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THE PRIME MINISTER

12 November 1979

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Thank you for your letter of 26 October and the notes of your very interesting talks in Cairo.

I shall try to respond to the crucial points of principle which you raise about our policy in the Middle East.

There should be no doubt that we understand and welcome the great significance of Camp David. The peace treaty between Egpyt and Israel is a remarkable achievement. It has transformed the political and strategic structure of the area and opened up new possibilities for wider peace. The treaty's provisions have so far been carried out promptly and conscientiously by both sides. We hope that progress on the autonomy provisions of the Camp David framework will prove equally successful. This is the view which we consistently express to our Arab friends.

The autonomy provisions, of course, are an integral part of the agreement between Israel and Egypt. None of the principals has claimed that the peace treaty is in itself a full settlement of the conflict or that the autonomy provisions could automatically bring comprehensive peace to the region. But if the Camp David autonomy negotiations do not lead towards a comprehensive settlement, there is a serious danger that even the Egypt/Israel peace will fail to hold. In supporting Camp David, we do not and cannot back Egypt and Israel in their confrontation with Jordan, Saudi Arabia and the rest of the Arab world. If our interests in the area, strategic as well as economic, are to be secured we need to see Camp David lead to a comprehensive settlement in which

all can join. Only then can the potential of the alignment between Egypt, Israel and the West of which you speak be turned to full account. That is why the Palestinian issue is crucial and why the PLO has become a significant factor in Middle East politics.

You refer to President Sadat's concern to limit Soviet influence. This is of course a concern which we share. The question at issue is not our objective but what means we should use. Many of our best friends in the area do not see Camp David as the answer. King Hussein for example believes that Camp David is leading to a polarization in the Arab world inimical to the interest of the West and their friends. This is why he urges us to move towards the Palestinians to demonstrate that we have Arab interests at heart. To ignore this aspect entirely is to play into the hands of the extremists.

To put it bluntly, if we are to help our friends and defend our own interests in the region, we cannot identify ourselves solely with Israel and Egypt without regard to our links with the rest of the Arab world; if we do, the Arabs will undoubtedly move, willingly or not, towards the Soviet Union. And the regimes which fight this trend will be at greater risk.

In the Gulf, we have been trying to foster some community of purpose and regional co-operation in matters of defence and security. The recent concerted Gulf support for the Government of Bahrain in the face of renewed Iranian claims was encouraging. At the same time we continue to encourage the states of the area to look to the West for assistance in all fields. We shall certainly continue to help Oman.

However, the Gulf States are generally uneasy at the prospect of any increased Western military presence in the area. If we were to attempt to intervene in the Gulf uninvited, we would merely precipitate the sort of increased instability in the area which we are seeking to avoid. Support for our friends in the Gulf can be best demonstrated by the provision of loan service personnel and military training in the UK; supply of defence equipment; and regular naval and air deployments to the area, including, if possible, joint exercises with friendly States. In addition, both

Peter Carrington and Douglas Hurd will be visiting the Gulf in the New Year. Their visits will provide good opportunities to reaffirm our support and underline the community of our interests.

I understand that Francis Pym will be replying separately to your proposals for the establishment of an intervention force.

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The Rt. Hon. Julian Amery, M.P.