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CABINET
DEFENCE AND OVERSEAS POLICY COMMITTEE
THE ARAB/ISRAEL DISPUTE

Memorandum by the Secretary of State
for Foreign and Commonwealth Affairs

1. I was invited by the Committee at the meeting of 22 January to bring forward a paper on possible British moves in relation to the Arab/Israel conflict.
2. Events in Afghanistan threaten the stability of the region as a whole through subversion and direct Soviet military intervention. The Islamic world has reacted strongly and the results of the Islamic conference in Islamabad are an encouraging start. The Soviet intervention has created a unique opportunity for the West to counter Soviet influence in alliance with the countries of the Third World and for the present condemnation of the Soviet Union to be transformed into lasting readiness in the Islamic and non-aligned countries to work effectively with the West for their common security. This opportunity must not be missed.

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

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

5. Only the United States can influence Israel sufficiently to achieve a peace negotiated on this basis. However, President Carter is committed to the Camp David process, to which the Arabs outside Egypt are virtually unanimous in bitter opposition. It has achieved peace between Egypt and Israel but seems unlikely to make substantial progress on autonomy arrangements for the Palestinians of the West Bank and Gaza.

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

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

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

8. I seek my colleagues' agreement:

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

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FOREIGN AND COMMONWEALTH OFFICE

15 FEBRUARY 1980

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DRAFT SECURITY COUNCIL RESOLUTION

The Security Council,

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

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

1. Reaffirms

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

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

2. Affirms

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