RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE KING OF JORDAN AT 1600 HOURS ON THURSDAY 22 JULY 1982 AT NO. 10 King Hussein Prime Minister Present: Lt. Gen. Sharif Zeid bin Sir John Leahy Shaker Mr. Urwick Jordanian Ambassador Mr. Coles Welcoming King Hussein, the Prime Minister said that she would be particularly grateful to hear his views on the current situation in the Middle East. It was particularly complex. The problems of Lebanon and Iran/Iraq were causing great concern now and the Palestinian problem seemed to be assuming a different complexion. King Hussein agreed. It was unfortunate that the situation in Lebanon had been allowed to endure, thus leading to the present problems. It would take a major effort to get Israel out of Lebanon and the question arose of whether we should see an independent Lebanon again. If Israel had its way its invasion of the Lebanon would be followed by further steps elsewhere. Their next objective might be Jordan. They already claimed that Jordan was Palestine. The Prime Minister said that this prospect worried her considerably Sharon's ideas would upset the State which had been most stable and the most reasonable in its attitude towards Israel. She did not see where the Palestinians now in Beirut could go. It was revealing that Arab countries were declining to take them. She suspected that in the end most would go to Israel thereby creating fresh difficulty for Jordan. She further suspected that the PLO would be led to carry out international terrorism on a greater scale. It was difficult to see what the next stage would be in discussion of the future of the Palestinian problem. Everything had now become much more complicated. Israel's virtual conquest of the PLO would make it less and less disposed to consider a resolution of the Palestinian problem. Sir John Leahy said that it appeared that Mr. Habib might start on a round of visits to Arab countries to see if the PLO personnel could be parcelled out among them. The Prime Minister thought most / Arab countries

Arab countries would be chary of this. Israel had secured dominance the Lebanon. What would the next step be? King Hussein said that Jordan would perhaps be the candidate for Israel's attentions. Excuses would doubtless be manufactured. There was growing Israeli pressure on the Arabs of the West Bank to move into Jordan. The numbers were not yet considerable but the process was beginning.

Sir John Leahy said that there was a suspicion in many people's minds that once Israel had changed the demographic position of the West Bank, it could begin to talk in terms of self-determination for the area.

King Hussein said that Israel was deeply involved in supporting Khomeini in Iran and was supplying arms, spare parts and probably some experts. One could almost speak of coordination between Israeli and Soviet efforts. When in Moscow, he had asked Gromyko how he could explain this situation but had received no answer. The Russians had made it clear that they were very content with the situation in Iran. There were ideological differences but there were no foreign troops or bases. They had predicted that the war would progress in their favour. At the same time they wanted a dialogue with Saudi Arabia and a relationship with Oman. If the pressure on their border with Iran could be relieved, they would be free to divert troops elsewhere. He believed that Israel was more and more acting as a surrogate of the Soviet Union. But Jordan was determined to stand its ground. The new Saudi leadership was promising and relations with Egypt were improving.

The United States had asked him to put pressure on Egypt to accept the PLO. He had declined to do so unless the United States changed its attitude on the promotion of a comprehensive peace settlement in the area. If President Mubarak accepted the PLO in present circumstances he would appear to be the accomplice of Israeli designs. He had been told later that Egypt had refused outright to accept the PLO. Syria on the other hand already had plans to change the PLO leadership into a more extreme form. He had pleaded with the Americans that they should not allow the humiliation of the Palestinians beyond a certain point. People who had lost everything were liable to attempt to damage all around them.

- 3 -

The Prime Minister said that we must not allow stable countries such Jordan, Egypt and Saudi Arabia to be destabilised. What was the King's view of Iraq? It seemed that whenever Iraq and Iran entered each other's territory they encountered military reverses. Perhaps that created the best hope for a de facto settlement. Soviet behaviour was hard to comprehend. They appeared to be giving help to both sides. Noone could trust them. King Hussein said that the Russians were clearly on Iran's side. He was trying to convince the Americans that the loss of Iraq would be a serious blow. Now that Iraq was fighting on its own soil it seemed more determined to stand fast. But he did not know what the future held.

/ The Prime Minister

The Prime Minister said that the United States always seemed to approach the problems of the Middle East in a theoretical way. The had little real knowledge of the area. She hoped that Mr Shultz would be able to make a contribution. His statements to the Foreign Relations Committee had been encouraging. But she remained pessimistic. The Israelis were triumphant about their success in the Lebanon and would now believe that they could Finlandise that country. The United States would simply have to say "no" to the plans of Begin and Sharon in respect of Jordan.

Sir John Leahy said that a number of inhabitants in the West Bank were leaving on their own initiative, because they saw the situation as hopeless. Mr Urwick referred to the closing down of universities which led the young to leave.

King Hussein said that a worrying feature of the present situation was the concentration on the plight of the Palestinians in Beirut rather than on the fundamental problem. Sir John Leahy commented that the United States was at present not prepared to indicate that any change of policy might be possible in case this led the Israelis to move into Beirut.

King Hussein asked why there could not be an international conference on the Middle East problem. The Prime Minister questioned whether such a conference could make any progress at present. Since the Venice Declaration, the situation had changed very considerably. King Hussein said that such a conference might offer the Americans a way out. They did not realise that their image in the area had been totally destroyed. They lacked credibility and were seen simply as the benefactor of Israel. In an international conference, they would be obliged to play a major role. The Prime Minister thought that even if there were a conference it would be difficult to envisage solutions to the fundamental problems, She did not believe that the Israelis would give up the West Bank after their efforts in the Lebanon. Sir John Leahy said that Begin had been reported today as once again ruling out a Palestinian State in the West Bank. General Shaker said that the Israelis wished to radicalise the Palestinians, thereby creating trouble in surrounding Arab countries. Mr Urwick said that this could lead to a situation in Jordan much like that which had obtained in Lebanon - and the Israelis would see this as an excuse to move against Jordan.

King Hussein said that he was trying to arrange an Arab Summit, if not with all Arab countries participating, with as many as possible. He wanted Egypt back in the Arab fold as soon as possible. The Prime nister said that for any such meeting to be successful it would be desirable to have clear proposals on paper. Otherwise no decisions would be taken. King Hussein said that the paper existed. The problem was to persuade the Arab countries to attend. There was a big danger that the United States would soon start talking again about Camp David. But this approach was now dead. It would be a great help if the Americans would release Egypt to join the rest of the Arab world.

The Prime Minister agreed that the Camp David approach now offered no hope of progress. It was the fundamental Palestinian problem which mattered. The Jordanian Ambassador suggested that it would be useful to have a new Security Council Resolution, building on Resolution 242. This could be followed by an international conference. King Hussein commented that the United States were opposed to anything new. The Prime Minister suggested it should be possible to persuade President Reagan that Camp David was the creation of President Carter and that he (President Reagan) had an opportunity to take a new initiative though not very long to implement it.

The Prime Minister said that Yasser Arafat did not cut a good figure in the media in this country. People reacted adversely to him. When, in addition to this, they saw that no Arab country was willing to absorb the PLO, they began to ask whether there was not something in the Israeli cause. The Israelis had recently launched a propaganda counter attack to cast doubt on the figures of casualties in the Lebanon, to draw attention to their weapon finds and to blame destruction on the fact that the Palestinians had deployed their troops in civilian areas. King Hussein agreed that Arafat was an unfortunate choice to portray the Palestinian cause. The Prime Ministe said that the worst result of the present situation would be the destablisation of Jordan. She repeated her fears that the Palestinians would take to international terrorism unless they were given some kind of entity. General Shaker commented that there were many moderate Palestinians who were prepared to endorse a reasonable solution.

The Prime Minister said that the paper which King Hussein ad given at an earlier stage to President Reagan (and of which he had given her a copy last November) had been brilliant. But she understood that the Americans had never responded to it. King Hussein confirmed that this was the case. The Prime Minister asked whether, given the suffering of the Palestinians, they would be hostile to Israel if they were given their own territory - or would they be prepared to live in peace with their neighbours? King Hussein said that he believed that the Palestinians in these circumstances would settle down. Sir John Leahy commented that they would have to be very careful not to provoke Israel. The conversation ended at 1650 hrs. A.J.C. 22 July, 1982

FILE RAIBK Sordan Te master SUBJECT 10 DOWNING STREET 22 July 1982 From the Private Secretary Lear brian, CALL ON THE PRIME MINISTER BY KING HUSSEIN King Hussein called on the Prime Minister this afternoon. I enclose a record of the conversation. I should be grateful if this could be closely guarded and circulated only to those who have an operational need to know what transpired. your ever John boles.

> Brian Fall, Esq., Foreign and Commonwealth Office CONFIDENTIAL

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