

Middle East

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Ref. A01478

PRIME MINISTER

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Arab/Israel

(OD(80) 13)

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

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

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

HANDLING

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

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

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

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

## CONCLUSION

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

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

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(Robert Armstrong)

20th February, 1980

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