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FM KUWAIT 280030Z SEP 81

TO IMMEDIATE FCO DESKBY 280800Z SEP 81

TELNO 399 OF 28 SEP 81

INFO PRIORITY WASHINGTON WELLINGTON M.E. POSTS UKMIS NEW YORK, PARIS, BONN, ROME AND UKREP BRUSSELS.

FOLLOWING FROM PUS.

PRIME MINISTER'S VISIT TO BAHRAIN/KUWAIT.

1. EVEN MAKING ALLOWANCES FOR THE TRADITION OF ARAB HOSPITALITY THE PRIME MINISTER HAS BEEN FORMIDABLY WELL RECEIVED. IN BOTH COUNTRIES SHE HAS HAD FULL HEAD OF STATE TREATMENT WITH LONG CONVERSATIONS WITH AND ENTERTAINMENT BY THE TWO AMIRS AS WELL AS WITH THE PRIME MINISTERS AND OTHER SENIOR MINISTERS. THERE HAVE BEEN CONSTANT AND OBVIOUSLY SINCERE REFERENCES TO THE STRENGTH OF THE CONTINUING RELATIONSHIP WITH BRITAIN. (THIS WAS DESCRIBED IN BAHRAIN AS A "SPECIAL RELATIONSHIP" AND SO IT WAS CERTAINLY MADE TO SEEM).
2. THE TONE OF THE PRIME MINISTER'S TALKS WAS UNIFORMLY URBANE AND FRIENDLY. BUT, ESPECIALLY IN KUWAIT, NO HOLDS WERE BARRED, WHETHER IN THE POLITICAL EXCHANGES EG ON ARAB/ISRAEL, OR IN THE TONE OF COMPLAINTS ABOUT THE INADEQUACY OF PAST PERFORMANCE BY BRITISH BUSINESS AND INDUSTRY. AND THROUGH ALL THE FRIENDLINESS AND COURTESY A SINGLE DOMINANT STRAND RAN VERY CLEARLY: ACUTE CONCERN AT THE CONTINUING FAILURE TO RESOLVE THE ARAB/ISRAEL DISPUTE AND SHARP DISAPPOINTMENT, NOT TO SAY INDIGNATION, AT CURRENT AMERICAN POLICY. THIS WAS EXPRESSED FAR MORE TARTLY IN KUWAIT THAN IN BAHRAIN, BUT THE ANXIETY AND CRITICISM THERE SEEMED ONLY marginally LESS. THERE WERE NUMEROUS REFERENCES TO THE "HUMILIATION" OF THE SAUDIS BY THE AMERICANS OVER AWACS, THE OBSESSION OF THE US ADMINISTRATION WITH STANDING UP TO THE USSR INSTEAD OF MAKING PROGRESS ON PALESTINE, AND, TO CAP IT ALL, AMERICAN PLANS FOR "STRATEGIC COOPERATION" WITH ISRAEL WHICH APPEARED TO HAVE BEEN THE SOLE AND DISASTROUS OUTCOME OF BEGIN'S JOURNEY TO WASHINGTON. THE PRIME MINISTER'S VISIT HAS TO BE VIEWED AGAINST THIS BACKGROUND. IT ATTRACTED SUBSTANTIAL AND FRIENDLY COVERAGE WITH FRONT PAGE HEADLINES AND PHOTOGRAPHS ON TELEVISION AND IN THE PRESS (AT LEAST IN THE ENGLISH LANGUAGE PAPERS): THE KUWAIT TIMES PRINTED A SPECIAL SUPPLEMENT.

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3. IN BOTH CAPITALS THE PRIME MINISTER'S HOSTS EMPHASISED THE NEED FOR BRITISH PRESSURE ON THE US ADMINISTRATION OVER ARAB/ISRAEL; AND BOTH ASKED HER TO STATE BRITISH POLICY ON THE FUTURE OF CAMP DAVID. THE KUWAITIS PRESSED HER ON JERUSALEM AND RECOGNITION OF THE PLO. BOTH EXPRESSED THEIR CONTINUING CONCERN AND THAT OF ALL THE GULF RULERS AT THE EXTENT TO WHICH THEY FACED CRITICISM FOR THEIR CONTINUING FRIENDSHIP WITH THE UNITED STATES WHEN THE LATTER'S POLICY SHOWED THAT THE US WAS NO FRIEND OF THE ARABS.
4. THE PRIME MINISTER RESPONDED IN THE SAME FIRM BUT FRIENDLY TONE AS HER HOSTS. SHE REMINDED THEM OF OUR CONTINUING SUPPORT FOR THE PRINCIPLES OF THE VENICE DECLARATION AND OF WHAT HAD BEEN AND WAS BEING DONE TO FOLLOW IT UP. SHE POINTED OUT REPEATEDLY - AND THEY BOTH ACQUIESCED - THAT IT WAS IDLE TO EXPECT REAL PROGRESS WITHOUT THE AMERICANS; BUT SHE ALSO UNDERTOOK TO URGE THE AMERICANS TO DEVELOP A POLICY FOR THE PERIOD AFTER THE RETURN OF SINAI, DURING THE TWO OPERATIONAL YEARS OF THE REAGAN PRESIDENCY BEFORE THE NEXT ELECTORAL CAMPAIGN BEGAN. SHE EMPHASISED THE NEED FOR A PRACTICAL STEP-BY-STEP APPROACH AND EXPLAINED OUR HOPES FOR THE CONDITIONAL RECOGNITION OF ISRAELIS RIGHTS BY THE PLO, ARGUING THAT IT WAS UNACCEPTABLE FOR EITHER SIDE TO DEMAND THE RIGHT TO AN INDEPENDENT EXISTENCE WITHIN SECURE FRONTIERS WHILE REFUSING TO CONCEDE SIMILAR RIGHTS TO THE OTHER SIDE. IN BAHRAIN SHE UNDERTOOK TO DRAW PRESIDENT REAGAN'S ATTENTION TO CONCERN IN THE GULF AT THE DAMAGING CONSEQUENCES OF A FAILURE TO GET THE AWACS DEAL THROUGH CONGRESS (OR OF ATTACHING OFFENSIVE CONDITIONS TO IT). WITH THE AMIR OF KUWAIT, RECENTLY RETURNED FROM EASTERN EUROPE AND REPORTEDLY ADVOCATING THE ESTABLISHMENT OF RELATIONS BETWEEN THE SOVIET UNION AND KUWAIT'S GCC PARTNERS, SHE FIRMLY EXPLAINED OUR REASONS FOR RESISTING THE SOVIET THREAT TO WESTERN LIBERTY AND FOR OPPOSING SOVIET ENCROACHMENT ON THE FREEDOM OF CHOICE OF THIRD WORLD COUNTRIES (SHE CITED AFGHANISTAN). THE AMIR PROVED BOTH MORE RELAXED AND FRIENDLY AND CONSIDERABLY MORE ARTICULATE THAN WE HAD EXPECTED. BUT HIS SUBSTANTIAL EXCHANGE WITH THE PRIME MINISTER ABOUT ARAB/ISRAEL WAS BASICALLY A DIALOGUE OF THE DEAF.
5. ON THE OTHER HAND, THERE WERE ENCOURAGING AND VERY POSITIVE EXCHANGES WITH THE PRIME MINISTER IN BOTH CAPITALS ABOUT THE PROGRESS BEING MADE BY THE GULF COOPERATION COUNCIL (GCC): THE PRIME MINISTER WAS STRUCK, AS WE ALL WERE, BY THE EVIDENT DETERMINATION SHE FOUND TO DEVELOP THE GCC AND TO GIVE IT A SUBSTANTIAL PROGRAMME OF WORK. SHE WAS ALSO STRUCK BY THE READINESS, INCLUDING IN KUWAIT, TO BEGIN TO THINK IN TERMS OF A SECURITY ROLE FOR THE GCC. I THINK THIS IS BEGINNING TO TAKE OFF IN A REAL AND USEFUL WAY.

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6. THROUGHOUT HER DISCUSSIONS IN BOTH COUNTRIES THE PRIME MINISTER SPOKE LOUD AND CLEAR FOR BRITISH TRADE AND PARTICULARLY FOR THE SUPPLY BY BRITAIN OF DEFENCE EQUIPMENT WITH PARTICULAR REFERENCE TO THE TECHNICAL SUPERIORITY OF BRITISH EQUIPMENT (ELECTRONICS AND RADAR ABOVE ALL). SHE SUGGESTED THAT THE GCC SHOULD OBTAIN A BRITISH-SUPPLIED COMMUNICATIONS NETWORK, PUSHED THE RAPIER AND HAWK STRIKE TRAINER; PRESSED THE KUWAITIS TO OBTAIN THEIR COMMUNICATION/CONTROL PROJECT REQUIREMENTS FROM BRITAIN AND OFFERED TO MEET KUWAIT'S FUTURE TANK REQUIREMENTS. IN BAHRAIN SHE WAS ASKED FOR A BRITISH STUDY OF GULF AIR DEFENCE NEEDS (SEE SEPARATE TELEGRAM TO MODUK) AGAINST A BACKGROUND OF LIKELY AMERICAN PRESSURE FOR ACCEPTANCE OF A US SUPPLIED INTEGRATED SCHEME FOLLOWING THE AWACS DEAL.

SHE ALSO PUT IN A PLEA FOR CERTAIN BRITISH BIDS FOR CIVILIAN PROJECTS IN EACH COUNTRY. I THINK THE PRIME MINISTER'S DETERMINED SALESMANSHIP MADE A CONSIDERABLE IMPACT, DESPITE THE RESERVATIONS EXPRESSED ABOUT OUR PAST PERFORMANCE (SEE PARA 1 ABOVE).

ALL IN ALL A VERY WORTHWHILE VISIT AND ONE WHICH MADE A REAL IMPACT BOTH ON GOVERNMENTS AND ON THE PUBLIC. THE PRIME MINISTER HELD PRESS CONFERENCES IN BOTH CAPITALS. IN BAHRAIN THIS WAS A TAME AFFAIR AND SHE HAD LITTLE TO GET HER TEETH INTO. BUT KUWAIT WAS A DIFFERENT MATTER. HERE SHE CAME UNDER DETERMINED AND IN SOME CASES HOSTILE QUESTIONING ABOUT OUR ATTITUDE TO ARAB/ISRAEL. THE FULL TEXT WILL BE AVAILABLE TO YOU. THE ONLY DIFFICULTIES FOR SOME OF OUR POSTS MAY ARISE FROM THE PRIME MINISTER'S FORCEFUL STATEMENT OF HER VIEWS ON CERTAIN ASPECTS OF THE PALESTINIAN QUESTION IN TERMS WHICH WERE CERTAINLY JUSTIFIED BY THE TONE OF THE QUESTIONING BUT ARE LIABLE TO BE DISTORTED IN CRITICAL OR HOSTILE QUARTERS. THE TRANSCRIPT SHOWS CLEARLY THE CONTEXT IN WHICH THESE REPLIES WERE GIVEN. THE PRIME MINISTER BROUGHT OUT VERY PLAINLY OUR SEARCH FOR BALANCE, BASED ON THE VENICE PRINCIPLES, OUR REJECTION OF UNJUSTIFIED VIOLENCE ON EITHER SIDE (SHE EXPRESSED STRONG CONDEMNATION OF THE ISRAELI BOMBING OF THE IRAQI REACTOR AND MORE RECENTLY IN LEBANON) AND OUR ACCEPTANCE OF PALESTINIAN RIGHTS. BUT IN KUWAIT IN PARTICULAR THERE IS LITTLE DISPOSITION TO LOOK AT BOTH SIDES OF THE QUESTION. I DO NOT CONSIDER THAT THE ATTITUDES ON ARAB/ISRAEL EXPRESSED BOTH PUBLICLY AND PRIVATELY TO THE PRIME MINISTER IN KUWAIT DETRACT IN ANY SIGNIFICANT WAY FROM THE EVIDENT WARMTH OF HER RECEPTION, SUCCESS OF THE VISIT AND GENUINE SATISFACTION AT THE FACT THAT A BRITISH PRIME MINISTER IN OFFICE WAS VISITING THESE TWO COUNTRIES FOR THE FIRST TIME.

CAMBRIDGE.

[REPETITION TO SANA'A
REFERRED FOR DEPARTMENTAL DECISION
REPEATED AS REQUESTED TO OTHER POSTS]

FCO/WHITEHALL
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FM KUWAIT 280010Z SEP 81

TO IMMEDIATE FCO TELNO 398 OF 7/9/81
AND TO IMMEDIATE CENTROFORM LONDON,
AND TO IMMEDIATE JEDDA, ABU DHABI, DUBAI, BAHRAIN, DOHA, MUSCAT,
BAGHDAD, DAMASCUS, BEIRUT, AMMAN, TEL AVIV, CAIRO, ALGIERS,
TRIPOLI, WASHINGTON, UKMIS NEWYORK, WELLINGTON, ADEN, SANA'A,
RABAT, KHARTOUM, TUNIS, AND EEC POSTS.

PRIME MINISTER'S VISIT TO BAHRAIN AND KUWAIT.
OUR TELNO 397 OF 27 SEP 81.

1. FOLLOWING ARE EXTRACTS FROM THE PRESS CONFERENCE GIVEN BY
THE PRIME MINISTER IN KUWAIT ON THE AFTERNOON OF 27 SEPT 81.

QUESTION.

VISIT OF PRINCE FAHAD OF SAUDI ARABIA TO BRITAIN. DID YOU REACH
ANY AGREEMENT WITH SAUDI ARABIA CONCERNING THE SALE OF NIMROD
AIRCRAFT?

PRIME MINISTER. CROWN PRINCE FAHAD CAME TO BRITAIN A FEW DAYS AGO,
WE WERE HAPPY TO RECEIVE HIM AND TALK ABOUT THINGS WHICH AFFECT
SAUDI ARABIA AND BRITAIN. WE STILL HOPE AND BELIEVE
THE AWACS SALE WILL GO AHEAD. WE ARE NOT COMPETING WITH THAT.
SAUDI ARABIA WISHES TO PURCHASE THE AWACS FOR HER COUNTRY. WE
HOPE AND WE SAY PUBLICLY WE HOPE THAT THIS SALE WILL GO THROUGH.
IF IT DOESN'T THEN OF COURSE WE HOPE THAT NIMRODS WILL BE CONSIDERED
IN LIEU OF THE AWACS.

QUESTION. THE BRITISH GOVERNMENT STILL MAINTAINS A VAGUE AND
HESITANT STAND WITH REGARDS TO THE SEARCH FOR A MIDDLE EAST
SETTLEMENT ESPECIALLY WITH REGARDS TO THE PLO. WHY WOULDN'T
BRITAIN PLAY A GREATER PART WITHIN THE EUROPEAN COMMUNITY TOWARDS
A POSSIBLE SOLUTION OF THE MIDDLE EAST PROBLEM?

PRIME MINISTER. THIS WAS SET OUT A GREAT DEAL IN THE VENICE
DECLARATION WHICH I HAVE WITH ME AND IF I MAY RESPECTFULLY SAY
SO, IT IS WORTH READING BECAUSE IT DOES COVER MOST ASPECTS OF
THE MIDDLE EAST QUESTION. SECONDLY, WITH REGARD TO THE BRITISH
GOVERNMENT'S ATTITUDE TOWARDS THE PLO WE QUITE RIGHTLY DO NOT

RECOGNISE

RECOGNISE THE PLO. WE DO NOT RECOGNISE ORGANISATIONS, ONLY COUNTRIES. BUT I DO NOT WISH TO REST ON THAT IN MY REPLY. THE REASON WE DO NOT GO FURTHER AND HAVE MINISTERIAL MEETINGS WITH THE PLO IS FIRST BECAUSE OF THEIR ASSOCIATION WITH TERRORISM AND SECONDLY BECAUSE OF THE STATEMENTS BY PARTS OF THE PLO THAT THEIR REAL OBJECTIVE IS TO DRIVE ISRAEL INTO THE SEA AND WIPE IT OFF THE FACE OF THE GLOBE AND YOU WILL BE FAMILIAR WITH SOME OF THE STATEMENTS WHICH HAVE BEEN MADE TO THAT EFFECT. THE OBJECT OF THE VENICE DECLARATION IS SO THAT EACH SIDE OF THE DISPUTE RECOGNISES THE RIGHTS OF THE OTHER. YOU HAVE HEARD ME SAY QUITE FREQUENTLY, IT IS IMPOSSIBLE TO ASK SOMETHING FOR YOURSELF - NAMELY SELF-DETERMINATION AND TO LIVE WITHIN SECURE BOUNDARIES - UNLESS YOU ARE PREPARED ALSO TO GRANT THAT SAME RIGHT TO OTHERS. TO THE ISRAELI PEOPLE WE SAY IF YOU WANT TO LIVE WITHIN SECURE BORDERS AS A COUNTRY YOURSELF YOU HAVE A RIGHT TO DO SO BUT YOU MUST RECOGNISE THE RIGHTS OF THE PALESTINIAN PEOPLE. TO THE PALESTINIAN PEOPLE WE SAY IF YOU WANT THE RIGHT OF SELF-DETERMINATION AND WE RECOGNISE THAT THE PALESTINIAN PROBLEM IS NO LONGER A REFUGEE PROBLEM BUT A PROBLEM OF NATIONAL IDENTITY, YOU TOO MUST RECOGNISE THE RIGHTS OF THE ISRAELIS TO LIVE IN PEACE BEHIND SECURE BORDERS. NOW OUR EFFORTS HAVE BEEN DIRECTED TOWARD TRYING TO GET THOSE TWO THINGS RECOGNISED SIMULTANEOUSLY. SO FAR WE HAVE NOT SUCCEEDED BUT WE HAVE NOT GIVEN UP. IF EACH WOULD RECOGNISE THE RIGHTS OF THE OTHER THERE WOULD BE A BASIS TO GO AHEAD.

QUESTION BRITAIN, HAD PREVIOUSLY EXPRESSED SUPPORT FOR THE RAPID DEPLOYMENT FORCE AND EXPRESSED HER WILLINGNESS TO CONTRIBUTE TROOPS TO THAT FORCE AND SHE HAS ALSO SAID THAT THE DEFENCE OF THE GULF IS THE AFFAIR OF ITS STATES. DOES THAT MEAN THAT THE BRITISH GOVERNMENT IS GOING BACK ON ITS FIRST STATEMENT?

PRIME MINISTER. THERE IS NO INCONSISTENCY BETWEEN THE TWO. OBVIOUSLY THE DEFENCE OF ANY COUNTRY IS PRIMARILY THE RESPONSIBILITY OF THAT COUNTRY. V WE NORMALLY HAVE TO FORM REGIONAL ASSOCIATIONS OF ALLIES THE BETTER TO BE ABLE TO DEFEND ONE'S POSITION. IN THAT CONNECTION WE ARE VERY HAPPY FIRSTLY AT THE FORMATION OF THE GULF COOPERATION COUNCIL RECENTLY AND SECONDLY TO CONSIDER DEFENCE AND SECURITY AS PART OF ITS DUTIES. IT IS FIRST THE DUTY OF THE COUNTRIES OF THE AREA TO DEFEND THEMSELVES. IF THEY SEEK HELP FROM OUTSIDE, AS THEY MAY WELL SEEK HELP FROM OUTSIDE IF ANY UNFORSEEN EVENT ARISES, ONE COULD NOT POSSIBLY BE IN A POSITION TO GIVE THAT HELP. UNLESS ONE HAD A RAPID DEPLOYMENT FORCE TO MOVE QUICKLY. SO THE POINT IS TO HAVE A RAPID DEPLOYMENT FORCE AND IF THE UNITED STATES THINKS OF FORMING ONE WE WOULD LIKE TO CONTRIBUTE SO THAT IF CALLED IT COULD BE MOVED QUICKLY. IT IS NOT THE INTENTION TO MOVE TO PROVIDE HELP FOR AN AREA WITHOUT A REQUEST FROM THAT AREA. THE TWO ARE NOT INCONSISTENT IN ANY WAY.

QUESTION

IT IS REPORTED THAT YOUR GOVERNMENT HAS INVITED THE PLO CHAIRMAN, YASSIR ARAFAT, TO VISIT GREAT BRITAIN PROVIDING HE PROMISES TO RECOGNISE ISRAEL. WOULD YOU CARE TO COMMENT ON THAT?

PRIME MINISTER. I THINK THE POSITION IS THIS: WE ARE PRESIDENT OF THE EUROPEAN COMMUNITY AT THE MOMENT. LORD CARRINGTON IN HIS CAPACITY AS PRESIDENT OF THE EUROPEAN COMMUNITY HAS BEEN TRYING TO PERSUADE THOSE WHO HAVE INFLUENCE ON THE PLO TO GET THEM CONDITIONALLY TO SAY THEY WOULD RECOGNISE ISRAEL'S RIGHT TO EXIST AS A NATION BEHIND SECURE BORDERS WHICH CAN BE DEFENDED, PROVIDED THAT ISRAEL RECOGNISED THE RIGHTS OF THE PALESTINIAN PEOPLE. IF THAT CONDITIONAL RECOGNITION WERE TO COME IT WOULD MAKE A VERY BIG DIFFERENCE TO THE WILLINGNESS OF LORD CARRINGTON TO SEE YASSIR ARAFAT AT ANY RATE IN HIS CAPACITY OF PRESIDENT OF EUROPE. PREVIOUS PRESIDENTS OF EUROPE HAVE SEEN MR ARAFAT IT MAY BE THAT LORD CARRINGTON WOULD HAVE TO CONTINUE THAT. IT WOULD MAKE IT A GREAT DEAL EASIER AND A STEP IN THE DIRECTION TOWARDS SOLVING THE PROBLEM IF ONE CAN GET THAT CONDITIONAL RECOGNITION. " WE WILL RECOGNISE YOUR RIGHT TO EXIST IF YOU WILL RECOGNISE OURS".

QUESTION. HOW DOES THE BRITISH GOVERNMENT VIEW KUWAIT'S ATTEMPT TO TAKE A BALANCED STAND BETWEEN EAST AND WEST AND KUWAIT'S INVITATION TO OTHER COUNTRIES TO FOLLOW HER EXAMPLE?

PRIME MINISTER. IT IS A MATTER FOR THE AMIR OF KUWAIT TO DECIDE HIMSELF WHICH COUNTRIES HE VISITS. WITH REGARD TO DIPLOMATIC REPRESENTATIONS FOR THOSE COUNTRIES ON THE GULF, IT IS FOR EACH AND EVERY COUNTRY IN THE GULF TO DECIDE ITSELF. IT IS NOT FOR ME TO SAY FOR THEM, THEY ARE WHOLLY INDEPENDENT TO DECIDE FOR THEMSELVES. WITH REGARD TO ANY INTERPRETATION WHICH IS PUT ON ANYTHING THE AMIR IS ALLEGED TO HAVE SAID YOU MUST ASK THE KUWAITI GOVERNMENT AND NOT ME.

QUESTION. WHAT ARE YOUR VIEWS ON THE RECENT STRATEGIC COOPERATION REACHED BETWEEN THE REAGAN ADMINISTRATION AND THE ISRAELI GOVERNMENT. DON'T YOU THINK THAT THIS COOPERATION WILL BE A FURTHER THREAT TO PEACE IN THE MIDDLE EAST?

PRIME MINISTER. NO I DON'T REALLY THINK THAT IT IS VERY DIFFERENT TO THAT RELATIONSHIP WHICH EXISTS NOW AND I THINK THAT PERHAPS TOO MUCH INTERPRETATION IS DRAWN FROM COMPARATIVELY SMALL WORDS. AS YOU KNOW THE UNITED STATES DOES SUPPLY FAIRLY CONSIDERABLE ARMS TO ISRAEL AND SHE DOES INDEED GIVE CERTAIN GUARANTEES ABOUT HER OIL SUPPLIES, SO I DON'T THINK THE RECENT DECLARATION MAKES THE SITUATION DIFFERENT. I THINK IT UNDERLINES WHAT WE HAVE BEEN SAYING FOR SOME TIME THAT THE COUNTRY WHICH CAN BRING MOST INFLUENCE TO BEAR ON THE SOLUTION OF THE ISRAEL/ ARAB PROBLEM IS THE UNITED STATES.

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QUESTION

YOU HAVE SAID MANY TIMES THAT ANY EUROPEAN INITIATIVE SHOULD NOT BE COMPARED WITH THE CAMP DAVID ACCORDS. BUT IN THE LIGHT OF THE NEW STRATEGIC COOPERATION REACHED BETWEEN RONALD REAGAN AND MENACHIM BEGIN DO YOU THINK THAT THAT THE UNITED STATES WILL EVER ASSERT ANY ORESSURE ON ISRAEL.

PRIME MINISTER. NOW CAN I TAKE THAT ONE AT A TIME. WHAT WE HAVE SAID IN EUROPE WAS THAT OUR VENICE DECLARATION WAS MEANT TO BE COMPLEMENTARY TO THE UNITED STATES EFFORTS AT CAMP DAVID NOT IN COMPETITION WITH IT. BUT MEANT AS A HELP IN ITSELF TO THE WHOLE ARAB/ISRAELI PEACE PROCESS. AND THAT OF COURSE IS WHY WE MADE THE DECLARATION. INSOFAR AS YOU CALL IT CAMP DAVID, THE PROCESS AS YET TO BE COMPLETED BY THE TRANSFER OF THE SINAI LAND FROM ISRAEL TO EGYPT. THAT FACT IS THE FIRST PRACTICAL TRANSFER OF LAND BACK FROM ISRAEL TO AN ARAB COUNTRY SINCE THE HOSTILITIES WHICH WERE THE SUBJECT OF A UNITED NATIONS RESOLUTION. THAT TRANSFER WILL BE COMPLETED IN APRIL/MAY NEXT YEAR. I THINK THAT WE ALL REFER NOW NOT SO MUCH TO CAMP DAVID AS TO THE PEACE-MAKING PROCESS. I AM CERTAIN THAT THE UNITED STATES WILL WISH TO CONTINUE AND THAT IT IS CONSIDERING AT PRESENT HOW BEST TO CONTINUE - BUT WHETHER A UNITED STATES OR WHETHER A EUROPEAN INITIATIVE, WE ARE ALL AWARE OF THE URGENCY OF THIS PROBLEM AND HOW MUCH WE NEED TO MAKE FURTHER PROGRESS ON THIS PARTICULARLY IN THE COMING TWO YEARS. WE STILL CONTINUE TRYING TO PUT OUR VENICE DECLARATION INTO EFFECT. AS I SAID THE FIRST STEP IS TO GET RECOGNITION BY EACH SIDE OF THE RIGHTS OF THE OTHER AS A CONDITION FOR SETTLEMENT. IT IS NOT A COMPETITION-WE ARE ALL TRYING TO HELP IN THE SAME PROCESS, EACH DOING THE BEST THING WE CAN TO HELP IT FORWARD.

QUESTION. REGARDING THE PLO AND MR ARAFAT IN PARTICULAR, YOU DON'T RECOGNISE THE PLO BECAUSE IT IS RELATED TO TERRORISTS. I WONDER WHETHER YOU CONSIDER THE ATTACKS AND ISRAEL RAIDS ON THE SOUTH OF LEBANON, ON THE IRAQI NUCLEAR PLANT, ON BEIRUT, ON THE REFUGEE CAMPS, ACTS OF TERRORISM. SECOND, I WOULD LIKE TO KNOW THE DEFINITION OF TERRORISM IN THE POINT OF VIEW OF YOUR EXCELENCY BECAUSE MR BEGIN WAS SENTENCED ACCORDING TO THE BRITISH LAWS FOR KILLING TWO BRITISH OFFICERS IN PALESTINE. THE THIRD POINT, YOU ARE NOT THE FIRST PRIME MINISTER OR RESPONSIBLE EUROPEAN WHO SAYS THAT THE PALESTINIANS WOULD LIKE TO THROW THE ISRAELIS INTO THE SEA. I DO CHALLENGE ANY EUROPEAN OR AMERICAN OR ISRAELI SOURCE TO TELL US FROM WHERE HE GETS THIS SENTENCE.

PRIME MINISTER. WITH REGARD TO YOUR LATTER POINT, IT WAS AT ONE OF THE CONFERENCES OF EITHER A PART OF THE PLO ORGANISATION OR THE WHOLE. WITH REGARD TO TERRORISM AND MR BEGIN YOU HAVE MADE YOUR POINT. IT IS ONE THAT IS NOT LOST ON ANY OF US. AS YOU SAY HE IS PRIME MINISTER OF ISRAEL, AND I MUST EQUALLY TELL YOU THAT THERE HAVE BEEN PRIME MINISTERS OF NATIONS IN THE BRITISH COMMONWEALTH

WHO IN FACT MAYBE HAVE PREVIOUSLY BEEN PUT IN PRISON BY THE BRITISH FOR THE PART THEY PLAYED IN TERRORIST ACTIVITIES. WHEN THEY BECAME PRIME MINISTER ONE HAS TO DEAL WITH THEM AS PRIME MINISTER OF A COUNTRY. THEY HAVE AFTER ALL BEEN ELECTED AS PRIME MINISTER OF A COUNTRY AND THAT IS A DEMOCRATIC RIGHT OF A COUNTRY. WITH REGARD TO YOUR FIRST POINT, I ENTIRELY AGREE WITH YOU ABOUT THE BOMBING BY ISRAEL OF THE NUCLEAR RESEARCH CENTRL IN IRAQ. INDEED I WAS ONE OF THE FIRST TO GET UP IN THE HOUSE OF COMMONS AND SAY THIS IS TOTALLY WRONG, AN UNPROVOKED ATTACK, AND MUST BE TOTALL COMDEMND. WE CONDEMND IT NO LESS THAN YOU CONDEMND IT. IT WAS A VIOLATION OF SOMEONE ELSE'S TERRITORY. IT SHOULD NEVER HAVE HAPPENED WE CONDEMND IT TOTALLY AND UTTERLY. WITH REGARD TO THE ATTACKS ON BEIRUT IN THE LEBANON, SIMILARLY, WE CONDEMND THOSE AND I WAS VERY, VERY GLAD THAT MR HABIB MANAGED TO SECURE A CEASE-FIRE THERE BECAUSE I THINK THE SITUATION WAS EXTREMELY DANGEROUS. I AM GLAD FOR THE EFFORTS OF MR HABIB OF THE UNITED STATES. FRONT OF COURSE ALSO IN THEIR EARNESTNESS AND ACTIVITIES TO GET A SETTLEMENT WAS SAUDI ARABIA, AND BOTH OF THE EFFORTS WERE SUCCESSFUL IN PREVENTING WHAT COULD HAVE BEEN A VERY UGLY SITUATION.

QUESTION. CAN I ASK ABOUT THE SAUDI PROPOSAL FOR PEACE IN THE MIDDLE EAST.

PRIME MINISTER. WE WERE DELIGHTED THAT CROWN PRINCE FAH'D TOOK THE INITIATIVE WITH HIS 8 PRINCIPLES, AND WE HOPE THAT IT WOULD BE PURSUED. YOU WOULD NOT EXPECT M ME TO AGREE WITH EVERYONE IN EVERY PARTICULAR DETAIL, BUT IN GENERAL THE GENERAL THRUST AND MOVEMENT OF THEM WAS RIGHT AND WE HOPE THAT THEY TOO WILL EARNESTLY BE PURSUED. WE TOLD HIM HOW PLEASED WE WERE THAT HE MADE THAT INITIATIVE.

QUESTION. IS IT RIGHT THE IDEA THAT BRITAIN IS THINKING OF COMING BACK INTO THE GULF?

PRIME MINISTER. YOU CAN NEVER, NEVER GO BACK. YOU ALWAYS HAVE TO START FROM THE PRESENT. WE HAVE IN THE GULF COUNTRIES A TREMENDOUS FEELING OF FREINDSHIP FOR THOSE COUNTRIES AND WE KNOW THAT THAT IS REFLECTED HERE. WE THEREFORE WISH TO BE HERE MORE TO DEMONSTRATE OUR SUPPORT FOR THE GULF COOPERATION COUNCIL TO HAVE CLOSER TRADING LINKS, AND IN GENERAL TO BE EVEN CLOSER FRIENDS. BUT IT IS NOT A QUESTION OF SAYING WHETHER WE THOUGHT WHAT HAPPENED WITH THE WITHDRAWAL 10 YEARS AGO WAS RIGHT OR WRONG, IT HAPPENED. THERE IS NO POINT IN DISCUSSING IT. WE START FROM WHERE WE ARE NOW.

ENDS.

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