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10 DOWNING STREET

From the Private Secretary

2 June 1980

*cc Martin Set
Iran SA P77
Mid E. SA*

Dear Paul,

MEETING WITH THE ALGERIAN MINISTER OF FOREIGN AFFAIRS

The Algerian Minister of Foreign Affairs, M. Mohammed Benyahia, called on the Prime Minister this afternoon. He was accompanied by the Algerian Ambassador, Mr. Abdelkrim Benmahmoud and Mr. Saadeddine Benouniche H.M. Ambassador at Algiers and Mr. Moberley were also present.

After an exchange of courtesies, in which both the Prime Minister and M. Benyahia said that they would like to see relations between the United Kingdom and Algeria deepened and extended, on the political as well as the economic level, the Prime Minister raised the question of the American hostages in Iran. She said that it was regrettable that because of the hostage problem Britain's relations with Iran were not as close as she would have wished. Traditionally relations between the two countries had been good. Moreover the general uncertainty in the region gave added importance to those relations. The Iranian people's choice of Government was no concern of ours. But we could not ignore the taking of hostages. M. Benyahia said that Algeria had excellent relations with Iran. There was a relationship of mutual trust. Nonetheless, he understood what the Prime Minister had said about the hostages. The Algerian Government felt the same way. They were trying to develop ideas for solving the problem.

The Algerian Government started from the belief that the maintenance of stability in Iran and of the unity of the country was essential. Both were essential if the advance of the Soviet Union was to be barred. If the country split into a number of minor and insignificant states, these would inevitably, over a period of years, fall under Soviet influence. If the Soviet Union penetrated into Iran in this way, the balance of power in the world as a whole would be upset. For this reason the maintenance of stability in Iran was central to the future of the world.

The revolution in Iran was anti-American and anti-Russian, but not anti-Western. However, European solidarity with the United States risked making the revolution anti-Western. This would be bad. Against this background, the Algerian Government was trying to keep a clear head. The hostage problem was, of course, complicated by the fact that we were now in the middle of a U.S.

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election campaign. However, M. Benyahia was confident that it would be solved before the end of the year. Once the Majles had organised itself and a Prime Minister had been appointed, it would tackle the problem. During the two months which it would take for the Majles to sort itself out, there was no chance of progress. This was the more so since the hostage problem had become mixed up with the internal political problems of the country. In the meantime, it would be an error for the West to pile on the pressure. The less said about the hostages, the better the chances of their being released.

Turning to Afghanistan, M. Benyahia said that his Government were concerned both because of the precedent which the Soviet invasion of a small neighbouring country represented and because of the aggravation of international tension which had resulted. They wanted to see the Soviet troops withdrawn. The structure proposed by the recent Islamic Conference could not lead to a solution. The Pakistan and Iranian Governments were too deeply involved to act as intermediaries. The Algerians were working with the Yugoslavs with a view to setting up a meeting of non-aligned countries at Foreign Minister level. They hoped that it would be possible to work out a procedure which would be accepted by representatives of all the major "tendencies". A structure approved by the non-aligned movement as a whole might prove acceptable to the super powers. This did not mean that other approaches need be discarded. The Prime Minister said that what mattered was that the end result should be a Soviet withdrawal from Afghanistan. Failing this, no-one was safe. M. Benyahia said that he agreed with the Prime Minister.

The Prime Minister said that she was concerned about the lack of progress towards a solution of the Arab/Israel dispute. European Governments were anxious to help and were conscious that there might be a vacuum between now and the time of the U.S. Presidential elections in November. She was concerned about the lack of precision in much of the thinking about the problem, e.g. in the references to the desirability of "self determination". No-one had worked out what this phrase meant. She wondered, therefore, whether there was a possibility of talking with the various parties involved in order to be clearer about where the future of the region lay. The rights of both the Israelis and Palestinians had to be recognised by each. The problem was to ensure that the reciprocal acts of recognition happened simultaneously. It might help towards this if the phrase "self determination" could be filled out.

M. Benyahia said he was very happy to hear the Prime Minister's words. He agreed that the concept of self determination needed to be defined. He thought it very desirable that the Europeans should attempt to discover what the Arabs wanted before formulating a definite proposal. The Algerian Government had been concerned lest Europe should come out with a proposal which would be seen as contrary to the interests of the Palestinians. This would only

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precipitate a crisis between Europe and the Arabs. M. Benyahia made it clear that the view of the Palestinians would be decisive in determining the reaction of the Arab states generally.

M. Benyahia asked the Prime Minister whether it would be possible to pursue the search for a solution without talking to the Palestinian Liberation Organisation. The Algerian Government did not think so. The Prime Minister said that the British Government would not recognise the P.L.O. as the sole representative of the Palestinian people. Nonetheless, they did recognise the natural political ambitions of the Palestinians. Continued trouble in the area was against the interests of the Palestinians, of Israel, of the adjacent Arab states, of the oil states, and of the West. Therefore HM Government would keep pressing for a solution to the problem. No progress would be made until the Palestinian people and Israeli people recognised each other's rights, and until it had been established more clearly what exactly the Palestinians wanted. Great practical problems, e.g. about the status of the West Bank, remained to be solved. M. Benyahia repeated that if these problems were to be resolved and their solution achieved, the P.L.O. would have to be dealt with. No-one else could speak for them. The Prime Minister repeated that she would not be prepared to see the P.L.O. recognised as the sole representative of the Palestinians. Given the P.L.O.'s terrorist connections, past and present, there would be serious political difficulties in doing so. She wanted to work towards a position where legitimate political arguments rather than violence were listened to. M. Benyahia said that the Prime Minister was speaking to a former terrorist. He did not dissent the principle the Prime Minister was advancing. But on occasions force was the only way to make progress.

The Prime Minister ended the discussion saying that she would like to have continued it, but that she had to go into the Chamber of the House of Commons to hear a Statement by the Lord Privy Seal.

Yours ever

Richard Alexander

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