relationship such as U.N. voting patterns, the new American administration appears to follow in the footsteps of the predecessor.

/cont...



EMBASSY OF ISRAEL
2 PALACE GREEN
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שגרירות ישראל
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- 2 -

My impression is that our American friends are still examining among themselves options and directions on how best to proceed, and that certain positions are already emerging. Thus, it seems clear that the United States is concerned by events of recent months and is eager to exploit every opportunity for beginning a process, while being determined not to be pressured into steps which might be harmful.

I put it to the President that the PLO remains a terrorist organization (the events of the last weeks and days on our borders have again illustrated their deeds and intents) and the conduct of a dialogue with them lends credence and legitimacy to their goal of a Statehood that would be a threat not only to security and stability of Israel but even more so to that of King Hussein's Jordan, and that their intimidation and threats have not only terrified into silence the voices of genuine reconciliation among the Palestinian Arabs but have also inhibited the prospect of dialogue which we believe King Hussein would still like to conduct with Israel.

Thus it was that when Secretary Baker subsequently told a Congressional Committee that Israel might in the end, under certain circumstances, have to speak to the PLO, I deemed it necessary to call him and reiterate the consensus of the Israeli Government, that the PLO as a negotiation partner is a non-starter.

In the course of our discussions I elaborated upon my view in terms of three tracks which I believe should be pursued.

First we have to try again to bring King Hussein into the process. His participation is indispensable and inevitable if we are to achieve lasting peace, especially in view of the fact that Jordan both historically and geographically constitutes the link between

/cont...



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

שגרירות ישראל
לונדון

- 3 -

the broad Arab conflict with Israel and the narrower Palestinian one. In this connection President Bush, Secretary Baker and I spoke of the important potential role you, Prime Minister, might play in encouraging Jordan to re-engage in the peace process at some future time. May I add that in so doing we were at one in expressing our respect and admiration for your leadership.

The second track relates to the Palestinian Arabs in Judea, Samaria and Gaza, to find among them interlocutors who will feel free to negotiate, without fear of PLO terrorist reprisal. In this context, the Americans expressed the view that mutual steps to improve the environment would be helpful. I explained that the reduction of tension is of foremost interest to us.

And the third track relates to the larger Arab scene, to bring more Arab countries into the process. In my conversation with President Bush, Saudi Arabia and Morocco were mentioned in this connection. Such a development would be of importance in terms of encouraging King Hussein to join us at the table. One of the items we discussed was, of course, the matter of an International Conference, and what we perceive to be the contradiction between this and direct negotiations. Secretary Baker mentioned, as he had also agreed with you, that discussions concerning such a conference would be premature. I questioned the wisdom of giving the Soviet Union a role in the negotiations, and equal to the United States at that. I do not believe this to be an American or an Israeli interest.

In sum, Prime Minister, those were days of close consultation which, I am convinced, will bring us closer to the desired goal of peace. Knowing as I do that this is your goal too, I wanted to share my impressions with you.

Yours sincerely,
Moshe Arens"

The Rt. Hon. Mrs. Margaret Thatcher, PC, FRS, MP,
Prime Minister,
10 Downing Street,
London, S.W.1.

CONFIDENTIAL

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PS TO PRIME MINISTER
NO 10 DOWNING ST

MY IPT: VISIT TO LONDON

1. THE CONVERSATION WITH MERIDOR DESCRIBED IN MIPT AROSE OUT OF AN URGENT INVITATION FROM HIM TO CALL IMMEDIATELY AFTER HIS RETURN FROM CAIRO, IN RESPONSE TO A MORE GENERAL SUGGESTION BY ME BEFORE ARENS LEFT. THE CONDITIONS OF PRIVACY OF WHICH MERIDOR MADE SO MUCH OF A POINT SUGGEST THAT HE IS SEEKING TO DEVELOP SOMETHING OF A SPECIAL RELATIONSHIP. HE SAID THAT HE HAD JUST HAD TWO HOURS WITH THE US AMBASSADOR.

2. ONE OF MERIDOR'S MAIN AIMS WAS TO ENSURE THAT THE ISRAELI UNDERSTANDING OF ARENS' VISIT DID NOT DIFFER FROM OURS. HE WENT IN SOME DETAIL THROUGH THE ISRAELI RECORD OF THE CONVERSATION WITH YOU, AND SPOKE MORE GENERALLY ABOUT THE CONVERSATION WITH THE PRIME MINISTER. ARENS' IMPRESSION OF THE CONVERSATION WITH THE PRIME MINISTER HAD BEEN EXTREMELY POSITIVE, AS HE HAS SINCE TOLD THE PRESS. HE HAD BEEN GREATLY IMPRESSED BY MRS THATCHER'S GENUINE FRIENDSHIP FOR ISRAEL HER WISDOM IN RELATION TO MIDDLE EASTERN QUESTIONS AND HER CLEAR VIEWS ON TERRORISM. ARENS WAS PARTICULARLY GRATEFUL THAT MRS THATCHER HAD NOT WISHED TO RUSH ISRAEL INTO DIFFICULT DECISIONS, ALTHOUGH SHE HAD MADE IT PLAIN THAT SHE THOUGHT THERE HAS BEEN A SIGNIFICANT CHANGE IN THE SITUATION. ALTHOUGH ARENS STILL FIRMLY OPPOSED AN INTERNATIONAL CMNFERENCE, HE BELIEVED THAT THE UK UNDER MRS THATCHER'S LEADERSHIP COULD MAKE A USEFUL CONTRIBUTION, IN PARTICULAR BECAUSE OF THE RELATIONSHIP WITH PRESIDENT BUSH AND ALSO WITH KING HUSSEIN. ARENS SAID THAT HE VERY MUCH WANTED SHAMIR TO MEET THE PRIME MINISTER. ISRAEL HAD A FRIEND IN NO 10, AND (IN MERIDOR'S WORDS) 'SOMETHING MORE THAN THAT'.

3. MERIDOR'S ACCOUNT OF THE MEETING WITH YOU WAS DETAILED BUT DID NOT SEEM TO CONFLICT IN ANY SUBSTANTIAL WAY WITH THE ACCOUNT IN YOUR TELNO 51. IN AN ASIDE, MERIDOR SAID THAT HE HAD NOTICED THAT WE PHRASED ONE OF THE CONDITIONS FOR DIALOGUE WITH THE PLO AS RENUNCIATION OF VIOLENCE, RATHER THAN TERRORISM - IN PRACTICE EVERYBODY MUST SURELY REALISE THAT ALTHOUGH TERRORISM MIGHT

PAGE 1
CONFIDENTIAL

CONCEIVABLY BE SAID TO HAVE STOPPED, VIOLENCE IN THE OCCUPIED TERRITORIES HAD NOT. (I TOOK ISSUE WITH HIM BRIEFLY ON THIS POINT BUT DID NOT ARGUE IT OUT IN DETAIL.) MERIDOR ALSO EMPHATICALLY ARENS' CONCERNS ABOUT INTIMIDATION IN THE OCCUPIED TERRITORIES AS A PROBLEM FOR THE HOLDING OF EFFECTIVE ELECTIONS, AND ARGUED AT SOME LENGTH THAT ARENS' STATEMENTS (IN PARTICULAR THE '10 BULLETS' THREAT) SHOWED THAT INTIMIDATION BY THE PLO LEADERSHIP WAS STILL A VERY REAL FACTOR.

4. COMMENT

THE WILLINGNESS OF MERIDOR AND BY IMPLICATION OF ARENS TO DEVELOP A RELATIONSHIP OF SOMEWHAT GREATER INTIMACY AS A RESULT OF THE VISIT IS CLEARLY A PLUS, ALTHOUGH ON THIS OCCASION HE SAID NOTHING VERY EXCITING. MERIDOR SAID THAT THE GOVERNMENT WERE LOOKING FORWARD TO MR WALDEGRAVE'S VISIT (ALTHOUGH I DID NOT THINK THAT HE SPOKE WITH ANY PARTICULAR WARMTH AT THIS POINT). YOUR OWN VISIT AT THE END OF MAY, AND SHAMIR'S VISIT TO LONDON, SHOULD CONSOLIDATE THE PROCESS. THE ISRAELIS SEEM TO BE PARTICULARLY SUSPICIOUS OF EUROPEAN INITIATIVES.

ELLIOTT

YYYY

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PS/PUS
PS/SIR J FRETWELL
CHIEF CLERK
MR MUNRO
MR BOYD
MR GORE-BOOTH
MR SLATER
MR RATFORD

do



② cpe

Dear Prime Minister
CBB 24/1.

שגרירות ישראל
לונדון

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

23rd February 1989

Dear Prime Minister,

mb

I have been requested to transmit to you the enclosed letter from Mr. Moshe Arens, Minister of Foreign Affairs of Israel.

With kind regards,

Sincerely,
Yoav Biran
Yoav Biran
Ambassador of Israel

The Rt. Hon. Mrs. Margaret Thatcher, PC, FRS, MP,
Prime Minister,
10 Downing Street,
London, SW1



Jerusalem, 19 February 1989

Dear Prime Minister,

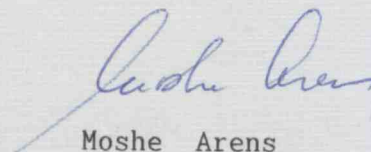
Upon returning to Israel and before leaving for Egypt, may I thank you once again for our meeting last week.

I was much encouraged by yet another manifestation of the friendship and understanding which you have long accorded Israel, and which you kindly extended to me.

The history of our two nations has been intertwined for decades, and I look forward to continuing the dialogue between our two countries in the near future. I hope that in due course our Prime Minister, Mr. Yitzhak Shamir will pay a visit to London in this respect.

Again, I thank you for your courtesy and the time you spent with me.

Yours sincerely,



Moshe Arens

The Rt. Hon. Mrs. Margaret Thatcher, PC, FRS, MP
Prime Minister
10 Downing Street
London



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SECRET

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DEDIP

AMMAN

TO DESKBY 210900Z FCO

TELNO 085

OF 210707Z FEB

1. ✓ dc (with copies) to
McL Powell, No 10

2. back please

[Handwritten signatures]

PERSONAL FOR GOULTY, MENAD

ARENS' VISIT TO LONDON

1. WHEN I WAS SEEING THE HEAD OF THE ROYAL COURT ON 20 FEBRUARY TO DISCUSS SHEVARDNADZE'S VISIT, ZAID BIN SHAKER REFERRED TO THE PRIME MINISTER'S EXCHANGES IN THE HOUSE ON 14 FEBRUARY ON THE PEACE PROCESS. HE SAID THAT THE KING HAD BEEN DELIGHTED BY MRS THATCHER'S COMMENTS AND BY THE FACT THAT THE MOOD OF THE HOUSE WAS SO MUCH IN SUPPORT OF THE NEED FOR MOVEMENT BY ISRAEL. THE KING HAD HOWEVER NOTED MRS THATCHER'S REMARK THAT HMG DID NOT NECESSARILY ACCEPT THE PLO AS THE SOLE REPRESENTATIVE OF THE PALESTINIAN PEOPLE. COULD I EXPLAIN OUR THINKING ON THIS POINT? I DID SO, EMPHASISING THAT IN THE ABSENCE OF ANY TEST OF OPINION, FOR EXAMPLE WITHIN THE OCCUPIED TERRITORIES, WE HAD NO MEANS OF KNOWING WITH CERTAINTY HOW REPRESENTATIVE THE PLO WAS. ZAID BIN SHAKER COMMENTED THAT THE KING WAS RATHER WORRIED THAT RAISING QUESTIONS ABOUT THE PLO'S LEGITIMACY AS SOLE REPRESENTATIVE OF THE PALESTINIANS MIGHT PLAY INTO ISRAELI HANDS, SETTING PALESTINIAN AGAINST PALESTINIAN, AND COULD IN ANY CASE CONSIDERABLY PROTRACT THE APPROACH TO NEGOTIATIONS (THOUGH I POINTED OUT THAT ISRAEL'S REFUSAL TO NEGOTIATE WITH THE PLO MIGHT HAVE THE SAME EFFECT). FOR THE SAME REASON HE DID NOT FAVOUR ELECTIONS IN THE OCCUPIED TERRITORIES WHICH WOULD NOT IN ANY CASE HAVE MUCH CREDIBILITY UNLESS THE ISRAELIS HAD ALREADY WITHDRAWN.

2. BIN SHAKER ENQUIRED ABOUT MRS THATCHER'S MEETING WITH ARENS. I HAD STARTED TO REPLY WHEN HE INTERJECTED THAT THE KING WOULD BE PARTICULARLY INTERESTED TO HAVE MY FIRST HAND ACCOUNT AND WITHOUT MORE ADO LED ME THROUGH TO THE KING'S OFFICE. I THEREFORE GAVE THE KING THE ESSENTIAL POINTS IE THAT ARENS HAD ARGUED THE NEED TO REINVOLVE KING HUSSEIN IN THE PEACE PROCESS BUT THAT THE PRIME MINISTER HAD SAID THAT SHE SAW NO POSSIBILITY OF THIS UNLESS THE KING WERE GIVEN A PRIOR ISRAELI COMMITMENT ON TERRITORY FOR PEACE AND A CLEAR MANDATE FROM THE OTHER ARABS TO NEGOTIATE.

SECRET / DEDIP

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3. / ---

3. THE KING SAID THAT HE WAS MOST GRATEFUL FOR THE PRIME MINISTER'S FIRM STATEMENT AS REGARDS HIS OWN POSITION. HE THEN REFERRED TO THE POINT WHICH BIN SHAKER HAD MADE EARLIER ABOUT THE PLO. ALTHOUGH HE UNDERSTOOD THE REASONS WHICH HAD LED MRS THATCHER TO ADOPT THIS PARTICULAR FORMULATION VIS A VIS THE PLO, HE WAS RATHER CONCERNED ABOUT THE IMPLICATIONS FOR ARAFAT'S POSITION. THE PLO HAD GIVEN THE NECESSARY ASSURANCE AND WERE NOW THERE, AT CENTRE STAGE, WAITING FOR THE PEACE PROCESS TO BEGIN. IF THEY WERE NOT THE SOLE REPRESENTATIVES, HOW WERE OTHER REPRESENTATIVE LEADERS TO BE IDENTIFIED? AND HOW LONG WOULD IT TAKE FOR THEM TO EMERGE? HE FELT THAT THE NEED FOR MOVEMENT TOWARDS PEACE WAS URGENT AND HE KNEW THAT THE PRIME MINISTER SHARED THIS VIEW. I AGAIN EXPLAINED OUR POSITION. THE KING SAID THAT HE VERY MUCH HOPED TO HAVE THE OPPORTUNITY OF TALKING TO THE PRIME MINISTER AGAIN IN THE NEAR FUTURE. HE EXPECTED TO BE IN LONDON AROUND 9 MARCH. I SAID THAT I WOULD OF COURSE REPORT HIS COMMENTS AND THAT I KNEW THAT THE PRIME MINISTER WOULD WELCOME THE CHANCE OF A FURTHER DISCUSSION WITH HIM IF A MUTUALLY ACCEPTABLE DATE COULD BE WORKED OUT.

REEVE

LIMITED

HD/NENAD

PS

PS/Mr Waldegrave

PS/PUS

Mr Munro

Mr Gore-Booth



19(A-C)
The SWART
c/c

10 DOWNING STREET

LONDON SW1A 2AA

15 February 1989

From the Private Secretary

SUBJECT cc MASTER

PRIME MINISTER'S MEETING WITH
THE ISRAELI FOREIGN MINISTER

The Prime Minister had a meeting this morning with the new Israeli Foreign Minister. Mr. Arens was accompanied by his Political Adviser, Mr. Salay Meridor.

The meeting lasted an hour and a quarter, considerably longer than planned. The Prime Minister was impressed by Mr. Arens' soft-spoken manner and lucid presentation. The views which he put forward were largely predictable. In summary, Israel accepted that the status quo could not continue and that there must be negotiations. But against the background of Arab hostility towards Israel, peace would be a slow process. Without giving any precise indication of Israel's plans, Arens clearly saw the Camp David Accords as the starting point. He could envisage elections on the West Bank to choose Palestinian representatives, provided a way could be found to stop intimidation. His principal theme was the need to re-engage King Hussein in the peace process and he repeatedly sought the Prime Minister's help with this. He also asked for our assistance in normalizing Israel's relations with the Soviet Union. He was much pre-occupied with the threat from Iraq. Our contacts with Arafat and Mr. Waldegrave's comments about Shamir were not raised, nor were any bilateral issues.

The Prime Minister opened by saying that she had set out Britain's general approach on Arab-Israel matters in answers to questions in the House of Commons on 14 February. The present situation was dangerous and likely to become more so. There had to be negotiations, but negotiations which were carefully prepared. Generalisations would not do: there must be specific and detailed preparation. She believed that the Israeli Government was well placed to negotiate. It was an asset in negotiations to be perceived as strong and to hold firm views. But Israel must understand how much support it had forfeited among Western public opinion, even among some of its most loyal friends, as a result of the troubles on the West Bank. Higher standards were expected of Israel than of other countries (and quite right too, interjected Mr. Arens). Overall, she believed that the time had come for an important move forward in the peace process. Britain was ready to help,

both individually and as one of the Five Permanent Members of the United Nations Security Council. It would be a mistake to leave matters just to the United States and to the Soviet Union. That would only lead to polarisation. It was most important that Mr. Shamir should go to Washington with clear proposals on all those issues.

Mr. Arens referred to the respect which the Prime Minister enjoyed in Israel. He had been moved by her speech to the Friends of the Hebrew University of Jerusalem. Her understanding of Israel was more than statecraft, there was an element of passion.

Turning to the peace process, Mr. Arens said that Israel was an island in the Middle East, surrounded by a sea of totalitarian Arab States, maintaining large armies, ready to use chemical weapons and worse and never really reconciled to Israel's existence. This was the fundamental problem facing those who wanted to make peace. It meant that Israel had constantly to be concerned for her security. Those security needs were the result of Arab hostility. They gave rise to the inevitable conflict between Israel's need for secure borders and Palestinian aspirations. He recognised that Israel had lost a great deal of support internationally because of the intifada. Indeed she was more isolated than at any time since the eve of the 1967 war. The image of David standing against the Goliath of the armies no longer prevailed in people's minds. Israel was ready for negotiation. The problem was to find interlocutors. Israel would not negotiate with the PLO. The obvious partner was King Hussein. A way had to be found to bring him back into negotiations. He hoped very much that the Prime Minister would be ready to use her great influence to achieve this.

The Prime Minister said she understood Israel's need for secure borders, although with modern military technology, it was questionable whether such a thing existed. Certainly Israel could never absorb the West Bank, without destroying her own unique character. The starting point must be the legitimate aspirations of the Palestinians. As a democracy, Israel could not deny to others what she claimed for herself. There had been a time when it would have been possible to find Palestinian representatives from the West Bank with whom to negotiate. That was much more difficult now, although she remained attracted to the idea of elections in the Occupied Territories to choose Palestinian representatives. We had never accepted the PLO as the sole legitimate representative of the Palestinians.

Mr. Arens agreed that Israel had to address the Palestinian problem and the Palestinian people. This meant rebuilding contacts with King Hussein and consideration of elections on the West Bank to choose Palestinian representatives, provided that some way could be found of dealing with intimidation. Israel needed the Prime Minister's help to bring King Hussein back in. The Prime Minister saw no realistic possibility of achieving this. As

a minimum the King would need a commitment on territory for peace and a clear request from the other Arab governments and the people of the West Bank to resume a role. Mr. Arens said these were difficult conditions. Would King Hussein have to have a commitment on territory for peace in advance of negotiations? The Prime Minister said that he would. Mr. Arens said he would have to think about that. Israel would like to find Palestinian representatives with whom she could negotiate. But the US and the Europeans were making that more difficult by glorifying Arafat, who continued to intimidate any Palestinian who did not toe the PLO line. The Prime Minister said that there had been major and important changes in the PLO's position. Nonetheless, she recognised that it did not help to say that Israel must talk direct to the PLO at this stage. It was better to talk in terms of negotiations about the West Bank and Gaza, and the legitimate aspirations of the Palestinians. Mr. Arens repeated that realising those aspirations would be a very slow business. The starting point should be the Camp David Accords and the concept of an interim arrangement, leading eventually to a permanent settlement.

Mr. Arens dilated upon the dangers to Israel from Iraq - drunk on victory - Syria and Libya, particularly their growing chemical weapons's capabilities. The Prime Minister suggested that Syria no longer carried the weight in Arab affairs which it had done some years ago.

Mr. Arens spoke of the historic importance of the Prime Minister's contribution to securing the rights of Jewish people in the Soviet Union. He continued that he had met Mr. Shevardnadze in Paris and they had discussed institutionalising their contacts. But there had been no subsequent response from the Russians. There had been some hint that Shevardnadze might visit Israel on his current tour of the Middle East, but this now seemed unlikely. The Israelis would like to have the Prime Minister's help with Mr. Gorbachev. The Prime Minister said that she would certainly raise the subject with him. She thought that Mr. Gorbachev might have too much on his plate at present to contemplate normalising relations with Israel.

The Prime Minister hoped that Mr. Shamir would soon take up her invitation to visit the United Kingdom for discussions. Mr. Arens thought that he would.

It was agreed that the press should be told that the Prime Minister and Mr. Arens had a very good discussion. They were both anxious that the negotiations start, but careful preparation was needed.

I am copying this letter to Brian Hawtin (Ministry of Defence).

(C. D. POWELL)

R. N. Peirce, Esq.,
Foreign and Commonwealth Office.

SECRET



10 DOWNING STREET

Prime Minister

Mr. Arens sent

down the attached
notes for you, giving
details of PLO-inspired
intimidation on the
West Bank.

COP
15/2.

M.S.

S E C R E T
unofficial translation

Letter sent by PLO
to eight moderate
politicians in the West
Bank on 27 January.

13-FEB-1989
912

CDP

The United National Command.

There is no voice to overcome the Voice of the Intifada - the Voice of the PLO.

To: Said Kana'an

The great achievements of the Intifada are a direct result of sacrifices by our masses and their continuing daily struggle. These achievements would never have been attained without the blood of our martyrs and the suffering of the injured and the prisoners. There is no reward for this suffering but continuation of the Intifada and its intensification. We must contain and halt any step which can hurt the Intifada. Therefore we emphasize the following points:

1. You must stop all political activity at this stage, because your full file indicates that your activities hurt the Intifada.
2. You must stop finally and absolutely all meetings with any Israeli personalities.
3. Your meetings in the American Consulate must cease.
4. You must avoid speaking on behalf of the Intifada, even indirectly, press conferences included.
5. Do not interfere in the affairs of the Intifada on the popular level such as fundraising, etc. The only factor permitted to speak on behalf of the Intifada or announce decisions related to it is the United National Command.

We will consider any violation of the above as a deviation from the national will, which will necessitate a suitable reaction.

The Popular Committees - The Strike Forces.

Eight prominent and politically active residents of Nablus among them Hafez Toukan, a former Mayor, received this letter on January 27th. Most are known as pragmatist, some as pro-Jordanian, some have met with Israeli leaders.

القيادة الوطنية الموحدة
لا صوت يعلو فوق صوت الانتفاضة - صوتنا .

الى المدعو سعيد كنعان .

و ان ما حققته الانتفاضة الباسلة من اجازات عظيمة كان نتيجة مباشرة لتضحيات جماهيرنا وكفاحها اليومي المتواصل ، هذه الاجازات التي لم تكن لتتحقق لولا دماء الشهداء وانات الجرحى ومعاناة المعتقلين ، ولما كان الوفاء لهذه المعانيات ر يتم الا بالحفاظ على استمرارية الانتفاضة والعمل على تصعيدها فاننا نجد انفسنا ملزمين بالعمل على لجم وايقاف اي تحرك مشوه من شأنه الصابح بالانتفاضة .
وعليه فاننا نؤكد على ادوار التالية :

- ضرورة وقف اي نشاط سياسي من قدامك في هذه المرحلة كون سجلك الحافل يقود الى ان نشاطك ستمب في الاتجاه المعاكس للانتفاضة .
- الايقاف التام والنهائي لكافة اللقاءات مع اي شخصية اسراييلية .
- وقف لقاءاتك المنتظمة في القنصلية الامريكية .
- الامتناع عن التحدث باسم الانتفاضة ولو بشكل غير مباشر وذلك يشمل المقالات الصحفية .
- عدم التدخل في شؤون الانتفاضة على المستوى الشعبي كجمع تبرعات الخ .
- ان الطرف الوحيد المخول بالتحدث باسم الانتفاضة واعطاء القرارات حول كل ما يتعلق بها هو القيادة الوطنية الموحدة ونعتصر ان اي خرق لما ورد اعلاه خروج عن القرار الوطني يستوجب المحاسبة .

اللجان الشعبية
القوى الضاربة

13-FEB-1989
910

INTERNAL PALESTINIAN TERRORISM

Palestinians killed by Palestinians

4 Jan 1989 -

Bassam Mussa Hussein Barhamma, (b. 1961) shot at short range near his home in Jericho.

9 Jan 1989 -

Sharif Muhammad Aziz Tamizi (b. 1959) shot in his home village, Idna, near Hebron.

12 Jan 1989 -

Nader Muhammad Fallah Aroutti, (b. 1969) resident of Balata, (near Nablous) shot at short range in Nablous, injured, died of his wounds later. He was the son of a man accused of having contacts with Israelis.

19 Jan 1989 -

Ahmed Anis Hussein Jaradath, (b. 1952) resident of Attil village near Tul Karem, shot to death in his village.

Palestinians Injured by Palestinians

18 Dec 1988 -

Members of the Jallish family were attacked in the Touffah neighbourhood in Gaza, two family members were injured: one by a knife wound to his face, while his brother was attacked with axes and suffered head injuries.

24 Dec 1988 -

A molotov cocktail was thrown at the store of the Hattib family in Ras-El-Amoud, near Jerusalem. Muhamad Kamel Muniim Hattib (b. 1955) suffered serious burns.

28 Dec 1988 -

The home of the brother of a man accused of having contacts with Israelis was attacked. Hussein Nimmer A'bd El-Hadi (b. 1944) suffered burns and was hospitalized.

31 Dec 1988 -

Some fifty masked men attacked the home of Rai'id Rageb Taha Hijawi, (b. 1961) He was taken from his home and was returned some two hours later, bruised and covered with cigarette burns.

12 Jan 1989 -

Dozens of youths attacked the home of Said Ab'd Rabu Said Atamneh (b. 1969), disconnected electricity and telephone wires, burnt the front door. His daughter suffered a head injury and required hospitalization.

13 Jan 1989 -

Mahreb Ab'd El Rahman Nasser Gazi, a resident in the home of a "suspect", suffered head injuries when a group of youths attacked his residence.

2 Feb 1989 -

Abdallah Mouhamed Abdallah Sarour, (b. 1959) was beaten on the head with a club.

3 Feb 1989 -

25 masked people surrounded a home in Toubas, entered and beat Riad Said Moustapha Sawaftah (b. 1948) They left when he pretended to be dead.

PRIME MINISTER

MEETING WITH THE ISRAELI FOREIGN MINISTER

You are to have a talk with the new Israeli Foreign Minister tomorrow morning. Professor Arens will come with just his political adviser.

I do not think you have met Arens before. He was born in Lithuania and brought up in the United States. He has also served some time as Ambassador in Washington. He is a leading aeronautical engineer. He only came into government in 1983 but is now seen as Shamir's most likely successor. He, like Shamir, opposed the Camp David agreements and is very firm in his determination to put Israel's security interests - as he perceives them - ahead of everything. But he is an intelligent and articulate man and should not be written off as beyond persuasion. Arens gave the Times an interview today in which he speaks very warmly of you and your role in the Middle East peace process (copy in folder).

Our Ambassador in Tel Aviv saw Arens a couple of days ago. Although he was perfectly civil, he refused to give any indication of Israel's thinking about a peace settlement. It is fairly clear that the Israelis are going to reserve their ideas for Shamir's eventual visit to Washington, which is likely to take place in March. But what we know of their thinking is pretty unpromising: refusal to consider territory for peace, opposition to talks with the PLO, rejection of an international conference. Any proposals which do emerge from the Israelis are likely to be based on Camp David.

I think the main purpose of this first meeting should be to try to win Arens' confidence and encourage him (and Shamir) to look to the United Kingdom as someone to whom they can talk frankly about the issues. We understand Israel's security needs and will never join in Israel-bashing. For instance we abstained at the UN last autumn on key issues, irrespective

of how other Europeans voted. You will also want to bring home to him unprovocatively the extent to which Israel's support among the western public is draining away, to an extent which alarms her friends like you. I doubt there is much to be gained from tackling the main obstacles head on.

Arens, for his part, is likely to speak bluntly about our dialogue with the PLO, about our refusal to break it off in response to subsequent PLO behaviour (eg. Arafat's threat against the Mayor of Bethlehem and the attempted incursion through Israel's northern border last week) and about Mr. Waldegrave's statement describing Shamir as a terrorist. I think you will want to react levelly to his complaints explaining the logic on our policy on contact with Arafat, and making clear that we do not see the need to raise the level of our contacts for now.

The points which you might like to make are therefore:

- ask his views about the new United States Administration and their likely policies in the Middle East. You could say a word about your discussion with Mr. Baker;
- invite him to say how the new Israeli government intends to proceed. You recognise that they do not yet have their ideas fully worked out. As you said in the House of Commons, negotiations need to be carefully prepared and it would be wrong to rush into them. But anything he can tell you about the way in which the new government intends to proceed and when it is likely to put forward ideas would be very helpful;
- speaking as a true friend of Israel, you are worried by the haemorrhaging of support for Israel even among its most ardent friends and supporters. There badly needs to be an Israeli policy on peace and on the West Bank to which people who support Israel can

attach themselves. At the moment there is a vacuum, with the only focus of attention the disturbances on the West Bank, and this is inevitably bad for Israel's reputation. In their own interests, they need to come forward with a clear statement of their goals and how they are to be secured;

- you do not intend to lecture him on an international conference, Israel's measures on the West Bank - though you recognise some of the difficulties of riot control - or the need for contact with the PLO. He will be familiar with our broad thinking. You prefer to wait until there is a clear Israeli policy with which we can engage. But you might say that you have noted with particular interest proposals for elections on the West Bank, which you raised during your visit to Israel in 1986;
- your fears about the general trend in the Middle East towards more sophisticated weapons, more extensive terrorism, more extremism generally. This will never be halted until there is a political solution reached by negotiation;
- he may raise one or two bilateral matters, for instance our restrictions on arms sales to Israel and the allegation that we apply an oil embargo. If so, you could respond that we have a few problems too, such as the difficulties over Mossad's misbehaviour last year. But these are essentially minor problems - there probably would not be any arms sales anyway - and you do not see them as disturbing the basic relationship. You would like that to stay as close with the new government as with the old.
- you should repeat the invitation to Mr. Shamir;
- you might ask about the development of Israel's relations with the Soviet Union.

C D P
C. D. POWELL

14 February 1989

SECRET

Moshe Arens, the Israeli Foreign Minister, talks to The Times

Thatcher seen as key figure in peace process

From Richard Owen
Jerusalem

On the eve of his arrival in London for four days of high-level talks, Mr Moshe Arens, the Israeli Foreign Minister, declared yesterday that Mrs Thatcher has "very great potential" as a key figure in the Middle East peace process.

In an exclusive interview with *The Times* before leaving Jerusalem, Mr Arens indicated that, despite Britain's recent moves towards dialogue with the Palestine Liberation Organization which have deeply angered Israel, the Prime Minister's standing in Israel was so high that Britain could help to bridge the gap between Arabs and Israelis and find "ideas acceptable to all sides". Mrs Thatcher was "an Israeli national hero" he said.

At the same time, Mr Arens, known as a hardliner who rejects the concept of land for peace, vehemently opposed British and other European attempts to persuade Israel to talk to the PLO which, he said, remained a terrorist organization bent on the destruction of Israel, despite the

"rigmarole" of its recent renunciations of violence. He added that there were limits to the role that Britain and the EEC could play.

Mr Arens indicated that the forthcoming Israeli peace initiative, to be discussed when Mr Yitzhak Shamir, Israel's Prime Minister, goes to Washington to meet President Bush, would be built around an "interim settlement" based on the Camp David accords.

He told *The Times* the only way forward lay through direct talks between the parties to the dispute, with Palestinians represented not by the PLO but by leading Arab residents from the occupied territories.

While generally conciliatory towards Britain, Mr Arens insisted that Mr William Waldegrave, Minister of State at the Foreign Office, had "insulted us" when he visited the PLO headquarters in Tunis last month for talks with Mr Yassir Arafat, the PLO chairman.

Mr Waldegrave had noted that some of Israel's founders — an indirect reference to Mr Shamir — had turned from terrorism under the British Mandate in Palestine

to peaceful politics, and should give PLO leaders a chance to prove they could do the same.

Mr Arens described this as "slandrous", but added: "I do not think the relationship between Israel and Britain should become too dependent on statements made by individual officials."

Mr Arens noted that King Husain of Jordan also had close links with Britain, and said the King must play a central role in any peace talks. He did not believe the King's decision to sever Jordan's juridical and administrative ties with the West Bank last summer was "irrevocable".

"The populations of Judaea and Samaria are still Jordanian citizens, and to the best of my knowledge he (King Husain) has not rescinded this citizenship. I think he took the step he did out of fear of the PLO... If you asked yourself what it takes to come up with a comprehensive peace in the area, it cannot be done without Jordan."

Mr Arens, aged 63, who speaks rapid English with an American accent, has a dry manner but a sharply analytical cast of mind



Mr Arens

● Relations with Britain should not depend on statements by individual officials ●

and realizes that the US decision to open talks with the PLO has created a new situation for Israel.

Of Lithuanian origin, he is an aeronautical engineer (he studied

at the Massachusetts Institute of Technology) and keeps on his desk a model of the American space shuttle as a reminder both of his background and of his American ties.

He also keeps a large photograph of Mr Menachem Begin, the former Prime Minister, at his elbow, and shares both Mr Begin's emotional commitment to the survival of the Jewish state and his visceral dislike of the PLO as an organization founded to destroy Israel.

On the other hand, Mr Begin was also a signatory to the Camp David agreement in 1978. Next month, I pointed out, marks the 10th anniversary of the Israel-Egyptian peace treaty. Why not challenge Mr Arafat to emulate the late President Sadat and lay his peace terms before the Knesset?

Mr Arens bristled at the idea. "It is not at all the same situation. Sadat was President of a state, Egypt, part of the peace-making process in the area. It took the Egyptians 30 years to come forward, but there was no ambiguity about who we had to talk to. This case is quite different. The man we

really have to talk to is Husain, not Arafat." The PLO, Mr Arens argues, remains "the most extreme element in the Arab world", and to talk to it would be to give in to terrorism and give it a sense of legitimacy which could only strengthen its hand. "I do not think that would be conducive to the peace process," he said.

PLO leaders, he says, do not come from West Bank towns, such as Nablus and Hebron, but from towns in Israel, such as Haifa and Jaffa, and when they talk about the right of return they mean the destruction of Israel.

He angrily rejected the British view that the PLO Charter has been "superseded" by recent PLO statements. "They hide behind all kinds of arguments, saying that what they have said already is equivalent to abrogating the charter. But they have not abrogated it, and that speaks for itself."

Mr Arens's London talks were arranged at short notice as part of an attempt to repair Anglo-Israeli relations. They also form part of the current diplomatic preparation for Mr Shamir's Washington talks. Israel, Mr Arens indicated,

would stick by Camp David which he initially opposed now supports.

The agreement contained important element which remains valid today; the concept of an interim arrangement before you negotiate a final settlement." The present gap in perceptions and aspirations was too wide for a final settlement, and anyone who rejected an interim arrangement was not interested in a comprehensive peace.

"I don't know whether she knows it, but Mrs Thatcher is a national hero in Israel," Mr Arens said. "I think I mentioned her in every one of my election speeches last autumn. She turned the British economy around, and that makes her a role model for what we can and should do in Israel."

Mrs Thatcher, he asserted, "personally has a very great potential to get hold of here, if she chooses to exercise it. She is known as a long-standing friend of Israel, with a sentimental attachment to Israel. It depends what role Britain wants to play; perhaps Britain can put forward ideas acceptable to all sides."

ARENS ARTICLES

FCO BRIEF

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Foreign and Commonwealth Office

London SW1A 2AH

13 February 1989

Den Charles

Prime Minister's meeting with the Israeli Foreign Minister: 15 February

The Prime Minister has agreed to receive Professor Arens for half an hour's talk at 1130 on 15 February. The Foreign Secretary will be seeing him for talks and a working lunch immediately after the call on the Prime Minister.

The Prime Minister has not met Arens before. As the enclosed personality note indicates, he has an Irgun background and is a hard-liner who speaks his mind. But there are suggestions that he is a man with whom it is possible to do business. And he is a strong candidate to succeed Shamir as Likud leader in due course.

His visit comes at a time when the Israeli coalition is under considerable pressure, from the diaspora as well as from domestic public opinion, to devise a coherent and effective political response to the Palestinian uprising and to the PLO's new commitment to the search for a peaceful solution. Defence Minister Rabin has put forward proposals for autonomy while offering elected representatives from the Occupied Territories the option of eventual confederation with Jordan or Israel. Shamir has rejected this approach and reaffirmed his commitment to retention of all the territories Israel now occupies. The Likud leadership remains resolutely opposed, not only to a Palestinian state west of the Jordan but also to direct dealings with the PLO and to an international conference.

Shamir has hinted at a peace initiative to be unveiled when he visits Washington next month. This is likely to be based on the 1979 Camp David autonomy proposals, which Shamir rejected at the time, and to develop his concept of autonomy for the inhabitants of the Occupied Territories rather than the land. His immediate objective will be to secure

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MADAAO

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US agreement to take his own scheme as the basis for further work and to repair the damage the uprising in the Occupied territories has done to Israel's standing in the eyes of US public opinion. The State Department's recent critical human rights report makes this task from his point of view both more difficult and more urgent.

Our main objective in these initial talks with Arens is to convince him of our commitment to close and friendly relations with the State of Israel and to persuade him to look to the future. The Prime Minister will wish to reaffirm our understanding of Israeli security needs (which we have said - in Venice for example - that we are ready, with others, to help guarantee as part of an eventual peace settlement), and to reassure him that we shall not take part in any international effort to pillory Israel. We shall firmly resist, for example, efforts to exclude Israel from international organisations. And we shall urge the rest of the Arabs to sustain the PLO's new moderation. She will wish to point to our abstention in key votes at the United Nations last autumn as an example of issues on which we have decided our own policy as we thought right, even when our European partners took a different view. But we are as keen as any of them on progress towards a settlement that will ensure Israeli's peace and prosperity in the longer term.

We recommend that the Prime Minister should mention our concern at Israeli measures in the Occupied Territories (it will be important to be able to say publicly that this has been raised) and express the hope that the Israeli Government will be able to devise political steps forward which will help defuse tension. She will wish to underline that there is no question of a separate European initiative. But, as the Foreign Secretary pointed out in the House of Commons last week, there is a sense, in Europe and elsewhere, that Israel is losing time and goodwill. That is why we continue to press for face to face negotiations, involving the Palestinians, within the framework of an international conference attended by the Five Permanent Members. The alternative is a deepening cycle of violence and counter-violence, the proliferation of ballistic and CW technology throughout the region and continuing economic and demographic pressures on Israel.

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In exploring Arens' thinking, the Prime Minister may wish to ask for his ideas on the scope for elections in the Occupied Territories, on contacts, direct or indirect, with the PLO, and on autonomy measures as an interim stage. But it will be desirable to make clear that the Palestinians are unlikely to accept such elections under Israeli supervision and that any lasting solution will have to be based on the principle of territory for peace inherent in SCR 242.

Professor Arens may be reluctant to divulge Likud's thinking in detail before Shamir's visit to Washington (and to Paris from 21-24 February). He is likely to argue strongly against our enhanced contacts with the PLO on the grounds that the PLO is still involved in terrorist activities. The Prime Minister will wish to explain that this decision was not taken lightly, but flowed from the PLO's at last satisfying our long-standing conditions. We understand why Israel is suspicious of the PLO and have no illusions ourselves. But the PLO's professed commitment to a negotiated settlement surely warrants testing rather than dismissal out of hand. We are of course pressing the PLO to live up to Arafat's commitments, particularly his renunciation of terrorism.

Professor Arens may also have a number of bilateral issues on his agenda, including the need for British legislation against the Arab Boycott, our restrictions on arms sales to Israel (about which I am writing separately), and Israel's (quite mistaken) perception of a British "oil embargo". The Prime Minister will wish to persuade him that our positions are carefully weighed, not vindictive. She might also point out that we too have our bilateral difficulties. We were glad to have had the assurances at the end of last year that there would be no recurrence of MOSSAD misbehaviour. We should like to see Israel accede to the Non-Proliferation Treaty. We want to get a number of EC/Israel trade problems sorted out since Israel's relationship with the EC is likely to become increasingly important: Mrs Chalker and Ariel Sharon had a useful discussion on 8 February which may have pointed towards a compromise on the abolition of Israel's purchase tax.

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The Prime Minister will want to stress the positive aspects of the relationship. Both sides recognise that there are differences, but there is also much common ground. There is a large reserve of goodwill for Israel in Britain which we do not wish to see dissipated. Our shared democratic values, Israel's position as our second largest trading partner in the Middle East, the flow of tourists in both directions and the multitude of personal contacts all give the relationship the strength to sustain a frank dialogue. Both sides perhaps have things to learn from the other. There is great British respect for Israel's achievements; Britain's privatisation experience may offer Israel ways through her economic difficulties. We should like to see progress not only on the peace process but also in the bilateral relationship. We hope Mr Shamir will soon set a date for a visit to London to continue this dialogue.

Yours ever

Bob Peirce

(R N Peirce)
Private Secretary

C D Powell Esq
PS/No 10 Downing Street

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MADAAO

ARENS, MOSHE

Chairman of Likud Party Secretariat and Foreign Secretary.

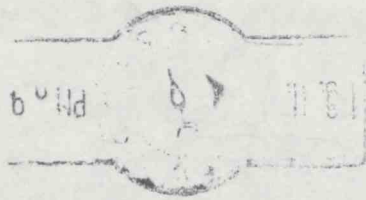
Member of Knesset (Herut) 1973-82 and again since 1984; Chairman of Knesset Defence and Foreign Affairs Committee 1977-January 1982. Ambassador to Washington 1982-83.

Born 1925 in Lithuania: emigrated to United States 1939; first came to Palestine 1948. Educated at MIT (mechanical engineering) in the forties and in California (aeronautical engineering) in the fifties.

US Army engineering corps 1944-46. Joined Betar in US 1947, but claims to have had no sympathy with its Revisionist origin. Irgun Zvai Le'umi 1947-48. Agricultural settlement 1950. Chief engineer for Curtiss-Wright (US) 1957. Professor of aeronautical engineering, Haifa Technion 1962. Deputy Director-General, Israel Aircraft Industries 1971. Israeli Defence Prize 1971. Chairman of Israel Association for Aerospace and Astronomics 1973. Managing Director of a cybernetics company. Minister of Defence 1983-84. Minister without Portfolio since September 1984-September 1987, he resigned in protest over the decision to scrap the Lavi aircraft. Reappointed in April 1988. Appointed Foreign Minister in coalition government of December 1988.

A hard-liner on the Arab/Israel dispute and on territories. Voted against the Camp David agreements. But during his appointment as Defence Minister showed restraint and pragmatism: more aware than most Herutniks of the external impact (especially in the United States) of Israeli policies and actions. Close to Shamir, he is a real contender to succeed him as leader of Likud. His present party post gives him enormous influence. In 1987 and again in 1988 as Minister without Portfolio he was responsible for minority affairs and surprised Israel's Arab community by the seriousness and sympathy which he brought to the task.

Bilingual (American) English - basically courteous but does not mince words. Married, four children, one of whom lives in US. His wife (Muriel) is cheerful and friendly and similarly American-oriented.



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INFO PRIORITY CAIRO AMMAN JERUSALEM TUNIS WASHINGTON UKMIS NEW YORK

CALL ON MR ARENS

SUMMARY

1. ARENS FRIENDLY BUT GIVING LITTLE AWAY. FAMILIAR LIKUDSPEAK ON UNACCEPTABILITY OF TALKING TO PLO, IMPOSSIBILITY OF REVEALING ANY WILLINGNESS EVEN TO CONSIDER TERRITORIAL CONCESSIONS BEFORE ACTUAL NEGOTIATION. BUT ARENS MAY NOT BE TOO FAR AWAY FROM GENERAL CABINET CONSENSUS ON NOT BEING HURRIED BY EXTERNAL PRESSURE.

DETAIL

2. I CALLED ON MR ARENS ON 10 FEBRUARY. HIS MANNER WAS EXTREMELY FRIENDLY. HE SAID THAT THERE WERE SUBSTANTIAL GAPS BETWEEN THE ISRAELI AND BRITISH VIEWS OF MIDDLE EASTERN QUESTIONS, BUT MRS THATCHER WAS UNDENIABLY A FRIEND OF ISRAEL, AND BRITIAN HAD LONG EXPERIENCE IN THE AREA. ARENS EXPOUNDED HIS PHILOSOPHY OF DIPLOMACY AS THE TASK OF ELIMINATING MISUNDERSTANDINGS AND CREATING UNDERSTANDING, PREFERABLY BY PERSONAL EXCHANGES BETWEEN INDIVIDUALS (HIS LONG INTERVIEW IN THE JERUSALEM POST OF 10 FEBRUARY, FAXED TO THE DEPARTMENT, MAKES THE SAME POINT).
3. ARENS HOWEVER DECLINED TO REVEAL ANY OF THE IDEAS WHICH HE HAS CONTRIBUTED TO THE 'SHAMIR INITIATIVE' ON THE PEACE PROCESS. HE WILL HIMSELF BE VISITING WASHINGTON AROUND 13 MARCH, WITH SHAMIR TO FOLLOW ABOUT A MONTH LATER, AND THEY STILL SEEM DETERMINED TO LET THE AMERICANS HEAR FIRST.
4. TAKING MY CUE FROM AN ARENS REMARK OF A FAMILIAR KIND ABOUT ISRAEL AS THE LONE DEMOCRACY IN THE MIDDLE EAST, I ASKED ABOUT ELECTIONS IN THE OTS. WOULD NOT A DETERMINED EFFORT TO CREATE ACCEPTABLE CONDITIONS FOR ELECTIONS DEMONSTRATE ISRAEL'S DEMOCRATIC APPROACH TO THE ARAB WORLD? ARENS SAID THAT HE DID NOT RULE OUT ELECTIONS. BUT THE PLO WERE STILL BUSY ELIMINATING ANY PALESTINIAN IN THE TERRITORIES WHO DISAGREED WITH PLO POLICY - THEY HAD KILLED SIX SUPPOSED COLLABORATORS IN THE LAST MONTH.

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THEY WOULD MAKE SURE THAT THEY WON THE ELECTIONS. I SAID THAT THIS SURELY MADE IT ALL THE MORE ESSENTIAL TO TALK TO THE PLO IF THEY WERE EFFECTIVELY IN CONTROL. ARENS DID NOT ANSWER DIRECTLY, BUT COMMENTED THAT TOO MANY PEOPLE FAILED TO REMEMBER THAT ISRAEL FACED NOT ONLY THE PALESTINIANS, BUT ALSO THE RING OF ARAB STATES WITH WHOM NO PEACE TREATY HAD EVER BEEN SIGNED. ISRAEL WAS QUITE WILLING TO TALK TO JORDAN, AS EASTERN NEIGHBOUR.

5. I COMMENTED THAT ONE OF THE DIFFICULTIES IN ASSESSING THE PROSPECTS FOR ANY NEGOTIATIONS WAS UNCERTAINTY ABOUT ISRAEL'S REAL WILLINGNESS TO NEGOTIATE. I SAID THAT I DID NOT WANT TO ASK WHAT TERRITORIAL CONCESSIONS ISRAEL MIGHT MAKE IN EVENTUAL NEGOTIATION: BUT WOULD IT NOT BE POSSIBLE AT LEAST TO SAY THAT ISRAEL WOULD GO INTO NEGOTIATIONS WITH AN OPEN MIND? WOULD THIS NOT BE CONSISTENT WITH THE CALL FOR NEGOTIATIONS TO BE WITHOUT PRECONDITIONS? ARENS SAID THAT HE COULD NOT GO EVEN THIS FAR.
4-48'-6 -,65#8,& -5 ->L ABOUT ISRAEL'S INTENTIONS WOULD BE WRONG.

6. WE SPOKE MORE IN THIS VEIN, BUT WITHOUT BREAKING ANY NEW GROUND.

COMMENT

7. ARENS IS CURRENTLY MAKING A DETERMINED EFFORT TO MAKE HIMSELF AGREEABLE. HIS PUBLIC STATEMENTS HAVE LED COMMENTATORS TO CONCLUDE WITH SOME SURPRISE THAT THERE MAY AFTER ALL BE SOME FLEXIBILITY ON HIS APPROACH, AND THAT HE MAY BE READIER TO MOVE THAN SHAMIR. I FOUND NO REAL EVIDENCE OF THIS DURING OUR CONVERSATION. HE IS CERTAINLY WILLING TO TALK, BUT I DID NOT FIND THAT HIS OPEN-MINDEDNESS EXTENDED TO ANY SUBSTANTIAL ISSUE. THE BEST ONE CAN SAY IS THAT HE DID NOT ACTUALLY BANG ANY DOORS SHUT: AND THAT HE IS READY TO LISTEN.

8. BUT DESPITE THE FUNDAMENTAL DIFFERENCES BETWEEN LIKUD AND LABOUR THERE IS A SURPRISING DEGREE OF UNITY IN THE CABINET ON MUCH OF WHAT ARENS IS SAYING. I HEARD MOTTA GUR (LABOUR) DELIVER A VERY PLAIN WARNING TO THE INTERNATIONAL COMMUNITY IN A SPEECH FOR BRITISH ZIONISTS ON 12 FEBRUARY. GUR HAS BEEN PARTICULARLY EXPLICIT ABOUT THE NEED TO RECOGNISE THAT THE PLO HAVE MADE A SIGNIFICANT MOVE. HE CONFIRMED THIS ON 12 FEBRUARY, AND ARGUED THAT THE TIME HAD COME TO START EXPLORING POSSIBILITIES FOR PEACEFUL COEXISTENCE WITH THE PALESTINIANS. BUT HE WENT ON TO SAY:

PAGE 2
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- A. THERE CAN BE NO PALESTINIAN STATE:
- B. THE PLO ARE STILL PROMOTING VIOLENCE, WHICH CASTS SEVERE DOUBT ON THEIR UNDERTAKINGS:
- C. THE GAP BETWEEN MODERATE ISRAELIS AND MODERATE PALESTINIANS IS STILL ENORMOUS:
- D. ISRAEL MUST NOT BE HURRIED - EXTERNAL PRESSURE IS TOTALLY COUNTERPRODUCTIVE, ALTHOUGH ADVICE CAN BE WELCOME:
- E. IN PARTICULAR IF ISRAEL IS FORCED TO SIT DOWN WITH THE PLO AT AN INTERNATIONAL CONFERENCE, THERE WILL BE AN EXPLOSION:
- F. ANY SERIOUS DISCUSSION ON THE FUTURE MUST INVOLVE KING HUSSEIN - THE SOONER HE IS BACK IN THE PICTURE, THE BETTER.
- G. ON SOME ISSUES THEREFORE, INCLUDING THE INTERNATIONAL CONFERENCE, ARENS HAS CONSIDERABLE BIPARTISAN SUPPORT.

ELLIOTT

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ADDITIONAL 4

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PERSONAL



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

21 January 1989

VISIT OF THE FOREIGN MINISTER OF ISRAEL

You may like to know that the Prime Minister has said she would be willing to see Mr Arens if he takes up the Foreign Secretary's invitation to pay a visit.

Charles Powell

Stephen Wall Esq
Foreign and Commonwealth Office

PERSONAL

PRIME MINISTER

VISIT OF THE FOREIGN MINISTER OF ISRAEL

A senior member of the Israeli Embassy has told me that the Foreign Secretary's invitation to the new Israeli Foreign Minister, delivered by our Ambassador in Tel Aviv, had been slightly off hand, implying that if he wished to drop in for a talk in London or elsewhere, eg the Emperor of Japan's funeral, that would be fine. The Israelis were not expecting a full official visit. But, given this would be the first major visit by a senior member of the new government, they hoped the meeting could be in London and be combined with some sort of official entertainment. But what would matter most would be the prospect of a meeting with you.

We are digging in very firmly against meetings with foreign Ministers. There is not an exact parallel with Mr Peres, since he was leader of a party in a coalition government. Nonetheless, the Arab/Israel problem is perhaps a most difficult and urgent international issue and we do need to try to talk some sense into the Israeli Government. No-one would do that better than you.

Would you in principle be prepared to see Mr Arens for ~~half~~ an hour if he were to come?

*Yes - but then it is
difficult to refuse the
Yugoslav Foreign Minister.*

DS3AFG

PP C. D. POWELL
19 January 1989

DS3AFG



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

(2)
רעי מנחם
23/9
שגרירות ישראל
לונדון

16.7.88

Dear Prime Minister,

I thank you
for your hospitality and for
your generous and gracious words
when making to me the presentation
on behalf of the Conservative
Friends of Israel yesterday.
I feel humbly proud to have
made some contribution



to the ties of friendship
between our countries. There
have been testing years and
good years and I go back
home with the satisfaction
that I, as Ambassador,
tried my best.

God bless you and may
He prosper your great
efforts for a better and
safer world.

Respectfully, Yehuda Avner

Seen by PM.
CDD
B/7

15th September 1988

The Rt. Hon. Mrs. Margaret Thatcher, PC, FRS, MP,
Prime Minister,
10 Downing Street, SW1

Dear Prime Minister,

I wish you to know how much I enjoyed and appreciated our talk yesterday. As always, I left your company impressed by the incisiveness and resolve of your thinking.

To me, this last meeting was of particular importance, this being the first time we have had an opportunity to exchange views since King Hussein's recent steps.

Your consistent friendship and your continued resolve to support the peace process in our area, building upon the progress already made, reinforces my own determination to lead the election campaign in my country to a successful conclusion.

With every good wish,

Yours sincerely,



Shimon Peres
Vice-Premier and Minister
of Foreign Affairs

14 Sept. 1988

Dear Charles:

It's good to begin the Jewish New Year with another -- alas, too brief -- visit to London.

Pardon my presumptuousness, but given the timetable I have decided to forgo protocol (again...) by approaching you this way. Having established the precedent of issuing a statement following a meeting with Shimon, I thought you might consider doing so today as well. It is with that in mind that we have prepared a few points for your consideration. I trust no interpretation is needed as to the significance of each point...

I'll be grateful for your consideration of these suggestions and am looking forward to seeing you later today.

Sincerely

Mina Nark

C/V

Peretz mrg 14/9

11.9.88

- Proud at the fact that it was on British soil that a year and a half ago -- in April 1987 -- a most significant breakthrough for peace was achieved.

- The London Document serves as a testimony to the capacity of adversaries to reach understandings on their common objective: the road leading to the negotiating table; it is striking evidence that negotiations work.

- Appreciates P's commitment to peace ... relentless efforts....

- Can testify to H's commitment to peace....

- In spite of the known difficulties for both -- convinced that they can reach a settlement to the benefit of both their peoples ... that may offer Arab and Jewish children a better tomorrow....

- Convinced that once there is an "Israeli option" there will also be a "Jordanian-Palestinian option".

- Just as there is no solution without Israel, so is there none without Jordan and without the Palestinians.

- Britain stands ready -- as in the past -- to facilitate efforts towards a settlement.

- Prospects for a settlement are even better today given
 - 1) the growing realization by all that there is no status quo; and
 - 2) the global trend toward accommodation (re. Angola; Iran-Iraq; Central America, etc.).

- It is recognized by all that the objective is direct negotiations. It should also be acknowledged that it will not be launched without an International Conference. As we support the demand of one side to the dispute to see negotiations launched by an International Conference, so shall we stand firm in assuring that the Conference will not be able to impose a solution or veto agreement reached by the parties -- the two pillars of the London Document.

- Appreciation of 40 years of Israeli democracy in spite of challenges... -- hence, a moral ally of G.B.

- On November 2 -- once the democratic process in Israel takes its course -- G.B. stands ready to reinvigorate serious efforts for peace.

Meeting record



file aPC

SUB PERES

cc MASTER

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

14 September 1988

PRIME MINISTER'S MEETING WITH THE FOREIGN MINISTER OF ISRAEL

The Prime Minister had a talk this evening with the Israeli Foreign Minister. Mr Peres was accompanied only by his foreign affairs adviser, Dr. Nimrod Novik. The meeting was almost entirely concerned with Arab/Israel matters.

Arab/Israel

The Prime Minister started by giving Mr Peres an account of her recent meeting with King Hussein. We had earlier urged him to delay disengagement from the West Bank until after the Israeli elections because we had been worried that it would cut the ground from under Mr Peres' feet in the election campaign. But we had not been able to persuade him to change his mind. However, the King had said that he was still committed to seeking a peaceful settlement and clearly believed that, in the fullness of time, the West Bank Palestinians would find that there was no realistic alternative to renewal of the link with Jordan. She had told the King we would regard the setting up of a Palestinian government-in-exile as a retrograde step. The Palestinians should concentrate on establishing a group comprising representatives from the West Bank and outside to negotiate with Israel. The Palestinians on the West Bank should be able to elect those whom they wished to represent them in such negotiations. The Camp David Agreement had provided for elections on the West Bank and Israel therefore had no grounds to object.

The Prime Minister continued that more generally, all the reasons which led both her and Mr Peres to want to get negotiations started were now stronger than ever. She was very concerned by the spread of chemical weapons and ballistic missiles throughout the Middle East and the implications of Iraq's successful use of chemical weapons in the war with Iran. The only real security now lay in a negotiated settlement. She hoped that Mr Peres would drive home to the Israeli electorate the consequences of failure to take the opportunity for a peaceful settlement. It was a time for

boldness.

Mr Peres said that he would like to address all these issues in turn. On the subject of peace and war, he shared the Prime Minister's view. Unless Israel, Jordan and the Palestinians could hold out a real prospect of peace, a new war coalition would emerge among the radical Arab states. The arms race had its own temptations. He was in no doubt that Israel would win another war if it were fought. But what sort of war and what sort of victory would it be? The Iran/Iraq conflict had legitimised the use of missiles and chemical weapons against cities and civilian populations. So we must keep trying for peace.

Mr Peres continued that he was not very optimistic about the prospects for negotiations with the Palestinians. While Arafat might wish to be more open towards discussions with Israel, it was unlikely that he would dare stand up to the opposition within his own ranks. Indeed there was a strange paradox: the PLO had seen the uprising on the West Bank as an opportunity to create a military option, but instead it had opened up a political option which they were too fearful to take. Indeed the uprising had put the Palestinians in a position similar to that facing President Sadat after the 1973 war. They had achieved a prestigious success but discovered that it did not bring a solution any nearer. If Arafat was to be able to take advantage of the situation created by Jordan's disengagement from the West Bank he would have to accept that the Palestinians in Jordan would not be part of a Palestinian entity. This was just too difficult for him. Realistically one also had to acknowledge difficulties on the Israeli side. The uprising was feeding extremist opinion in Israel.

Mr Peres continued that the forthcoming election in Israel would be the most important since the foundation of the State of Israel. Likud were more right wing than ever before. If they won enough seats to form a government, they would press ahead with further settlements in the Occupied Territories. Israel would gain land but lose any hope of peace. However, Labour's prospects had been far too easily dismissed. They had admittedly done badly in the early stages of the campaign, but were now moving ahead. Their own polls gave them 44 seats to 37 for Likud and even Likud's polls put Labour ahead at 42/40. In terms of coalition arithmetic Labour's polls showed them with a 63/57 advantage. He was concentrating in the campaign on winning over the religious parties and on trying to persuade Arab voters to support Labour rather than waste their votes.

Mr Peres said that he was also giving thought to the situation after the elections. Assuming that Labour was able to form a government, his first option would be to try to resume negotiations with King Hussein and acceptable Palestinian representatives. But if they were not prepared to come forward within a reasonable time, he was seriously considering unilateral action by Israel to withdraw from Gaza and parts of the West Bank, leaving local mayors to run them. Indeed he was even contemplating making this intention public

during the election campaign. It was the only effective answer which he could give to the question: following King Hussein's disengagement, who would you negotiate with?

Mr Peres said that he would like finally to make some comments about the international aspects. He was unable to divine what the Soviet Union policy was. Although they appeared to be working for a solution to many regional conflicts, they did not seem to give a high priority to Arab/Israel. It was clear that the Americans were not going to make more progress, although President Reagan had invited him as well as the Egyptian and Jordanian Foreign Ministers to a meeting in New York. He would be prepared to go without any great expectations but doubted that the Jordanian would attend. The Americans had missed a crucial opportunity when Shultz had failed to visit Israel immediately after the London agreement. Moreover Shultz tended to over-estimate his own strength and his ability to persuade Shamir of the need for movement. American intentions were good but their diplomacy was not very agile. If Vice-President Bush won the election in the United States he would presumably continue Shultz's policies, but the Democrats would be inclined to focus on the Palestinians rather than King Hussein. He hoped the Europeans would not be too forthcoming to Arafat when he visited the European Parliament. Otherwise he would think he had no need to move any further. Mr Peres concluded that he was worried about the role Iraq might play: Saddam Hussain had no values or morals and was drunk with his success in the Iraq/Iran war. President Assad, on the other hand, appeared to be coming to the end of his career and was totally preoccupied with Lebanon.

The Prime Minister thanked Mr Peres for this long account of his thinking. She would comment only on the possibility of unilateral action by Israel. This was for him to judge but she saw considerable risks in it. At the end of the day Israel would still have to negotiate and unilateral action would simply alienate many of those who would have to be a part of such negotiations. She would have thought that the case for such negotiations was strong enough to convince the majority in Israel without the need to envisage unilateral action. Mr Peres's subsequent comments suggested to me that he nonetheless intended to go ahead with this.

Chemical Weapons

Mr Peres expressed appreciation for the position taken by the United Kingdom on the use of chemical weapons by Iraq. Israel was very concerned by the spread of chemical and biological weapons in the area, including to Libya.

Tornado for Saudi Arabia

Mr Peres said that he must mention the subject of Tornado for Saudi Arabia, but would not tell the press this unless directly asked. The Prime Minister said that she recognised why Mr Peres felt it necessary. We were confident that Saudi Arabia would never attack Israel.

Arms Embargo

Mr Peres asked whether the United Kingdom was still applying an arms embargo against Israel. The Prime Minister said that the embargo was based on Israel's presence in Lebanon which she believed still continued. Mr Peres said that only very few Israeli forces were still in Lebanon. He hoped that the embargo could be reviewed. The Prime Minister said that she would reflect.

Bilateral Relations

Mr Peres commented that bilateral relations between Britain and Israel were very friendly and that trade was doing very well on both sides.

Press Briefing

I enclose a copy of the short statement issued from No.10 after the meeting.

I am copying this letter to Brian Hawtin (Ministry of Defence) and Trevor Woolley (Cabinet Office).

Charles Powell

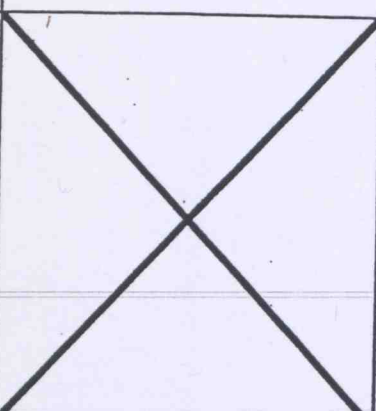
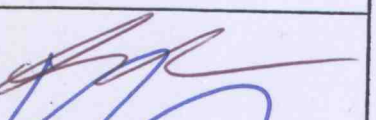
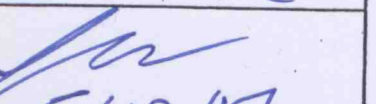
Bob Peirce Esq
Foreign and Commonwealth Office.

MEETING BETWEEN THE PRIME MINISTER AND MR PERES

The Prime Minister met with Mr Peres this afternoon for a general discussion of the Middle East situation, concentrating in particular on the prospects for peace negotiations. The meeting lasted an hour and twenty minutes.

The Prime Minister expressed her conviction that the spread of missiles and chemical weapons in the area made it all the more urgent to achieve a permanent and lasting peace, as the best guarantee for the security of Israel and her Arab neighbours. She confirmed Britain's willingness to help facilitate progress, building on the understandings already reached between the parties and on the growing consensus in favour of an international peace conference as a framework for negotiations.

A The National Archives

DEPARTMENT/SERIES <i>PREM</i> PIECE/ITEM <i>3827/2</i> (one piece/item number)	Date and sign
Extract details: <i>Powell: Note - 14/9/1988</i> <i>Pierce to Powell: 13/9/1988</i>	
CLOSED UNDER FOI EXEMPTION	
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Enter the department and series,
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Enter the piece and item references, .
eg. 28, 1079, 84/1, 107/3

Enter extract details if it is an extract rather than a whole piece.

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15(a-c)

PRIME MINISTER

MEETING WITH MR. PERES

You are to see Mr. Peres tomorrow afternoon. It is the first time for nearly a year. He will see the visit as helping him in his election campaign and you may want to ask him whether there is any particular statement which he would find it helpful to have made from No. 10 after the meeting.

The latest reports - from the Lord Chancellor, who saw him last week - are that Peres remains depressed and pessimistic. He believes that King Hussein has let him down and severely damaged his political prospects. In fact, the opinion polls show Labour and Likud more or less neck and neck, although coalition arithmetic continues to favour a Likud-led government.

The particular subjects Peres wants to talk about are Arab/Israel and the consequences of King Hussein's disengagement from the West Bank; the longer term prospects for the peace process; and Iran/Iraq. You might also like to touch on Lebanon and on intelligence co-operation, which you have discussed with him in the past.

Arab/Israel

You will want to give him an account of your meeting with King Hussein (note in folder). You can understand why he feels aggrieved by King Hussein's decision to disengage from the West Bank. Equally, there could be long term benefits: the King left you in no doubt that his expectation was that the West Bankers would eventually come to see that there was no real alternative to association with Jordan. The PLO have been put on the spot and have already shown that they have very little to offer. Surely Mr. Peres' message to the Israeli electorate should be that, as a result of Shamir's hard line policies, Israel was unable to take up the Jordanian option when it was on offer: it must not miss another

b

opportunity, but should now encourage the Palestinians to organise themselves into an effective negotiating group. He should make clear that a Labour-led government would be ready to talk to them. You see everything to be gained from a more robust line on the peace process. Surely the Israeli electorate can be brought to understand that both demographic factors and the proliferation of ballistic missiles in the Middle East make land much less important to security than peace.

Iran/Iraq

The talks in Geneva are deadlocked and meanwhile attention is focusing on Iraq's use of chemical weapons against the Kurds. The point of particular concern to Israel will be Iraq's intentions in the wake of the ceasefire and the role they will play in the Arab world. The Israelis have traditionally been more wary of the Iraqis than any of the other Arab countries, and will probably see a greater threat to their security as a result of Iraq's "victory" in the Gulf War. They may well be right: but now there are also some pointers in the other direction. The Iraqis have had to moderate their position a great deal to get the support of other Arab governments, will need to concentrate heavily on reconstruction and, in King Hussein's view, will pursue reasonable policies on Arab/Israel. The Israelis should not assume the worst.

Lebanon

We are approaching complete chaos, with Lebanon having no duly elected President from 23 September. Does Peres have any ideas to offer on how the situation can be resolved?

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A background note from the Foreign Office is in the folder,
together with the record of your last meeting.

CDP

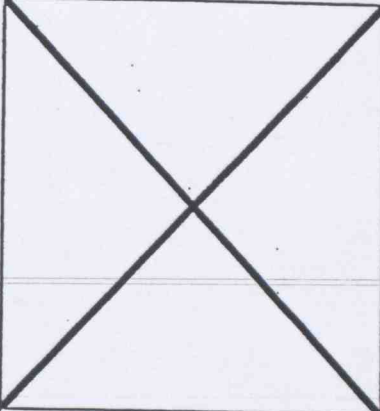

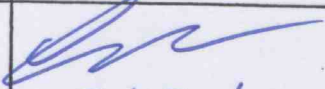
Charles Powell

13 September 1988

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file JD 46

bc PC



10 DOWNING STREET

LONDON SW1A 2AA

12 August, 1988.

From the Private Secretary

VISIT OF MR. PERES

We have had a request from Mr. Peres to call on the Prime Minister on 5 September. The Prime Minister has agreed to see him then, and a meeting has been arranged for 1500 that day. I should be grateful for briefing by 1600 on 1 September.

(C.D. Powell)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.



Foreign and Commonwealth Office

London SW1A 2AH

12 August 1988

Dear Charles,

sent by CDP
12/8

Visit by Israeli Foreign Minister

The Israeli Embassy have requested calls for Mr Peres on the Prime Minister and Foreign Secretary on 22-23 September when he transits London on his way to the UN General Assembly.

It will be useful to hear from Mr Peres how his party's election campaign will adjust to the latest Jordanian moves and what the implications of those moves are for the peace process in 1989. The Foreign Secretary has therefore agreed to meet Mr Peres on the morning of 23 September.

Mr Peres will be leaving London for New York at mid-day on 23 September, before the Prime Minister's return from Spain. We have therefore explained to the Israelis that she will unfortunately not be available.

Yours ever,

(L Parker)
Private Secretary

C D Powell Esq
PS/No 10 Downing Street



Prime Minister (2)

CJP
24/xi

PERSONAL & CONFIDENTIAL

24th November 1987

Dear Prime Minister -

As I left Downing Street yesterday I felt, as after our previous conversations, that we had inched a little step forward on the long and difficult road towards peace. As always, I am much encouraged by your support.

I should like to assure you once more that I adhere to the "London Agreement" and I am determined to work tirelessly in order to start the process of direct negotiations between Israel and a Jordanian-Palestinian delegation.

Sincere thanks for
your time and understanding

Shimon Peres
Vice-Premier and Minister
of Foreign Affairs

Shimon Peres

The Rt. Hon. Mrs. Margaret Thatcher, PC, MP
Prime Minister,
10 Downing Street,
London, SW1



file 12
cc Sir PC

mtg record.

SUBJECT cc MASTER

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

23 November 1987

Dear Robert,

PRIME MINISTER'S MEETING WITH THE FOREIGN MINISTER OF ISRAEL

The Prime Minister saw the Israeli Foreign Minister for rather over an hour this afternoon. Mr. Peres was accompanied by Dr. Novik.

The Prime Minister said that she was seriously concerned about the present situation in the Middle East. The failure of the United States Administration to press the case for an international conference opened the way for the Soviet Union to extend its influence and activity in the area. The proposals which Secretary Shultz had recently put to the Israeli and Jordanian Governments had been a diversion and further increased the risk that even moderate Arab Governments would be driven into the arms of the Soviet Union. It must surely be clear that King Hussein could not engage in direct negotiations with Israel without the protection of a proper international conference. In her view, the understanding reached between Mr. Peres and King Hussein was the key to progress. The aim now must be to restore momentum towards an international conference, while recognising that there were considerable difficulties in arriving at it before the American and Israeli elections. She would be interested to hear Mr. Peres' analysis, and in particular what he believed could be done to get the Americans back on the right course.

Mr. Peres said that he was disillusioned with the United States. It had been the Americans who had cajoled him towards accepting an international conference in the first place and encouraged his contacts with King Hussein. They had then left him high and dry. They had made no real effort to confront Mr. Shamir with the need for a conference. He had constantly tried to explain to the Americans that the greatest problem was time. But they had shown a distressing lack of agility and had missed opportunities. He agreed that the proposals put by Secretary Shultz in Jerusalem and to King Hussein in London had been mistaken, although had they been structured differently, they could have had a chance. He had initially seen the summit proposal as an opening through which it would be possible to secure an international conference on

the lines agreed between him and King Hussein. But the way in which the proposal had been massaged to meet Mr. Shamir's objectives and the bad chemistry between Secretary Shultz and King Hussein had made it a non-starter. Shultz knew that his plan was dead. Peres said that he did not believe that the proposal could be revived, at least in the form in which it had been put.

Looking to the future, Mr. Peres saw a number of possibilities for progress. The recent Arab Summit in Amman was an encouraging development. The Arab world had drawn together in recognition of the common danger of fundamentalism. Arafat's position had been further down-graded. Egypt had been re-integrated into the Arab world. To restore momentum towards an international conference there should be pressure on the Russians to make further concessions. His meeting with Shevardnadze in New York had revealed considerable flexibility in the Soviet position. Shevardnadze's line on an international conference seemed to owe a good deal to Jordanian influence. King Hussein's visit to Moscow could be useful in this respect, particularly if he could convince the Russians that the consequences for their relations with the Arab world of establishing relations with Israel would not be too serious. But the King must be careful not to do things in Moscow which ruined his standing in Washington. He must not go from being a critic of the United States to being criticised by the United States.

Mr. Peres continued that he also had to take account of the domestic political constraints in Israel. There were dangers for him in a position where Shamir seemed to be supporting direct negotiations while he was in favour of an international conference. Nonetheless, he was ready to stick to his guns and seek from next year's elections a clear mandate for a conference. They could prove to be the most fateful elections in Israel's history. He had to convince Israelis that demography was moving against them. He did not share Shamir's fears about an international conference. He did not believe that it would destroy Israel. Equally, as a realist, he recognised that the United States would not now move on an international conference without Shamir's agreement.

For the period between now and the elections, the main task was to find ways of keeping King Hussein in play. If the King was ready to sit it out until after the Israeli elections, there was no great problem. But if there was a serious risk of losing the King, then he would put forward a new variant of the international conference proposal drawing on some elements of Shultz's summit proposal. What he had in mind was that the United States and the Soviet Union should agree, possibly in the framework of their further summit projected for next year, to urge the United Nations Secretary General to assemble a conference in Geneva. This would be launched by the leaders of the United States and the Soviet Union but with the other permanent members of the Security Council also present. All the main parties to the

Arab/Israel conflict would be invited. All the details would have to be settled in advance. But in practice, they had all been dealt with in the London Understanding. If the United States would take a clear decision in favour of such a proposal it was not impossible that Mr. Shamir would be compelled to accept it. He intended to establish King Hussein's reaction to the idea and then discuss it with Secretary Shultz some time after the forthcoming Washington summit.

The Prime Minister said that she thought that Mr. Peres had the right objective of not losing what had been gained. But she was sceptical of the precise proposal which he had made. The most important thing was to continue to stress support for an international conference. It might be made clear in the press statement following their meeting that both of them remained committed to this. Mr. Peres agreed and I enclose a copy of the statement which we have issued from No. 10.

Mr. Peres referred to the proposal for a Marshall Plan for the Middle East. Chancellor Kohl was enthusiastic about this and the Japanese were also ready to provide substantial aid. He had recently discussed it with M. Chirac, who said that he would raise it at the next Economic Summit. Its basic purpose was to strengthen the moderate Arab Governments in their resistance to fundamentalism. Dr. Novik handed over a paper which I enclose.

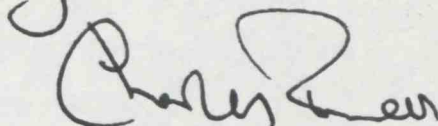
Mr. Peres urged that the West should do more to bolster Turkey. He saw it as a strategically vital bridge between the West and the Middle East. The Turks had made some imaginative proposals, for instance one for a sweet water pipeline from Turkey to Saudi Arabia. The costs of providing water this way was only one-third of the cost of de-salinisation. The Prime Minister mentioned in confidence her intention to visit Turkey next year.

The Prime Minister found Mr. Peres very dispirited. He was certainly less articulate and inventive than usual. I am not at all sure that we succeeded in grasping the precise nature of his new proposal for getting to an international conference, even though he made several attempts to explain it. But he did say absolutely clearly that he regarded the recent American proposals as dead and saw no prospect that they would be pursued at the forthcoming US/Soviet summit in Washington. The Prime Minister draws some re-assurance from this.

As usual, Mr. Peres emphasised that he was speaking very frankly and in great confidence. I should be grateful, therefore, if no direct reference were made to the content of his talk with the Prime Minister when the Foreign Secretary sees him tomorrow.

I am writing separately about another matter which was raised by the Prime Minister.

I am copying this letter to John Howe (Ministry of Defence).

Yours sincerely,


CHARLES POWELL

Robert Culshaw, Esq., M.V.O.,
Foreign and Commonwealth Office.

PRIME MINISTER'S MEETING WITH MR. PERES

Line for the Press

The Prime Minister and Mr. Peres had a very full exchange about the general Middle East situation and East-West relations. They took a positive view of the outcome of the Arab Summit under King Hussein's chairmanship in Amman, and hoped that this would create further opportunities for progress towards a peaceful settlement of the Arab-Israel dispute. They continued to believe that an international conference to act as a framework for direct negotiations between the parties offers the best prospect for progress and confirmed their support for this. They believed it important to maintain the momentum towards a conference, and to build on the progress already made. They also discussed the continuing difficulties over Jewish emigration from the Soviet Union, and resolved to maintain their efforts to see the obstacles to this removed.



ISRAELI INTERNATIONAL INSTITUTE
FOR APPLIED ECONOMIC POLICY REVIEW

D R A F T

A MECHANISM FOR PROMOTING ECONOMIC DEVELOPMENT IN THE MIDDLE EAST

THE MIDDLE EAST ECONOMIC DEVELOPMENT PROGRAM
(M.E.E.D.P.)

The Middle East and Persian Gulf control over 40% of the world's proven oil reserves. Consequently, stability in the region is in the national interest of all countries in the world. At one and the same time, the region continues to be politically, socially and militarily one of the most volatile areas in the world. The effects of instability in this strategically important environment may have grave consequences both in the industrialized countries as well as in the countries of the third world. The Middle East Economic Development Program (M.E.E.D.P.) is aimed at alleviating the economic hardship of the countries of the region and placing them steadily on the path of economic stability and growth. In so doing, the M.E.E.D.P. will make an invaluable contribution towards peace and stability.

I. G E N E R A L

The Economic loss suffered by the countries of the Middle East due to the state of war is reflected mainly in the constraints placed on the economic and social development of the region. For many years, national security has



tied down a large portion of the manpower, and much of the initiative and productive capacity have been diverted to defense purposes. Enormous sums have gone to purchase military equipment and maintain military strength. A disproportionately large external debt is, undoubtedly, one of the principal constraints on the socio-economic development capacity of the countries of the region and might prolong into peace time the economic loss normally associated with war periods. Therefore, conditions must be created whereby financial and physical resources may be rapidly allocated for economic development at the same time that the political and social foundations of peace are being laid. Such a scheme would enable the large-scale development necessary to ensure significant reduction of the economic and social gaps which marked the years of hostilities in the area. It will also serve the interests of the industrialized countries since, above all, a healthy process of growth, at the fastest possible rate, is essential for the stability and political moderation of the area, so as to enable promotion of production, international trade and debt repayment.

II. THE SCHEME

The scheme is intended to join private and public funds and entrepreneurship with governmental support in order to create economic growth that will remunerate both investors and the people of the Middle East. Productive investment of this nature and scale is imperative to the improvement of the economic welfare of these people.

What makes this scheme potentially unique is that it combines

- a) a high level joint commission of participants to the scheme,
- b) a public financing and risk insurance entity (Middle East Development Fund), and



- c) a business investment vehicle (the corporation), all linked to the common objective of advancing peace and development through the financing and implementation of projects which are economically viable.

The scheme consists of three elements:

1. The constitution of a joint economic Middle East commission.
2. The formation of a multilateral Middle East Development Fund (MEDF) for the purpose of
 - a) contributing to the financing of projects significant to the economic well-being of the people of the region and thus, to the strengthening of the peace process and,
 - b) providing insurance against political risk to private investors involved in approved priority projects.
3. The formation of one or several international investment corporations owned by private and public financial institutions from various countries. These corporations would identify, develop projects and mobilize the financing which will contribute to the economic progress of the countries of the region participating in the scheme.

III. THE JOINT ECONOMIC MIDDLE EAST COMMISSION

The purpose of the Commission would be:

- a) to co-ordinate the activities within this scheme with the national economic plans of the respective countries;
- b) to solve problems encountered by the participants in the scheme;
- c) to review periodically the economic developments, at the policy level;



- d) to determine the priority areas in which the investment effort can yield maximum benefit in the terms of reference of this scheme;
- e) to mobilize the efforts of Governments involved in support of approved projects;
- f) to negotiate the economic incentives to be granted by the member countries.

The commission will include one representative from each member which will be of the rank of an Economic Minister or Central Bank Governor. The commission will also include a representative of a Palestinian Bank in the West Bank or Gaza. The commission will elect a Chairman from among the industrialized countries and four Deputy Chairmen from the regional members, all of whom will rotate once a year.

IV. THE MIDDLE EAST PEACE DEVELOPMENT FUND

The question will be raised whether a new regional fund should be established, when the world is awash with development institutions that have difficulty in obtaining domestic political backing in most of the industrialized countries. Therefore, it must be clearly understood that this is not just another economic development initiative. This is a unique scheme which is directly and specifically tied to a clearly identifiable objective: consolidating peace through specific economic linkages, while encouraging other countries to join in the peace effort. Thus, the objectives are more clearly defined and less open-ended than those of the more conventional multilateral development institutions. It is for this reason that the existing institutions cannot achieve the objectives which are the basis for the creation of the MEDF. The World Bank, for example, is universal in scope; hence, operations financed by it must meet overall



World Bank Policy and operational standards, and cannot be tailored to the particular circumstances created by peace efforts. Similarly, the "aid" bilateral program is, by definition, a program between a given country and the United States. It does not build cross linkages between countries in the region, which is one of the important objectives sought through the proposed scheme.

1. Functions

The MEDF would use its resources as follows:

- a) To finance economically feasible projects and programs in countries of the area. Due attention should be given to projects beneficial to more than one country.
- b) To undertake or participate in the study and preparation of public and private projects.
- c) To promote investment in development projects in the countries of the area.
- d) To mobilize public and private capital resources for the financing of development programs.
- e) To provide or help mobilize technical assistance necessary in the implementation of projects or programs.
- f) To provide insurance to private foreign investors engaged in such projects, against risks such as expropriation, inconvertibility of currencies, war and civil insurrection.

2. Organization

MEDF would be created through an agreement between the Governments of the initiating countries and open to all countries that wish to join it. The charter of the MEDF should be negotiated and agreed upon by all the member countries.

At the head of the development fund will be a Board of Directors which will include a representative and an alternate from each member.



The Board will have at its disposal a staff for examining project viability, financial implementation and for follow-up on the performance of the projects.

3. Needs and resources

The fund will be based on a financial commitment to be spread over 10 years.

10% of the total amount will be contributed by the regional members and 20% by the industrialized countries ad equity. An additional amount of 10% will be contributed by the regional members and 20% by the industrialized members, for the creation of a special reserve for risk insurance and provision for bad debts. The contributions of the regional members may be paid out of existing debt repayment installments to the industrialized members. Contributions of the industrialized countries would be through grants and loans at a moderate rate. The remaining 60% will be obtained by:

- Bonds issued by the fund to be sold on the international money markets, guaranteed by the industrialized members at the first stages.
- Syndicated loans from commercial banks.
- Co-financing with other international or regional organizations, and bilateral aid.

13.11.1987

PRIME MINISTERMEETING WITH MR. PERES

You are to see Mr. Peres on Monday afternoon. As the attached letter makes clear, he may have little to offer. He has made no headway in garnering support in Israel for an international conference. It is not clear what role he played over the recent American proposals, but he must have known that they would have been unacceptable to King Hussein. (You need have no inhibition about discussing them with him. Both he and Dr. Novik will be fully briefed and will know that you are too.) He now seems to recognise that no further progress is likely until after the US and Israeli elections. But it will be very important that he maintains his contacts with King Hussein and retains the latter's confidence. This means continuing to work on the modalities for an international conference, even though this may not be electorally popular in Israel. It would be helpful, if you could get him to agree that - like last time - we issue a short statement at the end of the meeting reaffirming support for an international conference as the best way forward and continuing determination to work for it.

You will also want to ask him about developments in Soviet policy, both in the area and on Jewish emigration.

C.D.P.

Charles Powell20 November 1987

DG2CJX

SECRET

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Foreign and Commonwealth Office

London SW1A 2AH

20 November 1987

*David Clarke*Prime Minister's meeting with Mr Peres, 23 November

Mr Peres' visit is the last leg of a brief European tour which will take him to Belgium, to receive an honorary degree, and France. In addition to his call on the Prime Minister he will be guest of honour at a British-Israel Chamber of Commerce lunch and have talks with the Foreign Secretary on 24 November. He is also to meet Mr Kinnock.

Mr Peres' standing in Israel has not been seriously affected by his failure to win cabinet backing for his stance on an international conference. There is no challenge to his leadership of Labour though there is some criticism of him within the party for devoting too much attention to foreign policy rather than domestic issues; this perhaps reflects understandable pre-election nerves. Mr Peres has indicated that he will not renew efforts to break up the coalition; the election will therefore be held in or just before November 1988.

The Prime Minister will no doubt concentrate on the Arab/Israel peace process. Mr Peres last saw the Prime Minister on 23 June and the Foreign Secretary in New York on 22 September. This will therefore be our first opportunity to seek his views of Shultz's ideas for Israeli-Jordanian talks under a US/Soviet umbrella. Mr Peres acquiesced in this proposal (according to one press report, instigated it), but he almost certainly recognises that it is not practicable in the face of King Hussein's opposition.

He has subsequently spoken publicly in favour of a conference and revealed a US offer of a memorandum of understanding covering conference modalities and the future levels of US aid. (This seems to have been canvassed tentatively during the US efforts in May to persuade Mr Shamir to go along with the Peres/Hussein understanding; the State Department do not regard it as still on the table.) But he acknowledges that the present hiatus is likely to last until after the Israeli and US elections and is unlikely to be bringing any fresh thinking to London.

/Mr Peres



Mr Peres has not built support for a conference within Israel. Shamir has successfully presented his own intransigence as firm defence of Israel's vital interests and Mr Peres' flexibility as rash willingness unnecessarily to abandon key assets. The US Administration are consequently taking increasingly little account of Mr Peres' views (Mr Shamir is now in Washington). It is much too soon to write him off in this way but the Prime Minister may nevertheless find him in need of some support and encouragement.

She will wish to discuss with him how best to keep alive hopes of an eventual international conference. It will be essential that Mr Peres stands by his understanding with King Hussein, whose confidence has been badly shaken by US conduct over the past six months. The Prime Minister might remind Mr Peres that Israeli actions in the Occupied Territories are an important yardstick of Israeli intentions and the key to retaining and building Arab confidence. It would be worth comparing notes on our respective efforts to influence US thinking, including the US-Jewish community and Presidential candidates as well as the Administration, and seeking Mr Peres' views on how Britain can best help. We need to keep broadly in step with him if we are to retain the ability to influence US opinion.

The Prime Minister might also seek confirmation that Mr Peres regards our efforts to persuade Israelis of the dangers of the status quo and demographic trends as helpful. There are signs that he is succeeding in stimulating debate within Israel on the future of the occupied territories and the demographic problems. The peace process seems likely to be an issue in the election campaign. But it is far from clear whether this will work to Labour's electoral advantage. Mr Peres' view on this, and his thinking on electoral tactics, would be of interest.

It would also be worth seeking Mr Peres' assessment of Soviet policy in the light of his talk with Shevardnadze in New York and of the prospects for turning to advantage apparent Soviet flexibility over modalities for a conference. Significant concessions on Jewish emigration from the Soviet Union would of course increase the pressure on Mr Shamir to drop his objections to a Soviet role in the peace process.

The Prime Minister may wish to consider agreeing with Mr Peres a short press statement (on the lines of that issued after her last talk with him in June) reaffirming in clear terms our belief that an international conference offers the best way forward and our determination to continue to work for it. That would support both Mr Peres and King Hussein. It would also send a useful public signal to Washington.

/I



I have written separately about one bilateral issue which the Prime Minister will wish to raise with Mr Peres.

Mr Peres may raise EC/Israel relations, especially our action to delay signature of the Adaptation Protocols (my letter of 18 November refers). If so, the Prime Minister might in reply express the hope that the current difficulties over the tamah tax and implementation of the Community's trade access measures will soon be resolved. Detailed discussion, would best be left for Mr Peres' meeting with the Foreign Secretary on the following day.

Yours ever

(R N Culshaw)
Private Secretary

C D Powell Esq
PS/No 10 Downing Street






10 DOWNING STREET

Prime Minister

Meeting with Peter

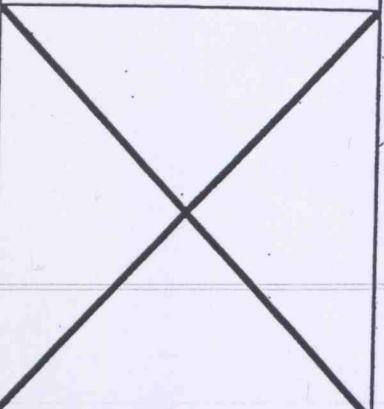
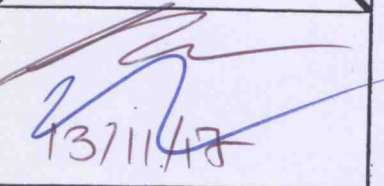
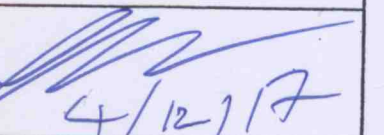
You wanted to look
at my notes. 

I attach:

- (i) the secret & personal
note I did for the
Foreign Secretary's benefit;
- (ii) the further note for
the record on more
sensitive points. This will
not go outside No. 10.

CDP 23/6

A The National Archives

DEPARTMENT/SERIES <i>PREM</i> PIECE/ITEM <i>3827 11</i> (one piece/item number)	Date and sign
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Enter the department and series,
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SUBJECT
C. MASTER

SECRET AND PERSONAL

file

MJ

8



10 DOWNING STREET

LONDON SW1A 2AA

23 June 1987

From the Private Secretary

PRIME MINISTER'S MEETING WITH THE ISRAELI FOREIGN MINISTER

The Prime Minister had a long talk with Mr Peres this morning. Only Dr Novik was present. This letter summarises the main points which arose.

Understanding between Israel and Jordan

Mr Peres summarised the main points of the understanding reached between Israel and Jordan on an international conference in familiar terms. He noted that the main element missing from the understanding was the question of the Soviet role. This was primarily a matter for Israel to settle with the Soviet Union.

It was also clear from Peres' remarks, however, that there remained an important ambiguity between Israel and Jordan on the role of the Conference. It was agreed only that the Conference would commence. Its continuing role, indeed the whole question whether it should be dismantled or continue in being, remained for discussion.

United States' role

Mr Peres said United States' reticence on an international conference stemmed from fears about giving the Russians a foothold in the Middle East. But the fact was the Russians were already present in the Middle East and reinforcing their position: promoting the unity of the PLO, pressing for reconciliation between Syria and Iraq, active in the Gulf. The objective should be to bind them into a responsible role.

The United States Administration were also reluctant to take a public position on an international conference for fear of appearing to intervene in Israeli politics. He had pointed out to Shultz that there was a difference between being neutral on Israeli political issues and objective about the peace process. The Americans must be more active in their support for a conference, and engage in serious negotiations with the Russians about it. Murphy was to meet

SECRET AND PERSONAL

Polyakov in early July.

Peres said that the point which he constantly tried to impress on the Americans was that, without progress by the end of this year, the opportunity would be lost until 1990 at least (because of the US Presidential elections). Only the Russians would benefit.

Soviet Position

Peres detected evidence from Gorbachev and Shevardnadze that the Soviet Union might be prepared to play a constructive role in an international conference. While they would hold out for the highest obtainable price for Soviet participation, the fact was that they feared Islamic fundamentalism, wanted to reduce the financial drain of their Middle East commitments and wished to be seen to play a responsible role. This contrasted with the activities of the Soviet diplomatic machine in the Middle East which continued to pursue aggressive and unhelpful initiatives. It was up to the Americans to press the Russians to take part in a conference held on a basis acceptable to Israel and Jordan. If they would not do so, then the conference should go ahead without them. He believed that this was acceptable in the last resort to Jordan. In such circumstances the Economic Summit Seven might have a role as convenors of the Conference. The Prime Minister commented that it was not so much a question of what the Russians offered by coming in: it was the price that would be paid if they stayed out.

Peres had nothing new to say on Jewish emigration from the Soviet Union or the re-establishment of diplomatic relations between Israel and the Soviet Union. He reported Andreotti as quoting Gorbachev to the effect that there would be no problem about diplomatic relations once a conference was agreed. The Chinese had also spoken in similar terms recently.

Situation in Israel

Peres summarised the main features of the domestic situation in Israel in terms very (indeed remarkably) close to the recent JIC report. At present he had only 58 or 59 of the 60 votes needed to force an election. Further votes could be won from smaller groups by promising religious concessions or by guaranteeing places on the Labour Party Lists in the elections. But his party had rejected both options. There still remained other possibilities for attracting the necessary votes. In general, Israeli public opinion had reacted much better than he had expected to the prospect of an international conference. The problem was in the Knesset not in the country.

Jordan's Position

Peres commented that King Hussein did not seem to be under any immediate pressure. He had not denied contacts with Israel, but even so had not been subject to attack from

other Arab Governments. He remained very suspicious of Arafat and had made quite clear that he would not want to see the PLO in a joint Jordanian/Palestinian delegation.

Next steps

Peres saw the essential next step as to strengthen confidence in Israel in an international conference, convince Israeli opinion that it was not a trap and demonstrate that the main western powers agreed on the conditions for Soviet participation. There were various techniques and instruments by which this could be achieved: a series of bilateral memorandums of understanding between Israel and the United States, the United Kingdom and France (the United States was ready to sign such a memorandum once the terms for a conference had been agreed); a joint declaration by the United States, United Kingdom and France on the nature of a conference, its purpose and limitations; or individual national statements of position. The Prime Minister indicated our preference for the last of these.

It would be helpful if the Prime Minister would encourage King Hussein to take various steps which would fortify public support in Israel for an international conference (recognising that he had already done a very great deal). He had agreed to see Israeli journalists shortly, and had promised to speak up in support of the Jordan/Israel understanding. He had expressed agreement in principle to meet Shamir, although this might be a mixed blessing. The step which would make the greatest impression of all would be if the King would receive Peres himself openly in Amman. That would cause a revolution in Israeli public opinion akin to the impact of Sadat's visit to Jerusalem. A further point to stress to the King was the need to be willing to go ahead without the Russians if necessary.

With the Americans, the key points were to urge them to speak up more clearly and robustly in support of the Israel/Jordan understanding and to take full account of the time constraints. Without progress soon an opportunity would be lost. They should also be encouraged to press the Russians very hard to accept a conference on the terms agreed with Jordan and Israel.

Marshall Plan

Peres said that he would be seeing Kohl privately on Sunday, at the latter's invitation, to discuss the prospects for the Marshall Plan idea. The Germans seemed ready to make funds available. The idea had the support of Egypt and Jordan. He would be proposing that a Planning Board for the Economic Development of the Middle East should be set up. This step alone would give a ray of hope. It need not be expensive. In the longer-term, economic assistance could be mobilised by way of soft loans, lines of credit and so on. The United States were now more favourable towards the proposal than previously. It would be helpful if the Prime

Minister were to speak in general support of the idea with King Hussein.

Situation in Syria

The Prime Minister described the growing pressure from the United States and the European Community to restore normal contacts with Syria. While she could slow this down, she could not hold it up indefinitely. Peres said that the United Kingdom had taught Asad a lesson and should not pardon him too soon. The longer we held out, the more he would try to please us. He had made an effort over the expulsion of Abu Nidal. But Khouli remained in a prominent position in Syrian intelligence.

Peres said that Asad was ill but not critically so. He was again in negotiation with Rifaat about the latter's return, but Rifaat was insisting on very tough conditions. The fact was that Asad had weakened and impoverished Syria, and was beginning to find his Russian allies less forthcoming. He had cowed opposition in Syria. But he would eventually be removed. He might go quite suddenly.

Statement

I enclose a copy of the statement put out from No.10 at the conclusion of the meeting.

United Kingdom position

The Prime Minister thinks that it would be very helpful if the Foreign Secretary were able to spell out the United Kingdom position on an international conference in some detail in his speech in the Foreign Affairs debate on 26 June. She would welcome a chance to see the precise terms in advance.

Handling

I should be grateful if this letter could be given a very limited circulation only. The Prime Minister would prefer the Foreign Secretary not to reveal that he has seen an account of her talk when he sees Mr Peres this afternoon.

Charles Powell

A.C. Galsworthy, Esq., CMG.,
Foreign and Commonwealth Office.

PRIME MINISTER'S MEETING WITH MR PERES

The Prime Minister met the Israeli Foreign Minister, Mr Peres, for one and three quarter hours this morning. They discussed different ideas on how to keep up the momentum towards peace, including the prospects for an international conference and for the economic development of the Middle East.

The Prime Minister made clear that the United Kingdom considers that an international conference remains the most practical way forward to negotiations between the parties directly concerned and would therefore enhance Israel's security. The conference would act as a framework within which direct negotiations between the parties would take place and would not have the right to impose solutions.

The Prime Minister stressed the importance of not missing this opportunity to take a major step forward in the peace process.

Also present: Mr Novik (Mr Peres foreign affairs adviser)
Mr Powell (PM's private secretary)

PRIME MINISTER

MEETING WITH MR PERES

Mr. Peres' Adviser, Dr. Novick, came to see me this evening to go over some of the points which Mr. Peres wants to cover tomorrow.

His most audacious proposal is for a joint US/UK/French declaration on the lines of the attached. It could equally be a series of bilateral declarations. Its purpose would be to lay at rest fears in Israel about an international conference. I said that I thought this proposal well beyond the bounds of what was practicable in present circumstances. After all, there was not yet agreement within the Israeli government on a conference. One also had to think of King Hussein's position. We must not seem to be ganging up with Israel against him. I doubted whether the French would play. Even the US would be doubtful. It was not so much the substance as the technique which caused difficulty. I did not discount that we would spell out our own position on an international conference in due course, in a way which met many of Israel's requirements. But a joint declaration would be counter-productive. Novick was not surprised and Peres may not raise the matter quite so explicitly tomorrow. But I suggest that you adopt a very cautious line if he does.

More immediately, Novick thought that it would be helpful if the No. 10 spokesman was to underline our support for an international conference after your meeting with Peres tomorrow. It would be even more helpful if you would agree to give a brief interview to Israeli radio. I said that this might seem a rather direct interference in Israel's affairs. You were also very busy with the Debate on the Address. But I did not rule it out.

Novick mentioned that Assad had appeared on television yesterday evening. He was in Latakia, where he usually went for medical treatment. But although ill, he was not critical.

C.D.P

CHARLES POWELL

22 June 1987

VC2AOR

SECRET

CONFIDENTIAL

Proposed Draft
June 21, 1987

A Trilateral Memorandum of Agreement

The U.S., the U.K. and France -

1. Support the current efforts to convene an International Peace Conference for the objective of facilitating direct-bilateral negotiations for peace between Israel and each of its neighbors;
2. Will neither undertake nor support any attempt to impose a solution on the negotiating parties or veto an agreement reached by them;
3. Agree that, immediately upon convening, the Peace Conference will invite the Israeli delegation and each of the Arab delegations present to enter direct negotiations in bilateral-geographic committees. These committees will negotiate independently of each other; ??
4. Understand that the Palestinians will be represented on the Jordanian-Palestinian delegation, and that the Palestinian issue will be discussed in the bilateral committee composed of the Jordanian-Palestinian delegation and the delegation of Israel;
5. Agree that all participants in the Peace Conference must accept UNSC Resolutions 242 and 338 as the basis for negotiations, and disavow violence and terrorism;

6. Agree that the participation of any party in the conference will require the consent of those states party to the dispute attending the Conference;
7. Agree that any change in the above principles governing the negotiations, including the reconvening of the conference, require the consent of the negotiating parties;
8. Undertake to leave the Conference the moment the above principles governing the negotiations are violated by any party to the Conference, and to publicly place responsibility for breaking off the negotiations on that party;
9. Undertake to see to it that, for the duration of the negotiations, no decision is taken by the UNSC on the subject of the negotiations;
10. Agree that the participation of the USSR in the Peace Conference requires the restoration of diplomatic relations with Israel as well as a change in Soviet policy toward Soviet Jewry, primarily their right to emigrate to Israel;
11. Agree that the participation of the PRC in the Peace Conference requires the establishment of diplomatic relations with Israel; ? ? ((
12. Believe that concurrent with the diplomatic effort, as manifested in the proposed negotiations, an effort should be made to prepare an economic development program for the Middle East with an emphasis on those most in need, who demonstrate a significant contribution to peace.

PRIME MINISTER

MEETING WITH MR PERES

You are to have a talk with Mr Peres tomorrow morning. He will be accompanied as usual by Mr Novik. The Israeli Ambassador will come to No 10 but does not expect to take part in the meeting (this is at Peres' request).

Your starting point might be the letter which Peres sent you after his meeting in London (copy attached: this has never been shown to the Foreign and Commonwealth Office). The results of the meeting were a very considerable achievement. But since then progress has been blocked by the political deadlock in Israel. Shamir will not accept an international conference: Peres does not have the votes to force a dissolution of the Knesset and early elections.

The main purpose of your meeting will be to consider with Peres how we can best help keep the prospects of an international conference alive, until the political blockage in Israel resolves itself. Particular questions which you might put are:

- (i) What exactly are Peres' tactics? Does he still believe that he can in due course obtain the necessary votes to force elections within a reasonable time-scale? Or is he resigned to the fact that this is unlikely and that the way forward lies in putting Shamir under international pressure to accept a conference?
- (ii) Against that background, to what extent does he want overt support from us for an international conference? Or will that look like interference in Israeli

politics? We would be ready to brief the press following your meeting with him to the effect that we consider that an international conference remains the most practical way forward to negotiations between the parties directly concerned and would therefore enhance Israel's security. It very definitely remains a live option. Would Peres find this useful?

- (iii) You are to see King Hussein on 13 July. What would Peres wish you to say to the King at this stage? For the time being, the King seems content to sit tight and await developments, but this will not last indefinitely.
- (iv) Equally, what would Peres like you to say when you see President Reagan and US officials on 17 July? You did of course go over the ground with the President in Venice. Shultz remains sceptical about an international conference and is reluctant to put pressure on Shamir to drop his objections. Indeed, the Americans may believe that they can simply rest on the status quo until after Israeli and their own elections in 1988. This is dangerously complacent. Does Peres want you to press the President for a more active and forthright US role in support of a conference? If so, how is this best conducted?
- (v) You will want to check Peres' thinking on the current Soviet role, and whether there have been recent developments in Israeli/Soviet contacts. Also how he assesses the prospects for Jewish emigration from the Soviet Union.
- (vi) You will want to let him know privately that there is pressure from the US to restore normality to relations with Syria, following what appears to be genuine action to expel the Abu Nidel organisation. While you

are doing your best to slow down the US rapprochement,
there is no realistic prospect of stopping it. How do
the Israelis assess the Syrian action against Abu
Nidal? Does it represent a genuine change of heart?

- (vii) Finally, you might compare notes on Iran/Iraq and the
situation in the Gulf.

C.D.P.

C D POWELL

22 June 1987

DS2ABY

ORIGINAL FILED :

JORDAN: Visits of King Hussein PT4

PRIME MINISTER

ARAB/ISRAEL

You may like to look during the weekend at the paper prepared for your meetings with Mr. Peres (next week) and King Hussein (in two week's time).

The main point for discussion with Mr. Peres is how we can help keep the Peres/Hussein understanding alive, despite the deadlock in the Israeli Cabinet. A statement to the press from No.10 after the meeting endorsing an international conference as the best way forward may be the answer.

CDP

(Charles Powell)

19 June 1987

ORIGINAL FILED ON:

JORDAN: Visits of King Hussein PT4



CONFIDENTIAL
Foreign and Commonwealth Office

London SW1A 2AH

19 June 1987

CCP
19/6

Dear Charles

Arab/Israel

As requested in your letter of 15 June,
I enclose a paper on an international
conference and our approach, in preparation
for the Prime Minister's talks with Mr Peres
and King Hussein.

Yours ever

A handwritten signature in dark ink, appearing to read 'R N Culshaw'.

(R N Culshaw)
Private Secretary

C D Powell ESq
PS/10 Downing Street

CONFIDENTIAL

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ARAB/ISRAEL: VISITS OF MR PERES (23 JUNE) AND KING HUSSEIN (JULY)

1. Since Camp David, efforts to broaden the Arab/Israel peace process have concentrated on securing Arab concessions (recognition of Israel's right to exist, PLO acceptance of SCR242, acceptance of Israel's terms for negotiations), which would give the Israelis confidence to enter negotiations. The understanding on conference modalities between Mr Peres and King Hussein (see Background Annex) has turned the spotlight for the first time on Israeli policy. The Israeli Cabinet's refusal in mid-May to endorse that understanding has stalled the peace process.

Israeli aims

2. Mr Peres' aim is direct talks with King Hussein leading to a lasting peace, which could involve the return to Jordan of some, but not all, of the territory occupied by Israel in 1967. He recognises King Hussein's need for international cover and has accepted the principle of an international conference, though he insists that this should be no more than a fig-leaf for direct talks (details in Annex B). His immediate objective is a mandate from the Israeli cabinet to continue negotiations on the basis of his understanding with King Hussein. Failing that, he will try to force an early election on the issue. His prospects of doing this or of winning such an election are not bright. He is therefore seeking US and European support to strengthen his hand in the internal debate.

3. Mr Shamir would accept direct bilateral talks with King Hussein. But he opposes any international conference, which would risk exposing Israel to international pressure, and therefore rejects the Peres/Hussein understanding. Nor can he contemplate any cession of territory now held by Israel: he does not want Mr Peres to have any mandate to go down this road. Israel is increasingly polarised around these two approaches. Jewish diaspora opinion is also divided.

Jordanian aims

4. King Hussein's objective is the recovery of the territory,

including East Jerusalem, he lost in 1967. He is ready for direct negotiations with Israel but is not prepared to go it alone, like Sadat, which would expose him - and Jordan - to enormous risk. He needs Palestinian and wider Arab support and presence at the negotiations. He has lost confidence in US ability and willingness to act as honest broker and therefore insists on Soviet involvement. He wants the Five Permanent Members to attend any conference and insists that the Conference should have a continuing role. It is not clear to what extent these requirements may be negotiable.

5. He has avoided publicity for his understanding with Mr Peres and has not come under significant Arab pressure over it. Indeed he claims to have Egyptian and (less credibly) Syrian support. In the short-term he can afford to sit tight and await developments in Israel, but he could be very exposed if debate within Israel on the details of the understanding leads to pressure on him to confirm publicly what he has or has not agreed to.

US Policy

6. The US role remains crucial, despite a growing problem of credibility in the Arab world. Low-key US diplomacy brought about the Peres/Hussein understanding. Both Mr Peres and the King would welcome a more active US role to overcome Mr Shamir's objections and US officials have so recommended. Mr Shultz remains an obstacle: he agrees that Mr Shamir holds the key but is reluctant to try to put pressure on him. He doubts both the need for a conference and the desirability of allowing the Russians to take a hand. He will be tempted to preserve the status quo until after the Israeli and US Presidential elections in 1988.

British Policy

7. Our interest in stability in the Near East is best served by the maintenance of a credible peace process to sustain moderates on both sides and to undercut extremism. The Prime Minister's special relationship with President Reagan, Mr Peres and King Hussein gives us a unique opportunity to nudge the process forward. In doing so we should take account of King Hussein's real difficulties and avoid

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pressing him to take unacceptable risks.

8. We should maintain our support in principle for an international conference on a basis acceptable to the parties. Any other approach would undercut Mr Peres. We should continue to avoid committing ourselves to supporting precise formulae on modalities, even the Peres/Hussein understanding which remains vulnerable to rival interpretations and misunderstanding, but encourage each side to take account of the other's essential requirements. We should discreetly support Mr Peres' efforts to win support for his policy and try to persuade the Americans to do likewise. Mr Shamir will not change his position on substance, nor would he be receptive to approaches from us. But if he were convinced that President Reagan attached real importance to the matter he might be brought to acquiesce in continued preparatory work for a conference on the basis of the Peres/Hussein understanding. He would not wish to be portrayed as reversing Israel's policy of forty years of seeking peace with her Arab neighbours or as jeopardising the vital US/Israeli relationship.

Meeting with Mr Peres

9. The Prime Minister might seek Mr Peres' views of how he might win wider domestic support for his policy without entering into commitments which would cut across King Hussein's requirements for cover. She might also underline the continued need, for this period of intense debate in Israel, for humane administration of the Occupied Territories; expansion of settlements, continued deportations and house demolitions and refusal of family reunification permits can only make the search for peace more difficult.

10. The Prime Minister will wish to explore Mr Peres' thinking on international support for his policy. There is a danger that overt endorsement would be counter-productive in Israel. A joint UK or EC statement with Israel (or rather Mr Peres) would be a mistake; it would inevitably alienate Arab opinion, embarrass King Hussein and impair our ability to play a helpful mediating role. But we could consider a unilateral statement, initially perhaps in press briefing

after Mr Peres' call at No 10. The points to make are that an international conference remains a live option and the most practical way forward to negotiations between the parties directly concerned and that it would therefore enhance Israel's security.

11. We should also review with Mr Peres the scope for turning to good account the Soviet Union's professed flexibility over arrangements for a conference and evident eagerness to be included in the process. (We could consider a further round of UK/Soviet talks to follow up Sir David Miers' exchange with Polyakov in May.)

12. Mr Peres may propose that the international conference should discuss regional economic development. This is unlikely to make much headway in the absence of a political settlement or to have any impact on the parties' thinking on political issues (nor does the Israeli approach to aid for the occupied territories suggest a genuine interest in their development). But this proposal could serve a useful, if marginal, role in giving the plenary an issue to discuss and meeting King Hussein's desire that it should have a continuing role.

Meeting with King Hussein

13. This offers the opportunity for a detailed review of the next steps in the light of the talks with Mr Peres. It would be particularly useful to explore the King's thinking on the desirability of international endorsement of his understanding with Mr Peres, and his requirements for cover (Palestinian representation and the Soviet presence). We should seek his views on the US role over the next few months.

Contact with the Americans

14. Subject to these talks, and any developments meanwhile, the next step might be for the Prime Minister to talk to President Reagan. A higher-profile US approach, if it is to be tried at all before 1989, will have to be adopted very soon. Our aims should be to encourage the US Administration to press Mr Shamir to acquiesce in the Peres/Hussein understanding (without giving assurances which

would restrict its scope and limit King Hussein's freedom of manoeuvre) and to engage the Russians in more serious discussion of how to bring about an international conference.

Role of the Twelve

15. There seems little scope for useful activity by the Twelve beyond the present policy of keeping in touch with the parties. Statements by the Twelve collectively will cut no ice in Israel and risk being counterproductive. But a reaffirmation of support for an international conference might be useful at some stage, if only to contribute to the momentum.

UN Secretary-General

16. If these efforts to advance the peace process fail, there will be little prospect of constructive activity until after the Israeli and US elections in 1988. The UN Secretary-General's consultations would offer one means of helping to fill the vacuum. We should therefore discreetly encourage him to persevere in his present low-profile contacts with the parties and Security Council members.

ARAB/ISRAEL: BACKGROUND ANNEX

1. The partial (US-brokered) understanding on modalities of an international conference reached by King Hussein and Mr Peres in April included agreement that talks should be based on UNSCRs 242, 338, and address the Palestinian problem in all its aspects; there should be bilateral negotiating committees; Plenary should have no power of veto; blocked issues should be dealt with as they arose, with the members of the relevant committee proceeding by mutual agreement (referral to Plenary or any other procedure). The difficult issues of Soviet participation and Palestinian representation were apparently not resolved.

2. Mr Peres presented proposal to the Israeli Inner Cabinet on 11 May. He failed to secure Likud support; nor could he muster enough Knesset votes to force elections. There has been intense jockeying for position, as both Labour and Likud seek to secure support from the minority parties. Mr Shamir has the whip hand, and has maintained his implacable opposition to any form of international conference. Mr Peres is working to a deadline of 1 August (when the Knesset rises for the Summer recess) to put together a majority for dissolution. It is not clear that he can achieve this: it is harder for Labour than for Likud to do deals with the minority religious parties who hold the balance of power. Mr Peres aims to confront Mr Shamir with the choice of dissolution or, preferably, allowing negotiations on the basis of the Hussein/Peres understanding. Meanwhile, at least two of the smaller parties are threatening to bring down the coalition unless Likud agrees to force through their extremist policies on religious issues and settlements respectively. (A CIG assessment of the Israeli political scene will issue separately on 19 June); Mr Peres is visiting London, Paris, Geneva and Bonn to lobby for support, but without any Government mandate (according to Mr Shamir) to discuss the peace process.

3. King Hussein has stood firm on his agreement with Mr Peres, although he was angered by the publicity in Israel and again

disappointed by the US response. He has kept in close touch with the Egyptians, who accept the Peres/Hussein understanding. The King claims also to have the Syrians on board, but Damascus maintains in public its opposition to the form of conference under discussion (objecting in particular to Egyptian participation), and is at best luke-warm in its support for the fully-fledged conference which the Soviet Union is promoting (see below). The PLO have made little contribution to recent discussion of an international conference. They have formally ended the 1985 PLO/Jordan agreement, but have not closed the door to cooperation with Jordan and Egypt. They envisage PLO representation at a conference either independently or as a part of a joint Arab delegation.

4. The US Administration has responded cautiously to the deadlock in the Israeli political debate and has sought to avoid the appearance of interference in Israel's internal affairs. Mr Shultz's speech to the Jewish lobby on 17 May was apparently drafted to endorse Peres' efforts, but fell short of outright support for his position. Some US officials favour a more active US role: a regional Heads of Mission Conference chaired in London by Murphy on 4-5 June recommended private pressure on Mr Shamir to endorse Mr Peres' understanding with King Hussein. US intervention offers the only realistic hope of moving Mr Shamir but Mr Shultz remains hesitant. Murphy is to meet Polyakov on 6 July, but there is little enthusiasm in Washington for Soviet involvement in the process: Mr Shultz believes the Soviet role to be inimical to progress.

5. The Soviet Union has continued to lobby in favour of an international conference emphasising its wish to contribute constructively and its flexibility on procedural matters. In talks with Sir D Miers in Moscow on 28/29 May, Soviet officials stressed their interest in stability in the Middle East and hinted at willingness to use their influence with Syria and the PLO. The Russians are making efforts to promote PLO/Syrian rapprochement and to secure more flexible Syrian attitudes on the conference proposal (little evidence that Asad has responded positively). But they continue to resist the limited conference formula under discussion

between Israel, Jordan and the US, and insist that the main issues (principles of a settlement, Palestinian problem) should be discussed by Plenary. The signals on Soviet/Israeli relations and Jewish emigration remain mixed.

6. Since his visit to Israel (9-11 May), M Tindemans has pushed less hard for high profile activity by the Twelve. Some of the Twelve remain keen for EC participation in an international conference.

7. The UN Secretary-General submitted a thoroughly bland report to the General Assembly on 7 May. He is resuming his cautious consultations of the Security Council, and is shortly to visit Moscow. He has despatched Under Secretary-General Goulding on an extensive tour of the region.

CONFIDENTIAL

ATTITUDES TO UNRESOLVED ISSUES OF PROPOSED INTERNATIONAL CONFERENCE

	ISRAEL (PERES)	JORDAN	SYRIA	PLO	US	SOVIET UNION
PARTICIPATION	Jordan, Egypt Permanent members with diplomatic relations	Israel All neighbours 5 permanent Members	Israel. Parties to conflict with Israel (excluding Egypt) 5 Permanent Members	Israel. Parties to conflict (but can incl Egypt) 5 Permanent Members	Has canvassed limited conference of Israel, Jordan/ Palestinians, Egypt	Israel All neighbours. 5 Permanent Members
SOVIET (AND PRC) ATTENDANCE	Conditions: - establishment of relations - concessions on Jewish emigration	Yes	Yes	Yes	Some support for Israeli conditions	Prepared to improve relations with Israel as part of sustained progress towards settlement
PALESTINIAN REPRESENTATION	Non-PLO in joint delegation with Jordan. No involvement of PLO = terrorist organisation	Joint delegation. Conditions for PLO involvement: - accept 242,338 - renounce violence - accept Israel's right to exist	Full participation of PLO on equal footing	Full participation on equal footing or United Arab delegation	Joint Jordanian/ non-PLO delegation. Conditions for PLO involvement	Full participation of PLO on equal footing United Arab delegation possible compromise
AUSPICES/TERMS OF REFERENCE	Hussein/Peres understanding: - UN auspices (despite Israeli dislike of UN) - 242, 338; Palestinian problem in all its aspects		UN All relevant UN resolutions	UN All relevant UN resolutions	Helped to broker Hussein/Peres understanding	- UN - comprehensive solution based on Arab consensus view
STRUCTURE	Bilateral negotiating committees. Plenary no more than figleaf for direct talks	Bilateral negotiating committees. Option of referral to Plenary by mutual agreement	Substance to be handled by Plenary; multilateral negotiating committees. No separate deals	Full powers for Plenary.	Minimal role for Plenary	- Fully-fledged conference - Mixture of bilateral/ multilateral committees - Decisions by consensus of Plenary
PREPARATORY COMMITTEE	No	No - have to resolve same issues as conference	Can accept	Yes	No	Yes, but flexible: more informal preparatory work needed

ANNEX B

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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

12 June 1987

MR PERES

We have heard that Mr Peres intends to visit London on 23 June and would like to see the Prime Minister as well as the Foreign Secretary. The Prime Minister would be able to see Mr Peres for an hour at 0930 on 23 June. I should be grateful if you could inform the Israeli Embassy, and let me have briefing by 19 June.

C D POWELL

R. N. Culshaw, Esq., M.V.O.
Foreign and Commonwealth Office

CONFIDENTIAL

VICE PREMIER
AND MINISTER OF FOREIGN AFFAIRS

ממלא מקום ראש הממשלה
ושר החוץ

Prime Minister

This refers to
the meeting we
arranged.

CDP 2/4.

Jerusalem, April 13, 1987

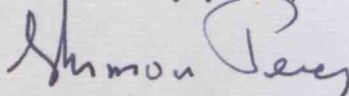
MT

Dear Mrs. Thatcher,

I would like to express to you my heartfelt thanks for the great assistance and most generous attention displayed by yourself, and by members of your staff and other branches, making possible the very unique meeting in London.

The importance of the meeting itself surpassed all my expectations. I believe that we have, in a single step, overcome many obstacles -- and the chances for a dialogue with our neighbors, which will apparently open within the framework of an international conference, are very real. I shall try to find a way to report to you in greater detail in the coming days.

Sincerely yours,



Shimon Peres

Prime Minister Margaret Thatcher
10 Downing Street
London

5

Handwritten notes and scribbles in the top left corner.

SECRET/MOST SENSITIVE

(Accord between the Government of Jordan, which has confirmed it to the United States, and the Foreign Minister of Israel, ad referendum to the Government of Israel. Parts "A" and "B", which when they become public upon agreement of the parties, will be treated as U.S. proposals to which Jordan and Israel have agreed. Part "C" is to be treated, in great confidentiality, as commitments to the U.S. from the Government of Jordan to be transmitted to the Government of Israel.)

A Three-Part Understanding Between Jordan and Israel

- A. Invitation by UN Secretary General
- B. Resolutions of the International Conference
- C. The Modalities Agreed Upon by Jordan-Israel

A. The Secretary General will issue invitations to the five permanent members of the Security Council and the Parties involved in the Arab-Israeli conflict in order to negotiate a peaceful settlement based on Resolutions 242 and 338 with the objects of bringing a comprehensive peace to the area, security to its states and to respond to the legitimate rights of the Palestinian people.

B. The Participants in the Conference agree that the purpose of the negotiations is the peaceful solution of the Arab-Israeli conflict based on Resolutions 242 and 338 and a peaceful solution of the Palestinian problem in all its aspects. The Conference invites the Parties to form geographical bilateral committees to negotiate mutual issues.

C. Jordan and Israel have agreed that: (I) the International Conference will not impose any solution or veto any Agreement arrived at between the Parties; (II) the negotiations will be conducted in bilateral committees directly; (III) the Palestinian issue will be dealt with in the committee of the Jordanian-Palestinian and Israeli delegations; (IV) the Palestinians' representatives will be included in the Jordanian-Palestinian delegation; (V) participation in the Conference will be based on the Parties' acceptance of Resolutions 242 and 338 and the renunciation of violence and terrorism; (VI) each committee will negotiate independently; (VII) other issues will be decided by mutual agreement between Jordan and Israel.

The above understanding is subject to approval of the respective Governments of Israel and Jordan. The text of this paper will be shown and suggested to the U.S.A.

11/4/87
London

file



be: PC

259

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

26 March 1987

VISIT OF MR. PERES

Thank you for your letter of 23 March about the possible visit of Mr. Peres.

I take your point about the risk of embarrassment to King Hussein. I have therefore told the Israeli Embassy that sadly the Prime Minister cannot see Mr. Peres on this occasion, but that the Foreign Secretary would be very happy to do so. I should be grateful if you would now get in touch with them (Mr. Raviv) as soon as possible to offer a date.

Charles Powell

Robert Culshaw, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

①



10 DOWNING STREET

Prime Minister

Your cancelled visit to

to North East was on

Friday 10 April. If you

saw Peres then, it

would be the day after

your meeting with

King Hussein: he would

still be in London: and

would be embarrassed by

the coincidence (in John

Coler's judgement).

April to ~~see~~ leave Peres

to the Foreign Secretary this

time, but promise to see him

next time? Yes. CDP 25/3

CCP
①



Prime Minister
Obviously we must avoid a coincidence between King Hussein & Mr. Peres.
Foreign and Commonwealth Office
London SW1A 2AH

23 March 1987

John Charlton
You cannot manage 13/14 April. So perhaps it is best for the Foreign Secretary to see Peres this time.
Agreed!
DD
83/3

Visit of Mr Peres

Thank you for your letter of 17 March. Mr Peres has also asked to see the Foreign Secretary, who will be in the United States on the dates proposed.

We have consulted Mr Coles about the risk of embarrassment to King Hussein if the Prime Minister were to meet both King Hussein and Mr Peres on the same day or very close together. Mr Coles has not consulted King Hussein because of the risk that the King might suspect some ulterior motive behind our approach. But he is sure that the King would be considerably embarrassed if we made arrangements which enabled him and Mr Peres to be in London at the same time.

Mr Squire has pointed out that Mr Peres' main purpose will no doubt be to seek an assessment of Soviet policies following the Prime Minister's visit to Moscow. He may also wish to demonstrate that relations with Britain are unaffected by the revelations in the Sunday Times on 15 March about the forgery of British passports. The Israeli press will be quick to seize on any impression that we are rebuffing him.

We have been unable to find out how long King Hussein intends to remain in London. Sir Geoffrey Howe therefore recommends that we should tell the Israelis that unfortunately diary difficulties preclude a meeting with either the Prime Minister or the Foreign Secretary in the period 9-11 April. Instead we should offer an appointment on 13 or 14 April. If this was acceptable to Mr Peres we would then tell King Hussein of the action we had taken so that he could decide whether to remain in London.

Sir Geoffrey Howe sees no need for the Prime Minister herself to receive Mr Peres on this occasion. A further meeting so soon after she saw him in January would increase pressure from other Foreign Ministers for meetings with the Prime Minister. It would also encourage speculation that the Prime Minister was acting as an intermediary between King Hussein and Mr Peres. Sir Geoffrey therefore recommends that this time he should offer to receive Mr Peres.

Law cancelled
my N.E. Com on 12 Apr

John
Edson (name)

(R N Culshaw)
Private Secretary



ISRAEL

VISIT of KATZ
MINISTER

9/16



CONFIDENTIAL



file DSI/ev
bc PC

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

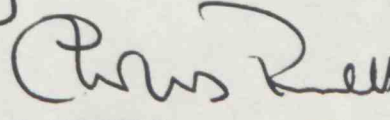
17 March 1987

Dear Robert,

VISIT OF MR PERES

We have had indications that the Israeli Foreign Minister would like to pass through London on 9/11 April and see the Prime Minister. The dates cause us some problems. The Prime Minister is away all day on Friday 10 April and not at all easily available on Saturday 11 April. She could see Mr Peres on Thursday 9 April. But she has already agreed to see King Hussein that day. Meetings with both Mr Peres and King Hussein on the same day would cause considerable speculation.

I dare say that this would not matter much to the Israelis. But King Hussein might well not like it. Do you think that we should even approach him on the point? We could, I suppose, ask John Coles to say that we have had a request from Mr Peres for a meeting on 9 April, that we recognise that this could cause speculation, that we would not in any way wish to embarrass the King, and that if he preferred we would, without hesitation, postpone a meeting with Mr Peres for at least a couple of days. You may like to put the point to John Coles. If he advises against even mentioning it to the King then I will go back to the Prime Minister on the possibility of a meeting with Mr Peres on 11 April (but she will be most reluctant to agree to this).

Yours sincerely,

C D POWELL

R. N. Culshaw, Esq., M.V.O.
Foreign and Commonwealth Office

CONFIDENTIAL

①/3

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



Prime Minister

You are not in London
on 10 April.

You are already

seeing King Hussein on 9 April.
It would cause considerable
speculation if you were to
see both in one day. I
don't think that matters provided
that both of them know and agree

16th March 1987

שגרירות ישראל
לונדון

(1)

Dear Charles,

I recently returned from Israel having updated myself with the complexities of the current situation and must now catch up with events here.

Our Deputy Prime Minister and Foreign Minister, Mr Shimon Peres, is scheduled to travel to Madrid and Rome in the first week of April. On his way back he is planning to spend Thursday 9th April and Friday 10th April, in London. If it will not be an imposition he would very much welcome an opportunity to be received by Prime Minister Thatcher.

I shall endeavour to reach you on Wednesday by phone and shall, until then, refrain from contacting the Foreign Office.

Kind regards, Yours sincerely

Moshe

Moshe Raviv
Minister of Plenipotentiary

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

I do it - think it

will work - perhaps

Mr. Peres might come in

later during the evening unless

I could see him Friday

evening on my return for - do
N.V. - ? at the moment?

in
advance.

contact
for me
to
provide

on that
basis?

COP
16/3

~~MB~~
MB

SECRET AND PERSONAL



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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

22 January 1987

THE PRIME MINISTER'S MEETING WITH MR. PERES

In addition to my formal record of the Prime Minister's discussion with Mr. Peres, I enclose a note of their exchange on the matter which Peres particularly asked should not be reported more widely. I should be grateful if you would regard it as for the Foreign Secretary's information only at this stage. (Indeed, I would prefer if he would not mention to the Prime Minister that he has been briefed, since I expect that she will wish to mention it herself.)

CHARLES POWELL

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

SECRET AND PERSONAL

NOTE FOR THE RECORD

THE PRIME MINISTER'S MEETING WITH THE ISRAELI FOREIGN
MINISTER

In the course of his talk with the Prime Minister, Mr. Peres raised one issue which he particularly asked the Prime Minister not to pass on to anyone at this stage. This was a scheme which he had discussed, in a preliminary way, with King Hussein for constructing a canal from the Red Sea to the Dead Sea. The Dead Sea was losing sweet water at an alarming rate, and both countries had an interest in seeing it replenished. The canal, and the strip of land on either side of it would be under joint Israeli/Jordanian control. Each country would have a hydro electric station. The cost would not be overwhelming, something of the order of 1.5 billion US dollars. Crown Prince Hassan was showing particular interest in the project. He thought the project, if it were pursued, could become an example of the scope for practical co-operation between Israel and her Arab neighbours. It would also be an antidote to growing scepticism in Israel about the peace process and its failure to achieve any concrete results.

Mr. Peres wondered whether the Prime Minister might be prepared to talk to the King about this. Indeed, the project would need to be under the management of a third country to avoid difficulties for the King in dealing directly with Israel. While the United States would be very willing to play this role, the King was not disposed to co-operate with the Americans at present. Mr. Peres suggested that the United Kingdom would be well placed to undertake the role of project manager. We would not be expected to fund the project.

Mr. Peres concluded that he hoped to discuss these ideas further with the King shortly. He would ensure that the Prime Minister was privately informed of his contacts.

SECRET AND PERSONAL

- 2 -

The Prime Minister expressed interest in this proposal and said that she would reflect upon it.

CHARLES POWELL

22 January 1987

SECRET



10 DOWNING STREET
LONDON SW1A 2AA

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a file

From the Private Secretary

22 January 1987

PRIME MINISTER'S MEETING WITH THE ISRAELI FOREIGN
MINISTER

The Prime Minister had a talk this evening with the Israeli Foreign Minister. Mr. Peres was accompanied by Dr. Novik.

Mr. Peres seemed to me to have very little that was new to say since his last discussion with the Prime Minister some months ago. One has the feeling that the Israelis are comfortable with the present situation in the area, to the point of complacency.

General Middle East Situation

Mr. Peres gave a general account of Middle East developments. Egypt was in severe economic difficulties and President Mubarak was in a temper with the Americans because of their refusal to write off Egypt's military debt. He was endlessly sensitive to the suspicion that the Americans were grooming Abu Ghazala to succeed him. He continued to try to get the PLO back into the picture of Middle East negotiations, largely because he saw this as a way of bringing Egypt fully back into the Arab fold.

Syria, meanwhile, was in deep trouble and increasingly isolated, not least because of the sharp British reaction to the Hindawi affair. The Syrian position in Lebanon had deteriorated. President Assad was unwell. Although there were rumours that several senior Syrian officers, including intelligence officers, had been replaced, the Israelis had no hard evidence for this. There was a general air of uncertainty in Damascus and growing resentment against the Alawis. The degree to which Syria had been brought low over the last two years was extraordinary.

The Iran/Iraq war was a heavy cloud over other Arab countries. Iran was evidently involved in a major effort to decide the war. The Israelis judged that Iraq ought to be able to hold out and defend Basra. But the regime might face growing psychological problems if the population continued to stream away from that city. There was a risk

that morale would crumble. Ayatollah Khomeini was evidently dying but might linger for some time. Meanwhile, Iran was taking terrible punishment and had lost as much as half of her national income as a result of Iraqi bombing. Even if Iraq were eventually to win the war, she would have paid a gigantic price and would not be well placed to exploit a victory. He detected a general air of fatigue in the country.

Arab/Israel

The Prime Minister recalled that, when she had visited Camp David last November, she had told President Reagan that it was vital that he should use his last two years to make a further major effort in the Middle East. This was needed not least to bolster the United States position in the area which had been badly weakened by the revelations of arms sales to Iran. Against this background, Ambassador Murphy's recent visit to the area was rather a disappointment. It appeared to be little more than cosmetic. She wondered whether much could be expected of it or of the forthcoming round of visits by Middle Eastern leaders to Washington.

Mr. Peres said that Murphy had undertaken his tour to demonstrate that the United States Administration was not dead politically and had not forgotten the Middle East. But the Americans were torn between reluctance to let matters drift as at present and an equal reluctance to get more deeply involved. His own assessment was that the prospects for progress would depend crucially on what happened in United States/Soviet relations. There was no doubt in his mind that the highest priority for the Administration remained relations with the Soviet Union. If some advance could be made there, it would unblock the way for an international conference on Arab/Israel. In this respect, he judged the Prime Minister's forthcoming visit to the Soviet Union to have a crucial part. He hoped very much that she would take the opportunity to discuss Middle East issues thoroughly with Mr. Gorbachev.

For its part, Israel wanted to press on with the peace process and accepted that discussions of the modalities of an international conference offered the only realistic way ahead. Secretary Shultz remained opposed to such a conference but would accept one if Israel was satisfied. The Prime Minister would be aware of the remaining difficulties on this front, all of which were capable of resolution. The problem of Palestinian representation should be left until last. But he believed that the same sort of solution could be found as had been used in the case of the West Bank Mayors, that is, to select representatives with whom Israel could live and to whom the PLO would not object. Mr. Peres dismissed various proposals for a preparatory Committee and said that King Hussein was not keen on such a Committee either. Meanwhile, Israel wanted to seek out other areas of practical co-operation with Jordan.

Occupied Territories

Mr. Peres observed that there had been considerable progress on the Occupied Territories since he and the Prime Minister had last met. More people on the West Bank were coming over to King Hussein's side. There were the beginnings of an economic boom. He continued to try to interest Egypt in closer economic co-operation with Gaza. The Prime Minister conceded that matters had improved. But much remained to be done and there seemed to have been little progress in particular with family reunifications.

Soviet Role

Mr. Peres observed that Mr. Gorbachev appeared to be confronting growing difficulties within the Soviet Union, as evidenced by the repeated postponement of the Central Committee Plenum. He seemed not to know which way to turn. He knew that the Soviet Union needed to press ahead with the introduction of new technology. But that carried the risk of calling into question the whole Soviet system. As a consequence, Gorbachev was boxed in. He drew an analogy with Syria, where heavy military expenditure had brought the economy to a catastrophic state.

Mr. Peres said that he was sceptical whether the Russians would actually relax conditions for Soviet Jews or increase the numbers allowed to emigrate. There had been plenty of hints and even some promises but no sign of action. Similarly, before the Reykjavik meeting he had detected some signs of change in the Soviet attitude towards Israel, but this had led nowhere. He judged the Soviet Union's Middle East policy to be ancillary to their global relationship with the United States. It was, therefore, likely to change only as a reflection of developments in that wider relationship.

Mr. Peres thanked the Prime Minister for her constant efforts on behalf of Soviet Jewry and for seeing the recent delegation from Mothers for Freedom. He hoped that she would continue to press the issue of Soviet Jewry during her visit to Moscow.

Bilateral Issues

Mr. Peres observed that bilateral relations with the United Kingdom were going extremely well and that the atmosphere of suspicion and even hostility which characterised them until two or three years ago had quite disappeared.

The Prime Minister regards her conversations with Mr. Peres as private. I should be grateful if particular caution could be exercised in the distribution of this letter.

SECRET

- 4 -

I am copying this letter to Trevor Woolley (Cabinet Office).

CHARLES POWELL

Robert Culshaw, Esq., M.V.O.,
Foreign and Commonwealth Office.

PRIME MINISTER

MEETING WITH MR. PERES

The Foreign Secretary had dinner last night with Mr. Peres. This note records points which arose in their talk.

Arab/Israel

Peres was sceptical about the prospects for progress. The U.S. Administration were looking for foreign policy successes. There was little scope for these in the Middle East. He confirmed that discussions were going on about an International Conference. Israel was considering a formula whereby the five Permanent Members of the Security Council might attend as observers. They continued to attach conditions about diplomatic relations and emigration of Soviet Jews to Soviet participation, giving greater weight to the second of these conditions. Meanwhile, King Hussein remained very disillusioned with the Americans over arms sales to Iran.

Lebanon

Peres was very tough.

Syria

Peres had said that Assad was a very sick man. He did not believe that the Alawites would succeed in keeping control in Syria after Assad departed.

/ Vanunu

Vanunu

No mention.

Misuse of British Passports

Peres was embarrassed and gave assurances that it would not be repeated.

Arms for Iran

Peres gave an account of the Israeli Government's role. In the early stages, they had acted in effect as project manager and used their own network of contacts with Iran on the United States' behalf. Later they developed doubts, and left it to the U.S. to deal direct with the Iranians.

CDN

Charles Powell

22 January 1987

PRIME MINISTER

MEETING WITH MR PERES

Mr. Peres is coming to see you for one hour tomorrow. He will be accompanied only by his special adviser, Mr. Novik. We have been told that he does not want his Ambassador present for the meeting.

Mr. Peres gave a helpful and friendly interview to 'The Times' before leaving Israel. I attach a copy. You may like to thank him.

The main issue which you will want to discuss is Arab/Israel. We had an account of Peres' views from Novik in December (please see the note in the folder). You will want to encourage Peres to tell you how his thinking has progressed since then. Also of any direct contacts he has had with King Hussein. As you know from recent telegrams, the focus of Murphy's recent visit to the Middle East has been on the modalities of an international conference. There are still three main stumbling blocks to this: the link between a conference and direct negotiations; Soviet participation; and Palestinian representation. You will want to get Peres' assessment of the extent to which these difficulties are capable of resolution in the course of the various visits which Mr. Shamir, President Mubarak and King Hussein will pay to Washington over the next two months or so; and how far a Conference this year is a realistic prospect. The Israeli view, reflected in Mr. Peres' interview in 'The Times', is that Palestinian representation should be dealt with only once the arrangements for a Conference have been agreed. That way, the Palestinians will see that they will miss the bus if they do not put forward acceptable 'passengers'.

More generally, we are - perhaps for the first time - in a position where the Israelis appear more positive towards negotiations and progress on the Arab/Israel problem than are the Americans. One cannot entirely dismiss the thought that

Peres is skilfully playing along with ideas for progress, counting on the inability of even the moderate Arabs to get their act together and the reluctance of the United States Administration to get seriously involved. As a result, the Israelis would be unlikely to have to deliver some of the concessions at which Peres hints. But this is probably too cynical a view. And anyway our interest lies in taking Peres at his word. This points to urging him to join us in pressing the Americans to undertake a more whole-hearted commitment to make progress than Murphy's rather lame mission represents. Without it, the American position in the Middle East will be weakened, which will be in neither the Israeli nor the general western interest. You might like to show Peres, indeed hand over on a strictly personal basis, a copy of the note which you left with President Reagan in November.

You might touch briefly on the situation in the Occupied Territories although there have been comparatively few recent developments there. A number of the points on which Mr. Peres promised action when you saw him in May have been followed up. But there is no sign that family reunifications have increased. And in his interview, Peres says that it is still too early to talk of direct elections.

Peres will no doubt mention to you the Israeli government's appreciation of our action against Syria and following the Hindawi affair. Israel's public response to that was reasonably low key and you could thank him for that. You might ask whether the Israelis have any indications of subsequent purge of the Syrian Intelligence Service: we have had some unconfirmed reports of this. It would also be of interest to hear his views on the wider situation within Syria and the prospects for President Asad.

You will also want to raise with Peres the subject of your visit to Moscow. It will be interesting to know what indications the Israelis have of any likely relaxation by the Soviet authorities of restrictions on Jewish emigration: you will remember that Mr. Bronfman hinted at this. You will

also want to take his mind on how you can best handle the issue of Soviet Jewry in your talks with Gorbachev.

It would be worth seeking Mr. Peres' views on the Iran/Iraq war, since the Israelis are usually well informed. You saw the JIC's assessment yesterday which suggests that the Iraqis are under heavy pressure near Basra but probably able to hold out.

Two bilateral issues to which Peres may refer are:

- (a) a science and technology co-operation agreement. We are sceptical, but are sending a delegation to Israel soon and will make up our minds thereafter.
- (b) intelligence co-operation. We stand by the two offers which we have made - exchanges on the handling of hostage incidents and economic/drug intelligence - but do not want to go further.

CDP

Charles Powell

21 January 1987

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OF INFORMATION ACT 2000

SECRET



Foreign and Commonwealth Office

London SW1A 2AH

21 January 1987

Dear Charles

I enclose briefing for the Prime Minister's meeting with Mr Peres at 1700 on Thursday 22 January.

We understand from the Israelis that Mr Peres will wish to concentrate on Arab/Israel and the peace process. The briefing therefore focusses particularly on this. Mr Peres told a delegation from the Conservative Friends of Israel led by Mr Peter Thomas MP who called on him on 6 January that the essential point in the UK/Israel relationship was the peace process: all the rest was secondary. It would be all to the good if issues such as British policy on arms and oil supplies to Israel and the Arab boycott could be improved but Israel could live with the present situation. Mr Peres declared himself "very satisfied" with Israel's relationship with HMG.

The Foreign Secretary is giving a working dinner for Mr Peres on 21 January; I shall let you know early on 22 January the main points of their discussion.

Yours ever

(R N Culshaw)
Private Secretary

C D Powell Esq
No 10 Downing St

SECRET

PRIME MINISTER'S MEETING WITH MR PERES: 22 JANUARY 1987

OUR OBJECTIVES

- Arab/Israel. Explore Mr Peres' thinking on the next steps in the peace process and encourage him to press forward. Urge further relaxation of Israeli restrictions on Palestinian economic and political activity in occupied territories.
- Lebanon. Reiterate that Israel's residual presence is counter-productive.
- Soviet Union/Israel. Probe scope for improvement in relations.
- Forgery of UK passports. Acknowledge Israeli assurance of 16 January and register seriousness of issue.
- Vanunu. Register that this has caused difficulties but is not now an issue.
- Syria/Terrorism. Underline importance of international counter-terrorism cooperation. Acknowledge restraint by Israel over Hindawi/Hasi affair.
- NPT. Express concern about any Israeli military nuclear programme and urge value of signature of the nuclear non-proliferation treaty.
- South Africa. Compare notes and probe Israeli policy.
- Iran/Iraq. Express concern at escalation of conflict and Israeli arms supplies to Iran. Persuade Mr Peres that Israel should work for peaceful settlement and not supply arms to either side.
- Falklands. Express thanks for Israeli abstention on UNGA resolution. Stress continued opposition to transfer of Israeli "Skyhawk" aircraft to Argentina.

ARGUMENTS TO USE

ARAB/ISRAEL. Middle East outlook worsening for our common interests:

- US standing eroded by Iran arms affair;
- Arab moderates under economic pressure;
- Soviet influence in Syria increasing;
- Soviets beginning to exploit lack of progress over Arab-Israel, by pressing for (ill-defined) preparatory committee for an international conference.
- Political action needed to head off this decline and regain initiative. US catalyst essential.
- Therefore urged President Reagan to renew US efforts to get negotiations started; by
 - public commitment to peace process as high priority;
 - acceptance of goal of international conference;
 - offer of consultations with parties and Permanent Members;
 - heavily qualified acceptance of Palestinian self-determination.
- King Hussein endorsed this approach.
- Essential to break free of position where US can be portrayed as the obstacle to progress. Mr Shultz's approach clearly more cautious than your own.
- Murphy's exploratory mission useful, but insufficiently bold, imaginative.
- Welcome growing consensus on international conference. Agree conference must be carefully prepared. Parties must agree on modalities, including attendance. But too much pre-cooking risks antagonising those excluded. Should not underestimate Syria's ability to obstruct progress. Must respect King Hussein's need for Palestinian and wider international cover.
- Your views of outstanding problems, possible solutions?
 - Soviet and Chinese attendance: Better to draw them in than to leave them free to mobilise the critics. Could UN forum help to finesse this issue? How firm are Israeli objections? (lack of diplomatic relations was not an obstacle in 1973). Note improving Israel/PRC relations.
 - Powers of plenary if disagreement in working groups: would

continuing plenary with only advisory role be acceptable compromise?

- Palestinian representation: Hope Israel will not scrutinise Palestinian nominees too vigorously.
- Opportunity to make progress after Islamic Summit. Israeli ideas? Objectives for Mr Shamir's visit to Washington (mid-February)? - vital not to reinforce US caution.
- Can your meeting with King Hassan be followed up? Possible way of broadening debate? King Hassan to pay State Visit this summer.

OCCUPIED TERRITORIES. Important meanwhile to relax restrictions, give hope to Palestinians there of alternative to armed struggle, build confidence.

- Deplore recent violence; understand Israeli security concerns.
- Welcome appointment of Arab mayors, opening of Arab Bank.
- But good effects neutralised by repressive measures eg, shooting of demonstrators, deportation of journalist, refusal of travel permits.
- What action to increase family reunifications which we discussed last May?
- EC aid and access measures a positive contribution. Vital that Israel (and Jordan) facilitate Palestinian exports. Reported Israeli insistence on channelling all agricultural exports through AGREXCO not helpful.
- Increased UK bilateral aid (£1 million per annum for next five years).
- Economic help alone not the answer. Must be complemented by political activity.

LEBANON. Understand Israel's insistence on secure border. But Israeli occupation of Lebanese territory and Israeli/SLA activity provokes resistance, escalation. Death of Irish soldier deplorable. Expect further deterioration if UNIFIL unable to continue.

SOVIET UNION/ISRAEL. Continue to make views known on plight of Soviet Jewry. Have publicised family reunification. Any signs of Soviet movement?

FORGERY OF UK PASSPORTS. Not only violation of sovereignty but

danger to British interests and citizens in Middle East. Assurance conveyed by Ambassador Avner to FCO on 16 January therefore extremely important, and welcome.

VANUNU. Cannot condone international kidnapping anywhere. Israel's assurances useful, but failure to produce public explanation was embarrassing. Press/parliamentary interest now dying but could be revived by Vanunu's trial.

SYRIA/TERRORISM. Measures taken by the Twelve and other Western countries have sent clear signal to Syria. Important to maintain Western consensus over long term. But must avoid impression of anti-Arab crusade which would only engender sympathy for Asad. No need for further measures at present. Welcome low key Israeli statements of support. More forward position by Israelis could be counter productive.

NPT. Press reports of Israel having significant plutonium stocks for weapons purposes very worrying. Nuclear weapons would be destabilising in an already tense Middle East. Israeli NPT signature would be significant gesture and helpful confidence building measure between Israel and other countries.

SOUTH AFRICA. UK and Israel have similar interests in South Africa. Large British and Jewish communities there. Recent developments deeply disheartening. SAG in pre-election mode; meanwhile even limited reform programme stalled. Not much scope for constructive Western political action at present but important we should both encourage SAG to grasp nettle of fundamental reform. Need is for bridge-building.

ISRAEL/SOUTH AFRICA RELATIONS. Does not alleged Israeli/South African collaboration in the military and even nuclear fields make problems for Israeli relations with Black Africa?

IRAN/IRAQ. War is destructive, senseless, and threatens regional stability; of particular concern to moderate Arab States in the Gulf; must eventually be settled by negotiations. Revelations of US/Israeli arms supplies have handed Iran major propaganda victory.

SECRET

Hope there will be no more Israeli supplies. Strengthening Iran risks adding to Israel's problems in Lebanon.

FALKLANDS. Firmly opposed to delivery of Skyhawks to Argentina. More arms for Argentina would increase the threat to the Falklands and make it more difficult for us to reduce our force levels in the South Atlantic. UNGA resolution shows no change in Argentine position: it clearly meant negotiate on sovereignty. Our policy remains restoration of relations with Argentina/uphold commitments to islanders.

SECRET

TACTICAL ARGUMENTS

- Arab/Israel. Need to improve Israel's international image (repression in Occupied Territories, reprisals in Lebanon, Vanunu) by vigorous policy to promote negotiations.
- Need to put forward proposals which help Hussein, challenge other Arabs, isolate radicals.
- Syria/Terrorism. Syrians have attempted to portray Hindawi affair as Israeli plot. Have countered this effectively. However, those already inclined to believe Syrians will be more disposed to do so if Israel adopts a higher profile.
- NPT. Already signed by Jordan, Egypt, Lebanon and Syria. Further signatures would follow if Israel signed. Adequate verification would be provided through IAEA safeguards system.
- US/Israeli arms shipments to Iran have weakened US and Western credibility. We do not believe there are "moderates" in Iran who can be strengthened by such activities.

HIS OBJECTIVES

- Arab/Israel.
 - a) Persuade Prime Minister to influence King Hussein to move more quickly to direct negotiations;
 - b) dissuade us from pressing for any change in US policy, especially on Palestinian self-determination;
 - c) discourage any thought of a European initiative.

- Passports and Vanunu. Avoid discussion but offer minimum assurances if raised.

- Syria/Terrorism. Encourage UK to continue to take lead in maintaining international pressure on Syria; propose increased UK/Israel counter terrorism liaison, particularly of a military and technical nature.

- NPT. Restrict any discussion of Israeli nuclear programme to repetition of standard line that Israel will not be the first to introduce nuclear weapons into the region; discredit Vanunu's information.

- South Africa. Seek reassurance that Sir Geoffrey Howe's meeting with Oliver Tambo no precedent for Cabinet level meetings with PLO; avoid discussion of Israel/South Africa military collaboration.

- Iran/Iraq. Minimise and justify Israeli role in US dealings with Iran; avoid impression that Israel is cynically content to see the war continue, diverting attention from Israel.

- Falklands. Persuade UK to agree to transfer of Skyhawks to Argentina on grounds that: a) aircraft already paid for; b) Israel has no reason not to supply arms if Argentina wants them, cf UK sale of Tornados to Saudi Arabia; c) If Israel does not supply weapons to Argentina, others will; d) President Alfonsin's stated commitment to pursuing Argentina's claim to the Falklands exclusively by peaceful means.

- Defence sales. Press for lifting of restrictions on UK arms sales to Israel and for limiting of UK defence sales to Arab countries.

- North sea oil. Persuade UK to permit sales of United Kingdom continental shelf crude to Israel.

- Trade/Arab boycott. Encourage UK investment and transfer of technology; seek UK or EC anti-boycott legislation.

- Science and technology collaboration. Secure agreement in principle to an Anglo-Israeli agreement.

OUR RESPONSE

- Arab/Israel

a) - Know you have your own contacts with Hussein and understand his position.

- Should not press him to take action alone against his better judgement.

b) - Desirable that US no longer seen as the obstacle to progress. Must put Palestinians on spot. If they still refuse to take part in negotiations, doubts in Palestinian community will increase and King Hussein's task will be made easier.

- if now is not the time, at what stage would this move have most practical use?

- Heavily qualified acceptance of Palestinian self-determination surely compatible with Israeli acceptance (Camp David) of legitimate rights of Palestinians.

c) - Do not foresee a European initiative. No enthusiasm for revising Venice Declaration or for further fact-finding missions. Officials will study problems associated with international conference.

- Twelve cannot substitute for essential US role. At most may be able to offer useful ideas: help oil wheels.

- No realistic possibility of early substantive progress on political aspects of Euro-Arab dialogue.

- Syria/Terrorism. No signs yet of change in Syrian policy. We will seek to maintain pressure. Present level of bilateral counter-terrorism cooperation satisfactory. Willing to consider specific ideas.



- (if raised) Cannot share information on handling/dismantling of explosive devices for national security reasons. However as agreed at last meeting in January 1986 can pursue further bilateral exchanges on:

- (i) Procedures for handling specific terrorist incidents, including exchange of information on respective organisations dealing with counter-terrorism and key contacts for use during an emergency affecting UK and Israel;
- (ii) discussion between Security Services on economic aspects of terrorism and extent to which terrorism financed by crime/narcotics groups.

- NPT. If Vanunu insignificant why abduct and try him?

- South Africa. Sir Geoffrey Howe met Tambo in joint UK and EC presidency capacity; no implications for our policy on contact with PLO; two distinct areas and organisations.

- Iran/Iraq. Would welcome further explanation from Israelis of their role in dealings with Iran, and their views on war.

- Falklands: Delivery would whet the Argentine forces' appetite for more, especially given inter-service rivalry. Inconsistent with President Alfonsin's aim to cut military spending. Argentina's refusal to declare a formal cessation of hostilities, and armed forces' continuing interest in acquiring sophisticated weaponry, are at variance with Alfonsin's statements of peaceful intent.

- Arms sales. Would not sell equipment which would increase the threat to Israel; important to bolster moderate states such as Saudi Arabia and Jordan against external threats. We permit sale to Israel of range of defensive and non-lethal equipment, but restrictions imposed in direct response to Israel's 1982 invasion of Lebanon remain: some Israeli forces still in South.



- North Sea Oil. No plans to change longstanding guidelines for export to IEA and EC members and countries with whom there is an existing pattern of trade. Reflects our intention to help maintain security of supply for these countries. Policy not directed against Israel.

- Trade/Arab Boycott. HMG welcomes profitable investment and collaboration by UK companies abroad; commercial decision for individual companies. Abhor boycott but House of Lords recommendation against legislation remains our position. Would consider EC legislation.

- Science and Technology Agreement. Co-operation to mutual benefit more likely to stem from arrangements between interested parties, not Governments; Israel has invited a high-level UK delegation of scientists and industrialists in order to (a) identify areas where Anglo-Israeli co-operation would be of benefit, and (b) determine whether formal agreement necessary for such co-operation. Should wait for outcome of visit before deciding whether formal agreement required.

PRESS LINE

- Talks between the two Prime Ministers concentrated on the Middle East. Full and friendly exchange covering the peace process and Lebanon. The two Prime Ministers agreed on the need to work actively for peace negotiations within an international framework and to keep closely in touch. They also agreed on the need for closer international cooperation to combat terrorism. The Prime Ministers reviewed bilateral relations and noted that trade and other exchanges between Britain and Israel were increasing steadily.

BACKGROUND

1. Mr Peres is on private visit 21-23 January. He is having a working dinner with Sir Geoffrey Howe 21 January. Prime Minister last saw Mr Peres (then Israeli Prime Minister) in Israel in May. Mr Peres is travelling on to Paris and Brussels.
2. Arab/Israel. Mubarak and Hussein met most recently on 28 December. Murphy made an exploratory tour of the region from 5-15 January. Hussein is visiting France and Italy (12-23 January). Shamir is to visit the US in February; Mubarak and Hussein have been invited to do so in February and March respectively.
3. Sir Geoffrey Howe followed up with Shultz in Bermuda on 6/7 January the Prime Minister's approach to President Reagan last December. Shultz gave no hint of any change in the US position on Palestinian self-determination or an international conference, though he noted our view on the desirability of a positive reference to the Middle East in the President's State of the Union address. He also said, without being more specific, that he had been doing some new thinking on this issue.
4. Murphy took no new ideas to the Middle East but renewed the efforts made last year to help the parties precook the modalities for an international conference. He confirmed that the Israelis and Jordanians are willing to stand by the limited understanding reached last year but seems to have made little progress towards bridging the gap between them on the main problems - Soviet and Palestinian participation and the link between a conference and direct negotiations. The US and Israeli preference is to concentrate on the last issue in the belief that agreement on the nature of the conference and its role will make the problems over attendance easier to resolve (on the questionable ground that the participants would be less inclined to make difficulties for fear of being left out). If Murphy can convince Shultz that the parties want to make progress, he expects to resume his efforts to put together a package agreement on modalities as a first step, before tackling the problems over attendance.

5. The Egyptians have meanwhile renewed their efforts to reconcile Arafat and King Hussein. The King has made clear that he intends to keep up the pressure on the PLO leadership. He has given no sign that he might be willing to go it alone in negotiations with Israel without the PLO.

6. Peres has hinted privately at a more active Israeli posture towards the US and at the possibility of progress after the Islamic Summit in Kuwait (26 January). His officials told us in December that they favoured higher-profile US activity, but not a change in the US position on substance. They claimed to have agreed a step by step approach with Murphy including the further visit by Murphy to the region and more steps to give Palestinians in the occupied territories control over their own affairs, by replacing Israeli officials there with Arabs. Possibly because of the disturbances in Jerusalem and the West Bank towards the end of last year, this step has not yet been taken.

7. Shamir remains firmly opposed to concessions to the Palestinians on issues of substance, especially territory. But he appears willing to acquiesce in Peres' efforts to revive the peace process with the aim of direct negotiations with Jordan. The coalition government remains extremely popular in Israel and neither Mr Shamir nor Mr Peres is willing to incur the odium of responsibility for ending it.

Lebanon

8. At the UN Security Council's debate on 15 January renewing UNIFIL's mandate for a further 6 months the Israeli representative proposed a ceasefire in "the entire area" for at least six months as a trial period leading to further steps and a permanent solution. By implication this would include withdrawal of the residual Israeli force in South Lebanon. This may reflect growing Israeli awareness, following the killing of an Irish soldier in UNIFIL this month, of the need to take more account of international opinion. But Palestinian/Shia clashes in South Lebanon are likely to continue quite independent of attacks on Israel's "security zone" and the

Israelis will not acquiesce in the destruction of their surrogate militia, the South Lebanon Army. There have been four Israeli air raids on Lebanese targets this year and the Israeli navy has shelled Palestinian positions from the sea. We have consistently urged Israel to complete the withdrawal of the Israel Defence Force and to work for alternative security arrangements, including UNIFIL, in southern Lebanon.

9. Soviet Union/Israel. Mr Renton raised Jewish emigration with Soviet First Deputy Foreign Minister Kovalev and with Director of Humanitarian and Cultural Affairs, Kashlev on 14-15 January. Without referring specifically to Jewish emigration, Kashlev said the new Soviet rules were expected to result in a significant increase in both temporary and permanent departures. Indirect reports of a recent series of direct contacts between the Russians and Israelis. Israel would be bound to explore possibility of linking Soviet Jewish emigration with Soviet attendance at any Middle East international conference. The Prime Minister saw President of World Jewish Congress (Mr Bronfman) 12 January and delegation from Mothers for Freedom on 13 January.

10. Israeli forgery of British passports. Eight counterfeit British passports carried by an Israeli diplomatic courier came into our hands last summer. A protest to Israel in 1973 over such forgery was publicised. There was a further protest in 1979 when a forged British passport was used in the Israeli assassination of a leading PLO official in Beirut: one British female bystander was killed. This time, after persistent pressure, the Israeli Ambassador assured Sir Patrick Wright on 16 January that:

"Your concern is well understood, and our response is governed by our sincere desire to comply with your interests in the matter of passports. It is in this very spirit that I have been instructed to reassure you once again in this matter, and to impress upon you that the concerns of HMG are fully appreciated. I have been authorised to tell you that steps have been taken by the relevant authorities to avoid recurrences".

Sir P Wright said that this assurance, especially the last sentence, was welcome and that it would be drawn to Ministers' attention.

11. Vanunu. Mordechai Vanunu flew from London to Rome with a female acquaintance on 30 September. He claims that he was kidnapped in Rome the same day. He now faces trial for treason in Israel. The Israelis have persistently avoided clarifying how Vanunu came to be in Israel. In response to pressure they offered a public assurance on 13 November that Vanunu left Britain of his own volition without violation of British law. Peres referred to this in a publicised telephone call to the Prime Minister in Washington on 15 November.

12. Syria. In May 1986 we made representations to Israel about public statements by senior Israelis which risked prejudicing Hindawi's trial. Sir Geoffrey Howe informed Peres on 24 October 1986 of the decision to break Anglo/Syrian relations and urged restraint on Israel's part. Subsequent statements by Israeli Ministers have been low key and restrained.

13. Bilateral irritants. Following Peres' official visit in January 1986 we discontinued authentication of Arab boycott documents. On arms sales to Israel an early end to our restrictions would be hard to justify given Israeli raids and the continuing IDF presence in Lebanon and could provoke strong Arab reaction. On North Sea oil in a slack market Israel has no difficulty in obtaining supplies. Guidelines to exporters of UKCS crude were announced in Parliament on 31 January 1979 and confirmed by the Prime Minister on 7 December 1979. In 1981 Bulk Oil (a Swiss corporation) tried to obtain through Sun International (a US company) UKCS crude for eventual delivery to Israel. Sun broke contract. The legal case has gone in its favour.

14. Nuclear non-proliferation treaty. Israel has refused to sign NPT and pursues a policy of deliberate ambiguity on her nuclear intentions. She has nuclear installations not open to inspection. Our assessment is that Israel has low yield nuclear weapons.

15. Falklands. A contract to sell 12-14 Israeli Skyhawks to Argentina was probably signed in late 1982; aircraft largely paid

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for. US permission required for transfer to third country. Argentina presently has 29 Skyhawks. Israelis know our views on arms/Argentina. But they put their arms sales interests first. Only US veto has prevented Skyhawk delivery. Pressure in Washington to allow release. But Shultz has reaffirmed commitment to consult us. Israel once again abstained on UNGA resolution on 25 November 1986. Resolution adopted by 116-4-34.

16. South Africa/Israel. On becoming Foreign Minister, Peres reportedly held a thorough review of Israeli policy towards South Africa and the rest of Africa. This prompted at least in part by need to respond to the US before President Reagan on 1 April submits a report listing countries which adhere or fail to adhere to US Congress sanctions legislation of October 1986. With one eye on efforts to re-establish diplomatic and political links with black Africa, Israeli Foreign Ministry has been distancing Israel publicly from South Africa. In an interview with a Belgian newspaper on 19 January Mr Peres said Israel would implement the UN resolutions on South Africa, including the ban on arms sales. But despite anti-apartheid rhetoric by Israeli Ministers, Israel is unlikely to dismantle close and profitable relationship. Newspaper reports in late December described South African plans to construct a landing strip on Marion Island, 1600 kilometres south of Capetown. SAG say airstrip is needed to support local fishing industry and scientific community. No direct evidence that island will have military/nuclear use.

17. UK Defence Sales. In 1986 new contracts (including elements of Saudi Tornado sale) worth an estimated £3.6 billion were signed with

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defence sales for the year. In comparison 1983 was £600 million (25%). 1984 was 230 million (15%). 1985 was £880 million (33%).

18. UK/Israel trade. UK is Israel's third largest supplier and Israel's second largest market. UK share of OECD exports in 1985 was 10%. Trade at record level in 1985: UK exports £435 million, UK imports £404 million. UK exports likely to be even higher for 1986 (approximately £450 million).

19. Israeli proposal for Science and Technology Agreement. Israel has been pressing since 1985 for inter-governmental agreement. There is risk that such agreement, especially if it covered industrial research, would lead to net export of technology from UK to Israel, to UK detriment. Israelis have accepted there can be no government money to underpin an Anglo-Israeli research foundation which might be product of inter-government agreement. As alternative they now want a formal agreement for research cooperation to be monitored by a Working Group of officials from both countries. Israeli Minister of Science, Gideon Patt, brought a high-level team of scientists and industrialists to the UK in December 1986 to explore possibilities of cooperation. He called on Mr Channon, Mr Baker, Mr Pattie and Mr Walden. He proposed a return visit, preferably led by a UK Minister, to carry forward discussions. Details have not been settled but will be pursued by officials in London. Israel is anxious to have a draft agreement ready for signature. This would be premature.

RESTRICTED

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Foreign and Commonwealth Office

London SW1A 2AH

21 January 1987

Dear Charles

CDP
21/1

Visit of Israeli Foreign Minister

My earlier letter today contained briefing for the Prime Minister to use with Peres tomorrow.

/ You may have seen an article (copy enclosed) in today's Financial Times about citrus. The report and its headline are misleading. The question of Israel's trade access to the EC market has been resolved to the satisfaction of both sides, at least for the next few years.

/ Nevertheless I now enclose a short supplementary brief to cover this point.

Yours ever

(R N Culshaw)
Private Secretary

C D Powell Esq
PS/10 Downing Street

RESTRICTED

Citrus wrangle may delay Israel-EEC accord

BY ANDREW WHITLEY IN JERUSALEM

LAST MINUTE wrangling centred on the EEC's insistence on minimum reference prices for Israeli citrus exports is likely to delay this week's planned signing of a new agricultural goods access agreement between Israel and the Community.

The likely delay in introducing the new lower tariffs available under the protocol on a wide range of goods will have particularly severe effects on Israel's exports of cut flowers, already suffering following the reduction in import duties on Spanish and Portuguese flowers.

Mr Shimon Peres, the Israeli Foreign Minister, had been expected to sign the new agreement—part of the community's trade harmonisation plan for the Mediterranean basin—during a visit to Brussels later this week. But yesterday he said that "a slight delay" was likely while the remaining obstacles were being resolved.

Another current issue annoying Israeli officials is what they claim to be the European community's belated attempt to link conclusion of the agricultural access agreement to a mutual harmonisation of

customs tariffs on trade in industrial goods by Israel and the new Iberian member countries.

"We don't accept this," said Mr Aryeh Zieff, a senior official in the agriculture ministry, indicating a strength of Israeli opposition on this issue which could hold up the implementation of the new treaty for some time.

Nor is the contentious problem of community reference prices likely to be solved at a stroke. "What we fear, said Mr Zieff, "is that in three to four years time the reference prices will be so high that we simply won't be able to export our citrus there any more."

At a press conference in Jerusalem yesterday, the Foreign Minister indicated that he would be seeking the help of his European hosts during the coming week in attempting to overcome the outstanding issues. Apart from Brussels, Mr Peres is scheduled to visit London and Paris.

Mr Peres said that "by and large" Israel was happy with the draft agreement, which he described as "fair."

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VISIT OF ISRAELI FOREIGN MINISTER: 21-23 JANUARY 1987

SUPPLEMENTARY BRIEF ON EC/ISRAEL

UK OBJECTIVE

To remind Peres of strong UK support for maintenance of Mediterranean Partners' trade access following enlargement.

ARGUMENT

- Glad that adaptation protocol designed to ensure maintenance of your agricultural trade access to EC market after enlargement has been initialled.
- Believe terms agreed are fair; UK played important role in discussions within the EC, resisting pressures to reduce access.

ISRAELI OBJECTIVE

- (Possible) To seek UK support to resolve remaining difficulties over dismantlement of industrial tariffs between Israel and Spain.
- (Possible) To express concern about future access to EC market for citrus products.

OUR RESPONSE

- Essentially a matter for Israel to sort out with Spain and Commission; sure a satisfactory solution can be found.
- Consider protocol now initialled gives best assurance of continued trade access for Israeli agricultural products.

ESSENTIAL FACTS

- Problems over trade access following enlargement have been resolved and an adaptation protocol covering maintenance of access for Israeli agricultural produce has already been initialled.
- A separate protocol covering reciprocal tariff adjustments between Spain and Israel on industrial products during the transitional period is still under discussion.
- Neither protocol is due for signature this week or next (as erroneously reported in FT on 21 January).
- A meeting of the EC/Israel Cooperation Council will take place in the margins of next week's Foreign Affairs Council. Opportunity for discussion of economic and commercial matters. Israeli concerns can be aired, though this is not a negotiating forum.
- Israel seems worried that with increasing EC self-sufficiency in citrus products, terms negotiated will be inadequate in longer term to ensure continued Israeli access. The provisions of the new agreement are intended to provide the necessary assurance, to the extent possible.



VISIT OF ISRAELI FOREIGN MINISTER: 21-23 JANUARY 1987

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ISRAELI OBJECTIVE

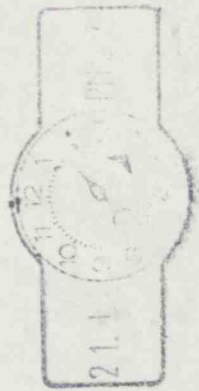
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10 DOWNING STREET

1. ✓ GSP CDP

2. CF.

27 NOV. 5-6pm.

Visit of Israeli Foreign Minister
Peres is cancelled. He is
not coming to London after all.

ASB
27/10.

CONFIDENTIAL



JE VC
e PC
CR

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

15 September 1986

Possible Visit by Mr. Peres

Thank you for your letter of 15 September about Mr. Peres' visit to London in November.

The Prime Minister can see Mr. Peres - preferably alone with a note-taker - from 1700 to 1800 on 27 November.

BF //

(CHARLES POWELL)

R.N. Culshaw, Esq.,
Foreign and Commonwealth Office.

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Foreign and Commonwealth Office

London SW1A 2AH

15 September 1986

Dear Charles,
Yes
 Prime Minister
 Appeal to see Mr.
 Peres (as Foreign Minister) for an
 hour in late November?
 CDP 15/9

Possible Visit by Mr Peres

The Israeli Ambassador has told us that Mr Peres has accepted in principle an invitation from the Joint Israel Appeal to visit London from 26-27 November. Mr Avner suggested that it would be appropriate for Mr Peres' first European visit in his new capacity as Foreign Minister and Deputy Prime Minister to be to the UK while we hold the EC Presidency.

A visit by Mr Peres in November could help him to keep alive from the Foreign Ministry his efforts to advance the peace process and to build on his meeting with President Mubarak. It would also cement the warm relationship achieved during the Prime Minister's visit to Israel last May and help to deflect Israeli pressure for an early visit to Britain by Mr Shamir. In addition it would help balance our close contacts with King Hussein and the recent series of meetings between the Prime Minister and Egyptian visitors.

The Foreign Secretary therefore recommends that the Prime Minister should agree to see Mr Peres during his visit. Sir Geoffrey Howe would hold talks with Mr Peres on the afternoon of 27 November, and offer some appropriate hospitality.

Yours ever
Robert Curshaw

(R N Culshaw)
Private Secretary

C D Powell Esq
PS/10 Downing Street

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