

SECRET

MT

Confidential Filing

The PM's meetings with Lord Siff.

PRIME MINISTER

MAY 1980

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
13-5-80							
3-9-80							
12-8-80							
21-11-80							
8-3-85							
23-8-85							
18-11-85							
21-11-85							
23-8-85							
11-12-85							
13-5-86							
9-12-86							
12-6-87							
16-6-87							

5
3002

PREM 19/2413

SECRET



✓

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

16 June 1987

I am writing to acknowledge your letter of 15 June to the Prime Minister, and to confirm that I have arranged a meeting for you at 1730 on Thursday 25 June.

AS //

P.A. Bearpark

The Lord Sieff of Brimpton, OBE.

ATS



10 DOWNING STREET

PRIME MINISTER

I have acknowledged this, and
arranged for Lord Sieff to come
in on Thursday 25 June.

psj

mt

P.A. Bearpark

16 June 1987

1) *gfw*

To see

2) *B/F 24/6*

Telegrams: Marstonia London
Telex No. 267141
Telephone: 01-935 4422

Michael House,
Baker Street,
London, W.1.

From Lord Jeff of Brimpton

15th June 1987

1206

Dear Prime Minister

Lily and I send you our warm congratulations on the Conservative victory at last week's General Election and we wish you further success and progress in this third continuous term as the Country's Leader.

I appreciate you face many problems; I am convinced that if more top executives developed and consistently followed a policy of sourcing in the United Kingdom based on quality and value, we should see a replacement of imports by home products and further development of exports - and more employment.

Few top executives follow such a policy consistently and seriously, although more are now trying to do so, since the dinner you held last year at No. 10 and due to the work of Paul Channon and his colleagues at the Department of Trade & Industry.

Marks & Spencer's adherence to this policy has, in recent years, created substantial numbers of jobs in the North and Scotland.

I would welcome a talk with you on this potential development some time in the future if you think it worthwhile.

Warm regards to
Denis + you.
Michael

ORIGINAL FILED ON: PRIME MINISTER:

Mtg with Lord Weinstock, May 80



10 DOWNING STREET

CS

[Handwritten signature]

Tessa (Mindy)

C.F.

Cd. you please
find a time
Thus 18th 1800
for Lord Weinstock + CDP
with other needs;

BK //

and a time for
Thus 25th 1730
Lord Jessy in the
slightly longer term

CDP.

PRIME MINISTER

LORD SIEFF

Marcus Sieff telephoned to ask me to pass on warm congratulations. When things are less busy, he would like to come to see you. He has some thoughts on how the Government could deal with the problem of its declining support in Scotland. I said that I did not see any prospect in the immediate future but that I was sure you would take an opportunity to talk to him when you could.

yes

CDP

C D POWELL
12 June 1987



N. Powell.

10 DOWNING STREET

Nigel,

RE: The attached message.

The PM does not feel that she could see Lord Sieff this week but she would like Charles to see him.

Charles will phone Lord Sieff when he returns.

I am
seeing him
today.
am

Sue
9.12.86.

CHARLES

Lord Sieff telephoned this afternoon after you left to ask to see the Prime Minister urgently for a 10-15 minute meeting. He said that he had a message put to him by an un-named intermediary from President Alfonsin. He would not disclose on the telephone the intermediary or anything about the message except that he thought the Prime Minister would be interested in it. Lord Sieff goes abroad on Friday. Shall I arrange for him to see the Prime Minister before then?

N L WICKS

8 December 1986

Gaynor
Please say that the PM does
not feel that she can see Lord
Sieff ~~him~~ this week, but would
like to send me round
to have a word with him.
I will telephone him when I
get back this evening.

C.

- passed to Sue 6.50 London time 9.12.86

E. R.
MR. POWELL

Lord Sieff telephoned just after you left to ask to see the Prime Minister urgently for a 10-15 minute meeting. He said that he had a message, put to him by an unnamed intermediary, from President Alfonsin. He would not disclose on the telephone the intermediary or anything about the message, except that he thought the Prime Minister would be interested in it. Lord Sieff goes abroad on Friday.

Shall I arrange for him to see the Prime Minister before then?

N.L.W.

(N.L. WICKS)

Relayed via Brahms
to Strasborg 8/12/86
20.30 pm.

Duty Clerk.

8 December 1986



10, DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

13 May 1986

I spoke to your Secretary yesterday and this letter is just to confirm that the Prime Minister is looking forward to seeing you next Monday, 19 May, at 1030.

With best wishes,

(Mrs. Caroline Ryder)

The Lord Sieff of Brimpton, O.B.E.

CJ.



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

29 April 1986

Your letter to the Prime Minister of 29 April has arrived safely and I will have a word with her about your request for a meeting as soon as possible. As you may be aware she is leaving for Korea and Japan on Thursday so it may be a few days before we come back to you.

(Mrs Caroline Ryder)

The Lord Sieff of Brimpton, O.B.E.

Telegrams: Marspenka London
Telex No.: 267741
Telephone: 01-935 4422

Michael House,
Baker Street,
London, W1A 1DN.

From Lord Sieff of Brimpton
29th April 1986

PERSONAL

Dear Prime Minister,

It was a pleasure to see you at the reception at the Spanish Embassy last week.

I shall be going to Israel for a week from Tuesday, 6th May. On my return, if it were convenient and possible, I wonder whether I might come and see you briefly before your proposed visit there.

I quite appreciate there may not be time in your busy schedule to fit me in.

With all good wishes
Yours sincerely,
Nancy



BM

10 DOWNING STREET

From the Private Secretary

23 August 1985

Dear Lord Sieff,

I am writing on behalf of the Prime Minister to thank you for your letter of 22 August.

This is receiving attention and a reply will be sent to you as soon as possible.

Yours sincerely,

B.E. Moore

pp (Caroline Ryder)

The Lord Sieff of Brimpton, O.B.E.

BM

B.R.

cf
Can you please
add to your file.
17/10

PRIME MINISTER

The attached letter from Marcus Sieff asks if he can come and see you for half an hour.

I shall either have to find the time during the week before the Party Conference or ask him to wait until after the Lord Mayor's Banquet.

Which would you prefer?

Wedge Party Conference - it
may give us some ideas. CR

(Caroline Ryder)
23 August 1985

mt.
Janice
please make
sure plod to
wed 02 oct
at 16.00.
CR
27/8



File

10 DOWNING STREET

From the Private Secretary

Prime Minister (2)

Lord Siell wrote to you before Christmas about his "Buy British" ideas. Through David Wolton I asked Lord Siell to set out what he had in mind so that there was a proposition for Ministers to discuss. I also suggested that might extend Basil Feldman's "Better Made in Britain" concept to a wider range of goods.

So far we have had no response.

AT
8/3

mb

cc DW

PRIME MINISTER

I have known Marcus Sieff for most of my life. Last week he lunched with me. His main theme is known to you, but it is so potentially helpful all round that I think that you may want to encourage him.

Briefly, he has on several occasions identified products that Marks and Spencer - despite their 'Buy British' emphasis - thought it unavoidable to source from abroad, yet which in fact, by a Marks and Spencer initiative with self-selected suppliers, have now been successfully sourced from within the United Kingdom. Examples are some mens' suits, some shoes, some mens' shirts, some carrots, long lettuces.

The results have involved goods of equal quality and value for money as were previously being bought from abroad plus, over time and in aggregate, several thousand British jobs.

Marcus Sieff is now intent on persuading the hundred biggest UK firms to do likewise. It is this that you may wish to encourage.

He is aware of Basil Feldman's parallel initiative: and he is closely in touch with the CBI and to a lesser extent the Institute of Directors.

He is, of course, extremely well known to you. But I am copying this to Norman Tebbit and to David Young, both of whom probably know of his intent but with each of whom he would much like to talk.

KJ

5 March 1985

PM May 1980

Mtgs with Lord Sieff

5 MAR 1985



PRIME MINISTER

Lord Sieff has suggested a meeting with you and other Ministers to discuss ways in which the Government could encourage M & S policies, and thereby increase employment. If you were to agree to such a meeting, to which the Chancellor, Mr. Heseltine, Lord Young and Mr. Lamont might be invited, it would be helpful if Lord Sieff had put in a paper setting out his ideas.

It is interesting that, in its own purchasing, the Government is moving in the opposite direction to M & S:

- (i) In giving greater latitude to suppliers to determine the way in which they meet general specifications (the M & S policy is to determine specifications in great detail)
- (ii) In moving towards more competition, even where this means more purchasing from abroad.

Do you want to pursue a meeting with Lord Sieff? If so, should I ask him to put in a note on his ideas?

MA
PP
A.T.

Yes not

21 November, 1984.

010
Telegrams: Marsden London
Telex No. 267141
Telephone: 01-935 4422

cc D. Wolff

Michael House,
Baker Street,
London, W.1.

From Lord Siff of Brimpton

4
21st November 1984

Dear Prime Minister,

As a result of Marks and Spencer's persistent policy to buy British - providing quality, value and innovation are right - I estimate we have maintained and created in so-called dying industries, plus new developments in the United Kingdom, between 50,000 and 60,000 jobs.

This policy requires the patience, persistence and understanding of everybody concerned with buying and close co-operation between raw material producer, manufacturer and retailer, and equally the farmer, food processor and retailer.

Such a policy is rarely seriously pursued by major firms in manufacturing, food processing and retailing. If it were, we would maintain in this country many jobs which are currently being lost to foreign suppliers. We would create new industries where, given encouragement to potential manufacturers, we can compete in quality and value with the best from abroad.

I would welcome an opportunity to discuss this with you and any members of the Government whom you think would be interested; I believe the Government could, in various ways, encourage the development of such a policy and so help constructively to contain and possibly reduce unemployment.

Cont/d...

Page 2.

I shall be in North America from Friday 23rd
November to Tuesday 4th December and away again
on Monday 10th December. If you think a meeting
worthwhile, would it be possible, in your
enormously busy schedule, to meet some time after
10th December or in January?

With all good wishes
and kindest regards
Marek



10 DOWNING STREET

I gave Mr Lyne the ^{PM}
gist of this by telephone
na

MW 13/8

Mike Pattison

Note for the Record

Prime Minister's Private Dinner with Marcus Sieff and Others.

The Prime Minister gave a lengthy explanation and defence of the British and European positions in the Middle East, covering the P.L.O., the Autonomy negotiations etc. etc.

The guests were relieved to find that there was no hidden plan to recognise the P.L.O. if they do not themselves recognise Israel's right to security.

Nothing surprising emerged 'though there were several comments on the tendency of the Foreign Office to speak of Palestine as though it was a country presently in existence!

David W.

12th August, 1980

David Wolfson.

COVERING CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

3 August 1980

Duty Officer
10 Downing Street

ARAB/ISRAEL

/ I enclose as requested a short note prepared by the Department on the latest developments for the Prime Minister's meeting with Lord Sieff this evening.

A handwritten signature in blue ink, appearing to read 'J. P. Moran'.

Resident Clerk

cc: PS
PS/LPS
PS/Mr Hurd
PS/PUS
Mr Youde
Mr J C Moberly
Mr Miles NENAD

COVERING CONFIDENTIAL



PRIME MINISTER'S MEETING WITH LORD SIEFF, 3 AUGUST 1980

ARAB/ISRAEL

1. There have been no major new developments over the weekend of which we are aware. Attention has continued to be focused on Israeli actions over Jerusalem. The latest state of play on the various issues is as follows:

Jerusalem

2. International reaction to the Knesset's approval of the law declaring Jerusalem to be Israel's undivided and eternal capital has been strong. Several Western countries, including France and the FRG, have issued statements deploring it. The US have also made clear their strong disappointment and disapproval. We have not issued a separate statement but in response to inquiries have pointed to recent statements and votes in the Security Council, and answers in Parliament, which make our position clear. There may nevertheless be pressure from the French for a Community statement.

3. The Arab and Islamic states are pressing for another Security Council meeting to condemn Israel's action. This is likely to take place early next week. They will be pressing for action against Israel under Chapter VII of the UN Charter (ie sanctions). We are likely to be able to endorse the terms of the resolution other than references to possible sanctions. Yasser Arafat has also called for an Arab Summit to consider Jerusalem.

4. The move of Mr Begin's office to East Jerusalem has not yet been implemented but is likely to take place shortly. The Israel Cabinet may give their formal approval today.

/Autonomy

Autonomy talks

5. President Sadat appears to have decided against suspending the talks for the second time because of Jerusalem but has written to Mr Begin and President Carter recording strong disapproval. The Egyptians have asked for ministerial discussions there this week to be postponed until replies have been received. The prospects for the talks therefore look dimmer than ever. However the Americans remain determined to press ahead with a view to securing some sort of progress before the Presidential elections. Washington telno 3679
A of 1 August (attached) contains the latest indication of US thinking.

Thorn Mission

6. M. Thorn has so far visited Tunis (principally to see the Secretary-General of the Arab League) and Israel. Nothing substantial emerged from Tunis. In Israel Mr Begin and Mr Shamir (Minister of Foreign Affairs) made clear their totally negative attitude to the Venice declaration and any idea of European action. (Tel Aviv
BC telnos 330 and 331 attached.) They stressed particularly their complete rejection of any dealings with the PLO. Nevertheless the door was left open for a further visit by M. Thorn. He is due to visit Jordan, Syria and Lebanon, where he will also see the PLO, in a week's time.

OPS 500
CONFIDENTIAL

CONFIDENTIAL

FM WASHINGTON 012345Z AUGUST 1980
TO ROUTINE F C O
TEL NO 3679 OF 1 AUGUST
INFO CAIRO, TEL AVIV
INFO SAVING BEIRUT, DAMASCUS, AMMAN, UKMIS NEW YORK.

*read to
Holmes NENAD
1315 3/8
EA*

ARAB/ISRAEL.

1. THE AMERICANS TODAY ARE STILL AWAITING SADAT'S NEXT MOVE AFTER THE KNESSET JERUSALEM VOTE. HE HAS ASKED AMERICAN ADVICE WHICH HAS BEEN TO URGE HIM NOT TO RESUSPEND THE NEGOTIATIONS. HE STILL APPEARS TO WANT TO BE HELPFUL TO CARTER, BUT STATE DEPARTMENT DO NOT RULE OUT THAT HE WILL GO FOR AN INTERMEDIATE SOLUTION OF REQUIRING VISIBLE HIGH LEVEL CONSULTATION WITH THE AMERICANS BEFORE RESUMING NEGOTIATIONS AT HEAD OF DELEGATION LEVEL.

2. ON SADAT'S DECISION ON THIS WILL DEPEND THE NATURE OF LINOWITZ NEXT TRIP TO THE MIDDLE EAST, CURRENTLY SCHEDULED FOR 19-21 AUGUST. IT WILL EITHER BE TWO SEPARATE BILATERAL MEETINGS (CONSTITUTING CONSULTATIONS AS IN PARA 1 ABOVE) OR THE FIRST TRILATERAL HEAD OF DELEGATION (BUT PROBABLY NOT FULL PLENARY) MEETING IN THE AREA SINCE THE RESUMPTION.

3. WALKER (LINOWITZ OFFICE) HAS TOLD US THAT THE AMERICANS BELIEVE THAT THEY ARE AT LAST DETECTING SOME SIGNS OF FLEXIBILITY IN THE PRIVATE DISCUSSIONS THEY HAVE BEEN HOLDING WITH THE ISRAELIS (PARTICULARLY WITH QUBERSKI OF THE MINISTRY OF THE INTERIOR). THEY ARE NOW TOYING WITH CONVERTING THE QUOTE HEADS OF AGREEMENT UNQUOTE INTO A MEMORANDUM OF UNDERSTANDING AS AN INTERIM DOCUMENT SETTING OUT SOME AGREED PRINCIPLES ON THE BASIS OF WHICH NEGOTIATIONS WOULD CONTINUE. THEY HAVE DRAWN UP A COMPLETE TEXT OF SUCH A DOCUMENT WHICH THEY HAVE NOT TABLED BUT HAVE PASSED TO BURG PRIVATELY AND IN A LESS COMPLETE VERSION, TO THE EGYPTIANS. THE ISRAELIS WILL HAVE THE CHANCE TO SHOW BY THEIR RESPONSE TO THIS DOCUMENT WHETHER THEIR PRIVATE INDICATIONS OF FLEXIBILITY CAN BE TRANSLATED INTO SOMETHING CONCRETE. WALKER ADMITTED TO CONCERN THAT THE PRESIDENT MAY SEE A POLITICAL NECESSITY FOR SOME AGREEMENT BEFORE 4 NOVEMBER, WITH THE RESULT THAT A RATHER IMPERFECT DOCUMENT ENJOYING AMERICAN SUPPORT WILL EMERGE TOO EARLY.

4. MEANWHILE ACCORDING TO WALKER, THE EGYPTIANS (NOTABLY APPARENTLY BUTROS GHALI DURING HIS PASSAGE THROUGH NEW YORK FOR THE JERUSALEM SPECIAL ASSEMBLY DEBATE) ARE SHOWING RATHER ILL-DEFINED INTEREST IN THE POSSIBILITY OF PARALLEL MOVES TO INVOLVE PALESTINIANS IN SOME FORM OF PEACE DIALOGUE EVEN IF IT IS OUTSIDE THE CAMP DAVID PROCESS EG THROUGH KING HUSSEIN OR THE EUROPEAN INITIATIVE.

CONFIDENTIAL

15. WALKER

CONFIDENTIAL

5. WALKER THOUGHT THAT IN TERMS OF THE AUTONOMY NEGOTIATIONS THE RESIGNATION OF TAMIR, WHO WAS ONE OF THE MORE INTERFERING OF BURG'S TEAM, MIGHT BE NO BAD THING.

FCO PASS SAVING BEIRUT, DAMASCUS, AMMAN.

FRETWELL

[REPEATED AS
REQUESTED]

DEPARTMENTAL DISTRIBUTION

NENAD	MAED
MED	ES & SD
NAB	ERD
UND	ECON-D
EESD	CONS D
ECD	CONS EM UNIT
WED	CABINET OFFICE

ADDITIONAL DISTRIBUTION

ARAB/ISRAEL DISPUTE

2

CONFIDENTIAL

GR 750

CONFIDENTIAL

CONFIDENTIAL

FM TEL AVIV 010820Z AUG 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 330 OF 1 AUGUST

MIDDLE EAST: THORN MISSION

1. THORN ARRIVED IN ISRAEL YESTERDAY MORNING AND LEAVES AFTER LUNCH TODAY. HE SAW YESTERDAY PRESIDENT NAVON, BEGIN AND SHAMIR. HE IS DUE TO SEE INTERIOR MINISTER BURG (FOR THE AUTONOMY TALKS) AND PERES THIS MORNING AND WILL ALSO BE TAKEN BY AGRICULTURE MINISTER SHARON (ONE OF THE MORE EXTREME MEMBERS OF THE GOVERNMENT) ON A HELICOPTER TOUR OF POINTS OF STRATEGIC INTEREST.
2. THORN HAVE LOCAL REPRESENTATIVES OF THE NINE AN ACCOUNT OF YESTERDAY'S TALKS LATE LAST NIGHT. THORN WAS NOT SPEAKING FROM NOTES, AND IN VIEW OF THE SHORTAGE OF TIME DID NOT RECOUNT HIS OWN REMARKS IN DETAIL, SINCE THEY WERE IN ACCORDANCE WITH HIS BRIEF. HE ALSO SAID THAT WHAT HE WAS TELLING US WOULD NOT TAKE THE PLACE OF THE FULL REPORT WHICH HE WOULD MAKE TO YOU AND HIS OTHER COLLEAGUES IN SEPTEMBER.
3. PRESIDENT NAVON HAD ASKED THORN WHAT HE THOUGHT HE COULD DO ON THE MIDDLE EAST. HE HAD ALLOWED THORN TO SPEAK FOR FIVE MINUTES AND HAD THEN REPLIED IN THIRTY MINUTES VERY NEGATIVELY. THERE HAD BEEN NO SERIOUS DISCUSSION. NAVON'S MAIN LINE WAS TO EMPHASISE THE NATIONAL CONSENSUS, PARTICULARLY NO POSSIBILITY OF A DIALOGUE WITH THE PLO AND NO RETURN TO THE 1967 FRONTIERS. HE ALLOWED A PERSONAL VIEW THAT MINOR RECTIFICATIONS MIGHT BE POSSIBLE, BUT MADE IT CLEAR THAT THIS WAS HIS VIEW NOT THE GOVERNMENT'S. AT THE FIRST MEETING WITH BEGIN AND SHAMIR, THE ISRAELIS HAD CLEARLY WANTED NUMEROUS OFFICIALS PRESENT. AFTERWARDS THERE HAD BEEN A SMALLER MEETING OF THORN ALONE WITH BEGIN AND SHAMIR. BEGIN HAD BEEN "VERY HARD AND ENTIRELY NEGATIVE". HERE WAS EUROPE WHICH THOUGHT IT COULD DO SOMETHING. HE ATTACKED INDIVIDUAL EUROPEAN COUNTRIES, REHEARSED THE HARM EUROPE HAD DONE GOING BACK TO THE CRUSADES, AND HAD REITERATED HIS CHARGE OF COLLABORATION WITH THE NAZIS. HE HAD ATTACKED THE VENICE DECISIONS; EUROPE HAD DONE THIS FOR OIL AND WAS NOW ASKING ISRAEL TO GO TO A COLLECTIVE PUICIDE. NEGOTIATIONS WITH THE PLO WERE TOTALLY UNACCEPTABLE. A GREAT DEAL OF BEGIN'S TIME WAS SPENT READING OUT THE JUNE FATAH DECLARATION.
4. THORN EXPLAINED THE REASONS FOR EUROPEAN ANXIETY ABOUT MIDDLE EAST STABILITY AND FOR THE VENICE INITIATIVE. THORN QUOTED ARAFAT'S DENIAL ABOUT THE FATAH DECLARATION AND ASKED WHAT BEGIN WOULD HAVE SAID AT THEIR MEETING IF THORN HAD COME THREE DAYS BEFORE THE DAMASCUS MEETING. THON TRIED REPEATEDLY TO GET SOME ADMISS-ION FROM THE ISRAELIS THAT THIS MIGHT BE THE MOMENT TO LOOK FOR A WIDER DIALOGUE AND TO ADMIT THAT, IF THE PLO CHANGED THEIR POSITION

CONFIDENTIAL

10N

CONFIDENTIAL

ON ISRAEL'S EXISTENCE, THEY MIGHT BE INCLUDED (EVEN THOUGH NOT AS SOLE REPRESENTATIVE OF THE PALESTINIANS). THE ANSWER WAS THAT THE PLO COULD NOT BE A PARTNER AT ANY PRICE. TO QUESTIONS ABOUT SELF-DETERMINATION FOR THE PALESTINIANS, THE ISRAELI ANSWER WAS A FIRM NEGATIVE: ANY TERRITORY CEDED TO PALESTINIANS WOULD BECOME A PLO STATE AND FALL UNDER SOVIET CONTROL. BUT THORN ALSO CONCLUDED THAT SHAMIR KNEW THAT KING HUSSEIN WOULD NOT BE ISRAEL'S SECOND ARAB NEGOTIATING PARTNER.

5. THORN COMMENTED THAT HE HAD VISITED ISRAEL SOME HALF A DOZEN TIMES PREVIOUSLY, BUT HAD NEVER SEEN THE ISRAELIS SO NERVOUS AND TENSE. THEY WERE HOSTILE ABOUT THE EUROPEAN INITIATIVE AND CLEARLY PREPARING TO TRY TO PIN RESPONSIBILITY ON EUROPE FOR FAILURE BY SADAT TO AGREE TO THEIR FORM OF AUTONOMY. (AMERICAN CRITICISMS OF THE EUROPEANS WERE QUOTED TO HIM).

6. THORN SAID THAT ON ARRIVAL AT THE AIRPORT IT HAD BEEN MADE CLEAR TO HIM THAT THE ISRAELIS DID NOT WANT HIM TO SEE THE PLO. THORN HAD REPLIED FIRMLY THAT HE HAD NOT COME TO ISRAEL TO DISCUSS THAT QUESTION, AND DID NOT HIDE THAT HE EXPECTED TO SEE THE PLO ON 4 OR 6 AUGUST IN DAMASCUS OR BEIRUT. THE ISRAELIS DID NOT REVERT TO THE QUESTION, AND MADE IT CLEAR SUBSEQUENTLY THAT THEY WOULD BE READY TO SEE THORN IN ISRAEL AGAIN, AND APPEARED ALMOST UNHAPPY WHEN THORN SAID THIS WOULD DEPEND ON FURTHER DISCUSSION AMONG THE NINE.

7. PLEASE REPEAT THIS TELEGRAM FURTHER AS NECESSARY.

ROBINSON

DEPARTMENTAL DISTRIBUTION

NENAD	MAED
MED	ES & SD
NAD	ERD
UND	ECON D
EESD	CONS D
EGD	CONS EM UNIT
WED	CABINET OFFICE

ADDITIONAL DISTRIBUTION

ARAB/ISRAEL DISPUTE

2
CONFIDENTIAL

GR 310

CONFIDENTIAL

CONFIDENTIAL

FM TEL AVIV 010830Z AUG 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 331 OF 1 AUGUST

MIPT: MIDDLE EAST: THORN MISSION.

1. THORN COMMENTED THAT HE HAD CONCLUDED FROM HIS TALKS THAT IN ISRAELI EYES THE US ALONE WAS NECESSARY FOR ISRAEL'S SECURITY. THE OVERALL MESSAGE HE HAD BEEN GIVEN BY THOSE HE HAD SEEN WAS "EUROPE KEEP OUT". (THIS IS THE MAIN THRUST OF ISRAELI INSPIRED PRESS COMMENT HERE THIS MORNING). THORN SAID THAT HE THOUGHT THE ISRAELIS BASED THEIR STRATEGY ON THE CONCLUSION THAT WHOEVER WAS NEXT PRESIDENT IN WASHINGTON, US POLICY TOWARDS ISRAEL COULD NOT BE CHANGED AND ISRAEL WOULD CONTINUE TO GET THE SUPPORT SHE SOUGHT FROM THE US; AND ALSO THAT THE US COULD NOT AFFORD TO LET THE GULF AND THE SOUTHERN PART OF THE ARABIAN WORLD GO. IN THE COURSE OF A SEPARATE CONVERSATION AFTR THORN'S BRIEFING I TOLD THORN THAT I FEARED HIS ASSESSMENT OF ISRAEL'S BASIC POSITION WAS RIGHT AND THAT IT MEANT THAT ISRAEL FELT SHE COULD LIVE WITH TENSION IN THE AREA AS PREFERABLE TO MAKING COCESSIONS. (SEE LAST TWO SENTENCES OF MY TEL NO 287). THORN SAID THAT HE HAD NOT WANTED TO GO FURTHER INTO THIS WITH REPRESENTATIVES OF THE NINE HERE, BUT HE THOUGHT EUROPE FACED A "TERRIBLE CHOICE" IN THIS CONTEXT.
2. THORN ALSO COMPLAINED TO ME ABOUT GISCARD'S MEETINGS WITH HUSSEIN AND BUTROSE GHALI WHICH HE SEEMED TO SEE AS AN ATTEMPT BY GISCARD TO CONDUCT A PARALLEL MISSION.
3. BUTROS GHALI HAD BEEN IN TOUCH WITH HIM IN PARIS, AND, FOR WHAT IT WAS WORTH, THORN'S IMPRESSION WAS THAT ONE WAY OR ANOTHER SADAT WOULD FIND MEANS NOT TO BREAK OFF THE AUTONOMY TALKS UNTIL THE AMERICAN PRESIDENTIAL ELECTIONS WERE OVER.

ROBINSON

DEPARTMENTAL DISTRIBUTION

NENAD	MAED
MED	ES & SD
NAD	ERD
UND	ECON D
EESD	CONS D
ECD	CONS EM UNIT
WED	CABINET OFFICE

ADDITIONAL DISTRIBUTION

ARAB/ISRAEL DISPUTE

CONFIDENTIAL

GRS 800
UNCLASSIFIED
FM VENICE 131410Z JUN 80
TO FLASH FCO

TELEGRAM NUMBER 20 OF 13 JUNE
INFO FLASH WASHINGTON, IMMEDIATE TOKYO, ALL EC POSTS, UKDEL NATO,
UKMIS NEW YORK, DAMASCUS, AMMAN, JEDDA, BEIRUT, CAIRO, TEL AVIV,
PRIORITY ATHENS, LISBON, MADRID, ANKARA, TUNIS, MUSCAT, ABU
DHABI, RABAT, TRIPOLI, SANA'A, KHARTOUM, ALGIERS, DOHA, BAHRAIN,
ADEN, BAGHDAD, KUWAIT, MOGADISHU, TEHRAN, ROUTINE MOSCOW, UKDEL
STRASBOURG.

EUROPEAN COUNCIL, VENICE, 12/13 JUNE

MIDDLE EAST

FOLLOWING IS THE TEXT OF EUROPEAN COUNCIL DECLARATION ON THE
MIDDLE EAST:

QUOTE

1. THE HEADS OF STATE AND GOVERNMENT AND THE MINISTERS OF FOREIGN AFFAIRS HELD A COMPREHENSIVE EXCHANGE OF VIEWS ON ALL ASPECTS OF THE PRESENT SITUATION IN THE MIDDLE EAST, INCLUDING THE STATE OF NEGOTIATIONS RESULTING FROM THE AGREEMENTS SIGNED BETWEEN EGYPT AND ISRAEL IN MARCH 1979. THEY AGREED THAT GROWING TENSIONS AFFECTING THIS REGION CONSTITUTE A SERIOUS DANGER AND RENDER A COMPREHENSIVE SOLUTION TO THE ISRAELI-ARAB CONFLICT MORE NECESSARY AND PRESSING THAN EVER.
2. THE NINE MEMBER STATES OF THE EUROPEAN COMMUNITY CONSIDER THAT THE TRADITIONAL TIES AND COMMON INTERESTS WHICH LINK EUROPE TO THE MIDDLE EAST OBLIGE THEM TO PLAY A SPECIAL ROLE AND NOW REQUIRE THEM TO WORK IN A MORE CONCRETE WAY TOWARDS PEACE.
3. IN THE REGARD, THE NINE COUNTRIES OF THE COMMUNITY BASE THEMSELVES ON SECURITY COUNCIL RESOLUTIONS 242 AND 338 AND THE POSITIONS WHICH THEY HAVE EXPRESSED ON SEVERAL OCCASIONS, NOTABLY IN THEIR DECLARATIONS OF 29 JUNE 1977, 19 SEPTEMBER 1978, 23 MARCH AND 13 JUNE 1979, AS WELL AS IN THE SPEECH MADE ON THEIR BEHALF ON 23 SEPTEMBER 1979 BY THE IRISH MINISTER OF FOREIGN AFFAIRS AT THE 34TH UNITED NATIONS GENERAL ASSEMBLY.
4. ON THE BASES THUS SET OUT, THE TIME HAS COME TO PROMOTE THE RECOGNITION AND IMPLEMENTATION OF THE TWO PRINCIPLES UNIVERSALLY ACCEPTED BY THE INTERNATIONAL COMMUNITY: THE RIGHT TO EXISTENCE AND TO SECURITY OF ALL THE STATES IN THE REGION, INCLUDING ISRAEL, AND JUSTICE FOR ALL THE PEOPLES, WHICH IMPLIES THE RECOGNITION OF THE LEGITIMATE RIGHTS OF THE PALESTINIAN PEOPLE.
5. ALL OF THE COUNTRIES IN THE AREA ARE ENTITLED TO LIVE IN PEACE WITHIN SECURE, RECOGNIZED AND GUARANTEED BORDERS. THE NECESSARY GUARANTEES FOR A PEACE SETTLEMENT SHOULD BE PROVIDED BY THE UN BY A DECISION OF THE SECURITY COUNCIL AND, IF NECESSARY, ON THE BASIS OF OTHER MUTUALLY AGREED PROCEDURES. THE NINE DECLARE THAT THEY ARE PREPARED TO PARTICIPATE WITHIN THE FRAMEWORK OF A COMPREHENSIVE SETTLEMENT IN A SYSTEM OF CONCRETE AND BINDING INTERNATIONAL GUARANTEES, INCLUDING ON THE GROUND.
6. A JUST SOLUTION MUST FINALLY BE FOUND TO THE PALESTINIAN PROBLEM, WHICH IS NOT SIMPLY ONE OF REFUGEES. THE PALESTINIAN PEOPLE, WHICH IS CONSCIOUS OF EXISTING AS SUCH, MUST BE PLACED IN A POSITION, BY AN APPROPRIATE PROCESS DEFINED WITHIN THE FRAMEWORK OF THE COMPREHENSIVE PEACE SETTLEMENT, TO EXERCISE FULLY ITS RIGHT TO SELF-DETERMINATION.
7. THE ACHIEVEMENT OF THESE OBJECTIVES REQUIRES THE INVOLVEMENT AND SUPPORT OF ALL THE PARTIES CONCERNED IN THE PEACE SETTLEMENT WHICH THE NINE ARE ENDEAVOURING TO PROMOTE IN KEEPING WITH THE PRINCIPLES FORMULATED IN THE DECLARATION REFERRED TO ABOVE. THESE PRINCIPLES ARE BINDING ON ALL THE PARTIES CONCERNED, AND THUS THE PALESTINIAN PEOPLE, AND ON THE PLO, WHICH WILL HAVE TO BE ASSOCIATED WITH THE NEGOTIATIONS.

8. THE NINE RECOGNIZE THE SPECIAL IMPORTANCE OF THE ROLE PLAYED BY THE QUESTION OF JERUSALEM FOR ALL THE PARTIES CONCERNED. THE NINE STRESS THAT THEY WILL NOT ACCEPT ANY UNILATERAL INITIATIVE DESIGNED TO CHANGE THE STATUS OF JERUSALEM AND THAT ANY AGREEMENT ON THE CITY'S STATUS SHOULD GUARANTEE FREEDOM OF ACCESS FOR EVERYONE TO THE HOLY PLACES.

9. THE NINE STRESS THE NEED FOR ISRAEL TO PUT AN END TO THE TERRITORIAL OCCUPATION WHICH IT HAS MAINTAINED SINCE THE CONFLICT OF 1967, AS IT HAS DONE FOR PART OF SINAI. THEY ARE DEEPLY CONVINCED THAT THE ISRAELI SETTLEMENTS CONSTITUTE A SERIOUS OBSTACLE TO THE PEACE PROCESS IN THE MIDDLE EAST. THE NINE CONSIDER THAT THESE SETTLEMENTS, AS WELL AS MODIFICATIONS IN POPULATION AND PROPERTY IN THE OCCUPIED ARAB TERRITORIES, ARE ILLEGAL UNDER INTERNATIONAL LAW.

10. CONCERNED AS THEY ARE TO PUT AN END TO VIOLENCE, THE NINE CONSIDER THAT ONLY THE RENUNCIATION OF FORCE OR THE THREATENED USE OF FORCE BY ALL THE PARTIES CAN CREATE A CLIMATE OF CONFIDENCE IN THE AREA, AND CONSTITUTE A BASIC ELEMENT FOR A COMPREHENSIVE SETTLEMENT OF THE CONFLICT IN THE MIDDLE EAST.

11. THE NINE HAVE DECIDED TO MAKE THE NECESSARY CONTACTS WITH ALL THE PARTIES CONCERNED. THE OBJECTIVE OF THESE CONTACTS WOULD BE TO ASCERTAIN THE POSITION OF THE VARIOUS PARTIES WITH RESPECT TO THE PRINCIPLES SET OUT IN THIS DECLARATION AND IN THE LIGHT OF THE RESULTS OF THIS CONSULTATION PROCESS TO DETERMINE THE FORM WHICH AN INITIATIVE ON THEIR PART COULD TAKE.

UNQUOTE

EILBECK

DEPARTMENTAL DISTRIBUTION

NENAD
MED
N A D
UND
EESD
EED
WED

MAED
IA & SD
FRD
ECON D
COMS D
CONS EM UNIT
CABINET OFFICE

ADDITIONAL DISTRIBUTION

ARAB/ISRAEL DISPUTE



10 DOWNING STREET

Prime Minister.

In addition to the FCO's brief
(attach: -

(a) the Nine's explanation of vote
following their abstention on the
Arab resolution;

(b) the latest telegram from Tel
Aviv about A. Thorin's talks there;

(c) an account of an interview
given by Asafat on Wednesday which
indicates some backpedalling by the P.O.
on the eve of their meeting with A.
Thorn; +

(d) the text of the Venice Declaration.

David Wolfson will ring you on
Sunday evening circa 6:30. He would be
happy to come round before dinner for 5 minutes
eg. if you wanted to run through the
guest list with him.

Paul 1/8

MIDDLE EAST: ADVANCE COPIES

17 15 #

NO 10 DOWNING STREET
CABINET OFFICE DIO

PS
PS/SIR I GILMOUR
PS/MR HURD
PS/PUS
SIR J GRAHAM
MR J C MOBERLY
Mr. Leggusson
HD/NENAD
HD/MED
HD/UND

HD/EC.D.(E.)..

Sir. A. Adland

PUSD (2)
NEWS D

~~RESIDENT CLERK~~

GR 750

CONFIDENTIAL

FM TEL AVIV 010820Z AUG 80

TO IMMEDIATE FCO

TELEGRAM NUMBER 330 OF 1 AUGUST

IMMEDIATE

MIDDLE EAST: THORN MISSION

1. THORN ARRIVED IN ISRAEL YESTERDAY MORNING AND LEAVES AFTER LUNCH TODAY. HE SAW YESTERDAY PRESIDENT NAVON, BEGIN AND SHAMIR. HE IS DUE TO SEE INTERIOR MINISTER BURG (FOR THE AUTONOMY TALKS) AND PERES THIS MORNING AND WILL ALSO BE TAKEN BY AGRICULTURE MINISTER SHARON (ONE OF THE MORE EXTREME MEMBERS OF THE GOVERNMENT) ON A HELICOPTER TOUR OF POINTS OF STRATEGIC INTEREST.
2. THORN GAVE LOCAL REPRESENTATIVES OF THE NINE AN ACCOUNT OF YESTERDAY'S TALKS LATE LAST NIGHT. THORN WAS NOT SPEAKING FROM NOTES, AND IN VIEW OF THE SHORTAGE OF TIME DID NOT RECOUNT HIS OWN REMARKS IN DETAIL, SINCE THEY WERE IN ACCORDANCE WITH HIS BRIEF. HE ALSO SAID THAT WHAT HE WAS TELLING US WOULD NOT TAKE THE PLACE OF THE FULL REPORT WHICH HE WOULD MAKE TO YOU AND HIS OTHER COLLEAGUES IN SEPTEMBER.
3. PRESIDENT NAVON HAD ASKED THORN WHAT HE THOUGHT HE COULD DO ON THE MIDDLE EAST. HE HAD ALLOWED THORN TO SPEAK FOR FIVE MINUTES

3. PRESIDENT NAVON HAD ASKED THORN WHAT HE THOUGHT HE COULD DO ON THE MIDDLE EAST. HE HAD ALLOWED THORN TO SPEAK FOR FIVE MINUTES AND HAD THEN REPLIED IN THIRTY MINUTES VERY NEGATIVELY. THERE BEEN NO SERIOUS DISCUSSION. NAVON'S MAIN LINE WAS TO EMPHASISE THE NATIONAL CONSENSUS, PARTICULARLY NO POSSIBILITY OF A DIALOGUE WITH THE PLO AND NO RETURN TO THE 1967 FRONTIERS. HE ALLOWED A PERSONAL VIEW THAT MINOR RECTIFICATIONS MIGHT BE POSSIBLE, BUT MADE IT CLEAR THAT THIS WAS HIS VIEW NOT THE GOVERNMENT'S. AT THE FIRST MEETING WITH BEGIN AND SHAMIR, THE ISRAELIS HAD CLEARLY WANTED NUMEROUS OFFICIALS PRESENT. AFTERWARDS THERE HAD BEEN A SMALLER MEETING OF THORN ALONE WITH BEGIN AND SHAMIR. BEGIN HAD BEEN "VERY HARD AND ENTIRELY NEGATIVE". HERE WAS EUROPE WHICH THOUGHT IT COULD DO SOMETHING. HE ATTACKED INDIVIDUAL EUROPEAN COUNTRIES, REHEARSED THE HARM EUROPE HAD DONE GOING BACK TO THE CRUSADES, AND HAD REITERATED HIS CHARGE OF COLLABORATION WITH THE NAZIS. HE HAD ATTACKED THE VENICE DECISIONS: EUROPE HAD DONE THIS FOR OIL AND WAS NOW ASKING ISRAEL TO GO TO A COLLECTIVE PUICIDE. NEGOTIATIONS WITH THE PLO WERE TOTALLY UNACCEPTABLE. A GREAT DEAL OF BEGIN'S TIME WAS SPENT READING OUT THE JUNE FATAH DECLARATION.

4. THORN EXPLAINED THE REASONS FOR EUROPEAN ANXIETY ABOUT MIDDLE EAST STABILITY AND FOR THE VENICE INITIATIVE. THORN QUOTED ARAFAT'S DENIAL ABOUT THE FATAH DECLARATION AND ASKED WHAT BEGIN WOULD HAVE SAID AT THEIR MEETING IF THORN HAD COME THREE DAYS BEFORE THE DAMASCUS MEETING. THORN TRIED REPEATEDLY TO GET SOME ADMISSION FROM THE ISRAELIS THAT THIS MIGHT BE THE MOMENT TO LOOK FOR A WIDER DIALOGUE AND TO ADMIT THAT, IF THE PLO CHANGED THEIR POSITION ON ISRAEL'S EXISTENCE, THEY MIGHT BE INCLUDED (EVEN THOUGH NOT AS SOLE REPRESENTATIVE OF THE PALESTINIANS). THE ANSWER WAS THAT THE PLO COULD NOT BE A PARTNER AT ANY PRICE. TO QUESTIONS ABOUT SELF-DETERMINATION FOR THE PALESTINIANS, THE ISRAELI ANSWER WAS A FIRM NEGATIVE; ANY TERRITORY CEDED TO PALESTINIANS WOULD BECOME A PLO STATE AND FALL UNDER SOVIET CONTROL. BUT THORN ALSO CONCLUDED THAT SHAMIR KNEW THAT KING HUSSEIN WOULD NOT BE ISRAEL'S SECOND ARAB NEGOTIATING PARTNER.

5. THORN COMMENTED THAT HE HAD VISITED ISRAEL SOME HALF A DOZEN TIMES PREVIOUSLY, BUT HAD NEVER SEEN THE ISRAELIS SO NERVOUS AND TENSE. THEY WERE HOSTILE ABOUT THE EUROPEAN INITIATIVE AND CLEARLY PREPARING TO TRY TO PIN RESPONSIBILITY ON EUROPE FOR FAILURE BY SADAT TO AGREE TO THEIR FORM OF AUTONOMY. (AMERICAN CRITICISMS OF THE EUROPEANS WERE QUOTED TO HIM).

6. THORN SAID THAT ON ARRIVAL AT THE AIRPORT IT HAD BEEN MADE CLEAR TO HIM THAT THE ISRAELIS DID NOT WANT HIM TO SEE THE PLO. THORN HAD REPLIED FIRMLY THAT HE HAD NOT COME TO ISRAEL TO DISCUSS THAT QUESTION, AND DID NOT HID THAT HE EXPECTED TO SEE THE PLO ON 4 OR 6 AUGUST IN DAMASCUS OR BEIRUT. THE ISRAELIS DID NOT REVERT TO THE

AUGUST IN DAMASCUS OR BEIRUT. THE ISRAELIS DID NOT REVERT TO THE QUESTION, AND MADE IT CLEAR SUBSEQUENTLY THAT THEY WOULD BE READY TO SEE THORN IN ISRAEL AGAIN, AND APPEARED ALMOST UNHAPPY WHEN THORN SAID THIS WOULD DEPEND ON FURTHER DISCUSSION AMONG THE NINE.
7. PLEASE REPEAT THIS TELEGRAM FURTHER AS NECESSARY.

ROBINSON

IMMEDIATE

CCN PARA 2 WA YESTERDAY'S -- TALKS LATE ETC
NNNN

MIDDLE EAST: ADVANCE COPIES

15-17

NO 10 DOWNING STREET
CABINET OFFICE DIO

PS
PS/SIR I GILMOUR
PS/MR HURD
PS/PUS
SIR J GRAHAM
MR J C MOBERLY
Sir A Acland
HD/NENAD
HD/MED
HD/UND
Ha/ECJ(E)

.....
H. Leguasson

PUSD (2)
NEWS D

~~RESIDENT CLERK~~

CONFIDENTIAL

FM TEL AVIV 010830Z AUG 80
TO IMMEDIATE FCO
TELEGRAM NUMBER 331 OF 1 AUGUST

IMMEDIATE

MIPT: MIDDLE EAST: THORN MISSION.

1. THORN COMMENTED THAT HE HAD CONCLUDED FROM HIS TALKS THAT IN ISRAELI EYES THE US ALONE WAS NECESSARY FOR ISRAEL'S SECURITY. THE OVERALL MESSAGE HE HAD BEEN GIVEN BY THOSE HE HAD SEEN WAS "EUROPE KEEP OUT". (THIS IS THE MAIN THRUST OF ISRAELI INSPIRED PRESS COMMENT HERE THIS MORNING). THORN SAID THAT HE THOUGHT THE ISRAELIS BASED THEIR STRATEGY ON THE CONCLUSION THAT WHOEVER WAS NEXT PRESIDENT IN WASHINGTON, US POLICY TOWARDS ISRAEL COULD NOT BE CHANGED AND ISRAEL WOULD CONTINUE TO GET THE SUPPORT SHE SOUGHT FROM THE US: AND ALSO THAT THE US COULD NOT AFFORD TO LET THE GULF AND THE SOUTHERN PART OF THE ARABIAN WORLD GO. IN THE COURSE OF A SEPARATE CONVERSATION AFTR THORN'S BRIEFING I TOLD THORN THAT I FEARED HIS ASSESSMENT OF ISRAEL'S BASIC POSITION WAS RIGHT AND THAT IT MEANT THAT ISRAEL FELT SHE COULD LIVE WITH TENSION IN THE AREA AS PREFERABLE TO MAKING COCESSIONS. (SEE LAST TWO SENTENCES OF MY TEL NO 287). THORN SAID THAT HE HAD NOT WANTED TO GO FURTHER INTO THIS WITH REPRESENTATIVES OF THE NINE HERE, BUT HE THOUGHT EUROPE FACED A "TERRIBLE CHOICE" IN THIS CONTEXT.

2. THORN ALSO COMPLAINED TO ME ABOUT GISCARD'S MEETINGS WITH
HUSSEIN AND BUTROSE GHALI WHICH HE SEEMED TO SEE AS AN ATTEMPT BY
GISCARD TO CONDUCT A PARALLEL MISSION.

3. BUTROS GHALI HAD BEEN IN TOUCH WITH HIM IN PARIS, AND, FOR
IT WAS WORTH, THORN'S IMPRESSION WAS THAT ONE WAY OR ANOTHER SADAT
WOULD FIND MEANS NOT TO BREAK OFF THE AUTONOMY TALKS UNTIL THE
AMERICAN PRESIDENTIAL ELECTIONS WERE OVER.

ROBINSON

IMMEDIATE

NNNN

JULY 31 1980

Arafat Says PLO Retains Interest in Negotiations

By Joseph Fitchett

BEIRUT, July 30 (IHT) — In an effort to defend the Palestine Liberation Organization's political gains and credibility in Europe, Yasser Arafat denied today diplomatic and press reports dating back to May that his guerrilla group recently called for the destruction of Israel and had abandoned any interest in negotiating for a Palestinian mini-state to co-exist alongside Israel.

In response to a question in an interview, he said that he had let the report stand unchallenged for weeks because he had been too preoccupied by other issues, although there were disavowals of the strong anti-Israel statement by other PLO officials.

In the interview, Mr. Arafat accused Israel of carrying out an international operation to misrepresent the PLO, based on misleading documents widely publicized in Western newspapers and circulated at the United Nations purporting to prove that the PLO had reverted to its old hardline goal of never compromising with Israel.

"It is the latest part in a long series of attempts by Begin to falsify and denigrate the Palestinian political position," he said, in accusing by name Israeli Prime Minister Menachem Begin.

In consenting to the interview, Mr. Arafat appeared anxious by his personal involvement in the issue to send a strong signal to Europe that he is still able to command majority support in the PLO for his comparatively moderate views.

Mr. Arafat's statement today on PLO objectives underscored his sensitivity to the potential political damage of charges that he has misled European leaders about the extent of his movement's ultimate readiness to accept a negotiated Middle East solution.

As initially reported in May, a congress of the el-Fatah guerrilla organization in Damascus vowed "to liquidate the Zionist entity politically, economically, militarily, culturally and ideologically."

Fatah is the largest guerrilla group in the PLO and, like the PLO, it is headed by Mr. Arafat.

Arab and Western commentators concluded that the PLO, frustrated by Israeli intransigence and disappointed with Western attitudes, had obliged Mr. Arafat to abandon his diplomacy of moderation and join the radical Arab minority.

Consternation spread among European supporters of the PLO. Austrian Chancellor Bruno Kreisky, the first Western European leader to meet Mr. Arafat officially, said that



Yasser Arafat

he could no longer continue supporting wider European contacts with the PLO. Despite significant recent PLO gains such as the Common Market countries' decision not to vote against the latest UN resolution calling for a Palestinian state, the outcome of the Fatah

(Continued on Page 2, Col. 7)

(Continued from Page 1)

Congress undermined European plans for closer PLO liaison, diplomats report in Paris.

Expressing disappointment about the level of recent European support, Mr. Arafat said he had expected the Common Market nations' decision to break ranks with Washington and abstain yesterday when the UN General Assembly adopted a resolution setting a deadline for Israel's withdrawal from occupied West Bank territory.

"But it was a scandal — and the result of U.S. blackmail — that they did not vote in favor of it," he said.

The PLO image was also hurt by allegations of Palestinian involvement in renewed terrorism in Europe, including the attempt in Iranian exile leader Shahpour Bakhtiar in Paris and the grenade attack on young Jews in Antwerp. Denying that the PLO has resumed terrorism in Europe, Mr. Arafat said that Israel had exploited erroneous press reports to distort Palestinian intentions.

The Security Council circulated a letter on June 4 from Israel's permanent representative reproducing this paragraph from what the Israeli official said was the "political program of the Fatah murder organization ... showing its true character and aims."

The controversial paragraph has been the centerpiece of an advertising campaign in U.S. and European newspapers aimed, diplomats in Europe have said, at justifying Israel's refusal to consider negotiating with the PLO — precisely the negotiations which many European leaders believe are desirable.

Mr. Arafat said today that the controversial text was never approved by Fatah. "It was a draft, put forward by a small group, but it was never adopted by the Fatah congress," he said.

Then he gave his account of the congress, which clearly was a stormy session reflecting the tensions within the organization. Flanked by two top aides to witness the conversation, he referred to official texts amended in his own handwriting and frequently broke into English to clarify points as he sought to dispel any impression that the radicals had forced a change in Fatah policy.

According to Mr. Arafat, the text advocating Israel's destruction was leaked by a radical Palestinian journalist to a Beirut newspaper, Al-Liwa, which published it as a scoop giving Fatah's political platform.

At the congress, however, this text was only one of several competing drafts that were all referred to another committee, the so-called Revolutionary Command, for consideration at some future date.

Dominated by Loyalists

Aides to Mr. Arafat said that this draft, put forward by an extremist faction, will not be adopted by the Revolutionary Command, which is dominated by Arafat loyalists.

But the damage was already done for the PLO in propaganda terms.

However, the Fatah congress became a political football in subsequent weeks as Israel's representatives played up the contested platform. The available evidence ap-

pears to support Mr. Arafat's version. Beirut newspapers close to the PLO, including at least one which sometimes is critical of its policies, did not reprint the Al-Liwa version. The PLO did not include it in the official version of the congress.

In the Israeli submission to the UN, the platform advocating liquidation is quoted from Al-Liwa, whereas the congress's resolutions, which also appear in the Israeli report but do not call for Israel's destruction, are quoted from the PLO's official radio in Beirut.

The resolutions, Mr. Arafat said, confirm the PLO's earlier cautious political evolution toward a more flexible position about possible solutions with Israel.

Summoning an aide to bring a file, he pointed to an item drafted in his own hand and stipulating that Fatah accepts earlier resolutions — widely regarded as Palestinian interest in settling for a mini-state — adopted by the PLO's main body, the Palestine National Council.

Secrecy and Confusion

In assessing Fatah congress, Western diplomats have been cautious, partly because of the secrecy and confusion which surrounded the Damascus meeting. Changes in the composition of Fatah's leadership appear to have reinforced Mr. Arafat's personal position, but he unmistakably is under pressure to show more results for his Western-oriented diplomacy, diplomats say.

Responding to this mood of frustration, the EEC is sending Luxembourg Foreign Minister Gaston Thorn here to see Mr. Arafat next week on the second leg of a fact-finding trip which takes Mr. Thorn to Israel tomorrow.

While Mr. Arafat said simply that he will listen to Mr. Thorn to see the potential scope of a European initiative, aides said he clearly is hoping for stepped-up European recognition of the PLO as the Palestinians' negotiating body.

Asked if he was repudiating the Fatah congress to restore European backing at this critical juncture, Mr. Arafat said:

"I am not denying anything of the congress. I stand by the resolutions, but the so-called platform was only rumors."

He said that a detailed explanation was being supplied to European leaders, including Mr. Kreisky. "There are no clouds in my relations with Mr. Kreisky, who is a friend of my people," he said, and scoffed at newspaper reports of Fatah involvement in recent European terrorism. "The assailant of Mr. Bakhtiar says that I personally gave him the order: Would I, if I wanted the mission, personally meet the man assigned to it and liable to be caught and interrogated?"

He said that the PLO had asked France to publish full details about the Bakhtiar attempt and to let the PLO investigate any alleged direct or indirect Palestinian involvement.

Mr. Arafat's concern about the PLO's image in Europe is unmistakable. PLO strategists here said that they expect Western Europe slowly to adopt a more pro-PLO policy course.



Foreign and Commonwealth Office

London SW1A 2AH

30 July 1980

Brief submitted

ps: *[Signature]*

Dear Michael,

Middle East Policy

/ I enclose a brief for the Prime Minister's meeting in early August with members of the Jewish Community to discuss the government's Middle East policy. This aims to provide a number of points which the Prime Minister could make in defence of this policy, together with material for use in reply to likely questions.

Yours etc

Paul

(P Lever)
Private Secretary

M O'D B Alexander Esq
10 Downing Street



PRIME MINISTER'S MEETING WITH MEMBERS OF THE JEWISH COMMUNITY

Points to Make

1. Object of policy is above all to prevent another war and promote lasting peace. Not seeking short-term diplomatic advantage nor dictated to by oil needs (North Sea oil). Continuing to pursue a balanced policy because a lasting settlement must take into account concerns and demands of both sides. Peace cannot be imposed on either side. Nothing new in all this.
2. Government very anxious that achievements of Camp David should be built on, not lost. Present trend of autonomy negotiations unpromising in these terms. Continue to support the talks, but doubt they can be enough. Present situation playing into Soviet hands by allowing the Soviet Union to pose as champions of a 'just cause'. Important to prevent this given current tensions in the area, particularly need to resist Soviet expansionism, eg in Afghanistan.
3. Nine not under illusion that they can solve the problem. US must take leading role. But peace efforts cannot mark time during US election campaigns. Nine want to fill this gap and contribute in a way which the Americans can build on in 1981. Venice statement seeks to establish even-handed principles on which a lasting settlement could be based. An objective observer would not see it as leaning one way more than the other.
4. Status quo not tenable in the long-term. Israel's future cannot be helped in security or moral terms by continuing military occupation. Moreover problem of Palestinians cannot be solved in the absence of a place where the Palestinians can run their own affairs. Autonomy plan designed to address

/these



these problems but if it cannot attract Palestinian support it cannot work. If the Palestinians are to accept a settlement they must be able to participate fully in its negotiation and be able to pronounce on the result of these negotiations as a people. This is what self-determination means. It does not mean carte blanche for Palestinian demands.

5. Peace efforts traditionally fail on hurdle of how Palestinians can be involved in peace efforts. No easy solutions, but at present only organization or group which claims to represent the Palestinians is the PLO. Do not accept this claim or any particular status for the PLO but thought it right to acknowledge the reality of PLO influence and support among Palestinians in the occupied territories and elsewhere. If a settlement is to be achieved the PLO cannot be ignored. It must be encouraged to move away from its present policies. Venice statement a basis for pressure on the PLO to do just this.

6. No question of endorsing PLO claims to the whole of Palestine or their chosen methods. Both emphatically repudiated, as Venice statement makes clear. The Palestinians including the PLO, must fully accept the need to co-exist with a secure and recognized Israel. But for her part Israel must accept the need to come to terms with Palestinian aspirations. Continuing settlement of the West Bank and claims to sovereignty not compatible with this.

7. Nine now aiming to discuss with all the parties concerned how Israel's security needs can be reconciled with the right of the Palestinians to decide their political future. Want to put flesh on bones of terms like self-determination and explore the extent of common ground. In no sense can this be seen as against the interests of peace or of Israel. Commitment to Israel is absolute on the part of the Nine, but wish to be able to put our support behind an Israel which is not an occupying power and which can be at peace with her neighbours.

REFERENCES

NOTES FOR SUPPLEMENTARIES

PLO's commitment to Israel's destruction

No illusions about the PLO. Have made clear that extreme PLO statements are an obstacle to peace. Their readiness to accept Israel an unanswered question on which they must be pinned down. Must find a way to break the vicious circle in which PLO demand concrete concessions before giving away their 'only bargaining card' while Israel will not deal with PLO unless the organization accepts Israel's right to exist.

Nine are encouraging PLO extremism. Should demand PLO acceptance of Israel before acknowledging any role for them

Efforts aimed precisely at gaining PLO acceptance of Israel. But doubt that laying down preconditions on either side will help to break the deadlock. Government ministers will not talk to the PLO in present circumstances, but ignoring and isolation of PLO likely to breed extremism rather than the reverse.

/There



There are no moderates in the PLO. They say what Europe wants to hear

The PLO has differing public and private voices. We do not attach more credence to one than the other. We must bring the PLO to take up a more reasonable position.

Self-determination means a Soviet-backed state

~~Have not supported a Palestinian state.~~ Best result would be an entity linked with Jordan and hopefully Israel, but self-determination must by definition be open-ended, even though it will be conditioned by need to agree in negotiations with Israel. Agree that PLO has Soviet support now, but must work to wean the organization away and to prevent the emergence of a Soviet-dominated Palestinian entity. Present situation gives the Russians an opportunity to increase their influence. Progress towards lasting peace would be the best counter to this. Moreover Israel, Jordan and moderate Arabs such as Saudi Arabia (who would need to finance a Palestinian entity) would all work against the emergence of a radical state.

The Venice statement and subsequent European diplomacy are bound to undermine Camp David

There is no contradiction between the two, as both the Egyptians and Americans have recognized. We wish to work with the Camp David parties, not in any way against them.

/Jordan



Jordan is a Palestinian state and should be the Palestinian homeland

Whatever historical arguments may be advanced, both the Palestinians (wherever they now live) and the Jordanians are firm that Jordan does not and cannot provide an answer for the Palestinians. Jordan is a sovereign state which has our strong support. This is the reality with which we must deal.

The West Bank should be given back to Jordan

Jordan must be closely involved in any settlement, but the fact is that she has accepted that the PLO represents the Palestinians and that the Palestinians must determine their own future. The Palestinians cannot be bypassed. A future for the Palestinians in association with Jordan is entirely possible and indeed desirable, but any such arrangement cannot precede a chance for the Palestinians to decide their own future.

The 1967 borders are indefensible

Israel's security concerns are entirely understandable. But if a settlement is to be possible only minor adjustments to the pre-1967 borders can be made. This will involve sacrifices for Israel but Israel's security cannot be assured by occupation of territory, as 1973 showed, but only by a lasting regulation of the dispute with her neighbours. Clearly all possible measures, such as demilitarization of the West Bank, will be needed.

/The Venice



The Venice statement was pointless because Israel will never negotiate on that basis

We are not trying to impose our views on either side, but to point out how we believe a settlement can be reached. Peace will require concessions from both sides. Israel cannot expect her view of events simply to be endorsed.

Jerusalem

The British view of Jerusalem as of undetermined status has been consistent since the establishment of Israel.

Pending a negotiated solution between the parties we have not been able to accept Jerusalem as Israel's capital.

East Jerusalem is a particular problem since it is part of the territories occupied by Israel in 1967. We have no wish to stir up controversy over Jerusalem but we have not accepted Israel's annexation of East Jerusalem. If

Mr Begin moves his office, this is bound to cause practical difficulties for us given our position and to provoke controversy which will not benefit Israel.

Anglo-Israeli relations

Our commitment to Israel and friendship for her have not changed and are unaffected by disagreements over the right road to a settlement of the Arab-Israel dispute. Recent polemics are regrettable and not of our seeking. (The occasions for the statements by Lord Carrington to which the Israelis reacted (a Lords Debate and an Israeli TV interview) were not sought by us.)

/Iraq



Iraq nuclear

Clearly a matter for concern. But Iraq is a party to the NPT and all her nuclear facilities are under safeguards providing for international inspection. French contracts covered by these arrangements and French-supplied fuel could only be diverted to weapons use if Iraq terminated her NPT commitments. This would be a very serious matter. No good grounds for tackling the French now, but we shall continue to monitor this very closely and to keep in touch with the French.

Women's Conference in Copenhagen

The British delegation are briefed to resist concentration on Palestinian women for wider political ends and to oppose one-sided references to Arab-Israeli issues. We are working with other Western delegations to keep unacceptable passages out of the Programme of Action which is the proposed outcome of the Conference.



Verbatim Service

VERBATIM SERVICE 072/80

WEDNESDAY

11TH JUNE 1980

DANGERS TO PEACE IN THE MIDDLE EAST

TEXT OF A SPEECH BY MR DOUGLAS HURD, MINISTER OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS, TO THE INSTITUTE OF JEWISH AFFAIRS ON ELEVEN JUNE 1980. (NOT CHECKED AGAINST DELIVERY).

I WOULD LIKE THIS EVENING TO CONCENTRATE ON THE CENTRAL PROBLEM OF THE ARAB/ISRAEL DISPUTE AND HOW ISRAEL'S FUTURE CAN BE ASSURED. BUT IT IS AN IMPORTANT PART OF MY MESSAGE TO STRESS THAT THIS PROBLEM MUST BE LOOKED AT IN ITS GEOGRAPHICAL AND POLITICAL CONTEXT, IF WE ARE TO UNDERSTAND ITS URGENCY.

THE REGION WHICH IT HAS BECOME FASHIONABLE TO REFER TO AS THE ARC OF CRISIS, INCLUDES MANY UNSOLVED PROBLEMS AND CONFLICTS, WHICH, SINGLY OR IN COMBINATION, THREATEN WORLD PEACE. THE REVOLUTION IN IRAN; THE CONTINUING PROBLEM OF THE US HOSTAGES AND MOST OF ALL THE SOVIET INVASION OF AFGHANISTAN HAVE HELPED TO BUILD UP A GENERAL FEELING OF TENSION AND INSTABILITY IN THE AREA.

BUT ADDED TO THESE ARE OTHER POTENTIALLY SERIOUS DISPUTES, SOME DIRECTLY CONNECTED TO THESE MAJOR EVENTS, SUCH AS THE TENSION BETWEEN AYATOLLAH KHOMEINI'S IRAN AND SOME OF HER ARAB NEIGHBOURS, NOTABLY IRAQ., OTHERS LESS OBVIOUSLY SO, SUCH AS LAST YEAR'S EVENTS AT THE GREAT MOSQUE IN MECCA AND UNREST IN THE YEMEN. THE LIST COULD BE PROLONGED. THE GENERAL POINT THAT THE AREA IS FULL OF DANGERS, ANY ONE OF WHICH COULD ESCALATE INTO A MAJOR CRISIS, IS ONE WHICH IS TOO OBVIOUS TO US ALL TO NEED LABOURING.

OF COURSE THE MIDDLE EAST IS NOT ALONE IN THIS RESPECT. SOUTH-EAST ASIA AND AFRICA ALSO PRESENT A DAUNTING LIST OF PROBLEMS AND CONFLICTS. BUT THE MIDDLE EAST MUST BE OF PARTICULAR CONCERN TO EUROPE AND TO BRITAIN. WE LIVE CLOSE TO THE MIDDLE EAST. THE PEOPLES OF EUROPE AND THE MIDDLE EAST ARE LINKED BY HISTORY. OUR TRADING CONNECTIONS WITH THE MIDDLE EAST ARE INFINITELY VARIED, AND TENS OF THOUSANDS OF BRITISH PEOPLE NOW WORK AND LIVE THERE. WE CANNOT BE INDIFFERENT OR DETACHED.

HOW DOES THIS RELATE TO THE ARAB/ISRAEL DISPUTE? IT WOULD NOT BE ACCURATE TO ARGUE THAT THE ROOT CAUSE OF ALL THESE PROBLEMS CAN BE TRACED TO THE ARAB/ISRAEL CONFLICT. THE SOVIET INVASION OF AFGHANISTAN AND THE IRANIAN REVOLUTION DID NOT HAPPEN BECAUSE OF THE FAILURE TO SOLVE THE ARAB/ISRAEL DISPUTE. MANY OF THE INTER-ARAB DISPUTES ARE CAUSED BY CONFLICTING PERCEPTIONS AND INTERESTS UNRELATED TO THE ESTABLISHMENT AND CONTINUING EXISTENCE OF ISRAEL.

NOR WOULD A SOLUTION TO THE ARAB/ISRAEL DISPUTE USHER IN INSTANTLY A NEW ERA OF UNITY, CO-OPERATION AND STABILITY. DIFFERENCES OF INTEREST WILL PERSIST., BOUNDARY AND OTHER DISPUTES WILL CONTINUE TO BE A SOURCE OF FRICTION.

BUT I AM CONVINCED THAT THERE WILL BE NO STABILITY IN THE MIDDLE EAST, AND CERTAINLY NO COMMON DETERMINATION TO RESIST SOVIET EXPANSION, UNTIL THE FOUNDATIONS OF AN ARAB/ISRAEL PEACE SETTLEMENT HAVE BEEN LAID. WE CANNOT LOOK FORWARD TO DEVELOPING THE COMMON INTERESTS WHICH WE AND THE COUNTRIES OF THE AREA, INCLUDING ISRAEL, SHARE, UNTIL THE PATH TOWARDS AN ARAB/ISRAEL SOLUTION HAS BEEN MAPPED OUT.

THAT IS WHY THE HEADS OF STATE AND GOVERNMENT OF THE EUROPEAN COMMUNITY HAVE PUT THE MIDDLE EAST ON THE AGENDA OF THEIR SUMMIT MEETING IN VENICE THIS WEEK. THEY WILL CONSIDER WHETHER THERE IS ANY DECLARATION OR ANY DIPLOMATIC ACTION BY WHICH THE COUNTRIES OF EUROPE COULD HELP FORWARD THE PROCESS OF PEACE.

IT IS NOT FOR ME TO PREDICT WHAT ANSWER THEY MAY FIND. NOR OBVIOUSLY CAN I SPEAK FOR ANY GOVERNMENT EXCEPT THE BRITISH. I WISH HOWEVER TO SAY SOMETHING ABOUT OUR THINKING AND THE REASONS WHY WE THINK THIS DISCUSSION IS NECESSARY AND HOW WE BELIEVE IT COULD BE FRUITFUL.

IN THE MIDDLE EAST WE BRITISH HAVE NO PARTICULAR INTERESTS TO PROTECT OR APPEASE. OUR INTEREST IS A GENERAL ONE. WE ARE NOT CONCERNED ON OUR OWN ACCOUNT AS TO WHERE PARTICULAR FRONTIERS SHOULD RUN OR WHAT PARTICULAR GOVERNMENTS SHOULD RULE IN PARTICULAR COUNTRIES. IN SHORT, WE NO LONGER HAVE EVEN THE VESTIGE OF AN IMPERIAL ROLE. OUR INTEREST IS THE GENERAL INTEREST OF A STABLE MIDDLE EAST WITHIN WHICH WE CAN MAINTAIN TRADE AND FRIENDSHIP, BECAUSE ITS PEOPLES ARE PROSPEROUS AND AT PEACE WITH EACH OTHER. A STABLE MIDDLE EAST MUST INCLUDE THE STATE OF ISRAEL, EXISTING WITHIN SECURE FRONTIERS, FULLY RECOGNISED BY HER NEIGHBOURS AND IN TURN FULLY RECOGNISING THEIR RIGHTS. ISRAEL'S SECURITY IS THUS OF FUNDAMENTAL CONCERN TO US.

WE ACCEPT THAT IN THE TASK OF PEACE-MAKING A DOMINANT ROLE DURING RECENT YEARS HAS FALLEN TO THE AMERICANS. THIS IS NATURAL ENOUGH. IT IS IMPOSSIBLE TO IMAGINE A LASTING PEACE SETTLEMENT WITHOUT THE FULL PARTICIPATION OF THE UNITED STATES, BOTH IN REACHING AGREEMENT AND IN MAKING SURE THAT AGREEMENT ONCE REACHED IS RESPECTED. BUT THIS ESSENTIAL ROLE OF THE UNITED STATES DOES NOT EXCLUDE A COMPLEMENTARY ROLE FOR EUROPE. INDEED THE UNITED STATES ITSELF HAS OFTEN URGED THE EUROPEANS TO TAKE MORE SERIOUSLY ITS INTERESTS AND RESPONSIBILITIES IN THE MIDDLE EAST. THAT IS WHAT WE ARE NOW DOING.

AGAINST THIS BACKGROUND WE DO NOT IGNORE, INDEED WE WELCOME THE ACHIEVEMENTS OF CAMP DAVID. WE RECOGNISE THE FUNDAMENTAL CONCESSIONS WHICH ISRAEL MADE TO BRING ABOUT PEACE WITH EGYPT, A PEACE WHICH OWES ITS EXISTENCE TO THE STATESMANSHIP OF PRESIDENT SADAT, MR BEGIN AND PRESIDENT CARTER. IT IS CRUCIAL THAT THIS ACHIEVEMENT SHOULD NOT BE LOST - BUT IF IT IS TO BE SAVED THEN IT MUST BE FURTHER DEVELOPED. WE DO NOT BELIEVE - I DO NOT THINK THAT ANYONE BELIEVES - THAT BILATERAL PEACE BETWEEN EGYPT AND ISRAEL CAN LAST IN ISOLATION. PROGRESS TOWARDS A WIDER PEACE IS VITAL. THAT IS ONE REASON WHY WE FIND THE PRESENT SITUATION SO DEPRESSING AND DANGEROUS.

THE CAMP DAVID SETTLEMENT WAS VEHEMENTLY REJECTED BY ALMOST THE WHOLE OF THE ARAB WORLD OUTSIDE EGYPT. IT IS THEREFORE DIFFICULT TO SEE HOW BY ITSELF IT CAN PROVIDE THE MEANS BY WHICH A WIDER PEACE CAN BE ACHIEVED. THE RIGHTS AND WRONGS OF THIS REJECTION CAN BE ARGUED FOREVER. BUT IT REMAINS THE FACT THAT THERE IS NO EVIDENCE THAT IT WILL BE REVERSED OR EVEN QUALIFIED BY THOSE CONCERNED.

THERE IS ANOTHER DANGEROUS DEVELOPMENT. DESPITE THE CAMP DAVID AGREEMENT AND THE AUTONOMY TALKS HELD UNDER THAT AGREEMENT AND DESPITE THE ADVICE OF HER FRIENDS, THE GOVERNMENT OF ISRAEL HAS CONTINUED TO PLANT SETTLEMENTS ON THE WEST BANK. ALTHOUGH THESE NEW SETTLEMENTS ARE STILL RELATIVELY FEW IN NUMBER THE PALESTINIANS NOT SURPRISINGLY SEE THEM AS A REINFORCEMENT OF ISRAEL'S MILITARY OCCUPATION. THE NEW SETTLEMENTS ARE BITTERLY RESENTED, AS INDEED ANY FAIR-MINDED PERSON COULD HAVE FORESEEN. SECURITY ON THE WEST BANK HAS DETERIORATED RAPIDLY IN RECENT WEEKS, AS TERROR ON ONE SIDE BREEDS TERROR ON THE OTHER. HATRED AND FEAR HAVE REACHED DANGEROUS

PROPORTIONS. MEANWHILE THE AUTONOMY TALKS HAVE PASSED THEIR DEADLINE. IF PRESENT EFFORTS TO RESUME THE TALKS SUCCEED WE SHALL WELCOME THIS AND WISH THEM WELL. BUT FROM NOW ON THE KEY LIES INCREASINGLY ON THE WEST BANK ITSELF AND IN GAZA. AS THE EGYPTIANS RIGHTLY RECOGNISE, IT IS NOT MUCH USE SETTING UP AN AUTONOMOUS AUTHORITY ON WHICH PALESTINIANS REFUSE TO SERVE, OR HOLDING ELECTIONS IN WHICH PALESTINIANS REFUSE TO VOTE.

--- THIS ANALYSIS LEADS STRAIGHT INTO THE QUESTION OF PALESTINIAN RIGHTS. AS LORD CARRINGTON POINTED OUT TO THE GENERAL ASSEMBLY OF THE UNITED NATIONS LAST SEPTEMBER THERE IS A GAP HERE IN THE RESOLUTIONS OF THE SECURITY COUNCIL. IT IS NO LONGER REALISTIC TO TALK OF THE PALESTINIANS IN TERMS OF REFUGEES. WHATEVER MAY HAVE BEEN TRUE IN THE PAST, THE TRUTH NOW IS THAT THE INHABITANTS OF THE WEST BANK AND GAZA BELIEVE THAT THEY HAVE A SEPARATE POLITICAL IDENTITY AS PALESTINIANS. THEY BELIEVE THAT THEY HAVE THE RIGHT TO A HOMELAND, TO SELF-DETERMINATION AND TO FULL PARTICIPATION IN NEGOTIATING A SETTLEMENT. EFFORTS ARE SOMETIMES MADE TO CONTEST THIS CLAIM ON HISTORICAL OR LEGAL GROUNDS. FOR SOME TIME TO COME THIS CLAIM CAN NO DOUBT BE SUPPRESSED BY MILITARY FORCE. BUT IN THE LONG RUN WE DO NOT BELIEVE THAT THIS CLAIM CAN BE DENIED. IT MUST BE CONSIDERED AND ITS APPLICATION MUST BE NEGOTIATED ALONGSIDE ISRAEL'S LEGITIMATE CLAIM TO SECURITY IF THERE IS TO BE A JUST AND LASTING SETTLEMENT.

--- THIS BRINGS US DIRECTLY TO THE QUESTION OF THE PLO. BRITISH MINISTERS UNDERSTAND FULLY THE DEPTH OF THE EMOTIONS WHICH HAVE BEEN STIRRED ON THIS SUBJECT. IT IS A SAD COMMENTARY ON OUR WORLD THAT MANY WHO ARE NOW RECOGNISED LEADERS OF THEIR COUNTRIES AT ONE TIME PRACTISED VIOLENCE IN SUPPORT OF THE CAUSE WHICH THEY SERVE. NEVERTHELESS IF WE BELIEVE IN A SANER WORLD WE MUST CONDEMN TERRORISM WHENEVER IT OCCURS AND BY WHOEVER IT IS PRACTISED. THIS IS WHAT WE HAVE DONE IN PALESTINE AND THE LEBANON. I CERTAINLY DO NOT BELIEVE THAT ANY TERRORIST GROUP, ZIONIST OR ARAB, WILL GET THEIR WAY IN PALESTINE BY SUCH METHODS. ON THE CONTRARY, EVERY ACT OF BARBARITY POSTPONES THE DAY WHEN SENSIBLE MEN AND WOMEN CAN MEET TOGETHER AND REACH A PEACEFUL SETTLEMENT. IF THE PALESTINE QUESTION COULD BE SOLVED BY BOMBING OR SHOOTING, IT WOULD HAVE BEEN SOLVED LONG AGO.

--- THE PLO CONTAINS WITHIN IT THOSE WHO PRACTISE THE TERRORISM WHICH WE CONDEMN. IT ALSO CONTAINS THOSE WHO ARE READY FOR COMPROMISE AND CO-EXISTENCE. HER MAJESTY'S GOVERNMENT DO NOT GRANT THE PLO ANY OFFICIAL OR EXCLUSIVE STATUS. LAST WEEK'S HEADLINES ABOUT THE EUROPEAN COMMUNITY "RECOGNISING" THE PLO WERE WIDE OF THE MARK. BUT WE BELIEVE IT WOULD BE FOOLISH FOR THE WEST TO PRETEND THAT THE PLO IS SIMPLY AND SOLELY A GANG OF MURDERERS, OR THAT THE PALESTINIAN -S HAVE NO RIGHT TO BE PRESENT WHEN THEIR FUTURE IS DISCUSSED. IF WE PRETENDED THAT WE WOULD PLAY INTO THE HANDS OF THE TERRORISTS, WE WOULD BE SNUBBING THOSE PALESTINIANS AND ARAB FRIENDS WHO BELIEVE IN CO-OPERATION WITH THE WEST AND PEACEFUL NEGOTIATION. WE WOULD BE HELPING THE SOVIET UNION BY PRESENTING IT WITH THE MONOPOLY OF SUPPORT FOR A CAUSE WHICH THE OVERWHELMING MAJORITY OF ARABS BELIEVE TO BE JUST. IT IS RARELY WISE TO PRESENT AN UNSCRUPULOUS ADVERSARY WITH A JUST CAUSE.

--- I HAVE HEARD COMPARISONS MADE BETWEEN THE PLO AND THE IRA IN NORTHERN IRELAND. THERE IS A CRUCIAL DIFFERENCE. IN NORTHERN IRELAND WE KNOW THE VIEWS OF THE PEOPLE. THERE HAVE BEEN REFERENDA AND THERE HAVE BEEN MANY FREE ELECTIONS. WE KNOW THAT THE OVERWHELMING MAJORITY OF THE PEOPLE OF NORTHERN IRELAND, CATHOLIC AS WELL AS PROTESTANT, REJECT THE IRA AND ITS METHODS. WE HAVE NO SUCH KNOWLEDGE ON THE WEST BANK AND GAZA. INDEED THERE CAN BE NO DOUBT FROM THE EVIDENCE THAT THE PLO ENJOY VERY WIDESPREAD SUPPORT. RECENT EVENTS ON THE

WEST BANK HAVE SERVED TO INCREASE THAT SUPPORT BY DISCREDITING ANYONE WHO HELD A MORE MODERATE OPINION. THAT IS NOT AN ARGUMENT FOR CONDONING TERRORISM. IT IS AN ARGUMENT FOR OUT-WITTING TERRORISM BY PUTTING RIGHT THE GRIEVANCES ON WHICH TERRORISTS THRIVE.

A LASTING SETTLEMENT IS STILL SOME WAY OFF. WE IN EUROPE CERTAINLY SHOULD NOT BE DOGMATIC ABOUT HOW IT CAN BE ACHIEVED. BUT ONE THING IS FAIRLY CLEAR. THE SETTLEMENT COULD NOT BE IMPOSED. IT WILL SOME DAY HAVE TO BE NEGOTIATED; SOME DAY, ROUND SOME TABLE, WHOEVER ELSE MAY BE PRESENT, PALESTINIANS WILL HAVE TO AGREE TO RECOGNISE ISRAEL'S RIGHT TO EXIST IN SECURITY AND TO ACCEPT THE ARRANGEMENTS NEGOTIATED TO GUARANTEE THAT SECURITY. IN THEIR TURN ISRAELIS WILL HAVE AT THE SAME TIME TO RECOGNISE THE RIGHTS OF THE PALESTINIANS TO DETERMINE THEIR OWN FUTURE WITHIN THE CONTEXT OF THE NEGOTIATED SETTLEMENT.

BEFORE THAT DAY ISRAEL WILL HAVE A CRUCIAL CHOICE TO MAKE ABOUT HER OWN SECURITY. ONE CHOICE WOULD BE TO CONTINUE TO RELY FOR SECURITY ON MILITARY OCCUPATION BACKED BY CIVILIAN SETTLEMENT. ANYONE WHO KNOWS THE GEOGRAPHY OF ISRAEL, ANYONE WHO DRIVES FROM TEL AVIV TO JERUSALEM, ANYONE WHO STANDS ON THE GOLAN HEIGHTS CAN UNDERSTAND THE ATTRACTION OF THAT CHOICE. FOR THE TIME BEING THE MILITARY EQUATION IS IN ISRAEL'S FAVOUR. FOR THE TIME BEING THE PRESSURES ON ISRAEL FROM THE WEST ARE MANAGEABLE. NO DOUBT FOR THE TIME BEING ISRAEL COULD SUSTAIN THAT CHOICE.

BUT THAT CHOICE OF MILITARY OCCUPATION WOULD MEAN STEADILY GREATER VIOLENCE IN THE OCCUPIED TERRITORIES. IT WOULD IMPLY A READINESS BY ISRAEL TO USE THE TECHNIQUES OF REPRESSION WITH INCREASING RUTHLESSNESS. I JUST CANNOT BELIEVE THAT AFTER CENTURIES OF PERSECUTION IN WHICH THEY HAVE SUFFERED AND WITHSTOOD IT IS THE VOCATION OF THE ISRAELIS TO REST THEIR FUTURE ON THE PERSECUTION ON OTHERS.

THE OTHER CHOICE IS VERY DIFFERENT. IT INVOLVES RECOGNISING THAT OTHERS TOO HAVE A RIGHT TO A HOMELAND IN PALESTINE. IT INVOLVES SITTING DOWN AND HAMMERING OUT ARRANGEMENTS TO RECONCILE THAT RIGHT WITH THE RIGHT OF ISRAEL TO SECURITY. THE COURAGE WHICH ISRAEL HAS SHOWN IN ACHIEVING AND CARRYING THROUGH THE AGREEMENT WITH EGYPT GIVES SOME REASON TO HOPE FOR ANOTHER ACT OF EQUAL BOLDNESS AND WISDOM. SO DOES THE OPENNESS OF ISRAELI SOCIETY AND THE VIGOUR WITH WHICH ALL THESE MATTERS ARE DEBATED. IT IS AN AWESOME CHOICE AND WE WHO DO NOT HAVE TO MAKE IT MUST NOT BE PRESUMPTUOUS ABOUT IT. THE STAKES WHICH ISRAELIS AND PALESTINIANS HAVE ON THE TABLE ARE FAR HIGHER THAN OUR OWN. OUR TASK IN BRITAIN, IN EUROPE, IN THE WEST AS A WHOLE IS TO HELP FORWARD AS BEST WE CAN THE DAY WHEN THAT CHOICE IS MADE. THAT IS WHAT THE DISCUSSION IN VENICE WILL BE ABOUT.

ENDS VERBATIM SERVICE 072/00...LPS.

SPEECH BY THE HON DOUGLAS HURD CBE MP, MINISTER OF STATE FOR
FOREIGN AND COMMONWEALTH AFFAIRS, TO THE BOARD OF DEPUTIES OF
BRITISH JEWS AT 11.15 AM ON SUNDAY 20 JULY 1980

Next week the Foreign Ministers of the Nine will, we hope, decide on the diplomatic follow-up to the Venice declaration. They will choose an individual who, with proper backing and due thoroughness, will make contact with all the parties concerned to explore their views and the extent of common ground. This should provide a basis on which the Nine can consider how best to contribute to a lasting settlement. We want to work closely with all the parties towards this common objective.

If I restate the Venice principles before this audience please acquit me of wishing to weary you with repetition. One of the difficulties over recent weeks is that the arguments against the Venice declaration began before the declaration was born. The arguments were mainly directed against any grant by the Europeans of exclusive or official status to the PLO, and against any immediate move to the Security Council of a kind which could weaken Resolution 242. Of course the Venice declaration when it appeared contained neither of these elements; but the argument against it has sometimes continued as if both elements were present. The declaration has been praised by President Sadat as balanced and constructive, and I hope that anyone tempted to leap to the opposite conclusion will look carefully at what the Nine Heads of Government actually said.

/The two principles

The two principles which form the core of the declaration are the right to existence and to security of all states in the region, specifically including Israel, and justice for all the peoples, which implies the recognition of the legitimate rights of the Palestinian people. In a later paragraph the declaration states that these principles must be respected by all the parties concerned, and thus by the Palestinian people, and by the PLO, which will have to be associated with negotiations.

This last phrase has been criticised in several quarters - by Arab governments and by the PLO because it does not give the PLO an exclusive status, and by Israel because it makes any mention at all of the PLO in connection with the peace process.

There is however a growing awareness that the Nine were correct to speak of the need to recognise legitimate rights of the Palestinian people. Striking evidence of this awareness appears on the order paper of the House of Commons. A motion which goes well beyond the Venice declaration in accepting the exclusive claims of the PLO has just about the same number of signatories as a motion which criticises the Venice declaration for seeking to involve the PLO at all. Such an even balance of opinion would have been inconceivable two or three years ago. During that period it is increasingly realised that there simply will not be a lasting comprehensive settlement without the agreement of the Palestinians, of whom there are 700,000 on the West Bank, 400,000 in Gaza and 100,000 in East Jerusalem. The reasoning behind this conclusion is clear. I do not believe
/that Israel

that Israel will wish to try to ensure her security by permanent military occupation of these territories and the denial of political rights to their inhabitants. Nor would it be possible, even if it were right, to change the demographic balance by imposing Jewish settlements on Arab lands. Indeed the present Israeli policy of settlements is bound to be an obstacle to the creation of confidence in the area and thus to peace.

It is now obvious that there is no substitute for consulting the Palestinians. The Camp David Agreements are a remarkable achievement, indeed a major act of statesmanship by the three governments concerned. It is a great step forward to have secured peace between Israel and Egypt. But the Egyptians have made it clear that it is not for them to negotiate beyond a certain point on Palestinian matters in the absence of Palestinian representation.

The same is true of the Government of Jordan. We have as a matter of course kept in close touch with the Government of Jordan, and with King Hussein whose wisdom and experience we greatly respect. There are strong political and economic reasons for hoping that Jordan will have a close association with whatever form of government emerges in the occupied territories. Such an association would make good sense for all concerned. But it would follow and not be a substitute for a decision by the Palestinian people themselves. That is the view of the Jordanians, consistently expressed in public and private. One of the advantages of the Venice declaration is that it should enable us to involve Jordan in consultation in a way not possible in the context of Camp David.

/It will be

It will be for historians to decide whether different Israeli policies since 1967 would have produced a different balance of opinion today among Palestinians who live in the occupied territories. As it is, the PLO has widespread support. Recently the Fatah Congress restated the commitment to armed struggle. Terrorist acts continue in the occupied territories, leading in turn to acts of repression and counter-terrorism. We have condemned and will continue to condemn such acts. They can only hinder the peace process. Indeed, it is the whole purpose of the Venice declaration to show that this is a blind alley. Anyone who reads it fairly can see that killing and bombing will not solve the problem in the future, any more than they have in the past. The Venice declaration seeks to involve Palestinians as well as Israel in a different process based on acceptance of the two principles which go to the heart of the matter. At the moment each side is saying that the principle which it favours must be accepted first, before the other principle can be considered. So I fear it will be a long business, because we are talking of a negotiated not an imposed peace. At the end of the day, whoever else is at the table, it will be Israel and the Palestinians who have to agree, and I underline the word "agree". Our aim is to do what we can to bring that day nearer.

Finally it is perhaps not out of place to say that we continue to seek the best possible relations with Israel, in the spirit of the friendship which has traditionally existed between our two countries. Our commitment to Israel is not negotiable. We wish to work with her, not against her, as I believe anyone

/who reads

who reads carefully the Venice statement and subsequent statements by this Government would be bound to agree. It would be difficult indeed to convince me that our policy can rightly be seen as against the interests of peace or of Israel. We will continue to seek a comprehensive peace settlement as best we can.

NOTE FOR THE RECORD

cc Libya - Relations
Master Set

Lord Sieff came to see the Prime Minister, at his own request, at 1000 on Tuesday, 13 May 1980. He raised two subjects.

Prospects for Marks and Spencer

Lord Sieff said that last autumn Marks and Spencer's inflation rate on their clothing was 13% compared with the previous autumn. The company had just agreed their prices for the coming autumn, and these would be only 4-4½% up on the current prices. They had been forced to hold down price increases to this level by competition and a fall-off in demand. More efficient production had also made it possible for Marks and Spencer to accommodate such small increases. The company had had to hold down their price increases to survive. Even so he expected that there would be unemployment in the firms supplying them. Some of their suppliers had made substantial investment in machinery and they were the ones who were likely to win through. These firms had tried to buy British machinery, but there was nothing suitable on offer and they had had to turn to Germany and Japan for what they wanted.

Libya

Lord Sieff said that the main purpose in his call was to raise with the Prime Minister the question of the international activities of the Libyan Government. This was something which he had already discussed with the Foreign Secretary and Sir Michael Palliser. Up to a point what he wanted to say had been overtaken by recent events.

In January 1974 he had prepared a document on Libya which had forecast many of the things which Colonel Gaddafi had done since. He had based his paper on Gaddafi's speeches, official reports and other publicly available material. All those to whom he had showed the document had said it was a good report. He had discussed it with the then Prime Minister. Mr. Heath had asked him what he wanted him to do about the report. Lord Sieff had told Mr. Heath that the Libyans were already attempting to carry out murders overseas and that

/ Britain should give

Britain should give a lead and break off diplomatic relations with the Libyans. Mr. Heath's response had been that France would not follow such a British lead. Moreover, other Arab states would not support us. Nor could we ignore the fact that we got 12% of our oil from Libya. Lord Sieff said that he had told Mr. Heath that France was ready to sell itself if necessary. The moderate Arab states would support us - Jordan publicly and the others privately. The Shah would also take our side in public, and he (Lord Sieff) had been told by the Iranians that they would make good any loss of Libyan oil supplies to Britain. His interview with Mr. Heath had ended there, but the Prime Minister's Private Secretary had told him afterwards that he was wasting his time. What he was saying did not accord with Britain's policy: we had just invited Major Jalloud to visit the United Kingdom.

Lord Sieff said that since then the Libyans had financed the Iranian revolution to the tune of 450 million dollars. This money had gone to Ayotollah Khomeni when he was in exile and in particular had been used to finance trouble -makers in the Bazaar in Tehran.

Lord Sieff continued that Marks and Spencer were active in Egypt, and they had had a number of executives there for some months. Their role was to act as middle-men who recruited experts to work in Egypt. Some of the people they were bringing in to help Egypt came from Israel. Marks and Spencer did not want publicity at present for what they were doing: they preferred to wait until they had some results to show. In the course of their activity in Egypt Marks and Spencer had established contacts with a number of Ministers there. The latter were very worried about Libya - surprisingly worried in view of the enormous differences between the population of the two countries. They explained their concern by pointing to the very sophisticated weapons which the Libyan Armed Forces possessed. Libya was now the biggest Russian arms dump outside the Soviet Union. There were large numbers of East Germans there already, and there were signs that more and more Cubans were appearing on the scene. All this made Libya, in Egypt's eyes, a formidable military threat. He understood that Egypt had planned some time ago to remove Colonel Gaddafi but that the Americans had forbidden them to do so. Now Egypt was nervous about doing anything about Libya.

/In response

In response to a question by the Prime Minister, Lord Sieff said that he had not met Colonel Gaddafi personally but he had got an assessment of him. He had come to power at the age of 29 and was still only in his early 40s. In his initial period of office he had seen himself as the heir of Nasser, and he had attempted to bring about various unions between Libya and other Arab countries. Quite early on he had concluded that one of his aims should be the financing of international terrorism, and he had been ready to do this wherever and when ever the opportunity afforded itself. For example, some of his early involvement had been with terrorist activity in Chad, the Philippines and Ireland. Since then Gaddafi had extended his terrorist activities considerably and a good deal was known about them publicly. He believed that following the steps which the United States had taken against the so-called Peoples' Bureau in Washington, the West should take concerted action against Libya.

The Prime Minister said that it was difficult to get evidence against the Libyans that could be used in a court of law. Even so, the Government had decided that something had to be done, for Colonel Gaddafi's statements flouted every international law and convention. We had accordingly told the Libyan Government that we could not tolerate the continuation of their agents' activities in this country and that they must withdraw them or we should expel them. After a period of uncertainty the Libyans had now withdrawn their people from this country. This was an interesting outcome and perhaps suggested that Colonel Gaddafi did not want to break with the United Kingdom and might be trying to maintain contact with the West. We should not, however, be lulled by Libyan agreement to withdraw their people and we should need to continue to watch very closely who came into this country from Libya.

Lord Sieff said that as regards Israel, the major problem at present was Mr. Begin's settlement policy. The Prime Minister interjected that the policy was ridiculous and was doing Mr. Begin great harm. Lord Sieff continued that he had spoken to Mr. Begin about it but he was not on the closest of terms with him, though he

/was very friendly

was very friendly with other members of the Israeli Cabinet. The Hebron killings flowed to some extent from Israel's settlement policy and yet their effect in Israel had been to make people rally to Mr. Begin. President Sadat, whom he was due to meet in the autumn, was determined that Egypt should make economic progress. He did not have ambitions on the world stage but if he became a world leader in the process of helping his country forward, he was ready to accept that. But he saw that there would be no progress for Egypt without peace with Israel and that was something he had said he was going to have.

The Prime Minister said that she supported what President Sadat was trying to do. On the other hand, she was bitterly disappointed in Mr. Begin. The PLO said that they were trying to free their homeland by precisely the same methods that Israel had used to free Palestine from British rule. They pointed out that many of Israel's present leaders had been in the forefront of terrorist activities against Britain in the 1940s. This was a very difficult argument to refute and made it hard to criticise Arafat. Unless we listened to the legitimate parts of the PLO case, we could not attack them for their terrorism.

Lord Sieff said that he agreed with the Prime Minister. It was, however, important to distinguish between Arafat and some other Palestinian leaders. Dr. Habbash, for example, had described terrorism as a strategic weapon. Another factor in the middle eastern scene was the durability of the Saudi regime. He had some very good contacts in Saudi Arabia who saw the situation there as it really was. One of his Saudi friends had told him that the incident at the Mecca mosque had taken the regime completely by surprise. The group which had taken over the mosque was an ultra nationalist, religious one which had been trained by the PLO and the East Germans. There had been uprisings in four other towns at the same time, though this had not got into the Press, and the regime had nearly fallen. His contact had told him that the fundamental weakness of the regime was that there was no respect for the Saudi Royal Family. Many members of the Royal House were known for their corrupt and immoral behaviour, particularly drunkenness, both inside and outside the country. His

/contact thought that

contact thought that it would be a miracle if the regime lasted another three years. He had had confirmation of this assessment from independent sources in the oil industry. The Saudi Royal Family were preparing for the end of the regime now by transferring large sums of money abroad. He had it on good authority that they had sent 10 billion dollars out of the country in the three months after the mosque incident.

In conclusion Lord Sieff said that, for reasons of his own safety, he did not want it to come to the notice of the Libyans that he was continuing to try to expose what they were doing and he would therefore be grateful if as few people as possible could be told what he had said to the Prime Minister.

The Prime Minister said that she would see that nobody else knew that Lord Sieff had been to see her. She thanked him for what he had told her and for a number of documents which he gave her as he was leaving.

AW.

14 May 1980



10 DOWNING STREET

Left with the Prime
Minister by Lord Sest -
who asked that they
should not be passed to
the F.C.O.

f.c.

Print

- 14/5/80

Remove + return to the

Prime Minister.

J.M.

h.vi.

IRAN

CONFIDENTIAL - SECRET

8th April 1980

The following information comes from reliable and well informed sources and reflects the present position in Iran.

Iran is in even a greater degree of becoming a Soviet satellite now than in mid-1953. Economically the country is in poor condition with 4 million unemployed. The income produced by a much diminished oil production, now estimated at less than 1 million barrels per day for export from a peak of 7 million, is being spent on food imports and handouts to the unemployed. In the anti-communist camp there are too many "Khomeini voices" with the result that there is no decisive "Khomeini voice". The clerics in the Revolutionary Council are lining their pockets as fast as they can and are packing the new parliament with their own men. They use Khomeini as an expedient; once Khomeini goes, dissension among his clerics will weaken their camp.

In the pro-communist camp there is evidence of much planning and spade work for D-day. The Tudeh Party, led by Mr. Kianouri, is no longer proscribed and is flourishing and active among the student and teacher bodies at the university and secondary schools, among factory workers, oil workers in particular and peasants. Pro-communist groups, such as Mujahedin Khalagh (people's fighters) are well armed; efforts to disarm them have proved futile. The left-wingers have penetrated the ranks of the Revolutionary Guards, who are supposed to be Khomeini's most loyal soldiers.

Kurdistan is virtually autonomous and under the sway of the communist-orientated Kurdish Democratic Party, led by Mr. Qasimlov and Ezzudin Hussaini, its Sunnite religious heads. Azerbaijan's 12 million people are divided into pro-Shariatmadari and pro-Khomeini camps and it is underneath this strife ridden surface that the communists are building up their own "facilities" for D-day. At any time the Russian Azerbaijanis can be sent into Iran across the border and simply blend into the populace.

.../...

The Iraqis seem determined to overthrow the Khomeini regime and are extending their sabotage activities in the oil region. General Oveissi was in Baghdad recently and a considerable number of former Iranian officers are also in Iraq. The Iranians are keeping up appearances and threatening the Iraqi regime, but are well aware of their helplessness if the Iraqis were to march into Iran. The Iraqis have the support of 2½ million Iranian Arabs in Khuzistan. The present Iranian regime is further isolated by their poor relations with the U.S.S.R. over Afghanistan.

There is also a Soviet-sponsored plan to create an independent Baluchistan by promoting separatist movements in Iranian and Pakistani Baluchistan. This new "State" will include the port of Chah-Bahar.

Local opinion is that if the Americans and their Western allies press the Iranians too much over the hostage issue, the Iranian collapse may well lead to a Soviet take-over from within, simply because there is no other organised set up in Iran today other than the pro-communist ones.

However, other informed opinion does not share the view that any alternative to Khomeini is necessarily a pro-communist regime. Too much indecision on the part of the West can disillusion the basically pro-West connections of many Iranians and make life easier for the communists. The post-Khomeini period can be critical.

Shapoor Bakhtiar has his followers and contacts in Iran - among them the Bakhtiari tribes in Khuzistan. He has a clandestine radio station operating near Teheran and other means of anti-Khomeini propaganda. He expects dramatic acceleration of his campaign within the next 4 weeks. He is in close contact with the Iraqi authorities and on April 4th he advised that there would be major acts of sabotage in the oil installations within the next day or two; these in fact took place on April 6th. He needs help, but is determined to carry on with what he can muster on his own.

.../...

The French authorities are giving him full security protection. I do not know whether there is any specific American contact with Bakhtiar, but it would appear that his potential to act on behalf of those Iranians who do not wish to see Iran a communist satellite is probably greater than assumed.

May 1980

LIBYA

Further to the memorandum on Libya of January 1974 attached :

Page 2

Reference paragraph 4c -

It is reliably reported that Libya financed entirely, to the tune of \$450m, the revolution in Iran which overthrew the Shah.

Reference paragraph 7 -

Libya is now an ally of Russia and contains the largest Russian arms dump outside Russia.

Egypt at one time was about to attempt the overthrow of Colonel Gaddafi's regime but was actively discouraged from doing so by one or more of the Western powers. Today the Egyptian's say they are nervous of Libya's intentions.

When it is pointed out that there are 40m Egyptians and less than 2m Libyans their reply is that the Libyans have substantial quantities of sophisticated armaments from Russia and the Eastern Block. When they are asked whether they think the Libyans can use such weapons effectively their reply is they doubt it, but, they are concerned with the growing number of East Germans and Cubans reported to be in Libya whose numbers they believe exceed that required as advisors.

It is reported that the Libyans now have missiles with a range which brings them to the Southern areas of France.

Jan. 1974

LIBYA

1. Colonel Gaddafi's policy is to:-
 - a. promote and encourage murder, airport massacre, hijacking, terrorism and bombing in the countries of Western Europe;
 - b. foment revolution in Arab countries to prevent a peace settlement in the Middle East;
 - c. blackmail western European countries into condoning murder and massacre.
2. TERRORISM AGAINST BRITAIN Colonel Gaddafi has been active against Britain:-
 - a. In June 1972 he declared:

"We are making war on Great Britain and if the Irish revolutionaries want to liberate Ireland we will back them to the limit". (page 3, para 1)
 - b. He has sent the IRA £1,000,000 in military aid and training and has supplied at least one shipment of arms. (page 3, paras 2 and 3)
 - c. A Beirut newspaper, Al Liwa, reported on 2nd January 1974 that Palestine terrorists and the IRA have agreed to carry out joint acts of terrorism in Britain; these have started. (page 3, para 4)
3. ECONOMIC HOSTILITY TO BRITAIN This too is increasing:-
 - a. Colonel Gaddafi nationalised British oil interests in December 1971 in violation of international law; he has not paid compensation. (page 3, paras 5 and 6)
 - b. Libyan oil prices have been quadrupled since October 1973. (page 4, para 7)
 - c. Libya unilaterally banned the import of a wide range of British foodstuffs and consumer goods in December 1973. (page 4, para 8)
4. INTERNATIONAL TERRORISM Colonel Gaddafi has used money and provided facilities to promote revolt, murder and terrorism in many countries; he has encouraged hijacking:-

- a. He has assisted Black September in every way possible and has made Libya a recruiting office and training camp for the Palestine terrorist movement. (page 4, paras 9 to 11)
 - b. He has financed terrorism and revolt in Ireland, Ethiopia, Morocco, Yemen, the Philippines, Tunisia, Somalia, Syria, Chad and Thailand. (page 4, para 12)
 - c. His vast monetary support of Black September and other Fedayin groups is a threat to the Shah of Iran, President Sadat, King Faisal and King Hussein. (page 4, para 12)
 - d. His speech praising the Japanese terrorists responsible for the Lod Airport massacre in May 1972 was reported in The Times. He was the only Arab leader not to disown the Rome Airport massacre where the terrorists came from Libya via Spain. (page 5, paras 13 to 15)
 - e. He supplied the SAM missiles which were found in Italy in September 1973. (page 5, para 16)
5. APPEASEMENT DOES NOT PAY The Italian Government released the five terrorists who had been arrested in possession of SAM missiles. Two of them, missile experts, were sent to Libya on the tacit understanding that Italy would then be immune from terrorism and hijacking. The Rome massacre with the hijacking of the German plane and the murder of hostages shows that Italy's policy was useless.
6. ECONOMIC BLACKMAIL Colonel Gaddafi is trying to use Libya's stocks of oil to force the western European countries to supply him with arms. Until now, western countries have sought a friendly relationship with Libya, owing to her strong position as a supplier of oil. Her situation would be weakened if she were to be isolated from other oil producing countries, following her support of terrorist groups and Colonel Gaddafi's political machinations in the neighbouring countries. (page 5, paras 17 and 18)
7. POLICY TOWARDS LIBYA Now seems an opportune moment for the Western powers to change their policy of handling terrorists with kid gloves. Such a policy could neutralise Colonel Gaddafi's influence and reverse the spread of terrorism, which is becoming increasingly harmful to western European countries. Although Colonel Gaddafi is not an ally of Russia and denies any affiliation with Russian communism, his activities encourage the progress of communist influence and Russian imperialism.
8. NATIONAL INTEREST For Britain to continue friendly relations towards Libya can only facilitate anti-British activities. A country which supported the Rome and Lod massacres would support a Heathrow massacre.

BACKGROUND INFORMATION

TERRORISM AGAINST BRITAIN

1. "We are making war on Great Britain and if the Irish revolutionaries want to liberate Ireland we will back them to the limit."

Speech by Col. Gaddafi, 11.6.72 on occasion of second anniversary of evacuation by US Air Force of the former Wheelus air base, reported in Keesing's Contemporary Archives, page 25444.

2. The Libyan leader is involved in the financing of many terrorist organisations in different countries. They include the IRA which is getting military aid, and possibly training, to the tune of £1,000,000.

Military and diplomatic sources in Brussels, reported by a Special Correspondent in The Times, 4.1.74.

3. Herr Guenther Leinhaeuser (owner of the gun running ship Claudia which was seized by the Irish Navy)... said that he had arranged for \$1,000,000 worth of arms to be transported from Libya to Ireland... The Claudia was loaded outside Libyan territorial waters; but the arms came from Tripoli. The Government there must have known what was going on but they did nothing about it.

Report by Robert Graham, Financial Times, 3.4.73.

4. Palestinian guerrillas and the IRA have agreed to carry out joint acts of terrorism in Britain.

Al Liwa (Beirut), 2.1.74, reported in The Times, 3.1.74.

ECONOMIC HOSTILITY TO BRITAIN

5. The Libyan Government has nationalised the assets and operations in Libya of the British Petroleum Company.

Libyan Government announcement, 7.12.71, reported in Keesing's Contemporary Archives, page 25097.

6. "The nationalisation of the BP assets is illegal and confiscatory, in breach of BP's concession agreement, a clear violation of international law, made for 'purely extraneous political reasons', and 'arbitrary and discriminatory in character'. BP... is entitled to damages which will be assessed later."

Ruling of Herr Gunnar Lagergren, appeal judge appointed as arbitrator by the International Court of Justice, 11.10.73. reported in Keesing's Contemporary Archives, page 26195.

Libya increased the posted price of oil from \$4.604 a barrel to \$8.925 a barrel (19.10.73); further increased to \$15.768 a barrel (1.1.74); unconfirmed increase to between \$20 and \$21 (12.1.74).

Department of Energy, 14.1.74.

8. The Libyan Government has banned the import of a wide range of British consumer products by:-

1. the suspension of import licences;
2. not allowing letters of credit or monetary transfers; and
3. not authenticating certificates of origin.

Department of Trade and Industry's official journal, Trade and Industry 10.1.74.

INTERNATIONAL TERRORISM

9. (In 1969) Gaddafi promised them (Arafat and Khalaf) full backing, saying that the Libyan revolution had been launched 'equally for Palestine'.

John de St. Jorre in The Observer 30.12.73.

10. Orders went out from Col. Gaddafi to every Libyan embassy to provide whatever help Black September required. Weapons, passports, travel facilities, sanctuary, everything was at the terrorists' disposal.

Christopher Dobson in The Sunday Telegraph 1.7.73.

11. All police stations and university faculties will be opened around the clock to receive volunteers.

Tripoli Radio 28.2.73 reported in The Times 1.3.73.

12. The Libyan leader is involved in the financing of many terrorist organisations in different countries. In addition to the IRA, groups include:-

	£
Black September	45,000,000
Other Fedayin groups	20,000,000
Eritrean Liberation Front	10,000,000
Moroccan opposition	2,000,000
Philippine opposition	2,000,000
Panama opposition	1,500,000
Syrian opposition	1,300,000
Chad opposition	1,200,000

Military and diplomatic sources in Brussels, reported by a Special Correspondent in The Times 4.1.74.

AIRPORT TERRORISM

13. The Popular Front for the Liberation of Palestine (PLFP) has admitted responsibility for the massacre at Lod Airport... where 26 people... were killed by Japanese gunmen acting for the Front.

Reported in Keesing's Contemporary Archives, page 25502.

14. The massacre at Rome Airport in mid-December was organised by a group financed by Col. Gaddafi who, in a speech on October 7th, 1972, praised the Japanese terrorists for the massacre at Lod Airport.

Military and diplomatic sources in Brussels, reported by a Special Correspondent in The Times, 4.1.74.

15. Libya is the only Arab State which has not disowned the recent massacre at Rome's Fiumicino Airport nor activities of the five Arabs tried in Rome for being in possession of two Soviet surface-to-air missile launchers seized in apartment near the airport.

Serge Nabokoff writing from Brussels, reported in the Daily Telegraph 7.1.74.

16. It is believed that missiles supplied by the Soviet Union were given by Egypt to the Libyans and then found their way to terrorists.

Peter Gladstone Smith and John Bullock in Sunday Telegraph 6.1.74.

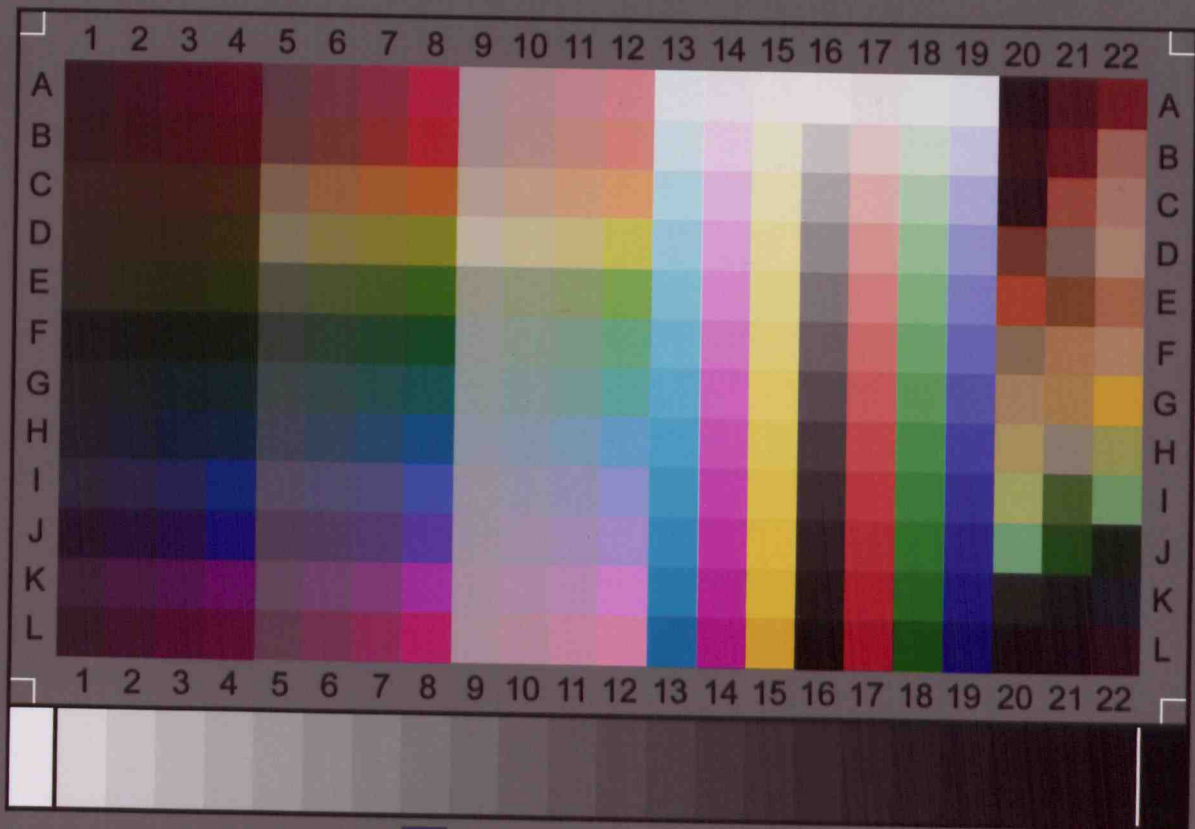
ARAB REVOLUTION

17. "Any state may commit the crime of a unilateral peace with Israel. The only possible counter-measure is a revolution backed by the Arab revolutionary regimes."

Col. Gaddafi in an interview with the Lebanese magazine, Beirut Al Massa, reported by Paul Martin from Beirut in The Times, 29.12.73.

18. "Every possible means should be used, including revolution, to stop any Arab country from concluding a unilateral peace with Israel, ... such a peace would be a crime against the Arab nation."

As above, reported by Ihsan Hijazi in The Financial Times 29.12.73.



IT8.7/2-1993
2009:02

Image
Access

IT-8 Target

Printed on Kodak Professional Paper

Charge: R090212