

cc Mr. Jackling

MR. COLES *Mr. 72.*

Mo
Prime Minister

THE MIDDLE EAST PROBLEM

I recently sent to the Prime Minister a long rigmarole about Palestine in view of the forthcoming meeting with the FCO to consider our broad strategy in the Middle East. At the time, I was thinking in terms of this meeting taking place after the current problem of the Arab League Delegation is behind us. However, this problem appears to be on the way to solution and it is possible that the timing of the Delegation's visit may drift indefinitely. But, as I said to you this morning, I think it would be premature to hold a meeting before we see the outcome of the PNC's meeting which starts on 14 February. It will probably end up in the usual muddle, but it's possible that it may be decisive in terms of the opening of negotiations by a Jordanian/Palestinian delegation on the Reagan Plan/Fez Declaration. We should at least wait and see what happens at the PNC meeting before fixing a date for the discussion with the FCO.

Whether or not negotiations start following the PNC meeting will depend primarily on Arafat's capability to get his act together. But there will thereafter be a major hurdle for the Arabs to surmount. Sadat fell foul of the rest of the Arab world over Camp David for many reasons. One of them was that he was regarded either as a dupe or a knave for failing to insist that Carter extracted a firm undertaking from Begin on a freeze of settlements on the West Bank and a genuine attitude towards Palestinian autonomy before agreeing to sign the Camp David documents. Sadat was seen to have gone ahead on the strength of a promise from Carter which the latter failed to deliver. This was interpreted either as naivete on Sadat's part or a cynical decision to settle for a separate peace between Egypt and Israel with no regard for the rights of the Palestinians.

King Hussein/Arafat are approaching precisely the same dilemma. The general American message to them is that Reagan will only be able to press forward with his plan if he can count on at best the support of the Jewish community in the United States or at worst that they do not oppose him. The condition for their attitude is that the Arabs should produce a negotiator, ie King Hussein plus a

representative, without preconditions. This means that the King is expected to agree to negotiate without Reagan having delivered eg a freeze on settlements, before the negotiations begin. He would be expected to take Reagan's word for it that, after the negotiations had started, he would induce the Israelis to freeze the settlements, at least as a first step. The implication of the American message is that, if the King is not prepared to take this risk, Reagan could not count on the acquiescence of the Jewish community in the United States and would feel free to drop his peace plan.

King Hussein and Arafat realise that, if they go ahead on this basis and the Americans subsequently fail to deliver the Israelis, they will be dangerously exposed and both their regimes will be imperilled. From all my recent conversations with people concerned with the Middle East, I have no doubt that King Hussein is being advised not to take this risk and not to get himself into a Sadat position. I have equally little doubt that this is Hussein's personal inclination.

There is, therefore, a strong possibility that a "catch 22" situation may develop with the King saying that there must be some advance delivery before he can enter negotiations and the Americans saying that they are only prepared to go ahead on the basis of Hussein accepting their word that they will deliver after the event. I am inclined to think that the Arabs will stick to their guns, but I am not entirely certain. The PLO are desperately worried that, if negotiations are held up, the West Bank will be overrun by Israeli settlements and the American election period will begin before there is any hope of any progress.

This issue may be joined in the next few weeks and it will of course have a considerable bearing on our consideration of the whole subject.



A.D. PARSONS
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