



PM/82/42

PRIME MINISTER

President Reagan's Visit: Arab/Israel Questions

1. The steering brief for the President's visit, which we shall be discussing on the afternoon of 3 June, suggests that you might raise under "Other International Questions" the Palestine issue.

2. Your discussions with the President provide the best opportunity likely to occur in the near future to ensure that our views on the Palestinian question are registered at the highest level in the Administration. Mr Haig's speech on the Middle East in Chicago on 26 May showed that the US remain committed to making progress in the autonomy talks. The speech marked a small step forward in its emphasis that autonomy should be seen as a transitional process, and not an end in itself. But the Americans are still reluctant to commit themselves on what in their view is the ultimate goal of the autonomy process. Mr Haig spoke only of "negotiations . . . on the final status of the West Bank and Gaza and its relationship with its neighbours." In our view there is no chance of even moderate Arab governments, much less authentic representatives of the Palestinians, joining the autonomy talks unless the Americans are prepared to make clear that self-determination for the Palestinians will be available at the end of the transitional period. And so long as the only participants in the autonomy talks are Israel and Egypt, with the United States present to hold the ring, these talks cannot lead to the establishment of viable transitional arrangements for the occupied territories, nor can they provide any escape from the tensions in the area which have opened the door to the Russians. This is very much the view of the Egyptians themselves, who, however, are anxious not to let the autonomy talks come to a halt until there is something else to put in their place.

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3. I recognise the difficulties of making a strong pitch on this, when discussion on the Falklands is already likely to be difficult (and parallels may be drawn), but in your discussion with the President you might stress the opportunities created for the Soviet Union in the region by the continuing failure to make progress on the Palestinian problem and the impression in many Arab minds that the US will support Israel right or wrong. That could lead on to a discussion of the need for greater clarity as regards the eventual aim of peace negotiations, in which you could make clear our view that this should be the reconciliation of Israeli security with Palestinian rights; to make progress towards this, even through transitional autonomy, a way will need to be found to involve the Palestinians in negotiations. The best way for this to be acheived would be for the Americans to indicate publicly that Palestinian rights include self-determination. You could point out that it is unreasonable and in the end self-defeating for Israel to deny to others rights that she claims for herself. You could suggest to the President that clarification of American views on these lines would make it much easier for Britain to play the effective part we would wish with the US in the search for a peace settlement.

(FRANCIS PYM)