

LUNCH AT THE ELYSÉE AT 2.15 P.M. ON TUESDAY 10 DECEMBER 1974

1. We went on talking right through lunch. Schmidt was asked to report on his talks with President Ford. We then went on to energy and recycling. The general views expressed on all these subjects corresponded closely to my brief.
2. As we broke off to go through into the sitting room, Giscard said he would ask Schmidt to open up on the Middle East. I went to the Embassy to telephone and when I got back the Dane was talking about his visit to China. After this Schmidt opened up.
3. It was obviously by arrangement with Giscard, who made this clear when he called on Schmidt to speak.
4. Schmidt said that he was extremely worried about the Middle East. Israel might now do anything as she was not a party to the NPT and obviously had some nuclear capability. This would be a great tragedy. A further war would mean that Israel could not survive even if victorious in it, because the Arabs, who could always outnumber her in terms of men, now have an unlimited call on money and resources.
5. The tone of his statement was anti-Israel. He was afraid that if war broke out we in Europe would have our oil cut off even if we pursued a very careful line so far as the Arabs were concerned. Some of us, and he included himself in this, had influence with the Israelis. We should use it to get a settlement which must include a national state for the PLO. He thought that if coordination of foreign policy in the Nine meant anything, we should have consultations and reach agreement on this issue. At the same time he was extremely critical of Giscard for breaking ranks

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on the second of the two PLO votes. He spoke very frankly in the context of France's failure to join the IEP.

6. I agreed with Schmidt's assessment of the danger, adding that the danger did not necessarily come only from the side that he mentioned. While I favoured the maximum political cooperation between the Nine, perhaps this was a subject on which we might more profitably pursue rather separate views and exercise rather separate influences, as part of what Giscard had called "convergence" in a different context. I quoted Schmidt's remark that "harmonisation in present circumstances can mean a differentiation of policies". This might well prove to be the case on the Middle East, provided we all kept together on objectives.

7. I said I was very disappointed that France had broken ranks on the PLO resolution at the last minute. Nevertheless, in view of what Helmut Schmidt had said, I almost felt like defending France's right to do so, provided it was recognised others might need to do the same. Peace would not be secured if Israel felt that everyone was ganging up on her. It was doubtful whether Israel was able to use a nuclear weapon at this stage. She had used threatening words, but would be more likely to act if she felt she had ^{no} few friends. We must all use our influence in our several ways with different people. I had shown during the Yom Kippur War that I was strongly pro-Israel, although

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there were different views in the Party: and since coming into office we had devoted considerable efforts to improving our relations with certain Arab countries, particularly Egypt. I was also interested in improving relations with Algeria and Tunisia - the latter had been very helpful in the recent hijacking affair.

8. Helmut Schmidt had been very critical of Egypt and apparently blamed the Americans for having lured Egypt away from the Soviet Union. He was also very critical about Kissinger's commuting journeys between various Middle East capitals. He had seemed to discount the fact that some Arab countries were different from others and made a big point of the fact that Egypt was really anxious to reach a settlement. I contrasted this with the attitudes of Syria, Iraq, and the South Yemen: here lay the source of subversion in some other Arab states, whose friendship Kissinger was anxious to keep and strengthen.

9. Schmidt had also been highly critical of Russia (on different subjects), and following the Dane, had said we must build up friendship with China. But he seemed to express a lot of support for Russia in the Middle East setting. He blamed America for the fact that Russia was not in at Geneva. I explained that our understanding (I did not say it was from Kissinger) was that both Syria and Egypt had expressed the view that they did not want Russia at Geneva. I said that Russia was not only quite cynical in all this, she was also prepared to use anyone to advance her objectives. - one of which was to maintain peace in the Middle East. I instanced the case of Kosygin telling Arafat to get in touch with me because I had some influence with Israel. I said I had no doubt that when I met the Russians they would discuss the Middle East very fully, not least because they felt we had an influence

they did not have with Israel. But that did not excuse Russia's activities with the more militant Arab states, although even there they might be feeling they had to keep their hand against the Chinese and others.

10. I added that clearly the hopes some of us had harboured in the summer had turned to deep anxiety as a result of the Rabat summit. When the Socialist International had met at Chequers in June (Helmut Schmidt had not been present so I addressed my words to him) there had been signs of possibly converging attitudes. Prime Minister Rabin had spoken in terms of more Palestinians going into Jordan, but only as part of a long-term and guaranteed settlement for the whole area. He had pointed out that nearly half of the existing Jordanian Cabinet were Palestinians and presumably a more Palestinian-orientated Jordan would lead to an increase in their legislative and Cabinet strength. He clearly did not rule out appropriate and limited transfers of territory in this context any more than he did on the east bank of the Canal but only as part of a full and lasting settlement - "a piece of land for a piece of peace".

11. In London, following the Chequers conference, Chancellor Kreisky had asked for a long and private talk. Referring to the Socialist International mission to the Middle East, which he had headed, he said that he had gone, alone, without the other mission members, to stay with Sadat at his country home in the desert somewhere. Sadat had gone to great lengths in advocating, as part of a wider settlement, a solution of the Palestinian problem based on the admission of more Palestinians into Jordan, including west bank areas.

12. At that time therefore there seemed to be hopes of a possible ultimate settlement, but these presumably had been dashed by the outcome of Rabat, which had recognised the PLO as a national entity in itself, and not as an ethnic problem problem to be solved within the Jordanian context.

13. I concluded by saying again that we ought, in consultation, to exercise such influence as we had with all powers in the Middle East and in our case this included Israel and also increasingly Egypt. I doubted whether any of those present had any influence with Libya.

14. Joop den Uyl then went to town in support of what I had said. He had been through a lot on the Middle East and yet all the threats of boycotts left him with stronger oil supplies than anyone and an economic position in Europe second only to Germany. He expressed great resentment about the French vote which had left him in an indefensible position, and agreed with me that we should be free to take our separate points of view, partly because in his case he had to think of influence in his Party and his country, and partly because he thought it was the best road to peace through influence.

15. Thorn immediately spoke in the same sense. He had not only felt let down over the PLO vote: he had never felt so sick or ashamed of himself as over that incident. The Dane was nodding agreement throughout and later criticised the French. The Belgian was murmuring sympathetically with Joop den Uyl.

16. Giscard then spoke at some length. He defended his vote and used what I had said to talk about influence. He then took us through Middle Eastern history with particular reference to 1947. His account was not entirely accurate when he said the UN created Israel as a state by the quadrupartite action of Britain, France, the United States and the Soviet Union. He said Israel owed that to the four of us, but that now all power seemed to be in the hands of the Soviet Union and the USA. He was more critical of the latter. I reminded him of the unsuccessful attempt to revive the quadrupartite approach after Resolution 242 when,

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France, having changed her pro-Israel stance to a pro-Arab stance (and I gave him the reason) was joined with the USSR, America and Britain in the quadrupartite efforts to get things moving. The basis had clearly been that France and Britain were invited as respectively supporting the Soviet and American positions. It all came to nowhere. I said if he felt that it was necessary for France to act in this way, he might like to turn his mind to the idea whether more could be done on that sort of basis, even though it failed in 1967. Giscard said to me afterwards that it had been a good discussion but he would have liked it to have gone on longer. Helmut Schmidt also said that he would have liked it to have gone on longer.

H.W.

Dictated immediately after the
lunch, except for paragraphs 10-12

16 December, 1974

cc. Master Set
Middle East (Situation)
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