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The PM's meeting with Mr Peres, leader
of the Israel Labour Party.

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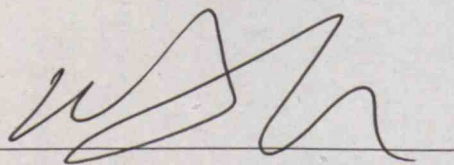
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Cabinet / Cabinet Committee Documents

Reference	Date
CC (81) 4 th meeting, item 2	29/01/1987

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*SUBJECT CC
MASTER*

10 DOWNING STREET

LONDON SW1A 2AA

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From the Private Secretary

8 November 1990

See Staff.

PRIME MINISTER'S MEETING WITH MR. SHIMON PERES

The Prime Minister had a long talk with Mr. Shimon Peres this morning, which covered much the same ground as the Foreign Secretary's meeting with him in Israel. The Israeli Ambassador was present.

Iraq and the Gulf

The Prime Minister asked Mr. Peres for his assessment of the situation in the Gulf. Mr. Peres said it was hard to over-estimate the scale and extent of the changes which had taken place in the Middle East. There was no longer a significant Soviet presence there. East/West polarisation aspect of Middle East problems had disappeared. The largest political coalition in history was facing Iraq. The United Nations had become an important political institution once more. For the first time, an Arab country had invited non-Arab, non-Moslem forces to defend it. Also for the first time, Arab armies were on the same side as democratic armies. The Arab world was deeply divided, with twin poles of attraction in Cairo and Baghdad. All this contributed to an entirely new situation.

Mr. Peres continued that he believed that Iraq's military forces were largely a bluff. The Prime Minister questioned this. They had been equipped by the French and Russians and had CW and BW. They were very heavily concentrated in Kuwait. Mr. Peres said he was not impressed by Iraq's CW capacity. Its effect was psychological rather than military. The United States had clear military advantages: superior intelligence, electronic superiority, air superiority, superior night fighting skill. They ought to be able to eliminate the Iraqi airforce within 24 hours. Saddam Hussain had made the great mistake of going to war without a guaranteed supply of weapons and spare parts. If Israel was planning a military strike against Iraq, he was sure it would avoid land action and go instead for destroying the Iraqi airforce, their missiles sites and their power stations. The point of the last was to stop all television and radio broadcasts. Saddam Hussain governed by bluff and threats and without television he would not be worth much. The other crucial step would be to cut off Kuwait from Iraq so that Iraq's armour would be trapped in Kuwait and exposed to the full might of American air superiority. He repeated his conviction that Saddam Hussain was a bluff. President Bush did not seem to realise what

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a good opportunity he had. The Arab world would be happy to see Saddam Hussain go: the sheer fact that the Saudis had agreed to call in non-Arab forces proved that. The Russians too wanted to see the issue resolved as soon as possible so that the West could concentrate on assisting the Soviet Union. His final point was that the problem was no longer Kuwait, it was Saddam Hussain. He had already cost two wars with one million casualties. If he was allowed to remain, he would simply continue.

Soviet Union

Mr. Peres was scathing about the economic failings of the Soviet Union. He was afraid Gorbachev would disappear from the scene imminently. The Prime Minister said that none of the changes in the Soviet Union would have happened without him. Mr. Peres commented that Gorbachev's contribution had been to understand that Communism had failed, but he had no idea of what to put in its place.

Arab/Israel

The Prime Minister said she assumed there was very little prospect of progress on broader Arab/Israel matters while Mr. Shamir remained in power. Mr. Peres shared this view. But one should not assume the present Government would necessarily last: its survival was touch and go. But he did not believe the situation could remain static. Once the Gulf crisis was over, a powerful United Nations would turn to the Israelis and tell them to settle their problem with the Palestinians. It would be better if Israel itself took the initiative. The best way forward was to find a group of non-PLO Palestinians who would be prepared to negotiate. There was much to be said for dealing with the problem of Gaza first. It served no useful purpose for Israel: 650,000 people with no passports, very little land or water and no industry. It should be turned into an autonomous de-militarised zone. At the same time political progress must be accompanied by an imaginative economic plan for the Middle East as a whole, based on irrigation where Israel had unrivalled experience. Nuclear power stations could be built on the borders between Israel and Egypt to provide power for desalination. With so much changing in the Middle East, Israel had an unrivalled opportunity to go forward with imaginative ideas. The real problem lay with King Hussein who was committing every possible mistake. If only he would act like Sadat or Mubarak there would be some hope. The Prime Minister commented that King Hussein was a long way from that, although she had the impression he was now trying to detach himself a bit from Saddam Hussain. Mr. Peres said that the King would have to return to the fold. Israel was no enemy to the King. Indeed his economic problems could only be solved by cooperation with Israel. The best hope of political progress lay with a Jordanian-Palestinian entity.

Israel internal

Mr. Peres referred to the enormous scale of immigration into Israel from the Soviet Union. There would be 140,000 new arrivals in the current year building up to one million over the next three years, which amounted to a 25 per cent population

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increase for Israel. There was a high proportion of well educated people: for instance there had been 4000 doctors among the first 100,000 Jews to arrive from the Soviet Union. It was hard to see how Israel could absorb such numbers, especially when Mr. Shamir had antagonised the United States to such an extent.

The Prime Minister asked whether Mr. Peres saw any prospect that he would be able to form a Parliament in the present parliament. Mr. Peres said he was certainly not prepared to go back into a coalition with Mr. Shamir. But it was not impossible that some of the Religious Parties could be detached from the present government and would agree to form a coalition with Labour, although not until the crisis in the Gulf was over.

I am sending a copy of this letter to Simon Webb (Ministry of Defence) and Sonia Phippard (Cabinet Office).

*Yours sincerely,
C. D. Powell*

(C. D. POWELL)

Stephen Wall, Esq.,
Foreign and Commonwealth Office.

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PRIME MINISTER

MEETING WITH MR SHIMON PERES

You are seeing Mr Shimon Peres briefly before lunch tomorrow. He is here on a private visit. He is still leader of the Labour Party, although under challenge from Mr Rabin. But he is generally regarded as a declining political influence.

You will want to talk to him about the Gulf crisis. We think Israel is being very wise to keep a low profile and hope this can be maintained. It was a pity that the Temple Mount incident brought the whole Israel/Palestine problem back to the top of the agenda. You might probe his assessment of Iraq's intentions: when talking to the Foreign Secretary a few weeks ago (telegram in folder), he was inclined to pooh-pooh the reality of Iraq's military strength. We are not sure whether this is a personal view or represents some sort of briefing by Israel's military intelligence. The Americans take a more respectful view of Iraq's capabilities.

You might also talk to him about Jordan given that he is one of the few people who seems to have a regular line to King Hussein. At your last meeting with him, the King seemed almost entirely preoccupied with Jordan's internal problems. There seems a real risk that the economy will collapse unless very urgent help reaches the Jordanians. It is a question of getting countries like Japan, Germany and some of the Gulf States to come through with contributions quickly.

You may also like to ask how he sees the way ahead for Arab/Israel. I understand he is increasingly concentrating on his long-standing ideas for regional economic development in the area, which are worthy but hardly practical in present circumstances. Mr Shamir seems to have turned his face against any progress (you are seeing him in early December). You might ask whether Peres sees any realistic prospect of progress over

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the next year or so: or is Shamir inalterably opposed to any significant movement? A fuller letter from the FCO is in the folder.

edp.

CHARLES POWELL

7 November 1990

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CCPC
Bup.
Foreign and Commonwealth Office

London SW1A 2AH

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7 November 1990

Dear Charles,

Prime Minister's Meeting with Mr Peres

Mr Shimon Peres, leader of the Israeli Labour Party is to call on the Prime Minister for half an hour on 8 November at 1215.

Since the Labour Party's withdrawal from the coalition government in March and Mr Peres' subsequent failure to secure enough support from the minority religious parties to form a Labour led government, his political fortunes have somewhat declined. He has so far fought off a challenge by Rabin for the leadership of the Party, but his position is still vulnerable. But even if he may be a fading light he remains the one senior Israeli politician of any real vision, as his conversation with the Foreign Secretary in Jerusalem on 16 October (Jerusalem telno 248, copy enclosed) showed.

The Gulf Crisis is likely to dominate discussions. Despite Saddam Hussein's attempts to create linkage with the Arab/Israel dispute and to portray himself as the champion of all Arab interests, the governments of Arab states participating in the alliance against him have stood firm, sometimes in the face of considerable domestic popular opposition. Egypt, Saudi Arabia, the UAE (and Kuwait) have firmly rejected Soviet overtures designed to promote an Arab-brokered face-saving solution for Saddam Hussein, linked to moves towards an international conference on the Middle East. They understand the dangers of allowing him to win concessions as a result of his aggression. But their ability to maintain this posture depends in large measure on continuing Israeli restraint.

Mr Peres told the Foreign Secretary on 17 October that if it came to war, he believed military victory over Saddam Hussein could be easier than we imagined: the Iraqi army was a bluff army. The Prime Minister might draw him out on this. It is not an assessment shared by the US military

/planners.

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planners. The Prime Minister might note our assessment that decision-making in Baghdad is the preserve of Saddam himself and a handful of close advisers who may not dare to tell him the truth. It seems likely that he will pursue his wedge-driving tactics and go to the wire before deciding whether to withdraw in the face of military force.

The Prime Minister might:

- acknowledge the low profile which Israeli politicians have taken on the Gulf Crisis and stress the need for this to continue;
- invite Mr Peres' own assessment of Saddam's likely strategy and tactics.

If Mr Peres criticises the role of the West in allowing/assisting the build-up of the Iraqi war machine, the Prime Minister might:

- recall our ten year policy of refusing arms supplies to Iraq, our condemnation (foremost in the West) of Iraqi use of CW against its Kurdish population, and our lead role in promoting CW non-proliferation measures aimed not least at Iraq.

Arab/Israel

The Iraqi invasion of Kuwait, and the PLO's reaction to it have undermined the Israeli Labour Party's position on the peace process. Public support for "land for peace" settlement has declined. Protagonists of negotiation with the PLO (from whom Mr Peres has always been careful to distance himself) have been more or less silenced.

The Labour Party have produced no new ideas since they went into opposition. Mr Peres is focussing on the longer term problems of regional economic developments, which he sees as the key to stability. He told the Foreign Secretary on 10 October that he would still accept the Baker plan for dialogue between Israel and representatives Palestinians, without awaiting the outcome of the Gulf crisis, although he thought that the Palestinians might now refuse. We know that some of Mr Peres' advisers are toying with a package of proposals which would include independence for Gaza first and a ten year interim period of partial Israeli disengagement from the West Bank to be followed by a referendum on the nature of self-determination. Mr Peres might touch on these ideas although he has not yet endorsed them.

In speaking to Mr Peres, the Prime Minister might wish to:

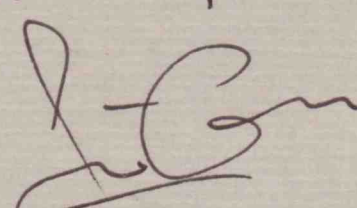
/- reiterate

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- reiterate our commitment to working for a solution of the Palestinian problem once the Gulf Crisis has been solved, and seek his views on how this might be achieved;
- assure Mr Peres we remain opposed to direct linkage of the Iraqi invasion of Kuwait to the Palestinian problem and are very much aware of Israeli concerns that its security concerns should be addressed in the search for longer term solutions to the regional problems;
- express concern that the excessive use of force by the Israeli security forces in the Occupied Territories (and the refusal by Mr Shamir to accept a mission from the Secretary General) make it difficult for us to keep Arab/Israel off the UN agenda;
- stress our continued support for a dialogue between Israel and representative Palestinians as the first step towards a comprehensive peace settlement;
- ask whether Mr Peres, who was one of the architects of "Jordanian option", now believes it desirable for King Hussein to re-engage in the peace process;
- seek his assessment of Israeli public support for territorial compromise. How far has Palestinian support for Saddam Hussein set it back, and what can be done to minimise the damage?

Yours ever,

(S. L. Gass)
Private Secretary

C D Powell Esq
10 Downing Street

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FROM PRIVATE SECRETARY
SECRETARY OF STATES MEETING WITH MR SHIMON PERES

SUMMARY

1. ISRAEL SHOULD ACCEPT THE BAKER PLAN WITHOUT WAITING FOR RESOLUTION OF THE GULF CRISIS. KEY TO STABILITY IN THE MIDDLE EAST LAY IN ECONOMIC DEVELOPMENT

DETAIL

2. THE SECRETARY OF STATE ASKED PERES FOR HIS VIEW ON THE GULF CRISIS AND THE STATE OF AFFAIRS IN ISRAEL. PERES SAID THAT THE INTERNATIONAL COALITION HEADED BY PRESIDENT BUSH COULD NOT AFFORD TO COMPROMISE WITH SADDAM HUSSEIN. ANY COMPROMISE WOULD BE A COMPLETE TRIUMPH FOR SADDAM HUSSEIN. FORTUNATELY, THE ONLY MAN WHO COULD KEEP THE COALITION TOGETHER WAS SADDAM HUSSEIN HIMSELF. THE IRAQI ARMY WAS A BLUFF ARMY - NOT A SERIOUS FORCE. ISRAEL HAD WATCHED IRAQI MILITARY FORCES CLOSELY OVER THE YEARS, INCLUDING DURING THE IRAN/IRAQ CONFLICT. THE WEST HAD A CLEAR SUPERIORITY IN INTELLIGENCE, AIR POWER, MISSILES AND NIGHT WARFARE. PEOPLE WOULD BE SURPRISED AT HOW EASY MILITARY VICTORY WOULD BE

3. THE GULF CRISIS HAD INTRODUCED A NUMBER OF NEW DEVELOPMENTS. THE WORLDWIDE COALITION WAS UNPRECEDENTED IN SIZE. FOR THE FIRST TIME THE UNITED NATIONS WAS TAKING DECISIONS WHICH BIT. ARAB ARMIES WERE PREPARED TO FIGHT ALONGSIDE DEMOCRATIC COUNTRIES. AND FOR THE FIRST TIME US POLICY MAKERS HAD A FREE HAND IN THAT BY RAISING MONEY FROM OTHER COUNTRIES THEY WERE NOT AT THE MERCY OF THE APPROPRIATIONS COMMITTEE.

4. ONCE THE CRISIS WAS OVER CONSIDERATION WOULD HAVE TO BE GIVEN TO THE ECONOMIC, POLITICAL AND MILITARY ASPECTS OF THE MIDDLE EAST. MOST COUNTRIES IN THE REGION WERE CONCERNED ABOUT THEIR ECONOMIC SITUATION AND SOMETHING MUST BE DONE TO ADDRESS THIS. INCLUDING BY REDUCING MILITARY SPENDING. THIS WAS ESPECIALLY SO IN ISRAEL.

ISRAEL COULD NOT ADDRESS THE ECONOMIC ISSUES UNTIL THERE WAS PEACE. SINCE THE ONLY PARTNER ISRAEL HAD WAS THE PALESTINIANS, ISRAEL WOULD HAVE TO SIT DOWN WITH THEM AND TALK. UNDER THE BAKER PROPOSAL THERE WOULD BE A PALESTINIAN DELEGATION WHICH ISRAEL SHOULD BE ABLE TO LIVE WITH. PERES WOULD ACCEPT THE BAKER PLAN TODAY WITHOUT AWAITING THE OUTCOME OF THE GULF CRISIS. THE PALESTINIANS MIGHT REFUSE. BUT ISRAEL MUST ACCEPT THAT IT COULD NOT CHANGE ITS GEOGRAPHICAL SITUATION OR ITS NEIGHBOURS.

5. AS PART OF ITS SEARCH FOR PEACE ISRAEL MUST HAVE AN ECONOMIC PLAN FOR THE MIDDLE EAST. THE IDEA OF A MARSHALL PLAN WAS OLD FASHIONED - WHO WOULD GIVE THE MONEY? IN ANY CASE IT WOULD ONLY POSTPONE THE REAL SOLUTIONS. NO ONE COULD HELP ISRAEL EXCEPT ITSELF - THE AMERICANS COULD NOT PRODUCE A DREAM SOLUTION AND THE EUROPEAN AGENDA WAS TOO FULL TO TAKE ON THE ECONOMIC PROBLEMS OF THE MIDDLE EAST.

6. IMMIGRATION TO ISRAEL WOULD EXACERBATE THE ECONOMIC PROBLEM, OF THE IMMIGRANTS 45 PERCENT WERE GRADUATE: 5 PERCENT WERE DOCTORS: AND 10 PERCENT WERE ENGINEERS. IF A MILLION JEWS CAME TO ISRAEL FROM THE SOVIET UNION WHAT COULD ISRAEL POSSIBLY DO WITH 40,000 DOCTORS OR 100,000 ENGINEERS? ISRAEL SHOULD BE PROVIDING DOCTORS FOR THE MIDDLE EAST AS A WHOLE, NOT POOR CEMENT FOR THE GAZA STRIP THERE WAS CONSIDERABLE SCOPE FOR ECONOMIC DEVELOPMENT WITHIN THE MIDDLE EAST.

ISRAELS EXPORTS TO EUROPE WERE HAMPERED BY HIGH TRANSPORT COSTS. EVERY YEAR ISRAEL EXPORTED US DOLLARS 1 BILLION OF FRESH AND CANNED FOOD TO EUROPE WHILE THE REST OF THE MIDDLE EAST COUNTRIES IMPORTED US DOLLARS 23 BILLION OF FRESH GOODS FROM EUROPE. IT DID NOT MAKE SENSE.

7. THERE WERE A NUMBER OF PROMISING AVENUES FOR COOPERATION. ISRAEL HAD CONSIDERABLE EXPERTISE IN DESALINATION AND IT SHOULD BE POSSIBLE TO FIND A REGIONAL SOLUTION TO THE WATER SHORTAGE FACED BY ISRAELS NEIGHBOURS. THERE WAS ALSO ROOM FOR COOPERATION ON TOURISM. TOURISM WOULD ANYWAY HELP STABILITY SINCE TOURISM AND TERRORISM DID NOT MIX. PERES' SOLUTION THEREFORE WAS TO ENGAGE WITH THE PALESTINIANS IN TALKS AND AT THE SAME TIME TO DISCUSS AN ECONOMIC PLAN ON A REGIONAL BASIS.

8. THE SECRETARY OF STATE ASKED HOW ISRAELI OPINION WOULD RESPOND TO THE BAKER PLAN. ECONOMICS WERE IMPORTANT BUT TRADITIONALLY POLITICS TENDED TO COME FIRST. PERES SAID THAT PUBLIC OPINION GAVE SUFFICIENT COVER FOR THE NECESSARY POLICIES. THE PROBLEM

WAS IN THE COMPOSITION OF THE KNESSET WHERE THE RELIGIOUS PARTIES HELD TOO MUCH INFLUENCE. BUT IF IN THE END THE RELIGIOUS PARTIES HAD TO BE BOUGHT OFF TO ALLOW THE PEACE PROCESS TO GET UNDERWAY, SO BE IT. (PERES IMPLIED THAT THE LABOUR PARTY WOULD DO THIS TO FORM A GOVERNMENT). PEACE PRODUCED MONEY: MONEY DID NOT PRODUCE PEACE. ISRAEL MUST CHANGE, BUT THE SITUATION WAS NOT HOPELESS.

9. THE SECRETARY OF STATE ASKED WHAT WOULD HAPPEN IF SADDAM HUSSEIN WITHDREW FROM KUWAIT. ANY GOVERNMENT WHICH REPLACED HIM WAS UNLIKELY TO BE OF AN ATTRACTIVE COMPLEXION. PERES THOUGHT THAT IF SADDAM HUSSEIN REMAINED IN POWER THE SAUDIS WOULD HAVE A SUBSTANTIALLY GREATER PROBLEM WITH ISRAEL. THE PLO HAD MADE A BAD MISTAKE AND THERE COULD BE NO LINKAGE BETWEEN THE GULF CRISIS AND THE ARAB/ISRAEL DISPUTE. ARAFAT HAD A TALENT FOR MAKING THE RIGHT MISTAKE AT THE WRONG TIME, AND IT WAS QUITE LIKELY THAT THERE WOULD SOON BE A NEW PALESTINIAN LEADERSHIP.

10. ON THE SECRETARY GENERALS MISSION, PERES SAID THAT IT WOULD NOT ENDANGER ISRAEL'S SOVEREIGNTY OVER JERUSALEM. THE ISRAELI GOVERNMENT HAD ACCEPTED AIMS MISSION THREE MONTHS AGO

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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

5 November 1990

ISRAEL: SHIMON PERES

Thank you for your letter of 2 November about the visit of Mr. Peres. Given that Secretary Baker is not now coming on 8 November, the Prime Minister can see Mr. Peres at 1215 hours that day for half an hour.

Charles Powell

Simon Gass, Esq.,
Foreign and Commonwealth Office.

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Foreign and Commonwealth Office

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London SW1A 2AH

2 November 1990

Dear Charles,

Israel: Shimon Peres

Mr Peres will be in the UK from the evening of the 7th (when he has a speaking engagement at the United Jewish Appeal) to the evening of the 10th November. It would be welcome if the Prime Minister were to offer a call.

Mr Peres was host to the Prime Minister during her visit to Israel in 1986. Mr Peres may be a fading force in Israeli politics now but he remains leader of the Labour Party, and a most prominent voice for a moderate approach to the Palestinian problem. The Prime Minister might also find it useful to seek his views on the Gulf Crisis.

The Foreign Secretary met Mr Peres on his recent visit to Jerusalem, so does not plan to meet him on this occasion unless the Prime Minister is unable to do so. Mr Peres will be seeing Mr Kinnock at 11.30 on 8th November.

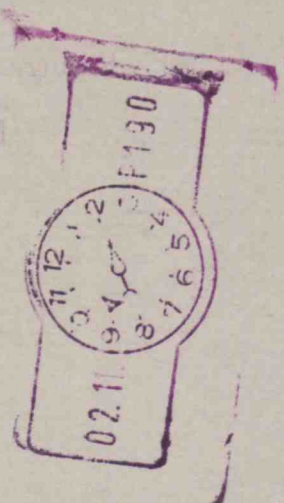
Yours ever,
S. L. Gass
(S. L. Gass)
Private Secretary

C D Powell Esq
10 Downing Street

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Amends
Can be late 1/2
at 12.00 on
8 Nov (instead of
Baker)

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10 DOWNING STREET

From the Private Secretary

26 January 1981

Dear Francis,

CALL BY MR. SHIMON PERES

As you know, the Leader of the Israeli Labour Party, Mr. Shimon Peres, called on the Prime Minister on the evening of Friday 23 January. I enclose a record of the discussion.

Yours ever

Richard Alexander

Francis Richards, Esq.,
Foreign and Commonwealth Office.

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SUBJECT

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RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE LEADER
OF THE LABOUR PARTY OF ISRAEL, MR. SHIMON PERES, ON FRIDAY 23
JANUARY 1981 AT 1800

PRESENT

The Prime Minister
The Hon. Douglas Hurd, M.P.
Mr. David Wolfson
Mr. M. O'D. B. Alexander

Mr. Shimon Peres
His Excellency
Mr. Shlomo Argov

After an exchange of courtesies, Mr. Peres said that there was growing concern in the Middle East about the scale of Soviet activity. The effects of a Soviet presence were being felt in Ethiopia, South Yemen, Libya, Afghanistan and elsewhere. This was much in the mind of President Sadat. There was a "wind of disintegration" in the Arab and Muslem world. Never before had there been so many conflicts in progress simultaneously. Muslem fanaticism was spreading. Egypt stood out as an oasis of stability. But the future was not very bright. There were now more arms in the Middle East than NATO itself possessed. Those arms were becoming increasingly sophisticated. In between five and ten years nuclear weapons were likely to find their way into the hands of the most irresponsible Arab governments. This set the time frame within which a solution to the Arab/Israel dispute had to be found.

The problem was how to translate this urgency into action. Egypt still held the key. President Sadat was anxious for an understanding with the new American Administration. He knew that he could contribute to the new US posture in the Middle East which envisaged a military presence based in Turkey and Egypt. He could also help in the development of relations between the United States and Saudi Arabia. He wished to proceed with the peace process. He saw this as having three phases:-

- (a) the conclusion of the autonomy negotiations;
- (b) their implementation initially in Gaza and then on the West Bank; and
- (c) a solution to the problems of Jerusalem.

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/For Sadat

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For Sadat the Muslem world was more important than the Arab world. He therefore attached great importance to Jerusalem.

Mr. Peres said that he had been asking himself whether Israel could comply with President Sadat's expectations. He thought that this was possible. The present Israeli Government had achieved a good deal. The outstanding problems could be settled. The autonomy negotiations were close to conclusion but President Sadat would probably now prefer to await the outcome of the Israeli elections before going further. Autonomy could be implemented in the Gaza Strip where the problems were less emotive than on the West Bank. As for Jerusalem, it could not be re-divided. But Israel could go a long way to meet Egypt on the administration of the mosques, on flags and on access.

The Prime Minister said that she understood, and agreed with, Mr. Peres' analysis of the pressures for movement in the Middle East but were these having any effect on Israeli public opinion. Were the Israelis ready for a new effort? Mr. Peres said that the answer was in the affirmative, though reluctantly so. It was, after all, Israel who had to make the tangible concessions. The Prime Minister said that progress in the negotiations over Zimbabwe had only been possible when all the pieces were in the right place. She was looking for the same moment in the Middle East. The attitudes of peoples as well as of governments had to be suitable. Mr. Peres agreed but said that the orchestration of this would be very difficult: there were many participants, a lot of trumpets and no conductor. This made it hard to produce a symphony! Time was running out. Everyone was reluctant. But the Israelis knew they had to move. They had cemented relations with Egypt. The question was where now to turn. Syria was out of the question. Lebanon was, for these purposes, irrelevant. Jordan was the natural candidate.

One major change had occurred in the situation between Israel and Jordan in recent years. This was the emergence of the area between the Red Sea and the Dead Sea as one of great importance. Both Jordan and Israel had built ports, airports and factories - particularly potash factories - there. The Jordanians were dependent on the Israelis for the development of the Dead Sea because of the

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/need to cut

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need to cut a canal supplying water from the Mediterranean to the Dead Sea. King Hussein would have to decide if and how the two countries were going to co-operate in the area. Israel would be content to start to negotiate at the south end of the region and to move north.

As regards the PLO, Mr. Peres said that he regarded it as an organisation which, because of its fragmented structure, was incapable of negotiation. It was broken into five parts, each the client of a different Arab country. Arafat was incapable of formulating his own policy. The Prime Minister commented that this appeared to mean that any country negotiating on their behalf could only deliver a fifth of the PLO. How could King Hussein negotiate on their behalf? Mr. Peres said that he could not do so unless he was backed by Egypt, Saudi Arabia and Iraq. There was no hope of his being backed by either Syria or Lebanon but the outbreak of war between Iran and Iraq had been a helpful development since it had induced a shift in the attitude of the Iraqis.

The Prime Minister asked Mr. Peres how exactly he saw events developing in the next few months. Mr. Peres summarised the scenario as follows:-

- (a) President Reagan would meet President Sadat and confirm his support of the Camp David process;
- (b) he would meet Mr. Begin and assure him that the United States regarded Israel as a strategic asset. His Administration would probably be more friendly to Israel than President Carter's had been;
- (c) there would be no further movement in the negotiations until after the Israeli election. For the moment President Sadat preferred to argue with Israel about the outstanding differences in the autonomy negotiations than to have a solution and be faced with the problem of who would be responsible for implementing it;
- (d) once the Israeli elections had been held, an autonomy agreement would be concluded and implemented, initially in the Gaza Strip;

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- (e) there would then be a negotiation on Jerusalem. This would have to involve the Saudis in some way;
- (f) the Israeli Government would start negotiations with the Jordanian Government on the area at the south end of their joint border;
- (g) once agreements had been reached there, the negotiations would move north in an effort to solve the problems of the West Bank. The Egyptians, Jordanians and Saudis would all have to be involved.

The Prime Minister asked about Jordanian attitudes.

Mr. Peres said that President Reagan favoured involving Jordan in the peace process. It was important to remember that King Hussein had aged somewhat and that his brother was more and more of a force in policy formulation in Jordan. He was more inclined than the King to meet Israel half way. Mr. Hurd observed that King Hussein would not join anything called Camp David. The Prime Minister said that one might have to think in terms of a "Reagan process" which would enable King Hussein to negotiate with Israel.

Mr. Peres, agreeing, said that nonetheless, it would be necessary to take care not to lose President Sadat's support. He needed to complete the Camp David process. He could not afford for it to be regarded as having been a failure. He wanted to implement some of the autonomy chapter in Gaza. Therefore, an element of "constructive ambiguity" would be necessary. One had to think in terms of progress in Gaza which would subsequently become part of a wider Israel/Jordan framework. This would be followed at some point by an interim solution on the West Bank.

Mr. Peres said that for this interim solution one could envisage two approaches:-

- (a) a functional solution in which there would be a joint Jordanian/Israeli government over the West Bank. The Jordanians would be in charge of administration and Israel of security. No decision on sovereignty would be taken until after the interim period; or
- (b) the immediate return of some parts of the West Bank which would be inhabited by Jordanian subjects.

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/Mr. Hurd

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Mr. Hurd commented that King Hussein would not accept the incorporation into Jordan of a Jordanian/Palestinian entity without the agreement of the PLO. Mr. Peres said that King Hussein faced a major dilemma in regard to the West Bank. If he would not accept responsibility for the Palestinians there, they would turn to Arafat and be a permanent threat to him. Either Amman governed Nablus or Nablus would govern Amman. The choice for King Hussein was not whether or not to have the West Bank but whether or not to control it.

The Prime Minister asked how King Hussein could hope to control the West Bank. Was there any group there, other than the PLO, with any authority? Mr. Peres said if autonomy worked in Gaza it would encourage the moderates elsewhere. He did not think that the Palestinians on the West Bank wanted elections. They would prefer nominated leaders supported by representatives of other elected bodies, e.g. the Chambers of Commerce. Once such a body was set up, Israel would not enquire about whom they were keeping in touch with. The leaders of Jerusalem could join with them. If, following this sort of development, the Jordanians were to opt for elections, there would be West Bankers who would support them. West Bank support for the PLO in present circumstances was based on a hidden compact with the PLO, i.e. "we will support you provided you do not ask us to participate in terrorist activity". This understanding accounted for the absence of terror in the cities of Israel and the West Bank.

Mr. Peres said that he did not know why Europe had decided to chase after the PLO. They had adopted the wrong child. Mr. Hurd said that Mr. Peres' analysis had taken inadequate account of the Palestinians. Mr. Peres said that it was only the PLO who were omitted from his scenario. The Prime Minister said that the Europeans had never been able to find anyone on the Palestinian side with whom to deal. Sharif Sharaf had said there was no one else. Therefore, the Europeans had decided, in the Venice Declaration, that the PLO should be "associated with" any negotiations. This was, of course, on the basis of mutual undertakings by the PLO and Israel. It would, of course, be far better if another Palestinian organisation were to appear. Mr. Peres said that he did not expect any other Palestinian organisation to appear, but

/if success

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if success was achieved in Gaza, the PLO would fall in line. They would have to accept the facts. Progress would be easier for all parties, including the PLO, to achieve in Gaza. But it was no good expecting the PLO to give any kind of lead or to enter into negotiations constructively. Some members of the PLO would, of course, be irreconcilable. But they would be left behind. If the Europeans persisted in pursuing Arafat, they would get nowhere because he was unable to deliver his organisation.

The discussion ended at 1905.

Phn
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26 January 1981

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COVERING CONFIDENTIAL

Foreign and Commonwealth Office

London SW1A 2AH

22 January 1981

Dear Michael,

I enclose a brief for the call on the Prime Minister by Mr Shimon Peres at 6.00 p.m. on 23 January. As agreed, Mr Hurd will attend the meeting from the Foreign and Commonwealth Office.

Yours ever,
Francis

(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing Street
LONDON

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CALL ON THE PRIME MINISTER BY MR SHIMON PERES, LEADER OF THE ISRAELI LABOUR ALIGNMENT AT 6 PM ON 23 JANUARY 1981

Points to Make

1. Delighted to see Mr Peres in London. Good UK-Israel relationship essential. Commitment to Israel fundamental to British approach.
2. Ten seeking to work with all parties to take 1981 opportunities. Not posturing or oil-prospecting, but pursuing comprehensive settlement on basis (Venice) we believe acceptable to all. Israeli resentment unjustified.
3. Appreciate merits of Camp David. Full support for Egypt-Israel peace. But now clear that autonomy approach cannot lead to an agreement capable of attracting Palestinian support. Will not work against US, but convinced this is dead end. New label and new approach needed. Settlement without broad Palestinian support will not work.
4. Interested in Labour Party foreign policy position. But no chance of King Hussein negotiating a separate deal. He knows his internal position would be impossible if he did a Sadat. King can play a key role, but will need a very attractive offer which can obtain Palestinian (PLO) tacit approval. Labour Party must look at this seriously.
5. Aware of Israeli views on PLO. UK not endorsing terrorism or reduction of pre-1967 Israel. But PLO status among Palestinians cannot be ignored. Wish to influence PLO towards respectability and acceptance of Israel. Israelis should understand this and accept that they will ultimately have to deal with the PLO in some shape or form. Presume this is not ruled out if they accept Israel and renounce terrorism.
6. Not necessarily supporting Palestinian state, but Palestinians must be free to choose how they organise themselves in West Bank/Gaza. Wish to wean them away from Soviet support (marriage of convenience).

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Essential Facts

Flag A ---

1. A personality note on Peres is attached. Although he convincingly established himself as Labour's leader against Rabin at the Party Conference last December, and the polls point to a convincing Labour victory on 7 July, the date set for elections, Peres is not personally popular in Israel. He is widely seen as too dry and intellectual and his lack of the usual military background counts against him. A recovery by Likud looks unlikely, particularly if Mr Begin leads them into the election, but the chances of an overall Labour majority (which would be unprecedented and would allow the new government valuable freedom of manoeuvre, including in foreign affairs) are not high and could be further affected if either Dayan or Weizman (or both), who enjoy considerable electoral popularity, decide to establish around themselves a convincing alternative to the Labour and Likud party blocs. If Labour were forced to accept coalition with such a party, or eg the National Religious Party, this would limit their freedom to carry out their own election platform.

Foreign policy views

Flag B ---

Flag C ---

2. The Labour Party position paper on foreign policy, adopted at the Party Conference in December, is attached, together with the department's views and telegrams from HM Ambassador in Tel Aviv. Peres's own opinions are almost certainly in advance of this paper (eg, he may be prepared to contemplate, in principle, withdrawal more or less to the 1967 borders over a sufficiently long period of time, or negotiations with Jordan speaking on behalf of the PLO). But whether he will be prepared to go further in London, or indeed if he becomes Prime Minister, must be in doubt.

3. Peres knows that we enjoy a good relationship with King Hussein and will attach importance to our view of the King's willingness to negotiate. The King has gone out of his way in recent weeks to make clear that he cannot and will not negotiate

/on

on anything resembling the present Labour Party platform and that he remains committed to the 1974 Rabat decision accepting the PLO as sole representatives of the Palestinians. We believe nevertheless that he might just be induced to negotiate if he can present himself as negotiating full Israeli withdrawal with Palestinian support (only likely to be forthcoming if self-determination is ultimately on offer). But even this will be very difficult for him, and he will take a good deal of persuading that the game is worth the candle (he will risk his throne and the present set-up in Jordan). Peres may appreciate this, but shows no sign of it in public. Unjustified optimistic statements by Labour leaders only make it less likely that the King will ever be prepared to listen.

4. Official Labour Party reaction to Venice and European efforts has been as negative, if not as strident, as that of the Begin government. This is partly a question of internal Israeli politics. But private Labour reactions are also far from welcoming. Nevertheless their attitude to the PLO is not quite as bleak as that of Mr Begin. The official position is that a Labour government will deal with any Palestinians who cease to terror and accept Israel. The PLO are unlikely unilaterally to fulfil Labour requirements on either point in the near future, but there is at least a potential opening here. We are seeking to persuade the PLO to take a more moderate line in public

5. Peres's visit is a valuable opportunity to demonstrate to him that he should not expect a rapturous welcome for his ideas as presently expressed if he comes to power and to urge on him a considerably greater degree of flexibility. But it is also important to establish a good relationship with him: European efforts (with our own Presidency in mind) can only gain credibility if there is a measure of trust in European sincerity on both the Arab and Israeli sides.

92 PERES, Shimon

Leader of the Opposition since 1977.

Born Poland 1923. Came to Palestine 1934. Educated at Ben Shemen Agricultural High School 1939-40. Hagana from 1939. Secretary-General of Hano'ar Ha'oved (Histadrut Youth Movement) 1941-5. Agricultural work at kibbutzim 1945-7. Director, Naval Services Department, Ministry of Defence 1949. Head, Defence Purchasing Mission in America 1949-51. Deputy Director-General, Ministry of Defence 1951-2. Director-General 1952-9. Member of Knesset (Labour) since 1959. Deputy Minister of Defence 1959-65. Secretary-General, Rafi Party 1965-8. Deputy Secretary-General, Labour Party 1968-9. Minister without Portfolio 1969-70. Minister of Transport and Communications 1970-4. Minister of Defence 1974-7.

Worked closely with Mr Ben-Gurion who trained him for a political career. His part in the Rafi breakaway in 1965 did not endear him to the Labour Party leadership. When Mrs Meir resigned in 1974, Mr Peres came close to being chosen Prime Minister, and might well have done had he not been closely identified with General Dayan, who was under the cloud of the October 1973 War. During the period 1975-7 he and Mr Rabin clashed continually and ever more publicly in what became an open battle for the leadership. In March 1977 Peres stood against Rabin at the Labour Party Convention, and failed by a handful of votes to win the leadership; a month later Rabin resigned following the scandal over his wife's US bank account, and Peres became leader by default, only to lose the chance of the premiership with the slump in support for Labour in the elections. These rapid swings of the pendulum left Peres deeply depressed: until mid-1978 he had not regained his grip on the Labour party or made much impact on the public. He had two meetings with President Sadat, in March and July 1978, the second of which was controversial but resulted in the agreement by Mr Brandt and Chancellor Kreisky to endorse a declaration which incorporated much of the Israel Labour Party's position on the Arab/Israel dispute. This success may have strengthened his position within the Party, and there is in any case no clear rival for the leadership at present.

He has a polished social manner, a sense of humour, and a neat turn of phrase, in English as in other languages. He also has a rather wider range of interests than most Israeli politicians. Values his contacts with the Labour Party.

Speaks excellent English and French. His wife is pleasant to meet socially. Two daughters and a son.



THIRD ELECTED CONGRESS

DECEMBER 1980

INTERNATIONAL DEPARTMENT

PREPARATORY COMMITTEE RECOMMENDATIONS FOR
POLITICAL RESOLUTIONS

- 1 The Israel Labour Party will reinforce the effort for the upbuilding of the independent State of Israel and for the realisation of the Zionist aims based upon the historic right of the Jewish people to establish and uphold its State in its fatherland.

The achievement of permanent peace is the central aim of Israeli policy in the days ahead.

- 2 The repulsion of the aggression of Arab States in the Six-day War, the ability of the Israel Defence Forces to overcome the surprise attack in the War of Atonement, the policies leading to the Troop Separation Agreements with Egypt and Syria (1974) and the Interim Agreement which Egypt (1975), which were signed in the face of extreme opposition on the part of the Likud, constituted the first breakthrough towards peace: the road was paved for the journey to Jerusalem of the President of Egypt: the framework Agreements of Camp David were subsequently reached at Camp David, and the Peace Treaty between Israel and Egypt was signed, and they were confirmed by the Knesset with the support of the Labour Alignment Faction.

Israel has always been designed and destined to be a Jewish, independent and democratic State, maintaining full equality of rights for all her citizens without difference by faith or nationality.

Out of fidelity to this historic aim, the policy of the Likud, aiming at annexation of the whole West Bank and Gaza and their inhabitants, must be rejected. This policy leads to turning Israel from a Jewish into a bi-national State. Also on account of the social and moral quality of the State of Israel, the Labour Party rejects permanent imposed rule over 1,200,000 Palestinian Arabs inhabiting these territories.

- 4 The State of Israel needs defensible borders, which must enable her to defend herself efficiently and by her own strength against any attack threatening her. ^{Demilitarisation} Demobilisation and security arrangements should be included in peace agreements in addition to, and not instead of defensible borders. Israel will insist upon recognised defensible borders which are to be permanent political borders, and she will not return to the borders of June 4, 1967, which constituted a temptation to aggression.

- 5 United Jerusalem under Israeli sovereignty is the capital of the State of Israel. The rights of all its inhabitants, without difference by faith or nationality, will be respected and maintained. The special religious status of the Places Holy to Islam and Christianity will be safeguarded under their independent administration.

The freedom of worship at the Holy Places and the freedom of access to them will be continued and ensured. The arrangements fixed for the Arab inhabitants of Jerusalem upon its reunification, which have made possible co-existence for all its citizens and granted the city tranquility and prosperity, will be secured and made permanent.

The municipal structure of the City will be an expression of its uniqueness, its unity, and the need to provide expression for all inhabitants of increased involvement in the conduct of their lives.

- 6 The Government of Israel lead by the Labour Alignment will be prepared to negotiate for peace with each of her neighbours without preconditions from any side, on the basis of Security Council Resolutions 242 and 338.

Israel will examine any proposal brought before her in negotiation by authorised participants. The Israel Labour Party will act in accordance with its basic programme as expressed in its platform.

- 7 The Government of Israel led by the Labour Alignment will act in order to reach peace agreements with Jordan and with Syria within defensible borders based upon territorial compromise with each of them, adapted to security considerations.
 - 8 The Government of Israel will act in order to obtain a peace agreement with independent Lebanon according to the existing border between the two States.
 - 9 The Government of Israel led by the Labour Alignment will uphold - in accordance with international Law and based on reciprocity - the international obligations undertaken by Israel in the Peace Treaty with Egypt and in the Camp David Agreements, as confirmed by the Knesset.
 - 10 The realisation of the Peace Treaty with Egypt will be accompanied by the effort to promote the normalisation process and to build a network of mutual relations in policy, economy, and development. Israel calls for a mutual effort to develop cultural and scientific ties and to expand the dialogue between the two peoples. The tightening of relations of peace between Israel and Egypt is apt to become a valuable factor in ensuring stability in the Region and in bringing about social and political change in the relations of States and peoples in the Middle East.
- The Labour Party rejects the policy of "not an inch" in regard to the West Bank and Gaza, which may jeopardize the peace prospects. In the election campaign for the Tenth Knesset, the Labour Party will call upon the people to grant the Government of Israel a mandate to sign, with confirmation of the Knesset, a peace treaty with Jordan based on territorial compromise in accordance with the Labour Party's programme.

III

- 12 In her efforts to reach peace, Israel will be prepared to negotiate on interim agreements and arrangements in accord with her policies, which will meet security needs and advance the cause of peace.
- 13 Israel, aware of the existence of the Palestinian problem, will be prepared to contribute to its solution in the framework of a Jordanian-Palestinian State, where the self-identity of the Palestinian Arabs can find its expression and the refugee problem its solution. The Jordanian-Palestinian State will extend over the territorial space of Trans-Jordan and defined densely populated parts of the West Bank and Gaza to be evacuated by the Israel Defence Forces upon the conclusion of peace.

Israel rejects the establishment of an additional Palestinian State in the territory between Israel and Jordan which would be a source of danger and hostility and perpetuate the conflict instead of leading it to its solution. The Palestinian problem cannot be solved in a separate State without the territory and population of Jordan, the majority of which is Palestinian
- 14 The territory of the Jordanian-Palestinian State is to be demilitarised, and foreign armies must not cross the Jordan westwards. Demilitarisation is not to stand in the way of agreed security arrangements involving Israeli presence.
- 15 The peace between Israel and the Jordanian-Palestinian State shall be based upon mutual respect for the sovereignty, structure, and internal regime of each of the two States within its borders, without intervention in the authority of and without endangering each other.
- 16 Israel will make endeavours so as to make the peace with Jordan open up an era of fruitful co-operation between them. Efforts shall be made to obtain resources, locally and internationally, to finance development projects, refugee rehabilitation and exploitation of natural resources.

- 17 Authorised representatives of the inhabitants of the West Bank and Gaza are to be co-opted into the negotiations on realisation of the Autonomy and in the peace negotiations with Jordan, in order to enable them to participate in the determination of their future.

In accordance with its aspiration to put an end to the Israel-Arab conflict, the Labour Party will be prepared, as in the past, to enter upon talks with Palestinian personalities and factors recognising Israel and rejecting the method of terror.

- 18 The PLO, which rejects the right of the State of Israel to exist, and any other organisation basing itself on the "Palestinian Charter" of using terror methods cannot be partners in peace negotiations. Active defence against the PLO in the field of security and in the ideological-political field is a duty on any Government in Israel. The ideological and political activity should be reinforced in public opinion, Governments, Parliaments and international organisations against granting legitimacy to terror and sabotage organisations and against leniency towards their murderous activities.

- 19 The Autonomy as envisaged by the Likud, wasn't from the outset the Israel Labour Party's notion, but since it is an inseparable part of the Camp David Agreements, the Government of Israel led by the Labour Alignment will consider it as one of the possibilities for an arrangement for a transitory period, to the extent that agreement on its implementation is reached between the involved factors. The policies of the Israel Labour Party on the Autonomy issue as approved by its Central Committee on March 18, 1979, remains in force. The Labour Party rejects the tendency on the part of the Likud and other factors to see the Autonomy as a stage in the annexation of the West Bank and Gaza into Israel, as well as any tendency to transform the Autonomy into an independent Palestinian State.

20 Also during implementation of the Autonomy, full Israeli control with security zones shall be continued, where the Israel Defence Forces will be deployed, and which will include the surroundings of Jerusalem and the settlement areas of the Jordan Valley (including the area to the North-West of the Dead Sea), the Etzion bloc, and the Southern Gaza Strip. In these areas, the status and continued development of Israeli settlement are to be safeguarded.

21 The Government of Israel will continue negotiating with Egypt on the Autonomy issue.

22 Israel will be prepared to negotiate with authorised representatives of the inhabitants of the West Bank and Gaza on realisation of the Autonomy, even if Jordan does not participate in this negotiation.

23 The Negotiation on peace on the Eastern sector will be conducted with Jordan, with the participation of authorised representatives of the inhabitants in the West Bank and Gaza.

24 The Labour Party rejects the policy of perpetuating a situation of absence of peace with Jordan, Syria and Lebanon as involved in the imposed rule over the inhabitants of the West Bank and Gaza. Its policy will strive for speedily obtaining full peace or advancing towards this goal by stages.

But in the absence of peace or interim agreements on the road to it, including realisation on the Autonomy Agreement, Israel shall maintain her full authority in the areas held by her since the Six-day War, with respect for the rights and needs of the inhabitants, maintenance of internal security, consolidation of her security and settlement position in the security zones, prevention of acts of sabotage and terror, and repulse of any politically or military attempt to create facts and situations dangerous to the interests and position of Israel.

25 The policies of the Government of Israel led by the Labour Party will be guided by considerations of security, prevention of political

undermining attempts on the part of the PLO, maintenance of the policy of the open bridges (between the West Bank and Trans-Jordan), encouragement of self-rule of the inhabitants, safeguarding of the rights of the individual, and unceasing care for the welfare of the population in regard to employment and social services.

- 26 Peace with each and all of the neighbouring States is a basic component in the design for Israel's security. Peace treaties will not relieve Israel from the duty to take care of her own security and will not weaken her alertness, nor her efforts to base her self-defence on reinforcement and updated development of the Israel Defence Forces with modern fighting equipment, continuous training and deployment making possible the repulse of any sort of aggression.
- 27 Israel shall uphold her right of active defence and prevention of sabotage and terror even when they originate beyond her borders.
- 28 The evacuation by the Israel Defence Forces of sites essential to the security of Israel such as the airfields in Northern Sinai and in the Eilat sector, and the uprooting of settlements in Sinai shall be no model or precedent for the determination of borders in other sectors.
- 29 Settlement in the Jordan Valley (including the area to the North-West of the Dead Sea), in the Etzion block, in the surroundings of Jerusalem, in the South of the Gaza Strip, and also on the Golan Heights - according to considerations of strategic security and in close co-ordination with the Israel Defence Forces - is vital to the security of the State. It constitutes, like any Zionist pioneering project, an educational, social, and pioneering value; and it is designed to prove valuable in the political struggle for shaping the borders of peace. The Government of Israel led by the Labour Alignment will work for its consolidation and development.

70 The Government of Israel will insist that in peacetime the deployment of the Israel Defence Forces and of the settlements including the Jordan Valley (including the area to the North-West of the Dead Sea), the Etzion bloc the surroundings of Jerusalem and the Southern Gaza Strip, will be included in the sovereign territory of Israel.

71 The security deployment of the Israel Defence Forces and the settlement network in the Golan are vital for the defence of the State of Israel.

The Government led by the Labour Alignment will work for consolidation of the Israeli position on the Golan Heights and will insist that in peacetime the security and settlement deployment on the Golan shall be under Israeli sovereignty, as an inseparable part of Israel, and a guarantee of security and peace.

72 Settlements are not to be established which are not expected to remain under Israeli sovereignty and contrary to the competent decisions of the Government. Settlement shall not be undertaken in the populated areas of the West Bank and Gaza.

73 The decisions of the Knesset in regard to the future of settlements as required in the peace treaties shall be complied with.

74 The failures of the policies of the Likud Government have been made use of to the detriment of Israel by hostile factors and has led to the decline of Israel's international standing. A major policy and information effort is required to restore the standing of Israel in the international arena and to pull her out of the situation caused by lack of understanding and isolation which have worsened despite extensive concessions made by Israel in the Peace Treaty with Egypt.

- 35 Israel shall have to persevere in the effort based at promoting and consolidating the friendly relations between the people and the Administration of the United States and the State of Israel. The assistance of the US and her active involvement in the political effort to obtain peace is a highly valuable factor in the consolidation of Israel's strength and security. The beneficent co-operation between Israel and the US is particularly valuable in the present era in view of the upheavals and events in our Region, and it is necessary to update and further tighten this co-operation to the mutual advantage of the parties and that of all States of the Region.
- 36 The Government of Israel led by the Labour Alignment will take care to develop her relations with the institutions of the European Economic Community and with its nine Member States. As the broadening of the Community approaches, Israel will take care to bring about correction of the terms of the priority Agreement so as to avoid detriment to her economic interests.
- Israel will strive for Associate Member status under the Treaty of Rome. Israel will work for strengthened understanding with the States of Western Europe, while making her criticism heard of statements and attitudes of institutions and States in the Community, which show signs of lack of consideration for Israel's rights and leniency towards the attitudes and policies of the PLO.
- 37 The Government of Israel will uphold her right and her status in the United Nations against the forces wishing to uproot her from the United Nations Organisation. She will struggle for her place and her standing while defending her rightful claims and condemning the attempt to turn the UN into an organisation at the disposal of the PLO.
- 38 There was and is no justification for the cutting off of diplomatic relations and ties between the Soviet Union and Israel as undertaken on the initiative of the USSR. The preparedness of the people and of the Government of Israel to renew the structure of relations between the USSR and her Allies and Israel remains in force.

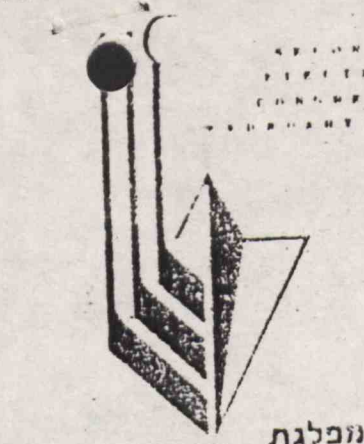
III

- 39 Israel will take a consistent stand in her policies against racial discrimination and its distortuous phenomena and in favour of liberation and overcoming of vestiges of Colonialism.
- 40 Israel will renew her call upon the States of Africa which discontinued their relations with Israel, to renew their diplomatic ties with her.
- To follow up the Peace Treaty, Egypt is called upon to urge on the African States to maintain regular relations with Israel to the mutual benefit of all our peoples.
- 41 The Government of Israel led by the Labour Alignment will work to renew Israel's characteristic mission through her activities in developing countries in the fields of development, agriculture, and co-operative organisation.
- 42 High priority shall be granted to Israel's political efforts in the face of worrisome symptoms of the penetration of nuclear potential to become available to warmongering Arab States. Israel must be ready to face up to this danger to her security and peace, and to provide for the security of her citizens under these particular circumstances.
- 43 In view of the ever more widespread phenomenon that States friendly to Israel as well as the United States supply offensive arms to Arab States which refuse to conduct negotiations and sign peace treaties with Israel, protests should be voiced against this fact, which encourages the danger of aggression, and which has no justification other than that of serving particularistic interests dangerous to world peace.
- 44 The situation of the State of Israel in the field of energy exposes her to extreme dangers of political dependence and outside pressure. Her economic problems and the security problem of ensuring energy supplies in times of emergency and war are getting more acute.

III

The Likud Government, during the Camp David talks, when about to finally give up the Alma oil field, neglected the issue of oil and missed the hour of opportunity to ensure the vital interests of Israel in regard to energy. In Israel's foreign relations, the securing of the oil and coal required for Israel's vital economic and security needs should be considered a priority of the first order.

The relations of Israel with oil-producing States should be carefully developed, with particular attention to the implementation of the responsibilities of the United States in this respect.



העבודה
הישראלית

INTERNATIONAL DEPARTMENT

1977

PREPARATORY COMMITTEE RECOMMENDATIONS:

POLITICAL RESOLUTIONS - PEACE, DEFENCE, BOUNDARIES

Central objectives: The policies of Israel, under the leadership of the Israel Labour Party and the Alignment, shall be aimed at safeguarding the security, independence, and development of Israel, and shall continue the consistent strivings for reaching peace with the Arab States, within defensible borders.

The Israel Labour Party calls upon the electorate to reject the policy of "not an inch" which does not lead to peace, and the policy of return to the borders of the 4th of June, which means giving up defensible borders.

The people of Israel is called upon to put its faith in the Labour movement and give it a renewed Parliamentary strength, since the movement, in its policy and action, brings about the combination of sustained realisation of Zionism, of responsibility for the existence and security of the State, and of striving for peace as a central objective.

The Israel Labour Party calls upon the people of Israel to reinforce the Government in its efforts to promote peace by way of territorial compromise and in its struggle for defensible borders. The people is called upon to be ready for a firm stand in the face of threats and of whatever

- 2 -

attempt at fake solutions enforced from outside which would endanger the future of Israel.

Need for defence preparedness: The Arab States are continuing their efforts to increase their military power, in the acquisition of modern military equipment, the readiness for war is being maintained; the danger of war is not over. In the face of all this, the security needs must remain at the centre of the needs of the State, and no required effort may be spared when it comes to reinforcing the strength and ability of the Israel Defence Forces. The power of the IDF is the first condition for fortifying security and obtaining peace.

Political achievements - the basis for further advance: The policy of the Government led by the Alignment has brought Israel valuable gains - the friendly relations between Israel and the United States have been fortified and still more solidly founded upon ties of tradition and mutual interest.

Any positive political development towards settling the conflict in the Region will be the continuation of the relaxation of tension which occurred in the wake of the Forces' Separation and Interim Agreements, and will be due to the both balanced and daring policies conducted by the Labour movement and its partners in the leadership of the State.

Although the Geneva Conference has not yet brought about the longed-for peace, it is destined to play a highly valuable role in any further advance towards reaching permanent peace in our Region.

- 3 -

In its activities to promote peace, the Government of Israel has consistently maintained its readiness at all times to enter upon negotiation without preconditions with each of the Arab States, in order to sign overall peace agreements. Beyond this, the Government of Israel, motivated by the urge to advance elements of peace, has notified the American Administration of its consent to open negotiations with Egypt, Jordan, and Syria, upon cessation of the state-of-war, with all the political and legal implications customary among the family of nations. The state of no peace does not satisfy the State of Israel, which has no intention of perpetuating it. In the future as in the past, Israel will do all in its power to replace the present position by a state of peace and co-operation among all States of the Region. Israel hopefully welcomes any statement by heads of Arab States about readiness for peace with Israel, and any sign of moderation among the Arab States. At the same time, Israel is alert to any sign of hostility, threats, and incitement, and particularly to the ideological, political, and operational expressions of Arab readiness for war.

Consistent striving for peace: The central objective of Israel is the attainment of peace with the neighbouring States and the weaving of the fabric of co-operation between the peoples of the Region. Israel has been striving for this target ever since it came into being, and the fact that it has not been reached is due to the policy of hostility, war and boycott pursued by the Arab States all these years. Nonetheless, the political efforts to reach permanent peace in defensible borders with Egypt, Jordan, and Syria are to be continued with readiness for territorial compromise with each of them, and with Lebanon - with the present boundaries.

Israel will support the convention of the Geneva Conference without delay, composed of the participants as agreed in December, 1973. This agreement constitutes the base for the Peace Conference and should not be deviated from. Israel rejects the invitation of representatives of PLO and terrorist organisations.

At the Peace Conference and through all channels of international relations, Israel shall strive for peace agreements to be arrived at by negotiation without precondition, without pressures, and without attempts by any party to impose anything.

The peace agreements should ensure:

- a) Cessation of all elements of hostility, blockade, and boycott.
- b) Defensible borders enabling Israel to defend herself efficiently against military attack or attempts at blockade, and based upon territorial compromise. Peace borders should replace the cease-fire lines. Demilitarisation provisions and political arrangements are to be included in the peace agreements, additional to agreed and recognised defensible borders, and not instead of them. Israel will not return to the borders of June 4, 1967, which constituted an enticement to aggression.
- c) United Jerusalem is the Capital of Israel. In the peace arrangements, the special religious status of the places holy to Islam and Christianity should be safeguarded, under autonomous administration.

- 5 -

- d) The Jewish character of the State of Israel so as to realise its Zionist destination and its tasks in immigration and ingathering of the exilee.
- e) The beginning of an era of regular relationships between Israel and the neighbouring States in the political, economic, social, and cultural fields.

The peace agreement with Jordan is to be based upon the existence of two independent States: Israel with its capital in united Jerusalem, and an Arab State to the East of Israel. Israel rejects the establishment of an additional separate Palestinian Arab State to the West of the Jordan River. In the neighbouring Jordanian-Palestinian State, the independent identity of the Palestinian and Jordanian Arabs will be able to find its expression, in peace and good neighbourliness with Israel.

Any peace agreement is to be signed subject to approval by the Government and the Knesset.

X Settlement in occupied territories: Agricultural and urban settlement in the administered territories shall be subject to Government decisions, priority being given to security considerations of the State, in the Jerusalem District, the Golan Heights, the Jordan Valley, the Rafa District and the Sharm-a-Sheikh Sector. Settlement is to take place in the framework of the policy of the Government of Israel with an eye to ensuring defensible peace borders. It is to be undertaken exclusively in accordance with decisions and plans adopted by the Government, in the framework of policies confirmed by the Knesset. The Government of Israel will prevent any attempt at unauthorised settlement and apply, to this and, all legal means to assert its authority.

- 6 -

Until peace is reached, in the administered territories, encouragement shall be given to the activities by the population in the fields of administration, economy, social, cultural and religious affairs, and the advance of autonomous local administration as well as of Democratic procedures in public social and municipal life is to be continued.

The policy of open bridges is to be continued, which is bringing economic blessings to the population, and which is making possible the maintenance of mutual ties between the Arabs in the West banks and their brethren in Jordan.

The policy of employment, of providing sources of employment in the territories themselves, and in providing educational, health, and social services are to be continued. To the best of the ability of Israel, the activities for advance of the refugees, improvement of their conditions of life and housing is to be continued, without affecting their civil and legal status.

Energetic pursue of the fight against terror: The sustained fight is to be pursued against terror and sabotage organisations motivated by the ideology of destroying the State of Israel, as a vital need. The security forces are to be supported in their warfare for the prevention of murder and sabotage, and for severely punishing those conducting terror activities.

- 7 -

PREPARATORY COMMITTEE RECOMMENDATIONS:THE ARAB CITIZENS IN THE STATE OF ISRAEL

Faithfull to the principle of equality between all citizens, the Israel Labour Party supports the continued efforts for the economic and social advance of the Arab citizens in Israel, their full integration in public life, and the promotion of understanding, brotherliness and mutual respect among all citizens. Ever since the State came into being, the Israeli Arabs have achieved ever greater results in every field of life. The Israel Labour Party calls upon them to close ranks against all forces liable to be detrimental to this development.

The share of Arab citizens, particularly the young and educated, in positions in Government ministries, public institutions and enterprises on the national and local level is to be increased, so as to make them play their part in governmental and public responsibility for the population as a whole.

The integration of Arabs in the Party and its decision-making processes is to be promoted further.

The Jewish population is to be better informed of the share of Arabs in the life of the State. Arab citizens are to participate actively in information work aimed at breaking down barriers and promoting mutual understanding.

- 8 -

The integration of Arab members in the activities of the Histadrut is to be still further promoted, and they are called upon to intensify their involvement in all fields of Histadrut organisation and activities.

Land expropriation shall be strictly limited to the needs of public services and development beneficial to all sectors of the population.

These items, as well as development of local self-government and expansion of public services in education, vocational training, housing, and items, are included in the platform of the Labour Party with a view to deepening the understanding among all citizens, strengthening the ties between the Arabs of Israel and the State, and their integration in all fields of life. The Israel Labour Party considers this an essential element in the reinforced combined efforts of all citizens of Israel, and in the realisation of its peace policy. The Israel Labour Party calls upon the Arab citizens to respond to this integration, and to display active initiative for its realisation.

Sir J Graham
PS/Mr Hyrd
PS

cc: PS/LPS

PS/PUS

Mr Bullard

Mr J Moberly

MED

ARAB-ISRAEL : ISRAELI LABOUR PARTY POLICY

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1. Following the Labour Party Congress, at which Mr Peres was confirmed as the leader, the party's position paper on foreign policy and security has been published. I attach a copy under HM Ambassador at Tel Aviv's comments. I also attach his initial reporting telegram.
 2. Both bring out Mr Robinson's considerable scepticism about the chances of a Labour government proving genuinely different from Mr Begin. He has argued in the past that the interests of the West and of peace would in a sense be best served by Mr Begin remaining in power, since he reveals in public the true nature of Israeli policies and forces the West to react accordingly, while a Labour Government packages the same policies in such a way as to make them appear more reasonable than they really are. This is a view taken by some Palestinians also, though I find it over-complicated. Are the prospects for progress under a Labour government as bleak as this might suggest?
 3. Labour policy as presented in the party position paper certainly falls far short of what is needed to get meaningful negotiations going, let alone to make a settlement possible. Even on the most optimistic assumption about King Hussein's readiness to negotiate to end the Israeli occupation, his minimum requirement would be Israeli willingness to negotiate about East Jerusalem, not to insist on sovereignty over any part of the West Bank, and at least (although he has never said as much) to freeze the settlement process. This willingness is absent on all three fronts from the
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position paper. Moreover in present circumstances any Israeli government is bound to feel the need to rule out publicly any possibility of an eventual Palestinian state, and there is a clear limit to the extent to which a government in a democracy can take a different private attitude from its public position. The two are bound to spill over into one another. Finally, whatever the PLO's private views, the chances of the Syrians allowing Jordan to take on a particular negotiating role and the PLO to go along are remote in the extreme. In these circumstances can we reasonably hope for any progress from a Labour government?

4. We should certainly be under no illusions about the prospects for Labour party flexibility. But amid the gloom of seemingly irreversible intransigence on all sides, we must look for hopeful signs and opportunities wherever possible. The following points deserve consideration:-

(i) There is a fundamental difference between Likud and Labour attitudes to the occupied Palestinian territories (not the Golan Heights or East Jerusalem). Mr Begin and his colleagues regard the West Bank (Judea and Samaria) and Gaza Strip (Gaza district) as parts of Israel which should belong, clearly and irrevocably and in their entirety, to Israeli sovereignty. Mr Peres and his colleagues in contrast regard them as hostile occupied territory which Israel must rid herself of as far as is reconcileable with Israeli security. This Labour belief has strengthened since Allon's day as the damaging effects of the occupation on both occupier and occupied have become clearer. In particular the prospect of an Arab majority in Israel if current population trends continue alarms them. For security reasons the Labour leadership argue that Israel must retain some relatively uninhabited strategic areas, but they advance no biblical/ideological justification for this. If they can be reassured about security, they may be prepared to be more flexible.

(ii) Many of those who have had regular contacts with Peres and Eban are convinced that they are prepared to go a good deal further than would be apparent from their public position. This has been clear to some extent from Eban's talks with us, but he appears to /have

have been a good deal more flexible still in talking to others outside government (particularly US academics). Mr Robinson sounds a valuable warning in paragraph 7 of his letter against making too much of this. But flexibility of thinking, however private, can only be encouraging.

(iii) Israeli public opinion is not inflexible. If they can be convinced of some prospects and the necessity of a peace settlement disposing of the Palestinian issue, I believe the Israelis are capable of conceding much which now looks impossible (who now remember Sharm al-Shaikh?). The chances of Arafat emulating Sadat in making a gesture designed to instil confidence are regrettably low, but if we can get out of the Arabs more helpful noises than hitherto and if a change in the American position forces a reappraisal of Israeli policy, a Labour government headed by Peres and Eban will be well-placed to take advantage.

(iv) The Labour leadership are more aware that Israel cannot survive in isolation. Their first instinct will be to change Israel's image rather than the substance of policy, but they may come to realize that only a change of substance will have any effect.

(v) The Labour leadership is less inclined to think that Israel is sitting pretty and does not need a settlement. Apart from the inevitable impact of economic failure, Eban has also talked of the need for a settlement before the Arab-Israel dispute goes nuclear. He expects this to happen in five years.

5. It must be admitted that this amounts to little more than clutching at straws. But we must surely greet the advent of a Labour government in Israel, which will represent the best opportunity likely to occur for some years, as if it does present real possibilities for progress. At the same time we must take every opportunity to make clear of the Labour leaders, both before and after the election, that we do not regard their policies as satisfactory and will be looking for a good deal more from them. We should urge the Americans to take the same attitude. Our own

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best chance to influence Labour thinking is likely to come later this month when Peres visits this country and has talks with the Prime Minister and Secretary of State.

6. I have not considered here the likelihood of Peres continuing the autonomy talks and reaching an agreement with Sadat. It cannot be ruled out. Peres has said he will not abandon the Camp David process and has spoken of the possibility of applying autonomy to Gaza. But autonomy is difficult, if not impossible, to reconcile properly with territorial compromise and the Jordanian option; the assumptions underlying the two are fundamentally different. We should in any event try to steer the Israeli Labour party away from trying to make something of Camp David, since even if they could reach agreement with the Egyptians, there is no more prospect of the other Arabs, particularly the Palestinians, accepting an autonomy agreement negotiated with Peres than one negotiated with Begin.

7. If the Labour Party do pursue the autonomy idea, they will do so with a very different style from the Begin Government, given their different attitude to the Occupied Territories. There is at present a glaring contradiction between Begin's supposed belief in autonomy and his Government's proved determination to smash any form of indigenous Palestinian leadership on the West Bank. A Labour Government seeking an autonomy arrangement would look for Palestinian leaders for the self-governing authority, probably in the first place in the elected municipal leaders of the Palestinian towns, who are, heaven knows, docile enough. If a Labour Government made any progress along this path, the result would be to increase the hostility of the PLO to the autonomy idea, since they would see a danger that they might lose their only conceivable territorial base. The outcome would be harmful to the stability of the Middle East as a whole; the autonomy concept offers nothing to the Palestinians who are at present outside Palestine, and they are the ones who corrode the whole structure of Middle Eastern politics.

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8. It will be clear from the above that I have serious difficulty with Mr Robinson's approach to the question of where our interest lies in Israeli domestic politics. I propose to write to him in the light of the arguments set out in this submission and any comments on it.

River Mills

8 January 1981

R O Miles
Near East and North
Africa Department

I agree with Mr Miles that there are significant differences, notably the recognition of the Palestinians' self-identity and the rejection of the annexation of the West Bank as a whole. It is right that we should seize on these and try to exploit them. But the Israeli Ambassador two days ago went out of his way to warn me against thinking that the Labour Party would be any more flexible than Mr Begin; and I note that the Labour proposals, despite their recognition of Resolutions 242 and 338 as the basis for a settlement, proclaim that the Jewish settled areas of the West Bank and the Golan are to be permanently under Israel's sovereignty (in "time of peace" in the case of Golan, whatever that means) and reiterate the 4 June 1967 borders. So

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in practice I fear that Mr Robinson may be
in a bit of a hurry, although I do not
think it is really in our interest that
Mr Begin should remain in office, his conclusion.

9/11
RW Graham

We should aim to make the best of
Peres and the Labour Party, and should
not ~~begin~~ carp, at least initially. We
also need to consider, in advance of the
PM and of State's visit to Washington, what
Line Hussein ~~is~~ could reasonably be
encouraged to do in response to the
new situation in Jordan likely from both
the new US Administration and a new
Israeli Gov^t. The Jordanian option crudely
defined has no real life in it. But a
Jordanian option probably does exist, though neither
Sadat nor Syria ~~is~~ is find it satisfactory. I
would welcome a chance to discuss this further.

Douglas Hunt

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GR 250

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TO PRIORITY FCO

TELEGRAM NUMBER 39 OF 20 JANUARY

PERES'S VISIT TO LONDON ON 23 JANUARY

1. MY TWO IFTS REPORT ON PERES' CHANCE OF FORMING ISRAEL'S NEXT GOVERNMENT, AND ON HIS POLICIES IF HE BECOMES PRIME MINISTER.

2. PERES HIMSELF WILL HAVE THREE IMMEDIATE TACTICAL OBJECTIVES IN EUROPE:

- i) TO PUT HIMSELF ON THE INTERNATIONAL MAP, AND SHOW THE ISRAELI ELECTORATE THAT HE IS ALREADY ACCEPTED ABROAD AS PRIME MINISTER DESIGNATE. HE ONLY CANCELLED A VISIT TO THE US EARLIER THIS MONTH BECAUSE OF ISRAEL'S GOVERNMENT CRISIS, AND THIS WEEK IS DUE IN PARIS AND THE HAGUE AS WELL AS LONDON. HE MET SCHMIDT RECENTLY IN MADRID.
- ii) TO ESTABLISH HIS NEW POSITION WITH JEWISH COMMUNITIES ABROAD.
- iii) TO JUDGE FOR HIMSELF HMG'S COMMITMENT TO THE VENICE (JUNE) AND LUXEMBOURG (DECEMBER) EUROPEAN POSITIONS (WHICH HE DEPLORES), AND TO CHECK WHAT HE HAS READ HERE AND BEEN TOLD OF EXPLOITABLE DIFFERENCES WITHIN HMG ON POLICY TOWARDS ISRAEL. IF PERES BECOMES PRIME MINISTER IT WILL BE DURING OUR EUROPEAN PRESIDENCY, WHICH IS SEEN HERE AS IMPORTANT IN THE MIDDLE EAST CONTEXT AND AS MAKING BRITAIN A SPECIAL TARGET FOR ISRAELI DIPLOMATIC AND PROPAGANDA PRESSURE (SEE ALSO MY TEL NO 292 OF 17 JULY). PERES' STANDING AT HOME WILL BE HELPED BY A FIRM APPEARANCE ABROAD.

ROBINSON

MIDDLE EAST STANDARD

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FM TEL AVIV 200950Z JAN 81

TO PRIORITY FCO

TELEGRAM NUMBER 40 OF 20 JANUARY

MIPT: PERES' VISIT: ELECTION PROSPECTS

1. THE ELECTION CAMPAIGN IN ISRAEL LOOKS LIKE LASTING FIVE MONTHS AND BEING DIRTY. PERES WILL ALMOST CERTAINLY EMERGE AS THE LEADER OF THE GROUP WITH THE MOST KNESSET SEATS. IF IS PROBABLE, BUT NOT CERTAIN, THAT HE WILL BE THE NEXT PRIME MINISTER. HIS PROBLEMS WILL BE TO KEEP HIS OWN ALIGNMENT TOGETHER THROUGH THE CAMPAGIN AND THE HISTADRUT ELECTIONS ON 7 APRIL; TO CONVINCE THE ELECTORATE THAT THE LABOUR PARTY HAS REFORMED ITSELF AND GOT NEW FACES (NOT EASY WHEN SO MANY OF THE OLD FACES ARE STILL AT THE TOP); AND TO CONVINCE THE ELECTORATE THAT HE IS A CREDIBLE LEADER AND THAT LABOUR IS NOT SOFT ON ISRAELI SECURITY AND HAS A COHERENT ECONOMIC POLICY.
2. FORECASTING THE DETAILED OUTCOME OF THE ISRAELI ELECTION AT THIS RANGE DOES NOT MAKE MUCH SENSE. BUT THE FOLLOWING ARE ESSENTIAL PARTS OF THE PICTURE. AN ABSOLUTE MAJORITY FOR LABOUR IS NOT LIKELY. (PERES DOES NOT REGARD IT AS LIKELY). A CONTINUATION OF COALITION POLITICS HERE GIVES GREAT POTENTIAL INFLUENCE TO A CENTRE PARTY. IF DAYAN CONSENTS TO LEAD SUCH A PARTY (PERES SAYS HE EXPECTS DAYAN TO DELAY HIS DECISION UNTIL THE LAST POSSIBLE MOMENT) DAYAN MIGHT BE IN A POSITION TO EXACT A HIGH PRICE FOR JOINING A PERES LED COALITION. HE MIGHT EVEN BE ABLE TO PUT A QUESTION MARK OVER LABOUR'S ABILITY TO FORM A GOVERNMENT, PARTICULARLY IF CONDITIONS HERE DETERIORATE MORE RAPIDLY THAN AT PRESENT SEEMS LIKELY.
3. TO THESE DIFFICULTIES, ARE ADDED THOSE RELATING TO THE INCLUSION OR EXCLUSION OF THE NATIONAL RELIGIOUS PARTY, TOO MANY LABOUR LEADERS WANTING TO DECIDE FOREIGN POLICY, AND FINDING AN EFFECTIVE FINANCE MINISTER READY TO TAKE THE JOB ON CONDITIONS ACCEPTABLE TO THE PARTY RANK AND FILE AND THE HISTADRUT.
4. IT HAS TAKEN AN AVERAGE TWO MONTHS FROM ELECTION TO THE FORMATION OF A NEW GOVERNMENT IN ISRAEL. PERES IS UNLIKELY TO BE FUNCTIONING AS PRIME MINISTER UNTIL INTO AUGUST.

SEE MIFT.

ROBINSON

[THIS TELEGRAM WAS NOT ADVANCED]

MIDDLE EAST STANDARD

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TO PRIORITY FCO

TELEGRAM NUMBER 41 OF 20 JANUARY

PERES' VISIT: HIS GOVERNMENT'S POLICIES

1. IF PERES LEADS THE NEXT ISRAELI GOVERNMENT FOR ANYTHING LIKE A NORMAL TERM, HE WILL FACE DECISIONS ON ISRAEL'S SECURITY, INCLUDING NUCLEAR WEAPONS, AND FINANCIAL STABILITY WHICH WILL BE DECISIVE FOR THIS COUNTRY'S SURVIVAL AND WHICH COULD DAUNT A MAN WITH MORE OF THE STATESMAN THAN PERES HAS YET SHOWN HIMSELF TO POSSESS.
2. PERES WILL WANT TO BE HIS OWN FOREIGN MINISTER, AND MAY APPOINT DINITZ, FORMER AMBASSADOR IN WASHINGTON, TO A NEW NSC TYPE POSITION. THERE WILL BE A CHANGE OF STYLE. BUT SHORT OF RUTHLESS AMERICAN PRESSURE I SEE NO PROSPECT OF A PERES LED ISRAEL ACCEPTING PALESTINIAN SELF-DETERMINATION LEADING TO A SEPARATE STATE, OR A RETURN TO THE 1967 BORDERS WITH THE DISMANTLEMENT OF SETTLEMENTS. EBAN WILL EXECUTE RATHER THAN DESIGN. PERES STILL HANKERS AFTER A DEAL WITH KING HUSSEIN, AND HAS TOLD ME THAT HE SEES GREAT HOPES IN ISRAELI JORDANIAN CO-OPERATION OVER JOINT PROJECTS BETWEEN THE GULF OF AQABA AND THE RED SEA. THE ILLUSIONS WILL TAKE TIME TO DISPEL. (AND PERES MAY ASK YOUR HELP WITH THE KING.) IF DAYAN IS IN A POSITION TO EXERT A VOICE IN PALESTINIAN POLICY, IT WILL BE EVEN HARDER TO GET A SETTLEMENT. FEAR OF BEING THOUGHT TO UNDERMINE ISRAEL'S SECURITY WILL PUSH PERES TO MAINTAIN DEFENCE EXPENDITURE AT UNREALISTIC LEVELS.
3. IN THE ECONOMIC FIELD WE MUST EXPECT SEVERE FOREIGN EXCHANGE RESTRICTIONS, AND EXPORT SUBSIDIES AND/OR MULTIPLE EXCHANGE RATES, MORE OR LESS THINLY DISGUISED. THERE WILL BE FURTHER PRESSURE ON THE UNITED STATES TO SOFTEN THE TERMS OF ISRAEL'S DEBT. THE DETERIORATION OF SOCIAL AND LOCAL GOVERNMENT SERVICES IS INEVITABLE.
4. I DO NOT SEE PERES AS ISRAEL'S SAVIOUR. THE QUESTION FOR US IS HOW TO PREVENT ISRAEL (US POLICIES ABETTING) FROM PULLING DOWN THE WEST WITH HER.

ROBINSON

MIDDLE EAST STANDARD

NENAD

MAED

MED

ES & SD

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KRD

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WED

CABINET OFFICE

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THIS TELEGRAM
WAS NOT
ADVANCED

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Israel



10 DOWNING STREET

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Shimon Peres has accepted
the meeting with PM at
1800 on January 23.

FCO (Charles Humphrey)
will provide briefing. I
said that we would
expect to announce the
meeting in the list of
PM's engagements that
day, and we would
expect Peres to be
unaccompanied unless
otherwise advised.

I have put Mr Hurd on standing
for the meeting. MAF 31/12/11

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ds

Israel

7 May 1980

The Prime Minister has seen your letter to me of 5 May about a possible visit to this country by Mr. Peres. The Prime Minister would be ready, in principle, to see Mr. Peres if he comes.

MICHAEL ALEXANDER

Paul Lever, Esq.,
Foreign and Commonwealth Office.

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Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

Apex A?

①

Yes, 5 May 1980

Print 6/5

Dear Michael,

Mr Greville Janner MP, President of the Board of Deputies of British Jews, has raised informally with us the possibility of a visit to this country by Mr Peres, the leader of the Israel Labour Party. Mr Janner knows Mr Peres personally but has stressed that he is acting on his own initiative. He has suggested that he could arrange for Mr Peres to pay a purely private visit, perhaps in June (although his position as President of the Board of Deputies would preclude him from being seen to act as a go-between).

A It would be helpful to have a first-hand account of Mr Peres' views. He has an excellent chance of becoming Prime Minister within the next 18 months and has shown indications of considerable flexibility in his approach to the problems of the West Bank and Gaza. It would be politically almost impossible to invite Mr Peres to visit London officially, particularly after the sensitivity shown by Mr Begin's Government over Mr Peres' recent call on President Carter, but official meetings during a private visit would be perfectly defensible. Lord Carrington believes that the Prime Minister would find a meeting with Mr Peres in such circumstances useful and interesting and would be grateful for an indication that the Prime Minister would in principle be ready to see him.

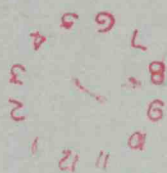
Yours etc

Paul

(P Lever)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

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8 MAY 1980

Grey Scale #13



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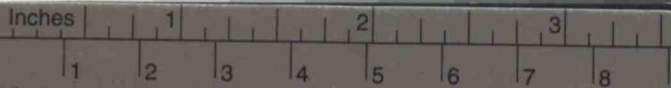
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Colour Chart #13

Blue

Cyan

Green

Yellow

