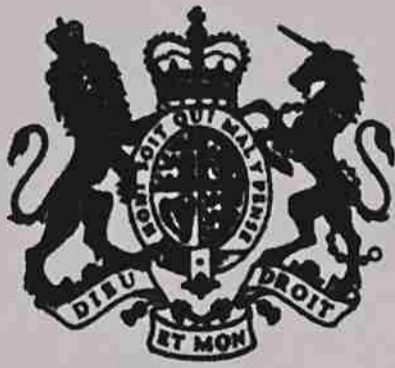


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*cc Sir P. Craddock*

10 DOWNING STREET

*From the Private Secretary*

23 October 1985

*Dear Felt,*

PRIME MINISTER'S MEETING WITH THE PRIME MINISTER OF ISRAEL  
AT THE U.N. PLAZA HOTEL, NEW YORK, ON 23 OCTOBER

The Prime Minister had the best part of an hour's talk with Mr Peres this morning. Mr Peres was accompanied only by a note-taker.

The Prime Minister invited Mr Peres to explain the significance of the proposals which he had made in his speech to the United Nations the day before. Mr Peres said that, to reduce his proposals to their simplest terms, he was offering Jordan a deal: Israel would be helpful over an international conference if Jordan would not insist on PLO participation in negotiations at least at the beginning. He was convinced that the PLO's true purpose was to destroy peace negotiations. And there was no prospect of getting support for negotiations within Israel if the PLO was associated with them. In any case there were signs that King Hussein was becoming disenchanted with Arafat. One had seen it in his reaction to the failure of the meeting between joint Jordanian/Palestinian delegation and the British Government. One saw it now in the olive branch which Jordan was extending to Syria. He detected less emphasis recently from the Jordanians on equal representation for the PLO in negotiations. Israel for its part was ready to look at an international setting for negotiations which would help the King, who appeared to envisage a sort of international opening ceremony, following which actual negotiations would be conducted between the parties in sub-committees. Israel was ready to negotiate with a joint Jordanian/Palestinian delegation provided the Palestinians were not members of the PLO and had renounced violence. Mr Peres concluded that the most interesting development, of which he had been told by the Americans that morning was that the Syrians were showing interest in participating in the proposed international conference and in the appropriate sub-committee.

The Prime Minister thanked Mr Peres for his full exposition of the Israeli proposals. She described the reasons for the United Kingdom's support for King Hussein's initiative and her own invitation to a joint Jordanian/Palestinian delegation to visit Britain. Until recently there had seemed a reasonable prospect that the King's initiative might progress. Then the Americans had unforgiveably introduced the new condition of direct negotiations



between Jordan and Israel as the price for a meeting between Murphy and a joint delegation. This had been followed by difficulties in the negotiations over Taba and the terrorist outrages of Larnaca and the hijacking of the Achille Lauro and Israel's raid on Tunis. All of these had combined to make the climate for the King's efforts distinctly more difficult. Her own attempt to help by inviting a joint Jordanian/Palestinian delegation to London had fallen victim to this increasingly hostile background. However she continued to have great admiration for King Hussein's courage and believed that he would continue to seek a <sup>way</sup> forward, perhaps through an international conference.

Mr Peres said that it sometimes riled him when people spoke exclusively of King Hussein's courage. After all, it was Israel which was being asked to give. That took courage. He recounted the positive steps taken by Israel: agreement to arbitration over Taba, withdrawal from Lebanon (Israel should never have been there, observed the Prime Minister), freezing of settlements on the West Bank, readiness to negotiate directly with Jordan. Yet no corresponding gestures had come from the Arab side. It was simply not practical to say to Israel that Jordan would get arms from the United States, that the PLO would get the West Bank and that Israel should give up territory (it is not yours to give, observed the Prime Minister). He had to take account of political factors in Israel and the views of the other partners in the coalition. He came back to his starting <sup>point</sup> Israel could meet Jordan by agreeing to an international conference but could not accept the PLO as a partner in the peace process. To do so would be disastrous for his party. If the PLO were to renounce terrorism and accept SCR 242 the situation would be different. The Prime Minister said that this was why Britain had been trying to encourage and strengthen moderate Palestinians. It had been a great pity that Israel had spoken out so extravagantly against our efforts.

The Prime Minister said that she had recoiled from Israel's attack on Tunis with the killing of many civilians. It used to be Israel's pride that it did not kill the innocent. She could not accept the right of retaliation which Israel claimed. Mr Peres said that Israel had gone to very great lengths to avoid killing civilians. There had been four possible targets in Tunis: a PLO communications centre, the headquarters of Force 17, the operational department of the PLO at Arafat's own office. Israel had rejected the last because it was too close to a school. The bombs had been very precise. Many officers of Force 17 had been killed and the only Tunisians to suffer were guards. He could say with one hundred per cent certainty that Israel had taken all possible precautions and no innocent civilians had been killed. The Prime Minister said that our information did not tally. She recalled that Israel itself was not entirely untainted by terrorism. There was no legal or historical justification for Israel's occupation of the West Bank. Nor was it right that Israel should now deny the Palestinians the rights which Israel had sought for herself for more than 2000 years. Mr Peres said that personally he found the occupation distasteful. Jews had never in their history dominated any Arab people. He believed it was corrupting and undesirable.



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The Prime Minister and Mr Peres agreed to tell the press that they had discussed the Middle East situation very thoroughly and Mr Peres had explained the thinking behind his United Nations speech. The atmosphere had been one of understanding.

*Yours sincerely,*

*Chris Peres*  
—

C D POWELL

Peter Ricketts, Esq.,  
Foreign and Commonwealth Office

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