



Foreign and Commonwealth Office

London SW1A 2AH

17 March 1983

2 copies under the cover.

Dear John,

/// I enclose three sets of briefing for the Prime Minister's talks on 18 March with King Hussein and the Arab League Delegation. The briefing is organised as follows:

1. Briefing for the Plenary session
 - a. Steering brief and programme.
 - b. Arab/Israel background.
 - c. Points to make in reply to Arab League presentation.
 - d. List and Background notes on delegation members.
2. Briefing for the tête-à-tête
 - a. Points to Make.
 - b. Anglo-Jordanian relations/Arab/Israel.
 - c. Jordan: Country brief.
 - d. Personality note.
3. Commercial brief

Covering all countries involved, prepared by DOT.
4. Defence Sales brief

Covering all countries involved, prepared by MOD.

You will see that the Steering Brief contains references to bilateral points and meetings. These are principally for Mr Pym's use in likely bilateral meetings with his foreign minister colleagues.

I might just add that, while the latest (gloomy) view from King Hussein of the prospects for a Jordan/PLO joint position and statement is included in the briefing, the steering brief and background of the main Arab/Israel brief as presently drafted do not fully reflect this gloom.

Yours ever
(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

John Holmes

VISIT OF AN ARAB LEAGUE DELEGATION LED BY KING HUSSEIN OF
JORDAN: 18 MARCH 1983

BRIEFING

Plenary Session at 10 Downing Street

1. Steering brief and programme.
2. Arab/Israel background.
3. Points to make in reply to Arab presentation.
4. List and Background notes on delegation members.


Prime Minister's tête-à-tête with King Hussein

5. Points to Make.
6. Anglo-Jordanian relations. Arab/Israel. Essential facts.
7. Jordan: Country brief.
8. Personality note on The King.

Commercial Brief

9. Background on trade with delegation countries.

Defence Sales Brief

10. Background on major defence sales projects at stake in delegation countries.
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ARAB LEAGUE DELEGATION VISIT: 18 MARCH 1983

BRIEF NO 1

STEERING BRIEF

Background

1. The delegation, led by King Hussein of Jordan, will comprise the Foreign Ministers of Syria (Khaddam), Saudi Arabia (Prince Saud), Jordan (al-Qasem) and Morocco (Boucetta) together with the Tunisian Minister of State for Foreign Affairs (Mestiri), the Algerian Foreign Ministry Secretary General (Azzout), the Secretary General of the Arab League (Chadli Klibi) and a Palestinian representative Mr Walid Al-Khalidi.

2. The delegation are a committee of the Arab League, set up at the Fez Summit in August 1982. The committee was mandated to visit the capitals of all permanent members of the UN Security Council to present the summit's conclusions. King Hassan of Morocco led a delegation (minus a Palestinian) to Washington in October and was originally expected to have led the delegation to London but his place was taken by King Hussein at the last moment. King Hussein himself took full delegations (including the PLO) to Paris, Moscow and Peking in November and December.

Objectives:

3. The delegation's objectives in London:-

- a) To complete their mandate by outlining to us the conclusions of the 1982 Fez summit;
- b) To press for PLO involvement in negotiations on the Palestinian problem, and for high-level contacts between HMG and the PLO;
- c) To urge us (and through us the Ten) to play a more prominent role in support of the Arab cause, in particular by putting pressure on the Americans over Israeli settlements and the PLO's role in negotiations.

/Our

Our objectives:

4. a) To ensure that the visit is conducted in a good atmosphere and the Delegation are left in no doubt as to our goodwill and commitment to a lasting peace in the Middle East;
- b) To explain our position on the Middle East in general and on contacts with the PLO in particular;
- c) To confirm our intention to play a full part in the Middle East peace process;
- d) To take the opportunity to mend fences with individual delegation members.

Programme:

5. King Hussein will be arriving in London on Thursday 17 March to be met by Mr Pym. The other members of the delegation will arrive separately. At 1030 on Friday 18 March the Prime Minister will greet the Delegation in the FCO courtyard before a Guard of Honour at which King Hussein will take the Salute. The Prime Minister will take the Delegation to 10 Downing Street for plenary talks at around 1045. On past form we would expect King Hussein to give an account of the Fez proceedings with minimal contributions from the other members. The Prime Minister will then be invited by the Delegation to comment on King Hussein's exposition and to outline HMG's thinking on the Middle East peace process. Translation will be consecutive (Arabic/English/Arabic). At about 1215 The Prime Minister and King Hussein will withdraw for a separate tête-à-tête. The Foreign and Commonwealth Secretary will continue the discussion with the remainder of the Delegation until luncheon at 1300. At 1445 King Hussein will present the delegation briefly at Buckingham Palace and is to attend a private luncheon with The Queen at Windsor on 19 March. Individual members of the Delegation may request bilateral meetings with Mr Pym on the afternoon of 18 March.

Bilateral Points

6. King Hussein of Jordan is a regular visitor to London (he was here last from 19 February to 1 March when he had luncheon with the

/Prime

Holmes to Coles 17/3/83

Brief 1

Prime Minister. Mr Pym, Mr Hurd and Mr Heseltine called on him during his stay). Since President Reagan's initiative of 1 September 1982, King Hussein's position as a participant in the search for peace in the Middle East has assumed growing importance. Discussions between the King and Arafat on future Jordan/Palestinian relations and a joint approach to peace talks have gone as well as could be expected, but The King faces crucial decisions over the next few weeks. He therefore has a particular interest in seeing the PLO involved in negotiations on the Palestinian position. The King has made no secret of his wish to see senior ministerial contacts between HMG and the PLO.

7. King Hassan of Morocco decided late in the day (ostensibly because of illness) to hand over leadership of the London delegation to King Hussein. The question of a bilateral visit by King Hassan may be raised by Boucetta. The Moroccans have been less concerned by the question of Palestinian representation but have been forced by the PLO and Saudis into taking a firm line. If he requests a bilateral meeting the Moroccan Foreign Minister will probably wish to hear our views on Gibraltar, in which the Moroccans, with Spanish enclaves, take a close interest. Boucetta might also wish to discuss the implications of EC enlargement and will give an account of the position on the Western Sahara/OAU issues. Morocco's stance on the Falklands was unhelpful during the war but Moroccans have since been cooperative on over-flights to Ascension.

8. Relations with Algeria were developing well before difficulties over the visit. Immediate UK interests in Algeria are primarily commercial; current prospects include important contracts for housing construction (Memorandum of Understanding signed) and defence sales (Memorandum of Understanding under discussion). Algerian diplomatic relations have widened significantly from earlier close ties with Arab world and Eastern bloc. We should encourage the more realistic and pragmatic policies of President Chedli. We hope Algerians will reinstate Foreign Minister

/Taleb Ibrahim's

Taleb Ibrahimi's planned visit to London soon (March or April have been proposed by us).

9. Our bilateral relations with Tunisia are good but of little substance. During recent visit to London by Tunisian Minister of State for Foreign Affairs it was agreed to set in motion a Joint Commission to study ways to inject substance into our dealings. A major patrol craft contract is in the offing but is held up by shortage of Tunisian funds. We should encourage the Tunisians to consider carefully attractive British financing terms. The Tunisians are preoccupied with the effects of an enlarged EC and M Essebsi may wish to discuss the implications.

10. Our bilateral relations with Saudi Arabia are particularly important, both because of their role as the leading Arab moderate and because of the scale of the Saudi market commercially. Following the postponement of Mr Pym's visit in December relations have been under a particular cloud. We will wish to discuss with Prince Saud the reinstatement of normal relations, including visits (there are major ones, pending, inward as well as outward). From Prince Bandar's visit to London on 26/27 January it would seem that the Saudis too will be keen to get back to normal quickly; Saud may also reiterate Bandar's request for particular help from us in urging the Americans to take a robust line with the Israelis.

11. Our bilateral relations with Syria are sound but still not very substantial. Trade remains at a very low level and there are no major British contracts in the offing. But there are no serious bilateral problems. Discussions with the Syrians are likely to centre on Arab/Israel, Lebanon, the PLO and Golan rather than on bilateral matters.

Near East & North Africa Department
Foreign and Commonwealth Office
14 March 1983

ARAB LEAGUE DELEGATION VISIT: MARCH 1983

ARAB/ISRAEL BACKGROUND

1. The ostensible purpose of the visit is to present the outcome of the Summit to HMG. Now that King Hussein has stepped in as leader, however, discussion is likely to be much more concerned with current issues.
2. The Fez Summit agreed a set of principles (attached) which constitute an Arab policy for a negotiated settlement to the Arab/Israel dispute. The 8 points are based closely on those put forward in August 1981 by the then Crown Prince Fahd, and King Fahd is personally committed to them.
3. The crux is principle 7, with its implied acceptance of Israel's rights. King Hassan expanded on the meaning of point 7 at his press conference during the Arab League visit to Washington in October 1982. He said that it 'signified the will of Arab states to put an end to the state of belligerency which exists between the nations of the region'. He went on to envisage a two-stage process. First, agreement would be reached on a return to the 1967 borders, at which point the Arabs would confirm that they recognised Israel's frontiers. The second phase would be agreement on a state of non-belligerency; those Arabs who wished could go beyond this to full normalisation.
4. Arab attitudes to Fez. The majority of Arab participants at Fez have subsequently stuck closely to the 8 points and have avoided public interpretation. The Syrians however were quick to point out that in their view point 7 did not imply acceptance of Israel. The Syrian Foreign Minister emphasised to Mr Pym in Damascus that Fez represented the absolute minimum Arab demands. But the Syrians have been careful to deny recent suggestions that they reject the Fez approach. The PNC described Fez as 'the minimum for political movement by the Arab States'; and the NAM referred to it as the 'Fez Peace Plan'.
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5. Ten's attitude to Fez. The Ten Foreign Ministers at their meeting on 20 September 1982 described the communiqué as an important statement which they see as an expression of the unanimous will of the participants, including the PLO, to work for the achievement of a just peace in the Middle East encompassing all States in the area, including Israel. On substance, the principles go well beyond our own position, particularly as regards a Palestinian state and a leading role for the PLO. They also contain a number of points which will in practice have to be negotiated between the parties concerned (status of Jerusalem, dismantling of settlements, right of return of Palestinian refugees). But they contain nothing which we would be obliged to oppose.

6. King Hussein led Delegations (including a PLO Representative) to Paris, Moscow and Peking late 1982. King Hassan led the visit to Washington. The presentation in London will no doubt follow the previous pattern. The Delegation will stick closely to the Fez line and may highlight the importance of PLO participation in negotiations, and the opening of a UK/PLO dialogue at Ministerial level. Not to be revealed: we have been told very privately that the Americans spelled out to King Hassan during the visit to Washington that if the PLO met US conditions for a dialogue, the US would immediately establish contact with the PLO, and that Arafat would be received by Shultz within 30 days. No subject would be barred from the subsequent US/PLO conversations.

7. The Delegation will probably ensure that differences among them do not surface at the plenary session. But they will never be far below the surface. A major point of inter-Arab friction is the improving relationship between the PLO and Jordan. King Hussein and Arafat have made good progress in agreeing on the form of future relations between a Palestinian entity on the West Bank and Gaza, and Jordan. Both have confirmed publicly that they are thinking of a confederation on an equal basis. The PNC referred to the "'special and distinctive relations'" between the Palestinians and Jordanians

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and considered that future relations should be on a "confederal basis between two independent states". They have made less progress on the difficult question of Palestinian representation in a negotiating team. Arafat seems to accept that this will have to be non-PLO Palestinians, but he now has to take account of the PNC's rejection of all plans aiming at "delegation or substitution or sharing in the right of representation" with the PLO.

8. King Hussein made clear during his recent visit to London that he had put Arafat under considerable pressure to agree quickly after the PNC meeting to a joint public statement expressing readiness in principle to negotiate, provided that the Americans delivered on their commitments to achieve a freeze on Israeli settlements, and a timetable for withdrawal of forces from Lebanon. He believed that Arafat now accepted that this was his last chance, he did not know whether Arafat would in fact commit himself. The King told us that if Arafat could not deliver after Algiers, he, The King, would be obliged to make public the deal which Arafat had turned down. The King has set a deadline of the end of March for a decision one way or the other. He and Arafat do not seem to have had substantive talks during the Delhi summit. Latest reports suggest that Arafat will go to Amman on 21 March after the next PLO Executive Committee meeting, apparently to be held in Tunis on 17 March. A public statement could follow soon afterwards. It is in our interests that Arafat should give The King the necessary backing; the present visit provides a good opportunity to urge on the Arab team the merits of supporting a Jordanian/Palestinian approach to negotiations as the surest way of securing Israeli withdrawal.

9. The King attached particular importance to Mr Pym's meeting with Mr Shultz in California on 3 March. Mr Pym has now sent a message to the Jordanian Foreign Minister (copy attached) summarising his impressions from that discussion.

10. Syria has naturally viewed the Jordan/PLO rapprochement with concern, though they have told us in principle they do not object to an 'organic' relationship between Jordan and the future Palestine entity. Syrian/Jordanian relations have been bad for several years, and since the Lebanon war Syria/PLO relations have become increasingly strained. The move of the PLO's Headquarters to Tunis weakened Syrian influence over the PLO, and the Jordan/PLO talks have further shifted the mainstream PLO out of Syria's grasp. The Syrians have responded by promoting the few remaining Damascus-based factions to work against Arafat and his Jordan policy and to forge closer links with the rejectionists such as Libya. Syria has legitimate interests at stake, eg recovery of Golan.

11. The acrimonious split between Jordan and Syria has affected the Saudi reaction to the Jordan/PLO talks. King Hussein has complained that the Saudis have done less than they might to sustain him and urge the PLO to cooperate. The Saudis have several interests at stake: promotion of Arab unity, commitment to the Fez principles, and the need to give some encouragement to a major and helpful US initiative. Where these conflict, the Saudis have normally chosen a low profile.

12. Although not unanimously supported in the Arab world, the Jordan/PLO talks represent the most hopeful way forward. The Arab League Committee have not as far as we know reached any conclusions on what else they might do to follow up the Fez Summit once they have completed visits to the Permanent Members. A major weakness of the Fez approach is that it lacks any mechanism for implementation. It is hard to take seriously the establishment by the NAM of an 8-party Committee under Indian chairmanship (including PLO and Algeria) to carry on the task. King Hussein has in any case decided that time is too short to wait for others to create the conditions for a peaceful settlement, and that the Arab side must take the initiative in responding to Reagan's proposals. But he has been concerned that the earlier difficulties over the Arab League Delegation's visit to London should be overcome as soon as possible,

in order that energies can again be concentrated on the substantive issues. Until King Hussein took over the leadership of the Delegation the Palestinian representation problem remained unresolved. The King acted decisively in insisting that an acceptable figure should fill the PLO slot. A round-up of the latest Jordanian thinking is in Amman telno 112 attached.

13. Disturbances at Al Aqsa Mosque and on West Bank. Tension has risen in recent weeks on the West Bank, with an increase in stone-throwing by Palestinian demonstrators, and incidents in which armed Jewish settlers have taken the law into their own hands by detaining Arabs and forcibly entering Arab property. On 11 March Jewish extremists attempted to settle at the Al Aqsa Mosque in Jerusalem (one of Islam's holiest shrines). They were detained by the Israeli authorities. The incident sparked off further violent demonstrations on the West Bank. The Acting Jordanian Foreign Minister summoned Ambassadors of the Security Council Permanent Members to express concern at the incident, and a Jordanian spokesman has said that the scale of the attack indicated tacit connivance by the Israeli authorities in a plot to destroy the Mosque. Incidents at the Mosque touch a raw nerve.

14. Morocco/Algeria/Tunisia. King Hassan and President Chadli met on the Moroccan/Algerian border on 26 February in the first formal summit between the two countries since relations were broken off in 1976, when Algeria recognised the Sahara Arab Democratic Republic (SADR) in the Western Sahara. Presidents Chadli and Bourguiba are due to meet on 18-20 March.

FEZ SUMMIT COMMUNIQUE: ARAB/ISRAEL

Following are the 8 principles agreed at the Fez Summit (6-9 September 1982):

1. The withdrawal of Israel from all Arab territories occupied in 1967 including Arab Jerusalem.
2. The dismantling of settlements established by Israel on the Arab territories after 1967.
3. The guarantee of freedom of worship and practice of religious rites for all religions in the holy places.
4. The reaffirmation of the Palestinian people's right to self-determination and the exercise of its firm and inalienable national rights under the leadership of the Palestine Liberation Organisation (PLO), its sole and legitimate representative and the compensation of all those who do not desire to return.
5. Placing the West Bank and the Gaza Strip under the control of the United Nations for a transitional period not exceeding a few months.
6. The establishment of an independent Palestinian state with Jerusalem as its capital.
7. The Security Council guarantees peace among all states of the region including the independent Palestinian State.
8. The Security Council guarantees the respect of these principles.

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TO IMMEDIATE AMMAN

TELEGRAM NUMBER 58 OF 11 MARCH

INFO IMMEDIATE WASHINGTON, ROUTINE RABAT, TUNIS, ALGIERS,
DAMASCUS, JEDDA, TEL AVIV, PARIS

PARIS.

MESSAGE TO THE JORDANIAN FOREIGN MINISTER

1. PLEASE PASS THE FOLLOWING MESSAGE FROM ME TO THE JORDANIAN FOREIGN MINISTER ON HIS RETURN FROM THE DELHI SUMMIT:

2. BEGINS: THE PRIME MINISTER AND I BOTH HAD THE PRIVILEGE OF MOST INTERESTING DISCUSSIONS WITH HIS MAJESTY DURING HIS RECENT VISIT TO LONDON. I TOOK THE OPPORTUNITY TO ASK FOR HIS MAJESTY'S VIEWS ON THE POINTS I PLANNED TO PUT TO MR SHULTZ WHEN I MET HIM IN CALIFORNIA ON 3 MARCH. I THEREFORE WANTED TO LET YOU HAVE MY IMPRESSIONS.

3. I EMPHASISED TO MR SHULTZ THAT THE NEXT FEW WEEKS WOULD BE CRITICAL, AND POINTED OUT THAT IF HIS MAJESTY AND YASSER ARAFAT WERE IN A POSITION TO MAKE A PUBLIC STATEMENT ABOUT A JOINT JORDANIAN/PALESTINIAN APPROACH TO PEACE NEGOTIATIONS, IT WOULD BE ESSENTIAL FOR THE AMERICANS TO MAKE PROGRESS BOTH ON THE WITHDRAWAL OF FOREIGN FORCES FROM LEBANON AND ON A FREEZE ON ISRAELI SETTLEMENTS

4. MR SHULTZ SHARED MY SENSE OF URGENCY. HE ACCEPTED THE NEED FOR EARLY PROGRESS, IN WHICH THE ISRAELIS MUST PLAY THEIR PART. HE BELIEVES THAT THE RIGHT ARAB MOVE, LED BY HIS MAJESTY WITH AT LEAST THE TACIT SUPPORT OF OTHERS, COULD MAKE A CONSIDERABLE IMPACT IN ISRAEL, AND WOULD BRING ISRAEL TO THE NEGOTIATING TABLE. ON LEBANON HE WAS AT THAT TIME REASONABLY OPTIMISTIC, ALTHOUGH HE WONDERED WHAT THE SYRIAN REACTION WOULD BE WHEN A WITHDRAWAL PLAN WAS PUT TO THEM.

5. I KNOW THAT HIS MAJESTY IS FACED WITH DIFFICULT DECISIONS IN THE WEEKS AHEAD. WE SHALL CONTINUE TO DO ALL WE CAN TO SUPPORT HIS EFFORTS TO BREAK THE PRESENT DEADLOCK AND TO OPEN THE WAY TO NEGOTIATIONS ON THE PALESTINIAN PROBLEM. I LEFT THE AMERICANS IN

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NO DOUBT THAT JORDAN MUST NOT (NOT) BE LEFT TO CARRY THE BURDEN ALONE.

6. I WAS, AS YOU CAN IMAGINE, VERY HAPPY INDEED TO HEAR OF THE LATEST DEVELOPMENTS OVER THE ARABS LEAGUE MISSION AND LOOK FORWARD TO WELCOMING YOU WITH HIS MAJESTY NEXT WEEK.
ENDS

PYM

MIDDLE EAST

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FROM AMMAN 160900Z MAR 83

TO IMMEDIATE FCC

TELNO 112 OF 15 MARCH 1983

AND TO INFO ROUTINE MIDDLE EAST POSTS , BONN, MOSCOW, PARIS
UKMIS NEW YORK AND WASHINGTON.

JORDAN /PLO

1. I HAVE SEEN BOTH KING HUSSEIN (WHO LEAVES FOR BONN TOMORROW MORNING) AND THE JORDANIAN FOREIGN MINISTER TODAY, AS WELL AS THE US AMBASSADOR WHO HAS SEEN MUCH OF KING HUSSEIN AND HIS PRINCIPLE ADVISERS OVER THE LAST TWO DAYS DURING EX-PRESIDENT CARTERS VISIT TO JORDAN. A REVIEW OF THE LATEST POSITION AS THE JORDANIANS SEE IT MAY THEREFORE BE HELPFUL PRIOR TO KING HUSSEIN'S MEETINGS IN LONDON WITH THE PRIME MINISTER AND YOURSELF LATER THIS WEEK.

2. KING HUSSEIN TOLD ME THAT IT HAD NOT PROVED POSSIBLE TO HAVE SERIOUS DISCUSSION WITH ARAFAT IN NEW DELHI. SEMICOLON THERE HAD BEEN TOO MANY PEOPLE PRESENT AT THEIR MEETING AND ARAFAT HAD DELIBERATELY WASTED TIME BY RAISING TRIVIAL SUBJECTS SUCH AS THE LOSS BY GEORGE HABBASH'S WIFE OF HER JORDANIAN PASSPORT. CONSEQUENTLY HE STILL FOUND IT VERY DIFFICULT TO JUDGE WHETHER ARAFAT WOULD PROVE WILLING TO JOIN WITH HIM IN PUBLICLY ANNOUNCING HIS READINESS TO ENTER PEACE NEGOTIATIONS WHEN HE NEXT VISITED AMMAN (HE IS EXPECTED HERE ON OR ABOUT 21 MARCH). HOWEVER THE KING THOUGHT THE SIGNALS COMING FROM THE PLO WERE NOT ENCOURAGING. SEMICOLON IT WAS CLEAR, FOR EXAMPLE, THAT THE RUSSIANS WERE PUTTING GREAT PRESSURE ON ARAFAT NOT TO GO AHEAD WITH NEGOTIATIONS. THE JORDANIAN FOREIGN MINISTER WAS MUCH MORE PESSIMISTIC AND SAID FIRMLY THAT HE DID NOT BELIEVE ARAFAT WOULD DELIVER.

MORE PESSIMISTIC AND SAID FIRMLY THAT HE DID NOT BELIEVE ARAFAT WOULD DELIVER.

3. KING HUSSEIN ALSO COMPLAINED TO ME THAT HE WAS GETTING LITTLE HELP FROM HIS SUPPOSED FRIENDS. HE SEEMED PARTICULARLY UNCERTAIN WHAT GAME THE SAUDIS WERE PLAYING. HE SAID HE HAD BEEN ENRAGED OVER A CLAIM MADE BY PRINCE BANDAR TO THE AMERICANS THAT ARAFAT HAD AGREED TO ANNOUNCE JOINTLY WITH KING HUSSEIN ON 25 MARCH THAT JORDAN AND A DELEGATION OF NON PLO PALESTINIAN REPRESENTATIVES WERE PREPARED TO ENTER INTO NEGOTIATIONS SEMICOLON PRINCE BANDAR HAD FURTHER ALLEGED THAT THESE NEGOTIATIONS WOULD BE ON THE BASIS OF THE FEZ DECLARATION AND THAT KING HUSSEIN HAD AGREED TO JOIN WITH KING FAHD AND ARAFAT IN SIGNING A SECRET DOCUMENT STATING THAT THERE WOULD BE NO FEDERATION BETWEEN THE WEST BANK AND JORDAN. KING HUSSEIN SAID HE HAD CATEGORICALLY DENIED TO THE AMERICANS EVER HAVING DISCUSSED SUCH PROPOSALS WITH PRINCE BANDAR. THE KING ALSO SEEMED UNSURE WHAT WEIGHT TO PLACE ON DISCUSSIONS BETWEEN THE MOROCCAN FOREIGN MINISTER AND KISSINGER WHICH HAD GIVEN RISE TO SOME THOROUGHLY CONFUSING IDEAS. HE RECALLED THAT WHEN THE REAGAN INITIATIVE HAD BEEN UNDER DISCUSSION, THE PRESIDENT HAD TOLD HIM TO DEAL EXCLUSIVELY WITH HIMSELF AND HIS NOMINATED REPRESENTATIVES. HE FOUND IT PUZZLING THAT OTHER AMERICANS WERE APPARENTLY NOW BEING ALLOWED TO GET IN ON THE ACT (THESE COMMENTS MAY ALSO REFLECT UNCERTAINTY ABOUT CARTERS PRECISE ROLE, ALTHOUGH I UNDERSTAND FROM THE US AMBASSADOR THAT CARTERS VISIT RESULTED IN A TOTAL RECONCILIATION BETWEEN HIM AND THE KING AND THAT CARTER PROMISED THE KING HE WOULD DO EVERYTHING HE COULD TO HELP JORDAN BOTH WITH KING FAHD, WHOM CARTER IS SEEING TODAY, AND WITH PRESIDENT ASSAD, WHOM HE IS TO SEE ON 16 MARCH).

4. THE KING GAVE ME THE IMPRESSION OF BEING UNDER HEAVY PRESSURE AND, WHILE STILL DETERMINED TO PURSUE THE OPENING OFFERED BY THE REAGAN INITIATIVE IF HE POSSIBLY CAN, INCREASINGLY DOUBTFUL WHETHER HE CAN PULL IT OFF. THE US AMBASSADOR TOLD ME HE BELIEVED THE KING HAD ONLY RECENTLY COME TO A FULL UNDERSTANDING OF THE CONSTRAINTS ON HIS FREEDOM OF ACTION. HE NOW REALISED THAT HE COULD NOT BRING THE OTHER MODERATE ARAB COUNTRIES ALONG UNLESS HE OBTAINED THE BLESSING OF THE PLO AND HE WAS NOW LESS HOPEFUL OF OBTAINING A GREEN LIGHT FROM ARAFAT THAN HE HAD BEEN TWO WEEKS AGO, FOLLOWING THE PALESTINE NATIONAL COUNCIL MEETING IN ALGIERS. MY OWN VIEW IS THAT THE KING HAS ALL ALONG BEEN AWARE OF THESE CONSTRAINTS AND, AT LEAST IN HIS HEART OF HEARTS, SCEPTICAL OF THE CHANCES OF SUCCESS. BUT HE WAS NONETHELESS DETERMINED TO MAKE ALL HE COULD OF THE REAGAN INITIATIVE AND TO ENSURE THAT HE WOULD NOT BE BLAMED IF IT FAILED.

5. THE KINGS ADVISERS ARE ALREADY DEBATING WHAT HE SHOULD DO IF ARAFAT FAILS TO COME FORWARD. THE FOREIGN MINISTER, FOR EXAMPLE, TOLD ME THAT HE WAS STRONGLY OPPOSED TO KING HUSSEIN VISITING WASHINGTON IMMEDIATELY AFTER ARAFATS VISIT AS SOME HAD SUGGESTED SEMICOLON HE THOUGHT IT WOULD BE QUITE WRONG FOR THE KING TO GO TO WASHINGTON IN THESE CIRCUMSTANCES, AS IT WOULD EMPHASISE HIS DEPENDENCE ON THE UNITED STATES AT A TIME WHEN THE FIRST PRIORITY WOULD BE TO DO WHATEVER WAS POSSIBLE TO PROTECT THE INHABITANTS OF THE OCCUPIED TERRITORIES FROM FURTHER LOSS.

HIS DEPENDENCE ON THE UNITED STATES AT A TIME WHEN THE FIRST PRIORITY WOULD BE TO DO WHATEVER WAS POSSIBLE TO PROTECT THE INHABITANTS OF THE OCCUPIED TERRITORIES FROM FURTHER ISRAELI ENCROACHMENT.

6. THE KING TOLD ME HOW MUCH HE WAS LOOKING FORWARD TO DISCUSSING ALL THIS WITH THE PRIME MINISTER AND YOURSELF LATER THIS WEEK. AT THE MOMENT HE SEEMS PARTICULARLY TROUBLED BY SAUDI AND MOROCCAN ACTIVITIES AND UNCERTAIN ABOUT THE US ROLE. I TOOK THE OPPORTUNITY TO BRIEF HIM ON YOUR RECENT TALK WITH SHULTZ AND HAVE ALSO LEFT WITH HIM A COPY OF YOUR LETTER TO QASEM (YOUR TELNO 58).

CCN PARA 4 LINE 9

A GREEN LIGHT FROM ARAFAT THAN ...

URWICK

NNNN

ARAB LEAGUE DELEGATION VISIT: 18 MARCH 1983

POINTS TO MAKE IN REPLY TO ARAB PRESENTATION

1. Delighted to receive Delegation in London. Glad that mutually acceptable solution found to earlier problems.
2. Listened to presentation with great interest. No doubt of importance of Fez communiqué. Unified Arab programme for peaceful settlement a historic achievement.
3. Cannot subscribe to every detail of Fez principles. Believe that solution to many of the problems can only be found in negotiations. But right that Arab side should make clear its objectives.
4. Question now is how to make further progress. Clearer acceptance from Arab side that Israel has rights that must be protected in a settlement, would help US to put pressure on Israel, and encourage internal Israeli debate. With clarification of that point, see no reason why Fez principles should not be opening Arab position on negotiations.
5. Time is short. President Reagan's initiative, and favourable mood in US, an opportunity to be seized. Expanding Israeli settlements programme otherwise threatens to make Israeli hold on West Bank irreversible. Have stressed to US urgency of settlements freeze and withdrawal of forces from Lebanon. Believe joint Jordanian/Palestinian approach to negotiations offers most realistic hope of practical progress on Palestinian problems, and consistent with interests of all.
6. Britain remains fully committed to Palestinian self-determination. Believe Arabs need to consider what route will

/lead

lead most quickly to Israeli withdrawal. To make a Palestinian state precondition for negotiations would risk losing everything. Confederation with Jordan seems to us politically realistic option to explore in negotiations. But agree Palestinians must in the end choose.

7. PLO. Stick to view that PLO will have to be associated with negotiations. Essential if real progress is to be made for PLO to show willingness to acknowledge Israel's rights as part of settlement. Would lose nothing. Continuing stalemate serves only Mr Begin's interests. Policy on Ministerial contacts with PLO not intended to be negative: but to underline importance we attach to PLO taking this step.

8. Disturbed by incident at Al Aqsa Mosque, and upsurge of violence on West Bank. Israelis acted quickly to detain those responsible for attack on Mosque. But fully understand shock throughout Islamic world.

9. Concerned at other threats to stability of region, including the Gulf War. But glad to note summit meeting between King Hassan of Morocco and President Chadli of Algeria: step on the road to better relations between two states with whom we enjoy close relations.

ARAB LEAGUE DELEGATION TO LONDON

HM King Hussein of Jordan (Leader)

HE Mr Abdul Halim Khaddam (Syria) (Foreign Minister)

HRH Prince Saud Bin Faisal Bin Abdul Aziz (Saudi Arabia)
(Foreign Minister)

HE Maître M'Hamed Boucetta (Morocco) (Foreign Minister)

HE Mahmoud Mestiri (Tunisia) (Minister of State for Foreign Affairs)

HE Mr Hadj Ben Abdlelkader Azzout (Algeria) (Secretary General
Ministry of Foreign Affairs)

Professor Walid Al-Khalidi (Palestinian representative)

HE M Chedli Klibi (Secretary General Arab League)

HE Mr Ahmad Al-Lawzi (Head of Jordanian Royal Court)

HE Mr Marwan Sidqi al-Qasem (Jordan) (Foreign Minister)

+ Foreign Ministers listed in order of date of
appointment to post.

PERSONALITY NOTES ON THE ARAB LEAGUE DELEGATION MEMBERS

Syrian Foreign Minister: Mr Abdul Halim Khaddam

Deputy Prime Minister and Foreign Minister since 1970. Born 1932. Trained as a lawyer. Governor of Damascus 1964. Minister of Economy and Foreign Trade 1969. Survived two assassination attempts in 1976 and 1977. Official visit to Britain 1979. Married, four children. Speaks some French, a little English.

Saudi Foreign Minister: HRH Prince Saud Bin Faisal Bin Abdul Aziz

Foreign Minister since 1975. Born 1941. Third son of King Faisal. Studied USA and Cambridge. Deputy Minister of Petroleum and Mineral Resources 1971-75. Minister of State for Foreign Affairs March 1975. Minister of Foreign Affairs October 1975. Appointed to the Ministry of Foreign Affairs on the assassination of his father. Married, three children. Speaks excellent English.

Moroccan Foreign Minister: Maître M'hamed Boucetta

Minister for Foreign Affairs since 1981. Born 1925. Trained as a lawyer. Directeur de Cabinet to Foreign Minister, 1956; Under-Secretary of State for Foreign Affairs, May to December 1958; Minister for Public Service and Administration Reform, May 1960; acted as Foreign Minister during 1960; Minister of Justice, 1961. Left the government in January 1963. Defeated in the parliamentary elections in May 1963. Was one of the four Istiqlal Party leaders who formed a National Block with the UNFP and boycotted the 1970 parliamentary elections. Secretary General of the Executive Committee of the

Istiqlal Party 1974; Minister of State without portfolio, 1977; Minister of State for Foreign Affairs and Cooperation, 1977. Speaks French, no English.

Tunisian Minister of State for Foreign Affairs: M Mahmoud Mestiri
Minister of State since 1981. Born 1929. Studied Political Science at Lyons University. Joined diplomatic service, 1956. Consul-General New York, 1958. Deputy Permanent Representative at the UN, 1959. Assistant to the UN Secretary-General's personal representative to the Belgian Government on the Congo crisis, 1961. Deputy Permanent Representative at the UN, September 1961. Head of American Department, MFA, 1964. Secretary-General, MFA, September 1964.

Permanent Representative at the UN and Ambassador to Canada, 1967. Ambassador to Belgium, Luxembourg and the EEC, 1969. Ambassador in Bonn, 1970. Intermediary during the Munich Olympics massacre, 1972. Secretary-General, MFA, 1973. Permanent Representative at the UN, 1976, Chairman of Group of 77 in 1978. Withdrawn in January 1980, apparently for disregarding instructions on Security Council elections. Secretary-General, MFA, September 1980. Promoted Secetaire d'Etat, MFA, 1981. Elected to PSD Central Committee, 1981. Visited UK December 1982 as guest of Mr Hurd.
Good English.

Algerian Secretary General Ministry of Foreign Affairs:

Hadj Ben Abdelkader Azzout

Secretary-General at the Ministry of Foreign Affairs since August 1982 and is a member of the FLN Central Committee. He was officer in the ALN (military wing of the FLN) during

/the

the war of independence. He was Deputy Permanent Representative at the UN for 7 years, then for a spell Head of International Organisations Department at the Foreign Ministry. About three years ago he was appointed as Algerian Ambassador to Cameroon.

As Secretary-General he ranks as number two to the Minister of Foreign Affairs. A strict Muslim, his private interest is Islamic religious philosophy. His English is rusty.

Secretary General of the Arab League: M Chedli Klibi

Born 1925 at Tunis. Educated Sadiki College, Tunis, and at Paris. Taught sociology and nutrition at the Ecole Normale Supérieure. Foreign Office guest in UK, May 1958, the month in which he became Director of Tunisian National Radio. Held a succession of Ministerial posts dealing with culture and information, 1962-73. Director of the Presidential Cabinet with rank of Minister in the government reshuffle after the abortive Jerba declaration of union with Libya, 1974. Minister of Culture, December 1976, and was a champion of the use of Arabic in Tunisia. Minister of Information, 1978, when the secrétariat d'état became a Ministry. Secretary General of the Arab League, 1979. Eminent Arabist. Married, three children. Speaks French, no English.

Head of the Jordanian Royal Court: Mr Ahmad Al-Lawzi

Head of Royal Court since 1979. Born 1925. Graduated from a teacher training college in Baghdad. Worked as a teacher 1950-3; Assistant Head of Royal Protocol 1953-6; Head of Royal Protocol 1956-61; Member of Parliament 1961-3;

/Assistant

Assistant Head of the Royal Diwan 1963-4; Minister of State at the Prime Minister's Office 1964-5; Minister of the Interior (Rural and Municipal Affairs) 1967; Minister of Finance, October 1970 - December 1971, when he became Prime Minister following Wasfi al-Tell's assassination. Resigned in May 1973. President of the National Consultative Council 1978 - December 1979. Married with several children. Speaks indifferent English.

Jordanian Foreign Minister: Mr Marwan Sidqui Al-Qasem

Minister for Foreign Affairs since 1980. Born 1938. Educated at Michigan and Colombia Universities USA. A member of the Jordanian delegation to the UN 1963-66. Consul-General in New York 1964-66. Director of Protocol at the Ministry of Foreign Affairs 1966-67. First Secretary at the Jordanian Embassy in Beirut 1967-68 and Washington 1968-72. Private Secretary of HRH Crown Prince Hassan 1972-74 and Secretary-General of the Royal Hashemite Diwan 1974-76. Minister of State for Prime Ministry Affairs July-November 1976. Minister of Supply November 1976-December 1979. Minister of State for Foreign Affairs under Sharif Sharaf, December 1979-July 1980. On the latter's death he became full Minister of Foreign Affairs and retained this post in Badran's administration. Married. Speaks excellent English.

Palestinian Representative: Prof Walid Al-Khalidi

Director of the Institute for Palestine Studies. Comes from a leading Jerusalem family long associated with Palestinian nationalism. A founder of the Institute for

/Palestine

Palestine Studies, Khalidi is regarded as foremost among Palestinian intellectuals. He holds a first degree from London University and a DPhil from Oxford where he lectured for a time in Arabic: he resigned at the time of Suez. He is Professor of Political Studies at the American University, Beirut, Cairo and currently a Research Fellow at the Harvard Centre for International Affairs. He is considered to be a level-headed, fervent, though moderate nationalist, and is an articulate and persuasive spokesman for the Palestinian cause in both the United States and the UK.

Khalidi, though not associated with any PLO bodies, has served as an adviser to and theoretician of the Palestinian Movement since the late 1960's. He has close ties with and influence on PLO leaders. He has acted as intermediary between the Palestinians and the Lebanese State. Married to a sister of former Lebanese Prime Minister Saeb Salam. His cousin, Rashid, is a teacher at AUB and a member of the Institute of Palestine Studies in Beirut.

ARAB LEAGUE DELEGATION VISIT

PRIME MINISTER'S TÊTE-À-TÊTE WITH KING HUSSEIN

POINTS TO MAKE

ARAB/ISRAEL

1. Most grateful to King for cutting through difficulties on Palestinian representation. Glad unnecessary obstacle in Anglo/Arab relations now cleared away.
2. Developments since King's recent visit to London? Impression that Arafat may be hesitating. Joint public statement still possible by end of March?
3. We have impressed on US importance of action both on settlements and Lebanon (Mr Pym's meeting with Shultz 3 March). They accept urgency: and are convinced that public statement by King would make great impact in Israel.
4. Anything more UK/Ten can do to help? European Council meeting imminent: statement likely reaffirming European principles.
5. Lebanon. Concerned at slow pace of negotiations. Have told Israelis limits beyond which Gemayel cannot go if he is to maintain place in Arab world.

ARAB LEAGUE DELEGATION VISIT: MARCH 1983

BACKGROUND

UK-JORDAN RELATIONS

1. Britain's relations with Jordan are close and friendly. Jordan is important to us as a stable country in an unstable area and for the moderate and generally constructive policies she follows in the Arab/Israel dispute. Both these qualities depend heavily on the Hashemite regime which has received our constant support. There are no major bilateral problems between us. Jordan is not rich but is now one of our more important export markets in the Middle East. The British share of the market is high. Our exports in 1982 at £295 million showed a 45% increase in value terms over the previous year. Much of this growth reflected deliveries of the Khalid Tank (Jordan ordered 274 in 1979) but even after taking this into account our exports have increased in recent years. The outlook for 1983 is less rosy, as the shortfall in Arab payments agreed at the 1974 Baghdad summit, means that some development projects will have to be delayed owing to shortages of funds. Imports from Jordan are low, totalling only £18 million in 1982. The UK has offered £8 million in capital aid and technical assistance towards the 1981-85 Five Year Development Plan. (The Plan as originally published envisaged expenditure of JD 3,300 million, (US £10 billion) of which 61% was to be /spent

spent on the public sector). The principal areas of our assistance in 1976-80 have been in water supply, rural electrification, phosphates and agriculture. King Hussein makes frequent private visits to the United Kingdom, when he invariably meets the Prime Minister and the Foreign and Commonwealth Secretary. He was last here in February 1983.

2. Ministerial visits to Jordan in 1982 included visits by Mr Pym, Mr Rees and the Lord Privy Seal (Baroness Young).

3. The most sensitive point in our otherwise cordial relations and one which is constantly referred to by The King and other senior Jordanians is the lack of a return State Visit (King Hussein's State Visit was in 1966). There are no firm plans for a state visit to Jordan and discussion on this point is best avoided.

4. *Passage deleted and closed, 40 years, under FOI Exemption. A Wayland. 23 July 2013*

The Duke and Duchess of Kent visit Jordan next week as the Crown Prince's guest.

5. In February 1982 The King repeated his invitation for the Prime Minister to visit Jordan. A British Prime Minister in office has never visited Jordan since the Kingdom was established. No decision on when or if a visit could take place has been taken.

ARAB LEAGUE DELEGATION VISIT: 18 MARCH 1983

JORDAN COUNTRY BRIEF

Introduction

1. The greater part of the country (90,650 sq kms excluding the West Bank) - about three quarters of the size of England - is arid desert with the relatively small population (2.3 million) concentrated in the fertile uplands East of the Jordan rift. Prosperous by the standards of the developing countries (estimated per capita GNP \$1,700 in 1980) Jordan nevertheless remains heavily dependent on foreign aid. Development of limited natural resources (eg phosphates and potash) is under way.

2. Modern Jordan came into being after the 1948/9 Arab Israeli war. In theory it is a constitutional monarchy, although in practice the democratic institutions are ineffective and power is concentrated in the hands of The King and his closest advisers (who include the present Prime Minister, Mudar Badran; the Commander-in-Chief, General Sherif Zaid Bin Shaker; and Crown Prince Hassan). The King appoints and dismisses Prime Ministers and closely supervises Cabinet appointments. He maintains close personal contact with the leaders of the Armed Forces.

3. There is democracy in form but not in substance. Parliament
/comprises

comprises an (appointed) Senate and an elected National Assembly. But the Lower House has (with one short interlude) been in recess since the Rabat decision of 1974 to avoid embarrassment over West Bank representation. A National Consultative Council was appointed by The King in 1978 to give a semblance of democratic consultation in the absence of an elected chamber. In April 1982 the number of appointed members was increased to 75. Although its influence has so far been very limited, care is taken to consult the Council.

4. The regime derives its strength from the loyalty of the East Bankers (especially the Bedouin tribes) and the Armed Forces are dominated by them. But over half of the population are of Palestinian origin. The civil war of 1970/71 led to the expulsion of the Fedayeen from Jordan and for some time afterwards left a legacy of ill-feeling among some Palestinians. The majority are now content to co-operate with, if not wholeheartedly support, the regime. Palestinians are not usually chosen for the top ranks of the Services and are also under-represented in sensitive or policy-making jobs. But they dominate commercial life.

Internal

5. The present Government, under Mudar Badran has been in office since August 1980. The Government's internal programme has led to an improvement of the administrative and educational

/system



system by strengthening the armed forces and internal security. But the Government has ignored more radical proposals for reform put forward by the previous Prime Minister, Sharif Sharaf. External affairs have had their impact on the regime's position at home. Jordan's support for Iraq in the war with Iran caused concern in Jordan, but this evaporated as the financial benefits were realised. There are groups, eg Moslem Fundamentalists and many Palestinians (who believe the dispute distracts attention from Arab/Israel), who object in principle to Jordanian support for Iraq. But the majority of Jordanians accept that Jordan's interests lie with Iraq. (The 4,000 volunteers answered the King's call in February 1982 for a Yarmouk force to go to Iraq, have now returned).

6. An Iraqi defeat leading to the fall of Saddam Hussein could have serious repercussions for the government and might lead to trouble with the Moslem Brotherhood, who at present pose no serious subversive risk. The Moslem Brotherhood have been careful to eschew political activities and to profess loyalty to the regime; in return the regime has tried to soothe Moslem Fundamentalist sensitivities. Private support (largely financial) by members of the Jordanian Brotherhood goes to Brotherhood dissidents in Syria. Jordan has denied any official support and had tried not to give the Syrians any excuse for claiming otherwise.

7. The National Consultative Council (NCC) is generally regarded as playing a useful role in discussing Government

/legislation



legislation, but it has failed to prove itself as a forum for political debate. The regime is well aware of the desire for greater democracy, but The King has given no indication when and how this might be brought about. However the President of the NCC in a recent interview came close to making a firm commitment to a return to Parliamentary Life as soon as the West Bank problem is settled. A further recent development is that Press reporting of NCC meetings now includes remarks critical of the Government.

Foreign Policy

8. Foreign policy is dominated by the Arab-Israel dispute. King Hussein's talks with Arafat are covered in the Arab/Israel brief.

Near East and North Africa Department
Foreign and Commonwealth Office
14 March 1983

HUSSEIN BIN TALAL, HM KING (GCVO)

King of Jordan

Born Amman 1935

Educated Bishops School, Amman; Victoria College, Alexandria; Harrow; shortened course at Sandhurst 1952/53. He was present when his grandfather, the Amir Abdullah, was assassinated in Jerusalem in 1952 and acceded to the throne in the following year on the deposition of his father, Talal, a schizophrenic. He has been in power longer than any other Arab leader and has survived numerous assassination attempts and threats to his throne including the overthrow of the Hashemites in Iraq in 1958, the loss of the West Bank of Israel in 1967, the civil war against Palestinian groups in 1970-71 and periods of bad relations with Iraq and, most recently Syria.

In relation to Israel, King Hussein recognises the futility of extreme policies. He has, however, maintained both in public and in private strong opposition to the Camp David agreements and to the Egyptian-Israeli negotiations despite US attempts - some heavy-handed - to persuade him to participate. His willingness to contemplate full peace with Israel is genuine, but his freedom of manoeuvre has always been limited by the need to keep in step with his Arab neighbours and with the oil-rich Arab states which contribute substantial sums to Jordan in budgetary support; he also has to take account of the views of the Palestinian half of Jordan's population. In the light

/of


of the re-armament of Israel since 1973 he recognises how far the Arabs have to go before they will have a credible military option; he will therefore do everything possible to avoid Jordanian involvement in a further Arab/Israel war.

At the Rabat Conference in October 1974 King Hussein recognised the PLO as the sole legitimate representative of the Palestinian people thereby implicitly renouncing his claim to the West Bank. Nevertheless, King Hussein has not abandoned his belief that his family will have an important role to play with regard to the West Bank in any Arab/Israel settlement. He recognises, however, that the initiative for such a development must come from the West Bankers themselves.

Despite the playboy image of his youth King Hussein is now wholly serious and dedicated in his efforts to preserve the Hashemite Kingdom and to protect the interests of his people, both East Bank Jordanians and Palestinians. Allied to a measure of luck he has shown the ability and experience to take sensible and sometimes courageous decisions in times of crisis.

Both by inclination and because of his assessment of the best interests of his country, King Hussein has always been strongly pro-Western. He has, however, taken care to maintain relations with the Soviet Union and has argued that the Russians must be associated with a future UN conference to settle the Middle East dispute.

/King



King Hussein takes all major foreign and defence policy decisions himself. He is less interested in economic questions and has devolved responsibility for planning in this field to Crown Prince Hassan. Perhaps King Hussein's greatest single asset is his very warm, friendly and outgoing personality. He has used this to good effect in keeping in close touch with and maintaining the loyalty of the Armed Forces, whose importance to his throne he has always recognised.

In his personal life, the tragic death in a helicopter crash in 1977 of his Palestinian born third wife, Queen Alia, affected him deeply. His marriage in June 1978 to his fourth wife, Noor (nee Elizabeth or Lisa Halaby, an American of Lebanese origin) appeared at the outset to be one of genuine affection but is now showing some signs of strain. Despite complaints at the King's choice of another non-Arab, non-Muslim girl to marry, the marriage did not attract the public criticism aroused by the King's wedding to Princess Muna. Shortly before the marriage the King announced that Prince Ali, his infant son by Queen Alia, would be next in the line of succession after Prince Hassan, thus displacing the sons subsequently born to Queen Noor in 1980/1, the sons of Princess Muna and the son of Crown Prince Hassan and Princess Sarvath. By this means King Hussein sought to avoid later argument and to strengthen the Hashemite throne for the future by giving precedence to a son of entirely Arab descent.

King Hussein has recently suffered on more than one occasion from slight heart trouble. Provided, however, that he continues

/to



to be able to avoid assassination attempts and accidents and that his health remains good, there seems no reasons short of an all-out Arab/Israel war, with all the uncertainties it would bring, why he would not remain King of Jordan for the foreseeable future.

For the time being, his neighbours and his financial backers seem likely to continue to believe that their interests will be best served by the maintenance in Jordan of the Hashemite regime headed by King Hussein.

VISIT OF ARAB LEAGUE DELEGATION

COMMERCIAL BRIEF

	<u>1981</u>	£ million <u>1982</u> <u>Jan-Nov</u>
1 <u>UK visible exports to Middle East,</u>	4,995	5,146
of which:		
Morocco	56	78
Algeria	173	174
Tunisia	35	36
Syria	85	80
Jordan	204	252
Saudi Arabia	1,134	1,124
 <u>UK imports</u>	 3,923	 3,228

Invisible earnings are believed to be between one and two-thirds of visible trade.

2 Exports to the Middle East represent some 10¹/₂% of Britain's total exports worldwide, and increased 13.3% in the first 11 months of 1982 over the corresponding 1981 period (compared with an 8¹/₂% increase in our 1982 exports worldwide). Major markets are Saudi Arabia, Iraq and the UAE taking between them nearly 50% of our Middle East exports. Fastest growing markets for us last year were Iraq, Jordan, Morocco and most of the Gulf States; only Iran and Libya showed significant falls.

3. There is so far little hard evidence of discrimination against British firms because of the problems over the Delegation. No Arab League state has indicated to us, formally or informally, that sanctions might be imposed over the issue of the Delegation.

/Nonetheless



Nonetheless numerous firms have made clear their belief that they are likely to suffer, if only at the margin, from any prolonged period of poor relations.

4 Saudi Arabia

Our most important Middle East market taking about 25% of total visible exports to Arab countries and now our largest market outside Western Europe and North America at £1.3 bn in 1982. Despite the North Sea, we need heavy Saudi crude to give the right refinery mix and the visible trade balance is still in the Saudi favour. Considerable invisible earnings, probably some £400m net annually. Despite a generally poor project performance, notably in construction, we export across a wider spectrum than most competitors. Development under the Dollars 235 billion Third Plan (1980-1985) may well be unaffected by the weak world oil market. Crude prices are still far higher than assumed when the Plan was drawn up, although Saudi volume sales are somewhat lower. The Saudis can bridge the likely gap between revenue and expenditure by drawing on reserves, currently over Dollars 150 bn.

5 Jordan

UK sixth largest supplier in 1981. Exports in 1982 were £270m, half defence sales. 50 British companies have regional/local offices in Amman. Joint ventures between UK and Jordanian companies increasing. Minister for Trade visited in February 1982. Steady economic expansion, with emphasis on thriving private sector. Main industry phosphates. Heavy reliance on Arab aid and workers remittances. Current cash flow problems as Arab donors slow payments; recent resort to international money markets; some payments delayed.

6 Syria

A medium sized market, with UK exports at £85m, with market share of 4%. Minister for Trade visited Syria in February 1982. The current Five Year Plan (1981-1985) concentrates on

completing existing projects rather than starting new ones and indicates a realistic approach, with emphasis on agriculture. But 50% of budget goes on defence, and foreign exchange remains short.

NOTE: Following three countries are all Francophone, where British industry is striving to enter a French preserve.

7. Algeria

UK is 10th largest supplier, with 4% share of increasingly important market. 1982 exports £199m. 1980-84 Five Year Plan envisages £40 bn expenditure, particularly on social infrastructure. UK signed Memorandum of Understanding on Construction in 1981 and negotiations under way on 20,000 housing units and 30 vocational training centres. £46m contract to build 4 hospitals recently won by CLASP/Tarmac.

8. Tunisia

UK 11th largest supplier, with 2% share. 1982 exports £39m. 1982-86 Five Year Plan - major priority is job creation and foreign investment. Minister of Trade paid successful visit in December 1982 accompanied by businessmen. ATP offer of £13m made in September 1982 for phosphate/sulphuric acid complex; no contracts yet awarded.

9. Morocco

UK is 12th largest supplier, with 2% share. 1982 exports £96m (up 54% on 1981). Minister for Trade hopes to visit in 1983.

VISIT OF AN ARAB LEAGUE DELEGATION: 18 MARCH 1983

DEFENCE SALES BRIEF

JORDAN

1. Jordan has been one of our best customers in the region - orders over £450m in the last three years (³/₄ of which for sale of Khalid MBTs, ammunition and support). Jordan is short of money and relies on external subvention (or soft credit/aid) for her major systems purchases eg Baghdad Summit funding of Khalid programme. Arab funding seems unlikely to be resumed in the near future - at least on the previous scale, despite the promises made at Fez.

Main Prospects

Hawk - worth up to £100m

Refurbishment of F5Es - value unknown

Tornado/Agile Combat Aircraft - value unknown

Coastguard patrol boats - £12m

2. Khalid Tanks: There were early problems over the tank's transmission/steer unit. Agreement has now been reached with the Jordanians on a refit programme for the delivered tanks and to incorporate modifications in the tanks under construction.

SAUDI ARABIA

3. Resolution of the problem of the Arab League delegation would open the way for us to push, at a political level, for expansion of our share of the defence equipment market; Saudi Arabia and the Gulf. Western arms sales in that market amounted

/to



to some £1900m in 1981 of which Saudi Arabia accounted for about 80%. But Saudi Arabia has tended to rely on US and (to a lesser extent) French equipment, and our own share of that market has been small.

4. Saudi equipment preferences will affect our chances of selling to the other GCC states. The GCC is working towards closer co-operation in arms purchases with the aim of attaining interoperability and ultimately standardization. A 12-year programme of GCC funding for equipment purchases by Oman and Bahrain has also been agreed. But Saudi Arabia appears to be using her weight within the GCC to influence decisions there. We cannot rely on our equipment selling on its merits alone and need to get across the message (a) that it is in the GCC interest as much as our own that the Gulf States should not rely exclusively on US equipment and (b) that our equipment fully interoperable with that of the US.

5. The atmosphere for renewed British equipment sales to Saudi Arabia has improved recently with the extension last year of the MOD/BAe contract (£400m over 3 years) for RSAF training and maintenance of Lightnings. 1982 also saw the sale of 72 FH70 Howitzers to the Saudi Army (at £64m our first sale of a major equipment to the Army). Prince Sultan acknowledged to Mr Nott in September that the way was open for further co-operation.

Main Prospects

- a. Air Force: Nimrod AEW, Hawk trainer and Ground radars (the latter we are pressing to be included in the US AWACS package).
- b. Army: Lynx helicopters and Army pilot training; Artillery, engineering and NBC/EOD equipment packages; and (longer term) Challenger and other AFVs.
- c. Navy: AD missiles and Mine Countermeasures vessels.

/d.



d. Ministry of Interior: Hovercraft and internal security equipment.

e. National Guard: Extension of MOD run medical and communications projects (each worth around £200m) AD missiles and armour.

6. Our major prospects elsewhere in the Gulf include Aircraft (Tornado for Oman, Hawk for UAE and Kuwait), Air Defence Radars (Oman, UAE and Kuwait), Tanks and AFVs (Oman, Kuwait, UAE and Bahrain), AD Missiles (Rapier for Qatar) and C3 (UAE and Qatar).


7. We would like to buttress our relationship in Saudi Arabia by establishing a Military Mission in the Saudi MOD similar to those operated there by the Americans and French. Equipment sales (such as FH70) could provide a peg on which to hang this.

ALGERIA

8. Potentially, Algeria is one of our biggest markets for defence sales. Two years ago it was virtually a closed market, 90% equipment was Soviet. Following political decision to move away from Russians and become demonstrably non-aligned, contacts between UKMOD (Defence Sales) and Algeria MOD have become frequent. Furthermore, £100m sales have been achieved in past 2 years (Primarily naval vessels and communications equipment).

9. Algeria demands a greater involvement of HMG than many other countries: we have been negotiating a 'Defence Co-operation Memorandum of Understanding' for 18 months. This MOU has had to break new ground in giving HMG guarantees and support to industry, necessary to beat the French who are obviously our greatest competitors.

/Main



Main Prospects

- a. Hawk and maintenance renovation of Soviet aircraft (£150m).
 - b. Major air defence project - 'Project ACCORD' (£200m+) and possibly
 - c. Further ship sales including submarines.
10. Algeria is demanding a very favourable finance deal with the MOU. Already we have offered to support £500m at better than consensus rates, but Algeria is demanding lower than consensus interest rates. We are seeing what can be done; but already we have broken new ground with the offered deal.
11. Negotiations have halted since December; possibly the Arab League row has caused certain reticence although relations are very friendly and optimistic on both sides.


TUNISIA

12. Virtually no UK arms sales of any significance have been made to Tunisia for the last 5-6 years. Majority of equipment is of US and French origin.

Main Prospects

- a. Vosper Thornycroft were in the final stages of contract negotiations for 2 fast patrol craft (2 similar boats having been supplied some years before) but negotiations came to an abrupt halt in December 1982. The reason given was that severe floods in southern Tunisia necessitated the diversion of funds to relief work, aggravating an already over-stretched budget (lower receipts from oil and tourism than anticipated).
13. The ECGD supported finance package for this deal was

/exceptionally



exceptionally favourable to the Tunisians (80% over 10 years from delivery at 10% interest) in response to the Tunisian Foreign Minister's pleas to Lord Carrington during his last visit. For once, the offer does not appear to have been bettered by the French. A commercial loan can be arranged for the 20% front end to minimise the impact on their budget for the next 2-3 years.

MOROCCO

14. Few UK arms sales to Morocco in recent years. Majority of their equipment is of US and French origin although some Soviet and UK equipment also in service. Most notable UK hardware is £5m worth of 105 mm Light Guns and associated items sold to the Army in the mid 1970s.

Main Prospects

a. International Military Services Limited have been negotiating for 2 years over a £150m equipment package which includes Land Rovers, Mortar Locating Radars, Mortar, FH70 Howitzers, more Light Guns and associated ammunition. Negotiations have been protracted but IMS Limited remain optimistic.

b. Vosper Thornycroft have submitted proposals for the supply of 4 Fast Patrol Boats and a Frigate; Brooke Marine are currently proposing a contract for 10 Fast Patrol Boats (6 to be local build), followed in the longer term by 2 larger examples and a Landing Ship Logistic. In addition Rowbotham (Tankers) Limited have the prospect of supplying 2 ex-chemical tankers which they will convert to Naval Tankers to enable the Navy to carry out Replenishment-at-Sea operations and thereby extend the range of their Fast Patrol Boats.

15. With all of these prospects one of the main sticking points

/is



is finance even though good credit arrangements have been offered. Morocco relies on Saudi aid for new purchases and that has been in short supply. In addition a further set back to all negotiations has been the recent death of Colonel Ahmed Dlimi, one of King Hassan's principal advisers.

SYRIA

16. Sales to Syria since 1980 total some £31m, plus a local manufacture project for tank radios (Racal) worth up to £40m. Syria's poor financial position and low security rating (due to large number of Soviet advisers in country) are tight constraints on what might be made available. Our sales have therefore been in items of low security content such as armoured cars, land radars, radios.

Main Prospects

Lynx helicopters	-	up to £100m
Air Defence Radars	-	up to £80m
Barmine/Ranger	-	up to £25m

Regional Marketing Directorate
Ministry of Defence
14 March 1983