

SUBJECT

cc. Madris



BF file Lb

blind copy to
Sir A Parsons

10 DOWNING STREET

From the Private Secretary

4 January 1983

MIDDLE EAST

Mr. Hurd called on the Prime Minister at Chequers today for a discussion of certain problems affecting our policy towards the Middle East, in particular the current difficulties surrounding the proposal that an Arab League Delegation should visit London. Sir Anthony Parsons was also present.

Mr. Hurd emphasised the danger posed to our interests in the Middle East by our present attitude towards the PLO. This problem could have, and was perhaps already beginning to have, an adverse effect on our commercial and other interests in the area. He did not wish to suggest that the Prime Minister should receive a PLO representative but he believed that in due course we should need to show more flexibility in our attitude to the PLO.

The Prime Minister said that she did not believe it would be right for a Cabinet Minister to receive a PLO representative, but we should look for other ways of enabling the Arab League visit to proceed.

It was agreed that we should seek now to achieve a lessening of public interest in the proposed visit and should avoid giving any impression that we were running after the Arabs. In public we should take the line that we were in contact with Arab Governments about the problem and hoped that it would be possible for the visit to take place, if not in the immediate future, then a little later in the year. Meanwhile, we should continue to negotiate the arrangements with King Hassan, whose definitive response to our latest proposals was still awaited.

There was also some discussion of ways of improving the atmosphere of our relationship with Saudi Arabia. It would be helpful if the Chancellor of the Exchequer would take any opportunity during his forthcoming visit to Riyadh to emphasise our desire for good relations and our wish that suitable arrangements can be made for an Arab League Delegation to be received in London as soon as possible (though Sir Geoffrey Howe would not wish to enter into discussion of the nature of the arrangements).

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Two other matters were also discussed:-

- (a) On Oman, Mr. Hurd said that a recent conversation with General Creasey had shown that there were still problems to be settled regarding British personnel serving with the Sultan's Armed Forces. The Prime Minister said that it was imperative that these long-standing problems should be sorted out very quickly indeed.
- (b) It was agreed that a further meeting should be arranged at which our policy towards the general Arab/Israel problem and our strategy in the Middle East as a whole should be discussed (it is unlikely to be possible to find a suitable time for such a meeting until next month).

Finally, the Prime Minister asked Mr. Hurd to brief the Foreign and Commonwealth Secretary on the various matters discussed at the meeting.

I am copying this letter to John Kerr (H.M. Treasury).

A. J. COLES

John Holmes, Esq.,
Foreign and Commonwealth Office.