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GRS 420 CONFIDENTIAL FM JEDDA Ø2Ø92ØZ DEC 81 TO IMMEDIATE FCO TELNO 790 OF 02 DEC INFO ROUTINE WASHINGTON, MOSCOW, TEL AVIV, CAIRO, AMMAN, DAMASCUS, BEIRUT, UKREP BRUSSELS

SAVING ALL GULF POSTS

THE SUMMIT AT FEZ: ARAB-ISRAEL

- 1. IT IS RIGHT TO BE DISAPPOINTED AT THE ARABS' FAILURE TO ENDORSE FAHD'S SEVENTH POINT. THAT FAILURE SETS THE CAUSE OF PEACE BACK AND WILL MAKE THE ISRAELIS. UNDERSTANDABLY, EVEN MORE RELUCTANT TO MODIFY THEIR RIGID STANCE.
- 2. BUT WE SHOULD RECOGNISE THAT THERE HAS NOT BEEN A STEP BACK: ONLY A FAILURE TO TAKE A STEP FORWARD. THERE CAN BE LITTLE DOUBT THAT ALL THE ARABS EXCEPT THE LUNATIC FRINGE (EVEN SYRIA) WOULD INDEED ACCEPT THE EXISTENCE OF ISRAEL IN THE CONTEXT OF A PEACE SETTLEMENT: IT IS SIMPLY THAT THEY ARE NOT WILLING TO SAY SO NOW. THEIR ATTITUDE IS FOOLISH. BUT WE ARE USED TO THAT.
- 3. IN ANY CASE WE CANNOT AFFORD TO RELAX OUR EFFORTS TO SOLVE THE PROBLEM. IT IS STILL THERE, DAMAGING OUR INTERESTS, CON-FRONTING US WITH THE NEED CONSTANTLY TO MAKE AGONISING CHOICES. THREATENING TO INVOLVE THE SUPERPOWERS IN A MIDDLE EAST WAR AND TO DRIVE THE ARABS INTO SOVIET ARMS.
- 4. WE NEED TO FIND OUT WHAT THE SAUDIS INTEND TO DO NEXT. IS FAHD FEELING DEFEATED? HUMILIATED? DISGUSTED? RELIEVED OF AN UNWELCOME BURDEN? IT IS NOT MUCH USE ASKING PRINCE SAUD OR HIS OFFICIALS SINCE WE KNOW THEY ARE NOT VERY ENTHUSIASTIC ABOUT THE 8 POINTS ANYWAY AND DUBIOUS WHETHER SAUDI ARABIA OUGHT TO BE TAKING ANY INITIATIVES. WOULD YOU THEREFORE CONSIDER ASKING THE PRIME MINISTER TO INSTRUCT ME TO DELIVER A MESSAGE TO FAHD AND THUS PROVIDE AN OPPORTUNITY FOR A DISCUSSION.
- 5. SUCH A MESSAGE MIGHT BEGIN WITH AN INDICATION OF THE DISAP-POINTMENT AT THE EC SUMMIT WITH THE NEWS FROM FEZ, OUR FORECAST OF THE LIKELY EFFECT ON ISRAELI ATTITUDES, AND OUR CONCERN HOW WE SHOULD NOW PROCEED WITH A EUROPEAN INITIATIVE SEMI COLON THEN AN INQUIRY ABOUT WHAT WENT WRONG, THE RELATIVE STRENGTHS OF THE OPPOSITION AND THE SUPPORT FOR THE FAHD PLAN, THE PROSPECTS FOR ITS REVIVAL AT A FUTURE SUMMIT SEMI COLON FINALLY A REQUEST FOR FAHD'S VIEWS ON THE POSSIBLE EUROPEAN ROLE. NO DOUBT YOU WOULD HAVE OTHER QUESTIONS TO ASK AND COMMENTS TO MAKE.
- 6. AN ALTERNATIVE WOULD BE A MESSAGE CARRIED PERSONALLY BY. SAY, MR HURD. THAT WOULD BE A MORE PUBLIC GESTURE OF SUPPORT FOR THE SAUDIS AFTER THEIR DEFEAT. THE DIFFICULTY IS THAT,

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WHEREAS I WOULD (ON PAST FORM) SEE FAHD ALONE, SAUDI PROTOCOL WOULD PROBABLY REQUIRE SAUD TO ACCOMPANY MR HURD, IN WHICH CASE FAHD MIGHT NOT BE SO FREE WITH HIS PERSONAL VIEWS. AND THERE MIGHT (I DO NOT KNOW) BE COMMUNITY DIFFICULTIES WHILE WE ARE STILL IN THE PRESIDENTIAL CHAIR.

FCO PLEASE PASS SAVING ALL GULF POSTS

CRAIG

STANDARD

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ADDITIONAL DISTRIBUTION ARAB/ISRAEL DISPUTE

[PASSE] AS REQUESTED]

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