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FM TEL AVIV 090730Z MAY
TO IMMEDIATE F C O
TELNO 185 OF 9 MAY.

INFO ROUTINE WASHINGTON, UKMIS NEW YORK, CAIRO, BEIRUT.

IMMEDIATE

ISRAELI FOREIGN MINISTER'S VISIT TO EUROPE.

1. I PAID MY FIRST CALL ON SHAMIR YESTERDAY PRIOR TO HIS VISIT TO LONDON. HE HAS ARRANGED TO VISIT ROME ON HIS WAY TO LONDON (WHERE HE WILL MEET WITH A NUMBER OF ISRAELI AMBASSADORS IN EUROPE).

2. ON CAMP DAVID SHAMIR SAID NOTHING NEW, BUT STRESSED THE NEED FOR TIME AND FOR DEALING WITH THE PROBLEM SLOWLY. IT HAD TAKEN BRITAIN TEN YEARS TO NEGOTIATE ENTRY INTO THE EUROPEAN COMMUNITY. (I SAID I THOUGHT THIS WAS NOT A GOOD PARALLEL; FAILURE WOULD NOT HAVE MEANT A SERIOUS RISK OF WAR, AND EUROPE HAD LOST TWENTY YEARS OF OPPORTUNITY IN A PERIOD OF ECONOMIC GROWTH WHILE DEALING WITH THE PROBLEM), SHAMIR SAID THAT ISRAEL WAS CLEAR ABOUT HER

WITH THE PROBLEM), SHAMIR SAID THAT ISRAEL WAS CLEAR ABOUT HER OBJECTIVE. THE TWO PEOPLES HAD TO LIVE TOGETHER, BUT TIME WOULD BE REQUIRED TO FIND A WAY. 25 MAY WAS NOT IMPORTANT IN THIS CONTEXT. SHAMIR WAS CLEARLY ANXIOUS ABOUT THE POSSIBILITY OF AN EARLY EUROPEAN INITIATIVE AND ASKED ABOUT THE PROSPECTS FOR THE VENICE MEETING. I REPEATED OUR DOUBTS ABOUT THE WISDOM OF ISRAELI POLICY IN THE CONTEXT OF A COMPREHENSIVE SETTLEMENT.

3. ALL THIS WAS BEFORE SADAT'S STATEMENT OF LAST NIGHT. YESTERDAY EVENING (ALSO BEFORE SADAT'S STATEMENT) SHAMIR IN A PUBLIC SPEECH HERE SAID "WE CANNOT BUDGE ANY MORE FOR WE HAVE COME TO THE RED LINE BEYOND WHICH OUR EXISTENCE IS JEOPARDISED..... WHAT THE EGYPTIANS INSIST ON NOW IS PRECISELY THE 1967 BORDERS AND A PALESTINIAN STATE. WE CANNOT ACCEPT THIS".

4. WHEN I SAID A PIECE TO SHAMIR ABOUT UNIFIL SHAMIR SAID THAT THE ISRAELI GOVERNMENT REGARDED UNIFIL AS A POSITIVE ELEMENT AND DID NOT WANT IT TO LEAVE. THINGS WERE NOW QUIETER THERE. WHEN I REFERRED TO THE LATEST ISRAELI RAIDS, SHAMIR SAID THAT THEY WERE ANOTHER MATTER - "THEY WERE NORTH OF THE LITANI".

5. SHAMIR IS REPORTED TO HAVE DECIDED TO GIVE GREATER PRIORITY TO A DIPLOMATIC EFFORT TO RESTORE ISRAEL'S IMAGE IN EUROPE, AND RECAIN SUPPORT FOR HER POLICIES. THE ISRAELIS WERE SHAKEN BY THE COUNCIL OF EUROPE VOTE AT THE END OF APRIL, AND ABBA EBAN TELLS ME HE IS TO ADDRESS A MEETING OF THE SOCIALIST GROUP IN THE EUROPEAN PARLIAMENT NEXT WEEK. SHAMIR HIMSELF APPARENTLY HOPED TO INCLUDE A VISIT TO GERMANY DURING HIS CURRENT TRIP AND I AM TOLD THAT HE WOULD ALSO LIKE TO VISIT PARIS.

R O B I N S O N

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TO PRIORITY FCO
TELNO 298 OF 8 MAY
AND PRIORITY TEL AVIV WASHINGTON DAMASCUS AMMAN
TUNIS UKMIS NEW YORK HMGJ JERUSALEM
AUTONOMY TALKS

1. DR MUSTAFA KHALIL RETURNED TO CAIRO YESTERDAY. TODAY'S PRESS EMPHASISES HIS STATEMENT ON ARRIVAL THAT THE DIFFERENCES BETWEEN THE TWO SIDES ARE STILL WIDE AND FUNDAMENTAL, AND THAT LITTLE WAS ACHIEVED. KHALIL SAID THAT THE ONLY ITEM OF AGREEMENT WAS ON THE CREATION OF AN INFORMAL MINISTERIAL GROUP ON SECURITY. IT IS TO MEET IN CAIRO ON 12 MAY, IN PARALLEL WITH THE OTHER SUB-COMMITTEE.
2. THE CAIRO PRESS, REFLECTING OFFICIAL - AND OFTEN PRIME MINISTERIAL - BRIEFING IN HERZLIA, PRESENTED THE TALKS AS STORMY, AND REPORTED EGYPTIAN THREATS TO WALK OUT AT VARIOUS POINTS UNLESS THE ISRAELIS MODIFIED THEIR POSITION. AFTER THE INCIDENT IN HEBRON THE EGYPTIANS ISSUED A GENERAL CONDEMNATION OF VIOLENCE, BUT ALSO CRITICISED THE EXPULSION OF THE MAYORS AND REASSERTED THAT SINCE THE SETTLEMENTS WERE CLEARLY DOING NOTHING FOR ISRAEL'S SECURITY THEY SHOULD BE FROZEN, AND TROOPS WITHDRAWN. THE PRESS DESCRIBED THE EGYPTIAN PROPOSAL FOR SECURITY ARRANGEMENTS AND CLAIMED THEY HAD BEEN MISREPRESENTED IN THE ISRAELI REJECTION OF THEM. THE AMERICANS ARE ALSO SAID TO HAVE PUT FORWARD UNOFFICIALLY COMPREHENSIVE PROPOSALS OF THEIR OWN, WHICH EGYPT FOUND UNSATISFACTORY.
3. ACCORDING TO THE PRESS THE FIXING OF A DATE FOR THE NEXT PLENARY WILL DEPEND ON PROGRESS IN THE COMMITTEES. DR KHALIL HAS REFUSED TO ANTICIPATE THE SITUATION ON 26 MAY, SAYING IT WOULD REQUIRE DISCUSSION AT HEAD OF STATE LEVEL.

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ARAB/ISRAEL DISPUTE

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FROM UKMIS NEW YORK 082253Z MAY 83
 TO PRIORITY F C O
 TELEGRAM NUMBER 721 DATED 8 MAY 83
 FOLLOWING PERSONAL FOR JOHN MOBERLY
 EUROPEAN INITIATIVE ON THE MIDDLE EAST

*Sir A Parsons' interesting
 ideas. V. Jiffill to realise.*

1. THE FOLLOWING IS BOTH A SUMMARY AND AN ELABORATION OF THE THOUGHTS I PUT TO THE SECRETARY OF STATE AND THOSE ACCOMPANYING HIM ON HIS WASHINGTON VISIT AT THE BEGINNING OF THIS WEEK.
2. THE NINE MUST DO SOMETHING THIS SUMMER. THE ARABS (IN THE UN AT LEAST) ARE FULL OF EXPECTATIONS OF AN EUROPEAN INITIATIVE AND THEIR EXPECTATIONS HAVE BEEN FURTHER FUELLED BY THE EUROPEAN COUNCIL'S STATEMENT OF 28 APRIL AND BY THE SECRETARY OF STATE'S REMARKS TO THE MEDIA IN WASHINGTON. THEY TEND TO REGARD THE EUROPEAN INITIATIVE AS AN ALREADY FULLY FLEDGED CREATURE WHICH ONLY NEEDS A PUSH TO BOUND INTO THE ARENA AND SOLVE THEIR PROBLEMS. IF WE DISAPPOINT THEM, THEY WILL TURN SOUR ON US AND WILL NOT HESITATE TO OCCUPY THE SECURITY COUNCIL IN THE SUMMER WITH PROPOSITIONS WHICH WE COULD FIND VERY EMBARRASSING. THIS IS OF COURSE QUITE APART FROM THE BROADER NEED TO PROMOTE PROGRESS TOWARDS A SETTLEMENT IN THE GENERAL WESTERN INTEREST, ON THE ASSUMPTION THAT CAMP DAVID WILL GET NOWHERE. WHAT SHOULD THE EUROPEAN INITIATIVE CONSIST OF?
3. HAVING WITNESSED THE INCREASING DISARRAY IN THE US PERFORMANCE HERE ON THE MIDDLE EAST SINCE THE NEW YEAR, I FIRMLY BELIEVE THAT IT IS UNREALISTIC TO THINK IN TERMS OF OUR BEING ABLE, AT ANY TIME BEFORE THE PRESIDENTIAL ELECTIONS, TO FORMULATE ANY RESOLUTION DESIGNED TO 'FILL THE GAP IN 242', WHICH WOULD BE BOTH MINIMALLY ACCEPTABLE TO THE ARABS AND WOULD NOT ATTRACT A US VETO. THIS IS PARTICULARLY TRUE FOR JULY OR AUGUST WITH THE DEMOCRATIC PARTY CONVENTION TAKING PLACE IN NEW YORK (OF ALL PLACES) IN AUGUST.
4. ON PRESENT EVIDENCE, I AM CONVINCED THAT, THE AMERICANS WOULD MAKE HOMERIC EFFORTS TO DRIVE US OFF. WE WOULD THEREFORE BE FACED BY THE CHOICE OF DROPPING THE INITIATIVE (WITH THE FRENCH ASSURING THE ARABS THAT THEY WOULD HAVE GONE AHEAD IF IT HAD NOT BEEN FOR THE PUSILLANIMOUS BRITISH), OR OF FORCING A RESOLUTION TO A VOTE IN THE CERTAINTY OF A US VETO. FRANKLY I CANNOT SEE US DOING THIS.
5. HOWEVER, FOR THE REASONS SET OUT IN PARAGRAPH 2 ABOVE, WE CANNOT AFFORD TO SIT ON OUR HANDS. WE MUST FIND SOME WAY OF KEEPING THE ARABS IN PLAY UNTIL AFTER THE PRESIDENTIAL ELECTIONS IN THE HOPE THAT THE CLIMATE WILL THEN BE MORE PROPITIOUS FOR EUROPE TO MAKE A MOVE. TO ACHIEVE THIS, WE MUST

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BE PREPARED TO OFFER THE ARABS THE PROSPECT OF SOMETHING SUBSTANTIVE BOTH IN TERMS OF FILLING THE GAP IN 242 AND IN TERMS OF FRESH PROPOSALS FOR A NEGOTIATING FORUM AS WELL PERHAPS AS CONCRETE IDEAS ON THE DETAILED ASPECTS OF A SETTLEMENT. MEANWHILE THE MORE EXTREME ARABS, EGGED ON BY THE RUSSIANS, WILL BE PRESSING FOR FURTHER ACTION IN THE SECURITY COUNCIL - HENCE THE NEED FOR OUR OFFER TO THE ARABS TO BE ATTRACTIVE ENOUGH TO KEEP THESE FORCES AT BAY.

6. I BELIEVE THAT THE FIRST STEP MIGHT BE FOR THE NINE TO INITIATE A SERIOUS DIALOGUE WITH THE ARABS, INCLUDING THE PLO. WE WOULD HAVE TO ASSURE THEM THAT THE NINE WERE PREPARED TO PARTICIPATE ACTIVELY IN THE SEARCH FOR A SETTLEMENT: THAT WE ACCEPTED THE PLO AS A LEGITIMATE PARTICIPANT IN THAT SEARCH; THAT WE ACCEPTED SELF-DETERMINATION FOR THE PALESTINIANS AS A MINIMUM; AND THAT WE HAD SOME IDEAS ABOUT WHAT SHOULD REPLACE THE CAMP DAVID AUTONOMY TALKS IN TERMS OF PROCEDURE AND SUBSTANCE. IN RETURN, WE SHOULD EXPLORE IN THIS DIALOGUE WHAT THE ARABS (PARTICULARLY THE PLO) ARE PREPARED TO OFFER IN TERMS OF ACCEPTANCE OF ISRAEL'S RIGHT TO EXIST WITHIN THE PRE-1967 FRONTIERS; HOW THEY ENVISAGE PALESTINIAN SELF-DETERMINATION BEING REALISED; WHETHER THEY CONTEMPLATE A TRANSITIONAL PERIOD AND, IF SO, UNDER WHAT AEGIS; AS WELL AS A HOST OF OTHER QUESTIONS WHICH THE DEPARTMENT NO DOUBT HAS IN MIND.

7. I FULLY UNDERSTAND THE PROBLEMS INVOLVED FOR US IN OPENING A DIALOGUE WITH THE PLO. THESE DIFFICULTIES COULD BE EASED BY THE NINE ACTING AS A WHOLE, PERHAPS UNDER THE LEADERSHIP OF THE PRESIDENCY. FURTHERMORE, WE COULD EXTEND THE DIALOGUE TO JORDAN THUS INVOLVING SENIOR NON-PLO PALESTINIANS; ALSO TO THE INTERNAL PALESTINIANS THROUGH THE CONSULATES -GENERAL OF THE NINE IN JERUSALEM. WE WOULD OBVIOUSLY KEEP THE EGYPTIANS INFORMED AND WE WOULD KEEP IN TOUCH WITH THE ISRAELIS IN ORDER TO PRE-EMPT THE ACCUSATION THAT WE WERE DEALING WITH ONE SIDE ONLY AND TO MAINTAIN AN UPTO DATE PICTURE OF WHAT THEY MIGHT EVENTUALLY BE ABLE TO ACCEPT.

8. IF THE ARABS, INCLUDING THE PLO, WERE GENUINELY BROUGHT TO BELIEVE THAT WE WERE EMBARKING ON A SERIOUS DIALOGUE, THEY MIGHT BE PREPARED TO HOLD THEIR FIRE UNTIL THE END OF THE YEAR. MY PAROCHIAL VIEW OF THE ARABS IN NEW YORK IS THAT THEY WOULD BE GREATLY INTRIGUED BY SUCH A MOVE ON THE PART OF THE NINE, MUCH MORE SO THAN BY ANY ATTEMPT, ABORTIVE OR OTHERWISE, TO TABLE A RESOLUTION IN THE SECURITY COUNCIL THIS SUMMER WITHOUT THOROUGH ADVANCE CONSULTATION WITH THEM.

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9. PLEASE DO NOT THINK THAT I UNDER-ESTIMATE THE PROBLEMS INVOLVED IN THE ABOVE SUGGESTIONS. BUT I DO NOT BELIEVE THAT I OVER-ESTIMATE THE DIFFICULTIES INVOLVED IN TABLING ANYTHING IN THE SECURITY COUNCIL ON PALESTINIAN RIGHTS BETWEEN NOW AND THE PRESIDENTIAL ELECTIONS WITHOUT RUNNING INTO A US VETO.

10. FINALLY, MY STRONG FEELING IS THAT WE MUST TALK FRANKLY AND URGENTLY TO THE FRENCH ABOUT ALL THIS. THEIR PERFORMANCE IN LAST WEEK'S DEBATE MAKES CLEAR THAT THEY ARE STILL ONLY TOO READY TO BREAK RANKS AND OUT-FLANK US ON THE ARAB SIDE. WE MUST DO OUR BEST TO PRE-EMPT THIS BEFORE IT IS TOO LATE. IF WE AND THE FRENCH PULL IN OPPOSITE DIRECTIONS, AN EUROPEAN INITIATIVE WILL BE IMPOSSIBLE. IF WE CAN WORK OUT A JOINT STRATEGY THERE IS SOME HOPE THAT WE CAN AVOID PREMATURE AND EMBARRASSING SECURITY COUNCIL DEBATE.

11. I HAVE DISCUSSED THE ABOVE WITH BRIAN URQUHART WHOM I FULLY TRUST AND WHOSE JUDGEMENT I RESPECT. HE AGREES WHOLEHEARTEDLY. FROM MORE GENERAL CONVERSATIONS I HAVE HAD WITH THEM, I BELIEVE THAT MY FRENCH, TUNISIAN AND EGYPTIAN COLLEAGUES ARE OF THE SAME MIND.

12. PLEASE DISTRIBUTE AND REPEAT THIS TELEGRAM AS YOU THINK FIT. WE MIGHT DISCUSS WHEN I AM IN LONDON NEXT WEEK. HEADS OF MISSION SECTION AND UN DEPT ARE ARRANGING MY PROGRAMME.

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FM TEL AVIV 041610Z MAY 80
TO PRIORITY FCO
TELEGRAM NUMBER 177 OF 4 MAY
INFO PRIORITY WASHINGTON

M.I.P.T. MIDDLE EAST

1. BEFORE YOU MEET THE ISRAELI FOREIGN MINISTER ON 13 MAY AND THE NINE BEGIN WORK ON THE MIDDLE EAST IN PREPARATION FOR THE VIENNA SUMMIT, YOU MAY WISH TO HAVE A BRIEF SUMMARY OF THE PROSPECTS SEEN FROM TEL AVIV AND THEIR IMPLICATIONS FOR ACTION BY EUROPE.
2. IT IS NOW CLEAR, AS SEEMED INEVITABLE FROM THE START, THAT THE CAMP DAVID NEGOTIATIONS WILL NOT LEAD TO A COMPREHENSIVE AGREEMENT. NO AGREEMENT ON THE WEST BANK AND JERUSALEM IS POSSIBLE ON THE CAMP DAVID BASIS. AS LONG AS THERE IS NO AGREEMENT ON THE WEST BANK AND JERUSALEM WHICH SATISFIES THE PALESTINIANS THEY WILL BE DRIVEN INCREASINGLY TO EXTREMISM: MODERATE GOVERNMENTS IN THE AREA AND WESTERN INTEREST WILL BE INCREASINGLY THREATENED: OPPORTUNITIES FOR SOVIET INFLUENCE AND INTERVENTION WILL INCREASE: AND SO WILL THE DANGER OF A NEW WAR.
3. ISRAEL'S LEADERS HOPE THAT REAGAN WILL SUCCEED CARTER AND THAT AMERICA WILL CONTINUE TO SUPPLY THE ARMS AND MONEY AND VETOES ON THE POLICIES OF OTHER COUNTRIES WHICH WILL ALLOW ISRAEL TO MAINTAIN SUFFICIENT FORCE TO DETER AN ARAB ATTACK FROM OUTSIDE AND TO GO ON CRUSHING THE EVIDENCE OF PALESTINIAN DESPAIR WHENEVER IT ERUPTS IN THE OCCUPIED TERRITORIES. ISRAEL WILL THEN BE ABLE TO GO ON REFUSING SELF-DETERMINATION FOR THE PALESTINIANS WHICH IT SEES AS A MORTAL DANGER TO ITS SECURITY.
4. BEHIND THIS ISRAELI ATTITUDE LIE THREE CONVICTIONS:
 - (I) THEY CAN TRUST NO ONE BUT MUST RELY FOR THEIR SECURITY ON THEMSELVES ALONE (THEIR EXPERIENCE SINCE INDEPENDENCE GIVES THEM STRONG ARGUMENTS HERE.)
 - (II) FAITH CAN MAKE UP FOR LACK OF MATERIAL STRENGTH (SO MANY ISRAELIS CAN SAY THEY ARE ONLY HERE BECAUSE THEY HAVE SURVIVED IMPOSSIBLE ODDS.)
 - (III) IF THEY ARE TO BE DESTROYED THEY WILL GO DOWN FIGHTING THIS TIME. THEY WILL BE READY TO USE THEIR ATOMIC WEAPON. BECAUSE THEY CANNOT SUSTAIN A LONG WAR, THEY WOULD HAVE TO USE IT EARLY.
5. A CHANGE OF GOVERNMENT HERE WILL NOT LEAD TO A SUFFICIENT CHANGE IN ISRAEL'S POLICIES TO SECURE PEACE.
6. NEW TEXTS IN THE SECURITY COUNCIL WILL NOT BE ENOUGH TO PROTECT OUR VITAL INTERESTS (THOUGH THEY CAN BE USEFUL WHILE WE PREPARE ACTION THAT WILL.) NO ACTION BY OR IN THE UN WILL SUFFICE, BECAUSE OF ISRAEL'S TOTAL DISTRUST OF THE UN. BUT ANY SOLUTION WHICH LEFT ISRAEL RESPONSIBLE FOR SECURITY IN A PALESTINIAN STATE, OR ABLE TO INTERVENE FOR SECURITY REASONS, WOULD BE A RECIPE FOR CONFLICT.

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7. COULD A GROUP OF WESTERN COUNTRIES OFFER ISRAEL (AND THE NEW PALESTINIAN STATE) A SECURITY COMMITMENT OF THE KIND CONFERRED BY MEMBERSHIP OF NATO? IN RETURN FOR EVACUATING ALL THE OCCUPIED TERRITORIES AND ACCEPTING PALESTINIAN SELF-DETERMINATION ISRAEL WOULD GET A JOINT TREATY OR A SERIES OF BILATERAL TREATIES OF MUTUAL DEFENCE FOR A LONG INITIAL PERIOD AND, AS A GUARANTEE OF IMPLEMENTATION, THE STATIONING IN THE AREA OF TROOPS FROM THE WESTERN COUNTRIES INVOLVED. THESE TROOPS, OPERATING ON THE ISRAELI SIDE OF THE BORDER AS WELL AS IN PALESTINE, COULD TAKE OVER RESPONSIBILITY FOR THE EXTERNAL SECURITY OF THE PALESTINIAN STATE (IF SHE WERE NOT ALLOWED DEFENCE FORCES) LEAVING SOVEREIGNTY IN ALL OTHER RESPECTS FULLY IN PALESTINIAN HANDS. (INDEED THE SAME DEFENCE GUARANTEES COULD BE OFFERED TO THE PALESTINIANS.) A FORCE SUFFICIENT TO CONVINCE ISRAEL MIGHT HAVE TO NUMBER 12,000 - 15,000, TO DETER AN ATTACK ON ISRAEL BY ANY OF HER NEIGHBOURS AND TO DETER ISRAEL FROM ATTACKING THE PALESTINIAN STATE.

8. US PARTICIPATION IN TREATY GUARANTEES WOULD PROBABLY BE ESSENTIAL TO GET ISRAEL TO AGREE. BUT US PARTICIPATION IN THE RESIDENT MILITARY FORCE COULD BE DISADVANTAGEOUS, BECAUSE IT COULD PROMPT A GREATER SOVIET PRESENCE AND BECAUSE THE PROBLEM CANNOT BE LEFT UNTIL A NEW US ADMINISTRATION HAS THE POWER TO ACT ON THE GROUND.

9. THE WEALTHIER ARAB COUNTRIES MIGHT AGREE TO PAY PART OF THE COST OF THE RESIDENT FORCE, IF IT WERE EUROPEAN ONLY, ALONG WITH SUBSIDIES TO THE PALESTINIAN STATE.

10. IF EUROPE COULD TAKE THE INITIATIVE IN PROPOSING A SETTLEMENT OF THIS KIND, ISRAEL WOULD FIND IT DIFFICULT TO TURN DOWN, THOUGH SHE WOULD NEGOTIATE HARD ON EAST JERUSALEM, SETTLEMENTS AND BORDER ADJUSTMENTS. IT WOULD ONLY BE WORTH PURSUING IF THE CONTRIBUTING COUNTRIES WERE RESOLVED TO BE FIRM WITH ISRAEL ON THESE ISSUES.

11. IT WILL BE EASY TO LIST OBJECTIONS TO THIS APPROACH, INCLUDING THE ACCEPTANCE OF A NEW OVERSEAS COMMITMENT. BUT WE ARE ALREADY COMMITTED BY THE THREAT TO OUR VITAL INTERESTS IN THE AREA AND THE OBJECTIONS TO INACTION ARE MUCH STRONGER. IF A MOVE OF THIS KIND COULD BE CONTEMPLATED (EVEN IN CONJUNCTION WITH OUR TWO MAJOR EUROPEAN PARTNERS ALONE) THE SOONER WE MOVE THE BETTER. TIME IS NOT ON OUR SIDE. WE SHOULD NOT LEAVE THE PALESTINIANS WIDE OPEN TO THE SOVIET UNION. THE SITUATION IN THE REGION IS DETERIORATING, AND WITH IT ISRAEL'S DANGEROUS MOOD OF ISOLATION AND DEFIANCE WILL GROW.

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TO IMMEDIATE FCO
TELEGRAM NUMBER 176 OF 4 MAY
INFO IMMEDIATE WASHINGTON (FOR PRIVATE SECRETARY)
PRIORITY CAIRO AMMAN BEIRUT DAMASCUS UKMIS NEW YORK

Read full (2 tel)

JERUSALEM TEL NO 59:

PLO ATTACK AT HEBRON

1. AN INCIDENT LIKE THE ONE ALREADY BEING DESCRIBED AS THE "SECOND HEBRON MASSACRE" (THE FIRST BEING IN 1929) WAS INEVITABLE IN THE LIGHT OF EVENTS ON THE WEST BANK IN RECENT WEEKS. IT MARKS THE CULMINATION OF AN INCREASING SPIRAL OF VIOLENCE IN THE AREA AND MAY OPEN A NEW PHASE.
2. THE ISRAEL GOVERNMENT HAVE REACTED BY EXPELLING THE MAYORS OF HEBRON AND HALHOUL, AND THE KADI OF HEBRON, WITHOUT PERMITTING THEM THE APPEAL ALLOWED FOR IN THE EMERGENCY REGULATIONS (BRITISH 1945 VERSION) STILL GOVERNING ISRAEL SECURITY POLICY IN THE WEST BANK. WEIZMAN, WHO HAS ACCEPTED PERSONAL RESPONSIBILITY FOR THE FAILURE AT HEBRON, HAS ANNOUNCED THAT THE NEW ISRAELI HARD LINE (24 HOUR CURFEWS, ETC) WILL FOR THE MOMENT BE RESTRICTED TO HEBRON AS LONG AS OTHER AREAS REMAIN QUIET. BUT HIS ABILITY TO SUSTAIN THIS POLICY IS UNCLEAR, GIVEN HIS EQUIVOCAL POSITION WITHIN THE GOVERNMENT AND RIGHT-WING PRESSURE FOR HARsher, AND MORE COMPREHENSIVE, MEASURES.
3. AT TODAY'S CABINET MEETING (PUNCTUATED BY THE SIRENS OF PROTESTING MEMBERS OF GUSH EMUNIM), BEGIN IS REPORTED TO HAVE ANNOUNCED THAT SECURITY IN THE OCCUPIED TERRITORIES WAS THE RESPONSIBILITY OF ALL MINISTERS THUS IMPLICITLY REJECTING GROWING CRITICISM OF WEIZMAN'S "SOFT" POLICIES. MEANWHILE, SHAMIR (FOREIGN MINISTER) IS QUOTED AS SAYING THAT THE APPROPRIATE ISRAELI RESPONSE IS "TO STEP UP OUR PRESENCE THROUGHOUT THE AREA". OTHER POLITICIANS, BOTH GOVERNMENT AND OPPOSITION, HAVE DEPLORED THE DEATHS OF THE YESHIVA STUDENTS (ONE OF WHOM WAS A WELL-KNOWN EXTREMIST EVEN BY GUSH STANDARDS) WITHOUT GOING DEEPER. ONLY PRESIDENT NAVOR SAID TODAY THAT THE QUALITY OF FUTURE RELATIONS BETWEEN JEWS AND ARABS DEPENDED ON ISRAEL.

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4. FURTHER GOVERNMENT REACTI NS ARE LIKELY AFTER A KNESSET DEBATE TOMORROW. SEEN FROM HERE, THE SHORT-TERM PROSPECT IS FOR FURTHER VIOLENCE ON THE WEST BANK AS EXTREMIST JEWS TAKE REVENGE. AND DESPITE BRAVE WORDS FROM LINOWITZ AND KHALIL, THE HEBRON INCIDENT WILL HAVE MADE IT EVEN MORE DIFFICULT TO DISCUSS THE CRUCIAL SECURITY ISSUE IN THE AUTONOMY NEGOTIATIONS IN A RATIONAL WAY.
5. FOR SOME MORE GENERAL CONSIDERATIONS SEE M.I.F.T. (NOT TO ALL).

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TO ROUTINE FCO

TELEGRAM NR 286 OF 28 APR 80

INFO TEL AVIV, WASHINGTON, UKMIW NEWYORK

SAVING TO AMMAN JERUSALEM DAMASCUS AND JEDDA.

Read in full.
MS

ARAB/ISRAEL:

1. IN THE AFTERMATH OF THE US/IRAN FIASCO AND VANCE'S RESIGNATION, IT SEEMS UNLIKELY THAT THE AMERICANS OR THE EGYPTIANS WILL HAVE MUCH STOMACH LEFT FOR THE HERZLIA TALKS BEGINNING ON 30 APR., LET ALONE OPTIMISM. HOWEVER THE EGYPTIANS ARE COMMITTED TO THE INTENSIFIED TIMETABLE, AND MUSTAPHA KHALIL IS PREPARING TO ATTEND. HE WILL BE ACCOMPANIED BY THE MINISTER OF DEFENCE, PROBABLY IN THE HOPE OF OBLIGING THE ISRAELIS TO FIELD WEIZMAN. THEY WILL BE JOINED BY BOUTROS GHALI ON HIS RETURN FROM THE OAU MEETING AT LAGOS.

2. SINCE MY TALK WITH KHALIL ON 15 APR (MY TELNO 267) I HAVE DISCUSSED THE PROSPECTS WITH BOUTROS GHALI AND THE US AMBASSADOR. WHAT THEY HAD TO SAY TALLIED BROADLY WITH THE SCENARIO IN WASHINGTON TELNO 1597. BOURTOS SAW NO REASON (EXCEPT BEGIN) WHY THE NEGOTIATIONS SHOULD NOT PRODUCE A COMPROMISE PACKAGE WHICH WOULD ATTRACT PALESTINIAN PARTICIPATION. ON THE COMPOSITION OF THE SGA FOR EXAMPLE (CF TEL AVIV TELNO 166) HE FORESAW A TWO-TIER ARRANGEMENT INVOLVING A SMALL EXECUTIVE AND A LARGER DELIBERATIVE BODY. HOWEVER HE WAS MORE SCEPTICAL THAN ATHERTON ABOUT THE CONTINUING COMMITTEE IDEA ON THE GROUND THAT THE ISRAELIS COULD TOO EASILY REPRESENT IT AS A DEPARTURE FROM THE SACRED TEXT OF CAMP DAVID. THE CAIRO PRESS IS ALSO STRESSING THE POSSIBILITY OF GETTING POSITIVE RESULTS, IF ONLY ISRAEL WILL ADHERE TO THE CAMP DAVID REQUIREMENT FOR THE WITHDRAWAL OF THE MILITARY GOVERNMENT AND THE TRANSFER OF ITS POWERS TO A FULLY AUTONOMOUS ELECTED BODY (SIC). THEY STRESS THAT EGYPT WILL CONCENTRATE ON THE SECURITY QUESTION. MUSTAFA KHALIL IS SAYING IN PRIVATE THAT HE WILL REFUSE TO DISCUSS ANYTHING ELSE UNTIL HE HAS GOT SATISFACTION ON THIS ISSUE.

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3. AS TO ACTION IN THE EVENT OF FAILURE, ATHERTON AND I AGREED THAT KHALIL AND (LESS POSITIVELY) GHALI REMAIN IN FAVOUR OF A EUROPEAN INITIATIVE. BUT ATHERTON MENTIONED OTHER IDEAS, EG THAT THE WEST BANK MAYORS MIGHT BE PERSUADED TO FORM THEMSELVES INTO A TEMPORARY SGA - ANYTHING IN FACT TO TRIGGER AN ISRAELI WITHDRAWAL. THE NOTION OF PROCEEDING TO ELECTIONS EVEN IN THE ABSENCE OF AGREEMENT OF A SGA HE ATTRIBUTED TO PRESIDENT CARTER HIMSELF, BUT IT HAD BEEN LITTLE MORE THAN THINKING ALOUD.

4. MY OWN VIEW IS THAT PARADOXICALLY THE IRANIAN FIASCO MAY MAKE SADAT EVEN MORE RELUCTANT TO CONTEMPLATE A CHANGE OF COURSE THAT COULD LOOK LIKE LETTING DOWN JIMMY CARTER IN HIS HOUR OF NEED. THERE MAY WELL BE SOME INCREASE IN DOMESTIC OPPOSITION TO SADAT'S POLICIES FROM ISLAMIC FUNDAMENTALISTS, ^{BBC} ~~THOUGH THERE~~

AND OTHER ^oCOMMENTATORS HAVE BEEN TOO QUICK IN MAKING THIS ASSUMPTION. EVEN SO SADAT IS UNLIKELY TO BE DEFLECTED.

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TO ROUTINE F C O

TELEGRAM NO 1618 OF 25 APRIL

INFO AMMAN, TEL AVIV, CAIRO, JERUSALEM

INFO SAVING BEIRUT, DAMASCUS, JEDDA, MOSCOW, UKMIS NEW YORK

JORDAN: NEW YORK TIMES INTERVIEW WITH KING HUSSEIN

1. TODAY'S NEW YORK TIMES CARRIES AN ARTICLE BY DAVID SHIPLER, DATED AMMAN, ABOUT AN INTERVIEW KING HUSSEIN GAVE HIM ON 23 APRIL
2. HUSSEIN IS REPORTED TO HAVE MADE THE FOLLOWING POINTS:
 - I) CONVINCED THAT THE CAMP DAVID PEACE PROCESS WAS PROVING A FAILURE AND THAT THE US HAD RUN OUT OF OPTIONS IN THE MIDDLE EAST, HUSSEIN WAS ENCOURAGING AN INITIATIVE FROM WESTERN EUROPE:
 - II) HE SAW NO PROMISE IN RECENT PROPOSALS BY THE ISRAELI LABOUR PARTY THAT JORDAN AND ISRAEL NEGOTIATE THE FUTURE OF A DEMILITARISED WEST BANK. ANY SUCH SUGGESTION BY PERES ASSUMED A STARTLING NAIVETE ON JORDAN'S PART.
 - III) JORDAN'S RELATIONS WITH THE US WERE WORSE NOW THAN AT ANY TIME DURING HIS REIGN. WHILE HE WISHED TO MAINTAIN FRIENDSHIP WITH THE US HE HAD DECIDED TO REDUCE HIS DEPENDENCE ON THEM AS A SOURCE OF WEAPONS AND TO BUY FROM A VARIETY OF COUNTRIES, POSSIBLY INCLUDING THE SOVIET UNION. HE NEVERTHELESS HOPED TO VISIT THE US LATER THIS YEAR BEFORE THE PRESIDENTIAL ELECTION.
 - IV) CRITICISM BY THE US OF SOVIET INTERVENTION IN AFGHANISTAN WOULD NOT WIN THEM MUSLIM SUPPORT SO LONG AS EAST JERUSALEM

IV) CRITICISM BY THE US OF SOVIET INTERVENTION IN AFGHANISTAN WOULD NOT WIN THEM MUSLIM SUPPORT SO LONG AS EAST JERUSALEM REMAINED UNDER ISRAELI OCCUPATION.

V) JORDAN'S RELATIONS WITH THE SOVIET UNION "HAVE SEEN THEIR UPS AND DOWNS", BUT THE RUSSIANS HAD LEARNED THAT RELATIONS WITH JORDAN "SHOULD BE BASED ON MUTUAL RESPECT AND NON-INTERFERENCE IN OUR INTERNAL AFFAIRS ... AS A RESULT THERE IS A GROWING RELATION BETWEEN US BASED ON A SOLID FOUNDATION".

VI) AS HE WATCHED THE PEACE PROCESS BETWEEN EGYPT AND ISRAEL UNFOLD "THE FEARS AND SUSPICIONS WE HAD OVER A LONG PERIOD OF TIME CAME TRUE... THE VIEW WE HAD WAS THAT ISRAEL WAS SEEKING TO SEE EGYPT REMOVED FROM THE SCENE AND THAT THE EGYPT/ISRAEL ASPECT OF THE CONFLICT WAS THE EASIEST ONE TO ADDRESS AND RESOLVE. THE REAL PROBLEM IS IN THE WEST BANK AND GAZA, JERUSALEM IN PARTICULAR, IN TERMS OF PALESTINIAN RIGHTS ON PALESTINIAN SOIL."

FCO PASS SAVING BEIRUT, DAMASCUS, JEDDA, MOSCOW.

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TO PRIORITY FCO

TELEGRAM NUMBER 1597 OF 24 APRIL

INFO PRIORITY TEL AVIV, CAIRO

INFO SAYING AMMAN, BEIRUT, DAMASCUS, JEDDA, UKMIS NEW YORK,
JERUSALEM.MY TELS NOS 1517 AND 1539: ARAB/ISRAEL - BEGIN'S VISIT TO
WASHINGTON.

1. WE FOLLOWED UP STERNER'S AND HUNTER'S ACCOUNTS BY ASKING WALKER (LINOWITZ OFFICE) HOW LINOWITZ HOPED TO PLAY THE HAND DEALT TO HIM BY THE BEGIN AND SADAT VISITS.

2. WALKER SAID THERE WERE TWO CRITICAL QUESTIONS:

- I) WOULD IT BE POSSIBLE TO REACH AN AGREEMENT DURING THE FORTH-COMING INTENSIFIED NEGOTIATIONS COMPATIBLE WITH SADAT'S VIEW OF WHAT OUGHT TO BE SUFFICIENT TO ATTRACT THE PALESTINIANS INTO THE NEXT STAGE ?
- II) WOULD THE PALESTINIANS BE SUFFICIENTLY ATTRACTED AND WOULD THE P.L.O. GIVE THEM THE GREEN LIGHT TO PARTICIPATE IN ELECTIONS ?

WALKER EXPRESSED THE PERSONAL OPINION THAT, DESPITE THE HEAVY POLITICAL PRESSURE FROM PRESIDENT CARTER, THE ODDS WERE PROBABLY AGAINST.

3. READING FROM WHAT WAS CLEARLY AN AMERICAN BLUE-PRINT FOR AN AGREEMENT (THOUGH WALKER DOUBTED WHETHER IT WOULD BE PRESENTED AS SUCH DURING THE NEGOTIATIONS EXCEPT IN PIECEMEAL FASHION), WALKER OUTLINED THE SORT OF QUOTE HEADS OF AGREEMENT UNQUOTE WHICH MIGHT EMERGE FROM THE FORTHCOMING NEGOTIATIONS. HE ADMITTED, INCIDENTALLY, THAT THERE WAS NO CLEAR IDEA IN THE MINDS OF THE AMERICANS, EGYPTIANS OR ISRAELIS WHAT THE TERM QUOTE HEADS OF AGREEMENT UNQUOTE MEANT, BUT THOUGHT THAT THIS UNCERTAINTY COULD ITSELF HAVE ADVANTAGES - HE MENTIONED THAT HE HAD BEEN TOLD THAT THE TERM WAS ANYWAY A BRITISH INVENTIONS. IF IT FOLLOWED THE AMERICAN BLUE-PRINT, ANY AGREEMENT WOULD CONTAIN A POLITICAL PREAMBLE AND WOULD IDEALLY COVER ALL THE MAIN ISSUES, LEAVING A LIMITED NUMBER OF SUBJECTS TO BE FOLLOWED UP IN THE CONTINUING COMMITTEE. WATER WAS THE MOST OBVIOUS SUBJECT FOR FURTHER NEGOTIATION, BEING BOTH A SHARED RESOURCE AND A HIGHLY TECHNICAL SUBJECT. BUT LAND (WHICH WOULD COVER SETTLEMENTS WITHOUT MENTIONING THEM BY NAME) WAS CLEARLY ANOTHER AREA WHERE COMPLETE AGREEMENT MIGHT WELL NOT BE REACHED SINCE IT ROUSED THE SENSITIVE QUESTION OF SOVEREIGNTY. THE U.S. WOULD PRESS

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FOR MAXIMUM SOVEREIGNTY FOR THE SELF GOVERNING AUTHORITY (SGA), CERTAINLY OVER NON-PUBLIC LAND, AND AT THE VERY LEAST WOULD REQUIRE A CLEAR REMOVAL OF LAND FROM ISRAELI SOVEREIGNTY AS NOW EXERCISED. SOME WORDING WHICH WOULD FORBID ANY ALTERATION OF THE STATUS OF PUBLIC LAND WITHOUT THE AGREEMENT OF THE PARTIES WOULD FUDGE THE QUESTION OF SOVEREIGNTY BUT AT LEAST PUT A DE FACTO FREEZE ON SETTLEMENTS (EVEN IF IT WOULD ALSO GIVE THE ISRAELIS A LIEN ON THE STATUS OF EXISTING SETTLEMENTS). ELECTION MODALITIES MIGHT BE COVERED IN A DETAILED ANNEX, AS MIGHT WHATEVER WAS AGREED ON SECURITY. THE DOCUMENT WOULD SPECIFY ALL AREAS OF RESPONSIBILITY WHICH BY AGREEMENT AT THE TIME OF SIGNATURE (BUT SUBJECT TO SUBSEQUENT AMENDMENT) WOULD BE TRANSFERRED TO THE SGA, AS WOULD THE POWERS THE SGA WOULD NEED TO DISCHARGE THOSE RESPONSIBILITIES. REFERENCE WOULD BE MADE TO THE FUTURE USE OF THE CONTINUING COMMITTEE. WALKER DOUBTED THAT ANY DATE FOR ELECTIONS WOULD BE WRITTEN IN SINCE SOME FLEXIBILITY WOULD BE DESIRABLE ON THIS.

4. IF A SATISFACTORY (TO THE EGYPTIANS, AMERICANS AND ISRAELIS) AGREEMENT ALONG THESE LINES COULD BE WORKED OUT - AND WALKER STRESSED THE UNCERTAINTIES PARTICULARLY AS REGARDS THE VOTING RIGHTS OF EAST JERUSALEM ARABS AND THE DIFFICULTIES IN FINDING LANGUAGE TO COVER THE LAND ISSUE - THE PALESTINIANS WOULD HAVE TO FORM THEIR OWN JUDGEMENT ON WHETHER IT OFFERED ENOUGH FOR THEM TO PARTICIPATE IN ELECTIONS. WALKER LISTED FIVE REASONS WHY IT MIGHT JUST BE HOPED THAT THEY WOULD DO SO:

- I) IT WOULD BE MADE CLEAR THAT THE ELECTION OF THE SGA WOULD LEAD IMMEDIATELY TO THE WITHDRAWAL OF THE ISRAELI MILITARY GOVERNMENT:
- II) SUCH AN AGREEMENT WOULD ESTABLISH A DE FACTO FREEZE ON SETTLEMENTS:
- III) THE VOTING RIGHTS OF EAST JERUSALEM ARABS WOULD HAVE BEEN ESTABLISHED (BECAUSE WITHOUT THAT THE AGREEMENT WOULD NOT HAVE BEEN REACHED AT ALL):
- IV) A CLEAR PATH WOULD HAVE BEEN LAID DOWN TOWARDS THE ESTABLISHMENT OF THE FINAL STATUS OF THE WEST BANK AND GAZA ON WHICH, AS CAMP DAVID MADE CLEAR, NEGOTIATIONS WOULD HAVE TO BEGIN QUOTE NOT LATER THAN THE THIRD YEAR UNQUOTE AFTER THE ELECTION:
- V) APART FROM THE UNRESOLVED JERUSALEM PROBLEM, THE (UNDERLINE THE NEXT WORD) WHOLE OF THE WEST BANK WOULD PASS OUT OF ISRAELI HANDS I.E., IT WOULD BE AN ABSOLUTE RETURN TO THE PRE-1967 BORDERS. WALKER POINTED OUT THAT THIS WAS SOMETHING WHICH NO LABOUR GOVERNMENT IN ISRAEL HAD BEEN PREPARED TO CONTEMPLATE AND THE PALESTINIANS MIGHT DO WELL TO POCKET IT WHILE BEGIN WAS STILL IN POWER RATHER THAN BASE THEIR HOPES ON A MORE FORTHCOMING PERES POLICY.

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5. ON THE LIKELY PUBLIC REACTION HERE IF THE PROCESS COLLAPSED IN FAILURE, WALKER DISTINGUISHED BETWEEN FAILURE WHICH COULD CLEARLY BE ATTRIBUTED TO ISRAELI INTRANSIGENCE AND FAILURE BY THE PALESTINIANS TO RESPOND TO A DEAL ACCEPTABLE TO SADAT. THE FORMER WOULD PROBABLY ONLY HAPPEN IF A BREAK-DOWN IN THE NEGOTIATIONS COULD BE ATTRIBUTED TO ISRAELI REFUSAL TO MOVE ON THE LAND ISSUE - ON JERUSALEM THERE MIGHT BE WIDE-SPREAD SUPPORT IN THE U.S. FOR THE ISRAELI POINT OF VIEW, BUT ON SETTLEMENTS AMERICANS WERE MORE WILLING TO CRITICISE THEM. GIVEN HIS OWN PESSIMISTIC ASSESSMENT OF THE CHANCES OF THE PALESTINIANS ACCEPTING ANY AGREEMENT, WALKER EXPRESSED THE VIEW THAT THE ISRAELIS, IF THEY WERE CLEVER, WOULD NOW START MAKING THE NECESSARY CONCESSIONS TO REACH AGREEMENT IN THE CONFIDENT EXPECTATION THAT SUBSEQUENT PALESTINIAN REFUSAL TO BUY THE DEAL WOULD SHIFT RESPONSIBILITY, IN THE AMERICAN PUBLIC EYES, CLEARLY AWAY FROM ISRAEL IN THOSE CIRCUMSTANCES, PARTICULARLY IF SADAT GAVE A LEAD, AN AMERICAN ATTITUDE OF QUOTE A POX ON BOTH YOUR HOUSES UNQUOTE WOULD LEAVE THE ISRAELIS WITH WHAT THEY MIGHT CONSIDER A SATISFACTORY STATUS QUO AND AMERICAN PRESSURE ON THEM WOULD BE CONSIDERABLY REDUCED.

FCO PASS SAVING AMMAN BEIRUT, DAMASCUS, JEDDA AND JERUSALEM.

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TELEGRAM NUMBER 161 OF 22 APRIL
INFO UKMIS NEW YORK WASHINGTON CAIRO AMMAN AND JERUSALEM

BEGIN'S US VISIT *mb*

1. ON RETURN FROM WASHINGTON AT THE WEEKEND BEGIN TOLD THOSE WHO MET HIM AT THE AIRPORT THAT HE HAD MADE THREE POINTS TO CARTER:

I) JERUSALEM WILL NOT BE DIVIDED AGAIN DIRECTLY OR INDIRECTLY THROUGH WORD GAMES;

II) THERE WILL BE NO MORE THAN AN ADMINISTRATIVE COUNCIL FOR THE WEST BANK AND GAZA AND NO LEGISLATIVE COUNCIL;

III) SECURITY AND DEFENCE, BOTH EXTERNAL AND AGAINST TERRORISM WILL REMAIN IN THE HANDS OF THE ISRAEL DEFENCE FORCES.

BEGIN WENT ON TO SAY "OUR GREATEST SUCCESS WAS THE FACT THAT WE RENEWED JEWISH UNITY IN AMERICA IN REGARD TO THE THREE ABOVE POINTS. AMERICAN JEWRY IS NOW WILLING TO FIGHT FOR THEM".

2. IN A SUBSEQUENT INDEPENDENCE DAY TELEVISION APPEARANCE, BEGIN SAID THERE WOULD BE NO CONCESSIONS ON THE ISSUE OF JEWISH SETTLEMENT IN JUDEA AND SAMARIA. SETTLEMENT WAS "THE SOUL OF ZIONISM". HE REITERATED HIS POSITION ON JERUSALEM AND ON WEST BANK SECURITY AND SAID OF JERUSALEM THAT IT WAS ISRAEL'S RIGHT AND DUTY TO DECLARE IN WASHINGTON THAT THE CITY IS ALL UNDER ISRAELI SOVEREIGNTY, IS ISRAEL'S ETERNAL CAPITAL AND WILL NEVER BE DIVIDED. "THIS CITY IS OUR HISTORY, NOT THAT OF ANY OTHER NATION".

3. A RECENT OPINION POLL PUBLISHED THIS MORNING, WHILE SHOWING A DROP IN SUPPORT FOR SETTLEMENTS, STILL SHOWS 49% OF ISRAELIS SUPPORT FOR CONTINUED ESTABLISHMENT OF SETTLEMENTS.

ROBINSON

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From the Private Secretary

16 April 1980

subject copy filed on USA Kissinger's visit to the UK Aug 79.

Call by Dr. Kissinger

Dr. Kissinger called on the Prime Minister this afternoon and stayed for rather over an hour. This account of the conversation will be rather more impressionistic than usual since the Prime Minister, at Dr. Kissinger's prompting, instructed me not to take a record. Dr. Kissinger told me afterwards that he had no objection to a letter describing the conversation being written provided it was not given too wide a distribution. He said that he would be content for it to be seen by Sir Nicholas Henderson (for whose performance as HM Ambassador in Washington he had earlier expressed the warmest appreciation).

The US Administration

Dr. Kissinger said that President Carter was excessively isolated in the White House. President Nixon has also been isolated. But, unlike President Carter he had not tried to do everything himself. Moreover President Carter continued to give an impression of inexperience (Dr. Kissinger also commented disparagingly on Governor Reagan's lack of experience). The Administration had apparently still failed to formulate an overall strategy for dealing either with the Iranian problem or with the much graver issues raised by the Soviet invasion of Afghanistan. As regards Iran there was a specific problem in that some of the middle and lower echelons in the White House and the State Department sympathised with the objectives of the Iranian revolution. This accounted, at least in part, for the lack of credibility in the Administration's threats to take a tough line. The situation would have been very different had the hostages been taken by e.g. the Pinochet regime.

Iran

Dr. Kissinger said that he had favoured military action of some kind at a very early stage in the crisis. The taking of hostages should never have been accepted by the US Administration. However, in the situation which had now arisen, he was opposed to military action. He did not see how it could be made effective. A naval blockade by ships would rapidly result in a "nervous collapse" in Washington. Every time a blockading ship sighted an approaching vessel, there would have to be a meeting in Washington to decide whether or not it should be stopped (Dr. Kissinger made it clear that his experience of running a blockade off Vietnam was still fresh).

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his mind). If, on the other hand, mines were used, the US Administration would rapidly be faced with a decision as to whether or not to sink vesselstrying to sweep the mines.

In general, the balance of the situation in and around Iran was markedly less favourable to the United States than it had been in Vietnam. The US Administration had then had overwhelming local force at its disposal. Moreover the United States was involved in a series of negotiations to which the Soviet Union attached importance and which therefore gave Washington leverage. The United States now had neither adequate forces to deploy locally nor any bargaining counters to use with the Soviet Union. Moreover the weakness which the United States had already shown in Iran had caused a collapse of confidence in the United States in the Middle East generally and, specifically, in Saudi Arabia.

Having made these points about the difficulties for the US Administration of resorting to force, Dr. Kissinger said that nonetheless it had to be recognised that US opinion was now running out of control. The US intellectual establishment had always, in his view, underestimated the potential bellicosity of an American middle class whose members had never suffered any serious reverse and for whom the prospect of an American humiliation was intolerable. There was a real danger of a more or less involuntary slide towards the use of military force. The situation was, as others had said, reminiscent of 1914.

The Prime Minister said that HMG would make a major effort to ensure that the European Community gave President Carter the backing, e.g. on sanctions, which he required. However the present situation had been arrived in, it was in the last resort essential to support the US Government. But if it were agreed to go down the road of sanctions, time would be needed to put through the necessary legislation and then to give the sanctions an opportunity to work. The Prime Minister said that she would not be able to carry the Opposition with her in present circumstances in supporting a resort to force.

East/West Relations

Dr. Kissinger said that he had seen President Tito in the autumn, some weeks before the Soviet invasion of Afghanistan, and that President Tito had even then expressed grave concern about the intentions of the Soviet leadership. He had expressed the view that there was a real possibility that the present generation of leaders - and still more the next generation - would take rash action. The present situation in Afghanistan had arisen because of the lack of a clear signal from the West. It remained of great importance that the Soviet Union should receive a clear signal. The situation throughout the so-called arc of crisis was clearly moving in favour of the Soviet Union. More situations would arise in which they might be tempted to intervene. The West as a whole was still not doing enough to maintain the credibility of its defences. The present crisis was the most serious that had arisen since 1945.

Dr. Kissinger commented on the growing weakness of Chancellor Schmidt's position. He greatly admired Chancellor Schmidt and his policies but the Chancellor was losing his party. Messrs Brandt, Bahr and Wehner were already far too deeply involved with the Soviet Union (Dr. Kissinger commented in passing on the heavy price which being paid for the Ostpolitik). Herr Apel was a nationalist who was increasingly inclined to try to charge a price for the maintenance of

Germany's central position in the Alliance. There was no obvious successor to Chancellor Schmidt if, as was possible, the SPD tried to drop him after the election. (The Prime Minister expressed considerable scepticism of the likelihood of this last eventuality occurring.) As regards the French, Dr Kissinger said that they made a profession of cynicism. Their policy consisted of picking up pennies. Nonetheless he agreed with the Prime Minister that they would probably follow the British and German lead on Iran: their analysis of the fundamentals of the situation was probably not so different from that of other members of the Alliance.

The Arab/Israeli Dispute

Dr Kissinger said that he did not think there was any chance that the autonomy talks would result in progress towards a solution of the Palestinian problem. It was unrealistic to suppose that the Palestinians would be prepared to disarm themselves and live contentedly in an enclave on the West Bank. Nor would the PLO cease its subversive activities elsewhere in the Middle East in the circumstances. The Israeli Government, for their part, were faced with a choice between trying to set up a Bantustan, which would clearly be unacceptable to the Palestinians, and engaging in an irreversible process leading to an independent Palestinian state, which would be unacceptable to Israeli opinion. Dr Kissinger said that he had been rung by Mr Begin the previous day. Mr Begin had told him that the Americans were proposing the establishment of an autonomous entity in which the Israeli Government would retain responsibility for foreign affairs and defence but the Palestinians would be responsible for all other aspects of politics. Mr. Begin said that he could not accept this approach because it clearly implied the eventual establishment of an independent Palestinian state. Dr. Kissinger thought that Mr. Begin's analysis was accurate.

Dr. Kissinger said that the only way to resolve the problem (and he admitted that he had few supporters in the United States for his approach) was to involve Jordan. The Israelis should hand over the West Bank and Gaza to the Jordanian Government as soon as possible and in as unencumbered a state as possible. Israel's security requirements should be protected by arrangements based on those envisaged in the Alion plan. Once the West Bank had been transferred to Jordan, the problem of the Palestinians would become an Arab rather than an Arab/Israeli problem. The Prime Minister commented that when she had last seen King Hussein he had seemed willing to assume responsibility for the West Bank. But it seemed to her that this approach would be gravely destabilising for Jordan. Dr. Kissinger admitted that this might be so but said that he considered it the least damaging option.

A¹ Western Summit

Dr. Kissinger said that he had been surprised that, given the present disarray in transatlantic relations and the gravity of the general situation, no attempt had been made to have a Guadeloupe-style summit. It was essential that some way should be found, privately, to force President Carter to spell out his strategy. The process of having to describe it to his principal allies might lead

/him

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him to elaborate it in more detail than he seemed so far to have done. The Prime Minister indicated that she would reflect on the point.

I am sending a copy of this letter to David Wright (Cabinet Office).

Paul Lever Esq
Foreign and Commonwealth Office.

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TO ROUTINE F C O

P S TO P M NO 10 DOWNING ST

TELEGRAM NUMBER 1446 OF 11 APRIL 1980,

INFO CAIRO, TEL AVIV,

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JERUSALEM.

MY TELNO 1417: SADAT'S VISIT TO WASHINGTON, 7-10 APRIL *ms*

1. STERNER (DEPUTY ASSISTANT SECRETARY, STATE DEPARTMENT) SAID THE VISIT WENT WELL, BUT STRESSED THAT IT WOULD, OF COURSE, BE UNREALISTIC TO ATTEMPT A PROPER ASSESSMENT OF WHAT WAS ACHIEVED UNTIL BEGIN HAS COME AND GONE NEXT WEEK. NOW HAS HE YET BEEN BRIEFED ON WHAT TOOK PLACE AT THE CARTER/SADAT TETE-A-TETE MEETING ON 8 APRIL.

2. THE AMERICANS DID NOT KNOW WHAT TO EXPECT OF SADAT THIS TIME, PARTICULARLY IN THE LIGHT OF HIS APPARENTLY TOUGHER TALK PRIOR TO LEAVING CAIRO. THEY WERE REASSURED TO LEARN THAT HE IS STILL FIRMLY ON BOARD THE CAMP DAVID PROCESS AND ITS TARGET DATE, NOT SHOWING ANY SIGNS OF WISHING TO KICK OVER THE TRACES AND, WHILE CLEARLY WORRIED, STILL EXPRESSING CONFIDENCE IN HIS "FRIEND JIMMY'S" ABILITY TO PULL IT OFF. HE ALSO LEFT THEM WITH THE CLEAR IMPRESSION THAT, DESPITE THE RELATIVELY UNYIELDING LINE STILL BEING TAKEN BY BUTROS GHALI AND ALBAZ ON THE SUBJECT, HE WOULD IN THE RIGHT CONDITIONS BE PREPARED TO OVER-RULE THEM ON THE MAIN ISSUE WHERE THE EGYPTIANS MIGHT BE ASKED TO GIVE GROUND, NAMELY TO DROP THEIR INSISTENCE ON THE PRINCIPLE THAT ALL THE POWERS OF THE ISRAELI MILITARY GOVERNMENT BE HANDED OVER TO THE SELF GOVERNING AUTHORITY (S G A). CARTER, THEREFORE, SHOULD HAVE A CHEQUE TO CASH WITH BEGIN NEXT WEEK IF HE JUDGES THAT HE CAN GET SOMETHING WORTHWHILE IN RETURN.

3. CHARACTERISTICALLY, SADAT DID NOT GO INTO DETAIL. HE LAID DOWN NO FINAL NEGOTIATING POSITIONS THOUGH HE MADE CLEAR THAT HE EXPECTED MAJOR MOVEMENT BY BEGIN ON LAND (INCLUDING SETTLEMENTS) AND JERUSALEM. THE AMERICANS WERE ALSO ABLE TO EXPLORE HIS THINKING ON "GAZA FIRST". SADAT MADE IT CLEAR THAT HE WAS NOT THINKING OF A SEPARATE SET OF ARRANGEMENTS FOR GAZA WHICH THE EGYPTIANS WOULD IMPOSE, IF NECESSARY, ON THE GAZANS IF THE NEGOTIATIONS FAILED TO PRODUCE AN AGREEMENT TO COVER THE WEST BANK: RATHER HE WANTED AN ACCEPTABLE (TO HIM) AGREEMENT TO COVER BOTH AREAS WHICH, IF THE WEST BANKERS REFUSED IT, HE AND THE ISRAELIS MIGHT IN SOME WAY IMPOSE ON THE GAZANS.

4. THE STATEMENT ISSUED BY THE WHITE HOUSE AT THE END OF THE VISIT (M I F T) SAYS LITTLE. AMERICAN CONTACTS WITH THE ISRAELIS DURING SADAT'S VISIT LED THEM TO CONCLUDE THAT THEY OUGHT EVEN TO OMIT ANY REFERENCE TO THE PROCEDURAL AGREEMENT STRUCK WITH SADAT. THIS WAS THAT THE NEGOTIATORS - KHALIL, BURG AND LINOWITZ - SHOULD ENDEAVOR ON A SUSTAINED NEGOTIATING SESSION ON 27 APRIL, PREFERABLY IN WASHINGTON, TO DEMONSTRATE A DETERMINED ATTEMPT TO MEET THE 26 MAY

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DEADLINE (WHICH STERNER READILY ADMITTED COULD SLIP INTO JUNE) WHEN THEY WOULD AIM TO PRODUCE A DOCUMENT, CONSISTING PROBABLY OF "HEADS OF AGREEMENT" (RATHER THAN THE SORT OF DETAILED ANNEXES OF THE EGYPT-ISRAEL PEACE TREATY) SUFFICIENT TO BE ATTRACTIVE TO THE PALESTINIANS. UNDER THE KHALIL/BURG/LINOWITZ STEERING COMMITTEE, STERNER ENVISAGES A NUMBER OF SUB-COMMITTEES: THE ELECTION MODALITIES COMMITTEE WOULD REMAIN, WITH THREE OTHERS TO DEAL WITH ECONOMIC ARRANGEMENTS, LEGAL QUESTIONS AND SECURITY (WHICH WOULD ITSELF BE SUBDIVIDED INTO DIFFERENT SORTS OF SECURITY PROBLEMS IN ORDER TO PREVENT THE ISRAELIS REFUSING TO DISCUSS SECURITY AT ALL SINCE THE SUBDIVISIONS SHOULD DEMONSTRATE THAT CERTAIN KINDS OF SECURITY PROBLEM COULD BE HANDLED BY THE S G A). THE SUB-COMMITTEES WOULD TURN TO THE STEERING COMMITTEE FOR INSTRUCTIONS WHEN NECESSARY AND THE CARD OF ULTIMATE SADAT/BEGIN/CARTER STEERING COMMITTEE WOULD BE HELD IN RESERVE FOR POSSIBLE PLAY AT THE ELEVENTH HOUR. STERNER ADMITTED THAT IT ALL SOUNDED MUCH NEATER THAN IT WAS LIKELY TO WORK OUT.

5. BILATERALLY, SADAT HAD ANOTHER MAJOR PUBLIC RELATIONS SUCCESS. THOSE WHO SAW HIM PERFORM COMMENTED THAT HE DID EVEN BETTER THAN ON PREVIOUS OCCASIONS, IN PARTICULAR IN HIS SPEAKING TECHNIQUE. CONGRESSMEN IN IMPRESSIVELY LARGE NUMBERS RETURNED SPECIALLY TO WASHINGTON DURING THE RECESS TO MEET HIM. HE ALSO APPEARS TO HAVE HAD THE WISDOM NOT TO HAVE PRESENTED ANY SHOPPING LIST ON THIS OCCASION.

6. STERNER ACKNOWLEDGED THAT THE FIRST HALF OF THIS MATCH WAS BOUND TO BE THE EASIER: THE AMERICANS WILL BE PLAYING AGAINST THE WIND NEXT WEEK WHEN BEGIN COMES. FOR A START THEY NEED FROM HIM A PARALLEL ASSURANCE THAT HE TOO IS COMMITTED TO THE PROCESS AND THE TARGET DATE: THAT HE WILL ACCEPT THE NEGOTIATING PROCEDURE: AND THAT HE WILL MATCH SADAT'S WILLINGNESS TO OVERRULE HIS NEGOTIATORS IN THE CONSIDERABLY GREATER NUMBER OF AREAS WHERE CONCESSIONS ARE NEEDED.

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TO PRIORITY CAIRO

TELEGRAM NUMBER 164 OF 10 APRIL

INFO TEL AVIV DAMASCUS AMMAN JERUSALEM BEIRUT JEDDA

WASHINGTON UKMIS NEW YORK

ARAB/ISRAEL

1. THE EGYPTIAN AMBASSADOR TOLD MOBERLY LAST NIGHT THAT IF THERE WERE PROGRESS DURING PRESIDENT CARTER'S MEETING WITH MR BEGIN, THERE WOULD BE A PLEMARY MEETING OF THE AUTONOMY TALKS ATTENDED BY KHALIL BURG AND LINOWITZ IN WASHINGTON ON 21 APRIL. IF THIS WENT WELL PRESIDENT SADAT WOULD RETURN TO WASHINGTON FOR A SUMMIT MEETING WITH BEGIN AND CARTER SOON AFTERWARDS. ABU SE'EDA SAID HE WAS PERSONALLY DOUBTFUL WHETHER BEGIN WOULD SHOW SUFFICIENT FLEXIBILITY TO ENABLE THIS PLAN TO GO AHEAD.

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INFO PRIORITY CAIRO, WASHINGTON, ROUTINE AMMAN, BEIRUT, DAMASCUS,
UKMIS NEW YORK, JEDDA AND SAVING TO JERUSALEM(PASSED).

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Prime Minister
Mr Begin - 2 telos.

mf

ARAB/ISRAEL.

1. BEGIN LEAVES FOR THE U S AT THE END OF THIS WEEK IN WHAT MUST LOOK TO HIM A RELATIVELY STRONG POSITION IN COMPARISON WITH SADAT AND CARTER. OF COURSE THERE IS INTENSE CRITICISM FROM INSIDE AS WELL AS OUTSIDE BEGIN'S GOVERNMENT AND IT COULD AT ANY TIME BE JEOPARDIZED BY A FIT OF TEMPER OR DESPAIR ON THE PART OF WEIZMAN OR BROUGHT DOWN ON THE PRETEXT OF SOME MINOR DOMESTIC ISSUE OF CONCERN TO THE NATIONAL RELIGIOUS PARTY. BUT TO SUPPOSE THAT ANY OF THIS MAKES BEGIN'S POSITION WEAK IN THE CONTEXT OF THE AUTONOMY NEGOTIATIONS WOULD, I BELIEVE, BE A MISTAKE.

2. BEGIN WILL HAVE A GOOD REASON TO CALCULATE THAT HIS POSITION IS THE STRONGEST OF THE THREE BECAUSE HE CAN MOST AFFORD TO PLAY THINGS LONG. ALTHOUGH THERE IS SOME ANXIETY IN SOME QUARTERS HERE ABOUT MAINTAINING SADAT'S CREDIBILITY IN EGYPT (THE EGYPTIAN AMBASSADOR HERE IS TRYING TOO HARD TO PLAY ON THIS BY TALK OF THE DANGER FROM MUSLIM EXTREMISTS IN EGYPT AND THE POSSIBILITY THAT HE HIMSELF WILL BE RECALLED INDEFINITELY TO CAIRO IF SUBSTANTIAL PROGRESS IS NOT MADE BY 26 MAY) IT MUST SEEM TO BEGIN THAT SADAT HAS TOO MUCH TO LOSE BY ADMITTING THAT THE CAMP DAVID PROCESS HAS FAILED. THE U N VOTE EPISODE ON 1 MARCH, THE NEW YORK PRIMARIES AND WHAT IS BELIEVED HERE TO BE REAGAN'S LIKELY POLICY ON ISRAEL WILL MAKE IT DIFFICULT FOR ANY ONE HERE TO ARGUE THE NEED FOR SUBSTANTIAL EARLY ISRAELI CONCESSIONS TO CARTER.

3. SO BEGIN IS UNLIKELY TO MAKE SIGNIFICANT CONCESSIONS IN WASHINGTON NEXT WEEK. THE FACT THAT BURG AND SHAYIR ARE NOW GOING WITH HIM DOES NOT ALTER BUT RATHER STRENGTHENS THIS IMPRESSION. HE MAY BE PREPARED TO AGREE, OR AGREE TO RECOMMEND TO HIS CABINET ON RETURN, SOME NEW PROCEDURAL STEPS (PERHAPS THE ESTABLISHMENT OF A SECURITY COMMITTEE IN THE AUTONOMY NEGOTIATIONS) BUT ONLY OF A KIND WHICH WILL ALLOW THE ISRAELI GOVERNMENT TO AVOID, OR POSTPONE CONCESSIONS OF SUBSTANCE.

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4. LATER THIS YEAR BEGIN WILL HAVE TO DECIDE WHETHER TO TRY SERIOUSLY TO REACH AGREEMENT WITH A CARTER ADMINISTRATION WHICH (SOME IN THE CABINET ARE ARGUING) MIGHT BE PREPARED TO SETTLE ON EASIER TERMS FOR ISRAEL THAN WOULD BE THE CASE IF CARTER IS RE-ELECTED. BUT THERE IS NO NEED FOR ISRAEL TO FACE THIS DECISION NOW. IN THE MEANTIME, BEGIN WILL DO ALL HE CAN TO NAIL DOWN HIS CONCEPT OF THE FUTURE - THROUGH SETTLEMENTS, LEGAL OBSTACLES TO THEIR SUBSEQUENT REMOVAL, AND PERHAPS THE ESTABLISHMENT OF THE PRIME MINISTER'S OFFICE IN EAST JERUSALEM (TO WHICH HE AGAIN RECENTLY REFERRED). IF HIS GOVERNMENT WERE TO COLLAPSE THIS YEAR, NO EARLY CHANGE OF POLICY CAN BE EXPECTED FROM ISRAEL. IN THE FIRST PLACE, THE KNESSET MUST VOTE DISSOLUTION, AND MANY MEMBERS WOULD IN PRESENT CIRCUMSTANCES SEE THAT AS VOTING TO ADVANCE THE DATE OF THEIR OWN DEMISE. SECONDLY, ASSUMING A KNESSET VOTE TO DISSOLVE, THREE MONTHS MUST ELAPSE BEFORE THE HOLDING OF ELECTIONS. THIRDLY, DESPITE WELL-INTENTIONED TALK, IT IS GOING TO BE VERY DIFFICULT FOR AN ALTERNATIVE GOVERNMENT, MORE LIKELY TO BE A COALITION THAN OTHERWISE, TO ADOPT POLICIES WHICH MIGHT ACHIEVE A SETTLEMENT OF THE PALESTINIAN QUESTION. (A MORE MODERATE POLICY ON NEW SETTLEMENTS WILL NOT SUFFICE).

5. THE OUTLOOK FROM HERE IS NOT GOOD.

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TO ROUTINE F C O

TELEGRAM NUMBER 1384 OF 8 APRIL 1980

INFO CAIRO TEL AVIV

INFO SAVING AMMAN BEIRUT DAMASCUS JEDDA UKMIS NEW YORK HMCJ
JERUSALEM

PRESIDENT SADAT'S VISIT TO WASHINGTON

1. SADAT'S ARRIVAL HERE YESTERDAY RECEIVED RELATIVELY LITTLE MEDIA ATTENTION DUE TO IRANIAN DEVELOPMENTS CAPTURING THE HEADLINES. NOR HAS THERE BEEN ANY SIGNIFICANT CURTAIN RAISING BACKGROUND BRIEFING OF THE PRESS ABOUT THE ADMINISTRATION'S EXPECTATIONS FROM THE VISIT.

2. SADAT HAS ALREADY HAD ONE MEETING WITH CARTER (TETE-A-TETE, TO THE SURPRISE OF VANCE, BRZEZINSKI AND LINOWITZ WHO WERE KEPT WAITING OUTSIDE) THIS MORNING AND WILL HAVE TWO MORE, THIS AFTERNOON AND TOMORROW MORNING. STERNER (DEPUTY ASSISTANT SECRETARY, STATE DEPARTMENT) HAS TOLD US NOT TO EXPECT MUCH FROM ANY COMMUNIQUE WHICH MAY BE ISSUED, SINCE THE AMERICANS NEED TO TAKE CARE TO AVOID ANY IMPRESSION THAT THEY HAVE COOKED UP SOMETHING WITH SADAT IN ADVANCE OF BEGIN'S VISIT. STERNER HAS UNDERTAKEN TO GIVE US A READ-OUT ON THE VISIT BUT THIS MAY NOT BE POSSIBLE TILL NEARER THE END OF THIS WEEK SINCE IT WILL TAKE SOME TIME BEFORE OFFICIALS, EVEN SENIOR ONES, ARE GIVEN THE FULL STORY BY THE WHITE HOUSE.

3. A FULL AND BRAVELY CHOSEN PROGRAMME HAS BEEN ARRANGED FOR SADAT HERE. IN ADDITION TO HIS THREE MEETINGS AND PRIVATE LUNCH WITH CARTER, HE WILL HAVE A WORKING LUNCH WITH VICE-PRESIDENT MONDALE (A STRONG ISRAELI SUPPORTER) AND A MEETING WITH DEFENCE SECRETARY BROWN. SEPARATE MEETINGS HAVE BEEN ARRANGED WITH MEMBERS OF THE SENATE AND OF THE HOUSE OF REPRESENTATIVES: WITH HENRY KISSINGER; WITH SECRETARY OF COMMERCE KLUTZNICK (ANOTHER STRONG ISRAELI SUPPORTER); WITH THE PRESIDENT OF THE AFL/CIO (WHICH HAS A LONG TRADITION OF SUPPORT FOR ISRAEL) AND WITH LEADERS OF THE JEWISH COMMUNITY. SADAT WILL MAKE A MAJOR PUBLIC SPEECH AT A LUNCH AT THE NATIONAL PRESS CLUB ON 10 APRIL.

FCO PASS SAVING AMMAN BEIRUT DAMASCUS JEDDA JERUSALEM

ISSUED AS REQUESTED

HENDERSON

[THIS TELEGRAM WAS NOT ADVANCED]

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TO PRIORITY FCO

TELNO 245 OF 3 APR

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UKHIS NEW YORK TEL AVIV JERUSALEM AMMAN DAMASCUS JEDDA PARIS BONN

ARAB/ISRAEL: PRESIDENT SADAT'S VISIT TO WASHINGTON

1. PRESIDENT SADAT LEAVES FOR WASHINGTON ON 7 APRIL FOR MEETINGS WHICH MUST SURELY REPRESENT THE LAST CHANCE OF GETTING RESULTS IN THE AUTONOMY TALKS BY 26 MAY. SO MANY DEADLINES HAVE COME AND GONE IN THE CAMP DAVID PROCESS, THAT IN CAIRO AT ANY RATE THE DOOM WATCHERS (NOW FURTHER DISCOURAGED BY THE LACK OF SPECTACULAR REACTIONS TO THE SHAH'S ARRIVAL) HAVE GIVEN UP AND ARE CONTENT TO WAIT AND SEE. NEVERTHELESS IT MAY BE WORTH MAKING SOME ATTEMPT TO ASSESS THE ODDS.

2. IN A LONG TALK WITH THE US AMBASSADOR BEFORE HE LEFT FOR WASHINGTON I WAS SURPRISED (SINCE EVEN THE PRESS BRIEFINGS HAD BEEN NEGATIVE) TO LEARN THAT LINOWITZ HAD AFTER DISCERNED PROGRESS IN THE LAST ROUND OF TALKS AT ALEXANDRIA. LESS SURPRISINGLY THE PROGRESS CONSISTED LARGELY OF A CONCESSION BY THE EGYPTIANS, WHO AGREED TO STOP INSISTING THAT FULL AUTONOMY MEANT THE TRANSFER OF ALL THE MILITARY GOVERNMENT'S POWERS SUBJECT TO A FEW EXCEPTIONS, AND TO TAKE PART IN AN EXAMINATION OF INDIVIDUAL POWERS TO BE TRANSFERRED. THE ISRAELI SIDE WHILE STILL REJECTING KHAWIL'S

AND TO TAKE PART IN AN EXAMINATION OF INDIVIDUAL POWERS TO BE TRANSFERRED. THE ISRAEL SIDE, WHILE STILL REJECTING KHALIL'S PROPOSAL FOR A COMMITTEE ON SECURITY, WERE EMPOWERED TO AGREE IN PRINCIPLE THAT ONE MIGHT EVENTUALLY BE SET UP. ATHERTON SUSPECTS THAT BEGIN MAY BE SAVING UP A CONCESSION ON THIS (FAIRLY INSUBSTANTIAL) POINT FOR WASHINGTON.

3. IN FACT THE ABSTRUSE THEOLOGY OF THE AUTONOMY NEGOTIATIONS HAS LITTLE RELEVANCE TO THE VISIT OF SADAT, WHO NEITHER UNDERSTANDS NOR CARES ABOUT IT. HIS APPROACH WILL BE SIMPLY TO REMIND HIS FRIEND JIMMY CARTER THAT AT CAMP DAVID HE WAS PROMISED FULL AUTONOMY FOR THE PALESTINIANS, INCLUDING EAST JERUSALEM, AND TO EXPRESS HIS CONFIDENCE THAT CARTER WILL PERSUADE THEIR MUTUAL FRIEND BEGIN TO AGREE. ALTHOUGH SADAT HAS PUBLICLY INDICATED READINESS TO STAY ON FOR A POSSIBLE TRIPARTITE SUMMIT, THE BALANCE OF ARGUMENT WOULD SEEM TO BE AGAINST HIS DOING SO. ON THE ONE HAND HE MIGHT BE TEMPTED TO USE THE INTERVAL TO APPEAL TO AMERICAN PUBLIC OPINION. ON THE OTHER, NOT ONLY WOULD HE RISK LOSING FACE WHILE WAITING IN THE WINGS, BUT HIS PRESENCE COULD PERHAPS PREVENT A POSSIBLE DIRECT CONFRONTATION BETWEEN CARTER AND BEGIN. IT SEEMS MOST LIKELY THAT HE WILL RETURN TO EGYPT ON 11 APRIL AS PLANNED, PROCLAIMING HIS CONFIDENCE THAT JIMMY CARTER WILL FIX EVERYTHING.

4. IT IS DIFFICULT FROM HERE TO SUGGEST OR EVEN TO GUESS WHAT A FIX MIGHT INVOLVE. THE MAJORITY OF MY EC COLLEAGUES, NOTABLY THE FRENCH AMBASSADOR WHO IS FEELING SORE AT THE ROUGH TREATMENT GISCARD AND THE SO-CALLED FRENCH INITIATIVE HAVE HAD FROM THE EGYPTIANS, AGREED YESTERDAY THAT SADAT WOULD PROBABLY SETTLE FOR UNDERTAKINGS ALL ROUND TO TRY HARDER AND FOR AN EXTENSION OF THE DEADLINE BEYOND 26 MAY. THE EUROPEANS WOULD BE TOLD TO POSTPONE ANY INITIATIVE STILL FURTHER. HOWEVER THERE IS NO MISTAKING THE INCREASINGLY CRITICAL LINE THAT THE EGYPTIAN PRESS AND PUBLIC OPINION HAVE RECENTLY BEEN ENCOURAGED TO TAKE ABOUT ISRAELI POLICY, ESPECIALLY ON SETTLEMENTS AND EAST JERUSALEM, AS REFLECTED IN SADAT'S MESSAGE TO BEGIN AND A RESOLUTION PASSED BY THE PEOPLE'S ASSEMBLY ON 2 APRIL (REPORTED SEPARATELY). TOGETHER WITH SADAT'S REPEATED REFERENCES TO A NEW SITUATION ARISING SHOULD THERE BE NO PROGRESS BY 26 MAY, THIS WILL MAKE IT DIFFICULT FOR HIM TO ACCEPT A TRANSPARENTLY STERILE CONCLUSION TO THE WASHINGTON MEETINGS.

5. ONE POSSIBILITY ALREADY TOUCHED ON AT THE ALEXANDRIA TALKS IS THAT THE SUMMITEERS MIGHT AGREE ON A FRESH SET OF GUIDELINES

5. ONE POSSIBILITY ALREADY TOUCHED ON AT THE ALEXANDRIA TALKS IS THAT THE SUMMITEERS MIGHT AGREE ON A FRESH SET OF GUIDELINES FOR THEIR NEGOTIATORS (A FAVOURITE THEME OF SADAT'S) WHO WOULD IMMEDIATELY GET DOWN TO WORK, IN WASHINGTON THIS TIME RATHER THAN IN THE MIDDLE EAST. THE DIFFICULTY IS TO IMAGINE WHAT KIND OF GUIDELINES INTERPRETING CAMP DAVID IN THE DIRECTION THE EGYPTIANS WANT WOULD HAVE ANY CHANCE OF ACCEPTANCE BY BEGIN; ONE MIGHT BE THE GAZA-FIRST IDEA, BUT WE HAVE HEARD LITTLE OF THIS LATELY. ANOTHER MIGHT BE THE ELUSIVE CONCEPT THAT SADAT HAS TOYED WITH OF A US/EGYPT/ISRAEL TRUSTEESHIP COUNCIL FOR THE OCCUPIED TERRITORIES DURING A TRANSITIONAL PERIOD. A MORE RADICAL COURSE WOULD BE FOR THE UNITED STATES TO COME OUT WITH ITS OWN IDEAL BLUE-PRINT FOR PALESTINIAN SELF-GOVERNMENT, WHICH WOULD INCLUDE CONTROL OF PUBLIC LAND AND THE FRANCHISE FOR THE ARABS OF EAST JERUSALEM. THE US AMBASSADOR ASSUMES THAT THE STATE DEPARTMENT WILL HAVE BEEN WORKING ON SOME PROPOSALS OF THEIR OWN, ADDRESSING SUBSTANCE RATHER THAN PROCEDURE, THOUGH AFTER THE SECURITY COUNCIL FIASCO THEY WOULD PROBABLY TRY TO AVOID A PUBLIC SHOWDOWN.

6. WE AGREED THAT APART FROM SADAT THE EGYPTIANS, ESPECIALLY MUSTAFA KHALIL, ARE PINNING THEIR HOPES MORE AND MORE ON THE FALL OF THE BEGIN GOVERNMENT KM I HAVE BEEN UNABLE TO GET A FURTHER APPOINTMENT WITH KHALIL - YOUR TELNO 143 - TILL AFTER EASTER, AS HE IS OVER-BURDENED WITH INTERNAL PROBLEMS ON TOP OF FOREIGN AFFAIRS). THE EGYPTIANS MIGHT THEREFORE WELCOME AN OPEN DISAGREEMENT BETWEEN CARTER AND BEGIN ON ISSUES LIKE SETTLEMENTS WHICH COULD HASTEN THE EROSION OF BEGIN'S DOMESTIC SUPPORT. (ATHERTON MENTIONED - NOT FOR QUOTATION - THAT HE AND LINOWITZ HAD AGREED THAT THIS POSSIBILITY COULD BE AN ARGUMENT AGAINST ANY EARLY INITIATIVE INVOLVING PALESTINIAN SELF-DETERMINATION AND THE PLO, WHICH WOULD BE BOUND TO HAVE THE OPPOSITE EFFECT IN ISRAEL). AS ALWAYS THE IMPONDERABLE FACTOR IS SADAT. IT IS NOT IN HIS CHARACTER TO STAND BACK AND AWAIT THE OUTCOME OF A SHOWDOWN BETWEEN THE US AND ISRAEL WHICH BY IMPLICATION ADMITS THE FAILURE OF CAMP DAVID (CF HIS REACTION TO THE 242 PROPOSAL LAST SUMMER). HE WILL WANT TO CONTINUE TO PLAY A POSITIVE ROLE. I CONCLUDE THEREFORE, VERY TENTATIVELY, THAT HE WILL SEIZE ON ANY PLAUSIBLE FORMULA THAT CARTER CAN DEVISE TO MAINTAIN A SEMBLANCE OF PROGRESS IN THE AUTONOMY TALKS, BUT THAT IF NONE IS FORTHCOMING HE IS MORE LIKELY TO MAKE A SURPRISE MOVE OF HIS OWN, FOR EXAMPLE TO WIDEN THE NEGOTIATING FORUM, THAN TO ALLOW THE INITIATIVE TO PASS TO OTHERS.

*Middle East*

10 DOWNING STREET

THE PRIME MINISTER

3 April 1980

Thank you for your letter of 24 March about our policy in the Middle East. I understand that Foreign and Commonwealth Office Ministers have also written to you on this subject.

There is no change in our policy towards recognition of the PLO (a misleading term, since recognition is not given to organisations) nor do we accept their claim to be the sole legitimate representatives of the Palestinians. We do however accept that the Palestine Liberation Organisation is an important factor in the area and that at some stage they will have to be associated with negotiations. We have occasional contacts with PLO representatives at official level but there have been no discussions at Ministerial level. We continue to urge the PLO to renounce terrorism and to accept only the principle of a negotiated settlement in which Israel's right to live in peace within secure and recognised boundaries will be fully accepted. No settlement will be possible unless the PLO is prepared to accept these principles.

We have seen the Israeli Embassy's press release and the interview with Mr. Arafat which was published in a Venezuelan newspaper. As you may know this interview has since been disowned by Arafat and other PLO representatives. I am not in a position to comment on the interview but we have always made it clear that, if the PLO's aim is the destruction of Israel, then this is quite unacceptable to us and meaningful negotiations would be impossible.

/I hope this

I hope this answers your question. Please assure your constituents that our commitment to Israel's future is in no way diminished. At the same time, it is not unreasonable to make the point that both sides must be prepared to compromise. We hope that the Israel Government on its side will reconsider its present policy of planting settlements in the occupied territories and show itself ready to implement Resolution 242.

(sgd) Margaret

Kenneth Baker, Esq., MP.

Original - G/R.

FILE

JS.

C.F. to note

CCFO



10 DOWNING STREET

THE PRIME MINISTER

2 April 1980

Mr. A. Kerth.

Thank you for your letter of 19 March.

Lord Carrington in the House of Lords was answering a question about a particular statement by Yasir Arafat two years ago on American television to which Baroness Gaitskell had referred. I attach the extract from Hansard. Lord Carrington is, of course, fully informed of the policies and statements of the PLO.

The Government is committed to supporting the existence of Israel within secure and recognised frontiers. We reject and condemn any statement favouring the destruction of Israel. But on the evidence available to us we do not rule out the possibility that the PLO, who contain within their midst moderates as well as terrorists, may be brought to accept Israel's right to a secure existence. If there is some movement in this direction, I believe it will be in the interests of Israel as well as other states in the area.

At no stage has Lord Carrington called for the recognition of the PLO as you suggest. What the Government have said is that the PLO is an important factor and that they should be associated in some way with the peace process, if a settlement is to last. We say this because it is clear that the PLO attracts the loyalty of many Palestinians. But that does not

/involve

involve 'recognition' of the PLO as a government or as the unique spokesman of the Palestinians.

As regards the occupied territories, UN Resolution 242, which the Government of Israel has accepted, clearly states that any settlement must be based on the 'withdrawal of Israeli armed forces from territories occupied in the recent conflict' (1967). There can be no peace settlement in the Middle East unless this principle is accepted. Many Zionists, inside as well as outside Israel, accept that it is in Israel's interests to withdraw from territories occupied in 1967. But I emphasise that withdrawal must be balanced by unequivocal Arab and Palestinian acceptance of Israel's right to live in peace within secure and recognised boundaries, as laid down in the same resolution.

It is therefore wrong to suggest that the policy of Foreign and Commonwealth Office Ministers is aimed at the destruction of Israel. I hope you will have seen that Sir Ian Gilmour made it clear in the House of Commons on 12 March that 'the Palestinian people must undertake to recognise that Israel has a right to exist within secure borders'.

Far from wishing to destroy Israel, our aim is to work for the only sure guarantee of Israel's security, a comprehensive peace settlement based on a commitment by both the Palestinians and by Israel to respect each other's rights.

Yours sincerely

Alvin Karpis

M.S. Kersh, Esq.

Representative Council for Israel

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Middle East



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March 28, 1980

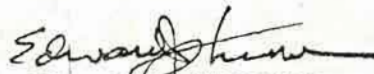
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PS/Sir D. Maitland
Mr. Maitland
Mr. V. Motely

Dear Foreign Secretary:

In the Ambassador's absence from London, I
enclose the text of an oral message from Cyrus Vance
to you concerning the handling of the Palestinian
rights question in New York.

Mr 28/iii

Sincerely,


Edward J. Streator
Minister

Enclosure (SECRET)

The Rt. Hon. The Lord Carrington, KCMG, MC
Secretary of State for Foreign
and Commonwealth Affairs,
Downing Street West,
London SW1A 2AL

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Duty Clerk

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for copying to G. G. H. Walden
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FOREIGN AND COMMONWEALTH OFFICE
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TEXT OF MESSAGE

I know you have been following developments in New York in preparation for a Security Council meeting on Palestinian rights. As you know, we are strongly opposed to a meeting at this time, when President Carter is preparing to receive President Sadat and Prime Minister Begin, and the autonomy negotiations are entering a crucial phase. It now appears that the PLO is preparing to press a completely unacceptable resolution to a vote, knowing that we will have to vote against it, with the object of then seeking the support of a majority of the Council for the convening of an emergency special session of the General Assembly.

As I am sure you will agree, such an outcome would play into the hands of the enemies of peace. It would strengthen the Soviet position in the area, discourage moderate forces, including moderate Palestinian leaders and work against our common interest in maintaining the momentum of the peace process.

In this very serious situation, I believe it is essential that we consult urgently together to see what can be done, and that we seek to adopt a common position. I would hope that you would convey your views urgently to key Arab governments and Palestinians through whatever channels you have available, and I would be very grateful if you would give me the benefit of your advice and an indication of how you believe we should proceed. I hope that our Missions in New York can stay in close touch on this.

March 28, 1980

SECRET

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TO PRIORITY FCO

TELEGRAM NUMBER 121 OF 27 MARCH

INFO WASHINGTON

SAVING TO CAIRO, DAMASCUS, TEL AVIV, UKMIS NEW YORK, AND CG JERUSALEM.

MY TELNO 120 OF 25 MARCH, PARAGRAPH 4: POSSIBLE VISIT TO THE UNITED STATES BY KING HUSSEIN

1. FOLLOWING IS THE TEXT OF THE LACONIC OFFICIAL JORDAN NEWS AGENCY STATEMENT ISSUED ON 26 MARCH:

" HIS MAJESTY KING HUSSEIN HAS RECEIVED AN INVITATION FROM PRESIDENT JIMMY CARTER TO VISIT HIM IN WASHINGTON AND DISCUSS WITH HIM REGIONAL AND INTERNATIONAL QUESTIONS WHEN HE NEXT VISITS THE US AT THE INVITATION OF CULTURAL AND EDUCATIONAL INSTITUTIONS. THE KING HAS ACCEPTED THE INVITATION WITH APPRECIATION. IN VIEW, HOWEVER, OF HIS PREVIOUS NATIONAL AND INTERNATIONAL ENGAGEMENTS, HE WILL NOT HAVE THE OPPORTUNITY TO VISIT THE US DURING THE NEXT FEW MONTHS. NO SPECIFIC DATE HAS YET BEEN AGREED WHEN HIS MAJESTY CAN TAKE UP PRESIDENT CARTER'S INVITATION TO VISIT WASHINGTON AND MEET THE PRESIDENT."

FCO PSE PASS ALL SAVING ADDRESSEES

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[REPEATED AS REQUESTED
[THIS TELEGRAM WAS NOT ADVANCED]

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TO PRIORITY FCO
TELEGRAM NUMBER 134 OF 27 MARCH
INFO CAIRO WASHINGTON
SAVING TO JERUSALEM

ARAB/ISRAEL: AUTONOMY NEGOTIATIONS

1. THE DCM AT THE US EMBASSY HERE, SPEAKING TO MY HEAD OF CHANCERY LAST NIGHT, DESCRIBED LINOWITZ'S THREE ENCOUNTERS WITH BEGIN HERE ON 23-25 MARCH AS "VERY DISAPPOINTING".
2. LINOWITZ HAD ARRIVED IN ISRAEL HOPING THAT THE ISRAEL GOVERNMENT WOULD BE PREPARED TO GIVE SOME INDICATION OF THEIR WILLINGNESS TO COMPROMISE IN THE AUTONOMY NEGOTIATIONS. BUT BEGIN HAD REFUSED TO BUDGE; THE OPTIMISTIC TONE OF LINOWITZ'S PRESS CONFERENCE ON 25 MARCH DISGUISED A TOTAL LACK OF PROGRESS. IN PARTICULAR - AND DESPITE EARLIER SUGGESTION TO THE CONTRARY IN THE ISRAELI PRESS - BEGIN HAD REFUSED TO MAKE ANY COMMITMENT ON THE ESTABLISHMENT OF A SECURITY COMMITTEE.
3. LIKE CIECHANOVAR (MY TEL NO 132), BROWN ANTICIPATED LITTLE MOVEMENT IN ALEXANDRIA TODAY. BEGIN WOULD CONTINUE TO PLAY HIS CARDS VERY CLOSE TO HIS CHEST UNTIL HE MET PRESIDENT CARTER IN WASHINGTON ON 15/16 APRIL. (THE LATER DATES FOR BEGIN'S VISIT MAY REDUCE THE CHANCES OF A TRIPARTITE MEETING IN WASHINGTON). BROWN BELIEVED BEGIN'S AIM THERE WOULD BE TO OFFER THE EGYPTIANS JUST SUFFICIENT TO ENABLE NEGOTIATIONS TO BE EXTENDED BEYOND 26 MAY WITHOUT TOO GREAT A LOSS OF FACE FOR SADAT. BUT THE US EMBASSY AT LEAST COULD NOT PREDICT WHAT BEGIN MIGHT BE PREPARED TO CONCEDE ALTHOUGH THEY WERE INCLINED TO SEE THE DECISION TO ESTABLISH A RELIGIOUS SCHOOL IN HEBRON AS A BARGAINING CHIP FOR POSSIBLE USE IN WASHINGTON. (BUT SEE W.M.I.F.T.)
4. BROWN REMARKED ON THE DEGREE TO WHICH BEGIN HAD DOMINATED ALL THE DISCUSSIONS WITH LINOWITZ HERE. SHAMIR, WHILE INVARIABLY POLITE, HD SAID LITTLE; AND WHAT LITTLE HE HAD SAID ECHOED HIS MASTER'S VOICE.

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TO PRIORITY FCO

TELNO 1271 OF 27 MARCH

AND TO ROUTINE TEL AVIV CAIRO

TEL AVIV TELNO 134 TO FCO: ARAB/ISRAEL: AUTONOMY NEGOTIATIONS

1. STERNER, DEPUTY ASSISTANT SECRETARY, STATE DEPARTMENT CONFIRMED TO US TODAY THAT DATES FOR TALKS (NOT YET PUBLIC) ARE 8/9 APRIL (SADAT) AND 15/16 APRIL (BEGIN). HE DID NOT EXCLUDE MEETINGS WOULD TAKE PLACE AT CAMP DAVID, BUT RULED OUT ANY OVERLAP OF THE TWO VISITS.

HENDERSON

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TO PRIORITY FCO

TELEGRAM NR 212 OF 21 MAR 80

AND TO PRIORITY TEL AVIV BEIRUT DAMASCUS AMMAN WASHINGTON
AND UKMIS NEWYORK:

OUR TELNO 210 - ARAB/ISRAEL SUMMITRY:

1. ACCORDING TO THE MIDDLE EAST NEWS AGENCY PRESIDENT SADAT'S VISIT TO WASHINGTON WILL NOW TAKE PLACE ON 8 AND 9 APRIL, AFTER WHICH HE WILL STAY ON IN THE UNITED STATES TO COLLECT HONORARY DEGREES FROM A NUMBER OF AMERICAN UNIVERSITIES.

2. BOTH THE PRESIDENT AND THE PRIME MINISTER SPOKE TO THE PRESS YESTERDAY. THE PRESIDENT SAID THAT AFTER THE UNPRODUCTIVE ROUND OF AUTONOMY TALKS AT THE HAGUE HE HAD AGREED WITH PRESIDENT CARTER ON DEFINITE STEPS FOR THE FUTURE, WHICH HE WOULD LEAVE MR CARTER TO ANNOUNCE. THE INVITATION TO WASHINGTON TO PUSH THE PROCESS FURTHER HAD HOWEVER BEEN UNSOLICITED BY HIM. HE DECLINED TO COMMENT ON WHETHER HE WOULD MEET BEGIN ON THE UN SETTLEMENTS RESOLUTION, OR TO SAY ANYTHING ABOUT THE NEW ISRAELI FOREIGN MINISTER.

3. DR KHALIL WAS MORE FORTHRIGHT IN TALKING TO FOREIGN CORRESPONDENTS. HE SAID THAT THE AUTONOMY TALKS HAD ACHIEVED LITTLE SO FAR AND EMPHASISED THAT SUCCESS IN WASHINGTON WOULD DEPEND ON THE TWO SIDES REACHING AGREEMENT ON THE CENTRAL ISSUES, IN PARTICULAR A TOTAL HANDOVER OF THE POWERS OF THE ISRAELI MILITARY GOVT TO THE AUTONOMOUS AUTHORITY AND AN END TO ISRAELI ATTEMPTS TO ANNEX JERUSALEM. HE ALSO INSISTED THAT THERE SHOULD BE AN IMMEDIATE DISCUSSION ON THE SECURITY ISSUE SO THAT THE ISRAELIS SHOULD NO LONGER BE ABLE TO INVOKE SECURITY CONSIDERATIONS AT EVERY STAGE OF THE NEGOTIATIONS WHILST REFUSING TO DEFINE WHAT THEY MEANT BY SECURITY. HE ADDED THAT EGYPT WELCOMED PRESIDENT GISCARD'S RECENT STATEMENTS AND WOULD SUPPORT

ANY EUROPEAN INITIATIVE.

4. THAT KHALIL SHOULD TAKE SUCH AN UNCOMPROMISING LINE JUST AFTER THE ANNOUNCEMENT OF THE SUMMIT IS A FAIR INDICATION OF THE CALCULATEDLY TOUGH LINE WHICH IS, FOR THE MOMENT, BEING FOLLOWED HERE. THERE HAVE BEEN NONE OF THE CUSTOMARY EDITORIALS DECLARING EGYPT'S FAITH IN AND FRIENDSHIP FOR THE AMERICANS (THE TWO EDITORIALS DEVOTED TO THE SUMMIT ARE BOTH ATTACKS ON ISRAELI INTRANSIGENCE). SO FAR THERE DO NOT EVEN SEEM TO BE ANY PLANS FOR AN OFFICIAL CELEBRATION OF THE FIRST ANNIVERSARY OF THE PEACE TREATY.

BARRINGTON.

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TO PRIORITY F C O

TELEGRAM NO 1187 OF 20 MARCH

INFO PRIORITY CAIRO AND TEL AVIV

INFO SAVING AMMAN, BEIRUT, DAMASCUS, JEDDA, UKMIS NEW YORK,
HMCJ JERUSALEM.

MY TELNO 1147: ARAB/ISRAEL SUMMITRY

1. STERNER (SAUNDERS' DEPUTY ASSISTANT SECRETARY RESPONSIBLE FOR ARAB/ISRAEL QUESTIONS) COULD THROW LITTLE LIGHT ON THE RATIONALE BEHIND THE PRESIDENT'S DECISION TO ISSUE THESE INVITATIONS AT THIS TIME. HE HIMSELF ONLY LEARNED ON 18 MARCH THAT CARTER HAD THAT MORNING TELEPHONED SADAT AND BEGIN. AS FAR AS HE KNEW, TODAY'S WASHINGTON POST WAS ACCURATE IN STATING THAT PRESIDENT CARTER HAD BEEN RELUCTANT TO RE-ENGAGE HIMSELF.

2. ADMITTING THAT HE WAS ONLY SPECULATING, STERNER IMAGINED THAT A COMBINATION OF TWO FACTORS HAD INFLUENCED THE PRESIDENT:
I) LINOWITZ HAD CONCLUDED THAT HE COULD NOT ACHIEVE HIS TARGET WITHOUT A PRESIDENTIAL INPUT, IN WHICH CASE IT MIGHT AS WELL BE SOONER RATHER THAN LATER SO THAT IT COULD BE BUILT ON BY LINOWITZ IN THE PERIOD LEADING UP TO 26 MAR:

II) THE SECURITY COUNCIL FIASCO HAD INTRODUCED A NEED, IN DOMESTIC POLITICAL TERMS, TO FOCUS ATTENTION ON A FUTURE EVENT RATHER THAN A PAST MISTAKE. IN THIS SENSE THE MOVE HAD BEEN SHREWD AND MIGHT WELL BE SUCCESSFUL IN PRE-EMPTING KENNEDY'S BID FOR JEWISH VOTES IN THE NEW YORK PRIMARY.

3. STERNER AGREED WITH SIR M WEIR'S VIEW (CAIRO TELNO 210) THAT THIS MOVE MUST SEVERELY REDUCE THE CHANCES OF THE NEXT LINOWITZ/BURG/KHALIL MEETING MAKING ANY BREAKTHROUGHS. THE ONLY HOPE WAS THAT BEGIN AND SADAT MIGHT INSTRUCT THEIR NEGOTIATORS TO GIVE A BIT IN ORDER TO SET A BETTER SCENE FOR THE SUMMITS. STERNER THOUGHT THE TWO SUMMITS WOULD TAKE PLACE IN ABOUT THE MIDDLE OF APRIL (CERTAINLY NOT BEFORE PASSOVER ON 7 APRIL). THEY WOULD PROBABLY HAPPEN IN QUICK SUCCESSION AND IT COULD NOT BE ENTIRELY RULED OUT THAT THE FIRST VISITOR MIGHT STAY ON FOR THE SECOND. BEYOND THAT HE DID NOT FEEL ABLE TO SPECULATE ON THE LIKELIHOOD OF A TRILATERAL SUMMIT.

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/4. TURNING TO

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4. TURNING TO A POSSIBLE EUROPEAN INITIATIVE, STERNER EXPRESSED THE HOPE THAT IF THE EUROPEANS DID DECIDE EITHER TO GO AHEAD WITH OR SPEAK PUBLICLY ABOUT ANY INITIATIVE, THEY WOULD ALSO SEND A SIGNAL TO THE PALESTINIANS THAT IT SHOULD NOT BE THOUGHT OF AS AN ALTERNATIVE TO THE CURRENT AUTONOMY NEGOTIATIONS. HE WAS SURE THAT THIS POINT WAS WELL TAKEN IN LONDON, BUT LESS SURE ABOUT OTHER COMMUNITY CAPITALS.

FCO PASS SAVING AMMAN, BEIRUT, DAMASCUS, JEDDA, JERUSALEM

HENDERSON

[REPEATED AS REQUESTED]

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ARAB/ISRAEL DISPUTE

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[NOT ADVANCED]

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Weekend Box.

(2)



Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

Background on the PLO. The formulation in the last para looks to be on the right lines tho' the words are not quite yours.

20 March 1980

Dear Michael,

PhB 2/3

This analysis is just do not stand up. It is riddled with inconsistencies. mb.

It may be useful for me to explain some of the background to Lord Carrington's answer in the House of Lords to Lord Byers' question on the PLO and terrorism (copy attached).

We have consistently taken the line that it would be wrong to dismiss the PLO as simply a 'terrorist organisation' but that it should instead be described as a political umbrella organisation containing within it many people who wish to achieve their ends by non-violent means as well as avowedly terrorist groups. Lord Carrington's reply to Lord Byers on 17 March was the first time this Government have taken the line in Parliament. But we have followed it in correspondence and diplomatic exchanges. In our view it is realistic.

The historical background is that the PLO's Covenant (the latest version of which dates from 1968) stipulates that armed struggle is the only way to liberate Palestine; 'Palestine' includes, in this sense, the whole of the area occupied by Israel. But there has been a gradual move since 1968 away from terrorism and towards acceptance of a negotiated settlement. In practice, the PLO leadership no longer support international terrorism but still endorse violence against targets in Israel. Nor has the PLO formally renounced its claim to the whole of Palestine, including Israel. But the leadership speak increasingly of a compromise settlement. For example, in London last year Khalid al-Hassan (a leading PLO moderate) said that the Palestinians were prepared to accept an independent state in only part of Palestine and would not thereafter use force, provided they were not required to give up their democratic right to strive for the unity of the whole of Palestine by political means. Although the PLO leaders still revert to their old line about the destruction of Israel (the attached quotation of Arafat in a Venezuelan paper is the worst we have seen for a long time though we understand the PLO have denied that Arafat was reported correctly) the main thrust of their policy is increasingly to use diplomatic and political means to achieve its ends, and the PLO is of course present with observer and other status at the majority of relevant UN or related meetings.

Dawson Field?

R. Why doesn't copy 15 recd.

(1/1 letter one version of the denial PhB)

Nevertheless, the political leadership have only limited control of some of the groups within the PLO umbrella. Some continue to be involved in terrorist activities. Mr Bourguiba Jnr, in his recent discussion with the Prime Minister, implied that these

/groups

M O'D B Alexander Esq
10 Downing Street



groups represent the PLO as a whole. This is not the case; the most notorious of the Palestinian extremist groups involved in international terrorism are not part of the PLO and some of their activities are actually directed against the mainstream PLO leadership (eg the assassination by an Iraqi-backed Palestinian group of the PLO representative in London in January 1978). As the Prime Minister is aware, the PLO assured us last autumn that it has no links with the Irish Republican Army, and since then we have had no evidence of any contacts between them.

There is a further consideration. The PLO in Lebanon constitutes something close to a state within a state and has its own army, as do the other parties in the civil conflict, such as the Christian militias. Lebanon has also served the PLO as a base for attacks on Israel. But for the last two years the PLO has been very much on the defensive throughout Lebanon.

The more the PLO leadership move away from terrorism and towards negotiation and compromise, the better the chances of peace. With the rest of the Nine, we have urged this course upon them. The PLO are indispensable to a negotiated settlement but their unequivocal commitment to the principle of Israel's right to exist must come first. We cannot expect to influence them to undertake such a commitment (which the US sought from them indirectly in 1977) unless, together with the rest of the Nine, we continue to emphasize that we see them as an essential factor in the equation and not accept them at the Israeli estimation as nothing more than a "bunch of terrorists".

Because of the ambiguity of the PLO position, the Prime Minister might nevertheless prefer to use in future a slightly modified formulation of Lord Carrington's point.

Copy to be given to Lord Carrington and the
 'The PLO is a political movement, but one which continues to give cover to some terrorist activities. Although it is committed by its Covenant to armed struggle, the PLO *has* has increasingly come to use political rather than violent means to achieve its goals. We welcome this trend and urge the PLO to abandon violence and accept the principle of a negotiated peace with Israel.'

7/11/78
JK
 (G G H Walden)

[Lord Janner.]
destroy Israel whatever happens and no matter how long it takes? Surely, the statements which are being made day by day in respect of the PLO are encouraging the PLO in this kind of action, even though expressions are used to say that we will wait until they recognise Israel? Surely, the line of action which is being taken by us and, with our guidance, by the EEC, is, with the greatest respect to the noble Lord, encouraging the PLO to make the kind of statement which, as I said before, only last February declared categorically that it will not rest until Israel is destroyed by violence? Surely one cannot expect Israel to accept a situation like that.

Lord CARRINGTON: My Lords, I do not believe—and I repeat this—that peace is possible in the Middle East until such time as the Palestinians and the PLO recognise the State of Israel; nor do I believe it is possible until the Israelis recognise the rights of the Palestinians. I simply do not believe that one can ignore the PLO in this question. I would only say about the speeches to which the noble Lord referred that, if one looks objectively at what has been said on both sides about this issue in the Middle East, one sees that there have been some incautious remarks on both sides.

Lord SHINWELL: My Lords, is the Foreign Secretary aware that I have never at any time condemned the PLO because of its existence? I recognise that it is a fact of life. On the other hand, I object to its primary objective. I am not at all satisfied that either the Foreign Secretary in his recent declaration about the Middle East or the attitude of some members of the EEC, are satisfactory in the sense of recognising, definitely and emphatically and without any qualifications, the right of the State of Israel to exist in that area and not to be constantly under threat. Could I obtain from the noble Lord the Foreign Secretary, an explicit statement that, so far as he and Her Majesty's Government are concerned, they will not agree to any change in the situation as long as it appears to impinge upon the sovereignty of the State of Israel?

Lord CARRINGTON: My Lords, if the intention of the PLO is the destruction of the State of Israel, I condemn that, also.

I think that I have made abundantly plain the position of Her Majesty's Government, which is an even-handed one as between one and the other in the hope that, if there is good sense on both sides, a settlement is possible.

Lord BYERS: My Lords, may I ask the noble Lord the Foreign Secretary whether he sees a difference between the PLO and the Palestinian problem? Will he say—Yes or No—whether he regards the PLO as a terrorist organisation?

Lord CARRINGTON: No, my Lords, I do not think that the PLO, as such, is a terrorist organisation. There are some elements of the PLO which in the past have been associated with the terrorists; but it would be a great mistake to assume that it is possible to get a settlement in the area without taking into account the PLO.

Baroness GAITSKELL: My Lords may I ask the Foreign Secretary a supplementary question following on the recent one? Is he not aware that when I was in the United Nations a couple of years ago I heard Yasser Arafat, when asked on New York television after his spectacular début in the General Assembly, whether he wanted to destroy the State of Israel, say, "This is the first step"? Has he retracted that remark? He was definitely asked, "Are you out to destroy the State of Israel?" He said, "Yes, this is the first step". Has he retracted?

Lord CARRINGTON: My Lords, I am not aware of that. If that is the object of the PLO, then I condemn it.

Lord WIGG: My Lords, would the Foreign Secretary be embarrassed if I said that I wholeheartedly endorsed the policy which he is following?—that of holding a balance between Israel on the one hand and the PLO on the other. Both must exist. Will he bear in mind when he is under constant pressure from Israel, and from Israel's supporters, that there would have been no Israel but for the valour of British troops who fought on the plains of Mesopotamia and in Palestine and who broke the power of the Ottoman Empire; and at the time of the second battle of Gaza, there were not six Jewish settlements in Palestine? Is he further aware of the fact that this country has enfeebled itself, its influence has been

reduced, it destroyed, sovereignty of the Middle East but on Foreign Secretary change has successive British a Labour Government succumbing Israel's support of the ir

Lord CAI hope that H keeping a be Certainly, w afternoon is with good could settle this will be e if the Pales State of Israe that the Pal then there is, bility of a se

Lord SEG Foreign Secre tion of execu PLO might w régime of th Iran; and is n quite enough t

Lord CARR seem to be cre we come to the

COM

2.57 p.m.
Read 3^a, with

Clause 3 [Pr Director of pos tice]:

Lord TREFC ment No. 1:

Page 4, line 43, in this subsection from proceeding w notwithstanding th the same matters.") The noble Lord's noticed—admitte

ARAFAT TO EL MUNDO (VENEZUELA) 11-2-87

WE DO NOT FEAR DYING. I HAVE MARRIED A WOMAN - HER NAME IS PALESTINE. PEACE FOR US MEANS THE DESTRUCTION OF ISRAEL. WE ARE PREPARING FOR AN ALL-OUT WAR, A WAR WHICH WILL LAST FOR GENERATIONS. SINCE JANUARY 65 WHEN THE FATAH WAS BORN, WE HAVE BECOME THE MOST DANGEROUS ENEMIES THAT ISRAEL HAS.

WE SHALL NOT REST UNTIL THE DAY WHEN WE RETURN TO OUR HOME, AND UNTIL WE DESTROY ISRAEL. THE UNITY OF THE ARAB WORLD WILL MAKE THIS POSSIBLE

THE DESTRUCTION OF ISRAEL IS THE GOAL OF OUR STRUGGLE, AND THE GUIDELINES OF THAT STRUGGLE HAVE REMAINED FIRM SINCE THE ESTABLISHMENT OF THE FATAH IN 1965 (THEY ARE):

1. REVOLUTIONARY VIOLENCE IS THE ONLY MEANS FOR THE LIBERATION OF THE LAND OF OUR FATHERS.
2. THE GOAL OF THIS VIOLENCE IS THE DESTRUCTION OF ZIONISM IN ALL ITS POLITICAL, ECONOMIC AND MILITARY FORMS AND ITS EXFULSION FROM PALESTINE.
3. OUR REVOLUTIONARY ACTIVITY MUST REMAIN INDEPENDENT OF ANY PARTY OR STATE CONTROL.
4. THIS ACTION WILL BE ONE OF LONG DURATION. WE KNOW THAT THE INTENT OF SOME OF THE ARAB LEADERS IS TO SOLVE THE CONFLICT BY PEACEFUL MEANS. WHEN THIS OCCURS- WE SHALL OPPOSE IT.

Extract from an interview published in Le Figaro of Thursday, 13th March 1980 in which Yasser Arafat was interviewed at Beirut by Marianne Lohse, the paper's Special Correspondent

.....

Question

Since you spoke of the "bloodthirsty" Begin, there is an essential point that I wish to clear up with you. The Israeli press accuses you of having declared, in an interview on 11th February last, with a Caracas newspaper: "Peace for us signifies the destruction of Israel" and your National Charter also speaks of destruction. What is the position?

Reply

It is an interview that I gave to the paper "The Third World" and you have just heard the tape recording of it. Hence you can testify that I never said that.

What was published at Caracas was an interview entirely fabricated, entirely falsified. As for the Charter, have you even read it yourself?

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HL3



Subject copy filed on: -

Middle East

Israel - March 80 - visit by Prof Yadin.

10 DOWNING STREET

From the Private Secretary

12 March 1980

Dear Paul,

Call by Mr. Yadin

Mr. Yigael Yadin, the Deputy Prime Minister of Israel, called on the Prime Minister this afternoon. He was accompanied by the Israeli Ambassador.

Mr. Yadin and the Prime Minister began by discussing the state of the Israeli economy. Mr. Yadin said that the Israeli Government were faced with an extremely serious situation. The methods they had adopted were not dissimilar to those being pursued by the Prime Minister. They had decided to impose a 6% reduction on every Ministry, to cut subsidies severely and to increase incentives to exporting industries. The last few months had seen a reduction in the inflation rate for the first time in many months. Nonetheless the situation remained very serious. The reduction in subsidies on bread and milk products had affected both the consumers, and, because of reduced sales, the farmers. Social problems were consequently becoming acute. Nonetheless the programme for tackling the economic crisis was one of the very few issues on which there was near unanimity in Cabinet.

Particular gravity was lent to the crisis by Israel's shortage of oil. The wells which had been returned to Egypt had previously provided some 30% of Israel's supplies. The Camp David Agreement provided for Egypt to supply the same amount of oil to Israel but at market ie spot prices. The Israeli Government expected to spend three times as much next year as this on oil. Moreover, it was not always easy to find suppliers even at spot prices. Mr. Yadin referred to Israeli hopes that the UK might be able to help at some stage. The Prime Minister said that we were not yet self-sufficient in oil and that even when we were existing agreements with the European Community and IEA would inhibit our freedom to supply third parties. Mr. Yadin made it clear that he had not expected to hear anything different.

Turning to the Arab/Israel dispute, Mr. Yadin said that he thought the current tendency to link the need to consolidate Arab opinion against the Soviet invasion of Afghanistan with the finding of a solution of the Arab/Israel dispute was misguided. If Saudi Arabia and the other Arab states did not already realise the gravity of the Soviet threat, nothing was going to make them do so. The linkage between the two problems was merely creating a pretext for the Governments concerned to do nothing about the Soviet threat.

/ The linkage

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- 2 -

The linkage contributed to a solution of neither problem. The Prime Minister said that the Arab presentation of linkage tended to be rather more complex than Mr. Yadin had suggested. They frequently said, for instance, that the failure of the Americans to press Israel harder to find a solution to the Palestine problem made it difficult for Arab Governments to accept their help in facing the Soviet threat. It was clear in any case that a solution acceptable to all those involved would facilitate the region's response to the Soviet invasion of Afghanistan.

Mr. Yadin did not dissent from this last point. When asked by the Prime Minister whether the Camp David talks were likely to make any further progress, Mr. Yadin admitted that the talks were not going well at present. He added that indeed the situation might well get worse before it began to get better. Nonetheless he still believed that success was possible. Neither Mr. Begin nor President Sadat nor President Carter could afford a failure. The breakthrough might not come until the very last moment. It might well necessitate a further summit meeting at Camp David. But agreement would, according to Mr. Yadin, be reached. Meanwhile, the negotiations were extremely delicate and the activities of outsiders were not always helpful. Mr. Yadin said that, speaking very frankly, he would be inclined to say to the Europeans "if you cannot contribute, please keep quiet". He was particularly worried about the activities of the French who, as so often, seemed intent on being mischievous.

The Prime Minister said that she was concerned about the position of King Hussein. The West Bank had once been part of Jordanian territory, yet he was not being consulted in any way at present. Mr. Yadin said that the Camp David Agreement contained references to Jordanian involvement in the discussions. King Hussein had been invited to Camp David, but had refused the invitation. Mr. Yadin said that he himself thought that King Hussein ought to be a partner in the negotiations. His own guess was that President Sadat was aiming at a second Camp David in June or July at which he would secure an agreement which was less than 100% successful on the autonomy issue; and that thereafter he would suggest that King Hussein and the representatives of the Palestinian residents on the West Bank should be invited to carry discussions further. The difficulty for President Sadat was of course to achieve a satisfactory measure of progress on the autonomy issue by July.

There was a brief reference to the question of settlements in the occupied territory. The Prime Minister said that she had made plain to Mr. Begin that she saw no sense in putting up new settlements on territory occupied by Israel in 1967. Mr. Yadin said that he had noted the Prime Minister's reference to "new" settlements. The difficulty about the previous week's UN resolution had, of course, been that it had called for the dismantling of all settlements in the new territories. The Prime Minister did not respond to this beyond repeating that Mr. Begin was familiar with her views on the point.

/ On the general

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- 3 -

On the general situation in the Middle East, Mr. Yadin said that President Sadat was deeply worried about the Soviet threat. Looking at events in Libya, Ethiopia, Iran and Afghanistan he felt encircled. He thought that Saudi Arabia was "next in line" and was highly critical of the Saudi regime for its failure to recognise the danger. The incident at the Great Mosque had been far more serious than was generally acknowledged. President Sadat was also critical of the Americans for their failure to develop a strategy for dealing with the Soviet challenge. He thought the Americans should have made more of an attempt to assign roles to eg the Egyptian, Saudi and Israeli Governments. All three Governments would be willing to respond to a clear lead. Mr. Yadin concluded the conversation by suggesting that the Prime Minister should delegate a representative to get in touch with the Egyptian military intelligence authorities to discuss with them their assessment of the situation in Saudi Arabia. The Prime Minister said that she would consider this further.

Yours ever

Michael Alexander

Paul Lever, Esq.,
Foreign and Commonwealth Office.

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File

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Subject file
Morocco - Feb 80 - Osman
visit

10 DOWNING STREET

From the Private Secretary

12 March 1980

Call by Mr. Ahmed Osman

Mr. Ahmed Osman, a former Prime Minister of Morocco, paid a courtesy call on the Prime Minister this morning. He was accompanied by the Moroccan Ambassador. One or two points which came up during the discussion are, perhaps, worth recording.

Mr. Osman said that the Moroccan Army were in control of the situation in the Sahara. Moroccan units were attacked occasionally but the activities of the enemy were essentially terrorist in nature. The Polisario were being financed by Libya and Algeria and provided with arms from the Soviet Union. The Soviet intervention, while more discreet than that in Afghanistan, was part of an overall programme to destabilise the region. The threat to Morocco was also directly linked with the developing situation in Algeria. There were at present two or three conflicting political tendencies there. The Moroccan Government hoped that the position could be resolved. It would be helpful if there was someone there in a position of authority with whom it was possible to talk.

Mr. Osman said that the Moroccan Government had helped to foster contacts between Israel and President Sadat. But since the Camp David Agreement, they had associated themselves with the general Arab position. The Camp David Agreement would not suffice to resolve the Arab/Israel dispute. A European initiative might be helpful. The Prime Minister

/said that the

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said that the dangers in the area had greatly increased since the Soviet invasion of Afghanistan. All those with whom she had talked from the Arab countries had told her that the situation would be much easier to deal with if progress could be made towards a solution of the Arab/Israel dispute.

Mr. Osman said that there were problems in his Government's relations with the European Community. Although there was an association agreement, the Community adopted a protectionist attitude towards some of Morocco's exports. The provisions in the agreement for consultation were not being observed satisfactorily. Moreover, Morocco was deeply worried about the consequences for their trade of the enlargement of the Community to include Spain, Greece and Portugal. The Moroccan Ambassador commented that British imports of phosphates had fallen in recent years. However, the Moroccan authorities enjoyed good relations with the Departments of Trade and Industry. Discussions were in progress aimed at rectifying the situation.

Mr. Osman conveyed King Hassan's congratulations to the Prime Minister on the success achieved in Zimbabwe. The Moroccan Government thought the problem had been solved in a very elegant manner. The Prime Minister said that she hoped that what had been achieved in Rhodesia would not only be of benefit to that country. She hoped it would have the effect of bringing Africa and Europe closer together. The two Continents needed each other. She hoped that it would also underline the fact that those nations which wished to decide their own destiny should associate with the West. Those who sided with the Soviet Union were unlikely ever to be given the kind of choice which had been offered to the people of Rhodesia.

M. O'D. B. ALEXANDER

Paul Lever, Esq.,
Foreign and Commonwealth Office

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TO IMMEDIATE BEIRUT
TELNO 50 OF 10 MARCH

Middle East
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Amel

YOUR TELNO 62: MEETING WITH QADDUMI.

1. A MEETING WITH QADDUMI WOULD BE IN LINE WITH OUR EXISTING POLICY OF OCCASIONAL AND INFORMAL CONTACTS AT OFFICIAL LEVEL WITH PLO REPRESENTATIVES. HOWEVER, I AM ANXIOUS THAT THIS SHOULD NOT BE MISINTERPRETED AS A SIGNIFICANT CHANGE IN OUR ATTITUDE TOWARDS THE PLO. YOU SHOULD, THEREFORE, RESIST SUGGESTIONS THAT YOU CALL ON HIM AT HIS OFFICE (OR OF COURSE VICE-VERSA) AND SUGGEST INSTEAD A QUIET MEETING AT YOUR HOUSE, EG OVER A DRINK. IT WOULD BE TOO MUCH TO HOPE THAT THE MEETING BE KEPT SECRET, BUT IT WOULD BE PREFERABLE TO AVOID UNDUE PUBLICITY. YOU SHOULD MAKE THE POINT TO QADDUMI THAT HIS CAUSE WOULD NOT BE HELPED BY MISLEADING REPORTS ABOUT A MEETING.

2. WHEN YOU MEET QADDUMI YOU SHOULD ALLOW HIM TO DO THE TALKING AS FAR AS POSSIBLE. ON SELF-DETERMINATION YOU SHOULD NOT GO BEYOND THE GENERAL LINES OF RETRACT 77304 . YOU SHOULD POINT OUT THAT NO REAL CHANGE OF POLICY IS INVOLVED SINCE WE, TOGETHER WITH THE REST OF THE NINE, ACCEPTED THAT THE PALESTINIANS HAD THE RIGHT TO DETERMINE THEIR OWN POLITICAL FUTURE LAST SEPTEMBER, WITH THE PROVISO THAT THIS COULD ONLY BE IN THE FRAMEWORK OF A NEGOTIATED SETTLEMENT IN WHICH ISRAEL'S RIGHT TO LIVE IN PEACE WITHIN SECURE AND RECOGNISED BOUNDARIES WAS ALSO ACCEPTED. YOU SHOULD ADD THAT WE ARE STILL LOOKING FOR A MOVE ON THE PLO'S PART TOWARDS OPEN ACCPETANCE OF A NEGOTIATED SETTLEMENT ON THIS BASIS AND THAT OUR DEALINGS WITH THE PLO ARE INEVITABLY INHIBITED BY THE ABSENCE OF SUCH A MOVE.

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/3. IF

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3. IF QADDUMI ASKS ABOUT THE POSSIBILITY OF A EUROPEAN INITIATIVE, YOU SHOULD MAKE CLEAR THAT CURRENT PEACE EFFORTS MUST BE PURSUED TO THEIR CONCLUSION BUT THAT WE ARE CONCERNED TO CONTRIBUTE TO PROGRESS TOWARDS A COMPREHENSIVE SETTLEMENT IF WE CAN AND ARE CONSIDERING WITH OUR EUROPEAN PARTNERS HOW AND WHEN WE MIGHT BEST BE ABLE TO HELP. YOU CAN CONFIRM THAT AMONG THE POSSIBILITIES MIGHT BE A NEW SECURITY COUNCIL RESOLUTION WHICH WOULD REAFFIRM THE PRINCIPLES OF 242 AND SUPPLEMENT THEM BY COVERING PALESTINIAN POLITICAL RIGHTS. YOU COULD ADD THAT WE WOULD HOPE ALL ARAB PARTIES WOULD BE ABLE TO ACCEPT SUCH A RESOLUTION.

4. IF QADDUMI SUGGESTS A MEETING WITH A MINISTER, YOU SHOULD SAY THAT THIS REMAINS DIFFICULT. IF HE SHOWS A DESIRE TO GO BEYOND A GENERAL DISCUSSION OR SUGGESTS FURTHER MEETINGS TO CLARIFY RESPECTIVE POSITIONS, YOU SHOULD MAKE NO COMMITMENT: YOUR MEETING SHOULD NOT BE THE FIRST OF A SERIES BUT YOU SHOULD LEAVE OPEN THE DOOR FOR FURTHER DISCUSSIONS WITH FCO OFFICIALS AT A LATER STAGE WHEN OUR OWN IDEAS ARE SOMEHWAT CLEARER.

CARRINGTON.

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HS

Middle East

10 March 1980

Arab/Israel: Contacts with the PLO

As I have told you on the telephone, the Prime Minister has seen and approved the text enclosed with your letter to me of 7 March on this subject. The only amendment that she made to the text was to the first line which should read:

"A meeting with Qaddumi is in line with . . ."

MICHAEL ALEXANDER

Paul Lever, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

ABO



CONFIDENTIAL

①. Prime Minister
Agree-text?
More action out
7-3-1980
Foreign and Commonwealth Office

London SW1A 2AH

7 March 1980

Dear Michael,

Arab/Israel: Contacts with the PLO

The PLO in Beirut have asked 'in view of developments in Europe', whether HM Ambassador would be prepared to see the PLO 'foreign minister', Mr Qaddumi, next week. The PLO have undoubtedly noticed recent press reports on a 'British initiative' and our confirmation that the Franco-Kuwaiti communique endorsement of self-determination within the framework of a negotiated settlement is in line with our views. They now wish to explore our position.

A meeting between the Ambassador and Mr Qaddumi next week, which we must assume would receive publicity, is awkwardly timed and would increase press speculation about a shift in our policy. However it would be clearly within the present guidelines for dealings with the PLO, whereby officials maintain occasional and informal contacts with PLO representatives in London and some Arab posts, including Beirut. No new policy decision would be involved. HM Ambassador in Damascus has met occasionally with Mr Khalid al Fahoum, Chairman of the Palestine National Council, who has more or less equal standing in PLO terms to Mr Qaddumi. A senior official met Mr Qaddumi briefly in 1976 at the United Nations in New York.

Lord Carrington believes that to turn a meeting down would be inconsistent with our policy hitherto and would risk damaging unnecessarily our relations with the Arabs, who would be likely to draw an unflattering comparison with the French Ambassador's recent meeting with Mr Qaddumi. He is confident that a meeting within present policy is defensible since it implies no change in our view of the PLO's status. However, he is concerned that the meeting should not be misinterpreted. It will also be important in answering any criticism to be able to stress that the meeting was an opportunity to press the PLO to modify unacceptable aspects of their policies. He therefore proposes to send careful instructions to Beirut along the lines of the attached telegram and would be grateful for the Prime Minister's agreement.

Yours etc

Paul

(P Lever)
Private Secretary

M O'D B Alexander Esq
10 Downing Street
London

1-1



File No.

OUTWARD

Department

Drafted by

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TELEGRAM

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[TEXT]

YOUR TELNO 62 : MEETING WITH QADDUMI

1. (There is no ^{a meeting with} objection to your meeting) Qaddumi, in line without existing policy of occasional and informal contacts at official level with PLO representatives.

However, I am anxious that this should not be misinterpreted as a significant change in our attitude towards the PLO. You should, therefore, resist suggestions that you call on him at his office (or of course vice-versa) and suggest instead a quiet meeting at your house, eg over a drink. It would be too much to hope that the meeting be kept secret, but it would be preferable to avoid undue publicity. You should make the point to Qaddumi that his

/cause

cause would not be helped by misleading reports about a meeting.

2. When you meet Qaddumi you should allow him to do the talking as far as possible. On self-determination you should not go beyond the general lines of Retract. 77304. You should point out that no real change of policy is involved since we, together with the rest of the Nine, accepted that the Palestinians had the right to determine their own political future last September, with the proviso that this could only be in the framework of a negotiated settlement in which Israel's right to live in peace within secure and recognised boundaries was also accepted. You should add that we are still looking for a move on the PLO's part towards open acceptance of a negotiated settlement on this basis and that our dealings with the PLO are inevitably inhibited by the absence of such a move.

3. If Qaddumi asks about the possibility of a European initiative, you should make clear that current peace efforts must be pursued to their conclusion but that we are concerned to contribute to progress towards a comprehensive settlement if we can and are considering with our European partners how and when we might best be able to help. You can confirm that among the possibilities might be a new Security Council Resolution which would reaffirm the principles of 242 and supplement them by covering Palestinian political rights. You could add that we would hope all Arab parties would be able to accept such a resolution.

4. If Qaddumi suggests a meeting with a minister, you should say that this remains difficult. If he shows a desire to go beyond a general discussion or suggests further meetings to clarify respective positions, you should make no commitment.

Ex: Your meeting should not be the first of a series but you should leave open the door for further discussions with FCO officials at a later stage when our own ideas are somewhat clearer.

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TO IMMEDIATE FCO

TELEGRAM NUMBER 102 OF 7 MARCH

INFO PRIORITY CAIRO WASHINGTON UKMIS NEW YORK PARIS ROUTINE

BEIRUT DAMASCUS AMMAN AND JERUSALEM

MY TEL NO 99: ARAB/ISRAEL: PALESTINIAN SELF-DETERMINATION

1. THE ASSISTANT DIRECTOR-GENERAL WITH RESPONSIBILITY FOR EUROPEAN AFFAIRS IN THE ISRAEL MINISTRY OF FOREIGN AFFAIRS ASKED ME TO CALL ON HIM TODAY.
2. SASSOON, SPEAKING FROM A BULKY BRIEF IN TONES OF SORROW RATHER THAN ANGER, SAID THAT HE WAS UNDER INSTRUCTIONS TO LODGE A PROTEST ON THE STATEMENT BY THE FCO SPOKESMAN ON 4 MARCH COMMENTING ON PRESIDENT GISCARD'S STATEMENT IN KUWAIT ON PALESTINIAN SELF-DETERMINATION. HE WISHED TO EMPHASISE AT THE OUTSET THE ISRAEL GOVERNMENTS AWARENESS OF THE FACT THAT THERE WERE "BIG DIFFERENCES" BETWEEN HMG'S ATTITUDE TOWARDS THE CAMP DAVID PROCESS AND THAT OF "SOME OTHER COUNTRIES". HE RECALLED THAT HMG HAD WELCOMED THE CAMP DAVID AGREEMENT AND THE PEACE AGREEMENT BETWEEN EGYPT AND ISRAEL. THERE WAS NO DOUBT IN HIS MIND ABOUT OUR POSITION ON THESE TWO DOCUMENTS.

3. HOWEVER ISRAEL HAD FROM TIME TO TIME BEEN DISAPPOINTED BY

ISRAEL. THERE WAS NO DOUBT IN HIS MIND ABOUT OUR POSITION ON THESE TWO DOCUMENTS.

3. HOWEVER, ISRAEL HAD FROM TIME TO TIME BEEN "SURPRISED" BY POSITIONS TAKEN, OR STATEMENTS MADE BY REPRESENTATIVES OF HMG, WHICH DID NOT APPEAR CONSONANT WITH OUR ENDORSEMENT OF THE CAMP DAVID PROCESS. HE WISHED IN PARTICULAR TO DRAW ATTENTION TO THE USE OF THE TERM "SELF-DETERMINATION" PER SE IN THE FCO'S SPOKESMAN'S STATEMENT. THIS CONSTITUTED A STEP BEYOND THE FORMULATION USED BY THE IRISH FOREIGN MINISTER IN THE UN GENERAL ASSEMBLY LAST SEPTEMBER. IT WAS HARD TO DESCRIBE IT AS HELPFUL - AND THIS WAS AN UNDERSTATEMENT - AS FAR AS THE PEACE PROCESS WAS CONCERNED.

4. SASSON WENT ON TO STRESS THAT IN THE CONTEXT OF PRESENT EVENTS, THE ARABS WOULD CERTAINLY INTERPRET THE USE OF THE EXPRESSION "SELF-DETERMINATION" AS IMPLYING BRITISH APPROVAL OF THE CONCEPT OF A PALESTINIAN STATE. HE WAS NOT SAYING THAT THIS WAS HMG'S VIEW OF ITS MEANING. BUT (HE WISHED AGAIN TO EMPHASISE) THE ARABS WOULD CERTAINLY TAKE IT THIS WAY. AS WE KNEW, THERE WAS A CONSENSUS IN ISRAEL ON THE IMPOSSIBILITY OF ANY SUCH "HYPOTHETICAL" STATE BECAUSE OF THE THREAT THAT THIS WOULD POSE TO HER SECURITY. TO SPEAK OF "SELF-DETERMINATION" NOW, WHILE THE AUTONOMY NEGOTIATIONS WERE AT SUCH A DELICATE STAGE, WAS TO PLACE AN OBSTACLE IN THE PATH OF THEIR SUCCESSFUL CONCLUSION. AT THIS POINT, SASSON DREW ATTENTION TO MR BEGIN'S DECLARATION AT THE END OF HIS SPEECH IN THE KNESSET YESTERDAY (MY TELEGRAM NO 101) THAT THE ISRAEL GOVERNMENT WOULD "UNDER NO CIRCUMSTANCES AGREE TO A PALESTINIAN STATE".

5. SASSON ALSO EXPRESSED THE ISRAEL GOVERNMENT'S "SENSE OF PUZZLEMENT" ABOUT THE TIMING OF THE SPOKESMAN'S COMMENTS SO SOON AFTER PRESIDENT GISCARD'S STATEMENT IN KUWAIT. SINCE THE INTRODUCTION OF THIS "NEW ELEMENT" AS NOT IN ACCORDANCE WITH THE CAMP DAVID AGREEMENT, AND IN FACT CONTRADICTED IT, THE SPOKESMAN'S COMMENTS WOULD HARDLY FACILITATE THE AUTONOMY NEGOTIATIONS. ISRAEL WAS PARTICULARLY PUZZLED IN THE LIGHT OF HER BELIEF THAT HMG WISHED TO SEE THESE NEGOTIATIONS SUCCEED AND AN AGREEMENT ON AUTONOMY IMPLEMENTED. MOREOVER, IN ARAB MINDS, AS HE HAD SAID, "SELF-DETERMINATION" EQUALLED "PALESTINE STATE". THEY DID NOT SEE THE ACHIEVEMENT OF SUCH A STATE AS AN INTERIM ARRANGEMENT. YET THE PARTIES TO THE CAMP DAVID AGREEMENT WERE CLEAR THAT THE AUTONOMY NEGOTIATIONS WERE INTENDED TO OBTAIN SUCH AN ARRANGEMENT, AND NO MORE.

6. SUMMING UP, SASSON SAID THAT OUR RECENT VOTE FOR THE SECURITY COUNCIL RESOLUTION ON SETTLEMENTS, TAKEN TOGETHER WITH THE FCO SPOKESMAN'S STATEMENT, CONSTITUTED ACTS WHICH WERE "NOT PARELLEL" WITH THE CAMP DAVID PROCESS AND WERE INDEED OBSTACLES TO IT. ISRAEL REMAINED DETERMINED TO IMPLEMENT THE PEACE TREATY IN FULL AND HAD BEEN FAITHFUL TO IT IN SPIRIT AND LETTER. SHE WAS DETERMINED TO ACHIEVE A SUCCESSFUL OUTCOME OF THE AUTONOMY NEGOTIATIONS. IF THERE

BEEN FAITHFUL TO IT IN SPIRIT AND LETTER. SHE WAS DETERMINED TO ACHIEVE A SUCCESSFUL OUTCOME OF THE AUTONOMY NEGOTIATIONS. IF THERE WERE AGREEMENT, THE PALESTINIAN ARABS ON THE WEST BANK WOULD HAVE TO DECIDE WHETHER OR NOT TO PARTICIPATE IN ELECTIONS. IT WAS IMPORTANT THAT AN INTERNATIONAL CLIMATE BE CREATED IN WHICH THEY WOULD BE ENCOURAGED TO DO SO. REFERENCES TO "SELF-DETERMINATION" WOULD NOT BE HELPFUL IN THIS CONTEXT. THEY WOULD INDEED ENCOURAGE THE PALESTINIANS ON THE WEST BANK TO HOLD OUT FOR A BETTER OFFER I.E. A PALESTINIAN STATE, WHICH WAS A "PHANTOM".

7. AT A NUMBER OF POINTS THROUGHOUT HIS STATEMENT, SASSON STRESSED THAT HE WAS NOT SPEAKING TO ME IN THE SAME TERMS AS HE HAD USED WITH "ANOTHER GOVERNMENT" (AN OBVIOUS REFERENCE TO MR CIECHANOVER'S PROTEST TO THE FRENCH AMBASSADOR; MY TELEGRAM NO 99). HE WAS ADDRESSING A FRIENDLY GOVERNMENT WHICH HAD WELCOMED CAMP DAVID. KNOWING BRITAIN'S INFLUENCE WITHIN THE EUROPEAN COMMUNITY, HE HOPED THAT OUR POSITIVE ATTITUDE TOWARDS THE CAMP DAVID WOULD REFLECT ITSELF IN THE COMMUNITY'S DISCUSSIONS ON MIDDLE EASTERN QUESTIONS.

8. I CONFINED MYSELF TO RESTATING THE POINTS MADE BY THE SPOKESMAN ON 4 MARCH, STRESSING THE CONTINUITY BETWEEN WHAT HE HAD SAID AND THE RELEVANT SECTION OF THE IRISH FOREIGN MINISTER'S SPEECH LAST SEPTEMBER. I ALSO EMPHASISED HIS INSISTENCE THAT ANY SOLUTION MUST RECOGNISE THE PALESTINIAN RIGHT TO SELF-DETERMINATION WITHIN THE FRAMEWORK OF A NEGOTIATED SETTLEMENT. THIS QUALIFICATION WAS EXTREMELY IMPORTANT. SASSON REMAINED UNMOVED. WHATEVER OUR INTENTIONS, THE BRITISH PRESS WAS NOW WIDELY INTERPRETING THE SPOKESMAN'S COMMENTS AS REPRESENTING A FURTHER SHIFT TOWARDS THE ARABS. I SAW NO POINT IN PROLONGING AND ESSENTIALLY STERILE EXCHANGE AND ENDED THE CONVERSATION BY UNDERTAKING TO REPORT SASSON'S DEMARCHE TO YOU.

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TO IMMEDIATE F C O

TELEGRAM NUMBER 62 OF 06 MARCH 1980

P.L.O.

1. MY FIRST SECRETARY HAS JUST HAD A TELEPHONE CALL FROM THE PLO ASKING WHETHER "IN VIEW OF DEVELOPMENTS IN EUROPE" I WOULD BE PREPARED TO SEE MR. QADDOUMI ON MONDAY 10 MARCH. NO VENUE WAS MENTIONED. WE SAID I WOULD SEEK INSTRUCTIONS AND LET THEM KNOW THE ANSWER AS SOON AS POSSIBLE, HOPEFULLY TOMORROW.

2. COMMENT. THIS WAS UNDOUBTEDLY PROVOKED BY THE FACTS THAT THE FRENCH AMBASSADOR CALLED ON QADDOUMI HERE YESTERDAY AND THAT THE FCO OFFICIAL SPOKESMAN HAD STATED (RETRACT 77304) THAT BRITISH POLICY WAS IN LINE WITH PRESIDENT GISCARD'S STATEMENT ABOUT SELF-DETERMINATION. IT IS QUITE A SHREWD MOVE IN THAT OUR REFUSAL COULD BE PUBLICISED TO LEND CREDENCE TO THE ALLEGATION THAT WE ARE THE ANTI-ARAB NIGGER IN THE EUROPEAN WOODPILE.

3. FINALLY THERE IS THE PRACTICAL CONSIDERATION THAT I LIVE IN WHAT IS EFFECTIVELY PLO-CONTROLLED TERRITORY AND WHATEVER THE PLO'S STANDING MAY BE CONSIDERED IN THE WORLD AT LARGE, IT IS ONE OF THE PRINCIPAL POLITICAL FACTORS IN THE LEBANESE EQUATION.

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TO IMMEDIATE FCO

TELEGRAM NUMBER 104 OF 05 MARCH 80

INFO PRIORITY UKMIS NEW YORK AND WASHINGTON

INFO SAVING BAGHDAD, BEIRUT, CAIRO, DAMASCUS, JEDDA, TEL AVIV.

WASHINGTON TELS NOS 942 AND 943: JORDAN/UNITED STATES.

1. PRESIDENT CARTER'S STATEMENT ON THE SECURITY COUNCIL DEBATE ON THE OCCUPIED TERRITORIES HAS CAUSED DISMAY HERE AND DEEP DISAPPOINTMENT TO THOSE (INCLUDING, I BELIEVE, BOTH KING HUSSEIN AND HIS PRIME MINISTER) WHO HOPED THAT THE VOTE MIGHT MARK THE BEGINNING OF A POSSIBLE CHANGE IN US POLICY ON THE MIDDLE EAST. WHEN I SAW KING HUSSEIN YESTERDAY AFTERNOON (ACCOMPANYING LORD CACCIA) HE SAID THAT THE US VOTE IN THE SECURITY COUNCIL HAD MADE HIM WONDER WHETHER HE MIGHT HAVE BEEN TOO HARD ON THE AMERICANS RECENTLY, BUT THAT PRESIDENT CARTER'S SUBSEQUENT STATEMENT MADE HIM THINK THAT PERHAPS HE HAD NOT BEEN HARD ENOUGH.

2. THE US AMBASSADOR WAS SEEN BY THE JORDANIAN PRIME MINISTER YESTERDAY AFTERNOON SEMI COLON HE HAS SINCE GIVEN ME A FULL ACCOUNT OF THEIR DISCUSSION. SHARAF EXPRESSED DEEP DISAPPOINTMENT AT PRESIDENT CARTER HAVING SUCCEEDED TO "BLATANT ISRAELI PRESSURE" AND WAS CLEARLY VERY UPSET INDEED. SHARAF HAS ASKED FOR A FORMAL REPLY FROM THE AMERICANS TO HIS DEMARCHE.

3. THE JORDANIAN GOVERNMENT ISSUED A STATEMENT LAST NIGHT, APPARENTLY IN REACTION TO PRESIDENT CARTER'S DECLARATION, WELCOMING THE SECURITY COUNCIL RESOLUTION AND SAYING THAT THE JORDANIAN

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THE SECURITY COUNCIL RESOLUTION AND SAYING THAT THE JORDANIAN GOVERNMENT "EXPECTS THE WORLD COMMUNITY, THE UNITED NATIONS AND ALL COUNTRIES, JOINTLY AND INDIVIDUALLY, TO CO-OPERATE IN IMPLEMENTING THE RESOLUTION WHICH CALLS FOR HALTING ISRAELI SETTLEMENT (OF THE OCCUPIED TERRITORIES) AND THE DISMANTLING OF EXISTING ISRAELI SETTLEMENTS THROUGHOUT THE OCCUPIED ARAB TERRITORIES, FOREMOST OF WHICH IS ARAB JERUSALEM AND ITS ENVIRONS."

4. THE ENGLISH-LANGUAGE "JORDAN TIMES" IN AN EDITORIAL TODAY EXPRESSES SORROW THAT "ONE OF THE FEW PRINCIPLED AND COURAGEOUS STANDS EVER TAKEN BY THE US WITH REGARD TO THE ARAB/ISRAEL CONFLICT SHOULD BE INSTANTANEOUSLY REPUDIATED BY THE PRESIDENT HIMSELF", AND GOES ON TO URGE MR MCHENRY TO RESIGN. THE EDITORIAL ASSERTS THAT IT WAS ONLY AFTER SENATOR KENNEDY CAME OUT AGAINST THE US VOTE IN THE UNITED NATIONS THAT PRESIDENT CARTER HAD MADE HIS "IGNOMINIOUS REVERSAL".

5. MY US COLLEAGUE (PLEASE PROTECT); WHO IS NATURALLY VERY DOWNCAST, REMARKED THAT THE EFFECTS OF PRESIDENT CARTER'S STATEMENT WERE BEING RAPIDLY FELT: FOR EXAMPLE, HE HAD HEARD THAT THE US ENERGY SECRETARY'S MISSION TO SAUDI ARABIA HAD FAILED AND THAT HE WAS RETURNING HOME EMPTY-HANDED. HE IS HIMSELF RECOMMENDING THAT THE US SHOULD FOCUS ON THE CENTRAL ISSUE OF SETTLEMENTS AND PARTICULARLY TRY TO DRAW THE LINE AT SETTLEMENT OF HEBRON WHICH WAS AN ISLAMIC SHRINE. HE ADDED THAT IF THERE WAS ANYTHING WE COULD DO (WITHOUT OF COURSE REVEALING THAT HE HAD ASKED US) TO TRY TO FOCUS THE US GOVERNMENT ON THIS ASPECT, HE WOULD PERSONALLY BE IMMENSELY GRATEFUL AS HE FELT IT OFFERED THE BEST CHANCE OF SEEKING TO LIMIT THE DAMAGE THE US HAD SUFFERED IN THE ARAB WORLD AS A RESULT OF PRESIDENT CARTER'S STATEMENT.

FCO PSE PASS SAVING TO BAGHDAD, BEIRUT, CAIRO, DAMASCUS, JEDDA AND TEL AVIV.

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TO PRIORITY FCO

TELEGRAM NO. 943 OF 4 MARCH

INFO PRIORITY UKMIS NEW YORK CAIRO AMMAN DAMASCUS TEL AVIV
BEIRUT AND JERUSALEM.M.I.P.T. *(text of US statement on the vote on the occupied territories)*

1. THIS EXERCISE HAS CLEARLY BEEN A SHAMBLES, AS STERNER (DEPUTY ASSISTANT SECRETARY, STATE DEPARTMENT, WHO HAD THE UNENVIABLE TASK OF RELAYING MCHENRY HIS INSTRUCTIONS) FREELY ADMITS. THOSE IN THE STATE DEPARTMENT WHO WORKED HARD TO SECURE THE POSITIVE VOTE ARE ACUTELY DISAPPOINTED. IT IS PARTICULARLY DEPRESSING FOR THOSE OFFICIALS WHO HAD HOPED TO BE ABLE TO DEMONSTRATE NOT JUST TO THE ARABS BUT ALSO TO OURSELVES AND OTHERS (IN THE CONTEXT OF IMPROVING THE CREDIBILITY OF THE CAMP DAVID NEGOTIATIONS) THAT THE ADMINISTRATION IS PREPARED TO GET TOUGH WITH THE ISRAELIS.

2. STERNER HAS EXPLAINED THAT THERE WAS INDEED A COMMUNICATIONS BREAKDOWN BUT IT WAS NOT BETWEEN WASHINGTON AND MCHENRY, WHO, SUBJECT TO ONE SMALL DEVIATION, FOLLOWED HIS INSTRUCTIONS (FOR WHICH HE HAD FOUGHT HARD AND ANGRILY, ESPECIALLY ON 29 FEBRUARY). ANY MISUNDERSTANDING WAS BETWEEN CARTER AND VANCE. CARTER FROM THE BEGINNING TOOK EXCEPTION TO DRAGGING JERUSALEM INTO THE RESOLUTION. VANCE UNDERSTOOD THIS TO MEAN ONLY THAT OPERATIVE PARAGRAPH 7 OF THE DRAFT IN UKMIS NEW YORK TELEGRAM 484 HAD TO COME OUT, SINCE THE OTHER AND SURVIVING REFERENCES TO JERUSALEM WERE ALMOST ALL IN THE CONTEXT OF THE OCCUPIED TERRITORIES QUOTE INCLUDING JERUSALEM UNQUOTE - A FORMULATION WHICH THE U.S. ACCEPTS SINCE IT REGARDS EAST JERUSALEM AS PART OF THE OCCUPIED TERRITORIES. BUT CARTER, REMEMBERING THE EMPHASIS BEGIN PUT ON THE CITY AT CAMP DAVID, WANTED ALL REFERENCES TO JERUSALEM REMOVED ON THE GROUNDS THAT THE RESOLUTION WAS ABOUT SETTLEMENTS NOT JERUSALEM. WE ARE ASKED TO BELIEVE THAT CARTER NEVER READ THE FULL TEXT OR SPOTTED THE MANY REFERENCES TO JERUSALEM UNTIL THEY WERE DRAWN TO HIS ATTENTION, PRESUMABLY BY THE ISRAELI LOBBY, OVER THE WEEK-END BY WHICH TIME IT WAS TOO LATE.

3. THE OTHER LANGUAGE WHICH OFFENDED CARTER WAS THE REFERENCE TO DISMANTLING EXISTING SETTLEMENTS. THIS WAS WHAT WAS PROBABLY HOLDING THINGS UP ON 29 FEBRUARY (UKMIS NEW YORK TELEGRAM 413) SINCE MCHENRY BY THEN HAD BEEN LED TO BELIEVE THAT, BY SUCCESSFULLY NEGOTIATING THE REMOVAL OF OPERATIVE PARAGRAPH 7, HE COULD NOW VOTE IN FAVOUR. IT WAS BECAUSE THEY KNEW HOW ANGRILY HE WOULD REACT TO AN INSTRUCTION TO SEEK A FURTHER AMENDMENT, THAT THE STATE DEPARTMENT FOUGHT HARD AND SUCCESSFULLY

CONFIDENTIAL

TO GET AUTHORITY FOR MCHENRY TO COVER THE DISMANTLING ASPECT IN AN EXPLANATION OF VOTE STATEMENT - FOR WHICH HE WAS GIVEN A TEXT ALONG THE LINES THAT EXISTING SETTLEMENTS WERE MORE PROPERLY THE SUBJECT FOR THE AUTONOMY NEGOTIATIONS. WHERE MCHENRY BENT HIS INSTRUCTIONS WAS BY DECLINING TO USE THE STATE DEPARTMENT'S TEXT, CONCOCTING INSTEAD HIS OWN VERSION ABOUT THE POSSIBLE USEFULNESS OF THE SETTLEMENTS INFRASTRUCTURE TO FUTURE INHABITANTS.

4. WHETHER OR NOT THERE WAS A GENUINE MISUNDERSTANDING BETWEEN CARTER AND VANCE, SOME POWERFUL ARGUMENTS MUST HAVE BEEN BROUGHT TO BEAR TO MAKE CARTER WILLING TO EXPOSE HIS ADMINISTRATION TO RIDICULE AND TO THROW AWAY ANY BENEFIT THE U.S. MIGHT HAVE GAINED FROM ITS POSITIVE VOTE. THERE COULD OF COURSE HAVE BEEN SOME DIRE THREATS TRANSMITTED BY THE ISRAELIS, BUT I SUSPECT THAT WE MAY NOT HAVE TO LOOK BEYOND THE FACT THAT KENNEDY, ON THE EVE OF THE MASSACHUSETTS PRIMARY, WASTED NO TIME IN CASTIGATING THE U.S. VOTE AND DECLARING THAT A KENNEDY ADMINISTRATION WOULD NEVER CAST SUCH A VOTE. INDEED SO LONG AS KENNEDY REMAINS IN CONTENTION FOR THE DEMOCRATIC NOMINATION, HIS STRONG PITCH FOR THE PRO-ISRAELI VOTE CAN BE EXPECTED GREATLY TO COMPLICATE THE ADMINISTRATION'S MIDDLE EAST TASK.

5. WHAT PARTICULARLY DISCOURAGES THE STATE DEPARTMENT IS THAT THE ISRAELI PRESS TODAY WAS APPARENTLY NOT UNANIMOUS IN ITS OUTRAGE AT THE AMERICAN VOTE AND SOME ISRAELI COMMENTATORS WERE PREPARED TO NOTE THE SIGNAL FROM WASHINGTON AND QUESTION THE SETTLEMENTS POLICY AS A RESULT.

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Middle East

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DRAFT STATEMENT BY NEWS DEPARTMENT

The joint communiqué issued after President Giscard's visit to Kuwait is in line with our views which we have been discussing with our European partners and with the policy of the Nine as a whole, as expressed by the Irish Foreign Minister to the UN General Assembly last September. Any solution must recognise that the Palestinians have the right to self determination within the framework of a negotiated settlement.

filed

Yaselle East

3 March 1980

PLO

The Prime Minister has seen
and taken note of your letter to
me of 27 February about policy
towards the PLO.

M. O'D. B. ALEXANDER

Paul Lever, Esq.,
Foreign and Commonwealth Office.

GT

(2)

Weekend Box.



Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

You may like to be aware
of this useful summary of the present
position.

27 February 1980

Dear Michael,

Purd, 27/2

PLO

You asked recently about policy towards the PLO in the light of FCO briefing for the Prime Minister to use in the House of Commons on 19 February in case Mr Greville Janner raised the Middle East. We had suggested the Prime Minister should not give an assurance that the Government will not recognise the Palestine Liberation Organisation until they accept Israel's right to exist. You may appreciate a rather fuller account of our thinking.

Talk of 'recognition' of the PLO is misleading. Official recognition is given only to Governments. The PLO is not, and does not claim to be, in any sense a Government-in-exile and there can therefore be no question of giving the organisation recognition in this sense.

What the PLO themselves mean by 'recognition' is principally acceptance of their claim to be the 'sole legitimate representatives of the Palestinian people', a status they have been accorded by the Arab League (of which they are a full member) and a large proportion of UN membership. We, together with most other Western countries, voted against the original (1974) UN resolution giving them this status and have maintained our opposition since. There is no cause for us to modify this view. We have not given other comparable movements or organisations, eg the Patriotic Front or SWAPO, such status, even when we have been prepared to negotiate with them. Nevertheless, no other body has come forward claiming to represent the Palestinians and it is unlikely that any will do so in the near future. Furthermore there is little doubt that a majority of Palestinians at present look to the PLO as representing their political aspirations. For this reason other members of the Nine (most recently Italy, Belgium and Ireland) have accepted the PLO as the de facto representatives of the Palestinians, but not as sole legitimate representatives.

Recognition of the PLO has another sense also: that of accepting PLO representatives as appropriate interlocutors for Government Ministers. We have for some years maintained occasional and informal contacts with the PLO at official level, but Ministers have taken the line that they find it difficult to meet PLO representatives while the Organisation continues to have links with terrorism and has not accepted Israel's right to exist. The advantage of this formulation is that the Government's freedom of action is not thereby unduly restricted should a higher level of dialogue with the PLO seem likely

/to contribute

M O'D B Alexander Esq
10 Downing Street



to contribute to a comprehensive peace. Three members of the Nine (France, Belgium and Italy) have contacts with the PLO at ministerial level. (There was also a German ministerial contact in special circumstances in Beirut.) To give a commitment analogous to the US commitment to Israel not to talk to the PLO until they accept Resolution 242 and Israel's right to exist might cause us no immediate problems but could place limits on our freedom of action in future circumstances which are not necessarily foreseeable now.

Lord Carrington hopes therefore that we can maintain the present position, which reflects the line taken by the Prime Minister when she met a delegation from the Board of Deputies of British Jews on 27 November 1979.

Yours etc

Paul

(P Lever)

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TELEGRAM NUMBER 400 DATED 27 FEBRUARY 1980

INFO PRIORITY CAIRO, AMMAN, BEIRUT, DAMADCUS, TEL AVIV, WASHINGTON.

MY TELNO 391: SECURITY COUNCIL DEBATE ON THE OCCUPIED TERRITORIES

1. THERE WERE 7 MORE SPEAKERS TODAY, NAMELY ISRAEL, KUWAIT, MEXICO, NIGER, AFGHANISTAN, INDONESIA AND THE GDR. US, UK, NORWAY, PORTUGAL, CHINA AND BANGLADESH REPEATED THEIR RESERVATIONS OF 5 JAN ON THE AFGHAN DELEGATE. THIS EXHAUSTS THE SPEAKERS' LIST. THE COUNCIL WILL NOT MEET AGAIN UNTIL IT IS READY TO VOTE ON THE DRAFT RESOLUTION, ON WHICH SEE PARAGRAPH 5 BELOW.

2. WE HAVE NOW HAD 4 DAYS OF DEBATE AND 33 SPEAKERS. IT HAS BEEN A DEPRESSING EXPERIENCE. I HAVE NOT REPORTED THE SPEECHES, EVEN IN OUTLINE, BECAUSE THEY HAVE BEEN JEJEUNE AND PREDICTABLE (THE VERBATIMS WILL ANYWAY SHORTLY BE AVAILABLE TO THE DEPARTMENT AND THE POSTS CONCERNED), NO NEW IDEAS HAVE BEEN PRODUCED: THE ONLY NEW ELEMENT IN THE DEBATE WAS THE REFUSAL OF THE ISRAELIS TO PERMIT THE MAYOR OF HEBRON TO TRAVEL TO NEW YORK TO SPEAK IN IT. ISRAEL'S MAIN SUPPORTERS IN THE COUNCIL (THE UNITED STATES AND NORWAY) HAVE REMAINED SILENT, ALTHOUGH THEY WILL SPEAK IN EXPLANATION OF VOTE. ALL THE SPEECHES HAVE BEEN CRITICAL, IN MOST CASES OUTSPOKENLY SO, OF ISRAELI PRACTICES IN THE OCCUPIED TERRITORIES. ALMOST ALL SPEAKERS HAVE TAKEN SIDESWIPES AT THE CAMP DAVID PROCESS AND NO CONSTRUCTIVE IDEAS HAVE BEEN FORTHCOMING ABOUT HOW THAT PROCESS MIGHT LEAD ON TO WIDER NEGOTIATIONS FOR A PEACE SETTLEMENT.

3. MY ISRAELI COLLEAGUE HAS SPOKEN AT THE CLOSE OF EACH DAYS PROCEEDINGS. HIS TECHNIQUE IS TO MAKE PROVOCATIVE ATTACKS ON THOSE WHO HAVE CRITICISED ISRAEL EARLIER IN THE DAY. HE DOES THIS TO GOOD EFFECT AND IT NO DOUBT EARNS HIM HIGH MARKS WITH HIS DOMESTIC AUDIENCE. BUT IT DOES NOT ENCOURAGE SERIOUS DEBATE (PERHAPS THAT IS A FORLORN HOPE ANYWAY) AND IT DOES NOTHING FOR THE DIGNITY OF THE SECURITY COUNCIL. SUCH AS IT IS. HIS STATEMENTS INVARIABLY PROVOKE STRIDENT RIGHTS OF REPLY FROM THE RUSSIANS, THE ARABS, INCLUDING THE PLO, AND THE OTHER NON-ALIGNED.

I HAD THOUGHT THAT THE SECURITY COUNCIL DEBATES ON AFRICAN ISSUES WERE BAD ENOUGH. BUT THIS DEBATE HAS PLUMBED NEW DEPTHS.

4. AT A MEETING WITH THE WESTERN GROUP THIS MORNING, ESSAAFI (TUNISIA) AGREED THAT THE TWO DRAFT RESOLUTIONS IN MY TELS NOS 392 AND 393 (TO FCO ONLY) SHOULD BE MERGED. HE SAID THAT THE ARABS' OBJECTIVE WAS A RESOLUTION WHICH WOULD ENJOY THE WIDEST POSSIBLE SUPPORT IN THE COUNCIL. IN THE CURRENT INTERNATIONAL CLIMATE THE NON-ALIGNED AND ARABS, INCLUDING THE PLO, HAD NO WISH TO EMBARRASS THE WEST. TO THIS END HE ACCEPTED, AD REFERENDUM TO THE

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TO THE NON-ALIGNED, A NUMBER OF AMENDMENTS. MCHENRY (USA) SAID THAT HE WAS WITHOUT INSTRUCTIONS AND WOULD BE IN WASHINGTON TOMORROW, PARTLY TO DISCUSS THIS DRAFT RESOLUTION. HE URGED, AND ESSAAFI ACCEPTED, THAT THE VOTING SHOULD BE POSTPONED UNTIL FRIDAY. 5. THIS AFTERNOON, ESSAAFI INFORMALLY CIRCULATED THE TEXT IN MIFT. AND HELD CONSULTATIONS WITH THE WESTERN FIVE. A NUMBER OF MINOR AMENDMENTS WERE PUT FORWARD WHICH THE ARABS WILL PROBABLY ACCEPT, INCLUDING "RESPECT AND GUARANTEE" FOR "REFRAIN FROM INTERFERENCE" IN OPERATIVE PARA 7. AS I SEE IT, THE PARAGRAPHS WHICH GIVE US REAL DIFFICULTY ARE OPERATIVE PARAS 8 AND THE LAST PHRASE OF 11. WE HAVE PROPOSED DROPPING BOTH. 6. FURTHER CONSULTATIONS WILL TAKE PLACE AT 2000Z TOMORROW, WITH VOTING ON FRIDAY AT THE EARLIEST: I ASSUME WE COULD VOTE IN FAVOUR IF OP 8 WAS DROPPED PLUS THE FINAL PHRASE OF OP 11. MY GUESS IS THAT THE FRENCH AND PORTUGUESE WILL SUPPORT WHATEVER COMES TO THE VOTE (WHICH WILL BE LESS STRONG THAN THE DRAFT IN M.I.F.T.). THE US WILL PROBABLY ABSTAIN WHATEVER HAPPENS AND THE NORWEGIANS FOLLOW US.

PARSONS

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Ref. A01478

PRIME MINISTER

Arab/Israel

(OD(80) 13)

When OD discussed Afghanistan on 22nd January, one of the proposals put forward by the Foreign and Commonwealth Secretary was that a European initiative should be prepared amending Resolution 242 to provide for the acknowledgment of the Palestinians' rights in return for their recognition of Israel. The Foreign and Commonwealth Secretary was asked to put in a separate paper on this. OD(80) 13 is the result. It puts forward a new draft Security Council Resolution, and proposes that he should first explore it with our European partners, and then sound out Arab and Israeli views and talk to the Americans, with the aim of tabling the Resolution at a suitable moment.

2. Lord Carrington's main concern is to maintain the momentum of Islamic hostility to the Soviet Union post-Afghanistan. The Arabs' obsession with Palestine is an obstacle to this. It has led most of them to quarrel with the United States over Camp David and more generally to resent the West's failure to persuade Israel to abandon (in particular) the West Bank and East Jerusalem.

3. In a minute of 14th February to you, copied to other OD members, the Lord Chancellor expresses doubts whether the chances of success of the proposed initiative really justify the certain political difficulties it will arouse.

HANDLING

4. You will wish to ask the Foreign and Commonwealth Secretary to introduce his paper; and Lord Hailsham to speak to his minute. The points to establish in subsequent discussion are:-

- (a) At what stage and in what form will the proposed new initiative involve a direct approach to the Palestinian Liberation Organisation? What are the domestic political implications of proposing to deal with what many people in this country regard as a terrorist organisation? Has the time

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come when the realities of the present and the needs of the future should be allowed to override the misdeeds of the past? It does happen like that sometimes - as with Kenyatta, Makarios and indeed Begin himself.

- (b) How will Israel regard the proposed new initiative? For the reasons given by the Lord Chancellor, Israel is likely to be unimpressed by the new proposal which they will see as involving them in giving up important military advantages in return for nothing concrete.
- (c) How will British and American Jewry regard the proposed new initiative? Almost certainly with the same lack of enthusiasm as the Israelis. The Lord Chancellor's minute stresses the importance and strength of British Jewish opinion. New York is the biggest Jewish city in the world, and in a Presidential election year Jewish-American opinion and support is going to be treated with great care by the United States Administration. But President Carter made it clear to you in Washington that he was not opposed to a European rapprochement with the PLO.
- (d) How will our European partners react? Would we go it alone if France and/or Germany were unenthusiastic? Should there be private exploration with them before there is any talk with other partners in the Nine?
- (e) What is our real objective? Do we really expect to find a compromise on which Israel, the PLO and the various Arab States can all agree? If not, are we proposing to come down on the Arab side of the fence? Would even that remove the Arabs' sense of grievance?
- (f) What about Camp David? Do we, privately, despair of it? If so what is our public line on it to be?

CONCLUSION

5. In the light of discussion on these points, you will wish to assess whether the Committee thinks that the proposed initiative has enough chance of success to justify the trouble it is likely to cause with the various interested parties. There will be general agreement over the Foreign and Commonwealth Secretary's

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objective. But its practicality seems doubtful. A compromise you could suggest is that we should consult the French and German Governments privately and then the United States Administration on the proposed new initiative before sounding out any other opinions.

RA

(Robert Armstrong)

20th February, 1980

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L⁴
P^{mt}

10 DOWNING STREET

Prime Minister.

The Lord Chancellor makes some
logical points. But the object
of a European initiative later this
year must of course be precisely
to secure acknowledgement from the
P.L.O. & hence from the Arab states
in general of Israel's right to exist.
I do not see that the question of
'losing our honour' arises. There
may indeed be a hostile reaction
in the Jewish community but that
is a different kind of problem.

I agree with the
Lord Chancellor, not. P^{mt} 15/2

FROM:

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THE RT. HON. LORD HAILSHAM OF ST. MARYLEBONE, C.H., F.R.S., D.C.L.



HOUSE OF LORDS,
SW1A 0PW

14th February 1980

Prime Minister

fs
Paul

ARAB/ISRAEL

1. Whilst I very largely share the views of the Foreign Secretary about the desirability of using the Afghanistan situation with a view to improving Arab-Western relations, and entirely agree with his assessment of the centrality of the Israel problem to this exercise, I am afraid I do not altogether share his optimism on the prospects of his initiative, unless, of course we are prepared to sacrifice things which are too important morally, and too valuable in our interest to sacrifice. I base my view on some knowledge of the physical characteristics of the country, and some knowledge of the mentality of Arab and Jew.
2. Israel was recognised without dissentience as a member of the United Nations in 1948. Were it to be destroyed by an aggressive war the devastating effects on the rule of law throughout the world could hardly be exaggerated. Although, except in the Yom Kippur war, Israel has more than once resorted to the preemptive strike as a means of self defence to ensure survival she has been driven to this course by a succession of Arab conspiracies in 1948, 1956, and 1967 to destroy her existence by military means. She has succeeded in this without assistance from the UN but with US aid and her own heroism.
3. Prior to 1967 the physical boundaries of Israel were virtually untenable militarily. South of the Jezreel valley, the geography of Israel is starkly simple, consisting virtually of three parallel straight lines running North and South, the sea, the Judean hills, and the Jordan valley. Whoever commands the hills commands the rest. Prior to 1967 the waist-line of Israel was only 10 miles broad, and its main centres of population was exposed to artillery fire as well as the prospect of devastating air raids. After 1967 Israel has enjoyed reasonably viable military frontiers consisting of the

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.. 2 ..

Judean hills (and the no less important frontier heights on the Syrian border). Jerusalem is built on the Judean hills.

4. Israel's frontiers with Lebanon, Jordan and Egypt are, for very different reasons fairly secure in the absence of war. But Syria is a frontier state, implacably hostile, and a firm Soviet satellite. Except Egypt, none of the recognised Arab states have in my view given firm signs that they accept Israel's right as a member of the UN to continued existence. If they could once be persuaded to abandon this wholly illegal stance, I believe progress could be made. But, though Hussein might do so, I do not believe that the Saudis or Iraq will do so in the foreseeable future, Gaddafi will not, and the Islamic rulers of Algeria, Morocco, Iran et al. will not.

5. The holy city of Jerusalem is sacred to Moslem and Jew. Its physical characteristics have largely changed since 1967, since there has been a massive expansion of Jewish population on the West. The Hebrew University of Jerusalem, which has existed since the mandate is physically situated on Mount Scopus, now ^{on} what is known as the West Bank. Under Jordanian occupation the Jews were effectively denied uninterrupted access. I do not believe myself that world wide Jewish opinion throughout the world would contemplate the total abandonment of Jerusalem to the its former divided status, and I doubt whether the abandonment of Mount Scopus is even militarily on the cards. But I would doubt whether even moderate Arab opinion would contemplate anything less.

6. We should not underestimate the importance of Jewish opinion here. It is fanatically involved in the fate of Israel. Even non-observant or non Zionist Jews take this stance. I would not have cared even to fight St. Marylebone as a Conservative candidate in the face of Jewish hostility on this issue. Manchester, Leeds, and the whole of North London would be profoundly affected.

7. If there be a reasonable chance of success without losing our honour yet again over the Balfour declaration; go ahead. But have we not enough on our plate just now not to consider leaving this hot potato alone?

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continued.../-

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.. 3 ..

8. I am sending copies of this minute to the other members of OD and to Sir Robert Armstrong.

H. of S. M.

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15 FEB 1980





CONFIDENTIAL

Middle
East

P.A. has seen in Staff.
Submit with brief for P.A.
Rmt

PM/80/11

13.2.

PRIME MINISTER

Arab/Israel

1. I was invited by the Committee at the meeting of 22 January to bring forward a paper on possible British moves in relation to the Arab/Israel conflict.
2. Events in Afghanistan threaten the stability of the region as a whole through subversion and direct Soviet military intervention. The Islamic world has reacted strongly and the results of the Islamic conference in Islamabad are an encouraging start. The Soviet intervention has created a unique opportunity for the West to counter Soviet influence in alliance with the countries of the Third World and for the present condemnation of the Soviet Union to be transformed into lasting readiness in the Islamic and non-aligned countries to work effectively with the West for their common security. This opportunity must not be missed.
3. In practice, the main obstacle to such collaboration with the Islamic countries remains their committed opposition to US policy in the Arab/Israel conflict and what they see as a wider Western failure to take effective steps to resolve the conflict. In particular Israel's continuing presence in the territories occupied in 1967, with the exception of the Sinai, coupled with her settlement of those territories and intervention in Lebanon, policies made possible by American military and financial support, is seen by the Islamic world as an affront. The loss of East Jerusalem is a specifically Islamic issue. The West is seen as having a particular responsibility to put pressure on Israel to modify her policies. I am convinced that if we are to reinforce opposition to Soviet action in Afghanistan we must take steps now to demonstrate our commitment to a speedy peace settlement of the Arab/Israel dispute, assuring the security of Israel broadly within its 1967 frontiers and acceptable to the Islamic world.

/4. The basis

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4. The basis for a settlement of the conflict since 1967 has been and should remain Resolution 242, with its provision for Israeli withdrawal, coupled with an assurance of Israel's right to exist in peace within secure and recognised boundaries. A political settlement must also meet the legitimate rights of the Palestinian people, including their right to a homeland. 242 does not cover this. One result has been the PLO's failure to accept 242 and thus Israel's right to live in peace within secure and recognised boundaries.

5. Only the United States can influence Israel sufficiently to achieve a peace negotiated on this basis. However, President Carter is committed to the Camp David process, to which the Arabs outside Egypt are virtually unanimous in bitter opposition. It has achieved peace between Egypt and Israel but seems unlikely to make substantial progress on autonomy arrangements for the Palestinians of the West Bank and Gaza. Britain has consistently supported Camp David as a transitional means toward an overall settlement which would take account of legitimate Palestinian interests. Unfortunately, it has become clear that Camp David will not touch the central political problem. In the situation I have outlined and in a US Presidential election year, Europe cannot let matters take their course. The Nine are well placed to build a bridge between the US and the Arabs and to find a way to build on the achievements of Camp David toward a solution of the wider Arab/Israel problems.

6. To this end, I propose to canvass with the United States and with European colleagues the possibility that the UK with the Nine might launch a new Security Council Resolution, intended to reaffirm Resolution 242 and supplement it with provision for Palestinian self-determination (draft annexed). A principal aim is to secure, through their acceptance of a new resolution, a clear endorsement by the PLO of the principles of Resolution 242 including Israel's right to exist. The proposal is a very simple

/one but



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one but could if successful provide a basis for future peace efforts. It addresses the problem of provision for the future of the Palestinians which has bedevilled all attempts to resolve this conflict over the last ten years. It also offers a way forward on the problem of Palestinian representation, without which no negotiation will reach a settlement. The Arabs will not countenance any representation other than that by Palestinian leaders themselves (essentially the PLO). Israel will not contemplate negotiation with the PLO until that organisation has accepted Israel's right to exist. If a draft on the lines proposed were supported by the PLO, a point we should wish to establish in preparation for a move, this obstacle could be removed.

7. The idea of a fresh resolution is not new. A Kuwaiti draft (less satisfactory) in August 1979 was overtaken by the Andy Young affair and was never voted on. Others have canvassed similar proposals since, including King Hussein. The Americans see some attraction in it but are anxious that nothing should be done to prejudice Camp David. We share this concern. The Arabs are likely to be divided. Israel will be opposed if she cannot be persuaded of the advantage to her of PLO acceptance of her right to exist. This may be difficult; Israeli strategy has concentrated hitherto on excluding the PLO from responsibility. But as realists we should recognise that Israel must either live at peace with her Palestinian neighbours or perpetually at war with the Arab world. In any event the wider crisis will not brook delay.

8. I seek my colleagues' agreement:

- (i) to explore further with our European partners the possibility of such an initiative;
- (ii) to sound out Arab and Israeli views;

/(iii)

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- (iii) subject to these contacts and to a satisfactory understanding with the US Administration, to bring forward a new Security Council Resolution at a suitable moment. This may not be until after the Camp David deadline in May.
9. I am sending copies of this minute to the other members of OD and to Sir Robert Armstrong.

A handwritten signature in blue ink, consisting of a large, stylized letter 'C' with a horizontal stroke extending to the right.

(CARRINGTON)

Foreign and Commonwealth Office
13 February 1980

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DRAFT SECURITY COUNCIL RESOLUTION

The Security Council,

Conscious of the urgent necessity of a just and lasting peace in the Middle East through a comprehensive settlement based on full respect for the principles and purposes of the Charter.

Convinced that a just and lasting peace in the Middle East will not be possible unless the future of the Palestinian people is resolved in a manner satisfactory to the Palestinians themselves.

1. Reaffirms

- (i) its resolutions relevant to the Middle East, in particular 242 (1967) and 338 (1973);
- (ii) the right of Palestinian refugees wishing to return to their homes and live at peace with their neighbours to do so and the right of those choosing not to return to receive compensation for their property, in accordance with relevant General Assembly resolutions, in particular resolution 194(III) of 11 December 1948.

2. Affirms

that in the context of a negotiated comprehensive settlement the Palestinian people should be able to exercise their right of self-determination.



173 FEB 1980

MIDDLE EAST: ADVANCE COPIES

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Mid E.

PS
PS/SIR I GRIMOUR
PS/MR MURD
PS/FUS
MR J C MOBERLY

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FM AMMAN 101155Z FEB 68

TO PRIORITY FOO

TELEGRAM NUMBER 070 OF 12 FEBRUARY

INFO BAGHDAD, BEIRUT, DAMASCUS, CAIRO, JEDDA, TEL AVIV, UKMIS
NEW YORK, WASHINGTON AND CG JERUSALEM.

JORDAN/MIDDLE EAST.

1. WHEN I SAW KING HUSSEIN YESTERDAY EVENING, HE BEGAN BY SAYING HOW MUCH HE HAD ENJOYED HIS MEETING IN LONDON WITH THE PRIME MINISTER AND YOURSELF. HE ALSO SAID THAT HIS DAUGHTER HAD BEEN VERY WELL LOOKED AFTER AND THAT HER OPERATION HAS BEEN COMPLETELY SUCCESSFUL.
2. HE WENT ON TO DISCUSS HIS TALKS WITH THE AMERICANS AND PARTICULARLY WITH MR LINOWITZ (WHOM HE CLEARLY FINDS GREATLY PREFERABLE TO HIS PREDECESSOR). THE KING SAID THAT IN SPITE OF THE OPTIMISTIC LINE TAKEN BY MR LINOWITZ, HE REMAINED PROFOUNDLY CONVINCED THAT THE AUTONOMY NEGOTIATIONS WOULD LEAD NOWHERE AND DID NOT OFFER AN ACCEPTABLE FRAMEWORK FOR A SOLUTION TO THE PALESTINIAN PROBLEM.
3. HE HAD CLEARLY BEEN MUCH ENCOURAGED TO HEAR THAT THERE WAS A POSSIBILITY OF A EUROPEAN INITIATIVE ON THE MIDDLE EAST AND THOUGHT IT VERY IMPORTANT THAT THE ARABS AND EUROPEANS SHOULD REMAIN IN CLOSE TOUCH (THE SPANISH PRIME MINISTER AND FOREIGN MINISTER ARE IN JORDAN TODAY AND THE FRENCH PRESIDENT WILL BE PAYING A STATE VISIT TO JORDAN IN EARLY MARCH).

4. I ASKED HIM WHETHER HE HAD HEARD ANYTHING FROM THE SAUDI'S CONCERNING MR LINOVITZ'S DISCUSSIONS THERE. HE SAID HE HAD NOT; NOR HAD HE HEARD ANOTHER WORD FROM THEM ABOUT THE JORDANIAN COMMANDER IN CHIEF'S PROPOSED VISIT TO SAUDI ARABIA (MY TELNO 21 OF 17 JANUARY PARAGRAPH 3 REFERS). HE SAID THAT HE HAD FOUND THE IRAQI PROPOSAL FOR AN ARAB PACT BROADLY ACCEPTABLE AND CONFIRMED THAT HE HAD HAD SOME DISCUSSION ON THE TELEPHONE WITH THE IRAQI PRESIDENT ABOUT IT (MY TELNO 65 OF 11 FEBRUARY REFERS). HE SAID HE HAD SOME IDEAS OF HIS OWN ABOUT ALL THIS AND CONFIRMED, IN ANSWER TO MY QUESTION, THAT HE WOULD IF POSSIBLE LIKE TO ADVANCE THE DATE OF THE NEXT ARAB SUMMIT DUE TO BE HELD IN AMMAN IN NOVEMBER.

5. IN A BRIEF REFERENCE TO SYRIA, HE SAID THAT HIS INTELLIGENCE ADVISERS WERE INCLINED TO ASCRIBE SYRIAN TROOP WITHDRAWALS FROM BEIRUT TO SOVIET PRESSURE SEMI COLON HE SEEMED LESS SURE OF THIS HIMSELF AND READILY AGREED THAT THERE WERE OTHER FACTORS INVOLVED.

6. HE CLEARLY REMAINED VERY CONCERNED ABOUT THE SITUATION IN THE YAR, AS WAS THE COMMANDER IN CHIEF WHOM I SAW TODAY.

UTWICK

NNNN

Note

Discussed with Foreign Secretary
Monday 11th Feb. at 17.30.

No record of conversation made.

11.2.80

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ds

11 February 1980

The Prime Minister has seen the draft OD paper on the Arab/Israel conflict which was enclosed with your letter of 8 February to Michael Alexander.

She agrees that this paper should be the subject of a full discussion at OD. She has commented that she finds some aspects of the paper very worrying indeed. The Foreign and Commonwealth Secretary might like to have a word with her on the subject before the paper is taken in OD.

MIKE PATTISON

Paul Lever, Esq.,
Foreign and Commonwealth Office.

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(1)

10 DOWNING STREET

This must be
Prime Minister's papers
discussed very
Arab - Israel dispute
fully indeed at OD.

Lord Carrington has it in mind
to announce that - I find some
of his OD colleagues on
the lines of the attached draft aspects of the paper very

is
worth
considering

As you will see he is seeking
authority to explore further the
possibility of launching a European
initiative: a Security Council resolution
linking 242 + Palestinian rights to
self-determination.

Despite the noise, my own view
is that in the new situation in the Middle
East the effort should be made & that it
is right for Lord Carrington to test the ground.
Agree that announce may issue? Ph.D.

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Foreign and Commonwealth Office

London SW1A 2AH

8 February 1980

Dear Michael,

Arab/Israel: A European Initiative

We spoke by telephone this morning about the paper which Lord Carrington proposes to circulate in OD on the need for a European initiative on the Middle East. I enclose a copy of the draft which he has approved.

Yours truly

(P Lever)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

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DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

Secretary of State

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Prime Minister

Copies to:

PRIVACY MARKING

SUBJECT: ARAB/ISRAEL

.....In Confidence

CAVEAT.....

1. I was invited by the Committee at the meeting of 22 January to bring forward a paper on possible British moves in relation to the Arab/Israel conflict.

2. Events in Afghanistan threaten the stability of the region as a whole through subversion and direct Soviet military intervention. The Islamic world has reacted strongly and the results of the Islamic conference in Islamabad are an encouraging start. The Soviet intervention has created a unique opportunity for the West to counter Soviet influence in alliance with the countries of the Third World ^{and for} ~~if~~ the present condemnation of the Soviet Union ^{is} ~~could~~ be transformed into lasting readiness in the Islamic and non-aligned countries to work effectively with the West for their common security. This opportunity must not be missed.

3. In practice, the main obstacle to such collaboration with the Islamic countries remains their committed opposition to US policy in the Arab/Israel conflict and what they see as a wider Western failure to take

/ effective

Enclosures—flag(s).....

effective steps to resolve the conflict. In particular Israel's continuing presence in the territories occupied in 1967, with the exception of the Sinai, coupled with her settlement of those territories and intervention in Lebanon, policies made possible by American military and financial support, is seen by the Islamic world as an affront. The loss of East Jerusalem is a specifically Islamic issue. The West is seen as having a particular responsibility to put pressure on Israel to modify her policies. I am convinced that if we are to reinforce opposition to Soviet action in Afghanistan we must take steps now to demonstrate our commitment to a speedy peace settlement of the Arab/Israel dispute, assuring the security of Israel within its 1967 frontiers and acceptable to the Islamic world.

4. The basis for a settlement of the conflict since 1967 has been and should remain Resolution 242, with its provision for Israeli withdrawal, coupled with an assurance of Israel's right to exist in peace within secure and recognised boundaries. A political settlement must also meet the legitimate rights of the Palestinian people, including their right to a homeland. 242 does not cover this.

5. Only the United States can influence Israel sufficiently to achieve a peace negotiated on this basis. However, President Carter is committed to the Camp David process, to which the Arabs outside Egypt are virtually unanimous in bitter opposition. It has achieved peace

/ between

between Egypt and Israel but seems unlikely to make substantial progress on autonomy arrangements for the Palestinians of the West Bank and Gaza. Britain has consistently supported Camp David as a transitional means toward an overall settlement which would take account of legitimate Palestinian interests. Unfortunately, it has become clear that Camp David will not touch the central political problem. In the situation I have outlined and in a US Presidential election year Europe cannot let matters take their course. The Nine are well placed to build a bridge between the US and the Arabs and to find a way to build on the achievements of Camp David toward a solution of the wider Arab/Israel problems.

6. To this end, I have begun to canvass with the United States and with European colleagues the possibility that the UK with the Nine might launch a new Security Council Resolution, intended to reaffirm Resolution 242 and supplement it with provision for Palestinian self-determination (draft annexed). The proposal is a very simple one but could if successful provide a basis for future peace efforts. It addresses the problem of provision for the future of the Palestinians, which has bedevilled all attempts to resolve this conflict over the last ten years. It also offers a way forward on the problem of Palestinian representation, without which no negotiation will reach a settlement. The Arabs will not countenance any representation other than that by Palestinian leaders themselves (essentially the PLO). Israel will not contemplate negotiation with the PLO until that organisation has accepted Israel's right to exist. If a draft on the lines proposed were supported by

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the PLO, a point we should wish to establish in preparation for a move, this obstacle could be removed.

7. The idea of a fresh resolution is not new. A Kuwaiti draft (less satisfactory) in August 1979 was overtaken by the Andy Young affair and was never voted on. Others have canvassed similar proposals since, including King Hussein. The Americans see some attraction in it but are anxious that nothing should be done to prejudice Camp David. We share this concern. The Arabs would be divided. Israel would be deeply opposed. Israeli strategy has concentrated hitherto on excluding above all the PLO from responsibility. But as realists we should recognise that Israel must either live at peace with her Palestinian neighbours or perpetually at war with the Arab world. In any event the wider crisis will not brook delay.

8. I seek my colleagues' agreement:

- (i) to explore further with our European partners the possibility of such an initiative;
- (ii) to seek Arab support;
- (iii) subject to these contacts and to a satisfactory understanding with the US Administration, to bring forward a new Security Council Resolution at a suitable moment. This may not be until after the Camp David deadline in May.

DRAFT SECURITY COUNCIL RESOLUTION

The Security Council,

Conscious of the urgent necessity of a just and lasting peace in the Middle East through a comprehensive settlement based on full respect for the principles and purposes of the Charter

Convinced that a just and lasting peace in the Middle East will not be possible unless the future of the Palestinian people is resolved in a manner satisfactory to the Palestinians themselves

1. Reaffirms

(i) its resolutions relevant to the Middle East, in particular 242 (1967) and 338 (1973);

(ii) the right of Palestinian refugees wishing to return to their homes and live at peace with their neighbours to do so and the right of those choosing not to return to receive compensation for their property, in accordance with relevant General Assembly resolutions, in particular resolution 194 (III) of 11 December 1948

2. Affirms

that in the context of a negotiated comprehensive settlement the Palestinian people should be able to exercise their right of self-determination.



10 DOWNING STREET

~~Michael~~ o/s Paul

Have not shown the PM
this - it might appear to
be pre-empting O.D.
decision.

YAP

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FM WASHINGTON 082339Z FEB 80
TO PRIORITY F C O

TELEGRAM NUMBER 653 OF 8 FEBRUARY, 1980,
INFO PRIORITY TEL AVIV, CAIRO, AMMAN, BEIRUT, DAMASCUS, JEDDA,
RABAT, HMGJ JERUSALEM, UKMIS NEW YORK AND EEC POSTS,
INFO SAVING BAGHDAD, BAHRAIN, KUWAIT, TRIPOLI, ALGIERS,
ABU DHABI, SANAA, ADEN AND KHARTOUM.

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TALK WITH BRZEZINSKI: CAMP DAVID NEGOTIATIONS.

1. WHEN I SAW BRZEZINSKI TODAY I TOOK THE OPPORTUNITY OF CLARIFYING WITH HIM WHERE WE STOOD ON THE IDEA OF A EUROPEAN INITIATIVE IN THE SECURITY COUNCIL RELATING TO THE PALESTINIANS. I EXPLAINED THAT THE PURPOSE OF THIS WAS TO GET OFF THE HOOK ON WHICH THE U S WERE IMPALED. THE BEAUTY OF A NEW SECURITY COUNCIL RESOLUTION WOULD BE THAT IT WOULD REFER TO RESOLUTION 242 SO THAT THE PALESTINIANS, IF THEY ACCEPTED IT, WOULD BE ACCEPTING ISRAEL'S RIGHT TO EXIST; AND IT WOULD BE EASIER FOR THE PALESTINIANS TO DO THIS IN SUCH A WAY THAN BY SOME SEPARATE AND SPECIFIC DECLARATION.

2. MY UNDERSTANDING OF THE PRIME MINISTER'S TALK WITH THE PRESIDENT IN DECEMBER WAS THAT WHEN THE FORMER HAD MENTIONED THE IDEA OF A EUROPEAN INITIATIVE THE PRESIDENT HAD ASSENTED. HE HAD DONE SO IN A WAY, ACCORDING TO MY READING OF THE WAY THE CONVERSATION HAD GONE, THAT INDICATED THAT IT WOULD BE EASIER FOR THE EUROPEANS TO DO THIS THAN THE AMERICANS AND INDEED IT MIGHT BE TO THE ADVANTAGE OF THE LATTER THAT IT SHOULD COME ABOUT IN THAT WAY. AFTER BRZEZINSKI HAD NODDED HIS ASSENT TO THIS, I WENT ON TO SAY THAT LINOWITZ WAS NOW SUGGESTING THAT A EUROPEAN INITIATIVE MIGHT BE DIFFICULT FOR THE AMERICANS BECAUSE IT WOULD INTERFERE WITH THE AUTONOMY NEGOTIATIONS AND BE UNACCEPTABLE TO THE ISRAELIS AND WOULD REQUIRE THE U S TO COMMIT ITSELF IN THE SECURITY COUNCIL IN A WAY THAT WAS UNACCEPTABLE TO THE ISRAELIS.

3. BRZEZINSKI SAID THAT THESE WERE THE ARGUMENTS THAT THOSE WHO OPPOSED SUCH AN INITIATIVE IN WASHINGTON WERE USING. HE

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THOUGHT IT WAS LARGELY A QUESTION OF TIMING. IF THERE WAS A CHANCE OF THE CURRENT AUTONOMY NEGOTIATIONS SUCCEEDING AND OF THE ISRAELIS ACCEPTING A REASONABLE SETTLEMENT THEN HE THOUGHT THAT THIS WOULD BE BETTER FOR THE PALESTINIANS THAN THE IDEA OF BRINGING THEM IN TO THE NEGOTIATIONS EARLIER WHICH MIGHT WELL THREATEN THEIR SUCCESS. I SAID THAT I THOUGHT IT WAS UNLIKELY THAT THE AUTONOMY NEGOTIATIONS WOULD PRODUCE AGREEMENT WITHIN THE STIPULATED TIME LIMIT OF THE END OF MAY. MEANWHILE THE U S'S POSITION IN THE MIDDLE EAST GENERALLY CONTINUED TO BE HAMPERED BY CAMP DAVID, AND WITH IT THE WHOLE IDEA OF THE FRAMEWORK OF SECURITY. THE U S INDEED WERE ACTING WITH ONE HAND TIED BY THE CAMP DAVID COMMITMENT AND THE EXCLUSION OF THE PALESTINIANS.

4. BRZEZINSKI SAID THAT HE ENTIRELY AGREED THAT AMERICA'S POSITION WAS MADE DIFFICULT IN THE AREA BY THE CAMP DAVID PROCESS. HE HIMSELF DID NOT DENY THIS, THOUGH OTHERS MIGHT. NEVERTHELESS HE THOUGHT THAT THERE MIGHT WELL BE A SUCCESSFUL NEGOTIATION CONCLUDING MUCH SOONER THAN I WAS SUGGESTING. HE HAD BEEN STRUCK DURING HIS VISIT TO SAUDI ARABIA BY THE DIFFERENCE IN THE SAUDI ATTITUDE SINCE HE WAS THERE LAST SPRING. ON THAT OCCASION THEY HAD DISMISSED THE WHOLE CAMP DAVID ROUTE AS A DOOMED BLIND ALLEY. NOW THEY LAID THE EMPHASIS ON THE NEED FOR THE AMERICANS TO PRODUCE RAPID PROGRESS BY PRESSURE ON THE ISRAELIS. THE IMPLICATION (HE WOULD NOT RATE IT HIGHER THAN THAT) SEEMED TO BE THAT IF THE AMERICANS COULD SO BY PURSUING THEIR CAMP DAVID COURSE, THAT WOULD BE ACCEPTABLE PROVIDED IT PRODUCED THE RIGHT RESULT QUICKLY.

FCC PSE PASS SAVING TO BAGHDAD, BAHRAIN, KUWAIT, TRIPOLI, ALGIERS, ABU DHABI, SANAA, ADEN AND KHARTOUM.

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ARAB/ISRAEL - CALL ON AMBASSADOR LINOWITZ

1. ON SEEING HIM TODAY I BEGAN BY MAKING IT CLEAR TO LINOWITZ THAT THE FACT THAT YOU HAD NOT RAISED WITH HIM THE QUESTION OF A POSSIBLE EUROPEAN INITIATIVE IN THE SECURITY COUNCIL DID NOT MEAN THAT YOU HAD IN ANY WAY SHELVED THE IDEA. HE READILY TOOK THE POINT, STATING THAT HE HAD NOT FORMED THE OPPOSITE IMPRESSION BUT THOUGHT THAT YOU MIGHT HAVE DECIDED TO LET IT DROP FOR THE MOMENT. HE ASKED MORE ABOUT THE THINKING BEHIND IT.

2. I DREW ON YOUR TELNO. 51 TO ROME, STRESSING THAT WE SAW ANY SUCH INITIATIVE AS HELPING TO FILL AN IMPORTANT GAP BY BRINGING THE PALESTINIANS AND THE PLO INTO THE PROCESS WHILE NOT CUTTING ACROSS CAMP DAVID. I ADDED, AND HE AGREED, THAT THE BRITISH WERE FAR FROM ALONE IN THE COMMUNITY IN FEELING THAT IT MIGHT BE TIME FOR A MOVE OF THIS SORT. I COMPARED OUR THINKING TO THAT WHICH HAD LED THE AMERICANS THEMSELVES CLOSE TO DOING SOMETHING SIMILAR IN AUGUST 1979. I COULD UNDERSTAND WHY IT WOULD BE DIFFICULT FOR THEM TO REPEAT THE INITIATIVE NOW BUT THOUGHT THAT THE EUROPEANS DOING SO SHOULD MAKE IT EASIER. I HAD EARLIER UNDERSTOOD THAT THE U.S. GOVERNMENT WOULD NOT BE INCONVENIENCED BY SUCH A EUROPEAN MOVE. MORE RECENTLY, HOWEVER, THE AMERICANS APPEARED TO HAVE HESITATIONS, PERHAPS BASED ON THE FEELING THAT AN INITIATIVE OF THIS KIND MIGHT UPSET THE NEW SIGNS OF PROGRESS IN THE NEGOTIATIONS.

3. ON THE PLO LINOWITZ SAID THAT, AS HE HAD ALREADY SAID TO HUSSEIN, FAHD AND HASSAN ON HIS RECENT TOUR, FOR BETTER OR WORSE THE AMERICANS WERE STUCK WITH THEIR 1975 COMMITMENT TO ISRAEL (WHICH HE DESCRIBED AS A QUOTE PARANOID UNQUOTE COUNTRY WHENEVER

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ANYTHING THAT THEY SAW AS THREATENING THEIR SECURITY WAS INVOLVED). AS A RESULT OF HIS TOUR, HE THOUGHT THAT THE CHANCES OF HIS NEGOTIATIONS MAKING PROGRESS WERE BETTER THAN HE AND OTHERS IN WASHINGTON HAD BELIEVED BEFORE IT, AND HE WAS ANXIOUS NOT TO ROCK THE BOAT. WITHOUT KNOWING IN DETAIL WHAT WE ENVISAGED, THE SORT OF MOVE WE SEEMED TO HAVE IN MIND MIGHT WIN THE PALESTINIANS BUT LOSE THE ISRAELIS. HE HAD DISCUSSED THE PLO AT SOME LENGTH WITH PRINCE SAUD (WHO HAD GREATLY IMPRESSED HIM), REMINDED HIM OF THE U.S. UNDERTAKING TO ISRAEL AND ASKED WHETHER HE WOULD BE PREPARED TO EXPLAIN THE PROBLEM TO THE PLO AND SEE IF THEY COULD NOT BE PERSUADED TO MAKE AN APPROPRIATE STATEMENT. SAUD HAD ASKED WHAT THE AMERICANS WOULD OFFER THE PLO IN RETURN AND LINOWITZ HAD REPLIED THAT THAT WAS SOMETHING WHICH COULD BE DISCUSSED. ASKED WHAT REASON HE HAD TO BELIEVE THAT THIS APPROACH THROUGH THE SAUDIS HAD A BETTER CHANCE OF SUCCEEDING THAN THE ABORTIVE ATTEMPT IN 1977 (OF WHICH HE WAS UNAWARE) HE REPLIED THAT HE WAS ENCOURAGED THAT SAUD HAD NOT REJECTED THE IDEA.

4. THE LAST NEGOTIATING ROUND HAD BEEN ENCOURAGING. HE THOUGHT THAT HIS COULD IN PART BE EXPLAINED BY THE FACT THAT ONLY 20 MINUTES OUT OF ONE AND HALF DAYS HAD BEEN CONDUCTED IN PLENARY. HE READ OUT (AND ASKED ME NOT TO TAKE NOTES) THE LIST OF 17 OR 18 POWERS WHICH THE ISRAELIS HAD AGREED TO HAND OVER TO THE SELF-GOVERNING AUTHORITY. (THEY SOUNDED VERY LIKE THOSE IN THE EARLIER ISRAELI PLAN BUT LINOWITZ EXPLAINED THAT THEY REPRESENTED AN ADVANCE BECAUSE THE ISRAELIS NOW AGREED THAT THE POWERS SHOULD BE HANDED OVER UNDERLINE FOLLOWING THREE WORDS IN THEIR ENTIRETY). THE U.S. AND ISRAELIS HAD WANTED TO MAKE THIS LIST PUBLIC BUT THE EGYPTIANS HAD REFUSED ON THE GROUNDS THAT THE INFERENCE WOULD BE DRAWN THAT UNMENTIONED POWERS WOULD BE EXCLUDED (WHICH WAS EMPHATICALLY NOT THE CASE).

5. LINOWITZ HAD BEEN PLEASED WITH HIS ENCOUNTERS WITH HUSSEIN, FAHD, SAUD AND HASSAN. HE HAD FORMED THE IMPRESSION THAT HE HAD BEEN ABLE TO DISPEL THE IMPRESSION THAT THE AMERICAN FOLLOW-UP TO CAMP DAVID WAS ALL WORDS AND NO ACTION. HIS INTERLOCUTORS HAD LISTENED TO HIM WITH INTEREST, EXPRESSED SOME SCEPTICISM ABOUT HIS CHANCES OF SUCCESS BUT WERE GLAD TO BE KEPT INFORMED AND HAD ADMITTED THAT IT WAS HARD TO SEE WHAT REALISTIC ALTERNATIVES THERE

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WERE TO THE PRESENT COURSE. THEY HAD NOT OFFERED SUPPORT, BUT HAD EXPRESSED GRATITUDE FOR BEING KEPT IN TOUCH. HE HAD ALSO MET THE MAYOR OF GAZA (WHO HAD THE DAY BEFORE SEEN ARAFAT WHO HAD RAISED NO OBJECTION TO HIS MEETING LINOWITZ) AND A QUOTE LEADING PALESTINIAN WHO HAD SERVED IN HUSSEIN'S GOVERNMENT UNQUOTE. BOTH MEETINGS HAD BEEN FRANK AND NEITHER DISCOURAGING EVEN IF HE HAD BEEN GIVEN NO PROMISES OF WILLINGNESS TO BE INVOLVED IN THE PROCESS. WITH BEGIN HE WORKED HARD THE THEME THAT ISRAEL OWED IT TO HER OWN CREDIBILITY IN THE EYES OF THE WORLD TO FULFIL HER COMMITMENT TO QUOTE FULL AUTONOMY UNQUOTE (HOWEVER UNDEFINED AT CAMP DAVID). HE THOUGH HE HAD MADE SOME IMPACT.

6. I ASKED HOW HE SAW THE TIMEABLE FOR THE NEXT MONTHS. HE SAID THAT THE PRESIDENT HAD INSTRUCTED HIM TO MAKE IT CLEAR TO BOTH SADAT AND BEGIN THAT THEY SHOULD NOT COUNT ON ANOTHER SUMMIT TO RESOLVE THEIR DIFFERENCES .THOUGH LINOWITZ ADMITTED THAT ONE COULD NOT BE RULED OUT IF THE GAP WAS CLOSED SUFFICIENTLY). IF THE MAY DEADLINE WAS NOT MET BUT A GOOD MOMENTUM HAD BUILT UP AND OUTSTANDING ISSUES REDUCED TO MANAGEABLE PROPORTIONS, HE ENVISAGED A THREE MONTH EXTENSION.

7. I CONCLUDE FROM THIS TALK THAT LINOWITZ, FROM HIS NARROW NEGOTIATING VIEWPOINT, WILL CONTINUE TO RESIST A EUROPEAN INITIATIVE WHICH HE SEES AS LEADING TO AN AWKWARD VOTE FOR THE AMERICANS IN THE SECURITY COUNCIL, AND IN ANY CASE AS DANGEROUS IN TERMS OF THE LIKELY ISRAELI REACTION. I SUSPECT THAT HIS INSTRUCTIONS FROM THE PRESIDENT ARE TO KEEP CAMP DAVID ALIVE AT LEAST UNTIL THE PRIMARIES AND BOTH PARTY CONVENTIONS ARE OUT OF THE WAY (HENCE THE THREE MONTH EXTENSION).

8. I SHALL BE SEEING SAUNDERS ON 11 FEBRUARY, AND HE WILL NO DOUBT SEE THINGS FROM A RATHER WIDER ANGLE.

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Original in Australia, Jan 80
Visit by Fraser

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Middle East Lib

RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE
PRIME MINISTER OF AUSTRALIA, MR. MALCOLM FRASER, AT NO.10
DOWNING STREET ON 4 FEBRUARY, 1980, AT 12 NOON

Present:

Prime Minister	The Rt. Hon. Malcolm Fraser
Foreign and Commonwealth Secretary	The Hon. Michael MacKellar
Sir Robert Armstrong	Sir G. Yeend
Sir Michael Palliser	Mr. P. Henderson
Sir Frank Cooper	Mr. W. Pritchett
Mr. Hugh Cortazzi	Mr. R. Fernandez
Mr. Michael Alexander	

Post-Afghanistan Situation

In reply to a question from the Prime Minister, Mr. Fraser said that he had detected in the United States a new sense of determination and unity. A number of senior American politicians (Mr. Fraser mentioned Messrs. Muskie and Javits) had told him that the sense of cohesiveness in the country and the determination not to be pushed around was greater than at any time since the war. Nonetheless the position of the United States remained a lonely one. They felt the need for friends and for support. Failing this, there was a risk that they would once more become introspective and self-questioning, and that the leadership they were now giving would falter. The Administration intended to build up the country's defensive capability. They were talking of making additional deployments in the Indian Ocean. At the same time there was a sharp realisation of the limits of their conventional power in that part of the world. A start had been made with the commitments given in President Carter's State of the Union Message, but much work would be needed to make those commitments credible. There would be a role here for a number of countries.

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The Australian Foreign Minister, Mr. Peacock, on his recent trip to South East Asia, had found the Governments there prepared to ~~take~~ a robust attitude - at least in private. However, they were conscious of the weakening of the American commitment to the area which had occurred in the latter stages of the Vietnam war, and which they associated with President Nixon's statement on Guam. They were doubtful about the United States' determination to face up to the Soviet Union. Once they had brought themselves to believe in this, they would be prepared to be more robust in public. Mr. Peacock had also seen Mrs. Gandhi. She had taken a less helpful line with him than she had done in her press conference after her meeting with the Foreign and Commonwealth Secretary. She had delivered a tirade against the United States whose role in Vietnam she had said was no different from that of the Soviet Union in Afghanistan. Mr. Fraser said that he expected continuing difficulties with India and Pakistan. The Foreign and Commonwealth Secretary said that Mrs. Gandhi was anti-American but not necessarily pro-Soviet. She was afraid of the Chinese. She had told President Giscard that she intended to play a leading role in the non-aligned movement. The Foreign and Commonwealth Secretary said that in his view there would be a considerable role for Western Europe and Australia in keeping India in play. The Americans had so far played the hand clumsily. The latest evidence of this was the imbalance in the delegations they had sent to Delhi and Islamabad. Mr. Clifford was a considerably less significant figure than Mr. Brzezinski.

The Prime Minister said that she agreed with what Mr. Fraser had said about the United States. It was essential that the West stick together in the face of recent events. The Soviet Union's action in Afghanistan did not represent a change of policy. But it had served to reveal that policy to the world at large. What was now required was continuing condemnation and continuing watchfulness. It was no use expecting that the Soviet Union would change its policy. But resistance to the Soviet Union demanded that the West should stand together. We should highlight the threat to the right of the non-aligned to determine their own destiny.

CONFIDENTIAL Mr. Fraser

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Mr. Fraser repeated that he saw the critical element in the situation as being the need to bring home to the Russians the reality of President Carter's State of the Union Message. He did not himself see how the United States could in the present circumstances defend the Persian Gulf. There would be attractions for the Russians in a move against the Gulf now. The Foreign and Commonwealth Secretary said that he did not think the immediate danger was the military one. The Soviet presence in Afghanistan gave them greatly enhanced possibilities for subversion, e.g. in Iran or South Yemen. The Prime Minister commented that the West had been very slow to focus on the need to develop techniques of counter-subversion. There was a considerable difference in the susceptibility of democratic and totalitarian states to subversion. Successful resistance by the countries of the Middle East to subversion would require an effort on their own part. Mr. Fraser said that whether the immediate challenge was subversive or military, he was concerned that the West's failure to respond would lead the states in the Middle East to regard the West as a spent force. Once they had reached that conclusion they would look for an accommodation with the Soviet Union. Moreover, the judgement of the Soviet Union as to how far they could force matters in the Middle East was not to be relied upon. It looked as though they had miscalculated the effects of the invasion of Afghanistan. They could easily make another miscalculation about the ability and will of the Americans to resist a move, for example, into Iran. The Foreign and Commonwealth Secretary said that Messrs. Kissinger and Bush did not agree that the Soviet invasion had been the result of a miscalculation. They argued that the Russians knew they at present enjoyed superior military strength, and that the next two or three years would offer them a unique opportunity to exploit that superiority. Mr. Fraser repeated that whichever analysis was correct, the vital thing now was to ensure that President Carter's position was credible.

/ Mr. Fraser

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Mr. Fraser asked about the attitudes of the Europeans. He argued that the threat in Europe was now less pressing than that elsewhere. In Europe the demarcation lines were clearly drawn. Elsewhere the situation was less well defined, and the options for Soviet action and mischief-making were much greater. Moreover, whereas action in Europe would certainly meet a united response by the Allies, this was much less likely in other parts of the world. The Foreign and Commonwealth Secretary said that he had spent some time in the previous two days discussing the situation with the French Foreign Minister. M. Francois Poncet. The French analysis was exactly the same as his own. The only difficulty was that they did not wish to be seen to be following the lead of the Americans. In retrospect, it had perhaps been a mistake not to have summoned a meeting of the Foreign Ministers very shortly after the invasion of Afghanistan and to have attempted to elaborate a joint reaction before individual Western Governments had taken up their positions. As regards the Germans, their position was different in certain important respects to the other Western Allies: the Germans had to deal with the problem of the GDR, of Berlin, of Ostpolitik and of the impending elections. They agreed with our analysis, but might not respond in the same way. Both France and Germany clearly recognised the Soviet threat to the Middle East oil fields, to the Straits of Hormuz and to access to the Red Sea.

In response to a question from the Prime Minister about the next steps, Mr. Fraser said that Australia intended to play its part. They would be participating in extended patrolling and surveillance of the Indian Ocean from Tangeh and Butterworth. (The Australians had been planning to withdraw from Butterworth next year following the acquisition of new fighter aircraft, but were now reconsidering the situation.) They would probably be expanding their armed forces generally. A decision in principle had been taken. They would be building up their own naval bases, and might be offering the Americans the use of one in Western Austral

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in this connection that the forthcoming meeting of ANZUS had been brought forward and transferred from New Zealand to Washington.

The Prime Minister asked about the role of Japan. Despite that country's great wealth, Japan was not at present contributing to the defence of the free world.

Mr. Fraser said that even today visits by Japanese military vessels to ASEAN or Australian ports would cause difficulties. But there was no reason why they should not be active in the North West Pacific, and thereby free American ships for action elsewhere. Mr. Brown had argued strongly for this during his recent visit to Tokyo. A growing body of opinion in Japan was inclined to agree. The Japanese would be participating in exercises with the Canadians and Australians later in the year. Anything the British Government could do to encourage the Japanese in this direction, as well as in the direction of increasing their civil aid to the smaller Pacific States, would be welcome. It would of course be important to consult the ASEAN countries at every step.

Reverting to the Middle East, the Foreign and Commonwealth Secretary commented on the ambivalence of attitudes in the Middle East to United States military involvement there. On the one hand, Middle East Governments wanted the backing of the United States Government; on the other hand, they were reluctant to provide bases. Saudi Arabia would offer nothing; Oman might offer facilities, but would not be prepared to have any "white faces" there; Somali and Kenya might be prepared to do something; Diego Garcia was too far away. When one was considering the question of European re-involvement in South East Asia, it should be borne in mind that the Americans might wish to re-involve the Europeans in the Middle East as well. Sir Frank Cooper noted that the American attitude was very ambivalent at present. For many years they had been arguing that the Europeans should concentrate on Europe. Now, recognising how little they knew about the regions where the threat was increasing, they were seeking to interest the

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Europeans in problems outside Europe. Sir Michael Palliser said that the Arab/Israel dispute inevitably complicated the situation in the Middle East. The Foreign and Commonwealth Secretary said that the Americans had completely misunderstood the Arab reactions to the Camp David process. Mr. Linowitz was still hoping that pressure on the Israelis would make an autonomy agreement possible. But in fact such an agreement would have no effect on the Arabs. They wanted the Palestinian problem solved, and did not believe that this could be done on the Camp David basis. The Americans were blamed by the Arabs for the Israeli occupation of Arab lands, and as a result were equated with the Russians. Mr. Fraser wondered whether the Americans could not be persuaded to move towards the Arab position. Mr. Vance had accepted in discussion with him during his visit to Washington the need to be firmer than ever with Israel. The Foreign and Commonwealth Secretary said that he had been pressing the Americans for some time on this.

Iran

Mr. Fraser said that the Americans were approaching the hostage issue much more coolly now than previously. They were placing their hopes on the new President, Mr. Bani Sadr. They were not looking for further action before the forthcoming elections in Iran. The Foreign and Commonwealth Secretary noted that Mr. Cutler had, earlier in the day, been optimistic about the chances of progress.

The discussion ended at 1310, and the participants adjourned for lunch. The discussion there is recorded separately.

AmS

4 February 1980

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Middle East

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TELEGRAM NUMBER 19 OF 24 JANUARY

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SAVING PARIS, TOKYO AND ROME.

PRESIDENT CARTER'S STATE OF THE UNION MESSAGE.

1. THE FIRST FRUITS OF THE PRESIDENT'S MESSAGE IN QATAR WERE A LONG AND EXTRA-ORDINARILY EMPHATIC DIATRIBE BY THE AMIR TO SIR GEOFFREY ARTHUR, WHEN HE CALLED THIS MORNING, AGAINST U.S. FOREIGN POLICY AS A WHOLE THROUGHOUT THE MIDDLE EAST AND ASIA. THE AMIR SPOKE CALMLY ENOUGH, BUT SO URGENTLY THAT SIR G ARTHUR COULD HARDLY GET A WORD IN FOR MOST OF THE HALF-HOUR THAT HE WAS WITH THE AMIR.

2. THE AMIR'S MESSAGE WAS THAT THE U.S. - I.E. THE PRESIDENT AND THE CONGRESS - HAD NO REAL FOREIGN POLICY. THEIR ACTIONS HAD BEEN DISASTROUS IN IRAN, AND PROMISED TO BE SO VIS A VIS AFGHANISTAN. THEIR SUPPORT FOR KHOMEINI HAD BEEN A MAJOR BLUNDER, THEIR RELATIONS WITH CHINA WERE RIGHT IN PRINCIPAL BUT WERE BEING HANDLED UNSKILFULLY. THE SUPPORT PRESIDENT CARTER HAD PROMISED TO PAKISTAN WAS

FULLY. THE SUPPORT PRESIDENT CARTER HAD PROMISED TO PAKISTAN WAS MINIMAL; AND IN ANY CASE THE COUNTRY WAS TOO UNSTABLE TO SUPPORT A GREATER WEIGHT OF ASSISTANCE. BUT IT WAS THE ISRAEL PROBLEM WHICH THE U.S. HAD FAILED THE ARABS MOST. THE ARABS WERE FAR LESS CONCERNED OVER IRAN AND AFGHANISTAN THAN OVER JERUSALEM; AND THERE THE U.S. HAD FAILED THEM. IT WAS A SETTLEMENT OF THE ARAB/ISRAEL QUESTION FOR WHICH THE ARABS LOOKED TO THE U.S., AND NOT DEFENCE AGAINST ANY EXTERNAL POWER. HE HAD ALREADY SENT A WRITTEN MESSAGE TO THIS EFFECT TO PRESIDENT CARTER. IF THE GULF STATES WANTED PROTECTION, THEY WOULD CALL FOR IT. BUT AMERICAN PROTECTION WOULD BE A GREATER LIABILITY THAN ASSET, TO COUNTRIES LIKE QATAR.

3. THE AMIR WAS EMPHATIC THAT FRANCE, GERMANY, ITALY, JAPAN AND BRITAIN SHOULD CONCERT MEASURES TO REDRESS THE SITUATION, AND ABOVE ALL TO PUT PRESSURE ON AMERICA TO BRING ISRAEL TO A SETTLEMENT SATISFACTORY TO THE ARABS. OTHERWISE, THE WHOLE RANGE OF ENERGY SUPPLIES FROM THE GULF, ON WHICH WESTERN CIVILISATION DEPENDED SO LARGELY, WOULD BE AT RISK FROM THE MALADROIT AMERICAN POLICIES. HE WOULD SPEAK IN THIS SENSE TO PRESIDENT GISCARD WHEN HE CAME TO QATAR.

4. EVEN THOUGH THIS DIATRIBE FOLLOWS CLOSELY ON SOME OF THE REMARKS WHICH THE AMIR MADE TO THE MINISTER OF STATE DURING HIS VISIT HERE, IT IS SUPRISING THAT HE SHOULD HAVE SPOKEN SO STRONGLY. MOREOVER, I THINK HE IS UNLIKELY TO HAVE TAKEN SUCH A STRONG LINE WITH SIR G ARTHUR WITHOUT KNOWING THAT THE SAUDIS VIEWED THE SITUATION IN MUCH THE SAME WAY.

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TO PRIORITY FOREIGN AND COMMONWEALTH OFFICE

TELEGRAM NUMBER 366 OF 23 JANUARY 1980

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CAIRO TELNO 54 (NOT TO RABAT): LINOWITZ MIDDLE EAST TOUR.

1. LINOWITZ'S ITINERARY WILL TAKE HIM TO:
LONDON 25-26 JANUARY (WHERE HE WILL SEE KING HUSSEIN ON 26 JANUARY).
CAIRO 27-28 JANUARY, TEL AVIV/JERUSALEM, 29/31 JANUARY (PLENARY
NEGOTIATING SESSION ON 31 JANUARY), RIYADH 1-2 FEBRUARY, MARRAKESH
3 FEBRUARY (MEETING WITH KING HASSAN), WASHINGTON 4 FEBRUARY.

2. LINOWITZ'S PARTY WILL CONSIST OF : STERNER (DEPUTY ASSISTANT
SECRETARY, STATE DEPARTMENT), HUNTER (NSC), KORN (ISRAEL COUNTRY
DIRECTOR, STATE DEPARTMENT), HANSELL (STATE DEPARTMENT LEGAL
ADVISER), AMES (NATIONAL INTELLIGENCE OFFICER FOR THE NEAR EAST
AND SOUTH ASIA CIA), MARKS AND WALKER (LINOWITZ PRINCIPAL STAFF
MEMBERS RESPONSIBLE FOR DOMESTIC AND FOREIGN POLICY RESPECTIVELY).

2. WALKER HAS TOLD US THAT LINOWITZ IS FULLY AWARE OF THE MAGNITUDE
OF THE TASK THAT FACES HIM ON THIS TRIP. PRESIDENT CARTER HAS MADE

IT CLEAR THAT HE HAS NOT LOST SIGHT OF THE CRITICAL IMPORTANCE OF THE PALESTINIAN ISSUE FOR THE WIDER SECURITY OF THE REGION. THE EGYPTIANS AND ISRAELIS ARE, HOWEVER, STILL FAR TOO FAR APART FOR THE TIME TO RIPE FOR AN AMERICAN COMPROMISE PROPOSAL, LET ALONE PRESIDENTIAL INTERVENTION. WALKER SHARES STERNER'S VIEW (MY TELNO 303 NOT TO ALL) THAT THE FACT OF THERE BEING PROPOSALS ON THE TABLE AT ALL IS A PLUS, PARTICULARLY SINCE THE ISRAELIS HAVE MADE IT CLEAR THAT THEIR PROPOSAL IS ENTIRELY NEGOTIABLE. BUT THE PROPOSALS VIVIDLY ILLUSTRATE THE GULF WHICH SEPARATES THE TWO APPROACHES TO THE NEGOTIATION. AS WALKER PUT IT, IT IS AS IF THE EGYPTIANS HAD BEEN DRAFTING THE PREAMBLE TO A UN RESOLUTION WHILE THE ISRAELIS HAD BEEN DRAFTING THE OPERATIVE PARAGRAPHS: THE TROUBLE IS THAT THERE WAS NO AGREEMENT IN ADVANCE ON WHAT THE RESOLUTION WAS TRYING TO ACHIEVE. A HIGHLY DESIRABLE OUTCOME OF LINOWITZ'S TOUR WOULD BE FOR THE 31 JANUARY PLENARY TO RESULT IN A JOINT EGYPT/ISRAEL DECLARATION THAT CERTAIN POWERS WOULD BE TRANSFERRED TO THE SELF-GOVERNING AUTHORITY WHILE OTHERS WERE STILL UNDER DISCUSSION. WALKER CONCEDED THAT SOMETHING OF A MIRACLE WOULD BE NEEDED TO ACHIEVE THAT. THE IMPORTANT THING WAS TO PERSUADE THE ISRAELIS TO BE WILLING TO SOME EXTENT TO DISCUSS PRINCIPLES AND THE EGYPTIANS TO DISCUSS PRACTICAL DETAILS.

3. IT WAS CLEAR FROM WHAT WALKER SAID THAT HIS EARLIER HOPES THAT LINOWITZ WOULD BE EASIER TO WORK WITH THAN STRAUSS HAVE NOT BEEN DISAPPOINTED. LINOWITZ GETS ON WELL WITH BOTH BRZEZINSKI AND VANCE (PARTLY NO DOUBT BECAUSE HE REPRESENTS NO THREAT TO EITHER OF THEM), AND HAS REGULAR ACCESS TO THE PRESIDENT. HE WORKS WELL WITH THE STATE DEPARTMENT BUT KEEPS IN CLOSE TOUCH WITH THE NSC THROUGH HUNTER, HIS ADMINISTRATIVE MACHINE WORKS SMOOTHLY AND HIS WHOLE APPROACH IS SERIOUS AND BUSINESSLIKE. AND HE HAS A HEALTHY RESPECT FOR THE DIFFICULTIES.

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January 1980

Extract from PMS Meeting with King Hussein

at 10 Downing Street 1630 hours

Subject copy filed on Jordan (June 1979) 'Visits to London by King Hussein'The Arab/Israel Problem

The Foreign and Commonwealth Secretary said that he agreed with King Hussein about the threat to the unity of the region posed by the continuing failure to find a solution to the Arab/Israel problem. Everyone he had spoken to on his tour confirmed that this issue bedevilled everything. It affected the attitude of the countries in the region to each other and to the United States since they believed the United States was unwilling to use its muscle to force the Israeli Government to reach an agreement. The Camp David process was clearly going to prove inadequate in satisfying Arab opinion, still less that of the Palestinians. In a Presidential year American Administrations tended to have two Middle East policies: their real policy and that which was advanced for electoral purposes. It was important for other Western

governments to bear this in mind ^{and} to avoid undermining the position of the American Administration by reacting to the second policy. If they did so and if President Carter was re-elected, the willingness of his Administration to pursue a constructive policy in future would be undermined. On the other hand, if other governments did nothing, the position in the Middle East would deteriorate.

Against this background, the Foreign and Commonwealth Secretary asked whether King Hussein thought there would be any future in a European or British initiative in favour of a Security Council Resolution which:

- (a) recognised the rights of the Palestinians; and
- (b) involved recognition by the Palestinians of Israel's right to exist.

It would not be easy to produce such a Resolution because the spectrum of opinion within the European Community was so wide. It stretched from the French, who might be said to have a view not dissimilar from that of Iraq, to the Dutch who tended to support the Israelis. Nonetheless, perhaps the effort should be made. King Hussein said that it would be extremely helpful if one or more

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European Governments were able to get the process moving. He had tried a similar initiative himself in the autumn. But the decision of Arab Governments at Tunis has fallen far short of what he had hoped for. They had failed to evolve a united position. Commenting on the significance of the Arab/Israel issue for the region as a whole, King Hussein noted that it did not make it easy for him to respond quickly to appeals from President Carter for help in dealing with the Afghanistan situation or the situation in Iran. Jerusalem was also a matter which affected the emotions and beliefs of the people throughout the Arab world. As regards the hostages, one million Arabs had been living in occupied land since 1967.

The Foreign and Commonwealth Secretary said that a European initiative would enable the governments concerned to maintain an appearance of active involvement in the region. This would be the more important since the Camp David process was likely to run into the sand in March or thereabouts. Mr. Moberly commented that the

President might well attempt to extend the period of negotiation for electoral reasons but that there was no reason why there should not be negotiation on a European initiative going on in parallel with the Camp David process. The Foreign and Commonwealth Secretary said that neither Mr. Vance nor Mr. Brzezinski had ruled out the idea of a European initiative when he had mentioned it to them. The difficulty in getting anywhere would be that Israeli policy had become completely ossified.

Iraq and Syria

The Prime Minister asked about the situation in Iraq and Syria. King Hussein said that he was in close contact with the governments of both countries. The situation in Iraq was good at present. In Syria it was not. President Asad was facing difficulties there. He had reacted by adopting more radical, left-wing policies. Paradoxically, though pursuing an anti-Islamic course within Syria, he had succeeded in maintaining good relations with Ayatollah Khomeini.

MIDDLE EAST: ADVANCE COPIES

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Middle East

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PS
PS/SIR I GILMOUR
PS/MR HURD
PS/FUS
MR J C MOBERLY

NO 10 DOWNING STREET

~~CABINET OFFICE~~ ~~SIR I GILMOUR~~

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INFO ROUTINE BAGHDAD BEIRUT CAIRO DAMASCUS JEDDA TEL AVIV
UKMIS NEW YORK WASHINGTON AND CG JERUSALEM

MY TELS NOS 14 OF 10 JANUARY AND 21 OF 17 JANUARY:

JORDAN/MIDDLE EAST

1. WHEN I SAW KING HUSSEIN ON 17 JANUARY, HE AGAIN REFERRED TO THE SCEPTICISM WHICH AMERICA'S "DISCOVERY OF ISLAM" IN THE WAKE OF THE SOVIET INVASION OF AFGHANISTAN HAD AROUSED IN ARAB COUNTRIES, PARTICULARLY IN THOSE LIKE JORDAN PART OF WHOSE TERRITORY WAS UNDER ISRAELI OCCUPATION. HE REITERATED HIS BELIEF THAT RECENT EVENTS MADE IT MORE RATHER THAN LESS URGENT TO TRY TO MAKE PROGRESS TOWARDS A MIDDLE EAST SETTLEMENT AND THAT AS LONG AS THE ARAB COUNTRIES REMAINED IN CONFRONTATION WITH ISRAEL, THE RESPONSE OF THE AREA TO THE GRAVE EXTERNAL DANGERS WHICH IT NOW FACED WAS BOUND TO BE CONFUSED AND UNCERTAIN.

2. BUT WHEN I ASKED KING HUSSEIN AND ALSO HIS PRIME MINISTER WHOM I HAD SEEN EARLIER ON THE SAME DAY HOW THEY THOUGHT PROGRESS COULD BE MADE, PARTICULARLY FOLLOWING THE SETBACK AT THE TUNIS SUMMIT TO JORDANIAN HOPES FOR A NEW ARAB INITIATIVE, THEY HAD VERY FEW IDEAS TO OFFER. THE KING SAID HE COULD STILL SEE NO ALTERNATIVE TO A FRESH NEGOTIATING EFFORT UNDER UNITED NATIONS AUSPICES INVOLVING ALL PARTIES TO THE DISPUTE

THEY HAD VERY FEW IDEAS TO OFFER. THE KING SAID HE COULD STILL SEE NO ALTERNATIVE TO A FRESH NEGOTIATING EFFORT UNDER UNITED NATIONS AUSPICES INVOLVING ALL PARTIES TO THE DISPUT INCLUDING THE PALESTINIANS.

3. HE WILL AS YOU KNOW BE SEEING MR LINOWITZ IN LONDON NEXT WEEK, BUT I VERY MUCH DOUBT WHETHER MR LINOWITZ WILL HAVE ANY GREATER SUCCESS THAN MR STRAUSS OR MR BRZEZINSKI BEFORE HIM IN AROUSING THE LEAST ENTHUSIASM ON THE PART OF THE JORDANIANS FOR THE AUTONOMY NEGOTIATIONS OR FOR ANY SUGGESTION THAT JORDAN SHOULD SOMEHOW OR OTHER ASSOCIATE HERSELF WITH THE CAMP DAVID PROCESS.

4. INDEED THE KING REGARDS THE FAILURE OF US/ISRAELI/EGYPTIAN EFFORTS TO MAKE PROGRESS ON THE AUTONOMY NEGOTIATIONS, AND IN PARTICULAR THEIR INABILITY TO OFFER ANYTHING WHICH THE PALESTINIANS THEMSELVES MIGHT CONSIDER ACCEPTABLE, AS INEVITABLE AND WOULD REGARD IT AS MORE WORTHWHILE TO DISCUSS WHAT SHOULD REPLACE CAMP DAVID THAN TO CONSIDER WHAT IF ANYTHING MIGHT BE DONE TO RESCUE IT. HE MUST ALSO KNOW THAT HIS OWN GLOOMY VIEWS ON THE PROSPECTS FOR THE SUCCESS OF THE AUTONOMY NEGOTIATIONS ARE SHARED BY MOST OF PRESIDENT SADAT'S OWN ADVISERS. HE DOES NOT TRUST PRESIDENT SADAT AND BELIEVES THAT DESPITE AMPLE WARNINGS FROM HIS FELLOW ARABS HE HAS ALLOWED HIMSELF TO BE MANOEUVRED INTO ACCEPTANCE OF A PRIMARILY BILATERAL AGREEMENT BETWEEN EGYPT AND ISRAEL WHICH HAS LEFT JORDAN AND OTHER FRONT LINE ARAB STATES IN THE LURCH. THE RECENT RE-EMERGENCE OF IDEAS FOR A SETTLEMENT COVERING GAZA IN ADVANCE OF ONE FOR THE WEST BANK WILL HAVE FUELLED THE KING'S SUSPICIONS OF SADAT'S MOTIVES.

4. AS FOR THE ISRAELIS, KING HUSSEIN REMAINS CONVINCED THAT NEITHER THE PRESENT GOVERNMENT NOR ANY PROBABLE SUCCESSOR IS LIKELY TO OFFER ENOUGH TO MAKE WORTHWHILE NEGOTIATIONS POSSIBLE. INDEED HE WOULD ARGUE THAT RECENT DEVELOPMENTS ALL POINT IN THE OPPOSITE DIRECTION, INCLUDING:

A. THE ISRAELI DECISION TO EXPROPRIATE THE JERUSALEM DISTRICT ELECTRICITY COMPANY;

B. THE ANNOUNCEMENT OF PLANS FOR ADDITIONAL SETTLEMENTS ON THE WEST BANK (AS MR HANNAM HAS REPORTED FROM JERUSALEM IN HIS ANNUAL REVIEW, THE ACTUAL NUMBER OF ISRAELI SETTLERS ON THE WEST BANK OUTSIDE JERUSALEM HAS INCREASED BY NEARLY 50% DURING 1979 AT GREAT COST TO THE ISRAELI GOVERNMENT);

C. THE DECISION TO ALLOW JEWS TO PURCHASE LAND IN THE OCCUPIED TERRITORIES WHICH, HOWEVER LIMITED ITS APPLICATION MAY BE IN PRACTICE, AROUSES THE STRONGEST FEELINGS AMONG ARABS WITH MEMORIES OF THE MANDATE PERIOD;

TERRITORIES WHICH, HOWEVER LIMITED ITS RECOGNITION IN PRACTICE, AROUSES THE STRONGEST FEELINGS AMONG ARABS WITH MEMORIES OF THE MANDATE PERIOD:

D. THE CONTINUED INSISTENCE BY MR BEGIN ON ISRAELI SOVEREIGNTY OVER JERUSALEM AND THE EXCLUSION OF THE CITY FROM THE SCOPE OF THE AUTONOMY TALKS.

6. KING HUSSEIN THEREFORE LOOKS TO OTHERS TO GENERATE THE PRESSURES WHICH WILL BE NEEDED TO PUSH THE ISRAELIS INTO WORTHWHILE NEGOTIATIONS, BUT HS IS ALSO A REALIST AND KNOWS THAT HE CAN EXPECT LITTLE FROM PRESIDENT CARTER IN A US ELECTION YEAR AND THAT THE EUROPEANS WILL NOT WANT TO ADD TO PRESIDENT CARTER'S TROUBLES AT THE PRESENT TIME. HENCE HIS EMBARRASSMENT AND UNEASE IN REACTING TO EVENTS IN IRAN AND AFGHANISTAN. HE SEES THE DANGERS ALL TOO CLEARLY, BUT AT THE SAME TIME HE KNOWS THAT, WHILE THE ARAB/ISRAEL PROBLEM REMAINS UNRESOLVED, THE ARABS WILL NOT WANT TO FACE THEM AND WILL CONTINUE TO REGARD THE AMERICANS IN PARTICULAR WITH DEEP SUSPICION AND CYNICISM BECAUSE OF THEIR CONTINUING SUPPORT OF ISRAEL. WHILE THE SOVIET MENACE STILL SEEMS RELATIVELY DISTANT, ISRAEL REMAINS THE ENEMY AT THE GATE.

URWICK

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Middle East

C.F.

10 DOWNING STREET

THE PRIME MINISTER

27 December 1979

Your Royal Highness,

Thank you very much for your letter of 13 November, which reached me only a short while ago, enclosing a copy of your study on Jerusalem. Since you told me about it in London I have often wondered how it was progressing. I very much look forward to reading it over the Christmas recess.

I agree that the future of Jerusalem will in the end be a matter for political decision. But the political and legal aspects of the conflicting claims are closely bound together. I feel sure that your own study will stimulate discussion and understanding of all the intricate legal and political problems involved.

All good wishes,

Yours sincerely

Margaret Thatcher

His Royal Highness Crown Prince El Hassan bin Talal



10 DOWNING STREET

THE PRIME MINISTER

LS

Thank you very much for your letter of 13 November,
 which reached me only a short while ago, enclosing a copy
 of your study on Jerusalem. ~~I am most grateful to you~~ ^{remember I have often}
~~for drawing this fair and comprehensive study to my~~ ^{wondered how it was possible. I wish you told me about it}
~~attention.~~ ^{in London. I say must look forward to reading it over}
~~the Christmas recess.~~

~~The future of Jerusalem is amongst the most difficult~~
~~issues which will have to be resolved if we are to achieve,~~
~~as we must, a just and lasting settlement of the Middle~~
~~East dispute.~~ ^{I agree that the future of Jerusalem}
~~As you say this will in the end be a~~
~~matter for political decision. But in many respects~~
~~the political and legal aspects of the conflicting claims~~
~~to the City are closely bound together.~~ ^{I feel sure that}

^{our} ~~Your~~ ^{I would like} study will help promote a wider and more objective
~~discussion and understanding of the legal problems involved.~~ ^{all political}
~~political problems involved~~

Yours sincerely
Rangachari

His Royal Highness Prince Hassan bin Talal



Foreign and Commonwealth Office

London SW1A 2AH

21 December 1979

Dear Michael,

Your letter of 12 December enclosed one from Crown Prince Hassan of Jordan covering his recently published study of the legal status of Jerusalem. You asked for a substantive reply.

The Department's Legal Advisers have been consulted. We would not disagree with any of the principal conclusions reached by the study on the question of sovereignty over Jerusalem. There are a few lesser points on which the study might be open to dispute but these arguments are not essential to the conclusions. In some respects the study is biased towards the Jordanian position and the paper includes the statement, later qualified, that the PLO represents the Palestinian Arabs. But, on the whole, this is a remarkably fair and objective document. This is perhaps largely because of the assistance given by Professor Draper in its preparation. He is a leading authority on the Geneva Conventions and was a member of the UK delegation which negotiated the Protocols to the Convention. He discussed the issues at some length both with the geographical department in the FCO and with the Legal Advisers.

--- I enclose a draft reply from the Prime Minister. Lord Carrington believes that a short acknowledgement would be preferable to a more detailed commentary on the report. Too fulsome a commendation of it would be likely to attract domestic criticism from supporters of Israel.

Yours ever

Paul

(P Lever)

M O'D B Alexander Esq
10 Downing Street

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DRAFT LETTER

Type 1 +

SECURITY CLASSIFICATION

Top Secret.
Secret.
Confidential.
Restricted.
Unclassified.To: - His Royal Highness Prince Hassan
bin Talal

The Royal Palace

AmmanFrom
The Prime Minister
Telephone No. Ext.

Department


PRIVACY MARKING

..... In Confidence

Your Royal Highness

Thank you very much for your letter of 13 November, which reached me only a short while ago, enclosing a copy of your study on Jerusalem. I am most grateful to you for drawing this fair and comprehensive study to my attention.

The future of Jerusalem is amongst the most difficult issues which will have to be resolved if we are to achieve, as we must, a just and lasting settlement of the Middle East dispute. As you say this will in the end be a matter for political decision. But in many respects the political and legal aspects of the conflicting claims to the City are closely bound together. I am sure that your study will help promote a wider and more objective discussion and understanding of the legal problems involved.





DEC 1 1979

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Subject filed in USA
Nov. 79. Visit to US Policy
cc Israel: Nov 79
Oil for Israel

Extract from Record of Meeting between P.M.
and President Carter, Washington, 17.12.79 (Pt II)

Middle East

The President said that Mr Linowitz had just returned from a visit to the Middle East during which he had seen President Sadat and Mr. Begin. He had been much encouraged. It might be a good idea for him to visit the United Kingdom soon to talk about the detailed position in the negotiation. The US Government wanted the Israelis and the Egyptians to continue with the implementation of the terms of the Camp David agreement with a minimum of interference. Israel's return of the oil wells had been a very important gesture. He hoped that it would now be possible to proceed without further complication to the return of the remaining territory and the exchange of ambassadors. It would be desirable to get the discussions off the differences between the two sides e.g. over the numbers of people who would serve on local government councils, and on to more positive matters e.g. what the local government councils might do.

Mr. Vance said that there would be a critical point at the end of January. By then all the occupied land up to the Ras Mohammed line, as well as the oil wells, would have been returned. The President said that the question of the exchange of ambassadors would then come to the forefront. Begin and Sadat had a remarkable relationship. Sadat was supremely confident. Whenever the President spoke to him on the telephone, he said that everything was going according to schedule.

The Foreign and Commonwealth Secretary asked whether, given the help the United States had received over the hostages from the PLO and King Hussein's wish to bring in a resolution amending or enlarging Resolution 242, the American Government was likely to change its position on the PLO and 242. The

/President

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President said that Resolution 242 was something of a bible. Amending it would be very difficult. But addenda or further resolutions might be possible. The Americans had explored the possibility six months previously, but had dropped the idea because of Israeli opposition. The US Government would not oppose a resolution building on 242. But if a new dimension were injected, e.g., Israeli withdrawal from the West Bank, the Americans would oppose. The Prime Minister asked whether it was public knowledge that the PLO had given help during the Iranian crisis. Mr. Vance said the Congress had been informed and indeed he had mentioned the matter publicly. The President remarked that the present altercation between Qadhafi and the PLO stemmed from Qadhafi's view that the PLO had recently been too moderate. The Israelis were, of course, aware of the PLO's role and that it had been acknowledged. However the understanding that the United States would not recognise the PLO until the right of Israel to exist had been accepted was still valid.

The Foreign and Commonwealth Secretary asked whether there was any movement in the American position on the various formulae about recognition. The President said that Mr. Linowitz had ideas. The Camp David text, like 242, was sacrosanct. But it was also very far reaching. Although Mr. Begin had reversed himself on the question of autonomy and, by excluding land and water from the ambit of the agreement, the framework of the agreement remained very useful. Jerusalem was the most difficult issue. Progress had in fact been made at Camp David on this question. There was until a relatively late stage a paragraph on the subject agreed by both Mr. Begin and President Sadat. But before the agreement was finalised, both men separately had asked for the removal of the paragraph because of the likely reactions in their own countries. It would not be easy to keep the Camp David process going in an American election year and against the background of Mr. Begin's political weakness. But Mr. Linowitz thought that Mr. Begin was back to his old form.

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The Prime Minister asked whether the American policy was in fact to exhaust the Camp David process before trying something else. The President said it might be possible to reinvolve moderate Arabs, i.e. Saudi Arabia and Jordan. Some mechanism to make this possible would be very helpful. If the PLO would accept Resolution 242 and Israel's right to exist, that would absolve the US from its commitment to Israel. The Prime Minister said that the PLO could not be expected to accept Israel's right to exist without simultaneous compensation. She had found King Hussein helpful on these problems. The President said that despite King Hussein's earnest tone, he was the most unhelpful man in the Middle East. Mr. Vance commented that the reference in the President's speech at Aswan to the right of the Palestinian people "to participate in the determination of their own future" had been very carefully contrived. President Carter said that during his Middle East tour in 1978 he had met no Arab leader who was insisting on an independent Palestinian state. He thought that that concept, like the concept of total withdrawal from the occupied territories, was dead. The problem now was how to accommodate the remaining differences between Israel and the moderate Arabs.

The Foreign and Commonwealth Secretary said that the PLO bandwagon was rolling in Europe. The British Government was virtually the only Government not already on it. The reason for the reaction against Israel was their policy of establishing settlements on the West Bank. Mr. Brzezinski asked how the move in favour of the PLO would express itself. The President said that if it were to be in the United Nations he would not deplore this. The US Government was for the moment committed to Israel but the PLO had been very helpful of late. It would however be valuable if the isolation of Israel could be avoided where oil was concerned. He hoped that the United Kingdom, along with Norway and Mexico, might be prepared to sell the Israelis some oil if they asked for it. The Prime Minister pointed out that

/ Britain

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Britain was a member of the IEA and of the EEC. We were committed to sharing our oil with the other members of those organisations if there was a shortfall of 7 per cent. The President repeated that it would help if the UK could sell Israel a few tens of thousands of barrels of oil. The Foreign and Commonwealth Secretary recalled that our EEC partners had made it plain in Dublin that they expected the UK to sell them whatever spare oil they had. The President said that it was necessary to overcome difficulties rather than to enumerate them.

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MIDDLE EAST: ADVANCE COPIES

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Middle East

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PS/SIR I GILMOUR
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MR J C MOBERLY

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PRIORITY AMMAN, WASHINGTON.

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MR HURD'S VISIT TO ISRAEL: MEETING WITH MR SOL LINOWITZ.

1. ON 12 DECEMBER THE MINISTER OF STATE ACCOMPANIED BY MR MOBERLY, AND MYSELF, CALLED ON MR LINOWITZ IN THE KING DAVID HOTEL IN JERUSALEM AND HAD A HALF HOUR DISCUSSION. MR LINOWITZ WAS ABOUT TO LEAVE WITH DR BURG FOR CAIRO, TO SEE THE EGYPTIAN PRIME MINISTER, BEFORE RETURNING TO JERUSALEM IN THE EVENING.

2. MR LINOWITZ SAID THAT HE HAD COME TO THE MIDDLE EAST BELIEVING THAT HE HAD BEEN GIVEN A HOPELESS MISSION. HE WAS NOW VERY MUCH MORE HOPEFUL THAT SOMETHING COULD BE ACHIEVED. ONE BASIS FOR HIS INCREASED OPTIMISM WAS THE HELPFUL TWO HOUR CONVERSATION WHICH HE HAD HAD WITH MR BEGIN, WHEN HE HAD FOUND THE LATTER OPEN TO A FRANK AND CONSTRUCTIVE EXCHANGE OF VIEWS. HE WAS ALSO IMPRESSED BY THE SHARED COMMITMENT OF PRESIDENT SADAT AND MR BEGIN TO WORK TOGETHER TO ACHIEVE PROGRESS TOWARDS PEACE.

3. BEFORE EMBARKING ON AN ACCOUNT OF HIS OWN VIEWS, MR LINOWITZ

~~... SUBJECT OF KING~~

3. BEFORE EMBARKING ON AN ACCOUNT OF HIS OWN VIEWS, MR LINOWITZ SOUGHT THOSE OF MR HURD AND MR MOBERLY ON THE PROSPECT OF KING HUSSEIN, WHOM HE WAS SHORTLY TO VISIT, AGREEING TO JOIN IN IN THE AUTONOMY NEGOTIATIONS. MR HURD SAID THAT HE DID NOT BELIEVE THAT KING HUSSEIN WOULD JOIN; HE WAS ANXIOUS TO FIND SOMETHING LABELLED "PEACE" BUT COULD NOT MAKE DO WITH SOMETHING LABELLED "CAMP DAVID". MR MOBERLY ELABORATED ON THE REASONS WHICH INHIBITED KING HUSSEIN FROM PARTICIPATION.

4. MR LINOWITZ SAID THAT, AFTER HIS TALK WITH MR BEGIN, HE HAD CONCLUDED THAT THERE WERE SIGNIFICANT AREAS OF AGREEMENT IN THE AUTONOMY NEGOTIATIONS WHICH HAD NOT SURFACED. THERE WAS A BASIS ON WHICH TO BUILD, AND IT SHOULD BE POSSIBLE TO FIND SOME REAL CONTENT FOR AUTONOMY. DESPITE APPEARANCES, MR BEGIN WAS NOT SEEKING TO STALL THE AUTONOMY NEGOTIATIONS. HIS OVERWHELMING FEAR A PALESTINIAN STATE, AND HE WISHED TO CO-OPERATE IN CONSTRUCTING A SELF-GOVERNING AUTHORITY WHICH WOULD GUARD AGAINST THE ESTABLISHMENT OF A PALESTINIAN STATE WITHOUT REPUDIATING IT.

5. MR HURD ASKED ABOUT THE PROBLEMS FOR THE AUTONOMY NEGOTIATIONS CREATED BY ISRAELI SETTLEMENT POLICY. MR LINOWITZ REPLIED THAT MR BEGIN WAS UNDER INTENSE DOMESTIC POLITICAL PRESSURE ON SETTLEMENTS, AND COULD NOT "LEVEL" ABOUT THEM PUBLICLY. HE BELIEVED, HOWEVER, THAT MR BEGIN HAD LEVELLED WITH HIM (THOUGH HE DID NOT EXPLAIN TO US THE BASIS FOR THIS BELIEF). MR BEGIN KNEW THAT THE SETTLEMENTS WERE AN OBSTACLE TO THE NEGOTIATIONS, AND MR LINOWITZ CONCLUDED THAT IN THE CONTEXT OF AN AUTONOMY AGREEMENT THE REMOVAL OF THE SETTLEMENTS (OR A FREEZE ON THEM) WOULD NOT BE AN UNSURMOUNTABLE PROBLEM, THOUGH IT WOULD BE A VERY DIFFICULT ONE. THERE WERE, HE ADDED, OTHER ELEMENTS OF PROMISING PROGRESS, ALTHOUGH AGAIN HE DID NOT SPECIFY THESE, AS HE HAD NOT THE PREVIOUS DAY WHEN HE MADE A SIMILAR REMARK TO JOURNALISTS.

6. MR HURD ENQUIRED WHETHER, IF AN AGREEMENT WAS REACHED NEXT MAY OR SUBSEQUENTLY BETWEEN THE EGYPTIANS AND THE ISRAELIS, PALESTINIANS IN THE WEST BANK COULD BE FOUND WHO WOULD OPERATE THE AGREEMENT. MR LINOWITZ BELIEVED THAT, PROVIDED THE AUTONOMY AGREEMENT "RANG REAL", AND PROMISED FULL AUTONOMY, THEN THE P L O WOULD PERMIT THE WEST BANK PALESTINIANS TO OPERATE IT BECAUSE IT OFFERED THEM A BETTER PROSPECT THAN ANYTHING ELSE ON THE HORIZON. THE UNITED STATES AMBASSADOR MADE THE POINT THAT, PROVIDED THE AGREEMENT SEEMED REASONABLY ADEQUATE, THE WEST BANK PALESTINIANS THEMSELVES MIGHT TELL THE P L O THAT THEY WERE

THEN THE P L O WOULD PERMIT THE WEST BANK PALESTINIANS TO OPERATE IT BECAUSE IT OFFERED THEM A BETTER PROSPHGT THAN ANYTHING ELSE ON THE HORIZON. THE UNITED STATES AMBASSADOR MADE THE POINT THAT, PROVIDED THE AGREEMENT SEEMED REASONABLY ADEQUATE, THE WEST BANK PALESTINIANS THEMSELVES MIGHT TELL THE P L O THAT THEY WERE GOING TO OPERATE IT, AN ATTITUDE WHICH THE P L O MIGHT FIND IT PRUDENT TO ACCEPT.

7. ON JERUSALEM, MR LINOWITZ AGAIN DISPLAYED A BELIEF THAT A SOLUTION COULD BE FOUND, IN THE EARLY DAYS OF HIS INVOLVEMENT HE HAD NO IDEA WHAT IT MIGHT BE THOUGH HE HINTED AT SOME SPECIAL STATUS FOR THE HOLY PLACES, BUT HE HAD LEARNED DURING THE LONG YEARS OF THE NEGOTIATIONS OVER PANAMA THAT IT WAS IMPORTANT NOT TO BE FRIGHTENED BY WORDS, NOR TO ASSUME THAT AGREEMENT WAS IMPOSSIBLE FROM THE OUTSET.

8. IN REPLY TO MR HURD'S QUESTION ABOUT EGYPTIAN ATTITUDES, MR LINOWITZ SAID THAT PRESIDENT SADAT, NOT LEAST BECAUSE OF HIS CONCERN ABOUT THE REVISED SUDANESE ATTITUDE TO CAMP DAVID, WAS NOW DETERMINED TO FOCUS ON PALESTINIAN ATTITUDES TOWARDS THE AUTONOMY NEGOTIATIONS, AS HE HAD NOT ALWAYS DONE BEFORE. HIS OBJECTIVE NOW WAS TO PUT TOGETHER AN AUTONOMY PACKAGE WHICH WOULD BE ATTRACTIVE TO THE PALESTINIANS. AT THE SAME TIME HE WOULD SEEK TO CONVINCe MR BEGIN THAT IT WAS IN ISRAEL'S INTEREST, AS WELL AS THAT OF EVERYBODY ELSE, THAT THIS SHOULD HAPPEN.

9. FINALLY, MR LINOWITZ ASKED MR HURD WHETHER HE THOUGHT THAT IT WOULD BE HELPFUL FOR HIM, IN THE FAIRLY NEAR FUTURE, TO VISIT A NUMBER OF EUROPEAN CAPITALS, WHERE HE SENSED THE NEED TO EXPLAIN THE UNITED STATES POSITION MORE FULLY; HE FEARED THAT WE HAD NOT RECENTLY BEEN FULLY "CLUED IN" TO U S ATTITUDES. MR HURD SAID THAT A VISIT TO LONDON WOULD BE VERY WELCOME, AND MR LINOWITZ SAID THAT HE WOULD BE IN TOUCH WITH THE U S AMBASSADOR IN LONDON ABOUT IT.

10. COMMENT.

MR LINOWITZ, WHOM NONE OF US PRESENT HAD MET BEFORE, STRUCK US AS A MOST ATTRACTIVE PERSONALITY, AND A GREAT IMPROVEMENT ON HIS PREDECESSOR. IT IS DIFFICULT TO BE SURE WHETHER HIS NEW FOUND ENTHUSIASM IS GENUINE, OR WHETHER HE HAS DECIDED THAT HIS TACTIC MUST BE TO RADIATE OPTIMISM IN AN ATTEMPT TO PULL THE AUTONOMY NEGOTIATIONS OUT OF THE TROUGH INTO WHICH THEY HAVE DESCENDED. IN THE LIGHT OF WASHINGTON TELNO 4154 TO FOO THE LATTER SEEMS THE MORE PROBABLE. IT IS TO BE HOPED SO, AS IT IS

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M A S O N

NNNN

~~6/19-12-79~~

JS



10 DOWNING STREET

From the Private Secretary

12 December 1979

I enclose a copy of a letter to the Prime Minister from Crown Prince Hassan of Jordan, together with his "reflections" on the problem of Jerusalem.

I have not acknowledged the letter, but I think the Prime Minister will wish to send a substantive reply fairly soon. I should be grateful if you could let me have a suitable draft by Wednesday 19 December.

M. O'D. B. ALEXANDER

Paul Lever, Esq.,
Foreign and Commonwealth Office.

KRB

PM/Board of Deputies of British Jews ^{Middle East} meeting note.
No 10 at 10.00 hours on Tuesday 27 November
Original on PM: October 1979

the case of Rhodesia, the sooner a settlement was achieved in the Middle East, the better for all parties concerned.

Mr. Janner asked whether there might be some quiet Government move on oil supplies for Israel. Her difficulties were much greater now that the last fields had been handed back to Egypt. The Prime Minister doubted whether there could be any developments here. Britain had responsibilities both as part of the EEC and as a member of the International Energy Agency. The 5% shortage created by the Iranian situation had been bad enough. If the 7% shortage were to be reached, triggering the IEA sharing arrangements, there would be an entirely new situation. Politics had taught her never to extrapolate from trends. In respect of oil supplies there had been few predictions of the Yom Kippur war and recent Iranian events, both of which had had a dramatic impact. Those monitoring developments had been alarmed by the Mecca Mosque attack whose ultimate meaning was not yet clear. It was still proving impossible to get the consumer countries and OPEC countries together. In Western countries faced by the alternative of massive unemployment, Governments were getting their oil where they could. This created a volatile spot market. The Prime Minister could not blame Governments who took this action. The UK was not yet up to self-sufficiency. If future developments did create shortages above the 7%, i.e. the trigger point, there would be major international activity because of the crippling economic effect: the long-term implications could not be properly assessed. It was not in the Arab interest to create such a disturbance. Mr. Janner said that Saudi Arabia, Kuwait and some other producers had an interest in stability, but it was not true of all. The Prime Minister said that it was in the interest of some major Arab states to keep the Western economies functioning. Dr. Kopelowitz said that the delegation were asking whether the Israeli oil companies could obtain commercial supplies from the North Sea companies. The Prime Minister said that North Sea production was committed for some time ahead. About half our exports were already going to Europe. Mr. Janner said that the Board of Deputies understood that there had been approaches to the

British Government in connection with the Egyptian/Israeli peace process. The Prime Minister responded that she was not in a position to comment on detailed possibilities. The Board of Deputies should pursue this with the Secretary of State for Energy.

Mr. Janner asked about the Government's attitude to the PLO. The Prime Minister emphasised that the Government had never recognised the PLO. The Foreign Secretary had not done so in his recent speech. He had, correctly, said that there must be discussions with the Palestinian people. Mr. Lucas commented that the Prime Minister must mean the Palestinian Arabs. The Prime Minister said that the PLO was linked with terrorism. Mr. Young said that the Board of Deputies believed there were links with the IRA. They had been unable to produce evidence. They hoped to be able to do so in the future. The Prime Minister said that she had an intellectual problem when she spoke of no recognition of the PLO. People asked why she was negotiating with Messrs. Mugabe and Nkomo. Her answer was this was essential to stop a war. She had had to derogate from her absolute stand on terrorism to pursue peace in Rhodesia. This was a practical problem. Lord Carrington's whole speech should be considered. It was a very balanced presentation. There was a major problem in the Middle East. For this reason the Prime Minister could not say that she would never, never, deal with the PLO. This might be necessary to get a settlement, as in Rhodesia. The representatives of all people involved would have to participate. King Hussein had told her that he was working on Yasser Arafat, to get him to cut down terrorist activity. He believed that Arafat was becoming more moderate. Mr. Janner said that the Board of Deputies appreciated the Government's stand in respect of the PLO within Europe and within the EEC. It mirrored the position that Mr. Callaghan had taken in the past, in the teeth of strong opposition, especially from the French. The Board of Deputies would not disagree with the Prime Minister's view about the possible need for contacts in the future. They well understood the reasoning. Mr. Savitt said that the problem in talking to moderate Palestinian Arabs was their difficulties with the PLO.

The Prime Minister said she did not know how effective King Hussein's contacts with Arafat were proving. She believed that he was having quite an influence.

Dr. Kopelowitz asked how the Prime Minister saw the future of the West Bank. The Prime Minister said she had no definitive answer to this question which was frequently put to her. There were a range of possibilities. She did not believe that the problem had yet been thought through with proper intellectual clarity. But, whatever perfect solution might be devised, it could not be imposed on the various inhabitants of the area who had their own strong ideas. A loose federation with Jordan seemed perhaps the most likely outcome. Mr. Savitt asked whether the position would not be eased if King Hussein would declare himself and join the peace negotiations. The Prime Minister said that this might seem the case to the British, but it was not for the British Government to do anything which might weaken Hussein's internal position. Mr. Janner agreed, but asked for the Prime Minister's assessment of the likelihood of his joining the peace discussions. The Prime Minister said that she did not see much likelihood of further changes in the current groupings over the peace process. Mr. Janner said that in Israel King Hussein was seen as having made the wrong choices, first in 1967, again in 1973 and now over the peace process. Mr. Pinner said that the peace making process lacked encouragement in the United Kingdom, especially in the media and in the universities. He would not wish to extend his criticism to the Government. The Prime Minister stressed that everybody had to work for a comprehensive solution. It would be to the advantage of everyone in the area, and of all Western countries. Only the Soviet group could benefit from maintenance of the problem. She found it surprising that this reality was not universally recognised. But reason did not always work in politics. Mr. Janner commented that this was particularly true in the case of Israel, a democracy with groups publicly expressing positions which were difficult to reconcile. Dr. Kopelowitz commented that November was a sensitive month for the Jewish community, and included the anniversary of the Balfour

/ Declaration.

Declaration. The Board of Deputies asked Her Majesty's Government to do all possible at the highest level to assist the peace process. The Prime Minister noted that there was probably very little prospect of movement during the build-up to the United States election.

In concluding, the Prime Minister agreed with Mr. Janner that the meeting should be regarded as totally private. Mr. Janner said that the Board of Deputies would be putting out a press release noting that the meeting had taken place and listing the topics touched upon. There would be no further comment.

The meeting concluded at 1050.

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Middle East Sub

Top copy
Visit by the PM
of the Yemen Arab Republic
Mr Abdul Aziz Ghani

10 DOWNING STREET

From the Private Secretary

23 November 1979

Dear Paul,

Call by the Prime Minister of the Yemen Arab Republic

The Prime Minister of the Yemen Arab Republic, Mr. Abdul Ghani, called on the Prime Minister yesterday evening as arranged. He was accompanied by Mr. Shohati, Mr. Muhanni, Mr. Eriyani and one other official. Mr. Moberley and Mr. Walker were also present.

The conversation was not of sufficient interest to warrant a formal record but one or two points that arose may be worth noting.

On relations between his country and South Yemen, Mr. Abdul Ghani said that the South Yemen was moving increasingly close to the Soviet bloc. As a result, the unity talks between the two countries were going extremely slowly. The majority of the people in his country wanted to live under a democratic regime with a mixed economy and scope for free enterprise. They would not accept a totalitarian system. Mr. Abdul Ghani compared the policies of his Government with those of Mrs. Thatcher in encouraging individual initiative. He said that this policy was in keeping with the Arab character and was working well.

As part of his democratic policy, Mr. Abdul Ghani said that the Government was encouraging the development of small industry in the Yemen Arab Republic. He saw considerable scope for enterprise based on British know-how, Arab capital and Yemen labour. He said that he was very satisfied with relations between his country and the United Kingdom and that his visit was going well. He expressed interest in the prospect of an investment guarantee agreement with the United Kingdom. The Prime Minister said that she understood that he would be discussing this further with Mr. Hurd the following day and that she hoped that agreement could be reached. More generally, Mr. Abdul Ghani said he was seeking closer links with individual Western countries and with the EEC. He expressed the hope that Britain would support the development of closer links between the YAR and the EEC. He was hoping for an increase in aid. He preferred to develop relations with the West, particularly in education, rather than with the Soviet bloc.

There was a brief discussion of the Arab/Israeli dispute. Mr. Abdul Ghani said that he welcomed the Foreign and Commonwealth

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Secretary's speech at the UN General Assembly in September. He thought that Britain had a role to play and hoped that we would be prepared to go further in the recognition of Palestinian rights. The Middle East looked to Britain for guidance and leadership. The Prime Minister said that recent initiatives seemed to have run into the sand. The Camp David process was at present getting nowhere. She recalled her discussion with King Hussein in October. Referring to his efforts to get the PLO to moderate their terrorist activities, she said that it was these activities which prevented her from recognising the PLO. The world was taking note of what the PLO had to say and there was therefore no longer any need for them to indulge in terrorist activity. It was not enough to talk about the rights of the Palestinians to self-determination. The matter had to be thought through more thoroughly. Acknowledgement of the Palestinian's rights and of Israel's right to exist would have to be simultaneous. Mr. Abdul Ghani said the PLO had come a long way since the hijacking incidents of the early 70s. If the Palestinian right to a homeland was accepted, it would be easier to influence them. But it would be very difficult for the Palestinians to acknowledge Israel's right to exist. Mr. Moberley commented that a Security Council resolution coupling the two aspects of the problem might be helpful.

The meeting ended with expressions of mutual esteem. Mr. Abdul Ghani invited the Prime Minister to visit the Yemen Arab Republic. The Prime Minister indicated an interest in visiting the Middle East in due course. The Prime Minister also expressed the hope that another member of the Government might be able to visit the YAR at some stage.

Yours ever

Richard Alexander

Paul Lever, Esq.,
Foreign and Commonwealth Office.

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PM/Giscard tete-a-tete at 1445 on 19 Nov 79 at No 10.

For the spiritual health of the nation, and France would retain it so long as the present military situation in Europe continued. French troops were now of good quality, and their officers were well-motivated.

Energy

The Prime Minister said that the oil situation continued to be very gloomy. Prices were rising, and more and more oil was being sold at spot market prices. The follow-up to Strasbourg and Tokyo had not got very far. There was still no dialogue between the EEC and OPEC. In the meantime, the United States dual price structure was causing difficulties. In particular it gave them an unfair advantage in the trade of any products with an oil base, e.g. synthetic textiles.

President Giscard said that he thought that the present oil situation was a complete failure for the West. Despite all his urgings in the past, the United States had never had the political will to act decisively. It would be interesting to see how they handled the Iranian situation. He was also obliged to say that the British approach to prices of North Sea oil was not well received by the other members of the Community. The United Kingdom were always amongst the first to join in any increase in price. France was getting oil from Saudi Arabia and Iraq at significantly lower prices than those they had to pay for North Sea oil. The Prime Minister said that we charged the right price for the grades of oil. We did not put our prices up ahead of Libya and Algeria but followed the world price. We were doing what we reasonably could to help our European partners. For example, we had agreed to produce 5 million tonnes a year more to help the Community over the Tokyo Agreement. We had no reason to feel guilty about our policy: on the contrary, we had been very reasonable. President Giscard added that he had only wanted to mention the matter. We should expect it to come up again at Dublin.

The Middle East

President Giscard said that he was generally pessimistic about the situation in the Middle East. He had always been surprised at the degree of support which the Labour Government had given Israel.

He understood the emotional reasons for this. They applied to France as well for she had the biggest Jewish community in Western Europe. But we had to look at the situation realistically. It was impossible for Israel to keep the Occupied Territories and their attempts to do so were an embarrassment for everybody. He did not know Mr. Begin, whom he had never met, but he thought his approach fanatical and unrealistic. On the other hand, Yassar Arafat was adopting a moderate line at the moment and he seemed to be in command of the Palestinian forces. Arafat wanted international recognition and would get it. A number of European countries had already accorded the Palestinians some form of recognition, and there was now growing pressure from all the Arab countries, even including Egypt, for France to offer recognition. Nothing would be gained, in his view, by rejecting the Palestinians and the West Bank would have to be given back to them in due course. France wanted to be on normal terms with the Palestinians and although they would not be able to give them diplomatic recognition since there was not a Palestinian state, France would make some move towards recognition. The only reason for the delay was the feelings of the French Jewish community. The Americans were supporting France on this: though Germany still remained reluctant, they now seemed to be nearer the French position.

/ The Prime Minister

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The Prime Minister said that she was doubtful whether we could take further steps on the Middle East until the Camp David talks had finally run into sand. She agreed entirely with what President Giscard had said about Mr. Begin. She had never had a more difficult man to deal with. She had told him that his West Bank policy was unrealistic and that she knew of no arrangement which gave a people autonomy over their political future without autonomy over the soil. Mr. Begin's policies were making things very difficult for President Sadat who had been very courageous and who was, if anything, too generous minded towards Mr. Begin. All our efforts to convince Mr. Begin that his West Bank policy was absurd and that there should not be Israeli settlements on the West Bank had failed to move him. His response was that Judea and Samaria had been Jewish in biblical times and that they should therefore be so today. But notwithstanding Israel's present intransigence we were reluctant to recognise the PLO. Recognition of the PLO would have to be accompanied by the PLO's acceptance of Israel's right to exist. In the meantime, however, Britain was ready to talk with representatives of the Palestinian people.

The discussion ended at 1610.

21 November 1979

SECRET



THE ROYAL PALACE
AMMAN JORDAN

13 November 1979

R12/12

Dear Prime Minister,

I recall with pleasure our meeting in London last February, and knowing of your interest in developments in the Middle East, I would like to forward to you the enclosed reflections on aspects of the problems in Jerusalem, in the knowledge that such issues have to be given the full attention they deserve by all parties concerned.

I would value any comments you might wish to make regarding this subject, and look forward to remaining in contact with you over the coming months.

Yours very sincerely,

Abdullah II

The Rt Hon Mrs Margaret Thatcher,
Prime Minister,
10 Downing Street,
London SW1

12 DEC 1979



CF to note

HS

cc FCO
MOD
Middle East



10 DOWNING STREET

THE PRIME MINISTER

12 November 1979

IN CONFIDENCE

Original in GR

Dear Tulkian

Thank you for your letter of 26 October and the notes of your very interesting talks in Cairo.

I shall try to respond to the crucial points of principle which you raise about our policy in the Middle East.

There should be no doubt that we understand and welcome the great significance of Camp David. The peace treaty between Egypt and Israel is a remarkable achievement. It has transformed the political and strategic structure of the area and opened up new possibilities for wider peace. The treaty's provisions have so far been carried out promptly and conscientiously by both sides. We hope that progress on the autonomy provisions of the Camp David framework will prove equally successful. This is the view which we consistently express to our Arab friends.

The autonomy provisions, of course, are an integral part of the agreement between Israel and Egypt. None of the principals has claimed that the peace treaty is in itself a full settlement of the conflict or that the autonomy provisions could automatically bring comprehensive peace to the region. But if the Camp David autonomy negotiations do not lead towards a comprehensive settlement, there is a serious danger that even the Egypt/Israel peace will fail to hold. In supporting Camp David, we do not and cannot back Egypt and Israel in their confrontation with Jordan, Saudi Arabia and the rest of the Arab world. If our interests in the area, strategic as well as economic, are to be secured we need to see Camp David lead to a comprehensive settlement in which

/ all can

all can join. Only then can the potential of the alignment between Egypt, Israel and the West of which you speak be turned to full account. That is why the Palestinian issue is crucial and why the PLO has become a significant factor in Middle East politics.

You refer to President Sadat's concern to limit Soviet influence. This is of course a concern which we share. The question at issue is not our objective but what means we should use. Many of our best friends in the area do not see Camp David as the answer. King Hussein for example believes that Camp David is leading to a polarization in the Arab world inimical to the interest of the West and their friends. This is why he urges us to move towards the Palestinians to demonstrate that we have Arab interests at heart. To ignore this aspect entirely is to play into the hands of the extremists.

To put it bluntly, if we are to help our friends and defend our own interests in the region, we cannot identify ourselves solely with Israel and Egypt without regard to our links with the rest of the Arab world; if we do, the Arabs will undoubtedly move, willingly or not, towards the Soviet Union. And the regimes which fight this trend will be at greater risk.

In the Gulf, we have been trying to foster some community of purpose and regional co-operation in matters of defence and security. The recent concerted Gulf support for the Government of Bahrain in the face of renewed Iranian claims was encouraging. At the same time we continue to encourage the states of the area to look to the West for assistance in all fields. We shall certainly continue to help Oman.

However, the Gulf States are generally uneasy at the prospect of any increased Western military presence in the area. If we were to attempt to intervene in the Gulf uninvited, we would merely precipitate the sort of increased instability in the area which we are seeking to avoid. Support for our friends in the Gulf can be best demonstrated by the provision of loan service personnel and military training in the UK; supply of defence equipment; and regular naval and air deployments to the area, including, if possible, joint exercises with friendly States. In addition, both

/ Peter Carrington

Peter Carrington and Douglas Hurd will be visiting the Gulf in the New Year. Their visits will provide good opportunities to reaffirm our support and underline the community of our interests.

I understand that Francis Pym will be replying separately to your proposals for the establishment of an intervention force.

Yours ever

Amery

The Rt. Hon. Julian Amery, M.P.

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FM FCO 091251Z NOV 79

TO PRIORITY WASHINGTON

TELEGRAM NUMBER 1604 OF 9 NOVEMBER

INFO UKMIS NEW YORK CAIRO TEL AVIV AMMAN BEIRUT DAMASCUS JEDDA
KUWAIT HMGJ JERUSALEM PARIS

MIPT: SECURITY COUNCIL RESOLUTION ON PALESTINIAN RIGHTS

DRAFT SECURITY COUNCIL RESOLUTION

THE SECURITY COUNCIL,

CONSCIOUS OF THE URGENT NECESSITY OF A JUST AND LASTING PEACE IN
THE MIDDLE EAST THROUGH A COMPREHENSIVE SETTLEMENT BASED ON FULL
RESPECT FOR THE PRINCIPLES AND PURPOSES OF THE CHARTER.

CONVINCED THAT A JUST AND LASTING PEACE IN THE MIDDLE EAST WILL NOT
BE POSSIBLE UNLESS THE FUTURE OF THE PALESTINIAN PEOPLE IS RESOLVED
IN A MANNER SATISFACTORY TO THE PALESTINIANS THEMSELVES.

1. REAFFIRMS

(I) ITS RESOLUTIONS RELEVANT TO THE MIDDLE EAST, IN PARTICULAR
242 (1967) AND 338 (1973);

(II) THE RIGHT OF PALESTINIAN REFUGEES WISHING TO RETURN TO THEIR
HOMES AND LIVE AT PEACE WITH THEIR NEIGHBOURS TO DO SO AND THE
RIGHT OF THOSE CHOSSING NOT TO RETURN TO RECEIVE COMPENSATION
FOR THEIR PROPERTY, IN ACCORDANCE WITH RELEVANT GENERAL
ASSEMBLY RESOLUTIONS, IN PARTICULAR RESOLUTION 194 (III) OF
11 DECEMBER 1948

2. AFFIRMS

THAT IN THE CONTEXT OF A NEGOTIATED COMPREHENSIVE SETTLEMENT THE
PALESTINIAN PEOPLE SHOULD BE ABLE TO EXERCISE THEIR RIGHT OF
SELF-DETERMINATION.

CARRINGTON

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MR J MOBERLY

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TO PRIORITY WASHINGTON

TELEGRAM NUMBER 1603 OF 9 NOVEMBER 1979

INFO UKMIS NEW YORK, CAIRO, TEL AVIV, AMMAN, BEIRUT,
DAMASCUS, JEDDA, KUWAIT, HMCS JERUSALEM, PARIS.

YOUR TELNO. 3447 (PARA 5): SECURITY COUNCIL RESOLUTION
ON PALESTINIAN RIGHTS.

1. A SHORT RESOLUTION REAFFIRMING 242 AND ENDORSING THE PALESTINIAN RIGHT TO SELF-DETERMINATION, WHICH WOULD BE PUBLICLY ACCEPTED BY THE PLO, COULD HELP SOLVE THE PROBLEM OF PALESTINIAN PARTICIPATION IN PEACE NEGOTIATIONS. BUT THERE ARE SERIOUS OBSTACLES. THE CHANCES OF A RESOLUTION ACCEPTABLE BOTH TO US AND THE ARAB GROUP ARE SMALL. ISRAELI OPPOSITION IS LIKELY TO BE AS FIERCE AS IN AUGUST AND WE DOUBT IF THE AMERICANS WOULD STAND UP TO IT, PARTICULARLY IN AN ELECTION YEAR.
2. A FURTHER UNKNOWN FACTOR IS THE ATTITUDE THE ANTI-SADAT ARABS MAY ADOPT. KING HUSSEIN HOPES TO SECURE UNITED SUPPORT FROM THE ARAB SUMMIT FOR HIS IDEA OF A RETURN TO THE SECURITY COUNCIL, PROBABLY ENCOMPASSING A NEW RESOLUTION. WE DOUBT IF HE WILL SUCCEED, AND DO NOT BELIEVE THE PLO WOULD AT THIS STAGE ACCEPT THE PRINCIPLE OF RESOLUTION 242 IN RETURN FOR A MODERATELY WORDED RESOLUTION OFFERING THEM ONLY SELF-DETERMINATION. THEY WOULD CERTAINLY SEEK THE PLO'S SPECIAL POSITION AFFIRMED AND ALSO THE PRINCIPLE OF NATIONAL INDEPENDENCE FOR ARAB PALESTINE.
3. AGAINST THIS UNCERTAIN BACKGROUND, WE SEE A NEED FOR CAUTION. THE TIMING OF ANY NEW MOVE IN THE SECURITY COUNCIL WILL BE CRUCIAL. NEVERTHELESS, WE SHOULD SEE ADVANTAGE IN RESPONDING TO WALKER'S QUESTIONS. IN DOING SO, YOU WILL WISH TO DRAW UPON UKMIS TELNO. 1399 AND GO ON TO MAKE THE FOLLOWING POINTS:
 - (1) THERE IS MUCH TO BE SAID FOR A RESOLUTION SUPPLEMENTING 242 WHICH MAY OFFER THE BEST MEANS TO SECURE PLO ACCEPTANCE

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OF THE PRINCIPLES OF 242 AS THE BASIS FOR A SETTLEMENT. IT WOULD BE ESSENTIAL THAT ANY SUCH RESOLUTION SHOULD HAVE FORMAL PLO ENDORSEMENT. BUT THIS WILL CERTAINLY NOT BE FORTHCOMING WITHOUT AFFIRMATION IN THE RESOLUTION OF THE RIGHT OF PALESTINIAN SELF-DETERMINATION. EVEN SO, THE ARABS WILL PROBABLY WANT FAR MORE: AFFIRMATION OF NATIONAL INDEPENDENCE AND THE SPECIAL ROLE OF THE PLO.

(II) IT IS ESSENTIAL THAT ANY NEW RESOLUTION SHOULD NOT UNDERMINE THE ACHIEVEMENTS OF CAMP DAVID. A RESOLUTION VETOED BY THE U S WOULD BE A SERIOUS SETBACK FOR WESTERN INTERESTS IN THE AREA. WE WOULD NOT EXPECT EXPLICIT SUPPORT FROM THE U S BUT WE WOULD AT SOME STAGE WANT AN ASSURANCE THAT A NEW RESOLUTION WHICH WE WERE BACKING WOULD NOT BE VETOED.

(III) MUCH WILL DEPEND ON THE ARAB SUMMIT. AN ARAB DRAFT WOULD PROBABLY BE UNHELPFUL AND UNACCEPTABLE. IF SUCH A DRAFT WERE PUT FORWARD AND VETOED BY THE U S, IT WOULD NO DOUBT LEAD TO CALLS FOR A SPECIAL SESSION AND A WIDENING GAP BETWEEN THE WEST AND THE ARABS.

(IV) IN SOME CIRCUMSTANCES IT MIGHT BE BETTER TO PREVENT THIS DEVELOPMENT BY GETTING IN FIRST IN THE NEW YEAR WITH A EUROPEAN OR BRITISH DRAFT OF OUR OWN, PERHAPS ON THE LINES OF MY IMMEDIATELY FOLLOWING TELEGRAM.

4. IN VIEW OF DIFFERENCES BETWEEN THE SPECIAL REPRESENTATIVE'S OFFICE AND THE STATE DEPARTMENT, YOU MAY CONSIDER IT ADVISABLE TO SPEAK TO THE STATE DEPARTMENT AS WELL AS WALKER.

5. YOU SHOULD EMPHASISE THAT THESE ARE PRELIMINARY IDEAS ON WHICH WE SHOULD BE GLAD OF A U S VIEW BEFORE CONSULTING MINISTERS.

CARRINGTON

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PS/MR HURD
PS/PUS
MR J. C. MOBERLY

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() WASHINGTON 021715Z NOV 79
 TO ROUTINE FCO

TELNO 3509 OF 2 NOVEMBER 1979

INFO ROUTINE TEL AVIV CAIRO JEDDA AMMAN BEIRUT DAMASCUS
 UKMIS NEW YORK AND JERUSALEM.

MY TELNO 3372: ARAB-ISRAEL: STRAUSS

1. TODAY'S NEW YORK TIMES REPORTS AN INTERVIEW WITH STRAUSS IN WHICH FOR THE FIRST TIME HE OPENLY DISCUSSED THE POSSIBILITY THAT HE MIGHT GIVE UP HIS MIDDLE EAST JOB. ASKED SPECIFICALLY WHETHER HE WOULD STICK WITH THE MIDDLE EAST NEGOTIATIONS TO THE END, HE REPLIED QUOTE I DON'T WANT TO COMMENT. I DON'T WANT TO MISLEAD YOU. UNQUOTE

2. REFERRING TO PRESSURES ON HIM TO DEVOTE MORE TIME TO THE CARTER RE-ELECTION CAMPAIGN HE SAID QUOTE I AM UNDER AN AWFUL LOT OF PRESSURE FROM ALL OVER THE COUNTRY, FROM MEMBERS OF CONGRESS. THEY SAY THE CAMPAIGN IS MORE IMPORTANT TO THE UNITED STATES THAN ANYTHING ELSE. EVEN PEACE IN THE MIDDLE EAST IS DEPENDENT ON CARTER UNQUOTE.

3. SUGGESTING THAT HE WAS HARDLY INDISPENSIBLE TO THE MIDDLE EAST NEGOTIATIONS AND THAT IF HE QUIT THERE WERE OTHERS WHO COULD DO THE JOB BETTER, HE ADMITTED THAT QUOTE THE PROBLEM I HAVE IN THIS JOB AND WILL ALWAYS HAVE IS THAT I HAVE A BASIC WEAKNESS THAT I WILL NEVER CATCH UP ON. THAT'S A LACK OF KNOWLEDGE OF ALL THE NUANCES OF THE AREA UNQUOTE. HE RECOGNISED, HOWEVER, THAT IF HE DROPPED HIS MIDDLE EAST MISSION, QUESTIONS WOULD INEVITABLY BE RAISED AT HOME AND ABROAD ABOUT THE ADMINISTRATION'S COMMITMENT TO A MIDDLE EAST SETTLEMENT. THAT REMAINED A FACTOR IN HIS RELUCTANCE TO TAKE A FIRM DECISION NOW.
 WENDLSON

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TO ROUTINE F C O

TELEGRAM NUMBER 3447 OF 30 OCTOBER

INFO ROUTINE CAIRO, TEL AVIV, AMMAN, BEIRUT, DAMASCUS, JEDDA,
UKMIS NEW YORK, HMGJ JERUSALEM.

CAIRO TELNO 801 (NOT TO ALL): STRAUSS/KHALIL/BURG TALKS IN
LONDON

1. WALKER (STRAUSS' OFFICE) HAS NOW BRIEFED US. HE PREFACED HIS ACCOUNT BY STRESSING HOW GRATEFUL STRAUSS WAS FOR ALL THE COOPERATION AND HELP WITH ARRANGEMENTS WHICH THE AMERICANS HAD BEEN GIVEN BY THE U K AUTHORITIES IN SETTING UP THIS MEETING.
2. WALKER SAID THAT THE FORMULA HAD WORKED WELL. MOST OF THE DISCUSSION HAD BEEN BETWEEN THE THREE PRINCIPALS ALONE AND THERE HAD NEVER BEEN A FORMAL PLENARY SESSION. THE ATMOSPHERE HAD BEEN EXCELLENT BOTH DURING AND OUTSIDE THE MEETINGS (THE DINNER STRAUSS HAD GIVEN HAD BEEN AN OCCASION FOR "SONGS AND JOKES"). WALKER BELIEVED THAT THE COMBINATION OF STRAUSS' PUBLIC PRE-MEETING PESSIMISM AND DAYAN'S RESIGNATION REMARKS HAD PUT PRESSURE ON BOTH SIDES TO PRODUCE SOME SIGNS OF PROGRESS.
3. BOTH SIDES HAD MADE CONCESSIONS. BURG (NOT WITHOUT MANY TELEPHONE CALLS TO JERUSALEM) HAD AGREED THAT THE ELECTIONS SHOULD BE SUPERVISED BY ISRAELI AND PALESTINIAN CIVILIANS, THOUGH HE HAD NOT BEEN WILLING TO SPELL OUT IN THE COMMUNIQUE THAT THE MILITARY WOULD BE SPECIFICALLY EXCLUDED; AND HE HAD OPENED THE DOOR FOR INTERNATIONAL SUPERVISION. THE EGYPTIANS, THOUGH THEY WOULD NOT ADMIT IT, HAD CLIMBED DOWN FROM THEIR REFUSAL TO DISCUSS DETAILS BEFORE ESTABLISHING AGREED PRINCIPLES. THE PROCEDURAL RESULT WAS THAT THE ISRAELIS ARE, WITHIN TWO WEEKS, TO SUBMIT TO THE EGYPTIANS AND AMERICANS A DETAILED DESCRIPTION OF THE EXTENT TO WHICH THE ISRAELI MILITARY GOVERNMENT IS INVOLVED IN THE DAY-TO-DAY RUNNING OF ALL ASPECTS OF WEST BANK ADMINISTRATION. THEY ARE TO INDICATE WHICH SECTORS CAN IN THEIR VIEW BE HANDED OVER IN THEIR ENTIRETY TO THE AUTONOMOUS REGIME AND WHICH WILL CAUSE THEM PROBLEMS (THE EGYPTIANS STUCK TO THEIR POSITION THAT EVERYTHING EXCEPT SECURITY - SPECIFICALLY EXCLUDED BY THE TREATY - SHOULD BE HANDED OVER FULLY.) THE EXISTING WORKING GROUPS WILL THEN DISCUSS THESE ISSUES IN DETAIL, POSSIBLY BY BREAKING UP INTO FURTHER SUBCOMMITTEES.
4. WALKER MADE NO CLAIM THAT THE PROSPECTS WERE BRIGHT AND READILY ACKNOWLEDGED THAT THIS SUCCESSFUL LONDON FORMULA COULD NOT BE REPEATED EITHER SOON OR OFTEN. HE WAS PARTICULARLY GLOOMY ABOUT THE

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ABILITY OF THE WEAKENED ISRAELI CABINET TO TAKE ANY DECISION SIGNIFICANT ENOUGH TO BREAK THE REALLY DIFFICULT ISSUES. BUT ON BALANCE THE MEETING HAD HELPED AND WALKER THOUGHT THAT MUCH CREDIT SHOULD GO BURG WHO HAD HAD A DIFFICULT HAND TO PLAY. AGREEMENT ON ELECTION MODALITIES HAD BEEN BROUGHT CLOSER AND KHALIL'S IDEA OF SOLVING THE PROBLEM OF THE EAST JERUSALEM ARABS BY A WEST GERMAN TYPE OF ARRANGEMENT WAS INTERESTING.

5. WALKER MENTIONED THAT KHALIL, WITHOUT APPEARING TO HAVE THOUGHT THE MATTER THROUGH, HAD RAISED THE QUESTION OF A NEW SECURITY COUNCIL RESOLUTION ON PALESTINIAN RIGHTS. IT WAS NOT CLEAR WHETHER THE EGYPTIANS ARE THINKING OF INITIATING THIS THEMSELVES OR SIMPLY PREPARING THEMSELVES BETTER THAN IN AUGUST IN CASE SOMEONE ELSE DID. THE AMERICANS ARE UNDECIDED ON WHAT THEIR OWN ATTITUDE SHOULD BE. THE EASIEST WAY OUT MIGHT BE TO TAKE A HARD LINE FROM THE BEGINNING IN THE HOPE THAT A SUFFICIENTLY EXTREME DRAFT WOULD EMERGE TO MAKE A VETO REASONABLE. THERE WERE PEOPLE IN STATE DEPARTMENT WHO SAW ADVANTAGE IN SUCH A RESOLUTION FOR THE SAME REASONS AS IN AUGUST, PLUS THE FACT THAT IT MIGHT THIS TIME HAVE EGYPTIAN SUPPORT. THE SUFFERER WOULD BE CAMP DAVID AND THEREFORE THE PRESIDENT, SINCE AFTER ALL THE RHETORIC OF AUGUST IT WOULD BE HARD TO DENY THAT TO GO ALONG WITH A NEW RESOLUTION WAS TANTAMOUNT TO ADMITTING THAT CAMP DAVID HAD FAILED. WALKER SAID THAT U K VIEWS AND IDEAS ON THE ADVISABILITY AND TIMING (EVEN IF IT IS OUTSIDE WESTERN CONTROL) OF A NEW RESOLUTION WOULD BE WELCOME.

6. STRAUSS WILL ATTEND THE ST CATHERINE MONASTERY CEREMONIES BUT HAS TAKEN NO DECISION YET ON WHETHER TO GO TO THE DECEMBER MINISTERIAL MEETING.

7. WALKER SAID, INCIDENTALLY, THAT THE AMERICANS HAD HAD NO HAND IN SADAT'S DECISION ON THE OIL PRICE QUESTION (CAIRO TELNO 803).

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TO PRIORITY FCO

TELEGRAM NUMBER 530 OF 30 OCTOBER
INFO ROUTINE TEL AVIV
PROPOSED MOVE OF CANADIAN EMBASSY TO JERUSALEM

mi Prime Minister

1 THE PRIME MINISTER TOLD THE COMMONS LAST NIGHT THAT THE GOVERNMENT ACCEPTED MR STANFIELD'S RECOMMENDATION QUOTE THAT NO ACTION BE TAKEN ON THE LOCATION OF THE CANADIAN EMBASSY UNTIL THE STATUS OF JERUSALEM IS CLARIFIED WITHIN A COMPREHENSIVE AGREEMENT BETWEEN ISRAEL AND ITS ARAB NEIGHBOURS UNQUOTE.

2. THE ANTICIPATED REVERSAL OF THE GOVERNMENT'S EMBARRASSING ELECTION PLEDGE HAS OCCURRED SOONER THAN EXPECTED. MR STANFIELD'S RECOMMENDATION WAS CONTAINED IN AN INTERIM REPORT WHICH THE DEAT TELL US WAS PRODUCED ON HIS OWN INITIATIVE. MR STANFIELD'S UNEQUIVOCAL REJECTION OF THE PROPOSED EMBASSY MOVE SUGGESTS THAT HE WAS ANXIOUS TO REVERSE THE DAMAGE CAUSED BY THE PROPOSAL WITHOUT FURTHER DELAY. THE GOVERNMENT EVIDENTLY SHARED HIS CONCERN. RECENTLY MR MICHAEL WILSON, THE MINISTER FOR INTERNATIONAL TRADE ADMITTED ORDERS WORTH DOLLARS FOUR AND A QUARTER MILLION HAD BEEN CANCELLED BY ARAB COUNTRIES BECAUSE OF THE JERUSALEM PLAN.

3. MR STANFIELD IS EXPECTED TO SUBMIT A FINAL REPORT IN THE NEW YEAR CONTAINING RECOMMENDATIONS ON CANADA'S BROAD MIDDLE EASTERN POLICY INCLUDING THE QUESTION OF PEACE-KEEPING.

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cc: [unclear]



10 DOWNING STREET

THE PRIME MINISTER

26 October 1979

Dear Mr. Strauss,

Thank you so much for your letter of 25 October and for the kind remarks it contained. I very much hope that the talks in which you are participating will soon make progress. The Egyptian Prime Minister spoke warmly to me last night about your contribution.

Yours sincerely
Margaret Thatcher

Mr. Robert S. Strauss



Foreign and Commonwealth Office

London SW1A 2AH

25 October 1979

Dear Michael,

Message to the Prime Minister from Mr Strauss

/ I enclose a letter to the Prime Minister from Mr Robert Strauss, President Carter's Special Representative and Leader of the American delegation in the Middle East negotiations. Mr Strauss is calling on Lord Carrington tomorrow morning.

Yours (SL)

Paul Lever

M O'D B Alexander
10 Downing Street

26 OCT 1979



THE WHITE HOUSE
WASHINGTON

October 25, 1979

The Right Honourable Margaret Thatcher, M.P.
Prime Minister
10, Downing Street

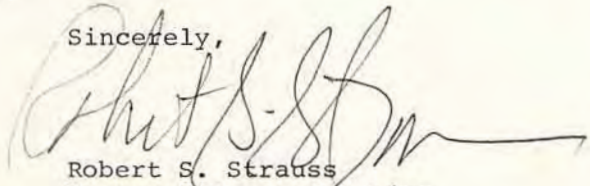
Dear Prime Minister:

I want to express my thanks for the wonderful cooperation we are receiving here in London. I am very much looking forward to meeting with Lord Carrington tomorrow morning to brief him on the Middle East situation.

I haven't had the pleasure of seeing you since the dinner at Henry Kissinger's during your last visit. But I look forward to seeing you during your forthcoming visit, should your schedule permit.

I follow with admiration your steadfast determination and progress.

Sincerely,

A handwritten signature in dark ink, appearing to read 'R. S. Strauss', with a long horizontal flourish extending to the right.

Robert S. Strauss
Personal Representative
of the President

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Middle East

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PS/MR HURD
PS/PUS
MR J C MOBERLY

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FM WASHINGTON 252340Z OCT 79

TO PRIORITY F.C.O.

TELEGRAM NUMBER 3372 OF 25 OCTOBER.

INFO TEL AVIV, CAIRO, JEDDA, AMMAN, BEIRUT, DAMASCUS, UKMIS NEW YORK,
HMCG JERUSALEM.

FROM ROBINSON

MY TELEGRAM NO 3339: ARAB/ISRAEL.

1. THERE HAVE BEEN INCREASING SIGNS IN THE LAST WEEK THAT STRAUSS FEELS HIS MIDDLE EAST TASK IS HOPELESS AND THAT HE SHOULD NOT PRESS MATTERS TO A CRISIS SINCE THIS WOULD DAMAGE CARTER'S ELECTION CAMPAIGN. THERE HAVE ALSO BEEN CONTINUING INDICATIONS THAT STRAUSS IS RESISTING FIRMLY EFFORTS BY THE STATE DEPARTMENT TO STEER THE ADMINISTRATION INTO A MORE FORCEFUL ROLE IN THE NEGOTIATIONS.

2. IN LAST NIGHT'S WASHINGTON STAR, BASED ON AN INTERVIEW WITH STRAUSS LAST WEEK (IE BEFORE DAYAN'S RESIGNATION), HENRY BRANDON WRITES THAT BEGIN SEEMS TO BE OBLIVIOUS TO THE FACT THAT THE STRENGTH OF HIS NEGOTIATING POSITION WILL BE DECLINING AS ISRAEL HANDS OVER THE OIL WELLS ON 25 NOVEMBER AND LAND TO THE EL ARISH/RAS MUHAMMED.

WRITES THAT BEGIN SEEMS TO BE OBLIVIOUS TO THE FACT THAT THE STRENGTH OF HIS NEGOTIATING POSITION WILL BE DECLINING AS ISRAEL HANDS OVER THE OIL WELLS ON 25 NOVEMBER AND LAND TO THE EL ARISH/RAS MUHAMMED LINE ON 25 JANUARY. SADAT IS THEN LIKELY TO BECOME MORE OUTSPOKEN IN PRESSING THE PALESTINIAN ISSUE. UNLESS BEGIN IS WILLING TO OFFER THE PALESTINIANS MORE THAN TOKEN AUTONOMY, THE TALKS ARE BOUND TO COLLAPSE AND ISRAEL'S BUDDING RELATIONS WITH EGYPT ARE LIKELY TO DETERIORATE AT THE VERY MOMENT THAT AMBASSADORS ARE EXCHANGED FOR THE FIRST TIME. BRANDON QUOTES STRAUSS AS ADMITTING WITH OBVIOUS DESPAIR THAT HIS JOB IS REDUCED TO "KEEPING ALIVE" AND THAT HE DOES NOT EXPECT ANY RESULTS FROM HIS TALKS IN LONDON THIS WEEK.

3. BRANDON TOLD ME TODAY IN CONFIDENCE THAT:

- (I) HE HAD NEVER SEEN STRAUSS, NORMALLY VERY RESILIENT, SO PESSIMISTIC;
- (II) STRAUSS HAD BEEN A GOOD DEAL PLAINER ABOUT HIS BELIEF THAT THE NEGOTIATIONS COULD NOT BE MOVED FORWARD AS LONG AS BEGIN REMAINED;
- (III) STRAUSS DID NOT DISGUISE HIS CONCERN ABOUT THE REPERCUSSIONS OF PRESSING THE ARAB/ISRAEL NEGOTIATIONS FOR CARTER'S RE-ELECTION CAMPAIGN; (THOUGH HE DID NOT SAY THAT CARTER SHARED HIS CONCERN);
- (IV) STRAUSS GAVE A STRONG HINT THAT HE DID NOT EXPECT TO REMAIN IN CHARGE OF THE MIDDLE EAST NEGOTIATIONS UNTIL NEXT MAY, AND THAT HIS DEPARTURE MIGHT IN FACT BE A GOOD DEAL EARLIER.

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Handwritten mark or signature.

Handwritten notes in the top left corner, including a large '1' and some illegible scribbles.

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Visit of Mr. Khalil
PM of Egypt

RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE
PRIME MINISTER OF EGYPT, MR. MUSTAFA KHALIL, AT 10 DOWNING STREET
ON 25 OCTOBER 1979 AT 1730

Present

Prime Minister	Mr. M. Khalil
Mr. M.S. Weir	H.E. Mr. M.S. Anwar
Mr. M.O'D.B. Alexander	

* * * * *

Autonomy Talks

The Prime Minister asked about progress in the autonomy talks. Mr. Khalil said that the talks were going very slowly. The view-points of the Israeli and Egyptian Governments were quite different, e.g. over the question of the responsibilities of a self-governing authority. In the Egyptians' view all civilian responsibilities should be transferred to the new authority. Only military responsibility should be retained by the Israeli Government. The Israelis on the other hand wanted the military authorities to retain extensive powers. Mr. Khalil quoted as an example the fact that the Israelis wanted to retain control of education in order to ensure that schoolbooks did not contain criticism of them. The Egyptians wanted the self-governing authority, which would be elected, to have legislative as well as judicial and administrative powers. The Israelis wished to limit the electoral process as far as possible: they had in mind a ^{directly elected} /eleven-man council. The Egyptians wanted a contested election in constituencies. The Israelis claimed that this would mean party politics and would bring the PLO to power. When the Egyptians had attempted to resolve this last point by making it a condition for participation by any party in the election that that party should have to accept the existence of Israel, the Israelis had shelved the question. Indeed one of the problems of dealing with the Israelis was that their negotiators had no powers of decision; everything was referred back to Mr. Begin.

The Prime Minister asked whether Mr. Khalil had any specific objective for the following day. Mr. Khalil said that whole negotiations could be finished in six months if the principles /could

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could be agreed. But since at present everything was disagreed, little progress could be made. Mr. Strauss was trying very hard to find a way through. Mr. Khalil said that he agreed with Mr. Strauss that this was not a time to try to put too much pressure on the Israelis. They would resist US pressure and in any case Mr. Carter was unlikely to be prepared to exert it in a pre-election period. In short, the talks on the following day were unlikely to get very far. The Israelis were said to have brought some new ideas with them but it was not easy to see what these might be.

Mr. Weir asked whether Mr. Khalil had a timetable in mind. Mr. Khalil said that he planned to escalate the pressure on Israel when Egyptian territory up to the El Arish/Ras Mohammed line had been returned, i.e. after January. It was an essential part of Egyptian thinking on this that the Israeli Defence Minister, Mr. Weizman, should not resign until the El Arish/Ras Mohammed line had been secured. Mr. Weizman, whom Mr. Khalil claimed as a good friend, had an excellent understanding with the Egyptian Defence Minister. If he were to go, and still more if Mr. Begin's Government was to fall, there might well be a prolonged period of paralysis. The situation would be ^{still more} unfavourable if Mr. Weizman was succeeded by Mr. Sharon.

The Prime Minister asked about the compatibility of the Camp David process and of the ideas that King Hussein had been advocating. Mr. Khalil said that King Hussein's opinion was that the Camp David talks would get no further and that the Camp David procedure was itself wrong. Mr. Khalil's own view was that it would be better for the Camp David process to continue. He had an additional proposal to put forward which he believed would make it possible for King Hussein's ideas to be pursued in parallel and on a complementary basis with the Camp David process.

It was clear that the PLO could not advance their cause without accepting the right of Israel to exist. It was equally clear that the Palestinian National Council would not take this step ^{voluntarily}. The Egyptian Government's proposal was that before the Arab Summit at the end of November, the leading Arab states should

/agree

to the adopting of a suitable Security Council resolution on the basis that once it was passed, the PLO would make a statement accepting Israel's right to exist. The Security Council resolution would be a balanced one which would include references to the right of Israel to exist and to the right of the Palestinian people to self-determination but would contain no reference to a Palestinian state. It would of course be essential for the PLO to agree before the resolution was put to the Security Council that if it were passed they would accept it.

Mr. Khalil went on to argue that once the resolution had been passed and had been accepted by the PLO, terrorist activity, particularly along the Israel/Lebanon border, would cease. This in turn would make it possible for the PLO and Israel to withdraw from the disputed area in Southern Lebanon and for the PLO to be partly but not completely disarmed (they might for instance surrender their missiles while retaining small arms). If the Palestinians were then prepared to accept Lebanese sovereignty in the areas they at present controlled, the Syrians could pull back and a comprehensive settlement in the Lebanon might become possible. This would clear the way for the entry of the Palestinians into the autonomy talks and for an alignment of the positions of the PLO and of the Egyptian Government.

The Prime Minister asked how Mr. Khalil intended to pursue his idea and how much support he expected to gain for it. Mr. Khalil said that the next three or four weeks would be crucial. The Egyptian Government was not in direct touch with the other Arab Governments but Mr. Strauss, who was aware of and approved the plan, would convey it to President Carter. It would then be for the Americans to sell it to the other Arab Governments. Mr. Khalil himself had discussed the plan with Chancellor Kreisky, who was in favour, and with the PLO representative in Vienna, Mr. Sirtawi. Mr. Sirtawi had undertaken to convey the plan to Yasser Arafat. He was confident that Arafat would accept it. As regards the attitude of other Arab states, Mr. Khalil expected that only Iraq, Libya and South Yemen would reject it.

/Mr. Weir

Mr Weir commented that Mr Khalil's plan was very similar to the abortive American initiative in August about which Egypt had had reservations. Mr. Khalil said that his plan was essentially the same. However, his Government had considered that the timing of the earlier initiative had been quite wrong. The plan had no chance of acceptance in the summer but the situation was now more favourable. The only result of pursuing the plan on the earlier timing would have been that the Israelis would have pulled out of the negotiations. Now everyone, including Israel, would accept the approach he was suggesting. The resolution might best be presented to the Security Council in January.

The Prime Minister said it would be essential to avoid another failure like that of the summer. If the idea was to be pursued then everything would have to be arranged before the resolution was put to the Security Council. Mr. Khalil repeated that he was confident that his plan would be accepted. He referred to a list of 14 questions which King Hussein had put to President Carter immediately after the Camp David talks and to which President Carter had given written answers. Those answers had covered every point on which Egypt was now seeking satisfaction. Mr. Khalil said that his Government asked for nothing more. As regards the PLO, if they did not accept the present opening they would lose their chance of involvement in the peace process for a considerable time. He did not underestimate the difficulties with the PLO. Chancellor Kreisky had come close to resignation earlier this year after he had been let down by his PLO contacts. He had wanted to present a peace prize jointly to a distinguished Israeli and to Mr. Sirtawi, the PLO representative in Austria. Yasser Arafat had agreed that Mr. Sirtawi might accept the peace prize and then, after knowledge of Chancellor Kreisky's plan had become public, Yasser Arafat under pressure from the Palestinian National Council had changed his mind. It was only the willingness of Mr. Sirtawi to defy Yasser Arafat and accept the award (at possible risk to his own life) that had saved the situation. This episode, according to

/Mr. Khalil

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- 5 -

Mr. Khalil, showed the difficulties of dealing with the PLO and of getting the Palestinian National Council to take a responsible line on the recognition of Israel's right to exist. However, Yasser Arafat would have to shoulder his responsibilities. Mr. Khalil was confident that if the other Arab states brought sufficient pressure to bear in the period between now and 25 November, he could be brought to do so.

The discussion ended at 1815.

AmA

26 October 1979

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PS/MR HURD
PS/PUS
MR J C MOBERLY

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TO PRIORITY FCO
TELEGRAM NUMBER 479 OF 24 OCTOBER
INFO CAIRO AMMAN DAMASCUS BEIRUT UKMIS NEW YORK ERUSALEM

Prime Minister ②

STP. Duty Col.
MOBAM
25.10

WASHINGTON TELS NOS 3314 AND 3315: AUTONOMY NEGOTIATIONS

1. THERE IS CERTAINLY NO EVIDENCE YET AVAILABLE HERE TO SUPPORT THE VIEW ATTRIBUTED BY GWERTZMAN OF THE NEW YORK TIMES TO THE STATE DEPARTMENT'S MIDDLE EAST EXPERTS (PARAGRAPH 2 OF 1ST TUR), THAT MR DAYAN'S RESIGNATION WILL "QUICKEN THE PACE" OF THE QUTONOMY NEGOTIATIONS.
2. ON THE CONTRARY, AS STERNER ARGUES (PARAGRAPH 2 OF SECOND TUR), THE ISRAELI CABINET WITHOUT MR DAYAN IS LIKELY TO BE LESS RATHER THAN MORE FLEXIBLE ON THIS ISSUE. THIS WILL BE PARTICULARLY THE CASE IF PROFESSOR YADIN SUCCEEDS MR DAYAN SINCE HE SEEMS VERY LIKELY TO BE PREPARED TO TAKE HIS ORDERS UNDILUTED FROM MR BEGIN AND THE HARD MEN IN THE CABINET.
3. AND IF, AS IS NOW BEING SUGGESTED, DR BURG DECIDES TO DROP HIS REPORTED EARLIER RESERVATIONS (PARAGRAPH 3 OF MY TELNO 476) IN ORDER TO BECOME FOREIGN MINISTER, THE PROSPECTS OF A MORE FLEXIBLE APPROACH SEEM EVEN SLIMMER. BURG'S ATTITUDE, NOT ONLY ON THE JERUSALEM ASPECT OF THE NEGOTIATIONS, BUT ON THE AUTONOMY QUESTITN AS A WHOLE, IS PERHAPS BEST PORTRAYED IN ONE SENSITIVELY PHRASED COMMENT TO THE ISRAEL/AMERICAN CHAMBER OF COMMERCE HERE

ON THE JERUSALEM ASPECT OF THE NEGOTIATIONS, BUT ON THE AUTONOMY QUESTION AS A WHOLE, IS PERHAPS BEST PORTRAYED IN ONE SENSITIVELY PHRASED COMMENT TO THE ISRAEL/AMERICAN CHAMBER OF COMMERCE JUNE ON 19 OCTOBER, WHEN - SPEAKING OF THE POSSIBILITY THAT DR KHALIL MIGHT WISH TO PRESS HIM TOMORROW IN LONDON ON THE POSSIBILITY OF THE ARABS OF EAST JERUSALEM PARTICIPATING IN A FUTURE AUTONOMOUS REGIME ON THE WEST BANK - HE IS QUOTED AS SAYING: "I SHALL EXPLAIN TO HIM (KHALIL) THAT JERUSALEM IS MENTIONED IN THE BIBLE NEARLY 700 TIMES BUT IS NOT ONCE MENTIONED IN THE KORAN. THIS WOULD SEEM TO ME TO SETTLE THE ISSUE".

4. IT IS, OF COURSE, CONCEIVABLE (STERNER'S "IMPLAUSIBLE SCENARIO") THAT MR BEGIN, SHAKEN BY THE WORLD REACTION TO MR DAYAN'S RESIGNATION, MIGHT IN SOME MOODS BE TEMPTED TO MAKE A BID FOR SUCCESS IN THE NEGOTIATIONS AS A WAY OF RESTORING HIS OWN PRESTIGE. BUT ANY PAPER-HANGING IN WHICH THE CABINET MIGHT, AT HIS URGING, INDULGE TO PRESENT THE APPEARANCE OF A NEW FLEXIBILITY COULD ONLY DISGUISE THE REALITY TEMPORARILY, CONTINUED ATTACHMENT TO THEIR OWN NARROW AND RIGID VERSION OF WHAT AUTONOMY SHOULD MEAN.

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Original correspondence
in GRs.

Middle East

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10 DOWNING STREET

THE PRIME MINISTER

24 October, 1979.

Dear Julian,

Thank you for your letter of 22 October. I was fascinated to read the summary of your discussions and I look forward to the fuller version.

Yours ever,

(SGD) MT

The Rt. Hon. Julian Amery, MP.

Mr

TEL AVIV 231300Z OCT
TO PRIORITY F C O
TELNO 477 OF 23 OCT
INFO WASHINGTON, CAIRO, AMMAN, DAMASCUS, BEIRUT.
MYTEL 471 (PARAGRAPH TWO): MR DAYAN'S FAREWELL.

②
Prime Minister

SJF Duty Club
M Mod SA
2510

1. MR DAYAN HELD A FAREWELL MEETING WITH FOREIGN HEADS OF MISSION AT THE ISRAELI MINISTRY OF FOREIGN AFFAIRS THIS MORNING. HE LOOKED SPRUCE AND CHEERFUL IN A NATTY BROWN "LEISURE SUIT" AND (AMAZINGLY) A TIE. THE MEETING WAS SHORT - TWENTY MINUTES; MR DAYAN HAD TO GO ON TO A FINAL PRESS CONFERENCE IMMEDIATELY AFTERWARDS.

2. MR DAYAN LED OFF BY CONFESSING THAT HE HAD LITTLE NEW TO SAY ABOUT THE REASONS BEHIND HIS RESIGNATION. HE HAD ALREADY EXPLAINED THESE IN PUBLIC. HIS DECISION TO LEAVE WAS NOT MERELY RELATED TO THE MFA'S "DEALINGS". IT CENTRED ROUND DIFFERING CONCEPTS OF AUTONOMY FOR THE PALESTINIANS. HE WAS SURE THAT EVERYONE IN THE ISRAEL GOVERNMENT, AND, IN PARTICULAR, MR BEGIN, WANTED AN AGREEMENT AS MUCH AS HE DID, BUT THE QUESTION OF HOW THIS SHOULD BE NEGOTIATED WAS "VERY COMPLICATED" ESPECIALLY SINCE THE PALESTINIANS AND JORDANIANS WERE NOT TAKING PART IN THE AUTONOMY NEGOTIATIONS. WITHOUT PALESTINIAN PARTICIPATION THE POINT WOULD BE REACHED AT WHICH IT WOULD BE IMPOSSIBLE TO "MATERIALISE" AN AGREEMENT. HE DID NOT, ON THE OTHER HAND, ACCEPT THAT, AS THE EGYPTIANS WERE URGING, AN AGREEMENT SHOULD BE "BOUGHT"; OR THAT "ALL KINDS OF CONCESSIONS" SHOULD BE MADE TO THE PALESTINIANS IN ORDER TO BRING THEM INTO THE TALKS, SUCH AS A DECISION TO HALT ISRAELI SETTLEMENT IN THE OCCUPIED TERRITORIES. AND DESPITE ALL THE PROBLEMS, HE STILL FELT STRONGLY THAT THERE WAS A CHANCE OF REACHING AN AGREEMENT WHICH WOULD NOT "CONTRADICT" THE CAMP DAVID FRAMEWORK. THIS MIGHT BE SLOW TO ACHIEVE AND DIFFERENT METHODS MIGHT BE REQUIRED. BUT IT COULD BE MANAGED.

3. MR DAYAN REITERATED THAT HE HAD NOT COMPLAINED WHEN THE PRIME MINISTER HAD REFUSED TO PUT HIM IN CHARGE OF THE AUTONOMY NEGOTIATIONS. HE HAD BEEN OFFERED THE JOB INITIALLY, BUT BOTH HE AND MR BEGIN KNEW THAT A "GUIDELINE" WAS NEEDED IF THE NEGOTIATIONS WERE TO BE CARRIED OUT EFFECTIVELY. UNFORTUNATELY, THE N R P AND LIKKUD VIEWS (ON THE CONDUCT OF, AND OBJECTIVES IN, THE NEGOTIATIONS; BY PARENTHESIS) DID NOT "EXACTLY CORRESPOND WITH MINE". HE HAD THEREFORE FELT THAT COULD NOT TAKE RESPONSIBILITY FOR LEADING THE ISRAELI SIDE IN THE TALKS. /4.

4. AFTER EMPHASIZING AGAIN THAT ISRAEL OFFERED AN OPEN
FROM THE CAMP DAVID FRAMEWORK, MR. DAYAN MADE WHAT HE
DESCRIBED AS A NEW POINT (ONE WHICH HE WOULD ALSO MAKE IN HIS
SUBSEQUENT PRESS CONFERENCE). "MANY OF YOU OVER-ESTIMATE THE
CAPACITY OF THE P L O TO PERMIT, OR NOT TO PERMIT, THE PALESTINIAN
ARABS TO TAKE PART IN THE TALKS". WHY WAS THIS SOBB MR DAYAN
RECALLED THAT WHEN HE HAD CREATED ISRAEL'S "OPEN BORDERS"
AFTER THE 1967 WAR, THE P L O HAD DONE EVERYTHING POSSIBLE TO
PREVENT ARABS FROM COMING TO WORK IN ISRAEL. BUT THEY HAD FAILED.
THIS FAILURE DEMONSTRATED TO HIS MIND THAT IF AND WHEN THE
PALESTINIAN ARAB INHABITANTS LIVING "HERE" (SIC) DECIDED NOT
TO LISTEN TO THE P L O, THEY WOULD FIND IT POSSIBLE TO DO SO.

5. IF THE ARABS ON THE WEST BANK AND GAZA EVENTUALLY DECIDED TO
TAKE PART IN THE AUTONOMY NEGOTIATIONS THE P L O WOULD FIND IT
VERY DIFFICULT TO DISSUADE THEM BY FORCE. THE KEY QUESTION WAS
LOCAL ARAB ATTITUDES: THE PLO'S POSITION WOULD NOT IN REALITY
PROVE A MAJOR OBSTACLE. THE PLO WOULD EITHER AUTHORISE PALESTINIAN
PARTICIPATION (IN THE AUTONOMY NEGOTIATIONS: MY PARENTHESIS) OR
WOULD BE IGNORED. UNFORTUNATELY, AS LONG AS THE PALESTINIANS IN
THE OCCUPIED TERRITORIES WANTED TO HOLD BACK, THEY COULD SHELTER
BEHIND THE ARGUMENT THAT THE P L O WERE PREVENTING THEM FROM
PARTICIPATING.

6. AFTER THE DEAN OF THE DIPLOMATIC CORPS, SPEAKING ON BEHALF
OF HIS COLLEAGUES, HAD EXPRESSED HIS REGRET AT MR DAYAN'S
DEPARTURE, THE U S AMBASSADOR, SAMUEL LEWIS, BROKE IN TO SAY
THAT ALTHOUGH HE WAS A "LITTLE OUT OF ORDER" HE COULD NOT
REFRAIN FROM APPLAUDING THE "EXTRAORDINARY CONTRIBUTION WHICH
THE FOREIGN MINISTER HAD MADE TO THE SUPREME GOAL OF ANY FOREIGN
MINISTER, MAKING PEACE." HE HAD BEEN FORTUNATE TO OBSERVE THE
"TRIALS AND DIFFICULTIES WHICH MR DAYAN HAD ENDURED SINCE THE
SIGNING OF THE CAMP DAVID AGREEMENT. HE HAD BEEN DEDICATED
THROUGHOUT TO ONE PROPOSITION: THAT ISRAEL ABOVE ALL ELSE NEEDED
PEACE AND HAD TRIED TO FIND THE WAY TO OBTAIN THIS. HISTORIANS
WOULD DESCRIBE THE EGYPTIAN-ISRAELI PEACE TREATY, "A MONUMENT
TO PEACE - MAKING IN THIS CENTURY" AS A "MONUMENT ALSO TO
MOSHE DAYAN".

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FM WASHINGTON 222240Z OCT 79

TO PRIORITY FCO

TELNO 3315 OF 22 OCTOBER 79

INFO PRIORITY TEL AVIV ROUTINE TO CAIRO AMMAN DAMASCUS BEIRUT
UKMIS NEW YORK AND JERUSALEM

MIPT: MR DAYAN

1. STERNER (DEPUTY ASSISTANT SECRETARY, STATE DEPARTMENT) HAS CONFIRMED TO US THAT DAYAN'S RESIGNATION HAS COME AS A SURPRISE TO THE STATE DEPARTMENT. THEY KNEW THAT HE HAD BEEN UNHAPPY FOR SOME TIME BUT DID NOT EXPECT A RESIGNATION AT THIS MOMENT AND ARE PUZZLED THAT HE SHOULD HAVE CITED HIS EXCLUSION FROM THE AUTONOMY TALKS SINCE HE HAD BEEN LIVING WITH THAT FOR SOME MONTHS.
2. STERNER SAID THAT NO ANALYSIS CONDUCTED IN THE STATE DEPARTMENT TALLIED WITH GWERTZMAN'S ACCOUNT THAT INITIAL REACTIONS HERE WERE THAT DAYAN'S RESIGNATION COULD SPEED THE AUTONOMY NEGOTIATIONS. ON THE CONTRARY, STERNER BELIEVED THAT AN ISRAELI CABINET FURTHER WEAKENED BY DAYAN'S DEPARTURE WAS LIKELY TO BE LESS RATHER THAN MORE FLEXIBLE. THE ONLY REASONING THAT COULD POINT THE OTHER WAY WOULD REQUIRE BEGIN TO FEEL A NEED TO ENHANCE HIS PRESTIGE BY MAKING A BID FOR SUCCESS IN THE NEGOTIATIONS - BUT, SINCE THIS WOULD REQUIRE CONCESSIONS, IT LOOKED AN IMPLAUSIBLE SCENARIO.
3. STERNER EXPRESSED CONSIDERABLE ANXIETY ABOUT THE PROBLEMS WHICH HAVE ARISEN OVER ISRAELI OIL SUPPLIES (WASHINGTON TELNO 3250). HE CONFIRMED THAT THERE ARE MEMBERS OF THE ISRAELI CABINET CALLING STRONGLY FOR ISRAEL TO REFUSE TO EVACUATE THE OIL FIELDS UNLESS THEY ARE GIVEN SATISFACTION ON THE PRICE AT WHICH EGYPT WILL SELL THEM OIL. SADAT, WHO IS UNDER NO OBLIGATION FLOWING FROM THE ISRAEL-EGYPT TREATY TO DO OTHERWISE, IS SO FAR STICKING FIRMLY TO THE POSITION THAT EGYPTIAN OIL WILL BE SOLD TO THE ISRAELIS AT THE SAME PRICE AS TO ALL OTHER CUSTOMERS (DLRS32.50 PER BARREL). IF THE ISRAELIS FAIL TO BUDGE HIM (STERNER COMMENTED THAT SADAT HAD

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NOT PROVED GOOD AT CALLING ISRAELI BLUFFS SO FAR EG. OVER THE PLO/UN ISSUE) AND CONSEQUENTLY REFUSE TO WITHDRAW, THIS WOULD CONSTITUTE A CLEAR VIOLATION OF THE TREATY. IN THESE CIRCUMSTANCES STERNER BELIEVES THAT SADAT WOULD NOT HESITATE TO DENOUNCE ISRAEL, LEADING TO AN UNRAVELLING OF THE PEACE PROCESS. AS PART OF THEIR CONCERN ABOUT OIL SUPPLIES THE ISRAELIS ARE ALSO PRESSING THE AMERICANS TO LOWER THE THRESHHOLD WHICH WILL TRIGGER THE US STEPPING INTO THE BREACH. IN THIS CONTEXT TOO THE ISRAELIS ARE PRESSING FOR A BARGAIN PRICE FOR OIL PURCHASED FROM THE UNITED STATES, WHICH THE AMERICANS WOULD FIND POLITICALLY EXTREMELY DIFFICULT.

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TO IMMEDIATE FCO

TELEGRAM NUMBER 468 OF 21 OCTOBER

INFO IMMEDIATE CAIRO WASHINGTON AMMAN BEIRUT DAMASCUS UKMIS

NEW YORK PRIORITY JERUSALEM

MIPT: RESIGNATION OF MR DAYAN

1. RUMOURS OF MR DAYAN'S POSSIBLE RESIGNATION HAVE BEEN CURRENT HERE FOR SOME WEEKS. THESE HAVE FED ON ASSERTIONS THAT - DESPITE MR DAYAN'S OWN PROTESTATIONS TO THE CONTRARY - HIS HEALTH HAS BEEN STEADILY DECLINING SINCE HIS OPERATION IN THE SUMMER. IT HAS ALSO BEEN SUGGESTED THAT HIS WIFE, INCREASINGLY WORRIED ABOUT THE CONTINUED STRAIN OF OFFICE ON HIS HEALTH, HAS BEEN PLEADING WITH HIM TO SEIZE THE FIRST PLAUSIBLE EXCUSE FOR RESIGNATION.
2. HOWEVER THIS MAY BE - AND WE HAVE NO DIRECT EVIDENCE TO SUSTAIN EITHER OF THESE STORIES - THERE HAS BEEN NO DOUBT ABOUT MR DAYAN'S GROWING DISENCHANTMENT WITH THE GOVERNMENT'S POLICIES, OR LACK OF THEM. DESPITE OCCASIONAL HALF-HEARTED ATTEMPTS, SUCH AS THAT AT THE COUNCIL OF EUROPE EARLIER THIS MONTH, TO PUT THE BEST FACE ON THINGS, HE HAS MADE NO SECRET PUBLICLY, AND EVEN LESS SO PRIVATELY, OF HIS CONVICTION THAT MR BEGIN AND HIS CABINET HAVE BEEN LEADING - IF THAT IS THE CORRECT DESCRIPTION - ISRAEL DOWN A SERIES OF BLIND ALLEYS, TO THE DETRIMENT OF HER OWN BEST INTERESTS AND TO THE MANIFEST DISMAY OF HER BEST FRIENDS.
3. QUITE APART FROM THE MAJOR REASON, QUOTED BY NAOR (PARAGRAPH 2 OF MIPT) FOR HIS RESIGNATION - MR BEGIN'S EVIDENT DETERMINATION, AT LEAST UNTIL VERY RECENTLY, TO EXCLUDE HIM, AND THE ISRAEL MINISTRY OF FOREIGN AFFAIRS FROM ANY SERIOUS SAY IN THE HANDLING AND DIRECTION, OF THE AUTONOMY NEGOTIATIONS, HAS CLEARLY RANKLED DEEPLY - MR DAYAN, IN SHARP CONTRAST WITH MOST OF THE REST OF THE CABINET - AND AS HIS STATEMENT QUOTED BY, ISRAEL RADIO MAKES CLEAR - HAS FELT THAT ISRAEL'S REFUSAL TO OFFER EVEN A HINT OF COMPROMISE, AND HER BLATANTLY PROCASTINATORY TACTICS, IN THE NEGOTIATIONS HAVE BECOME INCREASINGLY COUNTER-PRODUCTIVE.

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4. MR DAYAN HAS ALSO BEEN ALONE WITHIN THE CABINET IN ARGUING AS YET IN CIRCUMLOCUTORY AND OPAQUE TERMS BUT WITH STEADILY HARDENING CONVICTION - THAT ISRAEL WILL SOONER OR LATER HAVE TO ENTER INTO SOME KIND OF DIALOGUE WITH THE PLO IN WAYS THAT CANNOT YET BE DEFINED. HIS UNHAPPINESS ABOUT ISRAELI SETTLEMENT POLICIES IN THE OCCUPIED TERRITORIES, AND HIS INABILITY TO DO MORE THAN FIGHT A GALLANT REARGUARD ACTION IN THE FACE OF MR SHARON'S BULL-DOZER, HAVE INTENSIFIED HIS POLITICAL ISOLATION.

5. A FINAL, PERHAPS DECISIVE FACTOR, IN HIS DECISION TO RESIGN WAS PROBABLY HIS JUDGEMENT THAT THE GOVERNMENT NOW HAD VERY LITTLE TIME TO LIVE AND THAT IT WOULD BE WISE TO LEAVE IT BEFORE IT DREW ITS LAST BREATH, WITH HIS OWN PRESTIGE STILL RELATIVELY UNIMPAIRED. AGAINST THIS BACKGROUND, THE SURPRISE IS NOT PERHAPS THAT MR DAYAN HAS RESIGNED BUT THAT IT HAS TAKEN HIM SO LONG TO COME TO THE POINT OF ACTUALLY DOING SO.

6. SOME OPPOSITION MEMBERS OF THE KNESSET ARE ALREADY BEING QUOTED AS SAYING THAT MR DAYAN'S RESIGNATION IS A CLEAR SIGN THAT THE GOVERNMENT'S POLICIES ARE BANKRUPT: TIME HAS NOW COME FOR THEM TO RESIGN. THE OPPOSITION AS A WHOLE WILL NO DOUBT JOIN IN THE CHORUS DURING THE NEXT FEW DAYS (ALTHOUGH IT IS BY NO MEANS CLEAR THAT MR PERES WOULD IN FACT WELCOME THE GOVERNMENT'S RESIGNATION AT THIS MOMENT: HE NEEDS A GOOD DEAL MORE TIME TO CONSOLIDATE HIS POSITION AS LEADER OF THE LABOUR PARTY).

7. YET HOWEVER LOUDLY THE OPPOSITION MAY PRESS THE GOVERNMENT TO RESIGN, MR BEGIN PROBABLY HAS A GOOD DEAL OF FIGHT STILL LEFT IN HIM. HE HAS EVIDENTLY BEEN DOING HIS BEST TO PERSUADE MR DAYAN NOT TO LEAVE SINCE 2 OCTOBER AND THE LATTER'S DECISION TO GO, DESPITE HIS PLEAS, WILL NOT BE WELCOME TO HIM. BUT IT DOES, AT LEAST IN THEORY, OPEN UP THE FIELD FOR THE CABINET RESHUFFLE WHICH HAS SEEMED INCREASINGLY INEVITABLE SINCE MID-SUMMER AND COULD COMPEL MR BEGIN, NOLENS VOLENS, TO SOLVE THE "ERHLICH PROBLEM" IN A WAY ACCEPTABLE TO HIS REMAINING CABINET COLLEAGUES AND THE COALITION PARTIES. A NEW CABINET COULD EVENTUALLY EMERGE WHICH, WITH MR DAYAN GONE AND PROFESSOR YADIN AND MR WEIZMAN THE ONLY REMAINING "MODERATES", MIGHT APPEAR SOMEWHAT MORE EFFECTIVE AND UNITED THAN THE PRESENT VERSION (ALTHOUGH I SUSPECT THAT THE APPEARANCES WOULD BE SUPERFICIAL AND THE REAL DEGREE OF COHESION SMALL).

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8. MEANWHILE, WE ARE PROBABLY IN FOR A PERIOD OF COMPLEX BARGAINING IN THE ITALIAN STYLE AS MR BEGIN STRIVES TO HOLD HIS GOVERNMENT TOGETHER AND EMBARKS ON A RESHUFFLE. VARIOUS NAMES - MR TAMIR, THE MINISTER OF JUSTICE, AND MR SHOSTAK, THE MINISTER OF HEALTH - ARE ALREADY BEING TOUTED IN THE DAYAN SUCCESSION STAKES. BUT IT WOULD BE UNWISE AT THIS STAGE TO PLACE BETS. MR BEGIN MAY PREFER TO CONTINUE TO ACT AS HIS OWN FOREIGN MINISTER FOR A TIME WHILE NEGOTIATIONS GO ON ABOUT THE SHAPE OF THE NEXT LIKUD CABINET.

9. WHATEVER THE PRECISE OUTCOME OF THESE ASSUMING, OF COURSE, THAT MR BEGIN'S OWN HEALTH HOLDS UP SUFFICIENTLY FOR HIM TO CARRY ON, A FACTOR ABOUT WHICH THERE MUST BE SOME DOUBT - THE NEXT CABINET, WITHOUT MR DAYAN, SEEMS LIKELY TO TAKE AN EVEN HARDER LINE, IF THAT IS POSSIBLE, IN THE AUTONOMY NEGOTIATIONS: WILL CONTINUE TO BE VULNERABLE TO PRESSURE FROM MR SHARON AND HIS GUSH EMUMIN ALLIES ON SETTLEMENT POLICY IN THE OCCUPIED TERRITORIES: AND WILL GO ON SAYING "NEVER" TO THE IDEA OF AN EVENTUAL DIALOGUE WITH THE PLO.

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PRIME MINISTER'S

PERSONAL MESSAGE

10 DOWNING STREET

SERIAL No. T1230/79r

THE PRIME MINISTER

18 October, 1979.

Your Excellency,

Thank you very much for your letter of 23 September with its full account of your discussions with Mr. Begin at Haifa and your intentions for the future.

I take this opportunity to confirm my firm support for your efforts aimed at achieving a comprehensive Middle East peace. I very much agree with your view of the need to find a formula which will meet the legitimate rights of the Palestinians, and provide for co-existence between the Palestinian and Israeli peoples. I wish the continuing negotiations well. I am convinced that if some genuine autonomy for the West Bank and Gaza can be achieved as a transitional arrangement, this would be a valuable basis on which to build toward lasting peace in the area.

With all good wishes.

Yours sincerely,

(sgd) M T

His Excellency Mr. Muhammed Anwar Sadat.

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TO IMMEDIATE FCO
TELNO 761 OF 15 OCT
INFO IMMEDIATE MOD
MIFT: MEETING WITH PRESIDENT SADAT: BILATERAL AFFAIRS

1. AFTER PRESIDENT SADAT'S LUNCH ON 13 OCTOBER FOR MR AND MRS CALLAGHAN I MANAGED TO HAVE A SEPARATE CONVERSATION WITH HIM ABOUT BILATERAL TOPICS.
2. I BEGAN BY COMPLIMENTING HIM ON THE 6 OCTOBER MILITARY PARADE AND FLY-PAST. SADAT COMMENTED THAT ALTHOUGH HE NO LONGER HAD ANY REASON TO MAINTAIN A HIGH LEVEL OF FORCES AND ARMAMENTS VIS-A-VIS ISRAEL HE WAS UNFORTUNATELY OBLIGED TO DO SO BY THE THREAT FROM OTHER NEIGHBOURS, NOTABLY QADDHAFI. THANKS PRIMARILY TO THE GENEROUS HELP OF THE UNITED STATES HE WAS ABLE TO KEEP HIS FORCES AND EQUIPMENT UP TO DATE. I REMINDED THE PRESIDENT THAT BRITAIN HAD BEEN SUPPLYING EGYPT WITH DEFENCE EQUIPMENT AND TRAINING ON A SUBSTANTIAL SCALE FOR SOME YEARS BEFORE THE US ENTERED THE FIELD. THERE WAS NOW A PROBLEM OVER THE A01 BUT BRITISH FIRMS REMAINED ANXIOUS TO CONTINUE WITH COOPERATIVE VENTURES AND WERE KEEN TO DISCUSS THE MODALITIES.

COOPERATIVE VENTURES AND WERE KEEN TO DISCUSS THE MODALITIES. I CANNOT CLAIM THAT SADAT HOISTED THIS IN, FOR HE REVERTED TO HIS THEME OF THE MEGALOMANIC QADHAFI WHOSE AMBITION WAS TO EMULATE ISRAEL IN POWER AND IN RATIO OF ARMAMENTS TO POPULATION (IN VAIN, FOR THE HUMAN MATERIAL WAS HOPELESS, DESPITE THEIR ALGERIAN, SOUTH YEMENI, CUBAN, NORTH KOREAN ETC MERCENARIES).

3. SADAT REACTED MORE POSITIVELY WHEN I REFERRED TO OTHER PROJECTS IN WHICH BRITISH FIRMS WERE INVOLVED IN EGYPT, IN PARTICULAR THE ROLLS-ROYCE RE-ENGINEING OF MIG'S. HE EXPRESSED HIS GRATITUDE FOR THIS CONTRIBUTION, AND REMARKED THAT NO FEWER THAN 52 OF THE RE-ENGINEED MIG'S HAD TAKEN PART IN THE 6 OCTOBER FLY-PAST. I SAID I UNDERSTOOD THERE WAS A LOT MORE OF SUCH OVERHAUL WORK TO BE DONE, AND THAT BRITISH FIRMS HOPED TO CONTINUE TO PLAY A PART.

4. HOSNI MUBARAK WAS LISTENING FOR THE LATTER PART OF THE CONVERSATION, AND IT MAY HELP ROLLS-ROYCE AT LEAST TO HAVE REGISTERED WITH THE TWO TOP PEOPLE THEIR CLAIM TO FURTHER WORK, BUT I WOULD NOT EXPECT SUCH REPRESENTATIONS TO WEIGHT VERY HEAVILY IN THE BALANCE IF AS WE FEAR THE EGYPTIANS ARE NOW CONSIDERING AMERICAN PROPOSALS TO GET INTO THE BUSINESS OF LOCAL MANUFACTURE OR ASSEMBLY. I HOPE TO FIND OUT MORE ON THIS WHEN I SEE THE US AMBASSADOR TOMORROW.

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TO IMMEDIATE FCO

TELNO 760 OF 15 OCT

INFO IMMEDIATE TEL AVIV JEDDA AMMAN WASHINGTON UKMIS NEW YORK
VISIT OF MR CALLAGHAN

1. MR AND MRS CALLAGHAN LEFT CAIRO FOR TEL AVIV ON 13 OCTOBER BY EGYPTIAN AIR FORCE MYSTERE AFTER A HIGHLY SUCCESSFUL THREE-DAY VISIT. MR CALLAGHAN HAD LONG TALKS WITH PRESIDENT SADAT AND VICE-PRESIDENT MUBARAK (OVER LUNCH AT THE BARRAGE, WITH WIVES), THE PRIME MINISTER, MUSTAFA KHALIL, AND OTHER MINISTERS, AND ATTENDED A SESSION OF THE NATIONAL ASSEMBLY. BOTH IN PUBLIC AND PRIVATE HE EXPRESSED FULL SUPPORT FOR PRESIDENT SADAT'S PEACE POLICIES, AND AT THEIR JOINT PRESS CONFERENCE SADAT PAID A FULSOME TRIBUTE TO THE CONTRIBUTION HE HAD MADE TOWARDS UNDERSTANDING BETWEEN THE PARTIES BEFORE AND AFTER CAMP DAVID. (THIS WAS A DEPARTURE FROM SADAT'S NORMAL PRACTICE AT JOINT PRESS CONFERENCES, WHICH IS TO LET THE GUEST DO MOST OF THE TALKING). INEVITABLY, THE PRESS HAS PLAYED UP THE VISIT AS AN EXERCISE IN MEDIATION, IN EGYPT'S FAVOUR, WITH MR BEGIN AND KING HUSSEIN. MR CALLAGHAN PUBLICLY DENIED ANY SUCH INTENTION, BUT HE DID GET FROM SADAT A GENERAL MESSAGE FOR EACH. FOLLOWING ARE THE MAIN

INEVITABLY, THE PRESS HAS PLAYED UP THE VISIT AS AN EXERCISE IN MEDIATION, IN EGYPT'S FAVOUR, WITH MR BEGIN AND KING HUSSEIN. MR CALLACHAN PUBLICLY DENIED ANY SUCH INTENTION, BUT HE DID GET FROM SADAT A GENERAL MESSAGE FOR EACH. FOLLOWING ARE THE MAIN POINTS OF INTEREST FROM THE TALKS, ALL OF WHICH I ATTENDED.

2. MUSTAFA KHALIL GAVE HIS USUAL LUCID AND RATIONAL EXPOSITION OF EGYPTIAN POLICY. HE CRITICISED THE ISRAELIS FOR CONSTANTLY RAISING DIFFICULTIES, IN PARTICULAR FOR ATTEMPTING TO DISTORT THE LANGUAGE OF THE TREATY EG IN CLAIMING THAT AUTONOMY APPLIED ONLY TO THE INHABITANTS AND NOT TO THE LAND. HE ALSO CRITICISED THEM FOR TRYING TO EXPLOIT SADAT'S UNWITTING (HE IMPLIED) CONCESSIONS AT HAIFA TO INSERT ISRAELI UNITS INTO THE SUPERVISION OF EGYPTIAN FORCE LEVELS AND TO EXCLUDE THE UN ALTOGETHER, AND HE MADE IT CLEAR THAT HE WOULD FAVOUR TOUGHER TACTICS AFTER JANUARY IF THERE HAD BEEN NO SUBSTANTIAL PROGRESS IN THE AUTONOMY TALKS. HE MENTIONED HIS PROPOSED MEETING WITH STRAUSS IN LONDON, BUT AS IF IT WERE A PURELY US/EGYPTIAN CONSULTATION ON HOW TO SPEED UP NEGOTIATIONS IN THE IMMEDIATE FUTURE.

3. SADAT WAS CHARACTERISTICALLY CONFIDENT, NOT TO SAY COMPLACENT. QUOTE TO TELL YOU FRANKLY, I CONSIDER THE WHOLE THING SETTLED ALREADY UNQUOTE. THERE WERE DIFFICULTIES, BUT THEY WOULD BE RESOLVED IN TIME THANKS TO THE UNIQUE RELATIONSHIP HE HAD ESTABLISHED WITH BEGIN. AT PRESENT BEGIN WAS IN DIFFICULTY OVER THE ECONOMIC SITUATION, AND HIS HEALTH WAS POOR, BUT NO-ONE ELSE COULD HAVE ACHIEVED WHAT HE HAD. SADAT SAID HE COULD NOT OF COURSE WAIT FOR EVER, AND PRESSURE TACTICS WERE NOT COMPLETELY EXCLUDED, BUT HE RECKONED THAT SIX MORE MONTHS AT MOST WOULD PRODUCE A PACKAGE SUFFICIENT TO INDUCE THE PALESTINIANS TO TAKE PART IN THE ELECTIONS AND SUBSEQUENT NEGOTIATIONS. AT VARIOUS POINTS SADAT STRESSED HIS TOTAL CONFIDENCE IN PRESIDENT CARTER'S WILL AND ABILITY TO SEE THE AUTONOMY TALKS THROUGH TO A SUCCESSFUL CONCLUSION, AND ALSO INCIDENTALLY IN HIS PROSPECTS OF REELECTION.

4. ASKED HOW HE COULD OVERCOME BEGIN'S RESISTANCE ON JERUSALEM, SETTLEMENTS, RESPONSIBILITY FOR LAND, WATER ETC, SADAT SAID HE WAS SURE HE COULD CONVINCE HIM. IT WAS SIGNIFICANT THAT HE HAD ALREADY BEEN ABLE TO SPEAK OF HIS IDEAS ON JERUSALEM IN ISRAEL WITHOUT AROUSING A STORM, AND HE HAD TOLD BEGIN THAT AN INDEPENDENT PALESTINIAN STATE WAS INEVITABLE AND THAT THE SETTLEMENTS POLICY WAS A LOST CAUSE. IF NECESSARY THE SELF-GOVERNING AUTHORITY SHOULD BE ESTABLISHED AS A FIRST STAGE IN GAZA, SADAT REPEATED HIS OFFER TO PIPE NILE WATER TO THE NEGEV THROUGH THE NEW SUEZ TUNNEL, AT A RATE OF 1 MILLION C.M. A DAY. HIS MESSAGE FOR BEGIN WAS THAT SADAT UNDERSTOOD HIS PROBLEMS, REMAINED FAITHFUL TO THE

SHOULD BE ESTABLISHED AS A FIRST STAGE IN GAZA. SADAT REPEATED HIS OFFER TO PIPE NILE WATER TO THE NEGEV THROUGH THE NEW SUEZ TUNNEL, AT A RATE OF 1 MILLION C.M. A DAY. HIS MESSAGE FOR BEGIN WAS THAT SADAT UNDERSTOOD HIS PROBLEMS, REMAINED FAITHFUL TO THE CAMP DAVID ACCORDS IN LETTER AND SPIRIT, AND WAS READY TO MEET HIM AT ANY TIME TO AGREE ON THE NECESSARY DIRECTIVES TO THEIR NEGOTIATORS.

5. FOR KING HUSSEIN THE MESSAGE WAS THAT HE SHOULD STAY OUT OF THE NEGOTIATIONS UNTIL THE AUTONOMY PACKAGE WAS AGREED, BUT THEREAFTER WAS WELCOME TO JOIN IN. HE KNEW THAT HUSSEIN WAS EAGER TO RECOVER THE WEST BANK, BUT HE SHOULD NOT EXPECT TO DO SO WITHOUT A PLEBISCITE. SADAT ADDED HIS BELIEF THAT HUSSEIN WOULD JOIN THE NEGOTIATIONS TOMORROW IF HE COULD DO SO WITHOUT LOSING HIS DOLLARS 300 MILLION SAUDI SUBSIDY. INDEED THE SAUDIS WERE THE KEY TO THE POSITION OF THE OTHER MODERATES, AND HE COULD NOT UNDERSTAND WHY THEY SHOULD PLAY THE IRAQI GAME. HE ALSO THOUGHT THE AMERICANS HAD BEEN WRONG TO MOUNT THEIR MISCONCEIVED INITIATION ON A NEW SECURITY COUNCIL RESOLUTION IN ORDER TO CURRY FAVOUR IN RIYADH. MR CALLAGHAN URGED SADAT IN THE INTERESTS OF ARAB UNITY NOT TO ALLOW HIMSELF TO BE PROVOKED BY HIS CRITICS, AND SADAT INDICATED ASSENT. AT ONE POINT HE SAID HE WOULD EVEN BE PREPARED TO DO A REPEAT OF HIS JERUSALEM VISIT TO SAUDI ARABIA IF IT WOULD HELP. (HOWEVER MUBARAK'S WIFE TOLD MINE THAT THEY WERE ALL CONSTANTLY URGING SADAT TO COOL IT, HE WOULD AGREE AT THE TIME BUT COULD NEVER RESIST THE TEMPTATION WHEN ON HIS FEET).

6. THERE WAS ALSO SOME DISCUSSION OF REGIONAL SECURITY. SADAT SAID HE EXPECTED A LEFT-WING TAKE-OVER IN IRAN WITHIN A FEW MONTHS AND THE COUNTRY WOULD BECOME A SOVIET SATELLITE. BUT THE REAL THREAT TO THE GULF STATES WAS NOT FROM IRAN BUT FROM IRAQ. IF IT CAME TO A CHOICE HE WOULD SOONER SEE A SOVIET OCCUPATION OF THE GULF, IRAQI INFLUENCE WOULD BE PURELY DESTRUCTIVE. OMAN WAS THE ONLY STABLE STATE IN THE AREA, AND QABUS'S SECURITY PLAN HAD DESERVED A BETTER RECEPTION. THE WEST SHOULD ALSO MAKE A GREATER CONTRIBUTION TO GULF SECURITY, THOUGH HE AGREED WITH THE SAUDIS THAT AMERICAN WARSHIPS WERE NOT THE ANSWER. HE WAS READY TO OFFER AIR BASES ON EGYPT'S RED SEA COAST, ONLY AN HOUR OR SO FLYING TIME AWAY. FINALLY SADAT VOICED HIS CONCERN ABOUT THE SUDAN, THREATENED BY ECONOMIC CRISES WITHIN AND BY SAUDI AND LIBYAN INTRIGUE FROM WITHOUT.

7. ALTHOUGH THERE IS LITTLE NEW IN ALL THIS, IT WAS INTERESTING TO HEAR IT AT FIRST HAND AND TO OBSERVE THE SERENE QUALITY OF SADAT'S OPTIMISM. IT STRUCT ME AS ALMOST A MIRROR IMAGE OF BEGIN'S SELF-RIGHTEOUSNESS, BUT IF BEGIN IS AN IMMOVEABLE OBJECT

7. ALTHOUGH THERE IS LITTLE NEW IN ALL THIS, IT WAS INTERESTING TO HEAR IT AT FIRST HAND AND TO OBSERVE THE SERENE QUALITY OF SADAT'S OPTIMISM. IT STRUCT ME AS ALMOST A MIRROR IMAGE OF BEGIN'S SELF-RIGHTEOUSNESS, BUT IF BEGIN IS AN IMMOVEABLE OBJECT IT IS HARD TO SEE SADAT, WITH HIS BELIEF IN THE POWER OF GENEROSITY AND HIS DISTASTE FOR DETAILED NEGOTIATION, AS AN IRRESISTIBLE FORCE. THE AMERICANS WILL HAVE TO PROVIDE A LOT OF STIFFENING.

8. I HAD A SEPARATE TALK WITH PRESIDENT SADAT ABOUT BILATERAL TOPICS, FOR WHICH SEE MY TWO I F T S (NOT TO ALL).

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TO PRIORITY ECO
TELNO 393 OF 12 OCT 79

Prime Minister
Ans

SAVING TO BAGHDAD, BEIRUT, CAIRO, DAMASCUS, TEL AVIV, UKMIS
NEW YORK, WASHINGTON AND C G JERUSALEM.

MINISTER OF STATE'S VISIT TO JORDAN: 9-11 OCTOBER.

1. ALTHOUGH MR HURD'S VISIT WAS VERY BRIEF, ALLOWING HIM ONLY ONE FULL DAY AND PART OF THE FOLLOWING MORNING HERE, HE WAS ABLE TO HAVE WIDE-RANGING DISCUSSIONS WITH ALL THOSE WHO AT PRESENT PLAY A CENTRAL ROLE IN THE DIRECTION OF JORDANIAN AFFAIRS: KING HUSSEIN, CROWN PRINCE HASSAN, THE PRIME MINISTER, THE HEAD OF THE ROYAL COURT, THE COMMANDER IN CHIEF AND KEY MINISTERS IN THE JORDANIAN GOVERNMENT INCLUDING THE MINISTER OF INFORMATION (HIS FORMAL HOST, WHO ATTENDED MR HURD ALMOST THROUGHOUT HIS VISIT), AND THE MINISTER OF INDUSTRY AND TRADE. HE ALSO MET OVER LUNCH THE HEADS OF A NUMBER OF IMPORTANT JORDANIAN INSTITUTIONS AND ENTERPRISES: THE GOVERNOR OF THE CENTRAL BANK, THE PRESIDENT OF THE AMMAN UNIVERSITY AND THE CHAIRMEN OF THE POTASH COMPANY AND THE ROYAL JORDANIAN AIRLINE. IN ADDITION MR HURD SIGNED AN INVESTMENT PROTECTION AGREEMENT WITH THE MINISTER OF INDUSTRY, VISITED A REFUGEE CAMP WITH THE UNRWA REPRESENTATIVE, ATTENDED A CEREMONY AT WHICH THE CROWN PRINCE LAID THE FOUNDATION STONE OF THE NEW INTERNATIONAL COMMUNITY SCHOOL AND MET ABOUT 20 RESIDENT REPRESENTATIVES OF BRITISH FIRMS OVER DRINKS AT MY HOUSE. IN THE COURSE OF HIS VISIT HE ALSO MET THE LEADER OF THE TEAM NEGOTIATING THE SALE OF BRITISH TANKS TO JORDAN, THE DIRECTOR OF THE MILITARY ASSISTANCE OFFICE AND TWO MEMBERS OF ECOG, ALL OF WHOM HAPPENED TO BE IN JORDAN AT THE SAME TIME AS HIMSELF.

2. UNFORTUNATELY THERE WAS INSUFFICIENT TIME IN AN ALREADY VERY CROWDED PROGRAMME TO VISIT ANY OF THE IMPORTANT PROJECTS BEING CARRIED OUT BY BRITISH FIRMS IN THE VICINITY OF AMMAN OR FURTHER AFIELD, EG THE FIRST STAGE OF THE LARGE POTASH PROJECT

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BEING UNDERTAKEN BY WIMPEYS ON THE DEAD SEA, THE EXPANSION OF AQABA PORT, THE PHOSPHATE MINE AT EL HASA AND THE NEW QUEEN ALIA AIRPORT. HOWEVER THE VISIT COULD HARDLY HAVE COME AT A MORE OPPORTUNE MOMENT IN OUR BILATERAL RELATIONS, WITH THE \$200 MILLION TANK DEAL, THE PURCHASE OF NEW AIRCRAFT FOR ALIA (IN WHICH ROLLS ROYCE ENGINED TRISTAR AND THE AIRBUS ARE IN COMPETITION WITH BOEING) AND THE SECOND STAGE OF THE POTASH PROJECT ALL UNDER NEGOTIATION AND A SIZEABLE CONTRACT FOR THE EQUIPMENT OF THE NEW ALIA AIRPORT JUST SIGNED BY CABLE WIRELESS. AS IS HIS wont, THE MINISTER OF INDUSTRY URGED THAT MORE JOINT BRITISH/JORDANIAN VENTURES SHOULD BE ESTABLISHED IN JORDAN TO TAKE ADVANTAGE OF THE POSSIBILITIES OF THE LOCAL AND NEIGHBOURING ARAB MARKETS. DR DAJANI CLAIMED THAT NEITHER MONEY NOR MANPOWER WERE LACKING: WHAT WAS NEEDED WERE FOREIGN ENTREPRENEURS PREPARED TO USE JORDAN AS A BASE FOR PENETRATING OTHER ARAB MARKETS, THUS ENABLING JORDAN TO ACT AS A CONDUIT FOR WESTERN TECHNOLOGY TO THE ARAB WORLD. HE CLAIMED THAT JORDAN WAS TAKING OVER, IN PART AT LEAST, THE BUSINESS AND COMMERCIAL ROLE IN THE MIDDLE EAST PREVIOUSLY PLAYED BY LEBANON AND IRAN AND HOPED THAT BRITISH FIRMS WOULD SEIZE THE OPPORTUNITIES OPEN TO THEM.

3. MR HURD IMMEDIATELY ESTABLISHED AN EASY AND FRIENDLY RELATIONSHIP WITH KING HUSSEIN AND ALL THE OTHER LEADING JORDANIANS HE MET. THE POLITICAL DISCUSSIONS RANGED WIDELY, WERE CONDUCTED WITH GREAT FRANKNESS AND COVERED A NUMBER OF BROAD THEMES. KING HUSSEIN, WHO HAD RECENTLY RETURNED FROM NEW YORK, SAID HE WAS INTENDING TO VISIT SEVERAL ARAB COUNTRIES, STARTING WITH SYRIA, TO PREPARE FOR AN ARAB SUMMIT MEETING LATER IN THE YEAR AND CREATE THE CONDITIONS REQUIRED FOR AN ARAB INITIATIVE. NEITHER THE KING NOR HIS IMMEDIATE ADVISERS SHOWED ANY DISPOSITION TO UNDERRATE THE DIFFICULTIES OF THE TASK THEY HAD SET THEMSELVES. BUT THEY WERE WELL SATISFIED WITH THE IMPROVEMENT IN JORDAN'S RELATIONS WITH THE PLO AND THE GREATER REALISM WHICH THEY FELT NOW CHARACTERISED PLO THINKING. THEY EXPRESSED ACUTE CONCERN OVER THE INTERNAL SITUATION IN SYRIA, AND

SOME UNEASINESS LEST THE RENEVED QUARREL BETWEEN SYRIA AND IRAQ MIGHT GET IN THE WAY OF A NEW ARAB INITIATIVE. THEY WERE ALSO VERY WORRIED OVER THE SITUATION IN THE LEBANON AND THOUGHT THAT A SOLUTION TO THE LEBANON'S PROBLEMS COULD ONLY BE ACHIEVED BY WORKING CLOSELY WITH THE SYRIANS.

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4. HIS JORDANIAN INTERLOCUTORS READILY AGREED WITH MR HURD WHEN HE STRESSED THE IMPORTANCE OF GETTING THE TIMING RIGHT IN LAUNCHING ANY NEW INITIATIVE AND THAT THEIR PURPOSE SHOULD BE TO SUPPLEMENT RATHER THAN ATTEMPT TO REPLACE RESOLUTION 242. THEY FELT THAT NOT ONLY WAS PRACTICAL CO-OPERATION WITH THE PLO NOW POSSIBLE IN, FOR EXAMPLE, ADMINISTERING FUNDS CONTRIBUTED BY OTHER ARAB COUNTRIES TO ASSIST THE WEST BANK, BUT THAT THIS MIGHT PREPARE THE WAY FOR WIDER CO-OPERATION IN THE FUTURE. THEY BROADLY SHARED MR HURD'S VIEWS ON THE NEED TO WEAN THE PLO AWAY FROM TERRORISM, POINTING OUT THAT JORDAN HAD ALWAYS BEEN OPPOSED TO THE USE OF SUCH METHODS, ALTHOUGH THE PRIME MINISTER REMARKED THAT THERE WAS LITTLE TO CHOSE BETWEEN THE PALESTINIANS AND ISRAELIS WITH REGARD TO INTERNATIONAL TERRORISM. THEY ALSO THOUGHT THAT A CRAFUAL CHANGE WAS COMING ABOUT IN ARAB VIEWS, AND THAT EVEN COUNTRIES HITHERTO THOUGHT OF AS RADICAL WERE MODIFYING THEIR POSITIONS.

5. DEVELOPMENTS ON THE WEST BANK AND THE EXTENT TO WHICH THE ISRAELIS WERE SUCCEEDING IN CHANGING THE FACTS THERE WERE A PRINCIPAL THEME IN THE TALKS. THE CROWN PRINCE'S WORKING BREAKFAST FOR MR HURD INCLUDED A SLIDE PRESENTATION WITH MAPS AND DIAGRAMS TO SHOW DEMOGRAPHIC CHANGES AND THE DIVERSION OF WEST BANK RESOURCES, PARTICULARLY WATER, FOR USE IN ISRAEL ITSELF. THE CROWN PRINCE EMPHASIZED THAT ALMOST 25% OF THE LAND ON THE WEST BANK HAD BEEN EXPROPRIATED BY THE ISRAELI SETTLERS FOR PRESENT AND FUTURE SETTLEMENTS AND THAT, EVEN IF THE ISRAELI SETTLERS NOW NUMBERED .ON 10,000, THE INTENTION OF BOTH THE MAIN POLITICAL PARTIES IN ISRAEL WAS TO INCREASE THEIR NUMBER WHILE FORCING OUT THE PRESENT INHABITANTS AND MAINTAINING THE WEST BANK AS A CAPTIVE ECONOMIC MARKET FOR ISRAEL.

6. BOTH KING HUSSEIN AND ABDUL HAMID SHARAF IN DISCUSSING THEIR RECENT VISIT TO NEW YORK SPOKE WITH SOME BITTERNESS ABOUT JORDANIAN RELATIONS WITH THE US. SHARAF THOUGHT THE KING'S TALK WITH MR VANCE HAD BEEN USEFUL. IN PARTICULAR MR VANCE HAD NOT PRECLUDED A PARALLEL EFFORT TO CAMP DAVID, AND BOTH HE AND MR SAUNDERS HAD SEEMED TO WELCOME THE KING'S IDEA FOR A NEW ARAB INITIATIVE WITH EUROPEAN SUPPORT. THE WHITE HOUSE WAS HOWEVER A DIFFERENT MATTER AND THEY HAD BEEN DISTURBED TO HEAR

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REPORTS WHILE IN NEW YORK (MOST OF THEM MISLEADING, ACCORDING TO MY US COLLEAGUE) OF A PROPOSED NEW US INITIATIVE ON LEBANON, WHICH WOULD INVOLVE ALL PARTIES TO THE CONFLICT INCLUDING MAJOR HADDAD AND THE ISRAELIS. THE KING WAS PARTICULARLY CRITICAL OF ATTEMPTS TO FORCE HIM TO SEE MR STRAUSS, WHICH HE CLAIMED COULD ONLY HAVE EMBARRASSED HIM WITH THE OTHER ARAB STATES AT A TIME WHEN JORDAN'S OPPOSITION TO THE CAMP DAVID PROCESS WAS WELL KNOWN, AND TO MAKE A MEETING WITH MR STRAUSS A CONDITION FOR A SUBSEQUENT MEETING WITH PRESIDENT CARTER. WHEREVER THE TRUTH LIES IN ALL THIS, IT WAS CLEAR THAT THE KING HAD RETURNED EVEN MORE UNEASY ABOUT THE AMERICAN ROLE IN THE MIDDLE EAST THAN PRIOR TO HIS US VISIT.

7. PREDICTABLY, MR HURD'S JORDANIAN INTERLOCUTORS PLACED GREAT STRESS ON THE ROLE WHICH THEY HOPED EUROPE, AND BRITAIN AND FRANCE IN PARTICULAR, MIGHT PLAY IN HELPING THE ARABS TO FIND A WAY OUT OF THE PRESENT IMPASSE. THEY SAID THEY HAD WATCHED CLOSELY THE GRADUAL EVOLUTION OF THE EUROPEAN POSITION ON THE MIDDLE EAST, FELT THAT WE AND OUR EUROPEAN PARTNERS HAD MOVED IN THE RIGHT DIRECTION AND THAT EUROPE COULD NOW PLAY A MORE POSITIVE ROLE WHICH WOULD BE HELPFUL TO THE AMERICANS AND NEED NOT EMBARRASS THEM. THEY READILY UNDERSTOOD MR HURD'S EMPHASIS ON THE IMPORTANCE OF DOING NOTHING WHICH MIGHT PUT AT RISK US INVOLVEMENT IN THE SEARCH FOR A MIDDLE EAST PEACE SETTLEMENT AND ALSO THE EUROPEAN WISH NOT TO ADD TO PRESIDENT CARTER'S PRESENT TROUBLES. BUT THEY FELT STRONGLY THAT AN INCREASED EUROPEAN ROLE WOULD ACTUALLY PROVE HELPFUL TO THE AMERICANS IN EXTRICATING THEM FROM THE DIFFICULTIES INTO WHICH THEY HAD BEEN LED THROUGH THE CAMP DAVID PROCESS.

8. THE JORDANIANS WERE, I THINK, LESS RECEPTIVE TO MR HURD'S SUGGESTION THAT THE AUTONOMY TALKS OUGHT TO BE GIVEN A CHANCE AND COULD LEAD TO BENEFITS FOR THE PALESTINIANS WHICH THEY COULD LATER EXPLOIT TO THEIR ADVANTAGE. THEY SIMPLY DO NOT BELIEVE THAT MR EBAN'S PUBLICLY EXPRESSED FRARS ON THIS SCORE ARE GENUINE, AND THEY REMAIN FIRMLY CONVINCED THAT ISRAEL WILL NEVER VOLUNTARILY RENOUNCE HER CLAIM TO THE WEST BANK. THEY THEREFORE PIN NO FAITH ON THE CURRENT NEGOTIATIONS WHICH THEY BELIEVE THE EGYPTIANS ARE IN ANY CASE ILL-EQUIPPED TO CONDUCT BECAUSE OF THEIR IGNORANCE OF WEST BANK AFFAIRS. NOR DID MR HURD'S ARGUMENTS IN FAVOUR OF KEEPING JORDAN'S LINES OPEN TO EGYPT

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EVOKE A POSITIVE RESPONSE. THE MINISTER OF INDUSTRY AND TRADE IN PARTICULAR SPELT OUT VERY CLEARLY THE WAY IN WHICH JORDAN WAS CARRYING OUT TO THE LETTER THE BAGHDAD RESOLUTIONS TO CUT OFF JORDANIAN COMMERCIAL DEALINGS WITH EGYPT.

9. IT IS SCARCELY POSSIBLE IN A FEW PARAGRAPHS TO DO JUSTICE TO THE RANGE AND DEPTH OF MR HURD'S DISCUSSIONS HERE: I ASSUME RECORDS WILL BE DISTRIBUTED TO INTERESTED POSTS. HIS VISIT WAS, IF I MAY SAY SO, AN OUTSTANDING PERSONAL SUCCESS AND THE HEAD OF THE ROYAL COURT HAS SINCE TOLD ME HOW MUCH THE JORDANIANS HAD VALUED THEIR TALKS WITH HIM. FOR THEIR PART, THE JORDANIANS WENT OUT OF THEIR WAY TO DEMONSTRATE THE IMPORTANCE THEY ATTACHED TO HIS VISIT IN BOTH LARGE AND SMALL WAYS, GRANTING HIM THE TREATMENT USUALLY RESERVED FOR FOREIGN MINISTERS AND HEADS OF STATE. HIS VISIT RECEIVED VERY WIDE PUBLICITY ON TELEVISION AND IN THE PRESS (AS MUCH OR MORE THAN THAT ACCORDED TO MR GENSCHER ON HIS RECENT VISIT HERE).

10. I HOPE THAT, IN ANY USE MADE OF THIS TELEGRAM WITH OTHER GOVERNMENTS, CARE WILL BE TAKEN NOT TO REVEAL ANYTHING CONCERNING DEFENCE AND OTHER CONTRACTS FOR WHICH WE ARE COMPETING AND ALSO THAT THE KING'S CONFIDENCE REGARDING HIS FUTURE INTENTIONS AND HIS RELATIONS WITH THE US (PARAGRAPH 3 AND 6) WILL BE RESPECTED.

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TO ROUTINE FOREIGN AND COMMONWEALTH OFFICE
TELEGRAM NUMBER 3126 OF 11 OCTOBER 1979
INFO JEDDA, CAIRO, TEL AVIV, AMMAN, BEIRUT, DAMASCUS, SANA'A,
ADEN, RABAT, ALGIERS
INFO SAVING MOSCOW, BAHRAIN AND UKMIS NEW YORK.

US/SAUDI RELATIONS.

1. STRAUSS, SAUNDERS AND VANCE CALLED ON PRINCE SAUD WHILE HE WAS IN NEW YORK ON 2, 3 AND 5 OCTOBER RESPECTIVELY.
2. AT THE MEETING WITH VANCE, SAUD WAS HANDED A LETTER FROM PRESIDENT CARTER THANKING THE SAUDIS FOR THEIR DECISION TO MAINTAIN INCREASED OIL PRODUCTION TO THE END OF THE YEAR AND STRESSING THE IMPORTANCE OF MAINTAINING PRODUCTION AT THAT LEVEL. THEY THEN DISCUSSED LEBANON, THE MIDDLE EAST PEACE PROCESS, REGIONAL SECURITY AND THE WESTERN SAHARA.

LEBANON

3. SAUNDERS HAD EARLIER BRIEFED SAUD ON THE IDEAS UNDERLYING THE AMERICAN QUOTE INITIATIVE UNQUOTE. VANCE SAID THAT HE COULD NOT PREDICT THE OUTCOME BUT THE US HAD FELT THAT SOME ACTION WAS ESSENTIAL. VANCE AND SAUD AGREED THAT THE LEAD SHOULD BE TAKEN BY THE LEBANESE. SAUD STRESSED THAT NOTHING SHOULD BE DONE TO SUGGEST THAT ISRAELI INTERVENTION IN THE LEBANON WAS ACCEPTABLE. WHILE THE

AMERICAN QUOTE INITIATIVE DRODGIN. VANCE SAID THAT HE COULD NOT PREDICT THE OUTCOME BUT THE US HAD FELT THAT SOME ACTION WAS ESSENTIAL. VANCE AND SAUD AGREED THAT THE LEAD SHOULD BE TAKEN BY THE LEBANESE. SAUD STRESSED THAT NOTHING SHOULD BE DONE TO SUGGEST THAT ISRAELI INTERVENTION IN THE LEBANON WAS ACCEPTABLE. WHILE THE PLO MIGHT AGREE IN NEGOTIATION TO RENOUNCE VIOLENCE IT WAS UNREALISTIC TO EXPECT THEM TO DO SO AS A PRECONDITION TO NEGOTIATIONS. THE IMPORTANT THING WAS THAT THERE SHOULD BE A CONSENSUS WITHIN LEBANON THAT ALL INTERVENTION FROM OUTSIDE SHOULD CEASE. HE DOUBTED WHETHER THE ISRAELIS REALLY WANTED A SOLUTION TO THE LEBANESE PROBLEM; THEY SEEMED TO CAUSE IT TO FLARE UP WHENEVER THEY CAME UNDER PRESSURE ON PALESTINIAN ISSUES. VANCE STRESSED THAT THE US ENVISAGED A QUIET FOLLOW-UP AND THAT THERE WAS NO REQUIREMENT FOR A FORMAL CONFERENCE.

THE MIDDLE EAST PEACE PROCESS

4. VANCE GAVE SAUD AN ACCOUNT OF KING HUSSEIN'S IDEAS AS EXPLAINED TO HIM IN NEW YORK. HUSSEIN APPEARED TO HAVE A LONG RANGE PLAN FOR THE FINAL STATUS OF THE WEST BANK AND GAZA BUT HAD GIVEN NO DETAILS. THERE WAS NO REASON WHY HIS IDEAS SHOULD BE INCOMPATIBLE WITH THE CURRENT PEACE PROCESS. PERHAPS SOME CLEARER IDEAS WOULD SURFACE AT AN ARAB SUMMIT MEETING BY THE END OF THE YEAR. SAUD AGREED THAT HUSSEIN WAS WORKING FOR AN ARAB CONSENSUS AND A PEACEFUL NEGOTIATED SETTLEMENT. AS FOR THE CURRENT PROCESS, STRAUSS HAD MENTIONED TO HIM AT THEIR 2 OCTOBER MEETING HOW GOOD THE BEGIN/SADAT RELATIONSHIP NOW WAS BUT HE, SAUD, DID NOT FIND THIS SURPRISING SINCE SADAT WAS GETTING BACK HIS TERRITORY AND WAS AVOIDING THE DIFFICULT PALESTINIAN ISSUES. SAUD FEARED THAT SADAT AND BEGIN WERE QUOTE LOADING THE CARDS UNQUOTE AGAINST PALESTINIAN SELF DETERMINATION AND ISRAELI WITHDRAWAL. THE SAUDIS BELIEVED IN THE U S COMMITMENT TO PALESTINIAN SELF-DETERMINATION AND WERE PLEASED BY THE APPARENT SHIFT OF U S PUBLIC OPINION ON THE ISSUE QUOTE IF WE HAVE SHOWED FRUSTRATION, IT IS BECAUSE WE WANT THE US TO SUCCEED IN THIS COMMITMENT UNQUOTE. VANCE REPLIED THAT THE US GOVERNMENT DID NOT UNDERESTIMATE THE DIFFICULTIES BUT NOTED THAT CERTAIN ISRAELI LEADERS HAD RECENTLY BEEN MAKING STATEMENTS, WITHOUT INCURRING REBUKE FROM THE ISRAELI PRIME MINISTER, WHICH WOULD HAVE BEEN IMPOSSIBLE SIX MONTHS AGO. THE US HAD NEVER WAIVERED FROM THEIR POSITION THAT THE PALESTINIAN PROBLEM MUST BE SOLVED IN ALL ITS ASPECTS. SAUD SAID THAT HE BELIEVED THAT BRINGING THE PALESTINIANS INTO THE PROCESS WOULD REMOVE A GREAT NUMBER OF OBSTACLES.

REGIONAL SECURITY

5. VANCE REFERRED TO PRESIDENT CARTER'S 1 OCTOBER STATEMENT ABOUT THE US STRENGTHENING ITS NAVAL FORCES IN THE INDIAN OCEAN. THIS MEANT THE ADDITION OF 2-3 SHIPS AND THE US WOULD BE CONSIDERING FURTHER

SAID THAT HE BELIEVED THAT BRINGING THE PALESTINIANS INTO THE PROCESS WOULD REMOVE A GREAT NUMBER OF OBSTACLES.

REGIONAL SECURITY

5. VANCE REFERRED TO PRESIDENT CARTER'S 1 OCTOBER STATEMENT ABOUT THE US STRENGTHENING ITS NAVAL FORCES IN THE INDIAN OCEAN. THIS MEANT THE ADDITION OF 2-3 SHIPS AND THE US WOULD BE CONSIDERING FURTHER STEPS. HE EXPLAINED THAT THE US QUICK REACTION FORCE WAS NOT INTENDED SPECIFICALLY FOR THE PERSIAN GULF BUT HAD A WORLD-WIDE ROLE. SUCH U S FORCES HAD BEEN IN EXISTENCE SINCE THE EARLY 60S. NEWS STORIES THAT THE AMERICANS WERE CONSIDERING PREPOSITIONING OF MILITARY EQUIPMENT WERE QUOTE ABSOLUTE BALONEY UNQUOTE. SAUD REPLIED THAT IT WOULD BE MOST HELPFUL IF THE AMERICANS WOULD SAY SO PUBLICLY. DUE TO HENRY KISSINGER'S REMARKS WHEN HE WAS SECRETARY OF STATE ABOUT PROTECTING THE OIL FIELDS, ANY PUBLIC REFERENCE TO A QUICK REACTION FORCE WAS BOUND TO PRODUCE ADVERSE POLITICAL REACTIONS IN THE MIDDLE EAST AND DAMAGE US INTERESTS. THE SAUDIS REMAINED DISTURBED BY SOVIET ACTION IN THE REGION FROM AFGHANISTAN TO SOUTH YEMEN, AND FEARED THAT AN ABSENCE OF A US RESPONSE INCREASED THE SOVIET DANGER. BUT HE TOLD VANCE FRANKLY THAT SOUTH ARABIA WAS NOT IN A POSITION TO COMMENT PUBLICLY ON THIS ISSUE.

WESTERN SAHARA

6. SAUD DESCRIBED THE SITUATION AS VERY CRITICAL FOR THE MORROCCANS WHO HAD TOLD THE SAUDI'S OF THEIR CONCERN ABOUT THE US POSITION. THE SAUDIS HAD HAD CONTINUOUS TALKS WITH THE PARTIES INVOLVED INCLUDING THE ALGERIANS WHO WERE CONVINCED THAT HASSAN WOULD ULTIMATELY FAIL IN THE SAHARA. THEY HAD BEEN GUILTY OF HAVING WILLFULLY CREATED AND FINANCED THE POLISARIO. THE RESULT WAS THAT MOROCCO WAS ISOLATED POLITICALLY AND WEAKENED MILITARY. THIS HELPED THE SOVIET UNION WHO WANTED TO REMOVE MOROCCAN INFLUENCE FROM AFRICA.

FCO PASS SAVING MOSCOW AND BAHRAIN

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Prime Minister

TO ROUTINE F C O

TELEGRAM NO. 3119 OF 11 OCTOBER

INFO BEIRUT, DAMASCUS, TEL AVIV, AMMAN, JEDDA AND UKMIS NEW YORK.

MYTEL 2881 (NOT TO ALL) : U.S. INITIATIVE ON LEBANON.

1. THE CHRISTIAN SCIENCE MONITOR OF 9 OCTOBER CARRIES AN ARTICLE DATED NEW YORK WHICH HAS EXCITED CONSIDERABLE INTEREST SINCE ITS DETAIL GIVES THE IMPRESSION OF WELL INFORMED BRIEFING. THE GIST OF THE ARTICLE IS THAT THE U.S. INITIATIVE ENVISAGES THAT NEGOTIATIONS TO CONVERT THE LEBANESE CEASEFIRE INTO A PERMANENT ARMISTICE SHOULD TAKE PLACE AT TWO SEPARATE NEGOTIATING TABLES : ONE IN BEIRUT INVOLVING REPRESENTATIVES OF THE LEBANESE GOVERNMENT, THE PLO, SYRIA, LEFTIST LEBANESE PARTIES WITH FORCES IN SOUTHERN LEBANON AND REPRESENTATIVES OF THE EUROPEAN CONTRIBUTORS TO UNIFIL : THE SECOND PRESUMABLY IN JERUSALEM WOULD GROUP THE AMERICANS, THE ISRAELIS AND HADDAD. THESE TWO QUOTE CONSULTATIVE BODIES UNQUOTE WOULD BE PUT UNDER A U.N. UMBRELLA. IVOR RICHARD WOULD BE APPOINTED THE SECRETARY GENERAL'S SPECIAL REPRESENTATIVE AND SHUTTLE BETWEEN THE TWO TABLES. IF SUCCESSFUL IN RESTORING PEACE IN LEBANON THE FORMULA WOULD BE EXTENDED TO DEAL WITH THE REMAINING ARAB/ISRAEL ISSUES AND TO SEEK A COMPREHENSIVE SETTLEMENT (WITH JORDAN AND SAUDI ARABIA NOW JOINING THE PROCESS).

2. STATE DEPARTMENT HAVE TOLD US THAT ALTHOUGH AMERICAN IDEAS HAVE NOW EVOLVED TO THE POINT THAT THEY HAVE HAD PRELIMINARY DISCUSSIONS WITH THE ISRAELI AMBASSADOR HERE AND WILL BE DOING SO WITH THE LEBANESE GOVERNMENT WHEN AMBASSADOR DEAN RETURNS TO BEIRUT ON 14 OCTOBER THE PAPER ON LEBANON NOW AWAITING PRESIDENTIAL APPROVAL DOES NOT CONTAIN ANY PROPOSALS RESEMBLING THE TWO TABLE APPROACH DESCRIBED IN THE CSM ARTICLE.

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TO PRIORITY FCO

TELEGRAM NUMBER 66 OF 11 OCTOBER

AND TO CAIRO TEL AVIV AMMAN

SAVING BAGHDAD BEIRUT DAMASCUS WASHINGTON

Prime Minister
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EGYPTIAN AND ISRAELI FOREIGN MINISTERS BEFORE THE COUNCIL OF EUROPE

1.. MR BOUTROS-GHALI AND MR DAYAN YESTERDAY ADDRESSED THE CONSULTATIVE ASSEMBLY OF THE COUNCIL OF EUROPE ON THE CAMP DAVID AGREEMENTS AND THE FUTURE OF PALESTINE. THEN AFTER GIVING A JOINT PRESS CONFERENCE LASTING ONE AND A HALF HOURS, THEY SPENT ANOTHER THREE HOURS SITTING SIDE BY SIDE ANSWERING SOME SIXTY WRITTEN QUESTIONS FROM THE PARLIAMENTARIANS.

2.. IN HIS INTERVIEW THE EGYPTIAN MINISTER STRESSED THAT PRESIDENT SADAT HAD ALWAYS WANTED MULTILATERAL RATHER THAN BILATERAL NEGOTIATIONS. HE CRITICISED ISRAEL AS WELL AS THE REJECTIONIST STATES FOR SEEKING TO SPLIT EGYPT FROM HER ARAB BROTHERS. EUROPE SHOULD HELP THE PALESTINIANS TO MAINTAIN THEIR IDENTITY IN THE OCCUPIED TERRITORIES, PRESS ISRAEL AND THE USA TO DIALOGUE WITH THE PLO AND SEEK TO BRING TOGETHER EGYPT AND THE REJECTIONISTS. MR DAYAN BITTERLY CRITICISED THE IRISH STATEMENT ON BEHALF OF THE NINE AT THE UN FOR BLAMING ISRAEL FOR DEFENDING ITSELF WHILE OMITTING TO CRITICISE ARAB TERRORISM. CAMP DAVID INCLUDED PROVISION FOR THE PALESTINIANS BUT ISRAEL COULD NOT NEGOTIATE WITH THE PLO WHICH WAS DEDICATED TO ITS DESTRUCTION. THEY COULD NOT REGARD AN INTERNATIONAL MILITARY GUARANTEE AS AN ALTERNATIVE TO DEFENSIBLE FRONTIERS. HE APPEALED TO EUROPE NOT TO CRITICISE THE CAMP DAVID AGREEMENTS, NOT TO COMPLICATE MATTERS BY PRODUCING NEW IDEAS AND TO HELP PEACE-MAKING BY ASSISTANCE TO MIDDLE EAST REGIONAL ECONOMIC COOPERATION ON THE LINES OF THE MARSHALL PLAN.

3.. THE LONG AND TOUGH DEBATE STARTED OFF AMICABLY BUT BECAME SOMEWHAT TENSE TOWARDS THE END. BOUTROS-GHALI, IN A PERFORMANCE WHICH WAS GENERALLY AGREED TO BE BRILLIANT, APPEARED TO BE TALKING

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MUCH OF THE TIME OVER THE HEADS OF THE ASSEMBLY TO HIS FELLOW ARABS. IN CONTRAST, MR DAYAN APPEARED A SICK AND TIRED MAN. FROM TIME TO TIME HE READ OUT EXTRACTS FROM THE CAMP DAVID AGREEMENT AND REMINDED HIS COLLEAGUE THAT IT HAD BEEN SIGNED BY PRESIDENT SADAT. HIS CLOSING REMARKS WERE BITTER AND A MEMBER OF MY STAFF WAS SUBSEQUENTLY TOLD THAT HE HAD EXPECTED THE MEETING TO PROVIDE THE OCCASION FOR A CONCERTED DEFENCE OF THE CAMP DAVID AGREEMENT BUT THAT IT HAD IN FACT TURNED INTO SOMETHING OF A CONFRONTATION. THE OCCASION PROVIDED A FASCINATING SPECTACLE FOR THE PARLIAMENT, PUBLIC AND TV CAMERAS IN THE PACKED HEMICYCLE. BUT MOST THINKING OBSERVERS QUERIED WHETHER THE PUBLIC AIRING OF THE MINISTERS' DIFFERENCES WOULD ASSIST THE PEACE-MAKING PROCESS.

4.. THE ASSEMBLY IS PLANNING NEXT TO DESPATCH ITS RELEVANT SUB-COMMITTEE (INCLUDING BRITISH MPS KERSHAW AND URWIN) TO VISIT THE OTHER ARAB STATES AND TO INVITE REPRESENTATIVES OF THE REJECTIONISTS TO ADDRESS THE ASSEMBLY'S JANUARY SESSION.

5.. COPIES OF THE SPEECH, QUESTIONS AND RECORD OF ANSWERS FOLLOW.

FCO PASS SAVING TO BAGHDAD, BEIRUT, DAMASCUS AND WASHINGTON.

[REPEATED AS REQUESTED]

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TO PRIORITY FCO

TELEGRAM NUMBER 458 OF 11 OCTOBER

INFO PRIORITY AMMAN CAIRO ROUTINE WASHINGTON UKMIS NEW YORK

JERUSALEM DAMASCUS BEIRUT

THE MOOD IN ISRAEL

1. THE JEWISH HIGH HOLY DAYS, DURING WHICH FOR THREE WEEKS ISRAEL WORKS AT HALF SPEED, ARE COMING TO AN END. AT THIS TIME LAST YEAR (MY TEL NO 460 OF 20 OCTOBER 1978) I REPORTED THAT THE HOLDY DAYS HAD SEEN THE EROSION OF THE ELATION AROUSED BY THE RECENT CAMP DAVID AGREEMENTS INTO FOREBODING THAT THE UNITED STATES AND EGYPT MIGHT HAVE SOLD ISRAEL DOWN THE RIVER. THE BELIEF AT THAT TIME THAT A PEACE TREATY WITH EGYPT WOULD NEVERTHELESS BE SIGNED BY THE END OF THE YEAR PROVED TO BE MISTAKEN.

2. THIS YEAR THE MOOD IS RATHER ONE OF APATHY. THE AUNTONOMY TALKS HAVE DISAPPEARED BELOW THE LEVEL OF PUBLIC CONSCIOUSNESS; NOBODY EXPECTS ANYTHING TO EMERGE FROM THEM BEFORE THE TURN OF THE YEAR, IF THEN. MANY OF THOSE WHO LAST YEAR WERE PROTESTING VEHEMENTLY ABOUT NEW SETTLEMENTS NOW SEEM TO HAVE GIVEN UP, OR BEEN EFFECTIVELY STIFLED. UNFORTUNATELY, WHILE THE ECONOMY CONTINUES TO HOLD THE HEADLINES, NOBODY CARES MUCH, AND CERTAINLY NOT EFFECTIVELY, ABOUT WHAT IS HAPPENING, WHILE THE GOVERNMENT HAS FOR THE MOMENT ABANDONED ANY CONTROL WHICH IT HAD. THE MILD

GENERALLY ABOUT NEW SETTLEMENTS NOW SEEM TO HAVE GIVEN UP, OR BEEN EFFECTIVELY STIFLED. UNFORTUNATELY, WHILE THE ECONOMY CONTINUES TO HOLD THE HEADLINES, NOBODY CARES MUCH, AND CERTAINLY NOT EFFECTIVELY, ABOUT WHAT IS HAPPENING, WHILE THE GOVERNMENT HAS FOR THE MOMENT ABDICATED ANY CONTROL WHICH IT HAD. THE MAIN ISRAELI BANK, BANK LEUMI, WITH 47% OF ISRAELI DEPOSITS, WITH SOME JUSTIFICATION LOCKED OUT ITS STRIKING EMPLOYEES ON 4 OCTOBER, AND REMAINS CLOSED, WITH SEVERE CONSEQUENT DISRUPTION TO BUSINESS AND INDUSTRIAL LIFE. A TOTAL, AND I MEAN TOTAL, ELECTRICAL BLACKOUT OF ISRAEL FOR SEVERAL HOURS ON 9 OCTOBER, CAUSED BY A TECHNICIAN'S MISTAKE, SEEMED IN CHARACTER WITH THE COUNTRY'S MOOD. (HOWEVER, THE JORDANIAN-OWNED EAST JERUSALEM ELECTRIC COMPANY KEPT ITS PART OF THE CITY SUPPLIED EXCLAM).

3. THE PREVAILING APATHY CAN BE ASCRIBED VARIOUSLY TO: HOLIDAYS AFTER A LONG HOT SUMMER; THE FEELING THAT THERE IS NO DANGER OF WAR ON THE HORIZON; AND PERHAPS THE FACT THAT THIS COUNTRY ANYHOW LIVES IN TROUGHS AND PEAKS. IN THE TROUGHS THE ISRAELIS EXPECT THEIR GOVERNMENTS, OF WHICH THEY TRADITIONALLY HAVE A POOR OPINION, TO OPERATE FLABBILY AND INEFFECTIVELY; AND THE POLITICAL PARTIES, WHETHER INSIDE OR OUTSIDE THE GOVERNMENT, TO INDULGE IN BACKBITING BOTH AMONGST AND BETWEEN THEMSELVES. THEY HAVE GOT BOTH IN FULL MEASURE AT THE MOMENT. BUT IT DOES NOT SEEM A CAUSE FOR MUCH ALARM.

4. HOWEVER, THE PRESENT FAILURE OF LEADERSHIP FROM THE TOP IS MORE MARKED THAN AT ANY TIME SINCE I HAVE BEEN HERE, AND IS CERTAINLY CONTRIBUTING TO THE PRESENT MOOD. THE PRIME CAUSES ARE MR BEGIN'S INABILITY, OR DISINCLINATION, TO EXERCISE CONTROL OVER HIS CABINET, AND THE FACT THAT THE FINANCE MINISTER, MR EHRLICH, HAS BEEN MADE THE SCAPEGOAT FOR THE DETERIORATING STATE OF THE ECONOMY. THIS IS UNFAIR TO HIM. HIS CABINET COLLEAGUES, FROM THE PRIME MINISTER DOWNWARDS, HAVE SHOWN NO INCLINATION TO PROVIDE HIM WITH THE SUPPORT WHICH HE NEEDED FOR HARSH ECONOMIC MEASURES, CHIEFLY BECAUSE THEY DEEMED THEM POLITICALLY UNACCEPTABLE BUT ALSO BECAUSE THE ECONOMY STILL SEEMS TO RUB ALONG PROSPEROUSLY ENOUGH, EVEN AS THE INFLATION RATE CLIMBS UP TOWARDS 100%. IN PARTICULAR, MR EHRLICH IS BEING MADE THE SCAPEGOAT WITHIN HIS OWN LIBERAL PARTY, WHO, TOGETHER WITH OTHER PARTIES IN THE COALITION, ARE SEEKING HIS RESIGNATION. NOBODY, HOWEVER, EXCEPT MR MODAI, THE ENERGY MINISTER, SEEMS ANXIOUS TO SUCCEED HIM, AND MR MODAI'S BELIEF THAT HE COULD DO THE JOB BETTER THAN MR EHRLICH IS SHARED BY NO ONE ELSE IN ISRAEL. MR BEGIN IS THOUGHT TO BE DEEPLY RELUCTANT TO LET MR EHRLICH GO, AND THE LATTER HAS SAID THAT HE WILL ONLY GO IF THE PRIME MINISTER SO REQUESTS. HE IS CURRENTLY DEALING WITH HIS PROBLEMS BY SPENDING MUCH TIME OUT OF THE COUNTRY.

HE'S CURRENTLY DEALING WITH HIS PROBLEMS BY SPENDING MUCH TIME OUT OF THE COUNTRY.

5. THERE HAS BEEN TALK FOR MANY WEEKS OF A REDISTRIBUTION OF PORTFOLIOS, WHICH IS NOW BEING FORECAST BEFORE THE END OF THE MONTH. BUT I BELIEVE THAT MR BEGIN WILL MOVE VERY CAUTIOUSLY: NOT SURPRISINGLY, EVERY INDIVIDUAL, AND EVERY PARTY, IN HIS CABINET LOOKS TO A REORGANISATION TO IMPROVE HIS/THEIR POSITION, AND THEY CANNOT ALL BE SATISFIED. TOO MUCH DISSATISFACTION IN ANY ONE QUARTER MIGHT DESTROY THE PRESENT DELICATE BALANCE OF INTERESTS. AND LITERALLY NO MEMBER OF THE CABINET IS WILLING TO CEDE POSITION "IN THE NATIONAL INTEREST".

6. THE LABOUR PARTY, FOR THEIR PART, ARE ENGAGED IN A SERIES OF MILD IDEOLOGICAL AND POLICY DISPUTES. BUT MR PERES NOW SEEMS FIRMLY IN THE SADDLE AS LEADER. MR RABIN, WHO VIOLENTLY ATTACKED MR PERES IN HIS RECENT BOOK, HAS LOST THE CONTEST, AND NO OTHER CANDIDATES ARE CREDIBLY IN SIGHT THIS TIME ROUND. THE PARTY HAS A 20% LEAD IN THE PUBLIC OPINION POLLS, BUT THIS IS MORE A FUNCTION OF DISSATISFACTION WITH THE GOVERNMENT THAN SATISFACTION WITH THE OPPOSITION. MR PERES HAS TOLD ME THAT HE WOULD BE HAPPY TO FIGHT AN ELECTION TOMORROW, BUT I AM IN NO DOUBT THAT HE WOULD MUCH PREFER TO WAIT A GOOD WHILE LONGER.

7. ISRAEL WILL NOT CONTINUE IN THE PRESENT TROUGH INDEFINITELY. THE PRESENT GOVERNMENT, WITH OR WITHOUT A RESHUFFLE, MIGHT RETURN TO A MORE EVEN KEEL, BUT THIS IS IN MY VIEW UNLIKELY. I AM NOW BEGINNING TO GIVE THEM UP AS A BAD JOB. THIS NOT TO SAY THAT THEY WILL NOT LINGER ON, UNTIL THEY FALL APART ON THEIR OWN, OR UNTIL EVENTS FORCE A CHANGE. THE LATTER IS PERHAPS THE MORE PROVABLE, GIVEN THE CABINET'S TENACITY IN MAINTAINING ITSELF IN OFFICE.

8. MOREOVER, ISRAEL GOVERNMENTS HAVE TRADITIONALLY CHANGED SHAPE AS THE RESULT OF SOME EXTRANEOUS OCCURENCE. FOR THE LAST GOVERNMENT THE APPARENTLY MINOR SUCH EVENT HAPPENED WHEN SOME MEMBERS OF THE CABINET ACCIDENTALLY BROKE SHABBAT TO GREET THE FIRST DELIVERY OF US F15S IN DECEMBER 1976. SOME SUCH FUTURE EVENT, INTERNAL (E.G. THOUGH ONE HOPES NOT, SOME RELIGIOUS EXCESS), OR EXTERNAL (E.G. SOME CONCILIATORY MOVE FROM THE PLO) MIGHT GALVANISE POLITICAL LIFE, LEADING TO A MORE EFFECTIVE RESHUFFLE THAN I NOW PREDICT, EITHER TO A GOVERNMENT OF NATIONAL UNITY, OR TO NEW ELECTIONS. THE ONLY AT ALL FORESEEABLE, BUT UNDATEABLE, EVENT WHICH WOULD CERTAINLY DO THIS WOULD BE MR BEGIN'S RESIGNATION THROUGH PHYSICAL INCAPACITY OR, LESS LIKELY, A FAILURE OF WILL. BUT ANOTHER F15-TYPE INCIDENT, OR SOME OTHER OF THE BLUE, COULD ALSO DO THE TRICK. WHATEVER HAPPENS,

SOME CONCILIATORY MOVE FROM THE PLO) MIGHT GALVANISE POLITICAL LIFE,
LEADING TO A MORE EFFECTIVE REBUFFLE THAN I NOW PREDICT, EITHER
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OR, LESS LIKELY, A FAILURE OF WILL. BUT ANOTHER F15-TYPE INCIDENT,
COMING OUT OF THE BLUE, COULD ALSO DO THE TRICK. WHATEVER HAPPENS,
ON PAST FORM THE PRESENT LULL SHOULD NOT BE COUNTED UPON TO LAST.

MASON

NNNN



Foreign and Commonwealth Office

London SW1A 2AH

11 October 1979

Dear Michael,

Letter from President Sadat to the Prime Minister

A personal letter from President Sadat to the Prime Minister was handed to HM Ambassador at Cairo on 27 September. I enclose the original, which arrived by bag on 3 October. It is one of a series which President Sadat has addressed at intervals to Heads of Government on his peace efforts, and a letter in similar terms has gone to other leaders. This may account for the letter's reference to an earlier letter to the Prime Minister. Lord Carrington believes that a lengthy reply is not required but that the opportunity should be taken to reassure President Sadat of our support in general terms. I enclose a draft.

On the substance of the letter, President Sadat's account confirms what we know of the Haifa exchanges from other reports. The President did not press Mr Begin very hard on the autonomy arrangements and has been criticised on that score. But he hopes to induce the Israelis to be co-operative over the Palestinians in the longer term by building a fund of goodwill and understanding with Mr Begin at this early stage. This tactic has something to commend it but Lord Carrington notes that President Sadat's restraint places the Americans, who have been more harshly critical of Israeli policy in such areas as South Lebanon and over settlements, in a difficult position. It also makes our own support of the Camp David process as a means toward a comprehensive settlement less convincing to the other Arabs, who note President Sadat's apparent lack of urgency on the Palestinian question. But Lord Carrington recalls that President Sadat has shown himself an adroit tactician in the past; we are under no immediate pressure from the Arab side who reacted favourably to Lord Carrington's speech at the General Assembly; and there is every reason to give President Sadat the reassurance he seeks.

Yours etc

Paul Lever

M O'D B Alexander Esq
10 Downing Street

Registry No.

DRAFT Letter

Type 1 +

SECURITY CLASSIFICATION

Top Secret.
Secret.
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Restricted.
Unclassified.

To: HE Mohammed Anwar el-Sadat
President of the Arab Republic
of Egypt

From
Prime Minister

Telephone No. Ext.

Department

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..... In Confidence

Thank you very much for your letter of 23 September with its full account of your discussions with Mr Begin at Haifa and your intentions for the future.

~~May~~ I take this opportunity to confirm my firm support for your efforts aimed at achieving a comprehensive Middle East peace, ~~and to say how much~~ ^{Very much} I agree with your view of the need to find a formula which will meet the legitimate rights of the Palestinians, and provide for ~~peaceful~~ co-existence between the Palestinian and Israeli peoples. I wish the continuing negotiations well. I am convinced that if some genuine autonomy for the West Bank and Gaza can be achieved as a transitional arrangement, this ^{basis} ~~will~~ be a valuable basis on which to build toward lasting peace in the area.

Type for signature

[Handwritten signature]

GR 120

Prime Minister
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FM WASHINGTON 101717Z OCT 79
TO ROUTINE FCO
TELEGRAM NUMBER 3077 OF 10 OCTOBER
INFO BEIRUT AMMAN CAIRO DAMASCUS JEDDA TEL AVIV AND HMGJ JERUSALEM

U.S./PLO

1. ASKED AT HIS TELEVISED PRESS CONFERENCE ON 9 OCTOBER WHETHER THE TIME HAD NOT COME FOR THE U.S. TO OPEN UP A DIALOGUE WITH THE PALESTINIANS AND THE PLO, THE PRESIDENT REPLIED: QUOTE NO, I DO NOT. WE WILL NOT NEGOTIATE WITH THE PLO. WE WILL NOT RECOGNISE THE PLO UNTIL AFTER THE PLO RECOGNISES ISRAEL'S RIGHT TO EXIST AND ENDORSES UNITED NATIONS RESOLUTION 242 AS A BASIS FOR MIDDLE EAST PEACE UNQUOTE.

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TO PRIORITY FCO

TELNO 390 OF 8 OCT 79

INFO PRIORITY BEIRUT

ROUTINE CAIRO DAMASCUS TEL AVIV UKMIS NEW YORK WASHINGTON
AND CG JERUSALEM.

Prime Minister

MY TELELETTER TO MOBERLY OF 27 SEPTEMBER:

Amr

JORDAN/MIDDLE EAST

1. KING HUSSEIN'S RETURN HERE ON 6 OCTOBER FROM HIS TRIP TO SWITZERLAND, THE UK (WHERE HE SPENT A FEW DAYS BOTH ON THE WAY OUT AND ON THE RETURN JOURNEY) AND NEW YORK TO ADDRESS THE UN GENERAL ASSEMBLY WAS MADE THE OCCASION FOR A CAREFULLY STAGED HERO'S WELCOME, INCLUDING A MOTORCADE THROUGH TOWN WITH THE POPULATION (HALF A MILLION, ACCORDING TO THE PRESS) LINING THE STREETS, MILITARY BANDS AND EVEN THE RITUAL SLAUGHTER OF CAMELS. SUCH A RECEPTION IS AN EXCEPTIONAL OCCURRENCE HERE AND REFLECTS THE REGIME'S WISH TO PRESENT THE KING'S SPEECH TO THE UNITED NATIONS AS A SIGNIFICANT EVENT AND AN ASSERTION OF JORDAN'S NEW ROLE IN THE SEARCH FOR A MIDDLE EAST SETTLEMENT.

2. THE KING AND HIS PARTY SEEMED VERY WELL SATISFIED WITH THE RESULTS OF THEIR TRIP. ABDUL HAMID SHARAF (HEAD OF THE ROYAL COURT) CLAIMED THAT NOT A SINGLE ARAB STATE HAD RAISED OBJECTION TO ANY PART OF THE KING'S SPEECH. THE KING HIMSELF ASKED ME TO CONVEY TO THE PRIME MINISTER AND HER COLLEAGUES HIS VERY WARM APPRECIATION AND THANKS FOR HIS RECEPTION IN LONDON AND FOR THE VERY USEFUL DISCUSSIONS HE HAD HAD WHILE THERE. I LEARNED FROM THE COMMANDER IN CHIEF THAT THE FIRST THING THE KING HAD ASKED HIM ON ARRIVAL WAS HOW THE NEGOTIATIONS WITH US ON THE SALE OF TANKS WERE PROGRESSING.

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FM TEL AVIV 080715Z OCT 79

TO PRIORITY FCO

TELEGRAM NUMBER 452 OF 8 OCTOBER

INFO PRIORITY UKMIS NEW YORK ROUTINE AMMAN BAHRAIN CAIRO DAMASCUS
JEDDA AND WASHINGTON

UKMIS NEW YORK TELEGRAM NO 1196: ARAB/ISRAEL:

SHEIKH MUHAMMAD BIN MUBARAK

1. IF I MAY SO SO, WITH ONE EXCEPTION, I MUCH APPLAUD SIR A PARSONS REPLY TO SHEIKH MUHAMMAD'S DEMARCHE (PARA 4 OF TUR). THE EXCEPTION IS THAT I WOULD HAVE BEEN INCLINED TO TAKE HIM UP RATHER MORE ON HIS POINT ABOUT ISRAELI PUBLIC OPINION, WHERE I BELIEVE HIM TO BE UNDER AN ILLUSION.

2. IN MY VIEW ISRAELI PUBLIC OPINION, BOTH BY INCLINATION AND FROM INDOCTRINATION FROM ABOVE, TENDS TO BELIEVE THAT WESTERN EUROPE SHOULD FULLY SUPPORT ISRAEL, FOR MORAL AND HISTORICAL REASONS, AS WELL AS FOR SELF INTEREST (STEMMING THE ADVANCE OF COMMUNISM, ETC). THEY REGARD WESTERN EUROPEAN SIGNS OF APPROVAL, AS COWARDLY MUNICH STYLE APPEASEMENT, IN WHICH WE SET SHORT TERM MATERIAL ADVANTAGE AGAINST BOTH PRINCIPLE AND OUR OWN LONG TERM INTEREST.

3. IF ANYTHING, WESTERN EUROPEAN VIEWS AND STATEMENTS HAVE MORE CHANCE OF INFLUENCING THE ISRAEL GOVERNMENT THAN ISRAELI PUBLIC OPINION, THOUGH THE CHANCES HERE ARE ALSO NOT GOOD. I HAVE COME ACCROSS NO EVIDENCE TO SUPPORT MAYNES' STATEMENT TO SIR A PARSONS (UKMIS NEW YORK TELEGRAM NO 1173), THAT MR DAYAN AND THROUGH HIM, THE ISRAEL GOVERNMENT, WERE SHAYEN BY RECENT EUROPEAN CRITICISMS OF ISRAELI POLICIES AND ACTIONS. THEY MAY HAVE BEEN SLIGHTLY STIRRED, BUT NO MORE.

4. SUBJECT TO WASHINGTON'S VIEWS, I AGREE ON THE OTHER HAND, THAT THE ISRAELIS ARE TAKING SERIOUSLY THE SUSTAINED US PRESSURE ON THEM ABOUT SOUTH LEBANON, I AM SURE BOTH MR DAYAN AND MR WEIZMAN WERE TAKEN ABACK BY THEIR RECEPTION IN CONGRESS AND

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/ ELSE WHERE

CONFIDENTIAL

ELSEWHERE IN THE UNITED STATES RECENTLY, AS HAVE BEEN OTHER RECENT ISRAELI VISITORS TO THE UNITED STATES. EVEN SO, LEAVING ASIDE EUROPEAN INFLUENCE, I BELIEVE THE RECENT ISRAELI INACTIVITY IN SOUTH LEBANON, FOR EXAMPLE, TO HAVE BEEN DUE MORE TO OTHER FACTORS THAN TO THE PRESSURE OF OUTSIDE OPINION. SO LONG AS THEY MAINTAIN THEIR PRINCIPAL OBJECTIVE OF STRATEGIC CONTROL OVER LEBANON SOUTH OF THE LITANI, THE ISRAELIS IN FACT PREFER NOT TO STIR UP TROUBLE THERE. SO LONG AS THE PALESTINIANS ARE REASONABLY QUIET, AND THERE ARE NO BIG TERRORIST ATTACKS WITHIN ISRAEL, WHICH MIGHT FORCE THEM TO A REPRISAL, NEITHER THE ISRAELIS NOR MAJOR HADDAD ARE RAING TO GO, PARTICULARLY NOW THAT THE FIRST RAINS OF WINTER HAVE BEGUN. I BELIEVE, MOREOVER, THAT ISRAELI AGRESSIVENESS HAS BEEN TEMPERED BY THEIR GENUINE ANGER AT THEMSELVES OVER THE DISASTROUS AIR STRIKE ON 22 JULY, WHEN, AS WE HAVE REPORTED SEPARATELY, THEIR PILOTS GROSSLY MISIDENTIFIED THEIR ASSIGNED TARGETS.

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Middle East

8 October 1979

Dear Julian

Thank you for your letter of 2 October
enclosing a copy of President Ceaucescu's
remarks on the Middle East and your general
comments. I was fascinated to see them.

Yours sincerely

MT

The Rt. Hon. Julian Amery, M.P.

jfh

Middle East

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TO PRIORITY FCO

TELEGRAM NUMBER 1196 OF 5 OCTOBER

INFO CAIRO AMMAN TEL AVIV BAHRAIN JEDDA DAMASCUS WASHINGTON

ARAB ISRAEL

1. I HAVE HAD A SERIES OF SESSIONS DURING THE PAST FEW DAYS WITH SHAIKH MOHAMMED BIN MUBARAK AL KHALIFAH, THE FOREIGN MINISTER OF BAHRAIN, WHO IS A CLOSE PERSONAL FRIEND OF MINE. I WILL BE REPORTING SEPARATELY SOME INTERESTING THINGS HE HAD TO SAY ABOUT GULF SECURITY, IRAN ETC. SHAIKH MOHAMMED MADE A PASSIONATE PLEA TO WESTERN EUROPE ON ARAB/ISRAEL. HE SAID THAT THE AMERICANS HAD EFFECTIVELY ELIMINATED THEMSELVES FROM THE PALESTINE PROBLEM FOR THE TIME BEING BY GOING DOWN THE CAMP DAVID TRACK WITH PRESIDENT SADAT AND MR BEGIN. HE DID NOT IN THE LEAST BLAME PRESIDENT SADAT FOR WHAT HE HAD DONE AND HE DID NOT BLAME THE AMERICANS. BUT THE NET EFFECT HAD BEEN TO BRING THE SMALL AND MODERATE GULF STATES UNDER INTOLERABLE PRESSURE FROM ARAB EXTREMISTS SUCH AS IRAQ AND SYRIA. THIS HAD BEEN COMPOUNDED BY THE SITUATION IN IRAN. THE IMPOTENT IRANIAN GOVERNMENT COULD NOT STOP KHOMEINI AND CO FROM TRYING TO STIR UP TROUBLE AMONGST THE SHIA POPULACE IN THE GULF AND THE IRANIAN GOVERNMENT HAD COMBINED WITH THE AYATOLLAHS

GULF AND THE IRANIAN GOVERNMENT HAD COMBINED WITH THE AYATOLLAHS IN STRIKING A HIGHLY MILITANT ATTITUDE ON PALESTINE WHICH WAS ADDING TO THE PRESSURES ON THE GULF STATES ALREADY COMING FROM IRAQ AND SYRIA.

2. SHAIKH MOHAMMED SAID THAT ALL THE REGIMES IN THE GULF WERE VULNERABLE. SOONER OR LATER ONE OF THEM WOULD FALL TO THIS PRESSURE AND A CHAIN REACTION WOULD SET IN. THE ONLY WAY IN WHICH THE PRESSURE COULD BE RELIEVED WAS TO GET PROGRESS OVER PALESTINE. WITH THE AMERICANS IN PAULK WESTERN EUROPE WAS THE ONLY AREA WHICH COULD HELP. HE DID NOT EXPECT US TO PRODUCE MIRACLES BUT A CLEAR STAND BY US COULD HAVE AN EFFECT ON ISRAELI PUBLIC OPINION AND EVENTUALLY ON THE ISRAELI GOVERNMENT, AS WELL AS GIVING THE ARABS SOME HOPE. THIS WOULD MAKE IT MUCH EASIER FOR THE MODERATE ARAB STATES TO CONTINUE TO CO-OPERATE WITH US.

3. SHAIKH MOHAMMED WENT ON TO SAY THAT WE SHOULD NOT LOOK AT THE PROBLEM IN TERMS OF PRO-ARAB OR POYBHPFE

WOEVWNEW WE SHOULD THINK IN TWO DIMENSIONS - FIRST TO CHECK THE SOVIET ADVANCE AND SECONDLY TO DEPLOY IN A POSITIVE MANNER THE GREAT WEALTH OF THE GULF STATES NOT JUST TO THE WEST BUT TO THE REGION AND TO THE POORER STATES IN AFRICA AND ASIA. IN SHORT, WE SHOULD THINK OF OUR POLICY IN TERMS OF WESTERN INTERESTS WORLD WIDE RATHER THAN / IN TERMS OF TAKING SIDES IN A REGIONAL QUARREL.

4. I SAID THAT I FULLY UNDERSTOOD HIS MESSAGE. HOWEVER, I THOUGHT HE WAS SELLING US AND THE COMMUNITY A LITTLE SHORT. HAD HE READ THE PASSAGE ON THE MIDDLE EAST IN THE COMMUNITY STATEMENT TO THE GENERAL ASSEMBLY AND THE RELEVANT PASSAGE IN YOUR STATEMENT? I THOUGHT THAT HE WOULD FIND A PRETTY CLEAR POSITION IN THESE STATEMENTS. THE ISRAELIS COULD BE IN NO DOUBT AS TO WHAT WE FELT ABOUT EG THE SETTLEMENTS, THEIR POLICY IN LEBANON, THE NEED FOR WITHDRAWAL AND SO ON. IT WAS TRUE THAT WE HAD PROBLEMS OVER THE RO. BUT HE MUST UNDERSTAND THAT, SO LONG AS THE PLO WAS IDENTIFIED WITH TERRORISM - AND HE SHOULD NOT FORGET THAT WE HAD A TERRORIST PROBLEM OF OUR OWN - AND DID NOT ACCEPT THE EXISTENCE OF ISRAEL, THESE PROBLEMS WOULD NOT GO AWAY. OBVIOUSLY THE UNEQUIVOCAL ACCEPTANCE BY THE PLO OF RESOLUTION 242 IE OF ISRAEL'S RIGHTS TO EXIST WITHIN THE BOUNDARIES FORESHADOWED IN RESOLUTION 242 WOULD MAKE A GREAT DIFFERENCE. EQUALLY, HE SHOULD NOT OVER ESTIMATE OUR INFLUENCE WITH THE ISRAELIS ALTHOUGH I TOOK HIS POINT ABOUT INFLUENCING ISRAELI PUBLIC OPINION.

5. I ONLY REPORT THE ABOVE AT LENGTH BECAUSE SHAIKH MOHAMMED

5. I ONLY REPORT THE ABOVE AT LENGTH BECAUSE SHAIKH MOHAMMED HAS, I THINK, SOME STANDING AMONGST ARAB FOREIGN MINISTERS AFTER EIGHT YEARS IN THE POST. HE IS ALSO AN INTELLIGENT AND SENSIBLE MAN AND HAS ALWAYS BEEN A GOOD FRIEND TO BRITAIN.

PARSONS

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TO ROUTINE FCO

TELEGRAM NR 733 OF 02 OCT 79

INFO JEDDA DAMASCUS AMMAN TEL AVIV WASHKNGTON AND UKMIS NEWYORK

NY TELNO 716: ARAB/ISRAEL

1. IN TWO SEPARATE SPEECHES YESTERDAY (TO UNIVERSITY TEACHERS AND TO THE SCHOOLTEACHERS' UNION) PRESIDENT SADAT AGAIN ATTACKED THE OIL RICH ARABS AND STRESSED THAT HE WOULD NOT ALLOW THEIR ATTEMPTS TO STARVE EGYPT TO DIVERT HIM FROM HIS POLICIES. HE ALSO PRAISED PRESIDENT CARTER AND US MIDDLE EAST POLICY FULLSOMELY, THE FIRST OCCASION HE HAS DONE SO PUBLICLY FOR SOME TIME.

WEIR.

Handwritten initials

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TO IMMEDIATE F C O
TELEGRAM NUMBER 351 OF 27 SEPTEMBER
INFO PRIORITY TEL AVIV, BEIRUT, MODUR (DI4), CAIRO, WASHINGTON,
URMIS NEW YORK, AMMAN, BAGHDAD.

ISRAEL-SYRIA : AIR CLASH.

1. THE CLASH ON 24 SEPTEMBER HAS BEEN PROMINENTLY FEATURED IN THE PRESS IN THE LAST TWO DAYS, THOUGH GIVEN LOWER BILLING THAN ASAD'S DISCUSSIONS ON INTERNAL AFFAIRS (SEPARATE REPORT).
2. THE PRESS ON 25 SEPTEMBER PUBLISHED PICTURES OF WHAT WERE ALLEGED TO BE REMAINS OF AN ENEMY AIRCRAFT, AND ON 26 SEPTEMBER PICTURES AND AN INTERVIEW WITH THREE UNNAMED PILOTS SAID TO HAVE TAKEN PART IN THE RAID. IT ACKNOWLEDGED THAT FOUR SYRIAN MIG 21'S WERE BROUGHT DOWN BUT CLAIMED THAT ALL THE PILOTS SURVIVED. IT ALSO CLAIMED THAT TWO ISRAELI AIRCRAFT AN F-15 AND A MIRAGE, WERE BROUGHT DOWN, BY ROCKET FIRE AND THAT THE ISRAELI PILOTS WERE SEEN PARACHUTING TO SAFETY. THE PILOTS SAID THE MIRAGE CRASHED SOUTH EAST OF DAMOUR AND THE F15 OVER JARASH. MUCH IS MADE OF SYRIA'S HEROIC DEFENCE OF LEBANESE AND PALESTINIAN CIVILIANS AND HER INDOMITABLE WILL TO RESIST ISRAEL, AND THROUGH ISRAEL THE UNITED STATES. BOTH THE OFFICIAL RADIO AND TISHRIN NEWSPAPER, SOMETIMES REGARDED AS THE PRESIDENT'S MOUTHPIECE, HAVE SAID THAT THIS CLASH "WAS NOT THE FIRST AND WILL NOT BE THE LAST." THE PRESS CLAIM THAT IT IS NOW ESTABLISHED

PRESIDENT'S MOUTHPIECE, HAVE SAID THAT THIS CLASH "WAS NOT THE FIRST AND WILL NOT BE THE LAST." THE PRESS CLAIM THAT IT IS NOW ESTABLISHED SYRIAN POLICY TO INTERCEPT EVERY ISRAELI AIR RAID ON LEBANON.

3. PRIVATE REACTIONS HAVE BEEN AS USUAL APATHETIC AND FATALISTIC. THERE IS NO SIGN THAT THE POPULATION EXPECTS THE CLASH TO BE REPEATED SOON OR TO ESCALATE INTO ANYTHING WORSE. THERE IS NO PANIC FOOD BUYING, A STANDARD INDEX OF POPULAR EXPECTATIONS. THE GENERAL VIEW AMONG DIPLOMATS, INCLUDING THE SOVIET EMBASSY, IS THAT (AS THE PILOTS INTERVIEWED EXPLICITLY CLAIMED) THE CLASH TOOK PLACE AS A DELIBERATE SYRIAN INITIATIVE. NO-ONE HERE TAKES SERIOUSLY THE DBC SUGGESTION FROM DEIRUT THAT IT WAS MEANT TO BRING PRESSURE ON THE RUSSIANS IN ADVANCE OF ASAD'S VISIT TO MOSCOW TO SUPPLY BETTER WEAPONS BY DEMONSTRATING THE SHORT-COMINGS OF THOSE THE SYRIANS ALREADY HAVE. THE SYRIANS WELL KNEW THAT THEIR MIG 21'S WERE NO MATCH FOR THE OPPOSITION LAST MONDAY, AND WE STILL HAVE NO EXPLANATION FOR THE DECISION NOT TO USE MIG 23'S.

4. THE REASONING BEHIND ASAD'S DECISION SEEN HERE AS MOST PLAUSIBLE IS THAT PRESSURES GENERATED BY THE RECENT INTERNAL TROUBLES, THE RIFT WITH IRAQ, FEARS THAT THE CAMP DAVID PROCESS MIGHT BE BECOMING MORE SEDUCTIVE FOR THE PALESTINIANS AND JORDAN, ALL LENT ATTRACTION TO A DIVERSIONARY OPERATION. ASAD MAY NATURALLY HAVE HOPED THAT IT WOULD ACHIEVE SOME LIMITED SUCCESS. BUT EVEN A HEROIC FAILURE IS OF SOME PROPAGANDA VALUE AND THE PRESS ARE DULY DRAWING ALL THE OBVIOUS MORALS, AND CALLING FOR NATIONAL UNITY. IT IS ALSO POSSIBLE THAT THE AIR FORCE ASKED TO BE ALLOWED TO HAVE A GO AND THAT ASAD, UNDER PRESSURE FROM OTHER DIRECTIONS, FELT OBLIGED TO LET THEM.

5. AS FOR THE CHANCES OF FUTURE INCIDENTS, ASAD HAS SHOWN AN ABILITY REMARKABLE IN A MILITARY LEADER TO ACCEPT SHAMING DEFEATS AND PRACTISE SELF-RESTRAINT. BUT HE IS ALSO TENACIOUS, AND AS LONG AS THE ISRAELIS CONTINUE THEIR PRESENT POLICY OF SENDING REGULAR PATROLS OVER A NEIGHBOURING ARAB COUNTRY TO WHICH SYRIA FEELS SO CLOSE AND WHERE SO MANY SYRIAN TROOPS ARE STATIONED THE RISK OF FURTHER CLASHES WILL CONTINUE GREAT. IT IS LESSENED BY SYRIAN INFERIORITY BOTH IN EQUIPMENT AND THE ABILITY TO USE IT. BUT IF THE ISRAELIS COURT A CLASH IT WILL BE HARD FOR ASAD TO AVOID WHAT HE HAS SO OFTEN SAID HE WISHES TO AVOID : A FIGHT AT A TIME AND PLACE NOT OF HIS CHOOSING.

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Middle East

10 DOWNING STREET

From the Private Secretary

26 September 1979

Middle East: Policy towards the
Palestinians

The Prime Minister has seen your letter to me of 23 September on this subject. She has made no comment.

I am sending a copy of this letter to Martin Vile (Cabinet Office).

M. O'D. B. ALEXANDER

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G.G.H. Walden, Esq.,
Foreign and Commonwealth Office.

MIDDLE EAST: ADVANCE COPIES

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FM UKHIS NEW YORK 261250Z SEPT 79

TO FLASH FCO

TELEGRAM NUMBER 1123 OF 26 SEPTEMBER

INFO IMMEDIATE CAIRO, TEL AVIV, AMMAN, BAGHDAD, DAMASCUS, BEIRUT,

PRIORITY TUNIS, JEDDA, KUWAIT, MUSCAT, ALGIERS, RABAT,

TRIPOLI, ALL EEC POSTS.

34TH GENERAL ASSEMBLY, GENERAL DEBATE.

IRISH FOREIGN MINISTER'S SPEECH:

FOLLOWING IS MIDDLE EAST SECTION OF O'KENNEDY'S (PRESIDENCY) SPEECH:

MIDDLE EAST

25. THE WINE CONTINUE TO HOPE THAT IT WILL BE POSSIBLE TO ACHIEVE
IN THE MIDDLE EAST THE JUST, LASTING AND COMPREHENSIVE SETTLEMENT
TO WHICH THIS ASSEMBLY IS OVERWHELMINGLY COMMITTED. THEY BELIEVE
THAT SUCH A SETTLEMENT MUST BE BASED ON SECURITY COUNCIL RESOLUTIONS
242 AND 338, APPLIED IN ALL THEIR PARTS AND ON ALL FRONTS. IT MUST
ALSO BE BASED ON THE PRINCIPLES SET OUT BY THE WINE IN THEIR STATE-

ALSO BE BASED ON THE PRINCIPLES SET OUT BY THE NINE IN THEIR STATEMENT ON 29 JUNE 1977 AND ON SEVERAL OCCASIONS SUBSEQUENTLY.

26. THESE PRINCIPLES ARE AS FOLLOWS:--

- (I) THE INADMISSIBILITY OF THE ACQUISITION OF TERRITORY BY FORCE;
- (II) THE NEED FOR ISRAEL TO END THE TERRITORIAL OCCUPATION WHICH IT HAS MAINTAINED SINCE THE CONFLICT OF 1967;
- (III) RESPECT FOR THE SOVEREIGNTY, TERRITORIAL INTEGRITY AND INDEPENDENCE OF EVERY STATE IN THE AREA AND THEIR RIGHT TO LIVE IN PEACE WITHIN SECURE AND RECOGNISED BOUNDARIES;
- (IV) RECOGNITION THAT IN THE ESTABLISHMENT OF A JUST AND LASTING PEACE ACCOUNT MUST BE TAKEN OF THE LEGITIMATE RIGHTS OF THE PALESTINIANS.

27. THE NINE EMPHASISE THAT IT IS ESSENTIAL THAT ALL PARTIES TO THE NEGOTIATION OF A SETTLEMENT ACCEPT THE RIGHT OF ALL STATES IN THE AREA TO LIVE WITHIN SECURE AND RECOGNISED BOUNDARIES WITH ADEQUATE GUARANTEES. EQUALLY, OF COURSE, IT IS ESSENTIAL THAT THERE BE RESPECT FOR THE LEGITIMATE RIGHTS OF THE PALESTINIAN PEOPLE. THESE INCLUDE THE RIGHT TO A HOMELAND AND THE RIGHT, THROUGH ITS REPRESENTATIVES, TO PLAY ITS FULL PART IN THE NEGOTIATION OF A COMPREHENSIVE SETTLEMENT.

28. SECURITY COUNCIL RESOLUTIONS 242 AND 338, TOGETHER WITH THE PRINCIPLES I HAVE MENTIONED, TAKEN AS A WHOLE, SET THE ESSENTIAL FRAMEWORK FOR A PEACE SETTLEMENT. IN THE VIEW OF THE NINE IT IS NECESSARY THAT THEY BE ACCEPTED BY ALL THOSE INVOLVED - INCLUDING THE PALESTINE LIBERATION ORGANIZATION - AS THE BASIS FOR NEGOTIATION OF A COMPREHENSIVE SETTLEMENT IN WHICH ALL THE PARTIES WILL PLAY THEIR FULL PART.

29. SUCH A SETTLEMENT WOULD WIN THE ENDORSEMENT AND SUPPORT OF THE INTERNATIONAL COMMUNITY; AND IT WOULD MEET THE LEGITIMATE RIGHTS AND INTERESTS OF ALL PARTIES. THIS INCLUDES ISRAEL, WHICH IS ENTITLED TO EXIST AT PEACE WITHIN SECURE BOUNDARIES, ACCEPTED AND ADEQUATELY GUARANTEED; AND THE PALESTINIAN PEOPLE, WHO ARE ENTITLED, WITHIN THE FRAMEWORK SET BY A PEACE SETTLEMENT, TO EXERCISE THEIR RIGHT TO DETERMINE THEIR OWN FUTURE AS A PEOPLE.

30. THE NINE RECOGNISE OF COURSE THAT SUCH A SETTLEMENT IS NOT EASY TO ACHIEVE. BUT THEY BELIEVE IT MUST BE THE CONTINUING AIM OF THE INTERNATIONAL COMMUNITY TO PROMOTE IT. THEY ARE CONVINCED THAT SUCH A COMPREHENSIVE SETTLEMENT WOULD BRING PEACE AT LAST TO THE REGION; AND THEY RECALL THAT THEY HAVE ALREADY EXPRESSED THEIR

MOVES WHICH CLAIM TO CHANGE THE STATUS OF THE CITY.

35. THE PROBLEM OF THE LEBANON IS CLEARLY RELATED TO THE LARGER PROBLEM OF THE MIDDLE EAST AS A WHOLE. THE NINE HAVE FREQUENTLY REAFFIRMED THEIR SUPPORT FOR ITS INDEPENDENCE, SOVEREIGNTY AND TERRITORIAL INTEGRITY. THEY DID SO MOST RECENTLY IN A STATEMENT ISSUED BY THE NINE FOREIGN MINISTERS AT THEIR MEETING IN DUBLIN ON 11 SEPTEMBER. THIS STATEMENT ALSO RECOGNISED THE COURAGEOUS EFFORTS MADE BY THE LEBANESE GOVERNMENT TO PROMOTE THE SECURITY OF ITS PEOPLE AND THE RESTORATION OF ITS AUTHORITY OVER THE WHOLE OF ITS TERRITORY.

36. VIOLENCE HAS NEVERTHELESS CONTINUED IN SEVERAL PARTS OF LEBANON. THE NINE RECOGNISE THAT THERE HAS BEEN SOME IMPROVEMENT IN THE SITUATION PARTICULARLY IN THE SOUTH OF THE COUNTRY SINCE THE RECENT MEETING OF THE SECURITY COUNCIL REQUESTED BY THE GOVERNMENT OF THE LEBANON. THEY ARE CONCERNED HOWEVER ABOUT THE CONSTANT HARASSMENT OF UNIFIL OF WHICH CERTAIN MEMBERS OF THE NINE FORM PART, AND ABOUT THE DIFFICULTIES WHICH HAVE BEEN PLACED IN ITS WAY AS IT ATTEMPTS TO FULFILL ITS MANDATE. THEY ARE PARTICULARLY DISTURBED ABOUT THE MILITARY AND FINANCIAL AID PROVIDED FROM OUTSIDE LEBANON TO THOSE WHO HAVE MADE IT DIFFICULT FOR THE UNITED NATIONS FORCE TO CARRY OUT ITS MANDATE. THEY CALL ON ALL PARTIES TO GIVE FULL SUPPORT TO UNIFIL AND TO RESPECT THE DECISIONS OF THE SECURITY COUNCIL.

PARSONS

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THAT SUCH A COMPREHENSIVE SETTLEMENT WOULD BRING PEACE AT LAST TO THE REGION; AND THEY RECALL THAT THEY HAVE ALREADY EXPRESSED THEIR READINESS TO CONSIDER PARTICIPATING IN GUARANTEES IN THE FRAMEWORK OF THE UNITED NATIONS.

31. THE PAST YEAR HAS SEEN SOME MAJOR DEVELOPMENTS TO WHICH THE NINE, IN VIEW OF THEIR CLOSE CONNECTIONS WITH THE REGION, ARE PARTICULARLY SENSITIVE. ONE OF THESE WAS THE SIGNATURE LAST MARCH OF AGREEMENTS BETWEEN EGYPT AND ISRAEL. IN THEIR DECLARATION OF 26TH MARCH LAST, THE NINE STATED THEIR POSITION ON THESE AGREEMENTS.

32. SINCE THE SIGNATURE OF THESE AGREEMENTS, WHICH THE NINE SEE AS A CORRECT APPLICATION OF THE PRINCIPLES OF RESOLUTION 242 AS FAR AS EGYPTIAN-ISRAELI RELATIONS ARE CONCERNED, THERE HAS BEEN PROGRESS TOWARDS IMPROVED RELATIONS BETWEEN EGYPT AND ISRAEL AND THERE HAVE BEEN WITHDRAWALS OF ISRAELI FORCES IN SINAI. THE NINE NOTE THESE RECENT DEVELOPMENTS AND RECALL THAT ONE OF THE BASIC REQUIREMENTS OF A COMPREHENSIVE SETTLEMENT IS AN END TO THE TERRITORIAL OCCUPATION WHICH ISRAEL HAS MAINTAINED SINCE THE CONFLICT IN 1967. THE NINE WILL CONTINUE TO FOLLOW THE SITUATION CLOSELY AND WILL SEEK IN EVERY WAY THEY CAN TO ADVANCE THE AIM OF A COMPREHENSIVE AND LASTING PEACE SETTLEMENT INVOLVING ALL PARTIES AND MEETING ALL THE FUNDAMENTAL ISSUES I HAVE MENTIONED.

33. IT FOLLOWS THAT THE NINE MUST VIEW WITH THE GREATEST REGRET ANY ACTION OR STATEMENT WHICH AGGRAVATES THE PRESENT SITUATION OR PLACES AN OBSTACLE IN THE WAY OF A PEACE SETTLEMENT. ACCORDINGLY, THEY STRONGLY DEPLORE CONTINUED ACTS OF VIOLENCE BY ANY OF THOSE INVOLVED. THE NINE ARE OPPOSED TO THE ISRAELI GOVERNMENT'S POLICY OF ESTABLISHING SETTLEMENTS IN OCCUPIED TERRITORIES IN CONTRAVENTION OF INTERNATIONAL LAW; AND THEY CANNOT ACCEPT CLAIMS BY ISRAEL TO SOVEREIGNTY OVER OCCUPIED TERRITORIES, SINCE THIS WOULD BE INCOMPATIBLE WITH RESOLUTION 242. THE SECURITY OF ISRAEL, WHICH THE NINE CONSIDER ESSENTIAL, CAN BE GUARANTEED, AND THE LEGITIMATE RIGHTS OF THE PALESTINIANS GIVEN EFFECT, WITHIN THE FRAMEWORK OF A COMPREHENSIVE SETTLEMENT.

34. THE NINE ARE FULLY AWARE, TOO, OF THE IMPORTANCE OF THE QUESTION OF JERUSALEM TO ALL PARTIES. THEY KNOW THAT AN ACCEPTABLE SOLUTION TO THIS PROBLEM WILL BE VITAL TO AN OVERALL SETTLEMENT ON THE BASIS I HAVE INDICATED. THEY CONSIDER, IN PARTICULAR, THAT ANY AGREEMENT ON THE FUTURE STATUS OF JERUSALEM SHOULD GUARANTEE FREE ACCESS BY ALL TO THE HOLY PLACES; AND THEY DO NOT ACCEPT ANY UNILATERAL MOVES WHICH CLAIM TO CHANGE THE STATUS OF THE CITY.

SOLUTIONS. IN THIS WAY WE CAN ALL CONTRIBUTE TOWARDS
PEACEFUL CHANGE IN SOUTH AFRICA. OTHERWISE THE FUTURE PROMISES
ONLY VIOLENCE AND MISERY FOR ALL THE PEOPLE OF SOUTH AFRICA,
WHATEVER THEIR RACE.

**EMBARGOED TEXT: not checked against
delivery**

MIDDLE EAST

IN THE MIDDLE EAST, THE BRITISH GOVERNMENT GREATLY WELCOME WHAT
HAS SO FAR BEEN ACHIEVED THROUGH THE PROCESS BEGUN AT CAMP DAVID.
IT IS IN THE INTERESTS OF ALL PARTIES TO EXPLORE FULLY THE OPENING
CREATED THERE. WE HOPPE THAT THESE CONTINUING NEGOTIATIONS WILL
LEAD TO TRANSITIONAL ARRANGEMENTS WHICH WILL LIGHTEN THE BURDEN
OF OCCUPATION IN THE WEST BANK AND GAZA AND HELP TO CREATE A CLIMATE
OF CONFIDENCE AND CO-OPERATION IN PRACTICAL MATTERS. BUT THE ULTIMATE
GOAL MUST REMAIN A COMPREHENSIVE SETTLEMENT, BASED ON THE EFFECTIVE
APPLICATION OF RESOLUTION 242 IN ALL ITS PARTS. THIS INVOLVES
THE ACCEPTANCE BY ALL PARTIES OF ISRAEL'S RIGHT TO LIVE IN PEACE
WITH HER NEIGHBOURS WITHIN SECURE AND RECOGNISED BORDERS,
AND, EQUALLY, IT REQUIRES THE WITHDRAWAL OF ISRAEL FROM TERRITORIES
OCCUPIED IN 1967.

THERE IS ONE AREA IN WHICH A BROAD INTERNATIONAL CONSENSUS HAS
RECOGNISED THAT RESOLUTION 242 IS INCOMPLETE; ~~THIS~~ IS IN THE
HANDLING OF PALESTINIAN RIGHTS. THE RESOLUTION TAKES NO ACCOUNT OF
THE LEGITIMATE POLITICAL RIGHTS OF THE PALESTINIANS WHICH GO WELL
BEYOND THEIR STATUS AS REFUGEES. NOR DOES IT TAKE ANY ACCOUNT
OF THE PALESTINIANS' BELIEF THAT THEY AREA SEPARATE PEOPLE WITH
A RIGHT TO THEIR HOMELAND. THIS, I BELIEVE, IS AN AREA IN WHICH
RESOLUTION 242 MAY BE SUPPLEMENTED; NOT, I EMPHASIZE, REPLACED,
AMENDED OR DISTORTED, BUT SUPPLEMENTED TO MEET THIS POINT.

MY GOVERNMENT BELIEVE THAT A SETTELEMENT WHICH DOES NOT COMMAND THE
BROAD ASSENT OF THE PALESTINIAN PEOPLE CANNOT LAST. BUT IF THE
PALESTINIANS ARE TO EXERCISE THE RIGHT TO DETERMINE THEIR OWN
FUTURE AS A PEOPLE, THIS MUST BE IN THE CONTEXT OF A NEGOTIATED
PEACE SETELEMEN WHICH GUARANTEES ISRAEL'S RIGHT TO A PEACEFUL AND
PERMANENT EXISTENCE WITHIN SECURE BORDERS. ONLY IF BOTH
PARTIES RECOGNISE THE LEGITIMATE RIGHTS OF EACH OTHER WILL IT BE
POSSIBLE TO ACHIEVE THE DURABLE PEACE WHICH ALL THE PARTIES OF
THE MIDDLE EAST SO DESPERATELY NEED.

IN THE MEANTIME IT IS OUR EARNEST HOPE THAT ALL PARTIES WILL
AVOID DOING OR SAYING ANYTHING TO MAKE IT HARDER TO ESTABLISH THE
MINIMUM TRUST WITHOUT WHICH SUCCESSFUL NEGOTIATIONS WOULD BE
IMPOSSIBLE. WE CALL AGAIN ON THE ISRAEL GOVERNMENT TO CEASE THEIR
POLICY OF SETTLEMENT IN OCCUPIED TERRITORIES. THEIR PRESENT
POLICY REJUDICES THE CHANCES OF PROGRESS IN THE AUTONOMY TALKS AND
ACHIEVEMENT OF A COMPREHENSIVE SETTLEMENT MUCH MORE DIFFICULT.
WE DEPLORE THEIR RECENT DECISION TO ALLOW ISRAELI CITIZENS TO
BUY LAND IN THE OCCUPIED TERRITORIES. MOREOVER, WHILE WE UNDERSTAND
THE ISRAEL GOVERNMENT'S PREOCCUPATION WITH SECURITY, WE URGE THEM
TO REFRAIN FRO THEIR PRESENT POLICIES IN SOUTH LEBANON. THESE
UNDERMINE THE AUTHORITY OF THE LEBANESE GOVERNMENT AND FRUSTRATE
THE EFFORTS OF UNIFIL TO FULFIL ITS MANDATE. IN THAT CONTEXT I
SHOULD LIKE TO PAY TRIBUTE TO THE DEDICATION AND COURAGE WITH WHICH
THE OFFICERS AND MEN OF UNIFIL ARE CARRYING OUT THEIR DANGEROUS
AND DIFFICULT TASK.

MAKES
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INDO-CHINA

ANOTHER AREA OF DANGEROUS TENSIONS IS INDO-CHINA, WHERE SUFFERING
DUE TO NATURAL CAUSES HAS BEEN MADE WORSE BY THE REGIMES
WHICH TOOK POWER IN 1975. I REFER FIRST TO THE VIETNAMESE
GOVERNMENT WHICH, AS I SAID AT THE MEETING IN GENEVA ON 20
JULY, HAS DRIVEN SO MANY PEOPLE TO FLEE ITS SHORES THAT THE

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JULY, HAS DRIVEN SO MANY PEOPLE TO FLEE ITS SHORES THAT THE

Extract from For. Sec's speech
to the UN Security Council



25/9/79.

With the compliments of

THE PRIVATE SECRETARY

FOREIGN AND COMMONWEALTH OFFICE
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TO IMMEDIATE FCO

TELEGRAM NUMBER 447 OF 25 SEPTEMBER

INFO IMMEDIATE DAMASCUS BEIRUT MODUK (DIA) PRIORITY CAIRO

WASHINGTON UKMIS NEW YORK

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ISRAEL/SYRIA AIR CLASH

1. THE ISRAELI MEDIA OF YESTERDAY EVENING, 24 SEPTEMBER, AND THIS MORNING, PROMINENTLY REPORT YESTERDAY'S AIR CLASH OVER BEIRUT, IN WHICH THEY ALLEGE THAT ISRAELI F15S SHOT DOWN FOUR SYRIAN MIG 21S WITHOUT LOSS. THIS FOLLOWS UPON THEIR REPORTING LAST WEEK OF THE INCIDENT ON 19 SEPTEMBER WHEN SOME SYRIAN MIG 23S FIRED MISSILES AT ISRAELI AIRCRAFT ON RECONNAISSANCE OVER LEBANON, WITHOUT HOWEVER SCORING HITS, OR ATTRACTING RETALIATION.
2. TAKEN TOGETHER, THESE TWO INCIDENTS GIVE RISE TO A NUMBER OF QUESTIONS. WHY DID THE SYRIANS CHOOSE LAST WEDNESDAY TO SEND INTO ACTION, FOR AS FAR AS WE KNOW HERE THE FIRST TIME, THEIR MIG23S AGAINST ISRAELI RECONNAISSANCE AIRCRAFT WHICH WE BELIEVE TO HAVE BEEN PHANTOMS? WHY DID THEY MISS THEM? WHY DID THE ISRAELI FIGHTER COVER, IF UP, NOT INTERVENE AGAINST THE MIG 23S? WHY, ON 24 SEPTEMBER, DID THE SYRIANS NOT AGAIN SEND UP MIG23S? IF THEY PREFERRED NOT TO HAZARD THEM, WHY DID THEY SEND UP MIG 21S, WHEN THEY MUST SURELY HAVE KNOWN THAT THE ISRAELIS ON THIS OCCASION WOULD BE WAITING FOR THEM?
3. THE ONLY QUESTION ON WHICH THE ISRAELI MEDIA CONCENTRATE IS WHY THE SYRIANS SENT UP MIG 21S YESTERDAY, WHEN THEY KNEW THEY WOULD BE OUT-FOUGHT. THE SPECULATIVE ANSWER IS THAT IT WAS IN ORDER TO DEMONSTRATE TO THE RUSSIANS, IN ADVANCE OF A VISIT BY PRESIDENT ASAD TO MOSCOW, HOW BADLY THE SYRIANS NEED MORE MODERN AIRCRAFT AND OTHER ARMS.

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S E C R E T

4. DURING A BRIEF PRIVATE CONVERSATION YESTERDAY EVENING, I PUT THE QUESTIONS TO THE ISRAEL MINISTER OF DEFENCE. HE DID NOT KNOW WHY THE SYRIANS HAD PUT UP THEIR MIG 23S ON 19 SEPTEMBER. HE SAID THEY HAD MISSED BECAUSE THEY HAD FIRED FROM MILES OUT OF RANGE, INFORMATION WHICH CAN NO DOUBT BE CHECKED FROM OUR OWN SOURCES. HE DID NOT KNOW WHY THE SYRIANS HAD NOT PUT UP THEIR MIG 23S ON 24 SEPTEMBER, BUT SAID THAT OF COURSE THE ISRAELIS HAD BEEN HOPING VERY MUCH THAT THEY WOULD, SO THAT THEY COULD MATCH THEIR F15S AGAINST THEM. WHEN, IN THE HOPE OF DISCOVERING WHO HAD FIRED FIRST, ON 24 SEPTEMBER, I ASKED MR WEIZMAN WHETHER THE IAF HAD HEARD THE SYRIAN MIG 21S ORDERED TO ARM THEIR MISSILES, HE PROTESTED THAT HE WAS NOT IN THE DEBRIEFING ROOM. HE DID NOT EXPLAIN WHY THE PHANTOMS ON 19 SEPTEMBER HAD BEEN LEFT UNPROTECTED TO GET OUT OF THEIR PREDICAMENT AS BEST THEY COULD.

5. WHILE THE INCIDENT ON 19 SEPTEMBER THEREFORE REMAINS NOT FULLY EXPLAINED, IT SEEMS CLEAR THAT ON 24 SEPTEMBER THE ISRAELIS DELIBERATELY SOUGHT TO PROVOKE THE SYRIANS AGAIN, WERE SUCCESSFUL, AND EMERGED VICTORIOUS AND ONLY DISAPPOINTED THAT THEY HAD NOT BEEN ABLE TO ENTICE THE MIG 23S INTO BATTLE. THE STORY MAY BECOME CLEARER AS FURTHER INFORMATION FROM OUR OWN SOURCES COMES IN.

MASON

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FM WASHINGTON 241752Z SEP 79

TO ROUTINE F.C.O.

TELEGRAM NUMBER 2820 OF 24 SEPTEMBER.

INFO ROUTINE CAIRO, AMMAN, BEIRUT, DAMASCUS, JEDDA, TEL AVIV,
UKMIS NEW YORK, HMCG JERUSALEM.

Prime Minister

Ans 26/3

out

CAIRO TELNO 710: ARAB/ISRAEL

1. ROBINSON ASKED SAUNDERS ON 21 SEPTEMBER HOW HE SAW THE PEACE PROCESS EVOLVING AFTER THE DEMISE OF THE PLO UNITED NATIONS INITIATIVE

2. SAUNDERS SAID THAT THERE WERE THREE IMPORTANT LANDMARKS ON THE HORIZON: THE END OF THE YEAR WHEN THE INTERIM WITHDRAWAL FROM SINAI WOULD BE COMPLETED: FEBRUARY 1980 WHEN EGYPT AND ISRAEL WERE DUE TO EXCHANGE AMBASSADORS: AND MARCH 1980 WHEN THE ONE YEAR PERIOD SET FOR THE AUTONOMY NEGOTIATIONS WOULD BE UP. KHALIL HAD EXPLAINED TO THE AMERICANS THAT THE EGYPTIANS WERE ANXIOUS NOT TO ROCK THE BILATERAL EGYPT/ISRAEL BOAT WHILE THE INTERIM WITHDRAWAL WAS STILL GOING ON. PUT IN ITS CRUDEST TERMS THIS MEANT THAT THE EGYPTIANS WANTED SINAI BACK AT ANY COST, THOUGH KHALIL'S MORE ELEGANT FORMULATION WAS THAT IT WAS IMPORTANT TO BE ABLE TO DEMONSTRATE TO THE ARAB WORLD THAT THE ISRAELIS WERE CAPABLE OF STICKING TO AN AGREEMENT AND THAT NEGOTIATING WITH THEM DID PRODUCE THE GOODS. IN TALKING TO THE AMERICANS KHALIL HAD NOT PLACED SO MUCH EMPHASIS ON BEGIN'S HEALTH AS HE HAD WITH MICHAEL WEIR IN CAIRO TUR, THOUGH THERE WAS AN ELEMENT OF SADAT NOT WANTING TO ASK TOO MUCH OF BEGIN AT A TIME WHEN HE RECOGNISED THAT THE ISRAELI PRIME MINISTER HAD DOMESTIC POLITICAL PROBLEMS. AS FOR THE PALESTINIANS DURING THIS PERIOD, KHALIL HAS TOLD THE AMERICANS THAT HE SENT THE PLO A MESSAGE THAT THEIR BEST STRATEGY WOULD BE TO SPEND THE REST OF THIS YEAR IMPROVING THEIR IMAGE AND DEMONSTRATING THEIR CAPACITY FOR MODERATION IN THIS CONTEXT SAUNDERS MENTIONED THAT CURRENT U.S. EFFORTS TO TURN THE LEBANON CEASEFIRE INTO A MORE PERMANENT TRUCE, IF SUCCESSFUL, COULD FORTUITOUSLY HELP THE PROCESS.

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3. THE AMERICANS CAN LIVE WITH THIS TIMETABLE (WHICH IS MUCH IN LINE WITH WHAT STRAUSS TOLD ME - MY TEL 2797) AND SAUNDERS BELIEVES THE EGYPTIAN AND ISRAELI NEGOTIATORS CAN USEFULLY SPEND THE TIME BETWEEN NOW AND THE END OF THE YEAR ON DETAILED WORK AND ON IDENTIFYING THE ISSUES WHICH NEED RESOLUTION AT POLITICAL LEVEL. BUT THAT MEANT THAT THE BEGINNING OF 1980 WOULD BE AN IMPORTANT PERIOD AND THERE WOULD NEED TO BE MORE TO SHOW FOR THE PEACE PROCESS THAN JUST ISRAELI INTERIM WITHDRAWAL BEFORE THE FEBRUARY EXCHANGE OF AMBASSADORS. AT THIS POINT SAUNDERS SAID RATHER WEARILY THAT EVEN THAT COULD PERHAPS BE ACHIEVED IF THERE WERE NO EXTRANEOUS CONSIDERATIONS SUCH AS OIL "AND THE NEW HAMPSHIRE PRIMARY".

4. SAUNDERS CONFESSED TO BEING WORRIED ABOUT THE WAY IN WHICH THE COST OF PEACE WAS BUILDING UP. CONGRESS HAD AGREED THE DOLLARS 4.8 BILLION (OVER 3 YEARS) IN MARCH AFTER THE SIGNATURE OF THE EGYPT/ISRAEL TREATY BUT EVEN IN THOSE EUPHORIC DAYS THERE HAD BEEN PLENTY OF QUESTIONS ASKED. IN THE PRESENT MORE SOBER ATMOSPHERE THE ISRAELI DOLLARS 3.45 BILLION BID FOR FY 1981, TOGETHER WITH WHAT COULD BE EXPECTED FROM THE EGYPTIANS, WOULD NOT BE EASY TO EXPLAIN - THERE WAS A LIMIT TO HOW OFTEN YOU COULD TELL CONGRESS THAT PEACE IN THE MIDDLE EAST IS SO VITAL A U.S. INTEREST THAT IT IS WORTH ANY COST.

5. ROBINSON ASKED WHY MUBARRAK HAD BEEN IN WASHINGTON. SAUNDERS ADMITTED TO SOME PUZZLEMENT HIMSELF BUT ATTRIBUTED MUBARRAK'S WISH TO COME (QUITE APART FROM MEDICAL ATTENTION HE NEEDED HERE) TO EGYPTIAN UNEASE ABOUT THE U.S. COMMITMENT. THEY HAD DISCOVERED HOW Few Arms Dollars 1.5 Billion Could Buy (OLD DESTROYERS, INSTEAD OF NEW, FOR EXAMPLE) AND, LIKE THE ISRAELIS IF LESS SPECIFICALLY, WANTED TO PUT DOWN SOME MARKERS ABOUT FUTURE AID NEEDS.

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Prime Minister

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TELEGRAM NUMBER 1096 OF 24 SEPTEMBER
INFO PRIORITY CAIRO TEL AVIV WASHINGTON AMMAN DAMASCUS
BAGHDAD

FOLLOWING FROM PRIVATE SECRETARY.

SECRETARY OF STATE'S CALL ON DR. WALDHEIM: MIDDLE EAST.

1. DR WALDHEIM SAID THAT HIS RECENT SUGGESTION FOR AN INTERNATIONAL CONFERENCE ON THE MIDDLE EAST DID NOT AMOUNT TO A FORMAL PROPOSAL. BUT HE WAS INCREASINGLY SCEPTICAL ABOUT THE PROSPECTS OF THE CAMP DAVID PROCESS. STRAUSS HIMSELF HAD SPOKEN VERY FRANKLY TO HIM RECENTLY. STRAUSS CLEARLY DID NOT EXPECT THE AUTONOMY NEGOTIATIONS TO WORK, AND THOUGHT THERE WOULD BE A BREAKDOWN BY THE BEGINNING OF NEXT YEAR. THAT WOULD BE THE TIME TO FORMALISE THE PROPOSAL FOR A NEW CONFERENCE. DR WALDHEIM DID NOT WISH TO APPEAR TO UNDERMINE CAMP DAVID BY MOVING TOO QUICKLY. HE HAD SPOKEN TO KING HUSSEIN AND ASSAD IN HAVANA AND THOUGHT HE WOULD HAVE THEIR SUPPORT. THE RUSSIANS WOULD NOT WANT ANOTHER GENEVA CONFERENCE, OR ANYTHING WHICH WOULD APPEAR TO ACCEPT CAMP DAVID, BUT WHAT HE HAD IN MIND WOULD DO NEITHER.

PARSONS

MIDDLE EAST: ADVANCE COPIES

~~X-18~~

X 15

PS/SIR I GILMOUR
PS/MR HURD
PS/PUS
MR J C MOBERLY

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Prime Minister

Paul

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FM CAIRO 241200Z SEP

TO PRIORITY FCO
TELNO 716 OF 24 SEP

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INFO KHARTOUM TRIPOLI JEDDA ABU DHABI BAHREAIN KUWAIT
BAGDAD DAMASCUS AMMAN TEL AVIV WASHINGTON
ARAB/ISRAEL

1. ON 23 SEPTEMBER IN THE FIRST OF A SERIES OF INTERVIEWS IN OCTOBER MAGAZINE PRESIDENT SADAT CONTINUED HIS ATTACKS ON HIS ARAB OPPONENTS. AFTER BAITING THE SYRIANS AND THE IRAQIS IN FAMILIAR, THOUGH PARTICULARLY SAVAGE TERMS, HE ACCUSED THE SAUDIS OF TRYING TO BUY LEADERSHIP OF THE ARAB WORLD. IN PASSING HE DESCRIBED THE CROWN PRINCE OF BAHRAIN, THE KUWAITI PRIME MINISTER AND SHEIKH ZAID OF THE UAE AS "SAUDI CLIENTS".

2. PRESIDENT SADAT ALSO SPOKE OF A FAND-SADDAM AXIS AND CLAIMED, WITHOUT GIVING DETAILS, THAT SAUDI ARABIA, LIBYA AND IRAQ HAD BEEN PLOTTING AGAINST SUDAN AS A FIRST STEP IN A CONSPIRACY AGAINST EGYPT. (HE PRESUMABLY HAD IN MIND REPORTS OF IRAQI INVOLVEMENT IN THE RECENT DISTURBANCES IN SUDAN, AND/OR RUMOURS OF SAUDI PRESSURE ON PRESIDENT NIMEIRI TO DISTANCE HIMSELF FROM EGYPT. IT MAY NOT BE COINCIDENTAL THAT ON THE DAY BEFORE THE "OCTOBER" INTERVIEW WAS PUBLISHED, VICE PRESIDENT MUBARAK PAID A SURPRISE VISIT TO NIMEIRI IN KHARTOUM).

3. THOUGH THE PRESIDENT ATTACKED HIS ARAB OPPONENTS UNMERCIFULLY, IT IS NOTEWORTHY THAT THERE WAS NO CRITICISM OF ISRAEL AND MR BEGIN.

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TO FLASH WASHINGTON

TELEGRAM NUMBER 1260 OF 24 SEPTEMBER

AND TO IMMEDIATE UKMIS NEW YORK

YOUR TELEGRAM NUMBER 2813: US/JORDAN

IN DISCUSSION WITH THE PRIME MINISTER ON 20 SEPTEMBER KING HUSSEIN TOOK THE GENERAL LINE THAT THE CAMP DAVID PROCESS HAD REACHED THE LIMITS OF ITS POSSIBILITIES, AND THAT THE PRESTIGE OF THE UNITED STATES HAD SUFFERED. A DIFFERENT APPROACH WAS REQUIRED, INVOLVING OTHER NATIONS AND THE PALESTINIANS. THE JORDANIAN GOVERNMENT WAS IN DIRECT TOUCH WITH THE PLO AND HOPED TO FIND A MEANS BY WHICH THE US GOVERNMENT COULD BE HELPED TO FIND A NEW APPROACH: THIS WOULD REQUIRE QUOTE BINDING COMMITMENTS UNQUOTE FROM THE US ON THE IMPLEMENTATION OF RESOLUTION 242.

2. KING HUSSEIN HAD BEEN SURPRISED BY THE INCREASED MATURITY OF THE PLO'S ATTITUDE AND BY THEIR INTEREST IN TALKING NOW ABOUT THE FUTURE RELATIONSHIP BETWEEN A PALESTINIAN STATE AND JORDAN. HE WOULD RESUME DISCUSSION WITH ARAFAT WHEN HE RETURNED FROM THE GENERAL ASSEMBLY. ON FUTURE RELATIONS BETWEEN A PALESTINIAN STATE AND JORDAN HE SAID THAT WHILE A FEDERAL RELATIONSHIP WOULD POSE PROBLEMS FOR JORDAN THE JORDANIANS WOULD ACCEPT WHATEVER THE PALESTINIAN PEOPLE DECIDED FOR THEMSELVES.

3. KING HUSSEIN SAID THAT HE WAS TRYING TO FORMULATE A NEW POSITION WITH OTHER ARAB LEADERS BUT MADE NO REFERENCE TO ANY WIDER INTERNATIONAL CONFERENCE. HE INTENDED TO PUT FORWARD THE OUTLINE OF A NEW RESOLUTION IN NEW YORK. HE HAD BEEN URGING THE PLO TO AVOID A CONFRONTATION WITH THE US AND A POSSIBLE US VETO OF AN ARAB RESOLUTION.

4. PLEASE INFORM SAUNDERS OF THE GENERAL SUBSTANCE OF KING HUSSEIN'S REMARKS: HE WILL UNDERSTAND THE NEED TO ENSURE THAT KING HUSSEIN DOES NOT REALISE THAT THE US HAVE HAD AN ACCOUNT OF HIS MEETING WITH THE PRIME MINISTER .

CARRINGTON [COPIES SENT TO NO 10 DOWNING STREET]

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MR J C MOBERLY

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Enter Middle East

Middle east

+ p.g. Print

Text of passage in Irish Presidency speech
to be made in N. York on 25 September:

Such a settlement would win the endorsement and support of the international community: and it would meet the legitimate rights and interests of all parties. This includes Israel, which is entitled to exist at peace within secure boundaries accepted and adequately guaranteed: and the Palestinian people, who are entitled, within the framework set by a peace settlement, to exercise their right to determine their own future as a people and to decide for themselves on the political and social structures under which they wish to live.

Seen + approved by the Prime
Minister.

Print 24/9

SUBJECT

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PRIME MINISTER'S

PERSONAL MESSAGE

*The President
of the Arab Republic of Egypt* SERIAL No. T103A/79.T. الرئيس

23, September ,1979.

Dear Mrs. Thatcher,

Pursuant to my last letter to you on the efforts exerted to solve the Middle East problem, I would like to put you fully in the picture with respect to the talks I held with Israeli Prime Minister Begin in Haifa on the fourth and the fifth of this month. You know that we are committed to work incessantly until we reach a comprehensive settlement to the dispute on the basis of the "Framework for Peace in the Middle East" signed at Camp David a year ago. Having signed the Peace Treaty and the letter on the establishment of a self-governing authority in the West Bank and Gaza, we are currently concentrating on negotiating the modalities for electing this government and defining its powers and responsibilities.

My visit to Haifa was intended to give impetus to these negotiations and persuade the Israeli Government to adopt the attitude which would be conducive to making progress. Of course I did not expect any concrete steps to emerge from this round of talks. The Palestinian issue is too complex and sensitive to lend itself to simple solutions. However, a determined and firm approach would definitely yield favorable results in due course. In my conversations with Prime Minister Begin, I dwelt in length on the necessity for adopting a broader concept of the jurisdiction of the self-governing

—
Mrs. MARGARET THATCHER
The British Prime Minister

*The President
of the Arab Republic of Egypt*

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authority. That government, which is to exercise full autonomy in accordance with the provisions of the Camp David Framework, should have real authority in order to attract the Palestinians to the peace process.

I emphasized the necessity for making progress on the issue of Jerusalem at this stage. Hundreds of millions of muslims and Christians and many others do not accept the prolongation of the present situation. It is not impossible to agree on a formula that would allow the return of Arab sovereignty over East Jerusalem while maintaining the unity of the city for all practical purposes. Services and utilities would be administered by one board. Freedom of movement for persons and goods throughout the City would be safeguarded. Freedom of worship would be guaranteed. I urged Mr. Begin to cooperate with us and accept our idea of allowing the Palestinian inhabitants of East Jerusalem to participate in the election of the self-governing authority. This would be a first step that would reassure the Palestinian people without prejudging the issue. Short of this, no progress can be achieved.

Our position on the settlements issue remains as it is : they are illegal and they constitute an obstacle to peace. Furthermore the latest decision by the Israeli government to allow its nationals to purchase land in the West Bank and Gaza Strip constitutes further impeachment to the peace process.

*The President
of the Arab Republic of Egypt*

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- 3 -

As I did in my talks with the Israeli Prime Minister, I emphasized to the Israeli public in my speeches the fact that the realization of the legitimate rights of the Palestinian people does not jeopardize Israeli security or other interests in any way. Israelis should cease thinking that their interests are diametrically opposed to those of the Palestinians. It is an absolute must to find a formula for coexistence between the two peoples, otherwise the situation would remain explosive and unstable. By and large, I noticed that there was a greater degree of receptivity for such argument than before.

The Prime Minister was giving all these ideas deep thought. At certain points, he reiterated his well-known opinions, while on others, he was willing to consider. Therefore, I decided to leave the points I made with him so that the Israeli Cabinet may study them in the spirit of peace and fraternity. I made it crystal clear to Begin, Peres and other Israeli leaders that much will depend on their cooperation on the Palestinian question. I also indicated that it is vital to make meaningful progress before the end of this year if we remain faithful to the peace ideal.

I was impressed and touched by the spirit of the inhabitants of Haifa. Especially heartwarming was the positive and hopeful

*The President
of the Arab Republic of Egypt*

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- 4 -

attitude of the Arab Israelis who constitute a good part of the population in Haifa and the neighboring areas in the Galilee. They support the peace process wholeheartedly as the only way to assure a happy and secure future for everyone in the region.

In the course of my conversations with the Israeli Prime Minister, we settled a few points related to the implementation of the Peace Treaty, such as the sale of Egyptian oil to Israel and moving forward the date withdrawal from mount Sinai . It was also agreed that officials of both sides would meet in Washington next week to consider the question of the Peace-keeping force. We agreed tentatively on an interim arrangement that would allow a small number of representatives of both Parties to perform some supervisory functions on the ground on a limited scale.

My idea is to confront the Israelis in the weeks and months ahead with the necessity for making the decisions that are required for settling the Palestinian question. Every Israeli knows that this is part of the peace package reached with Egypt. This remains an unwavering Egyptian commitment. You might have noticed that Prime Minister Begin himself stated in public more than once during the visit that Israel is committed to work for a comprehensive settlement. I intend to apply the right measure of pressure and persuasion. I am employing every new step taken in the dealing between

*The President
of the Arab Republic of Egypt*

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Egypt and Israel to promote a more cooperative Israeli attitude with respect to the Palestinians.

This is why I told Prime Minister Begin that next year after pumping the Nile water through a tunnel beneath the Suez Canal to irrigate Sinai, I may be prepared to supply the Negev with some water. I alluded to this idea, in general terms, as an expression of good neighbourhood policy.

Dear Friend,

I want to tell you that the Egyptian people fully appreciate your support for their principled stand on this and other issues. We count on your continuous understanding and cooperation. This attitude would certainly be reflected in further enhancing our friendly relations.

With Best Wishes and regards,



Mohammed Anwar El-Sadat



Foreign and Commonwealth Office

London SW1A 2AH

23 September 1979

M O'D B Alexander Esq
10 Downing Street

Pomnie Pomster
(Background on the
'homeland' question) *Pom*

Dear Alexander,

MIDDLE EAST: POLICY TOWARDS THE PALESTINIANS

Thank you for your letter of 14 September. In view of the Prime Minister's comments the Foreign and Commonwealth Secretary does not wish to proceed with a discussion in OD at this stage.

The Prime Minister asked when HMG became committed to the inclusion of the right to a homeland among the Palestinian rights to be taken into account. Perhaps I could recall some of the history. Security Council Resolution 242 treated the Palestinian problem as essentially a refugee question. Since then the attitude of successive British Governments has developed as a result of British national decisions and, since we joined the Community, through the evolution of thinking in the Nine. The Conservative Government of the day made a deliberate step forward in Sir Alec Douglas Home's speech to the Yorkshire Area Council of the Conservative Party at Harrogate on 31 October 1970, when he said "we must not ignore the political aspirations of the Palestinian Arabs and their desire to be given a means of self-expression. We cannot support any political programme which would involve the disappearance of the state of Israel; this is what the Palestinian resistance organisations at present demand. But we must work for a settlement which will attract the agreement of all the peoples of the area, including the Palestinians, and which takes account of their legitimate aspirations". Although these aspirations were not spelled out by Sir Alec Douglas Home, they have of course long included the establishment of a Palestinian state. In this and other respects the Harrogate speech remained the basis of British policy until the General Election of 1974.

The British position developed further during the following 5 years when Labour was in power. At the United Nations General Assembly on 5 October 1976 Mr Crosland said that "one essential element in a settlement will be a land for the Palestinians, not

/ necessarily



necessarily a sovereign state but a place where they will be free to look after their own affairs". The most important of the various statements by the Nine was the London declaration of 29 June 1977 where the Heads of Government agreed as follows. "The Nine have affirmed their belief that a solution to the conflict in the Middle East will be possible only if the legitimate right of the Palestinian people to give effective expression to its national identity is translated into fact, which would take into account the need for a homeland for the Palestinian people". On 26 March this year the Nine put out another statement emphasising the need for any settlement "to translate into fact the right of the Palestinian people to a homeland".

The concept of a Palestinian right to a homeland thus has its roots a long way back. Since then the IFS has said in the House of Commons "the Government's objective is a just, lasting and comprehensive settlement based on Security Council Resolutions 242 and 338 and the need for a land of the Palestinian people". Sir Ian Gilmour avoided the word "homeland" because it may for some have echoes of what the South African Government have been doing.

Some of the Nine have of course gone further than this both on the question of a homeland and on other aspects of Palestinian rights. President Carter, for his part, has referred to the need for "the Palestinians to participate in the determination of their own future" and has said that "there has to be a homeland provided for the Palestinian refugees who have suffered for many many years".

On the question of whether such a homeland should be an independent sovereign state or should be linked in some way with Jordan, we have generally remained neutral, though Mr Callaghan, like President Carter, expressed a personal preference for some federal or other solution falling short of independence. As the Prime Minister will recall from her discussion with King Hussein in June, the Jordanians are in favour of Palestinian self-determination and clearly accept that this might but need not necessarily mean full independence. Lord Carrington had noted that at that time (in Bryan Cartledge's letter of 18 June to Paul Lever) the Prime Minister had said that she would be prepared to ask President Carter to exert pressure on Mr Begin to accept the principle of Palestinian sovereignty for the West Bank, and had taken account of this in proposing the subject for discussion by OD.

The Prime Minister also asks whether a solution based on Palestinian self-determination would be viable. A good deal of work, albeit rather hypothetical, has been done on the subject,

/ and



and I will send you an account of this separately. We believe that a separate Palestinian state would attract considerable financial support from the Arab world, expatriate Palestinians and other foreign donors. Given the high level of education and ability of the Palestinians, its economy need not present insuperable problems, though, like Israel and Jordan, it would need to rely upon considerable outside assistance, perhaps indefinitely. But the problems would be formidable, as was recognised in other FCO papers which the Prime Minister has seen. For example, the circumstances in which a Palestinian homeland might be negotiated would almost certainly be such that it would lack some important attributes of most states: it would have to be demilitarised; its borders with Israel would probably be subject to a special regime limiting its economic freedom of action; and the freedom of its citizens to return to their homeland would in practice be limited.

The Foreign and Commonwealth Secretary has also seen Lord Hailsham's comments in Arnold's letter to Lever of 12 September. On the specific point of Israel's security and Resolution 242 Lord Carrington is aware that these are the terms in which the problem is seen by many Israelis. The Israeli Government has argued for many years that the 1967 borders are unacceptable because they would be difficult for Israel to defend, and also that the expression "secure and recognised borders" in Resolution 242 should be interpreted to mean, so far as Israel is concerned, that these borders must be defensible in military terms. Our own interpretation has consistently been different. The Harrogate speech of October 1970 said that a definitive agreement on territorial questions would be the answer both to Israel's fear for her existence and, at the same time, to Arab fear of Israeli expansionism. It added that between Israel and Jordan, Resolution 242 implied that "secure and recognised boundaries should be based on the armistice lines which existed before the war of 1967, subject to minor changes which might be agreed between the two countries".

I am sending a copy of this letter to Martin Vile (Cabinet Office).

Yours sincerely,

McAuliffe

fw G Walden

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Prime Minister

FM WASHINGTON 212002Z SEP

TO ROUTINE F C O

TELEGRAM NUMBER 2797 OF 21 SEP 79.

INFORMATION ROUTINE TO AMMAN, BEIRUT, DAMASCUS, CAIRO, JEDDA,
TEL AVIV, UK MIS NEW YORK AND HMCG JERUSALEM.

Paul

24.9.79

ms.

ARAB/ISRAEL.

1. I CALLED ON AMBASSADOR STRAUSS THIS MORNING. HE WAS MORE REALISTIC IN PRIVATE ABOUT THE PROSPECTS FOR HIS MIDDLE EAST NEGOTIATIONS THAN HIS RECENT PUBLIC STATEMENTS HAD CONVEYED.

2. IT WAS TRUE THAT THE NEGOTIATIONS WERE "AHEAD OF SCHEDULE" IN THE SENSE THAT MORE HAD BEEN ACHIEVED BY SEPTEMBER THAN HE HAD EXPECTED. THAT MIGHT CONTINUE TO BE TRUE THROUGH OCTOBER AND NOVEMBER TOO; BUT THERE WAS A BIG DIFFERENCE BETWEEN BEING AHEAD OF SCHEDULE NOW AND BEING CONFIDENT OF A SUCCESSFUL CONCLUSION IN MARCH 1980 -- YOU COULD BE IN THE LEAD AT ONE STAGE OF THE RACE WITHOUT WINNING IT. HE FORESAW A DIFFICULT PERIOD AHEAD FROM THE BEGINNING OF NEXT YEAR. HE AGREED THAT SO FAR THE EGYPTIANS HAD MADE MOST OF THE CONCESSIONS AND FORESAW THAT BY THE END OF THE YEAR SADAT WOULD HAVE COME 40 PERCENT OF THE WAY TO MEET BEGIN WHEREAS BEGIN WOULD HAVE ONLY COME 15-20 PERCENT ON HIS SIDE. THAT WOULD LEAVE A BIG GAP AND HOW TO BRIDGE IT WOULD BE THE MAJOR PROBLEM. THE AMERICANS WOULD HAVE TO CONSIDER WHETHER THEY SHOULD TRY TO "RAM THROUGH" AN AGREEMENT. FOR HIS PART, SADAT MIGHT WISH TO THROW THE PROBLEM BACK TO THE UNITED NATIONS (WHICH STRAUSS CONCEDED WOULD NEVER BE ACCEPTABLE TO THE ISRAELIS). THE MOST POSITIVE FEATURE FOR THE MOMENT WAS THE RELATIONSHIP OF GENUINE AFFECTION WHICH HAD BUILT UP BETWEEN SADAT AND BEGIN. BUT EVEN THAT HAD ITS DRAWBACKS SINCE THE TWO OF THEM WERE SO CAREFUL OF EACH OTHER'S FEELINGS THAT THEY AVOIDED CONFRONTING THE ISSUES WHICH MIGHT DAMAGE THEIR RELATIONSHIP. STRAUSS HESITATED TO PREDICT HOW THE RELATIONSHIP WOULD WITHSTAND A MAJOR CONFRONTATION.

3. STRAUSS RATHER DESPAIRED OF SADAT'S RELATIONS WITH THE OTHER ARABS, PARTICULARLY THE SAUDIS. PRICE FAHD WAS PERSONALLY DEEPLY EMBITTERED AGAINST SADAT. IT WENT BACK TO SADAT'S ORIGINAL JERUSALEM TRIP. ON THE STRENGTH OF AN ASSURANCE FROM SADAT GIVEN 6 DAYS BEFORE HE WENT TO JERUSALEM, FAHD HAD TOLD HIS FELLOW SAUDIS AND OTHER ARAB LEADERS THAT SADAT WOULD NOT GO DOWN THAT ROAD. THE NEXT THING HE KNEW WAS TO LEARN ON THE RADIO THAT SADAT WAS ON HIS WAY. THE PUBLIC EXCHANGE OF RECRIMINATIONS SINCE THEN HAD SIMPLY EXACERBATED THINGS. STRAUSS SAID THAT HE HAD TRIED WITHOUT SUCCESS TO GET SADAT TO DO MORE TO MEND HIS FENCES WITH THE SAUDIS, BUT HAD ALWAYS COME UP AGAINST SADAT'S OVERRIDING CONTEMPT FOR THEM AND FOR HUSSEIN. HIS OWN RELATIONS WITH THE SAUDI LEADERSHIP WERE GOOD AND HE WAS CLEARLY PLEASED WITH HIS JUNE ACHIEVEMENT IN GETTING THE EXTRA 1 MILLION BARRELS A DAY (THOUGH HE ADMITTED THAT IT HAD BADLY UNDERMINED PUBLIC SUPPORT FOR THE PRESIDENT'S ENERGY PROGRAMME). THAT COMMITMENT FROM THE SAUDIS HAD BEEN FOR 6 MONTHS. (STRAUSS WAS QUITE EXPLICIT THAT THE SAUDI COMMITMENT WAS FOR SIX MONTHS.) ALTHOUGH NOTHING HAD BEEN SAID BY THE SAUDIS ABOUT TURNING DOWN THE TAP IF NO PROGRESS HAD BEEN MADE BY DECEMBER IN THE NEGOTIATIONS, IT COULD NOT BE RULED OUT. FOR THE MOMENT HE SAW NO PROSPECT OF THE SAUDIS, WHO WERE SCARED STIFF OF THE POSSIBLE TROUBLE THEY BELIEVED THE PALESTINIANS TO BE CAPABLE OF CAUSING THEM, PLAYING A HELPFUL PART IN THE PROCESS. HE THOUGHT, HOWEVER, THAT HE DETECTED SOME SIGNS OF NERVOUSNESS IN HUSSEIN WHO APPEARED TO BE WORRIED THAT THERE MIGHT BE SOME PROGRESS WITHOUT HIS BEING ABLE TO BE A PART OF IT.

4. STRAUSS BELIEVES THAT THE ISRAELIS ARE BADLY LOSING THE WAR OF THE AMERICAN TV SCREEN (''WHERE WE LOST VIETNAM''), BUT THAT THEY HAVE TWO IMPORTANT ASSETS WHICH EVEN BEGIN'S DISASTROUS PUBLIC RELATIONS HAD NOT YET BEEN ABLE TO ERODE: ARAFAT'S FACE AND AMERICAN RESENTMENT AT FEELING HOSTAGE TO A LOT OF OIL PRODUCING MILLIONAIRE SHEIKHS. THUS A SERIOUS SHORTAGE OF GASOLINE OR HEATING OIL THIS WINTER, WHILE IT UNDOUBTEDLY WOULD HAVE A NEGATIVE EFFECT ON ISRAEL'S SUPPORT IN THIS COUNTRY, WOULD NOT CAUSE IT TO NOSE-DIVE COMPLETELY. HE ALSO THOUGHT THAT THE ISRAELIS WERE MAKING A SERIOUS MISTAKE IN NOT OFFERING THE PLO A TRUCE. IT WAS CLEAR THAT ARAFAT COULD NOT DELIVER EVEN IF HE ACCEPTED AND THAT WOULD DO MUCH TO COUNTER ISRAEL'S OBSTINATE IMAGE ON THE PLO QUESTION.

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5. PERHAPS THE MOST INTERESTING INSIGHT STRAUSS OFFERED WAS THAT BOTH HE AND SADAT BELIEVED THAT THE JERUSALEM PROBLEM COULD BE TACKLED EARLIER THAN CONVENTIONAL WISDOM BELIEVED ('NOBODY ELSE AGREES WITH US'). IT WAS AFTER ALL NOT A SECURITY ISSUE, AND MOVEMENT ON JERUSALEM WOULD MAKE A USEFUL IMPRESSION ON THE SAUDIS AND HUSSEIN. HE ADMITTED, HOWEVER, THAT AS FAR AS HE KNEW THE IDEA HAD NOT EVEN BEEN CONSIDERED BY THE ISRAELI CABINET AND THAT BEGIN'S EMOTIONALISM ON THE SUBJECT MADE IT AN UNLIKELY STARTER WITH HIM - BUT STRAUSS WAS NOT CONVINCED THAT WEIZMAN OR PERES WOULD RULE IT OUT.

6. FINALLY, I MENTIONED TO STRAUSS THAT THE NEXT TIME HE WAS IN LONDON HE MIGHT LIKE TO SEE A MINISTER. HE SAID THAT HE WOULD WELCOME THAT, ADDING THAT HE HAD NEARLY ASKED ME TO ARRANGE THIS ON HIS LAST TRIP BUT HAD DECIDED THAT, SINCE HE WAS STOPPING OVER ON A SATURDAY NIGHT, IT WAS HARDLY FAIR TO DISTURB ANYONE'S WEEKEND. WHEN HE DOES COME I THINK THAT, GIVEN STRAUSS' VERY SENIOR AND INFLUENTIAL POSITION IN THE CABINET HERE, YOU WOULD WISH TO SEE HIM. ACCORDING TO HIS PRESENT TRAVELL PLANS, THIS MAY NOT BE UNTIL NOVEMBER, BUT I DO NOT THINK THAT MATTERS SINCE WE ARE LIKELY TO BE IN FOR A PAUSE IN US MIDDLE EAST ACTIVITY AND, WITH SOMEONE LIKE STRAUSS, THE LEVEL AT WHICH HE IS RECEIVED WILL BE IMPORTANT. UNLESS, THEREFORE, HE PARTICULARLY WANTS TO VISIT WASHINGTON IN OCTOBER, MR HURD MAY PREFER TO LET MINISTERIAL CONTACT WITH STRAUSS WAIT UNTIL NOVEMBER.

HENDERSON

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TO PRIORITY FCO

TELEGRAM NUMBER 440 OF 21 SEPTEMBER
INFO WASHINGTON AND JERUSALEM

(2)

Prime Minister

MR BEGIN'S HEALTH

Handwritten initials

1. CAIRO TELEGRAM NO 710 TO YOU LEADS ME TO REVERT TO THE SUBJECT OF MR BEGIN'S HEALTH.
2. I HAVE NOT PERSONALLY SEEN MR BEGIN SINCE MY TELEGRAM NO 433 OF 14 SEPTEMBER, BUT HE RECEIVED THE RCD'S VISITORS LAST WEEK AND THEY FOUND HIM IN VERY GOOD FORM. HE LIKewise PERFORMED EFFECTIVELY DURING HIS (JEWISH) NEW YEAR MESSAGE ON TELEVISION LAST EVENING.
3. SOMETHING OF A FURORE WAS CAUSED HERE BY A TIME MAGAZINE PIECE ALLEGING THAT FOREIGN DOCTORS HAD EXAMINED MR BEGIN AND ADVISED HIM TO WORK ONLY THREE HOURS A DAY. THE AUTHOR OF THIS PIECE, HALEVI, SUBSEQUENTLY SUBSTANTIATED HIS STORY ON TELEVISION. THE PRIME MINISTER'S PRESS ADVISER HAS NOW CONVINCED ME THAT THE STORY WAS A FABRICATION, MADE UP EITHER BY HALEVI OR FOISTED UPON HIM, IN EITHER CASE IN ORDER TO WEAKEN THE GOVERNMENT.
4. NEVERTHELESS, WHATEVER THE ACTUAL STATE OF MR BEGIN'S HEALTH, I AGREE THAT IT HAS ONCE AGAIN BECOME AN IMPORTANT FACTOR, NOT ONLY TO THE EGYPTIANS, BUT ALSO DOMESTICALLY HERE, WHERE WE HEAR INCREASING TALK OF THE NEED FOR A GOVERNMENT OF NATIONAL UNITY, EITHER BEFORE OR AFTER ELECTIONS? BUT IMPLICITLY AFTER MR BEGIN'S DISAPPEARANCE FROM THE SCENE. THIS IS PERHAPS NO MORE THAN AN EXPRESSION OF GENERAL UNEASE, WHICH CAN LEAD NOT ONLY IN ISRAEL TO WISHEFUL THINKING ABOUT GOVERNMENTS OF NATIONAL UNITY.

MASON

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