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FM FCO 151345Z JUNE 82

TO IMMEDIATE WASHINGTON

TELEGRAM NO 1173 OF 15 JUNE

INFO IMMEDIATE JEDDA



ARAB ISRAEL

1. THE PRIME MINISTER HAS SENT THE FOLLOWING MESSAGE TO PRESIDENT REAGAN ON THE HOT LINE.

DEAR RON,

PRINCE SAUD, THE SAUDI FOREIGN MINISTER, CALLED ON ME
IN LONDON 11 JUNE. I KNOW YOU SAW HIM YOURSELF WHILE IN EUROPE,
BUT NEVERTHELESS I WOULD LIKE TO PASS ON TO YOU THE FOLLOWING
IMPORTANT POINTS WHICH HE MADE DURING OUR DISCUSSION.

- I) THE ISRAELIS WERE GOING BEYOND A JUSTIFIABLE CONCERN FOR THEIR OWN SECURITY, AND WERE USING THEIR MILITARY INTERVENTION TO CHANGE THE POLITICAL STRUCTURE OF LEBANON AND TO ACHIEVE OTHER POLITICAL OBJECTIVES SUCH AS THE REMOVAL OF SYRIAN INFLUENCE. THIS WAS A DANGEROUS PROCESS AND NO ONE COULD TELL WHERE IT MIGHT LEAD:
- II) THE ISRAELIS WANTED TO BOLSTER THE POSITION OF MAJOR HADDAD IN THE SOUTH AND OPEN UP A CHANNEL TO THE CHRISTIANS IN THE NORTH. THIS WOULD BE THE END OF THE STRUCTURE OF LEBANON AS WE KNEW IT AND WOULD LEAD TO THE CATASTROPHE OF RELIGIOUS WAR IN A SIMILAR WAY TO THE RELIGIOUS DIVISIONS OF THE IRAN/IRAQ WAR:
- III) WE SHOULD WORK TO STRENGTHEN THE LEBANESE GOVERNMENT, HELP IT TO EXTEND ITS MILITARY CONTROL OVER THE SOUTH AND FOSTER NAT-IONAL RECONCILIATION AND RECONCILIATION WITH THE PALESTINIANS:
- IV) IT WAS MOST IMPORTANT THAT THE US SHOULD PAY CLOSE ATTENTION
 TO THE TRENDS IN PUBLIC OPINION IN THE ARAB WORLD. IF THE IMPRESSION
 OF ISRAEL/US COLLUSION GAINED GROUND THIS WOULD MAKE GRAVE PROBLEMS
 FOR THE ARAB GOVERNMENTS WHO ARE FRIENDLY TOWARDS THE US:
- V) THE ISRAELIS WANTED TO POLARISE THE MIDDLE EAST, PRESENTING THESELVES AS THE SOLE PROTECTORS OF WESTERN INTERESTS. THIS WOULD DRIVE THE ARABS INTO THE ARMS OF THE RUSSIANS. THE GULF WAR ALSO PRESENTED GRAVE DANGERS. RELIGION WAS BEING MADE INTO A MESSAGE OF CONFLICT NOT RECONCILIATION. THE ISRAELIS WERE EXPLOITING THIS BECAUSE THEY WANTED THE ARABS TO FIGHT EACH OTHER:
- VI) FIRM US ACTION COULD QUICKLY INFLUENCE ISRAELI POLICIES.

THE EGYPTIAN FOREIGN MINISTER, MR KAMAL HASSAN ALI, WAS ALSO IN LONDON ON 11 JUNE AND TOLD FRANCIS PYM THAT HE BELIEVED THE ISRAELIS HAD BEEN PLANNING THE INVASION OF SOUTH LEBANON FOR THE PAST EIGHT MONTHS. LIKE PRINCE SAUD, HE THOUGHT THAT THE

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ISRAELI OBJECTIVE WAS NOTHING LESS THAN A MAJOR REALIGNMENT IN THE LEBANESE POLITICAL SITUATION. HE ADDED THAT THE INVASION PUT EGYPT IN A VERY DIFFICULT POSITION AND WOULD SEVERELY DAMAGE PROSPECTS FOR A LASTING PEACE IN THE MIDDLE EAST IN WHICH EGYPT HAD INVESTED SO MUCH.

KING HUSSEIN HAS ALSO JUST MADE STRONG REPRESENTATIONS TO ME ABOUT THE SITUATION.

YOU AND I DISCUSSED LAST WEEK THE TRAGEDY WHICH HAS OVERTAKEN THE LEBANON, WE MUST NOW TRY NOT ONLY TO DEAL WITH THE PRESENT CRISIS BUT ALSO TO DRAW CONCLUSIONS FOR FUTURE POLICY. THE LATEST FIGHTING HAS ONCE AGAIN DEMONSTRATED THE URGENT NEED FOR A BALANCED POLICY TOWARDS THE ARAB/ISRAEL CONFLICT. BOTH THE ISRAELIS AND THE PALESTINIANS HAVE LEGITIMATE RIGHTS WHICH MUST BE TAKEN INTO ACCOUNT IN WORKING FOR A LASTING PEACE. UNLIMITED SUPPORT FOR ISRAEL CAN ONLY LEAD TO GROWING POLARISATION AND DESPAIR IN THE ARAB WORLD. I HAVE TO TELL YOU FROM OUR ARAB CONTACTS THAT ARAB OPINION IS RUNNING VIOLENTLY AGAINST THE UNITED STATES SINCE THE IMPRESSION HAS BEEN GIVEN, RIGHTLY OR WRONGLY, THAT YOU CONDONE RATHER THAN CONDEMN THE RECENT ISRAEL ! ACTION. THE LOSS OF LIFE AND DESTRUCTION HAVE BEEN HORRIFYING AND I FEAR THAT THE ARABS, INCLUDING SOME OF OUR FRIENDS IN THE ARABIAN PENINSULA, WILL LOOK INCREASINGLY TO THE SOVIET UNION UNLESS THEY SEE SOME MOVE SOON IN THEIR DIRECTION. ATTEMPTS TO LIMIT THE DAMAGE OF THE PRESENT CONFLICT, ALTHOUGH URGENT, ARE NOT ENOUGH. WE MUST TACKLE THE PALESTINIAN ISSUE WHICH LIES AT THE HEART OF THE DISPUTE: UNLESS WE DO THIS WE SHALL NEVER ACHIEVE A LASTING PEACE.

OUR POLICY TAKES AS ITS POINT OF DEPARTURE SECURITY COUNCIL RESOLUTION 509, WHICH CALLS FOR THE IMMEDIATE AND UNCONDITIONAL WITHDRAWAL OF ISRAELI FORCES. IT WILL CLEARLY NOT BE POSSIBLE TO RECREATE THE STATUS QUO THAT EXISTED BEFORE THE INVASION: NOR WOULD THIS BE SATISFACTORY. BUT IT IS NOT FOR ISRAEL TO DICTATE THE FUTURE POLITICAL ARRANGEMENTS WHICH WILL APPLY IN THE SOVEREIGN STATE OF LEBANON. MOREOVER, IN OUR VIEW ISRAEL'S APPARENT INTENTION OF REMOVING THE PALESTINIANS AND THE PLO AS AN ELEMENT IN THE MIDDLE EAST EQUATION JUST WILL NOT WORK.

I THINK IT WOULD BE USEFUL IF OUR OFFICIALS COULD GET TOGETHER TO DISCUSS WHAT THE NEXT STEPS SHOULD BE IN BUILDING A JUST AND LASTING PEACE BOTH IN LEBANON AND THE REGION. OUR PEOPLE HAD ALREADY BEEN IN CLOSE TOUCH BEFORE THE LATEST CRISIS ERUPTED. I SUGGEST THAT THIS DIALOGUE SHOULD NOW BE RESUMED AS SOON AS POSSIBLE.

WITH MY WARM BEST WISHES

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LIMITED
NENAD
MED
UND
PS
PS/MR HURD

PS/PUS SIR J BULLARD SIR J LEAHY MR MOBERLY

MARGARET.