

Middle East  
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NENAD

Secretary of State's Discussions with Mr Haig

During the private discussions which preceded the main session of talks this morning, Mr Haig said that he had struck up an excellent personal relationship with President Sadat. In Israel, he had got the strong impression that Peres would win the election, and that Dayan (who had looked pretty ill) would not have much effect on the vote. He was convinced that Peres would be much easier to deal with; and that Peres was not interested in a Jordanian option.

As in the main session, Mr Haig expressed fears about Soviet installations in South Yemen, adding that these threatened the Middle East oil fields. [It is difficult to square this with Mr Haig's remarks about Scud, whose range is only about 200 kms, unless he was talking about an updated version.]

President Sadat had told Mr Haig that he was determined to 'take Libya out'. Haig wondered whether he could do this.

*J. G. H. Walden*

(G G H Walden)  
Private Secretary

10 April 1981

cc: PS  
PS/LPS  
PS/Mr Hurd  
PS/PUS  
Sir J Graham  
Mr Bullard  
Mr J Moberly  
Mr Alexander, No. 10

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*L.S. Pms*

*Prime Minister*

(2)

*Pms*

RECORD OF CONVERSATION BETWEEN THE SECRETARY OF STATE AND  
UNITED STATES SECRETARY OF STATE HAIG AT THE FOREIGN AND  
COMMONWEALTH OFFICE AND AT ADMIRALTY HOUSE ON FRIDAY,  
10 APRIL: MIDDLE EAST ISSUES

Present:

The Rt Hon Lord Carrington  
KCMG MC

The Rt Hon Sir Ian Gilmour  
Bt MP

Sir Michael Palliser GCMG  
Permanent Under Secretary

Mr J L Bullard CMG  
Deputy Under Secretary

Sir J Graham KCMG  
Deputy Under Secretary

Mr D M Day CMG  
Deputy Under Secretary

Mr G G H Walden CMG  
Private Secretary

Mr N M Fenn  
Head, News Department

Mr F N Richards  
Private Secretary

Secretary of State Haig

Mr Eagleburger  
Assistant Secretary for Europe

Mr Veliotes  
Assistant Secretary for the  
Middle East

The Hon E J Streater  
Charge d'Affaires,  
United States Embassy

Mr MacFarlane  
Counsellor, State Department

Mr T W Simons  
Counsellor, United States  
Embassy

Mr Goldberg  
Executive Assistant

1. Mr Haig said that his visits to Middle Eastern capitals had been a success, but not of the kind that would be reflected in the press or in immediate changes of policy. The real - undeclared - purpose of the visit was to deflect Mr Begin from asking to visit Washington before the Israeli elections (he asked that this information be treated with particular discretion). Apart from this, the visits had three objectives:

(a) to establish personal relations with Arab and Israeli leaders following the change of the US Administration;

(b) to discuss the Soviet dimension, and in relation to the 'strategic consensus' to

/establish

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establish that the US objective was to create external security for the Middle East within which the peace process could go ahead. The peace process and external security were complementary rather than rival priorities. This point had been taken wherever he had gone, though less readily in Saudi Arabia. The Saudis had, however, clearly been impressed by what they had been told of Soviet capabilities (they had, for example, been shown photographs of SCUD\* missiles in the PDRY with a capability to hit Riyadh);

- (c) to establish that the US remained committed to the peace process, while accepting that the scope for progress before the Israeli elections was limited. Neither King Hussein nor anybody else had come forward with a more promising alternative. He had not raised the 'Jordanian option', which clearly did not exist in present circumstances.

He felt that he had improved the atmosphere in bilateral relations in each capital visited, and particularly in Cairo and Riyadh. The US were not seeking bases in the Middle East. Some of the noises that had been made on the subject in Washington were simply a domestic subterfuge to obscure US failure in Iran. He well appreciated the need not to place an excessive burden on friendly Arab regimes.

2. Lord Carrington asked whether Mr Haig thought that Arab attitudes to the US would be coloured by US policies on the Arab/Israel issue. In particular, were Saudi Arabia and Jordan expecting that the US would abandon Camp David in return for their recognition of Western interests in the area? Mr Haig said that they were not. They were looking mainly for an assurance that the US would back their existing regimes, and were not interested only in maintaining the security of the Gulf oil installations and the shipping lanes through the Straits of Hormuz, as they had been led to believe by the previous Administration. When he had seen the Saudi Crown Prince, he had been subjected to a monologue on familiar lines, but the atmosphere of the meeting had been entirely changed when he offered this assurance. He remained, however, worried about the fragility of the Saudi regime. There was something of an Alice in Wonderland atmosphere in Saudi Arabia. There was no real stability behind the facade of new buildings and expensive military equipment. There was an obvious parallel with the Shah's Iran.

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\*Sic: SCUD missiles have not the range to hit Riyadh from the PDRY

3. The Secretary of State agreed, but pointed out that Saudi Arabia had a smaller population and greater resources than Iran. The Arab/Israel dispute remained the fundamental issue for Arab countries, and the mainspring of their attitude to everything else. The US decision on its attitude to this issue would either provide the Arabs with real reassurance, or set American efforts in this direction back to square one. Mr Haig said that this view underestimated the complexity of the picture, given the diversity in Arab outlook and structures. The US did not believe that an instant comprehensive solution was the only way to sound a relationship with the Arab world. Arabs must not be encouraged to view Arab security interests purely in Arab/Israel terms, neglecting entirely the threat from the Soviet Union and its proxies. The Secretary of State had not meant to suggest that the Arab/Israel dispute could be solved in the short term. It was, however, necessary to get things moving in the right direction, and for the West to have policies which looked even-handed. This issue coloured Arab attitudes to everything else in a disproportionate way. The Lord Privy Seal agreed. The Arab/Israel issue affect the Arab approach to East/West relations. If Arab states were strongly pro-Western at a time when the West seemed to be leaning towards Israel, this would weaken them domestically, so undermining their security. It was true that King Hussein had no new ideas. But the existence of Camp David formed a road-block preventing him from seeking alternative ways forward. Mr Haig said that the fact that the Carter Administration had been unable to supply King Hussein with anti-tank weapons when he felt most threatened by Syria had produced a deep impression on the King.

4. Mr Haig expressed confidence that Mr Peres would win the Israeli elections. Mr Peres had been in touch with President Sadat. His more flexible approach would not of itself solve the Arab/Israel problem, but would help with the first two steps - agreement to a Sinai peace keeping force before the Israeli election and autonomy talks leading to an agreement by the end of the year. This should suit both Mr Peres and President Sadat. Lord Carrington said that the European position was in limbo until the Israeli election. Thereafter, the Europeans were faced with a commitment to a Euro/Arab summit, now postponed until later in the year. He felt that it might be possible to extract a price for European attendance at such a summit; although the PLO was no longer in the chair on the Arab side, its attendance at a summit would enhance its status. This price might be conditional acceptance by the twenty-three Arab states and the PLO of Israel's right to exist within secure boundaries. Mr Haig feared that this tactic might fragment the PLO and so give Israel an excuse for intransigence. Failure would humiliate/and make the situation much worse. This view was held by all those in Washington who had examined the question. Despite his scepticism he would consider the matter further; it should be discussed by officials.

/ the West

5. The Secretary of State said that the PLO themselves were well aware of the risk of fragmentation, and would not accept it unless they judged it acceptable. The fact that they would be accompanied by twenty-three Arab States in endorsing Israel's right to exist should make it easier for them. The Euro/Arab summit would have to be held anyway, and it seemed worth exploiting whatever leverage it offered. Sir John Graham said that there was some sign that the PLO were conscious that they were approaching the point of decision. The judgement of our intelligence experts was that they would be able to carry through a change of course if they wanted to. Mr Haig asked what would happen to the summit if the Arabs refused to pay the price asked. Would it be cancelled? The Secretary of State said that this would be one possibility. Alternatively one could look for another quid pro quo. He himself would be reluctant to attend a summit if no price could be exacted. But others of the Ten might have different views. Mr Haig asked what would happen if the tactic succeeded. Would the Europeans then look to Washington to deliver Israeli acceptance of the PLO? The Secretary of State said that it would be for the Europeans to point out to Israel that the PLO was in effect now ready to sacrifice that part of its covenant which committed it to the destruction of Israel, and this should remove Israeli objections to dealing with the PLO. It might be useful for Mr Haig to probe the views of other European countries, though without revealing to them the very frank account of British views that the Secretary of State had given him. Sir J Graham said that some of the Ten felt more committed to a summit than the UK did.

6. Mr Haig had talked three times to Dobrynin. Soviet attention was evidently focussing on two points. The first was the increase in US military capability, in which they were at last ready to believe. The second related to the Middle East. The Russians were anxious to cut themselves into the peace process, and were concerned about US aims in the Middle East; they were clearly ready to react to US measures by taking corresponding steps of their own, and this was a factor to be included in Western calculations.

#### IRAN/IRAQ

7. When discussion continued at lunch, Lord Carrington described our efforts to get a little closer to Iran, while keeping good relations with the Iraqis. Hammadi's visit to London had been a success. But we were worried by the position of Iran, where the Americans were in baulk, and the French wholly committed to the Iraqis. We still had some difficulties with the Iranians (eg over weapon supplies and Pyke). But if things went the wrong way in Iran, the Tudeh could benefit. Only the Germans and ourselves could get alongside the Iranians.

8. Mr Haig said that the Iraqis had learned the hard way about the effectiveness of the Tow missile. Their tank losses were considerable, and they were anxious to secure replacements. Nobody was gaining from the war, and the longer it dragged on the better organised the Tudeh party would become. Meanwhile there was no signs that the Iranian revolution was any less anti-American. The long-term orientation of Iran was important, and he welcomed our efforts to improve relations.

9. The Americans had also had some signals from Iraq, but were careful about responding. They were however maintaining contacts. The Syrians had also sent some signals. They appeared to be upset by his failure to visit Damascus. The Lord Privy Seal stressed the need to avoid isolating the Syrians; it was suggested that Mr Haig and Khaddam might meet at some point when Haig was in Europe. Mr Haig agreed that the Syrians might be looking for alternatives. He wondered whether this was a good moment to pressure them to withdraw from the Lebanon.

10. Mr Veliotes said that the Syrians might agree to the deployment of Lebanese gendarmes, rather than the army (who were considered too Christian). It had also been suggested that both sides might respond to a UN plea to withdraw: the Americans would have no problem about this. Mr Haig said that the Israelis had come close to responding more rashly to recent events, and their frustrations might recur. Mr Veliotes suggested that their restraint might have been due to Haig's presence in Jerusalem.

11. When the discussion reverted briefly to the Middle East at the end of lunch, Lord Carrington said that he ought to make it clear that the European initiative was not limited to 'making enquiries' as Mr Haig had implied to the press after the morning talks; but would in due course be developed. Mr Haig repeated that the Americans needed time. Lord Carrington said that they had a certain amount of time, since nothing was likely to happen before the autumn.

FOREIGN AND COMMONWEALTH OFFICE

10 April 1981

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