



Prime Minister

Foreign and Commonwealth Office

Content with X, Y & Z ?

London SW1A 2AH

A.F.C. 16

I do not think we should take measures alone. What are other options? 16 June, 1982. M

Dear John,

Israeli Invasion of Lebanon

On 9 June the Foreign Ministers of the Ten issued a statement condemning the Israeli invasion, in which it was stated that the possibilities for future action would be examined. Since then the Ten have decided to postpone the signing of the Second Financial Protocol with Israel. It is possible that other measures may be decided in political cooperation.

X We have been giving some thought also to the effect of the invasion on our bilateral relations. We have made our attitude abundantly clear in public, through statements made in Parliament and elsewhere. It would be odd if we were now to conduct bilateral business with the Israelis as though nothing had happened. We therefore envisage informing the Israeli Government that the invitation to them to visit the British Army Equipment Exhibition on 21 June will be withdrawn. The official talks agreed upon during Lord Carrington's visit to Israel in April have been Y postponed at Israeli request and we shall not agree to their reinstatement for the time being.

Mr Pym also considers that it would be wrong to continue issuing licences for arms exports to Israel as long as Israeli troops remain in Lebanon. Although our arms sales to Israel are minimal (amounting to £10 million between 1976 and 1981) and their suspension would have little practical effect on Israel, it would be a significant signal of disapproval to the Israelis and would act as a sign of encouragement to the moderate Arabs. The political message that Israel cannot expect bilateral relations to remain unaffected while her forces remain in Lebanon would be effectively transmitted at little cost to the UK. We have considered the possibility that the likelihood of Israeli arms sales to Argentina will be increased but given what we know of Israel's attitude and practice on this already, we do not believe that this is likely to make much difference in practice.

Z If the Prime Minister agrees, Mr Pym would wish to announce this decision in the form of a written reply to a Parliamentary Question tomorrow, 17 June, which asks if he will seek to make it the policy of the NATO Alliance that no member state shall sell to Israel any materials suitable for military application. The draft reply reads:

'It is for individual member states of the NATO Alliance to decide their policy on military sales to Israel. I have decided that in present circumstances, in the light of the Israeli invasion of Lebanon and the continued presence of

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her troops there, it would be wrong to licence arms exports to Israel'.

We would give the Israeli Government advance warning of this announcement. Mr Pym proposes that the suspension should not be tied to conditions such as Israeli compliance with Security Council Resolutions 508 and 509 on the withdrawal of her forces from Lebanon, though that is our clear object, since this would unduly tie our hands in the future.

I am copying this letter to the Private Secretaries of the other members of OD.

Yours ever

(J E Holmes)
Private Secretary

A handwritten signature in dark ink, appearing to read 'J E Holmes', written in a cursive style.

A J Coles Esq
Private Secretary
10 Downing Street

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