

MIDDLE EAST: ADVANCE COPIES

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NO 10 DOWNING STREET  
CABINET OFFICE DIO

PS  
PS/SIR I GILMOUR  
PS/MR HURD  
PS/PUS  
SIR. J GRAHAM  
MR J C MOBERLY

HD/NENAD  
HD/MED  
HD/UND

*H.S.A.*.....

*M. Downey*.....

*H. NAD* (2)

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NEWS D

RESIDENT CLERK

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FM WASHINGTON 250205Z

TO IMMEDIATE F C O

TELNO 987 OF 24 MARCH 1981,

INFO CAIRO, TEL AVIV, AMMAN, JEDDA, ANKARA, ISLAMABAD, PARIS,  
MOSCOW, UKMIS NEW YORK.

INFO SAVING OTHER MIDDLE EAST POSTS, TEHRAN, BONN, NEW DELHI,  
THE HAGUE, UKDEL NATO, UKREP BRUSSELS.

MIPT (NOT TO ALL): CALL ON HAIG: MIDDLE EAST/SOUTH WEST ASIA.

1. I ASKED HAIG WHETHER HE COULD TELL ME ANYTHING ABOUT THE  
CONCEPT OF A STRATEGIC CONSENSUS IN THE MIDDLE EAST WHICH HE  
MENTIONED IN HIS TESTIMONY TO CONGRESS LAST WEEK. HAIG ADVISED  
ME NOT TO LISTEN TO WHAT HE SAID BUT TO WATCH WHAT HE DID EXCLAM.

2. HE SAID THAT HE WAS DETERMINED TO HELP PAKISTAN AND THAT  
ZIA HAD BEEN OFFERED A SUBSTANTIAL PACKAGE OF US MILITARY AND  
ECONOMIC ASSISTANCE. HE HOPED THAT THE PAKISTANI RESPONSE WOULD  
BE FORTHCOMING. THEIR REJECTION OF THE CARTER ADMINISTRATION'S  
AID OFFER LAST YEAR HAD BEEN DUE NOT TO THE SMALLNESS OF THE  
PACKAGE BUT TO THE OVERALL Demeanour OF THE THEN US ADMINISTRATION  
IN PARTICULAR TOWARDS THE SOVIET UNION: PAKISTAN'S CONCERN  
ABOUT PRESSURE FROM THE SOVIET UNION AND AFGHANISTAN HAD  
SHARPENED AND HAIG NOW HOPED FOR AN IMPROVED RELATIONSHIP. HE

SHARPENED AND HAIG NOW HOPED FOR AN IMPROVED RELATIONSHIP. HE ADDED THAT THE SAUDIS HAD AN INTEREST IN AND A CERTAIN DEPENDENCE ON PAKISTAN, AND THAT HE HOPED THAT THEY WOULD PROVIDE FUNDS TO THE PAKISTANIS.

3. TURKEY WAS VERY MUCH PART OF THE CONSENSUS CONCEPT AS IT LOOKED TO THE SOUTH AND EAST AS WELL AS TO NATO. EAGLEBURGER HAD TOLD ME EARLIER THAT HE PERSONALLY HOPED THAT THE MILITARY REGIME WOULD REMAIN IN PLACE IN TURKEY AND THAT THE DESIRE TO SEE EARLY ELECTIONS THERE WOULD NOT RESULT IN A REDUCTION IN ECONOMIC SUPPORT FROM EUROPEAN COUNTRIES PARTICULARLY WEST GERMANY. HAIG SAID THAT JORDAN TOO SHOULD BE INVOLVED AS WELL AS EGYPT AND SAUDI ARABIA; HE SAW SOME PROSPECT OF A RAPPROCHEMENT IN TIME BETWEEN SADAT AND THE SAUDIS.

4. HAIG EXPRESSED UNDERSTANDING OF ARAB CONCERNS THAT THERE SHOULD BE MOVEMENT OVER PALESTINE BUT WAS CONFIDENT THAT THESE COULD BE ACCOMMODATED WITH THE PEACE PROCESS. HE SAID THAT HE WAS VERY CONSCIOUS OF THE EUROPEAN INITIATIVE BUT CONCERNED ABOUT THE RELIABILITY OF THE PLO AS A POSSIBLE INTERLOCUTOR. HE EMPHASISED THAT THERE COULD BE NO DELUDING OURSELVES ABOUT THE PROBLEM POSED BY THE PLO - IN THE LAST THREE WEEKS WE HAD SEEN THE HEAVY HAND OF ARAFAT IN EL SALVADOR - AND IT BEHOVED US TO BE VERY CAUTIOUS.

5. HE ADDED THAT HE HAD SEEN DOBRYNIN EARLIER IN THE AFTERNOON AND THAT IT WAS CLEAR THAT THE FIRST ITEM ON THE SOVIET AGENDA WAS TO BE INVITED BACK INTO THE PEACE PROCESS IN THE MIDDLE EAST. I INTERJECTED THAT BY GOOD LUCK OR MANAGEMENT THE AMERICANS HAD MANAGED TO HAVE THE SOVIETS EXCLUDED FROM THE PEACE PROCESS, TO WHICH HAIG RETORTED THAT VANCE'S EFFORTS HAD NEARLY LED THEM BACK IN.

6. HAIG THOUGHT THAT THE VIEWS OF SADAT AND PERES WERE NOT TOO FAR APART AND THAT BOTH WOULD LOOK TO SINAI FIRST. I ASKED ABOUT PRESS SPECULATION HERE THAT THE AMERICANS INTENDED TO EXPLOIT THE PRESENCE OF AMERICAN MEMBERS OF THE MULTINATIONAL FORCE TO USE FACILITIES IN SINAI, PARTICULARLY THE TWO EVACUATED ISRAELI AIR BASES IN CONNECTION WITH THE DEPLOYMENT OF THE RAPID DEPLOYMENT FORCE. HAIG SAID EMPHATICALLY THAT THIS WAS NOT ON AND THAT THE SINAI WAS POORLY LOCATED FOR RDF PURPOSES, THOUGH HE CONCEDED THAT THE TWO ISRAELI AIRFIELDS MIGHT BE OF SOME USE. IT WOULD BE A TRAGEDY IF THE MULTINATIONAL FORCE WERE EXPLOITED AS A FACADE; SADAT COULD NOT LIVE WITH THAT HAIG ADMITTED THAT THE ADMINISTRATION THOUGHT THAT THE SINAI FORCE WOULD BE

AS A FACADE: SADAT COULD NOT LIVE WITH THAT HAIG ADMITTED THAT SOME IN THE ADMINISTRATION THOUGHT THAT THE SINAI FORCE WOULD BE A GOOD VEHICLE FOR PROGRESS ON THE RDF BUT SAID THAT HE HAD NO INTENTION OF APPROACHING THE SUBJECT FROM THAT ANGLE. INDEED HE WOULD HAVE PREFERRED TO AVOID US PARTICIPATION IN THE FORCE BUT THE ISRAELIS WERE INSISTING ON IT. VELIOTES ADDED THAT STERNER WOULD BE PAYING A FURTHER VISIT TO ISRAEL AND EGYPT LATER THIS WEEK TO DISCUSS THE DETAILS.

7. HAIG AGREED THAT THE GULF COUNCIL FOR COOPERATION WAS A USEFUL DEVELOPMENT AND THAT CONSULTATIONS WITH IT SHOULD BE BUILT UP. THE OMANI FOREIGN MINISTER HAD TOLD HIM THAT ALL THEIR PARTNERS IN THE COUNCIL HAD COMPLAINED PUBLICLY ABOUT OMAN'S RELATIONS WITH THE US BUT IN PRIVATE HAD URGED THE OMANIS TO STRENGTHEN THEM.

8. HAIG ADDED THAT AFTER HIS RETURN FROM THE MIDDLE EAST HE HOPED TO HAVE DISCUSSIONS WITH US AND THEN WITH THE FRENCH TO SEE WHAT WE MIGHT DO JOINTLY IN THE REGION WITH SADAT AND OTHERS INCLUDING THE GULF STATES. HE WOULD LOOK TO THE SAUDIS TO HELP OVER PAKISTAN. HE FELT THAT COOPERATION COULD BE DEVELOPED TO THE POINT WHERE IT OFFERED THE IRANIANS AN ATTRACTIVE OPTION AND A VIABLE ALTERNATIVE TO CLOSER RELATIONS WITH THE RUSSIANS. HE WAS CONVINCED THAT THE FRENCH ATTITUDE HAD CHANGED OVER THE PAST THREE YEARS AND THAT THEY NOW REALISED THE BENEFITS OF GREATER COLLABORATION WITH THE US. THEY HAD COME TO REALISE HOW WEAK THEY WERE ON THEIR OWN.

FCO PASS SAVING: ABU DHABI, ADEN, ALGIERS, BAGHDAD, BAHRAIN, BEIRUT, DAMASCUS, DOHA, DUBAI, JERUSALEM, KHARTOUM, KUWAIT, MUSCAT, RABAT, SANA'A, TRIPOLI, TUNIS, TEHRAN, BONN, NEW DELHI, THE HAGUE, UKDEL NATO, UKREP BRUSSELS.

HENDERSON

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FM WASHINGTON 250202Z MARCH 81

TO IMMEDIATE FCO

TELEGRAM NUMBER 986 OF 24 MARCH

INFO ROUTINE CAIRO, AMMAN, TEL AVIV, JERUSALEM, JEDDA, UKMIS  
NEW YORK, BEIRUT. *ms*

MIPT (NOT TO ALL): CALL ON HAIG: ISRAELI SETTLEMENTS

1. I TOLD HAIG OF YOUR CONCERN AT THE RAPID EXPANSION OF ISRAELI SETTLEMENTS IN THE OCCUPIED TERRITORIES THIS YEAR AND STRESSED YOUR HOPE THAT DURING HIS FORTHCOMING VISIT HE WOULD BRING HOME TO THE ISRAELIS THE DANGERS OF THEIR POLICY IN THIS AREA. I LEFT A PIECE OF PAPER BASED ON YOUR TELNO 446. I ALSO GAVE HIM A COPY OF HM CONSUL-GENERAL JERUSALEM'S MINUTE OF 9 MARCH ABOUT THE TARKUMIYA SETTLEMENT (NOT TO ALL) AS AN EXAMPLE OF THE HUMAN SUFFERING CAUSED BY THE SETTLEMENT POLICY. THE ISRAELIS MIGHT BE PLEASED AT THE PRESENT EXODUS OF THE ARABS FROM THE WEST BANK: BUT IT WAS ONLY COMPOUNDING THE PROBLEM FOR THE FUTURE.

2. HAIG SAID THAT WHATEVER VIEW ONE TOOK OF THE LEGAL POSITION, IT WAS VERY CLEAR THAT SETTLEMENT ACTIVITY WAS COUNTER-PRODUCTIVE SO FAR AS THE PEACE PROCESS WAS CONCERNED. HE DID NOT EXPLICITLY COMMIT HIMSELF TO RAISE THE SUBJECT IN ISRAEL BUT WE HAVE HEARD SEPARATELY THAT OFFICIAL ADVICE FROM THE DEPARTMENT IS THAT HE SHOULD DO SO. I HAVE NO DOUBT ABOUT WHERE HIS PERSONAL VIEWS LIE ON THE ISSUE, AND HE LISTENED ATTENTIVELY WHEN I GAVE HIM DETAILS OF THE RECENT STEPPING-UP OF SETTLEMENTS AND OF THE MISERY AND RESENTMENT IT CREATED.

HENDERSON

MIDDLE EAST STANDARD

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