

CONFIDENTIAL

Middle East



Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

Would you be willing to
write to Mr Begin on the lines
suggested by Lord Carrington?
(Flag A)

Dear Michael,

9 July 1980

Paul 9/7

C. Thank you for your letter of 19 June, enclosing a copy of Mr Begin's reply to the Prime Minister.

// Lord Carrington believes that the Prime Minister should reply in person. It is clear that Mr Begin appreciated the Prime Minister's original message and it is important to maintain this high level link in good repair if a dangerous drift towards a feeling of isolation and possible desperation in Israel is to be prevented. Lord Carrington has been in touch with the Israeli Foreign Minister, Mr Shamir, separately. I enclose copies of their exchange of letters.

A. / Lord Carrington also believes that the Prime Minister's reply should address the substance of the points Mr Begin makes in his letter. There is no likelihood of making a conversion but we should not miss the opportunity to explain our views directly to him. I enclose a draft reply. I suggest that that should be transmitted through our Embassy in Tel Aviv. There is no reason for undue haste, but we understand that there is no reason to delay a reply simply on account of the state of Mr Begin's health.

B. / Mr Begin mentions in his letter three specific refusals of supply of defence equipment to Israel. They are dealt with very briefly in the draft reply. The Prime Minister may find the attached background note helpful.

I am sending a copy of this letter and its enclosures to Brian Norbury (Ministry of Defence).

Yours etc

Paul

(P Lever)
Private Secretary

M O'D B Alexander Esq
10 Downing Street
LONDON

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5th June 1980

"Dear Secretary of State

I am taking the liberty to draw your personal attention to the Resolution which the Al Fatah terrorist organisation adopted at its so-called National Conference, which met in Damascus at the end of May. The Resolution itself was published on June 2nd.

I hope that you will agree with me that this Resolution confirms, unfortunately, our most serious apprehension as to the goals, methods and tactics pursued by this organisation, which is the main component of the so-called P.L.O.

The aims of the Fatah as adopted and reaffirmed are in full fidelity with the "Palestinian National Covenant" and its declared central aim of bringing about the destruction of Israel.

With kind personal regards,

Sincerely,

Yitzhak Shamir
Minister of Foreign Affairs of
Israel"

n

The Rt. Hon. The Lord Carrington, PC, KCMG, MC
Secretary of State for Foreign and
Commonwealth Affairs,
Foreign and Commonwealth Office,
London, SW1.

Foreign and Commonwealth Office

London SW1A 2AH

27 June 1980

My Dear Yitzhak

Thank you very much for your letter of 5 June enclosing extracts from the document adopted by the Fourth Al Fatah Congress at the end of May.

I can assure you that we studied the results of the Congress very carefully in the approach to the European Council meeting in Venice on 12-13 June. We find the concluding document as unacceptable as you do. While we believe that the PLO's position in the Arab world and standing in the eyes of large numbers of Palestinians mean that it cannot be ignored if a lasting settlement is to be achieved, we have no intention of encouraging the PLO in policies such as those espoused by the Fatah Congress. The constant burden of our message to the PLO is that their hopes and aspirations will remain unrealised as long as they do not accept Israel's right to live in peace and security.

I have noted with regret your Government's official reaction to the Venice statement, which I sincerely believe is, as it was intended to be, even-handed and constructive. Nevertheless, I hope that we can stay in close touch. We must not let our differences prevent us from working closely together for peace.

Sincerely
Carrington
(CARRINGTON)

Mr Yitzhak Shamir

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

PRIME MINISTER

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

Top Secret

Secret

Confidential

Restricted

Unclassified

MR MENACHEM BEGIN

PRIME MINISTER OF ISRAEL

Copies to:

Will consider further. It seems much better not

PRIVACY MARKING

SUBJECT:

.....In Confidence

Thank you for your letter of 17 June, which was passed to me by your Embassy in London. May I say how pleased I was to hear that you are recovering from your recent illness.

CAVEAT.....

I welcome your candour. I shall be equally frank in reply.

I understand and respect your views about the PLO. ~~I have of course no interest in defending the document adopted by the Fatah Congress in Damascus, which was repugnant not only to my Government but, I know, to the British people as a whole. We took careful note of what Fatah said and I can assure you that we view it with very serious concern.~~

However, we must ask ourselves whether this is the whole story as far as the PLO are concerned. ~~You draw a parallel with Hitler's openly declared aims. Cannot a parallel also be made with Egypt?~~ Who would have believed possible peace between Egypt and Israel, if they had judged Egyptian policy solely on the basis of public statements by Egyptian leaders from the

/ establishment

establishment of Israel onwards? Our policy is based on the belief that a peace settlement can be negotiated on terms which both Israelis and Palestinians can freely accept and that this is ~~indeed~~ the only basis on which lasting peace will be possible. If such a settlement is to be negotiated, ^{how} can the PLO be ignored? ~~There is little doubt that~~ ^{clearly} the organisation has support among the Palestinian people, both inside and outside the occupied territories. There are no other Palestinian representatives, credible or otherwise, to be found at present. ~~What~~ ^The European Council statement ~~does is, therefore, to~~ acknowledge the present reality that if the Palestinians are to take part in negotiations, ~~as they surely must if lasting peace is to be achieved, then~~ the PLO will in some way have to be associated with this process.

~~What~~ ^The European Council statement does not ~~do is to~~ encourage the PLO in unacceptable policies. It makes quite clear that the PLO, like all other concerned parties, must respect the principles of a negotiated settlement. A cardinal principle ~~of such a settlement, as the Nine's statement reaffirms,~~ is the right of Israel to existence and to security. We take every possible opportunity to urge the PLO to ~~take the step of accepting~~ ^{this principle} ~~Israel's right to live in peace, and~~ we shall continue to do so. There can be no possibility of negotiating a settlement if the Palestinians, including the PLO, do not at some stage accept ~~this right~~ fully, openly and sincerely ^{Israel's right to live in peace.}

We are under no illusions about the difficulty ~~of the task~~ of bringing this about. But there is no alternative to the attempt. To dismiss the PLO out of hand will ~~not~~ ^{neither now} bring peace ^{or} an end to terrorism, ~~any closer.~~ There are Palestinians who have shown signs of readiness to accept compromise based on co-existence with Israel. They must be encouraged. // ^{But} ~~And~~ Israel, too, will have to moderate her position if peace is to be possible.

^{It is not easy}
~~I find it very difficult~~ to reconcile the continuing expansion of settlements in the occupied territories and Israel's claim to ultimate sovereignty over the West Bank and Gaza with the principle of Israeli withdrawal embodied in Resolution 242, ^{This Resolution} ~~which~~ is regarded by the Nine and more widely as indispensable for peace and, of course, forms part of the basis of Camp David. ~~May I take this opportunity to appeal to you once more to put a stop to this process.~~ Nothing could contribute more to the establishment of an atmosphere of goodwill and confidence in the area ^{than an end to the process of settlement.}

I welcome your commitment to continue the autonomy negotiations with good will in order to reach an agreement. We continue to wish these talks well and to hope that an autonomy agreement can be reached capable of attracting Palestinian support.

Finally, you refer in your letter to Israel's defence needs and the refusal of supply of certain items of equipment. I have looked into the circumstances but

/ regret

regret that I have nothing to add to the answers already given to your Government on these items. If there are however any particular points on which you require further clarification, might I suggest that our respective officials discuss them? We look at every decision on arms sales on its merits. ~~We take into account, for instance, not only Israel's legitimate security needs but also the presence and activities of Israeli forces in the Lebanon.~~ But ^There is no bias against Israel.

I hope we can remain in touch. As I said in my message of 14 June, we must work together. ^{Otherwise} (We will achieve nothing, ~~by working against each other.~~

NOTE: ARMS SALES TO ISRAEL(1) Scorpion Light Tanks

No decision has been taken to refuse supply of Scorpion light tanks to Israel. Last year the Israelis asked for the loan of 2 or 3 Scorpion tanks for 3 - 6 weeks for evaluation purposes. We raised no objection to this at official level on the understanding that Ministers would have to be consulted if any question of eventual supply were to arise and that no commitment to supply could consequently be given. But Alvis, the manufacturers, equivocated. MOD believe them to be unwilling to supply vehicles for fear of the repercussions for their Arab customers; whatever the truth of this, they have avoided a firm decision one way or another. Since the Israelis pressed for a reply, MOD told them in November 1979 that there was no prospect of the manufacturers having the capacity to produce vehicles for loan, or by implication for supply, and that this situation was likely to continue for some time.

(2) RB 199 Engines

The Israelis asked some time ago for technical discussions of the Rolls Royce RB 199 engine which they were considering incorporating into a new planned Israeli-built fighter. The Secretary of State considered this request in May last year and concluded that we should avoid becoming committed to the supply of major military items of this sort to front line states in the Middle East. While on occasions exceptions might be made to this rule (eg tanks for Jordan), Israel's arsenal was already formidable and she has access to the most sophisticated types of American aircraft. Rolls Royce were also reluctant to engage in technical discussions or to be pressed to sell the engine to Israel for fear of jeopardising their substantial commercial interests in the Arab world. It was therefore thought wrong to agree to technical discussion if eventual supply was unlikely to be agreed. The RB 199 has been developed to power Tornado (MRCA) aircraft. After we had consulted our two partners in this project, Italy and the FRG, the Israelis were told that all



three Governments agreed that eventual sale of this engine would present serious difficulties in relation to their policy on arms sales to the Middle East, and that it was consequently not possible to agree to technical discussions.

(3) Laser Range-Finders

Ministers decided last August to refuse sale of laser-finding equipment against the background of Israel's continuing unhelpful policies in South Lebanon, in particular the constant artillery and other attacks on targets there. Equipment of this type, which improves the effectiveness of artillery, could have been used to good effect. The Israeli Ambassador here has already appealed against our refusal to supply laser range-finders. We have explained our reasons to him.

We doubt that Israel's defence capability is seriously hurt by these refusals. They can obtain most of their needs from the US, which is their major supplier of armaments (eg they are now reported to be negotiating with General Electric for co-production of the F404 engine for their new fighter). Mr Begin is primarily making a debating point and the Prime Minister will wish to avoid being drawn into detailed discussion. But this underlines the difficulty of obtaining Israeli confidence if we are too restrictive in the field of defence supplies. Officials are currently looking into whether there are any areas where, without detriment to our overall policy, we can be somewhat less restrictive.

Foreign and Commonwealth Office

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