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From the Private Secretary

20 November 1985

ARAB/ISRAEL: RECENT DEVELOPMENTS

Thank you for your letter of 19 November summarising recent developments in the Middle East.

The Prime Minister notes from the telegrams that Mr. Coles is in close touch with King Hussein. She does not see a need for her to send a reply to the King's latest message until we have something more specific to say.

CHARLES POWELL

Peter Ricketts, Esq., Foreign and Commonwealth Office.

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Foreign and Commonwealth Office

London SW1A 2AH

19 November 1985

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Arab/Israel: Recent Developments

The Prime Minister might wish to have our preliminary assessment of recent activity on the Arab/Israel front. This letter also encloses a draft reply to King Hussein's latest message.

The King has now pursued for nine months his initiative based on the 11 February Jordan/PLO Agreement. American unwillingness to meet him halfway and a number of recent damaging incidents have virtually halted progress and the King has been obliged to conduct a major reappraisal.

The original Jordanian initiative was directed almost exclusively at securing US agreement to a series of pre-planned steps (i.e. a meeting of a joint declaration with US officials; PLO acceptance of SCRs 242 and 338; and US/PLO contacts leading to an international conference).

The Americans have not considered that they could move even to the first step. Recent terrorist incidents (Larnaca and the retaliatory bombing of Tunis, Achille Lauro and aftermath) have further soured the atmosphere. They have also made it more difficult for King Hussein to justify to other Arab leaders an approach which gives the central role almost exclusively to the US. The failure of the 14 October London meeting was a further public setback and the King's generous public endorsement of our actions publicly exposed his problems with the PLO. The US Administration's unwillingness to try last month to push through against Senate opposition a major arms deal for Jordan is a particularly bitter blow to the credibility of his policy, and leaves him disillusioned about President Reagan's commitment.

King Hussein held a series of meetings with Arafat in Amman on 29/30 October. He told Mr Coles that he had sought assurances from the PLO on the following points:

- an end to all violence outside the Occupied Territories;
- a commitment not to allow any activity related to the "armed struggle" in the Occupied Territories to take place on Jordanian soil;

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- (c) a commitment to accept SCRs 242 and 338 in the immediate run-up to an international conference;
- (d) an end to contradictory statements by PLO spokesmen: the PLO to speak with one voice in future.

In his subsequent "Cairo Declaration" Arafat publicly accepted (a) above (which was in any case the long-standing policy of his own Fatah group). The Egyptians claimed that his statement ruled out attacks in Israel proper, but PLO spokesmen have denied this. The Jordanians await replies on the other points.

The King has told us that, if the PLO fail to give satisfactory commitments, he will consider publicly distancing himself from them. But we do not believe that, at this stage, he is contemplating an outright repudiation of the 11 February Agreement, still less entering into direct talks with Israel without the PLO. He treated Arafat with deliberate coldness in Amman and, in a further swing from Arafat, has also made public overtures to the Syrians with whom relations have been virtually frozen since 1979. Zaid Rifai led a large team for talks in Damascus on 12/13 November. This may be followed up by a summit meeting between the King and Asad (Arafat's most bitter opponent among Arab leaders). The Joint Communique subsequently issued in Damascus made much of the role of an international conference and there is some evidence that Rifai, who has personally long favoured a rapprochement with Syria, may have gone further on the function of the conference, and perhaps other aspects, than the King would have wished. But the Syrians remain deeply suspicious of the King's real intentions.

We believe that King Hussein is pursuing two main objectives in his contacts with the Syrians. First, he hopes to increase pressure on Arafat by indicating his determination to keep his options open. Secondly, he is genuinely exploring the long-term possibilities of involving Syria in the peace process, and both Syria and the Soviet Union in an eventual international framework for negotiations. Given US unwillingness to pursue his original programme he needs to show that he is seeking alternative approaches on the basis of the 11 February agreement. He may also see value in a signal to the Americans of a possible shift in alignment to demonstrate his displeasure at the blocking of US arms sales to Jordan.

Prime Minister Peres seized the opportunity offered by Arab, and especially Palestinian, disarray in a skilful speech to the United Nations on 21 October. Although there is little that is substantively new in his speech, his tone was constructive and he highlighted the possibility of an "international forum" being associated with direct negotiations, an aspect of his speech which both we and the Jordanians have

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welcomed. He also made clear that his objections to Soviet participation related solely to the absence of Soviet diplomatic relations with Israel. There have been persistent rumours of movement in this area, and some Eastern European governments have recently resumed limited relations with Israel, but we do not expect early resumption of diplomatic relations between Israel and the Soviet Union. Likud attacked Peres' speech, but did not press their opposition to a vote in the Knesset. With the ensuing government crisis provoked by Sharon's criticism at least temporarily defused by a grudging apology, Mr Peres' position appears to be somewhat strengthened.

King Hussein now hopes to interest the Americans in exploring with him how to meet his requirement for international cover for negotiations. He believes that he has identified some new US flexibility, but our own contacts suggest that progress on Arab/Israel remains well down the list of US foreign policy objectives. The Americans are also deeply suspicious of the King's overtures to Syria. They have told us that Richard Murphy will travel to Geneva later this week for a briefing on the US/Soviet summit and then go on to visit the region. They do not expect developments on Arab/Israel at the Summit, although they stress that the situation remains very fluid. Murphy's visit, ostensibly to brief Heads of State on the Summit, is essentially a holding operation and the US await further moves from King Hussein.

Sir Geoffrey Howe will have an opportunity to discuss the next steps with Mr Shultz in Brussels next month at the NATO Council, and to stress the need for positive US (and/or Israeli) gestures to the Jordanians. If the Americans are inclined to read more into King Hussein's overtures to Syria than we think justified, this is all the more reason for them to work hard to repair US/Jordan relationships. Meanwhile, we need to keep up our own support and are working for positive press guidance on Arab-Israel to be issued after the meeting of EC Foreign Ministers this week. This would help meet the expressed Jordanian wish for public support by the Ten of their policy. We also aim to highlight in this statement, and in our own public comment, the positive elements in Mr Peres' proposals. Mr Peres' visit to London and Sir Geoffrey Howe's visit to the Gulf, both in January, will be opportunities to get our views across both privately and publicly.

As you know, Mr Coles recommended delaying a reply from the Prime Minister to King Hussein's message of 28 October enclosing copies of his correspondence with President Reagan about arms supplies (your letters of 4 and 5 November).

Mr Coles still thinks that in view of the uncertainties about Jordanian policy it would be wiser to wait before injecting

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advice to King Hussein. But in view of the delay, Sir Geoffrey considers that the Prime Minister may nevertheless wish to send the King a brief but morale-boosting reply which avoids detailed comment on current Jordanian moves. I enclose a suggested draft in the form of a telegram to Amman.

1/2 ever, Reko Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq 10 Downing Street

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