

PRIME MINISTERCDP
13/5

VISIT TO ISRAEL

I had a talk at dinner last night with the Israeli Ambassador about your forthcoming visit. He is just back from Israel where he had seen Mr Peres.

According to the Ambassador, Peres is ruminating how to make best use of the visit. He will want to discuss with you the general Arab-Israel situation, relations with Egypt, international terrorism, Iran-Iraq and his proposals for a Marshall Plan. Peres wonders whether you will be able to bring him any news from King Hussein. He is also considering whether to propose a United Kingdom role in setting up proximity talks (presumably with Jordan in the first instance) though he is worried that our impending Presidency of the European Community might lead to the EC being drawn in, which he would not want. Peres wonders how you see the visit and what you want to see emerge from it.

I said that you had not yet had an opportunity to focus fully on the visit, but would no doubt do so this week. I did not think that the list of subjects proposed would cause you any difficulty. You would certainly want the visit to underline the strength of the bilateral relationship with Israel. On the Arab-Israel front, you were concerned at the absence of any political initiative and the consequences of this for the moderate Arab governments. You did not see the 'Marshall Plan' proposed as a substitute for a political initiative: it would need to be combined with progress on the political front if it was to get anywhere: and the political step would need to be taken first. I did not think you would have any new message from King Hussein: indeed we found Israeli expectations that he would be ready for direct talks unrealistic. It was more likely that you would concentrate on the West Bank and the prospect of securing some advance there, both in terms of physical conditions and a greater degree of Palestinian self-government. It was in this area that we

would most like to see something emerge from the visit. I did not think that it would be wise to make too much of British/Israel solidarity against international terrorism during the visit: there was a risk that this would seem to be directed against the Arabs in general, and look like a US/UK/Israel axis in the Middle East. I thought, however, that you would want to talk to Mr Peres about Israel's intentions towards Syria.

The Ambassador asked whether you would propose anything specific on the bilateral front. The Israelis would like to see progress on the idea of a Joint Fund for Industrial Research which Peres had proposed to you in January. Agreement in principle would be sufficient. It seemed to be bogged down somewhere in the DTI. Was there any chance of a relaxation of the arms embargo? I said that it did not seem to me a good moment to raise this latter point. He did not press.

I hope that this fairly reflects your intentions.

Yes - Charles
CW

CJP

CHARLES POWELL

12 May 1986

CJ2AAK

Israel, PM's visit, March 1986



CONFIDENTIAL

CONFIDENTIAL