

RECORD OF CONVERSATION BETWEEN THE SECRETARY OF STATE AND UNITED STATES SECRETARY OF STATE HAIG AT THE FOREIGN AND COMMONWEALTH OFFICE, ON FRIDAY 10 APRIL

Present:

Secretary of State	Secretary of State Haig
LPS	Mr Eagleburger - Assistant Secretary for Europe
PUS	Mr Veliotes - Assistant Secretary for the Middle East
Mr Bullard	Mr Streator - Charge d'Affaires, American Embassy
Sir J Graham	Mr MacFarlane - Counsellor, State Department
Mr Day	Mr Simons - Counsellor, American Embassy
Mr Walden	Mr Goldberg - Executive Assistant
Mr Fenn	
Mr Richards	

Middle East

Mr Haig said that his visits to Middle Eastern capitals had been a success, but not of the kind that would be reflected in the press or in immediate changes of policy. The real - undeclared - purpose of the visit was to deflect Mr Begin from asking to visit Washington before the Israeli elections (he asked that this information be treated with particular discretion). Apart from this, the visits had three objectives:

- (a) to establish personal relations with Arab and Israeli leaders following the change of the US Administration;
- (b) to discuss the Soviet dimension, and in relation to the "strategic consensus" to establish that the US objective was to create external security for the Middle East within which the peace process could go ahead. The peace process and external security were complimentary rather than rival priorities. This point had been taken

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wherever he had gone, though less readily in Saudi Arabia. The Saudis had, however, clearly been impressed by what they had been told of Soviet capabilities (they had, for example, been shown photographs of SCUD missiles in the PDRY targeted on Riyadh);

- (c) to establish that the US remained committed to the peace process, while accepting that the scope for progress before the Israeli elections was limited. No one had come forward with a more promising alternative. He had not raised the "Jordanian option" which clearly did not exist as such in present circumstances.

He felt that he had improved the atmosphere in bilateral relations in each capital visited, and particularly in Cairo and Riyadh. The US were not seeking bases in the Middle East. Some of the noises that had been made on the subject in Washington were simply a domestic subterfuge to obscure US failure in Iran. He well appreciated the need not to place an excessive burden on friendly Arab regimes.

Lord Carrington asked whether Mr Haig thought that the Arab attitudes to the US would be coloured by US policies on the Arab/Israel issue. In particular, were Saudi Arabia and Jordan expecting that the US would abandon Camp David in return for their recognition of Western interests in the area? Mr Haig said that they were not. They were looking mainly for an assurance that the US would back their existing regimes, and were not interested only in maintaining the security of the Gulf oil installations and the shipping lanes through the Straits of Hormuz, as they had been led to believe by the previous Administration. When he had seen the Saudi Crown Prince, he had been subjected to a monologue on familiar lines, but the atmosphere of the meeting

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been entirely changed when he offered this assurance. He remained, however, worried about the fragility of the Saudi regime. There was something of an Alice in Wonderland atmosphere in Saudi Arabia. There was no real stability behind the facade of new buildings and expensive military equipment. There was an obvious parallel with the Shah's Iran.

The Secretary of State agreed, but pointed out that Saudi Arabia had a small population and greater resources than Iran. The Arab/Israel dispute remained the fundamental issue for Arab countries, and the mainspring of their attitude to everything else. The US decision on its attitude to this issue would either provide the Arabs with real reassurance, or set American efforts in this direction back to square one. Mr Haig said that this view underestimated the complexity of the picture, given the diversity in Arab outlook and structures. The US did not believe that an understanding comprehensive solution was the only way to sound^a relationship with the Arab world. Arabs must not be encouraged to follow Arab interests purely in Arab/Israel terms, neglecting entirely the threat from the Soviet Union and its proxies. The Secretary of State had not meant to suggest that the Arab/Israel dispute could be solved in the short term. It was, however, necessary to get things moving in the right direction, and for the West to have policies which looked even-handed. This issue coloured Arab attitudes to everything else in a disproportionate way. The Lord Privy Seal agreed. The Arab/Israel issue affected the Arab approach to East/West relations. If Arab States were strongly pro-Western at a time when the West seemed to be leaning towards Israel, this would weaken them domestically, so strengthening their stability. It was true that King Hussein had no new ideas. But the existence of Camp David formed a road-block preventing him from seeking alternative ways forward. Mr Haig said that the fact that the Carter Administration had been unable to supply Jordan with anti-tank weapons when he felt most threatened by Syria had produced a deep impression on King Hussein.

/Mr Haig

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Mr Haig expressed confidence that Mr Peres would win the Israeli elections. Mr Peres had been in touch with President Sadat. His more flexible approach would not of itself solve the Arab/Israel problem, but would help with the first two steps - agreement to a Sinai peace keeping force before the Israeli election and autonomy talks leading to an agreement by the end of the year. This should suit both Mr Peres and President Sadat. Lord Carrington said that the European position was in limbo until the Israeli election. Thereafter, the Europeans were faced with a commitment to a Euro/Arab summit, now postponed until later in the year. He felt that it might be possible to extract a price for European attendance at such a summit; also the PLO was no longer in the chair on the Arab side, its attendance at a summit would enhance its status. This price might be conditional Arab acceptance of Israel's right to exist within secure boundaries. Mr Haig feared that this tactic might fragment the PLO and so give Israel an excuse for intransigence. Failure would humiliate and make the situation much worse. This view was held by all those in Washington who had examined the question. Despite his scepticism he would consider the matter further; it should be discussed by officials.