

Prime Minister

Foreign and Commonwealth Office

To note.

London SW1A 2AH

A.S.C. 1/2

c. ~~Si~~ A. Parson.

25 February 1983

Dear John,

Palestine National Council (PNC):
14-22 February

The Prime Minister may like to have an assessment of the recent PNC meeting in Algiers.

The main product of the meeting is the political statement (summary attached). Microscopic examination of the text is an exercise of limited value. The PNC is an occasion for rhetoric and the political statement is meant to provide a basis for PLO unity. The PNC is a kind of Palestinian festival as much as a political meeting and the Algiers meeting was the largest to date (4,000 visitors in all, 355 delegates).

Nevertheless the important points of the statement are:

- i) Fez. The statement does nothing to undermine the Fez Summit, but describes it as the 'minimum'.
- ii) Jordan. The statement says that relations with Jordan should be 'on the basis of a confederation', naturally adding 'between two independent states'
- iii) Reagan. The statement 'refuses to consider this plan as a suitable basis'. This is a compromise between outright rejection and no criticism at all.

The Executive Committee (Cabinet) of the PLO was re-elected exactly as before, except for one resignation of little or no political significance. Arafat retains majority support, but the Committee continues to include representatives of factions other than Fatah more or less opposed to Arafat's policies.

The statement condemns terrorism in almost exactly the same terms as the 1981 statement. Other points worth noting:

- i) Reaffirmation that the PLO is 'sole representative' of the Palestinians and rejection of any formula for mandating or deputising (but this need not exclude a joint Jordanian Palestinian negotiating team as envisaged by Arafat and Hussein);

/ii)



- ii) The statement rejects Camp David but no longer calls for it to be 'aborted': relationship with the Egyptian regime is to be on the basis of abandonment of the 'Camp David policy';
- iii) The statement expresses appreciation of the Prague statement of 3 January and of the Brezhnev plan of 16 September 1982. The Prague statement called for 'the termination of the state of war and establishment of peace between the Arab states and Israel' and the Brezhnev plan called on all parties 'including Israel and the Palestinian state to respect each other's sovereignty, independence and territorial integrity'.

The key question is whether Arafat has emerged with sufficient freedom of manoeuvre to allow him to deal with King Hussein and take the peace process forward. In our view, he has, just, although the terms of the declaration inevitably impose some constraints on him. But only time will tell whether he has the will to go with this limited freedom of manoeuvre. We know from King Hussein that he has made it clear to Arafat that if he does not take the opportunity now offered to put the Americans and Israelis on the spot, the King will publicly denounce Arafat. The King has also been stressing to him the urgency of the situation on the West Bank and the potentially disastrous consequences of failure to make progress now. But Arafat will have to take some brave decisions and risk internal feuding if he is to give the King enough on the joint delegation and readiness to talk about the Reagan plan. His past record of avoiding awkward choices wherever possible does not inspire confidence on this score.

Yours ever
J E Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
 10 Downing Street