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Foreign and Commonwealth Office

London SW1A 2AH

14 September, 1984

*Prime Minister**CDP*  
*14/9**Dear Charles,*King Hussein of Jordan

The Prime Minister will be entertaining King Hussein to a working lunch on 18 September. The King will be accompanied by General Shakir, Commander-in-Chief of the Jordanian Armed Forces, who is coming to London especially for the meeting with the Prime Minister. Mr Luce will attend in Sir Geoffrey Howe's absence in Brussels. The Defence Secretary will also be present.

King Hussein arrived in London on 5 September with Queen Noor for a 2-week private visit. One of his engagements has been a visit to the Farnborough Air Show. Both he and Queen Noor are to have routine medical check-ups during their time here.

This will be King Hussein's third meeting with the Prime Minister this year. The success of the State Visit in March continues to have a beneficial influence on Anglo/Jordanian relations which remain excellent. But King Hussein is understandably gloomy about the lack of any progress towards peace in the Middle East: his deep disillusion with the United States for its overt support for Israel continues. In the absence of any evidence of US efforts either to play a mediating role between Israel and the Arabs or to mend fences with Jordan, US/Jordanian relations are at a very low ebb. The Jordanians reacted sharply to the US veto of the Lebanese Security Council Resolution on Israeli occupation of South Lebanon earlier this month. Their dialogue with Arafat has made no substantive progress. King Hussein seems to have no ideas of his own for reviving the peace process and has fallen back on hopes for a multilateral solution to be achieved through an international conference. The propagandistic Soviet proposals of 29 July stress the need for such a conference, and have inevitably received wide (but not, we believe, very sincere) Arab support. Mr Peres, in his first public statement as Prime Minister of Israel, has invited King Hussein to come to the negotiating table (although Israeli officials are privately sceptical about whether the King can in practice do so). The King has not yet responded.

Defence sales may be an important subject for discussion with the King. Following the US administration's withdrawal in March this year of its proposal to sell Jordan the Stinger missile system the Jordanians have been looking at alternative sources of supply, including the Soviet Union, France and Britain.





Finance is likely to be an important factor. The Soviet Union is reported to have offered extremely favourable financial terms, which we cannot rival. We have actively promoted Javelin, and the Head of Defence Sales MOD has visited Amman. We are now considering Jordanian proposals for the supply of a package of equipment costing up to £400 million. King Hussein will wish to press the Prime Minister to agree very soft credit terms if he decides to buy British equipment.

The Prime Minister may wish to discuss the latest developments in the Gulf conflict. King Hussein has close links in the Gulf but is in some difficulty with the Saudis who disapproved of his recent offer of direct military aid to Bahrain. King Hussein's assessment of the Federation Treaty between Libya and Morocco, signed on 13 September, will be worth seeking. The Prime Minister may also like to raise the prospects in the UN General Assembly of the Argentine draft resolution on the Falklands, and ask the King for a further Jordanian abstention.

King Hussein may raise the question of General Azhari which was mentioned in a recent letter from Mr Julian Amery to the Prime Minister. The Prime Minister might say that we were glad to have been able to arrange a meeting, but we do not wish to go further.

/ I enclose briefs reflecting the above points on Arab/Israel,  
/ Iran/Iraq, Syria and Lebanon, Morocco and Libya, Anglo/Jordanian  
/ relations, the Falklands, and General Azhari. I also enclose  
/ personality notes, and a copy of the record of the Prime Minister's  
last meeting with King Hussein on 17 May.

*Yer ew,*  
*Peter Ricketts*

(P F Ricketts)  
Private Secretary

C D Powell Esq  
10 Downing Street

*Azhari?  
The big issue  
is not very  
helpful.*





## 10 DOWNING STREET

From the Private Secretary

17 September 1984

King Hussein of Jordan

Thank you for your letter of 14 September enclosing briefs for the Prime Minister's lunch with King Hussein on 18 September.

\* The Prime Minister notes from the letter that King Hussein is likely to press her to agree very soft credit terms for the purchase of British military equipment. The accompanying briefing, however, gives her very little indeed to say on this subject. I should be grateful if you could let me have urgently a rather fuller and more explicit line to take on this. The Prime Minister recognises that she will not be able to give King Hussein a definitive answer. But she feels that she must be able to explain the various factors we shall have to take into consideration to him.

I am sending a copy of this letter to Richard Mottram (Ministry of Defence).

\* Charles  
✓  
At flag.

Charles Powell

Peter Ricketts, Esq.,  
Foreign and Commonwealth Office.

PRIME MINISTER

Meeting with King Hussein

He arrives at 1.00 pm accompanied by General Bin Shaker and the Jordanian Ambassador. Other lunch guests will be lined up by the Cabinet Room. You will probably want to go to the Blue Drawing Room before lunch.

Briefs attached with additional \* material on the credit terms for purchase of British military equipment, plus a card.

C.B.P.

\* at the back of the folder.

17 September 1984



Points for King Hussein

1. Arab/Israel How respond to Peres invitation? Small prospect of activity by US. Soviet proposals cynical. State of King's contacts with Arafat? *Moscow visit?*
2. Iran/Iraq Military stalemate likely to continue. Read Julian Amery's account of his visit to Iraq. General Azhari has been seen but cannot get actively involved with him.
3. Lebanon Outlook better with new Israeli Government. Prospects for Syrian withdrawal?
4. Syria Relations with Jordan. Rifaat banished?
5. Morocco/Libya Short term device or major shift?
6. Defence Sales Keen to help with re-equipment programme. Working on credit proposals: Heseltine to bring in October.
7. Duchess of Kent looking forward to October visit.

Continued over/...



8. Delighted Prince Faisal to start flying training here.

9. Hope Jordan will abstain on likely Argentine resolution on Falklands and persuade other Arabs to follow suit.

Supplies - Stores

Nothing committed

Plans - see vouchers.

30-7 Philipp Colford

Talk, Talk Talk - there is  
no more to come.

Yonderland - Xmas party

Spring no more other on the table



THE PRIME MINISTER'S LUNCH FOR KING HUSSEIN: 18 SEPTEMBER

POINTS TO MAKE

Arab/Israel

1. The Israeli elections did not give Labour a clear mandate for progress in the peace process. But at least Shimon Peres has now formed a government. He will doubtless concentrate first on economy and Lebanon, but has already invited Jordan to 'join the peace process' without however offering any serious inducements. How will Jordan respond to this perhaps propagandistic invitation? Important to extract from it any possible advantage for peace. Negotiations, even on a shaky basis, could once started have dramatic effects in Israel. US may shy away from Arab/Israel as too difficult, despite President Reagan's professed intention to resume active role in 1985. PLO disarray, and failure to convene Arab Summit to follow up Fez are further obstacles. Can Arabs confront US/Israel with a credible peace initiative? What way does the King see forward?

2. Soviet proposals cynically timed to make propaganda capital out of present deadlock. A rehash of the Brezhnev proposals of 1982. Six 'principles' include contentious points which should be the subject of negotiations, not a basis for them (e.g. dismantling settlements, status of Jerusalem). International Conference idea fine in principle, consistent with European position, which envisages Security Council guarantees as part of eventual settlement. But not practicable now; Israel, US would not attend; and Arabs/PLO not agreed on negotiating position. An International Conference now, or any Security Council 'seminar' on Arab/Israel, likely to be counter-productive, pushing US and Israel still closer, and further dimming the prospects for a constructive US role. Rumours that Arafat may seek to stage a Security Council debate in October: better to stave this off. Syrians may in any case frustrate it.

/Iran/Iraq



Iran/Iraq3. Gulf Conflict

Stalemate continues. Believe that military reality may deter Iranians from undertaking offensive in near future. Concerned at continuing attacks on neutral shipping in the Gulf; important that international community takes every opportunity to uphold principle of freedom of navigation.

4. Mediation

Although both sides have in the main respected the UN Secretary-General's appeal to cease attacks on civilian targets, little prospect in short term of successful initiative. But United Kingdom ready to support any realistic mediation effort, especially through the good offices of the UN Secretary-General.

5. Iran Internal [If raised]

Although likely that delay in Iranian offensive due to internal differences over tactics, divisions within leadership appear to be on purely tactical level. No reason to conclude that Islamic Republic under serious external or internal political threat.

6. Release of Defence Equipment [Defensive: If raised]

The UK is impartial in the conflict and supplies no lethal items to either side. All export licence applications for defence equipment are rigorously scrutinised to ensure that no lethal items are released. The decision to release the Yarrow ships is merely partial settlement of contracts outstanding since before the Revolution; they are unarmed and could have no role to play in the current conflict.

/Syria and Lebanon



Syria and Lebanon

7. Syria largely pre-occupied with internal matters and Lebanon. Earlier animosity between Syria and Jordan apparently reduced. Does King Hussein detect an easing of tension? President Asad seems to be in full control again at home. Will Rifa'at succeed him or has he in fact been banished?

8. How does King Hussein assess Syria's role in Lebanon? Since abrogation of 17 March Agreement, Syria has devoted much time and effort to building up Lebanese Government of National Unity. Long term prospects of Syrian troop withdrawal?

9. Syrian-inspired terrorist activities have lessened in recent months. Does this mean tighter Syrian control over terrorist groups it harbours or a gradual move away from state sponsored tension as Syria becomes more aware of its national and regional responsibilities?

Libya-Maghreb

10. Qadhafi's regime continue to proclaim publicly their intention of flouting other countries' laws in pursuit of revolutionary violence. No substantive progress in our difficulties with Libya. Welcome release of two hostages but look for release of four still held unjustifiably as precondition for any progress however slight in reducing tension. Firm stance is in interest of international community. Should not rescue Qadhafi from isolation produced by his own policies.

11. We have good relations with other Maghreb countries. Morocco-Libya Treaty of Federation unexpected. A mere short term device or a major shift of balance within the Maghreb? Qadhafi's and Hassan's objectives? Effects on other countries of Middle East?

/Anglo/Jordanian Relations



Anglo/Jordanian Relations12. Defence Sales

Welcome any opportunity to build further on our well established defence relations with Jordan in the field of training and arms supplies. In particular, we are keen to help Jordanian Government with its proposed re-equipment programme. Far reaching effects of a major Soviet arms purchase by Jordan. We are working on credit proposals for latest Jordanian requirements (Javelin, Scorpion, aircraft refurbishing) which we hope will be available in time for Mr Heseltine's visit.

13. Visits

*[Together?]* Mr Heseltine and Duchess of Kent look forward to their visit to Jordan in October.

14. Prince Faisal

Delighted that he will start flying training here next year.

Falklands at the UN

15. Hope Jordan will again abstain in General Assembly on any new Argentine draft resolution which insists on negotiations on sovereignty and fails to acknowledge the Falkland Islanders' right to live under a government of their own choosing.

16. Hope Jordan will also take opportunities to induce other Arab countries not to vote for such a resolution. Important not to encourage the Argentines in their sterile and unrealistic approach, and thus set back prospects for real progress in the development of better relations between Britain and Argentina.



## BACKGROUND

Arab/Israel

1. President Reagan told the Prime Minister on 5 June that he intended to launch a new initiative on Arab/Israel after the election and the Prime Minister conveyed this to King Hussein in her letter of 20 June. But the US may have been pinning their hopes on a convincing Labour victory in the Israeli elections in July. The National Unity Government which has just been formed will find Arab/Israel policy one of its most difficult subjects. The economy and Lebanon are more immediately pressing. But some public gesture was always on the cards and Shimon Peres has already invited King Hussein to 'come to the negotiating table' knowing (as Israeli officials have told us) that it will be extremely difficult, for Arab reasons, for him to accept.
2. Arafat, with no real incentive to commit himself to negotiation, nor irresistible pressure to abandon it, is keeping his options open. His dialogue with Jordan continues but, according to the Jordanians, lacks substance. King Hussein appears to be losing patience with Arafat. Internal PLO talks continue but a Palestine National Council meeting has yet to be held; the latest, end-September, deadline is slipping. The Arab Summit, not held in 1983, is scheduled for December. This may also slip, and it is in any case doubtful that the meeting would be able to make any advance on the Fez Declaration 1982, which implicitly recognised Israel.
3. The latest Soviet proposals, issued as a press release on 29 July, were plainly propagandistic. They added little to Brezhnev's six principles of 1982, but elaborated for the first time on the details of the proposed International Conference. Arab reactions have been positive but unenthusiastic. Nevertheless the conference proposal enjoys general support, if only because it is the only live proposal. King Hussein has said  
/many times



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many times that an International Conference is the only way forward. This is more a measure of his continuing disenchantment with the US than a true reflection of his views. Israel and the US have said they will not attend a conference. The UK, France and the Netherlands (European Security Council Members) have said that the time is not ripe. The UNSG has considered, as a fallback option, a Security Council 'seminar' on Arab/Israel; and we have heard in confidence that the PLO intend to call for a Security Council discussion for which Arafat would go to New York in early October. Either scenario would give the Russians a propaganda field-day, and would make less (not more) likely a more constructive US Middle East policy. We should encourage King Hussein to put a spoke in this plan. The Syrians and Saudis for different reasons may do the same.

#### Iran/Iraq

##### 4. Gulf Conflict

Still no sign that long-awaited Iranian offensive will be launched in near future. Technical military difficulties, and internal tactical differences, may account for delay. Attacks on shipping in the Gulf continue; on 11 September the Panamanian-registered 'St Tobias', and on 12 September an Iranian convoy in the Khor Musa were hit by the Iraqis, the first Iraqi attacks since 24 August.

##### 5. Mediation

Both sides have generally adhered to UN Secretary-General's appeal on attacks on civilian targets. But no reason to believe that any more wide-ranging initiative will bear fruit, given continued Iranian intransigence and insistence on downfall of Saddam Hussein. Although Jordan has tended to support her Arab neighbour Iraq in the conflict, she expresses concern that the conflict should be settled quickly.

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6. Iran Internal

Although the Iranian leadership has recently appeared divided both over the course of the conflict with Iraq and over internal Governmental and social questions, there is no reason to believe that these divisions are anything more than tactical. Nor does the regime face any serious danger from any of the splintered exiled opposition groups. Jordan has tended to be sanguine about the prospects for change inside Iran.

7. Release of Defence Equipment

Jordan may be concerned at recent press reports of the release of British defence equipment to Iran. As far as possible, we maintain normal trade links with both Iran and Iraq. We supply non-lethal, and refuse lethal, defence items (after rigorous scrutiny of export applications) to both. HM Ambassador Amman explained to King Hussein on 4 September our position on the sale of defence equipment to Iran and on the release of the Yarrow ships (but not the armoured vehicle spares).

Syria and Lebanon

8. Syria remains the leading radical Arab confrontation state in the Arab/Israel dispute, but has been pre-occupied this year with its own internal leadership problems and developments in Lebanon. President Asad's ill-health has given rise to a struggle for the succession which has centred on the President's brother, Rifa'at; its outcome remains unclear. Rifa'at has been in Geneva for 4 months. Two of his main opponents (Brigadier Ali Haidah, Commander of Special Forces and Major-General Shafiq Fayyad, Commander of the Third Armoured Division) have been dismissed. The President's health has improved significantly. The succession is probably still pretty open.



9. Following the abrogation of the 17 May Israel/Lebanon Agreement, Syria has worked hard to bolster the Lebanese Government of National Unity and to help implement the Security Plan for Beirut, the product of the Syrian Vice-President Mr Khaddam. Progress has been interrupted by inter-factional fighting and unwillingness to cooperate of Lebanese Government members themselves (Walid Jumblatt and Nabi Berri, in particular, have needed Syrian pressure to bring them into line). The going is hard, but the Syrians will continue to press the Lebanese Government for further implementation of the Security Plan and introduction of political reforms.

10. Syrian-inspired (or condoned) terrorist activity has shown an apparent decline in recent months. Abu Nidhal has been quiescent. There are good reasons for Syria to exert control over terrorist groups, not least the long term risk to its own stability from Shia fundamentalists. But the appearance of the Palistani Al-Zulfikar terrorist organisation in Syria gives cause for concern.

#### Libya/Maghreb

#### 11. Morocco/Libya Treaty of Federation

King Hassan and Col Qadhafi signed a Treaty of Federation on 13 August. Hassan proposed it (presumably hoping to gain Libyan support over Western Sahara and Libyan jobs to alleviate huge Moroccan unemployment) and Qadhafi, even more in need of friends, agreed. The Treaty

/is seen



is seen by the Moroccans and Libyans as a counterbalance to the Algerian-Tunisian-Mauritanian Treaty of Friendship. On paper, the Treaty provides for a joint assembly and executive committee under the direction of a joint (Hassan-Qadhafi) Presidency; a secretariat to alternate biennially; separate councils for political, defence, economic and educational and cultural affairs. Neither party is to interfere in the internal affairs of the other, but aggression against one will be seen as aggression against the other as well. What it will mean in practice, if anything, remains to be seen.

12. Reactions from others have been predictable. The Americans, despite assurances from Hassan that the Treaty does not alter US/Moroccan relations nor his pro-Western stance, are reviewing their policies towards Morocco. The Tunisians are playing it cool, but seeking to avoid any deterioration in their relations with Libya. The Algerians regard the Treaty as a Moroccan snub and have been shrilly critical. They have reaffirmed their support for the Sahrawi people and insistence that a solution to the Western Sahara problem must be found within the OAU arena. The French have again upset the Algerians by appearing too pro-Moroccan.

13. We have not commented publicly on the Treaty. We are dubious about is practical effects, and consider US and Algerian nervousness rather exaggerated. We should preserve our good relations with King Hassan despite his apparent new closeness with Qadhafi, while safeguarding our much improved - both political and commercial relations - with Algeria. We are studiously neutral on the Western Sahara.

/Anglo/Jordanian Relations



Anglo/Jordanian RelationsBilateral Relations

14. The State Visit to Jordan in March was a high point in our dealings with Jordan which are outstandingly friendly and free of problems. King Hussein is a regular visitor to Britain and has called 4 times on the Prime Minister in the last 12 months. Jordan is a key moderate state which needs and deserves our support, specially when the Americans have been so unhelpful to King Hussein.

15. Mr Luce visited Jordan - in November 1983 and as Minister in attendance on The Queen in March. Mr Heseltine will visit Jordan from 19-23 October. The Duchess of Kent will also be visiting from 11-14 October as King Hussein's guest.

16. A Ministry of Defence offer to provide flying training to Prince Faisal, King Hussein's second eldest son, has been well received by the King. Subject to minor remedial surgery on his nose and successful decompression tests, Prince Faisal will start his course in June 1985.

Defence Sales

17. After withdrawal in March by the US Administration of its proposal to supply the Stinger low level air defence missile system to Jordan, we, the French and Russians, have been active in promoting alternative systems. There have been 3 visits in July and August by joint MOD/International Military Services teams. It is now evident that the Jordanians are working towards a major package of defence equipment amounting to more than £700 million. The Russians have offered very favourable long term credit (we believe 2 to 3% over 17 years) and General Shaker visited Moscow in August. We believe King Hussein will visit Moscow in October/November. In their

/most recent



most recent talks with the Jordanians, MOD/IMS were invited to submit proposals on a revised list of defence requirements, totally £400 million which includes an increased number of Javelin (460 launchers and 4,600 missiles). Scorpion armoured reconnaissance vehicles, and up-grading the avionics of some of their front-line fighter aircraft. The crux of the Jordanian decision to buy from Britain may be the credit terms we can offer. At present, ECGD medium-term credit for Jordan amounts to £420 million, of which £277 million is already committed. MOD intend to have proposals ready in time for Mr Heseltine's visit in October.

18. The Americans have expressed concern to us (and to the French) about the prospect of a Jordanian arms deal with the Soviet Union. There have been suggestions that the Americans may be in a position to make a new offer to the Jordanians after the November elections. They would clearly like us to help postpone a Jordanian decision to buy Russian both for obvious political reasons and to keep the door open for their own commercial interest. We share US concern at the prospect of a major Soviet advance in Jordan: but have few really pressing arguments other than offering the Jordanians terms which will induce them to buy British.

#### Falklands at the UN

19. Jordan abstained on the Argentine draft resolutions in 1982 and 1983, in both of which years they represented the Arab group on the Security Council. We have not yet had indication of their voting intentions this year. The Argentines are currently seeking Latin American co-sponsorship for a draft UN resolution based largely on that adopted last year. The draft has not yet been made public, but is circulating in the corridors. It would be useful to remind King Hussein, particularly if we wish to enlist his support with other Arab countries, of the reasons why we regard any likely Argentine resolution about the Falklands as unacceptable.



## HM KING HUSSEIN BIN TALAL

King of the Hashemite Kingdom of Jordan since 1952.

Born Amman 1935.

Educated Bishop's School, Amman; Victoria College, Alexandria; Harrow; shortened course at Sandhurst 1952/53. He was present when his grandfather, the Emir Abdullah, was assassinated in Jerusalem in 1951 and acceded to the throne in the following year on the abdication of his father, King Talal, owing to ill-health. 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 Hashemite monarchy in Iraq in 1958, the loss of the West Bank to Israel in 1967, the civil war against the Palestinian groups in 1970/71 and periods of bad relations with Egypt, Iraq and, most recently, Syria.

King Hussein has married four times: to Princess Dina 1956-57; Princess Muna (née Toni Gardiner and of British origin) 1961-72; Queen Alia 1972-77 and Queen Noor since 1978. His marriages to Queen Dina and Princess Muna ended in divorce; Queen Alia died tragically in a helicopter crash. He has ten children in all.



LIEUTENANT-GENERAL SHARIF ZEID BIN SHAKER

Commander-in-Chief, Jordan Armed Forces, since 1976.

Born Amman 1935, son of the Emir Shaker who came to Jordan from the Hejaz with the King's grandfather, Emir Abdullah. Educated at Victoria College, Alexandria, and Sandhurst in 1954-55. Appointed ADC to the King after the dismissal of Glubb Pasha. Posted as Assistant Military Attaché to London in April 1957. Attended the Long Armour Course in the United States in 1962. As a Major in 1963 he commanded First Armoured Infantry Regiment and was promoted to Lieutenant-Colonel in the same appointment. In 1964 he attended the US Command and General Staff College and then took command of the 60 Armoured Brigade. Given accelerated promotion to Colonel in November 1965 and appointed Military Assistant to the King. Acquitted himself well in the 1967 war. Promoted Brigadier July 1968 as Commander Royal Armoured Corps. Assistant Chief of Staff (Operations) 1970-72, Major General 1971, Chief of Staff 1974 until his appointment as Commander-in-Chief in 1976.

He and his wife speak excellent English. Their son, Shaker, (b. 1961) entered a preparatory school at Seaford and was at Eastbourne College. They have a daughter, Nesrine, (b. 1959) who was at school in England and at Santa Clara University, USA, before joining the Jordanian Diplomatic Service; she is engaged to be married to an Iraqi.



MR HANI TABBARA

Mr Tabbara was born in 1939. He has a degree from London University.

He joined the Jordanian police force in 1963 with the rank of lieutenant and in 1966 was promoted to major and appointed military prosecutor at the Court of State Security.

In 1971, he was appointed assistant military attache at the Jordanian Embassy in London. He spent six years here, during which time he was appointed Minister Plenipotentiary en poste. He returned to Amman in 1977 where he worked briefly in the Prime Minister's Office.

From May 1977 to December 1979, he served as Jordanian Ambassador to Morocco. Thereafter he was Jordanian Ambassador in Romania (1980) and Saudi Arabia (1982).

Mr Tabbara is married and speaks excellent English. His wife is Moroccan and is a fluent French speaker. There are two young sons.



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24 MAY 1984	
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RECORD OF CONVERSATION BETWEEN THE PRIME MINISTER AND KING  
HUSSEIN OF JORDAN AT 1700 HOURS ON THURSDAY 17 MAY 1984 AT  
10 DOWNING STREET

Present: Prime Minister King Hussein  
Sir John Leahy General Zeid Bin Shaker  
Mr. A.J. Coles Mr. Hani Tabbara

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The Prime Minister said that we had been delighted with The Queen's visit to Jordan. We had wanted it to be a striking gesture of confidence in Jordan and so it had proved. King Hussein said that the Jordanian people had felt pride and happiness in the visit. There had been a few anxious moments before it happened and he would always remember the support which the Prime Minister had given.

Turning to the Arab/Israel question, he recalled that during his last visit to London he had given to the Prime Minister a copy of the proposed Resolution on Israeli settlements in the West Bank which he had been discussing with the United States Government. At about that time he had also written to President Reagan urging him to use his influence so that members of the Palestine National Council could leave the West Bank. In this connection he had felt strongly that there was an opportunity at that time to change the direction of the Palestine Liberation Organisation. But the American response on both issues had been negative. On the proposed Resolution, which had been based on known American positions, the United States appeared to be concerned that it might be amended in the United Nations in unacceptable ways. With regard to the members of the Palestine National Council the United States had not been prepared to take any helpful action. He had also written to President Reagan on a later occasion,

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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 meeting 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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Hussein 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<sup>N</sup> 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?



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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



THE PRIME MINISTER'S LUNCH FOR KING HUSSEIN: 18 SEPTEMBER

DEFENCE SALES: SUPPLEMENTARY BRIEF

POINTS TO MAKE

Long-term credit (Defensive)

1. Cannot at this stage go into detail. We are however looking carefully at the length of time over which repayments could be spread. The difficulty is the very wide gap between the normal European credit rates (11.9%) and the very low figures which have been attributed to the Russians (what is the Russian figure ?). It is also against normal British practice to offer credit at all for ammunition and missiles.



BACKGROUND

DEFENCE SALES: LONG TERM CREDIT FOR THE SALE OF DEFENCE EQUIPMENT TO JORDAN, INCLUDING JAVELIN, SCORPION ARMoured RECONNAISSANCE VEHICLES AND ADVANCED AVIONICS

1. ECGD are urgently preparing long-term credit proposals, but the prospects for putting together a package which is sufficiently attractive to the Jordanians are rather bleak.
2. The normal repayment period of loans to Jordan is five years. ECGD are working on a seven-year repayment period for this package (subject to Treasury approval). With a six-month grace period, and a nominal delivery commencement date of one year from placing of an order, this would in effect allow a minimum repayment period of eight and a half years.
3. ECGD are thinking of offering a first tranche of £150m credit at the "consensus rate" of interest of 11.9%. Credit would cover 75% of contract value, but not missiles or ammunition. Since Javelin missiles are a large part of the proposed contract MOD have pressed ECGD to re-examine this, and the proposed rate of interest. But ECGD have not yet formed a firm recommendation to Ministers.
4. We have heard reports that the Russians have offered their package at an interest rate of 2-3%.



E.R.

~~Caroline~~

Could you please  
let me have a  
date (or two).

PRIME MINISTER

Visit of King Hussein

I understand that King Hussein is likely to be in London privately from 7 to 23 September. We have not yet had a request for him to see you. But I am sure that he will ask. Would you want to take the initiative by offering a talk and/or a lunch? It should be relatively easy to find a date now that your South East Asia trip has been postponed.

Lunch is often  
easier  
met

C.D.P.

~~Caroline~~ 4/19.

The FCO will  
telegraph

31 August 1984

Amman.

C.D.P.

~~Stables~~

TUE 18 Sept  
Will you  
talk to  
FCO?

CR  
3/9