Middle East Foreign and Commonwealth Office London SW1A 2AH Prime Pliniter Dear Milhard, the worsenesses was that I summer to the for until after the Knadi election. We discussed the recent speech by the Israeli Ambassador, Mr Argov, about European Middle East policy and I undertook to send you a detailed critique. I now enclose this, together with a copy of the speech and, for convenience, copies of the Venice Declaration and Resolutions 242 and 338, to which it frequently refers. Officials here have already remonstrated with Mr Argov, pointing our our disappointment that he has ignored our explanations of European policy and has preferred to distort our views and motives in the cause of anti-European polemics. Lord Carrington believes that the speech verges on the unacceptable from an Ambassador speaking in the country to which he is accredited, particularly in constant impugning of our good faith and motives. He does not believe, however, that a public row would serve any useful purpose. Despite our disagreements with Israel over the right approach to Middle East peace and the Israeli Government's insistence on resorting to abuse of Europe and European leaders, we must continue to work with Israel and seek to persuade her of our keen interest in a peace settlement that will be in Israel's own long-term interests. Lord Carrington is not therefore inclined to take up the speech formally with Mr Argov himself. However, Mr Hurd will be going over the ground with Mr Argov again to continue the task of patient exposition of our views and our reasons for holding them. They have had regular and good humoured discussions since Mr Argov's arrival. Mr Argov personally goes astray mainly on his fear that we are somehow planning an imposed settlement, and we will make another effort to reassure him. In general, Lord Carrington believes that, helped by the arrival of Mr Moberly, as HM Ambassador in Tel Aviv, we should try after the Israeli elections on June 30 to discuss all these matters more actively with the representatives of whatever government emerges, in the hope of taking the edge of at least some of the disagreements by persistent explanation. (F N Richards) M O D'B Alexander Esq 10 Downing Street Private Secretary

NOTE ON AMBASSADOR ARGOV'S SPEECH 'EUROPE AND ARAB-ISRAELI PEACE-KEEPING'

l. Mr Argov sets out to demonstrate that Europe has no right to a role in the search for a Middle East peace settlement. The list of 'credentials' which he gives initially, in order to attack them, is based largely on British ministerial statements about the reasons for Europe deciding to adopt an active policy. The thrust of Mr Argov's speech is that these reasons, which he deals with one by one, are false and hypocritical. Our comments on the details of his speech are as follows.

## European Impartiality (pages 2-4)

- 2. It is simply not the case, as Mr Argov alleges (page 2), that virtually all the Venice Declaration's eleven points are 'attuned .... to the Arab position'. It is a carefully balanced document, as most impartial observers agree.
  - Point Two is no more than a factual statement that European interests are closely bound up with the Middle East (Israel as well as the Arab world) and that Europe cannot stand back from political developments there. The allegation of European subservience to Arab blackmail is unsubstantiated other than a vague reference to US difficulties over facilities for supply planes during the Yom Kipper War (a far more complex story than he suggests) and the misleading reference to Mr Heath's decision to embargo the supply of arms and spare parts to both sides engaged in that war while the fighting lasted (although in practice Israel probably suffered more from this decision);
  - (b) Point Three: we remain fully committed to Resolutions 242 and 338 (although we have said that the principles of 242 could with advantage be supplemented to take account of Palestinian rights). Nothing in any European statement, including the Venice Declaration, contradicts or in any way derogates from 242 and 338. Repetition at Venice of our commitment to 242 is hardly designed to please the Arabs, most of whom now reject it as an adequate basis for a settlement;
  - (c) Point Four: our recognition of Israel's right to exist is of course unconditional and Mr Argov is being disingenuous to imply otherwise. Reference is made to this right because not all the Arabs have accepted it, unconditionally or otherwise. Palestinian and Israeli rights are linked only insofar as any peace settlement will inevitably be a compromise package involving movement in each side's perception of the other;
  - (d) Point Five: there is no suggestion whatsoever in the Venice Declaration or elsewhere that international guarantees can or should be a substitute for Israel's ability to defend herself. The concept of guarantees

is that they would offer Israel exceptional assurances to take account of her exceptional security concerns. This again is hardly a point designed to appeal to Arab opinion. On a factual point, guarantees such as those envisaged for an Arab-Israel peace settlement have never been attempted in the past;

- (e) Point Six: self-determination is not for us just a code-word for an independent Palestinian state. It means that the Palestinians have the right to choose: if they choose a state, so be it, but this is in no sense the necessary final result. The Israelis are well aware of our true position on this;
- (f) Point Seven: the connection between the PLO's association with negotiations and a Palestinian state is Mr Argov's own. It does not emerge from the Venice text or any other European statement. He also makes no mention of the fact that the PLO are called on in the Venice text to respect the Venice principles for a negotiated peace settlement;
- (g) Point Eight: this says nothing of substance about the future of Jerusalem other than that Israel has no right to determine it unilaterally, a view accepted by the whole of the international community except Israel;
- Point Nine: As in previous European statements, this (h) was carefully phrased to avoid inflaming Israeli sensitivities. The English text of 242 says nothing about the exact extent of withdrawal, but it has been our and the US position ever since its adoption that the final territorial settlement should not reflect the weight of conquest, ie that a very substantial Israeli withdrawal on all fronts is required, allowing for the possibility of minor territorial rectifications. This coincides with the principle included in Resolution 242 of the inadmissibility of the acquisition of territory by war. Lord George-Brown's explanation for the text of 242 is quite accurate: the reason for the exclusion of the definite article was that we were promoting a text acceptable to all concerned and Israel made clear that she could not accept the definite article. It remains our position that the precise extent of withdrawal should be negotiated.

The settlements are agreed by all except the Israeli Government to be of doubtful legality and a major obstacle to peace. This is as much because they symbolise Israel's intention to remain permanently in the occupied territories as because of their physical effects, although these are considerable in terms of occupation of land and water usage.

European Respect for the Camp David Agreements (pages 4-6)

3. The quotation ascribed to a 'prominent European statesman' is from a speech by Mr Hurd. Its clear meaning was that Venice had given countries who had <u>irrevocably</u> set their face against

Camp David a reason for continued hope in a peaceful route to a settlement and thus helped to avoid a slide towards renewed confrontation and war. Mr Argov has deliberately taken the quotation out of context.

- 4. We have never claimed that the Camp David agreements and Venice said the same thing. Indeed it is implicit in the fact that the Nine regarded a statement as necessary that a comprehensive peace required more than Camp David. Thus our approach was intended to complement the US approach. The US, despite occasional private reservations, have never challenged this. President Reagan recently confirmed, in the communiqué issued at the end of Chancellor Schmidt's visit, that the US accept that US and European efforts are complementary.
- 5. The following detailed points made by Mr Argov on this deserve comment:
  - (a) His point (a). He fails to state in what way we disregard the basic principles of 242, which the Venice Declaration reaffirms. It is rather Israel which continues to disregard them, eg through Mr Begin's statements that Israel will never withdraw from Judaea and Samaria;
  - (b) His point (b). Europe's approach centres wholly on the principle of a negotiated settlement, as is clear from all European statements including Venice. We have gone out of our way to stress to the Israelis and others, both publicly and privately, that we are not in any sense contemplating an imposed settlement. This is an important distortion of our views, to which Mr Argov returns again and again. Taken with his allegation that there is a European 'peace plan', it presents a highly misleading picture of our policy;
  - (c) His points (c) and (d). Israel will be able to make her point of view on the occupied territories very clear. Arrangements for withdrawal, etc, must be made with Israel's agreement. But once Israel has withdrawn the Palestinians should be able to say what form of political organisation they wish to choose;
  - (d) It is Israeli actions which have given Jerusalem such prominence, which we would agree is undesirable. Ignoring these actions would be seen as tantamount to accepting the status quo, which we cannot do. In any event, Jerusalem is of such importance to both sides that it cannot simply be left out of serious peace efforts. Its omission from Camp David may have seited the Israelis but was an important contributory cause of Saudi and other Arab suspición, and eventual rejection, of Camp David;
  - (e) His point (f). Settlements were in fact a central point in the discussions at Camp David. The Americans and President Sadat believed that they had secured from Mr Begin (in a side agreement) a moratorium on further settlement-building for the duration of the autonomy talks. Mr Begin insisted subsequently that it was to

last for only three months. The resumption of the expansion of the settlements was a key element in the refusal by the Palestinians in the West Bank and Gaza to join in Camp David, as the Americans have privately admitted to us on several occasions;

- (f) His points (g) and (h). Unexplained references to the 'critical strategic importance' of Israel's eastern border for her security and to the 'fearful dangers' of an independent Palestinian state beg the question of whether a continuation of the status quo is not more dangerous, including to Israel, than a comprehensive settlement. They also ignore the constant stress we place on Israel's right to a secure existence, to be reinforced by guarantees (insofar as they can help) in which we are ready to participate;
- (g) His point (i). Camp David deals with a transitional arrangement. There is no doubt of the Egyptian (and American) view that there must in the end be a full withdrawal.
- (h) <u>His point (k)</u>. We have made very clear our acceptance of the central US role in peace efforts and that we are not in the business of competing with the US. This is another important distortion of our view.

## Europe's Honest Brokerage (pages 6-10)

- 6. Mr Argov states that Europe undertook to draw up'specific proposals' relating to all the principal issues of the dispute. We have made clear on many occasions, and he has been told specifically several times, that the Luxembourg document is not a set of specific proposals, but rather an options paper for the benefit of the governments of the Ten. Mr Argov was also well aware that the 'Le Soir' account was inaccurate in many respects. Despite the partial disclaimer on page 7, he nevertheless treats the account as if it were a published European document, with the constant insinuation that the Le Soir account represents a peace plan we are preparing to force down Israel's throat.
- 7. Mr Argov suggests on page 9 that the EC has 'refrained from any consultation with the party most likely to be affected by its efforts, namely Israel'. It is difficult to know what to make of this. He seems to suggest that we should have cleared the Venice Declaration and our own internal thoughts with Israel in advance and that Israel has the right to veto certain aspects of our views. The fact is that we are of course fully aware of Israel's view and concerns from a multitude of contacts, that those views were fully taken into account in formulating the Venice and Luxembourg documents (more so than the views of any other party), and that Israel has been fully included in the European consultations (by Messrs Thorn and Van der Klaauw) since Venice. The very fact that those consultations are still continuing refutes the accusation of an 'imposed peace plan'.

## Protection of Legitimate Interests (pages 10-12)

8. Mr Argov suggests again on page 9 that we are pressing the US to enforce a settlement on Israel. And the two scenarios he

posits on pages 10 and 11 are also based on the assumption that Europe wishes to impose a settlement on Israel. He must know that this is not the case.

- 9. We would certainly agree with Mr Argov's comments on page 11 about the dangers of an isolated Israel, but it is Israel's policies, not European statements, which are bringing about this isolation.
- 10. Mr Argov's remarks on the Arab-Israel military balance (pages 11-12) are misleading, since he simply adds together all the arms of all the Arab countries as if all should be regarded as in the same category. This is of course a highly complex area. But there is no doubt that Israel currently has a marked superiority over her likely Arab enemies and is likely to have for many years to come. More seriously, in his following remarks he conveniently ignores the fact that the US is by far the biggest arms supplier to the Middle East, for example providing the great majority of Saudi equipment. Mr Argov strongly implies that it is the Europeans alone who seek profit in the area and are responsible for the arms build-up.

## Expertise (pages 13-14)

ll. Mr Argov produces a list of questions which are based on the false assumptions he has made earlier in the speech. The point of substance which he tries to make is that because Israel does not agree with European policy, this policy therefore must be deliberately anti-Israeli, based solely on self-interest and concealed motives, and doomed to disaster. Israel is of course entitled to her view of European policy, but Mr Argov's innuendoes and insinuations about our motivation contained in his list of questions are highly objectionable.