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Foreign and Commonwealth Office

London SW1A 2AH

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Arab/Israel

The Foreign and Commonwealth Secretary believes it might be useful if the Prime Minister could send a message to President Reagan about her talks with King Hussein. As you know, the King is travelling on to Washington from London for an official visit which is due to start on 2 November. As he told the Prime Minister, this will be a very important meeting for him and equally for American policy and President Reagan personally. A helpful message might serve to prepare the way and at the same time show the President that for all our differences we are working actively for the same aim.

There is an additional reason for recommending such a message. We have been informed in confidence by Nicholas Veliotes, US Assistant Assistant Secretary of State, that there is a debate going on within the US Administration over whether the US should not alter its interpretation of Resolution 242 as it applied to the West Bank so as to bring it more in line with the current Israeli Government's interpretation, namely that the Resolution does not call for any withdrawal, since the Palestinians have at their disposal that part of the original mandate that lies east of the River Jordan. It would be a serious blow to the Arab world, and to European hopes of bringing US policy closer to that of the Ten, if the Administration made such a move.

A draft message is enclosed.

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(F N Richards)
Private Secretary

M O'D B Alexander Esq 10 Downing Street

RAFT MESSAGE FROM THE PRIME MINISTER TO PRESIDENT REAGAN pupou of the 28 October talking to King Hussein, Who well I spent an hour on He is a deeply will shortly be visiting you in Washington. worried man though he speaks, as always, in low key and with the utmost courtesy. You may find it useful before you see him to have a brief account of the main points we covered in our talks. But first let me congratulate you on the outcome of the vote on AWACS in the Senate - this is good news for all the West's friends in Saudi/Arabia and the Gulf. Hussein told me that one of his worries is that the Egyptians may be misled into concluding an agreement with the Israelis/ over the heads of the Palestinians, which the latter would be bound to reject. He himself very much hopes that Egypt will be able to return to the Arab fold, although he recognises the difficulties for many Arabs, not least because of the

process of normalisation of relations between Egypt and

Israel; but an agreement in the current autonomy talks that

very severely. He said he had written to Mubarak in these

terms.

was rejected by the Palestinians would set back the prospects

We discussed also Fahd's eight-point plan. We had not at that time of course seen your helpful comment that they could form a beginning point for negotiations. He said that he doubted whether it would be possible for the Arabs to endorse Fahd's points as they stand at the Summit meeting in Fez if only because of Syrian opposition. Nevertheless, it might be possible for the Arabs to agree on something that was effectively the same, although expressed in different words. There could be dangers in this if the proposals came to be

regarded as the irreducible minimum Arab demand; but if as you have said they can be presented as a negotiating position, it would be valuable.

In a survey of the Arab world ranging from Morocco and Mauritania in the West to the Iran/Iraq war in the East, Hussein expressed anxiety about the spreading problems that afflict so many countries in the area. He has of course no time for Quadhafi, but does not see the Libyan Army as a threat either to Egypt or indeed to the Sudan - Chad was another matter. Nearer home he himself is clearly worried by the current Israeli tendency to argue that the Palestinians, if they want a state, should seek it in Jordan, to the east of the River Jordan. This, of course, is a position which no Arab country could accept, and we have made it clear that it is not the Western position. Western countries have always taken the view that Resolution 242 calls for peace and withdrawal from occupied territory to be negotiated together, and that must mean withdrawal on the West Bank.

The one ray of hope, I believe, is that more and more Arabs are coming to see, and ineed acknowledge in public, the need for genuine negotiations with Israel. This movement will be Sadat's memorial, whatever other Arabs may say. Hussein of course has long believed in the need and now Fahd's proposals point in the same direction. If only the Palestinians could be brought to make clear beyond doubt their readiness to negotiate and live with the outcome and if, in their turn, the Israeli Government could show sufficient flexibility to allow

/the Palestinians

the Palestinians to engage eventually in negotiations, whether direct or indirect, we might have some hope of bringing about what we all so depended need, a comprehensive peace in the region. It will require much ingenuity and patience and I can assure you that we will try to play our part.

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