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following appeals from people in the West Bank to relieve their situation and move towards a peaceful settlement. He had drawn attention to American willingness to support the cause of Jews who wished to leave the Soviet Union. In his answer, President Reagan had contrasted the position of Jews who wanted to leave Russia with the Palestinians who, he hoped, would be able to stay in their homeland. This reply had been hard to understand.

As a consequence of all this, Arafat was now moving towards a reconciliation of his differences with the radical Palestinians.

The Prime Minister said that she had seen recently in the press a statement which implied that Arafat was moving towards recognition of Israel. General Zeid Bin Shaker said that he had also seen this report. King Hussein said that he was pressing Arafat to move in this direction. In response to a question from Sir John Leahy, General Zeid Bin Shaker confirmed that the meeting of the Palestine National Council had been postponed because Arafat felt that he could not muster sufficient moderate support. Hence, he was now moving towards the radicals. The Prime Minister commented that if a PNC meetiing was dominated by the extremists, the results would harm the peace process.

King Hussein then observed that conditions on the West Bank were deteriorating. Settlements were continuing and violence was increasing. There was evidence of Israeli involvement in the violence. The Prime Minister asked whether things would be easier if Mr. Peres was successful in the Israeli elections in July. King Hussein replied that for the first time the Israeli opposition seemed to be more moderate than the Government. So if the opposition was successful in the elections, this would signal a change of approach by Israeli public opinion. That would be helpful. Sir John Leahy pointed out that if the Israeli Labour Party

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won the elections they would still probably have to form a coalition.

The Prime Minister said that President Reagan would be visiting London in early June. We would devise a careful message to convey to him then about the Arab/Israel issue, though we could not expect him to take action during the American election campaign. She believed that at an earlier stage he had been prepared to do more for Jordan than previous American Presidents. We must now try to get him back on board. In his second term he might be able to achieve more. What would the King like her to say to President Reagan? King Hussein said that he believed the Prime Minister was well aware of all Jordan's concerns.

The Prime Minister then invited the King to comment on the current situation in Syria where there appeared to be a power struggle in progress. King Hussein said that the situation was very ominous. Asad appeared to be in poor health. His brother did not have the same stature. The worrying feature was that the divisions evident in the Lebanon might manifest themselves in Syria. There was great resentment against the ruling minority. If the latter divided, the situation would be unpredictable. The Russians were as unhappy as anybody about the Syrian picture. With regard to the Lebanon, the future was entirely uncertain. The Israelis were entrenched in the south and the problem of water resources gave them an increasing motive for staying there.

The Prime Minister then referred to the deterioration in the Iran/Iraq situation. We did not know why the major Iranian offensive had not taken place. It now looked as though Iran was attacking neutral shipping. This made an effort to promote peace even more essential but this was just as difficult as it always had been. Sir John Leahy commented that US intelligence suggested that an Iranian

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offensive was still some weeks off. The Iraqis had flooded a large area of country. It was possible that it was frustration with the failure to launch this offensive that had caused Iran to attack ships in the Gulf. King Hussein suggested that the motive for the Iranian attacks on shipping might be to bring about intervention to stop the war and thus neutralise Iraq.

The Prime Minister commented that ships would not go to the Gulf if the danger of attack increased. General Zeid Bin Shaker said that, if ships had protection from the US fleet, they might be willing to go into the area. The Prime Minister pointed out that it was not easy to give protection against air attacks.

We had told the United States that if the situation deteriorated they ought to contact the Soviet Union to make clear that they did not intend to exploit developments for East/West purposes. King Hussein commented that the state of relations between the United States and the Soviet Union influenced the whole area. Following the United States experience in the Lebanon, American credibility had suffered in the Gulf.

Talks were continuing with American firms and Jordan's Gulf friends about a project for an Iraqi oil pipeline through Jordan to Aqaba and perhaps onwards to Sinai. There was also a project for a Kuwaiti pipeline. Then, in a longer timescale, there was a scheme for a pipeline from Qatar and the UAE to Oman. These projects would make it possible to move oil other than through the Straits of Hormuz. The Iraqis insisted that the United States must be involved in the pipeline across Jordan. The Americans were rather hesitant. Once started the pipeline could be completed in 15 months. General Zeid Bin Shaker pointed out that the cost of the pipeline at \$1 billion represented one month of Iraq's present expenditure on the war. King

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<u>Hussein</u> emphasised that the Iraq/Iran conflict was a major war. There were now from 300,000 to 500,000 troops deployed on either side.

Sir John Leahy drew attention to the current meeting of the Gulf Co-operation Council. There were media reports suggesting that the Council had decided to take to the US Security Council the issue of Iranian attacks on shipping.

The Prime Minister commented that it would be odd not to discuss this matter in the Security Council.

King Hussein observed that international action was at present limited to appeals. At some point it would be necessary to consider firmer action such as sanctions. The Prime Minister suggested that experience showed that sanctions did not work. King Hussein agreed that this was true especially with East/West relations in their present state.

The Prime Minister said that the present range of contacts with the Soviet leadership was insufficient to exert any real influence on them. King Hussein commented that the Russians were paranoid about their vulnerability and the threat posed to the West. Their feelings of insecurity were frightening.

The Prime Minister then referred to the problem of international terrorism and the recent episode at the Libyan Embassy in London. King Hussein said that this was a deplorable event.

The Prime Minister said that the American decision not to supply Stinger to Jordan had caused us concern. King Hussein commented that he had known in advance that this equipment would not be supplied. But what really worried him was why opposition to the sale had been mounted in the United States. Was this attributable to Israeli influence?

CONFIDENTIAL -6-Jordan had suddenly felt more vulnerable than ever before. Its armed forces had always been a source of stability not just for Jordan but the whole area. He had personally always respected and liked President Reagan. His recent public criticism of the United States had been an attempt to arrest the erosion of relations with that country. The Prime Minister said that she would not be surprised if Mr. Shamir won the Israeli elections in July. Israeli public opinion tended to go for the strong man. King Hussein said that Mr. Sharon could well be the second in command if Shamir were returned. The Prime Minister referred to the recent visit to London by the President of Israel. General Herzog had claimed that conditions in the West Bank were good - she had contested this. We were all worried about the extent of uncertainty in the Middle East - in Lebanon, Syria, the Gulf and further afield. But we had to go on trying. Sir John Leahy stated that we were keen to supply Javelin to Jordan. We would be happy to provide any information that was needed. King Hussein said that this possibility was under serious consideration. (As King Hussein was leaving, Sir John Leahy mentioned to General Zeid Bin Shaker our concern that Jordan might seek Soviet arms.) King Hussein said that he very much hoped that the Prime Minister would pay a visit to Jordan. The discussion ended at 1745. A. J. C . 17 May 1984 CONFIDENTIAL

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FILE

### 10 DOWNING STREET

From the Private Secretary

17 May 1984

dear later,

# Call on the Prime Minister by King Hussein

I enclose a record of the conversation between the Prime Minister and King Hussein at 10 Downing Street today.

I am copying this letter and enclosure to Richard Mottram (Ministry of Defence).

your are fol lola.

Peter Ricketts, Esq., Foreign and Commonwealth Office.

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