

SECRET

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FOR THE PRESIDENT FROM THE SECRETARY  
FOR S/S AND S - EYES ONLY

E.O. 12356: DECL: OADR  
TAGS: OVIP (SHULTZ, GEORGE P.)  
SUBJECT: MEMORANDUM FOR THE PRESIDENT, LONDON, JUNE 7

1. SECRET - ENTIRE TEXT.
2. MEMORANDUM FOR THE PRESIDENT

FROM: GEORGE P. SHULTZ

SUBJECT: MY MEETING WITH PRIME MINISTER THATCHER  
JUNE 7, 1985

OUR MEETING AT NO. 10 DOWNING STREET THIS EVENING COVERED TWO TOPICS: INTERIM RESTRAINT AND THE MIDDLE EAST PEACE PROCESS. WHEN WE CONCLUDED, MARGARET SAID SHE WOULD BE REPEATING HER VIEWS ON INTERIM RESTRAINT IN A MESSAGE DIRECTLY TO YOU. I WILL CONFINE THIS REPORT, THEREFORE, TO OUR CONVERSATION ON THE MIDDLE EAST.

MRS. THATCHER REFERRED FREQUENTLY TO THE CABINET CHANNEL  
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MESSAGE WHICH YOU SENT TO HER FOLLOWING KING HUSSEIN'S VISIT TO WASHINGTON. SHE CLEARLY APPROVES OF THE GENERAL APPROACH WHICH WE TOOK WITH THE KING AT THAT TIME, AND WHICH WOULD START WITH A MEETING BETWEEN DICK MURPHY AND CREDIBLE, BUT NON-PLO PALESTINIANS. WHAT WAS SURPRISING, HOWEVER, WAS HER STATEMENT THAT HUSSEIN, WHEN HE SAW HER EARLIER IN THE WEEK HERE IN LONDON, SAID THAT ITALY AND FRANCE HAVE ALREADY AGREED TO A JORDANIAN PROPOSAL THAT THEY MEET WITH A DIFFERENT DELEGATION -- ONE COMPOSED OF THE JORDANIAN FOREIGN

**REVIEW AUTHORITY: Robert Homme, Senior  
Reviewer**

MINISTER OR HIS DEPUTY AND MEMBERS OF THE PLO. THE KING, SHE SAID, PROPOSED THAT SUCH MEETINGS SHOULD TAKE PLACE BEFORE MURPHY'S MEETING. HUSSEIN, SHE SAID, HAD ASKED HER WHETHER BRITAIN WOULD ALSO SIT DOWN WITH A JORDAN-PLO DELEGATION. SHE RESPONDED THAT THIS WOULD NOT BE POSSIBLE UNLESS THE PLO REJECTED TERRORISM AND ACCEPTED 242 AND 338. SHE TOLD THE KING THAT THE PEACE PROCESS SHOULD BE PLAYED OUT STEP BY STEP, AND THAT THE FIRST STEP SHOULD BE MURPHY'S MEETING WITH JORDANIANS AND ACCEPTABLE PALESTINIANS, NOT THE EUROPEAN-PLO MEETINGS THAT THE KING WAS PROPOSING. JORDAN, SHE SAID, SHOULD NOT JEOPARDIZE THE FIRST STEP (MURPHY'S MEETING) BY TRYING TO PUT MEETINGS WITH THE PLO IN THE FOREFRONT OF THE PROCESS.

I TOLD HER THAT HER REPLY TO HUSSEIN WAS ABSOLUTELY RIGHT. THE GOAL IS TO GET DIRECT NEGOTIATIONS BETWEEN JORDAN AND ISRAEL. BEFORE THIS BECOMES POSSIBLE THERE VERY WELL MAY HAVE TO BE AN ISRAELI ELECTION. IF THE ISSUE IN THAT ELECTION IS WHO WILL MEET WITH THE PLO, THE PEACE PROCESS WILL BE THE LOSER. IF THE ISSUE IS WHO WILL MEET IN DIRECT NEGOTIATIONS WITH JORDAN AND CREDIBLE PALESTINIANS, ISRAEL IS LIKELY TO CONTINUE TO GIVE THE PROCESS A CHANCE.

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THE MURPHY MEETING CAN BE A STEP TOWARD DIRECT JORDAN-ISRAEL NEGOTIATIONS. THE MEETINGS HUSSEIN PROPOSED TO HER WOULD BE A STEP TOWARD DEALING WITH THE PLO -- AND WOULD BRING THE PEACE PROCESS TO A HALT.

MARGARET WAS ALSO HELPFUL ON THE QUESTION OF AN INTERNATIONAL CONFERENCE, TELLING HUSSEIN THAT AS A POLITICIAN SHE KNOWS THAT "YOU CAN'T RUN THE SAME RACE TWICE." IN OTHER WORDS, HUSSEIN SHOULD DROP THE IDEA THAT A RERUN OF THE 1973 GENEVA CONFERENCE WITH SOVIET PARTICIPATION CAN BE MADE TO WORK.

I WENT OVER THE OTHER KEY POINTS OF OUR THINKING AS WELL: THE ARMS PACKAGE, THE IDEA OF USING WEST BANK ELECTIONS UNDER CAMP DAVID TO PRODUCE PALESTINIAN REPRESENTATIVES, AND THE STRUCTURING OF A PROCESS THAT WOULD EXCLUDE THE PLO AT THE OUTSET BUT WORK TO PRODUCE THEIR SUPPORT FOR A FINAL AGREEMENT. I FOUND MARGARET'S INSTINCTS TO BE QUITE SOUND ON THESE ISSUES (IT WAS INTERESTING THAT SHE WENT TO SOME TROUBLE TO EXCLUDE HER FOREIGN MINISTRY FROM OUR MEETING -- I SUSPECT BECAUSE OF THEIR WELL KNOWN PRO-PLO BIAS). IF WE STAY IN CLOSE TOUCH WITH HER SHE CAN BE OF REAL HELP IN THIS EFFORT. AT THE SAME TIME, THE FACT THAT HUSSEIN MADE A MAJOR PRO-PLO PROPOSAL TO HER THAT HE NEVER RAISED WITH US IS TROUBLING. THERE IS MUCH TO WORK WITH AT PRESENT, BUT WE WILL HAVE TO ENGAGE OURSELVES, INTENSIVELY ON EVERY FRONT: WITH ISRAEL, WITH JORDAN,

AND ON THE HILL IF WE ARE TO KEEP UP THE PROMISING  
MOMENTUM THAT NOW IS WITH US. SHULTZ

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