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20 November 1980

EUROPEAN COUNCIL, LUXEMBOURG

1/2 DECEMBER 1980

POLITICAL COOPERATION

Brief by Foreign and Commonwealth Office

Briefing on Political Cooperation subjects is provided as follows:

- ANNEX A Middle East
- ANNEX B Iran/Iraq
- ANNEX C East/West relations
- ANNEX D Europe/United States relations
- ANNEX E Korea: trial of Kim Dae Jung

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ANNEX A: MIDDLE EAST
REVISE

Objectives

- i) Agreement that systematic contacts with the parties should be resumed on the basis of the Working Group report.
- ii) Agreement on a short statement demonstrating the Nine's continuing concern and determination to contribute to a settlement without revealing details of the Nine's current ideas.

Points to Make

1. Clearly not auspicious moment for major new initiative (Iran/Iraq war, new US Administration, future Israeli elections). But Nine must not give impression that they have lost interest.
2. Nine must seek to influence new US Administration towards a policy with which we can work. Nine's role must be independent but complementary.
3. Working Group report provides basis for further contacts with the parties. Major areas of uncertainty are methods of self-determination and transitional arrangements. Must aim to test out ideas, which will otherwise remain academic. But must also remember that basic goodwill and acceptance of rights still do not exist on either side.
4. Presidency should take the lead in these contacts. [If appropriate] Constant problem of continuity could be eased by establishment of a small group - Troika
5. Detailed new statement now would alienate those with whom Nine must work. Must say enough to convince that we are serious, but without breaking new ground.

/Background

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Background

6. The English version of the report of the Middle East Working Group on the practical implications of the Venice principles is attached. It is long and reflects in full the difficulty of drafting concisely and elegantly à neuf. But it contains a good deal of substance, much of it delicate. A short guide to the main ideas contained in it is also attached. The report demonstrates the extent to which the Nine are now able to agree on the possible shape of an eventual peace settlement. It is a document strictly for internal use only. It is not intended to be in any sense a peace plan in itself but to elaborate practical ideas in some detail and point to areas of uncertainty. It has been broadly endorsed by Foreign Ministers.

7. There is general agreement that the Nine are not currently in a position to make a specific initiative and that in any case the circumstances are particularly unfavourable at present. It is also agreed that it is important to try to influence US policy at an early stage before it becomes too firmly established. In the meantime, the Nine should continue to work on their ideas. The report will inevitably remain an academic exercise unless the material contained in it can be discussed with the parties, without necessarily committing the Nine to a particular view. It is therefore proposed that systematic contacts with all the parties, which have been in abeyance since the end of the Thorn mission, should be resumed. This may disappoint the Arabs as being no more than a repeat of the Thorn mission but will be a concrete demonstration of the Nine's determination to remain active despite the uncertainty in US policy and the new problems posed by the divisions in the Arab world.

8. The question of how the contacts should be carried out may be problematical. The Dutch (Presidents from 1 January) have said that they will do everything necessary to carry out

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any contacts agreed on (eg their ministers will talk to the PLO) and have made very clear their desire to be left to carry them out in their own way. The French suspect that the Dutch will lack credibility in the Arab world and will try to dodge some of the more delicate issues inevitably involved. They have therefore proposed a small permanent group of experts to assist the Presidency. This picks up ideas which we had put forward earlier, but it is difficult to support the French proposal in the face of very strong Dutch views. We explored bilaterally with the Dutch the possibility of an arrangement which would associate the past and future Presidencies (ie from 1 January Luxembourg and ourselves) with the Presidency (the so-called Troika formula) in carrying out the contacts. They were strongly opposed. Nevertheless, if the French persist with their proposal, the troika may prove a useful compromise.

9. The Council will need to make a public statement in one form or another. We have argued that this should be reasonably short and in essence do little more than reaffirm the Venice principles, refer to the Thorn mission and subsequent detailed work, and announce the resumption of contacts. An initial Presidency draft (attached), based on a draft given privately to them by us, was generally acceptable, except to the French, who produced their own more explicit text (attached). (The French language versions of these drafts are also attached, together with a copy of the original Venice Declaration.) The Presidency are to circulate a fresh draft taking all views into account before the Council meets.

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Luxembourg, 20 November 1980

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LUXEMBOURG REPORT ON
THE PRINCIPLES OF THE VENICE DECLARATION
ON THE MIDDLE EAST

CONTENTS:

- INTRODUCTION
- WITHDRAWAL
- SELF-DETERMINATION
- SECURITY IN THE MIDDLE EAST:
CONDITIONS AND GUARANTEES
- JERUSALEM
- ANNEX: LEBANON

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Introduction

In accordance with the instructions of the Foreign Ministers on 15 September, the Political Committee, during its 100th meeting on 7 October, instructed the Middle East Working Group to give tangible form to the principles of the Venice Declaration and to pinpoint questions suitable for further discussion before the next European Council.

The Working Group based its report, with a view to a comprehensive settlement, on the two fundamental principles laid down in the Venice Declaration: the right to existence and to security of all the States in the region, including Israel, and justice for all the peoples, which implies the recognition of the legitimate rights of the Palestinian people. The Group concentrated on the questions of substance posed by the Arab-Israeli conflict and not on the procedural aspects of negotiations intended to lead to a settlement. However, the Group is aware that, if all the problems, i.e. questions of both substance and procedure, were to be considered, account must be taken of the development of the Middle East situation (including the state of the negotiations arising from the agreements signed by Egypt and Israel in March 1979) and of the fact that the agreement of all the parties concerned is essential for a comprehensive settlement.

As the President-in-Office of the Council of Ministers made clear in his speech to the 35th UN General Assembly, "It is pointless to seek to resolve these two problems (that of Israel and that of the Palestinian people) independently. That is why the Nine believe that Israel must demonstrate clearly its intention to put an end to the territorial occupation which it has maintained since 1967 ... In parallel the Arab countries and the Palestinians should recognize explicitly Israel's right to exist."

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In its work on the present report the Working Group has taken account of the results of the contact mission undertaken by the President-in-Office of the Council.

The report is based on the two fundamental principles referred to above and centres on the following key points of the Venice Declaration: withdrawal, self-determination, security and guarantees, Jerusalem. An annex deals with the question of Lebanon.

It is understood that the vital link which exists between these elements constitutes a crucial point of any comprehensive settlement. The establishment of a general climate of confidence between the parties would be a prerequisite for the acceptance of this link by the parties concerned. The Group believes that the Nine should give particular attention to this point. To this end it would be useful to sound out the parties on their political desire to recognize each other's rights to existence and security. The soundings should also cover, where necessary, the key points dealt with in this report (withdrawal, self-determination, security and guarantees, and Jerusalem).

In the view of the Working Group, the report, which is a working document for internal use, is intended to clarify for the European Council the problems posed by the application of the principles contained in the Venice Declaration, with a view to the future activity of the Nine and any initiative they might take.

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SECTION I

WITHDRAWAL

The demand for withdrawal from the occupied territories, which is a prerequisite for any peaceful solution, has unanimous support in the international community. For the Arabs it represents a deeply felt demand for justice.

It is withdrawal which, in the context of a comprehensive settlement and on the basis of Resolution 242, can reconcile the two fundamental rights, i.e. that of Israel to existence and to security and that of the Palestinian people, which is conscious of its existence as such, to exercise fully its right to self-determination under the terms of the peace settlement.

The conditions for withdrawal and the guarantees accompanying it would be negotiated by the parties concerned. These negotiations should, at the same time, lay down a timetable for withdrawal, specify the territories to be evacuated and decide on the transitional authority which would be required to take control of the territories as they are evacuated. In order to reduce the risks of breakdown, the negotiations should preferably cover all these points simultaneously.

I. Beginning of negotiations

The starting point is the will and desire of the parties concerned to reach, through negotiations, mutual recognition of their rights to existence and to security.

They would recognize, in particular, that negotiations require the renunciation of force and of the threat of the use of force, as well as

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of all acts of hostility. This would create the atmosphere of trust essential to the furtherance of the negotiations.

At the same time or at a later stage in the negotiations, a Security Council resolution could usefully assist the negotiations by marking the agreement of the international community and the parties concerned on the mutual and balanced obligations between the parties. (Right of all the countries in the region, and in particular Israel, to live in peace within secure, recognized and guaranteed borders; right of the Palestinian people to self-determination within the framework of the peace settlement.).

II. The parties concerned must agree on a timetable for withdrawal.

The international community would be required to monitor its implementation.

1) The withdrawal would take place in stages, following a timetable and procedures established by the negotiations. A transitional period is therefore essential. The timetable would be a security factor for each of the parties since it would permit monitoring, at each stage of the withdrawal, of each other's honouring of their obligations: there would be a parallelism between the withdrawal and the progressive normalization of relations between Israel and its neighbours, which would reinforce the atmosphere of mutual trust. This is what happened between Egypt and Israel.

The implementation of the first stage of the withdrawal presupposes that the parties are agreed on the principles of a settlement, in particular on guarantees and security measures. Several stages for the withdrawal would be advisable. To ensure the credibility and momentum of the process, it would also be advisable for substantial withdrawals to take place sufficiently soon after the initial implementation of the

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agreement. (The whole of the withdrawal period should not exceed 2 years). (The overall withdrawal period will need to be short enough to be acceptable to the Arab side but at the same time long enough to allow the progressive development of trust on the Israeli side. The Nine cannot at this stage recommend an appropriate length for this period).

The question arises of the advisability of 'security points' in the evacuated areas (cf. the Five's plan for Namibia). This possibility cannot be ruled out, during the transitional period and provided it were acceptable to the Arab countries and the Palestinians. At the end of the transitional period, these security points would be removed, in the light of the guarantees and bilateral and multilateral security measures established.

- 2) The international community would be required to impose sanctions in the event of non-observance by either party of the different stages of the withdrawal

Several formulas as possible:

- The UN Secretary General could be asked to prepare a report on the implementation of the timetable.
- One or more bilateral or multilateral commissions could be set up to monitor the parties' honouring of their mutual obligations and to report to the Secretary General or to the Security Council.
- The Security Council would be required, in the last resort, to decide the arrangements and measures which would be necessary if one of the parties did not honour its commitments.

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III. The parties should also agree on the territories from which withdrawal should take place.

Security Council Resolution 242 of 22 November 1967 remains in this respect the only point of reference generally accepted by the international community. It stresses the 'inadmissibility of the acquisition of territories by war'. It provides for the 'withdrawal of Israeli armed forces from territories occupied in the recent conflict'. ("retrait des forces israéliennes des territoires occupés lors du récent conflit")

It follows that the Israeli armed forces should withdraw to the borders obtaining on 4 June 1967, on the understanding that minor territorial adjustments could be made on either side insofar as these could be mutually agreed by the parties. The possibility cannot be excluded of the negotiation of a continued Israeli military presence for agreed periods in particularly sensitive areas after the end of the period laid down for the withdrawal. This would be without prejudice to the question of final sovereignty over these areas.

The application of Resolution 242 raises two problems in particular: the settlements and Jerusalem.

1) Settlements

The Venice Declaration states that the settlements, as well as modifications in population and property in the occupied Arab territories, are illegal under international law.

During the transitional period there should be a freeze of the settlement process, covering the creation of new settlements and the development of existing ones.

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Transitional arrangements, involving different phases, would be necessary as a prelude to the final resolution of the settlements problem. As far as their definitive future is concerned, the peace treaty between Egypt and Israel, which provides for the dismantling of the Sinai settlements, constitutes a precedent. Nevertheless, a distinction may be possible, particularly in the West Bank, between very old settlements predating the establishment of Israel and newer ones which, in contrast to the former, appear as the manifestation of Israel's desire to maintain its presence for an indefinite period in, and to claim sovereignty over, the occupied territories. The former could remain. For this purpose a special status would need to be worked out, for the settlers rather than for the land settled: some settlers would be allowed to remain in Palestinian territory. They would retain Israeli nationality and would therefore have the status of foreigners, but this status could be modified somewhat. The settlers should in any event be able to choose between the different possible nationalities. This question should be resolved in the context of the negotiations, with the possibility of a link being established at some stage with the position of the 600 000 Palestinian Arabs living in Israel.

2) Jerusalem

The principle of withdrawal applies to East Jerusalem. The application of this principle is particularly difficult in this case. The problem should be resolved in the context of the status of Jerusalem, which should be negotiated between all the parties concerned and should in particular guarantee freedom of access to the Holy Places (see Section IV of the report).

IV. The final hand-over of the territories will not take place until the end of the transitional period, depending on the results of the Palestinians' self-determination. It will therefore be necessary to decide on a transitional authority which would be required to take control of the territories as and when they are evacuated. The designation of this authority is therefore an equally vital aspect of the negotiations. It has considerable significance for the implementation of withdrawal.

Various solutions are possible:

- The United Nations: this is a formula envisaged by the PLO and Jordan: the territories would be handed over to the UN, probably to the Security Council. In this case an interim administration, established under the aegis of the UN, could draw on UNWRA personnel. However, this formula would risk running into an Israeli refusal to accept direct UN control. Its functioning could also in practice be disrupted by disagreements among Security Council members.

- Jordan: some Arab leaders do not rule out this arrangement. It could be contemplated if there was a consensus between the Palestinians on both banks of the Jordan, giving priority to an end to the occupation on the understanding that the future of the territories would be finally decided at a later stage. Jordan for its part could no doubt agree to such a formula if it could be assured of a measure of support from the Arab countries and at least the assent of both the Palestinians and the PLO. However, a territorial compromise on the lines envisaged by the Israeli Labour Party (Allon Plan) is not acceptable to the Arabs.

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- The inhabitants of the occupied territories: an administration composed of mayors and other leading citizens would be set up to run the territories until the implementation of self-determination. This would be a form of autonomy.

- A mixed formula: the administration of the territories would be entrusted to a body composed of representatives of Jordan, the Palestinians (PLO and inhabitants of occupied territories), and even Israel. It would be placed under the authority of the UN. A solution of this kind, which would leave open the results of self-determination, i.e. the future of the territories, should be more acceptable both to Israel and to the Arab countries and Palestinians.

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SECTION II

SELF-DETERMINATION

The Palestinian people must be placed in a position, by an appropriate process defined within the framework of the comprehensive peace settlement, to exercise fully its right to self-determination. The implementation of the right to self-determination presents particular difficulties in the case of the Palestinians, since there is no agreed definition of the Palestinian people and of the territories whose future is to be determined. In the view of the Nine the territories in question consist of the occupied territories of the West Bank and Gaza. The question of the definition of the Palestinian people is considered below. There is also no agreement on the details of how the Palestinians should exercise their right to self-determination. The Arabs themselves, including the Palestinians, appear to have given it little practical thought, arguing that it is an internal matter for the Palestinians themselves. While this position may be sound in principle, in practice if sufficient confidence in future security to make possible Israeli withdrawal is to be established, an outline will need to be agreed in negotiations. The practical aspects of self-determination, discussed below, are an area which it would be particularly useful for the Nine to explore in contacts with the parties concerned, the basic questions being:

- I) Which Palestinians should be consulted?
- II) How should they be consulted? and
- III) When?

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While there seems little doubt that the PLO and the Palestine National Council enjoy the support of a large proportion of the Palestinian people, a wider electoral consultation is nevertheless necessary to enable the Palestinian people fully to exercise their right to self-determination. It is unrealistic to think of only the present inhabitants of the West Bank and Gaza being allowed a say, or to imagine that the whole of the Palestinian diaspora could be involved on an equal basis. The Palestinians, who are currently estimated to number between 3.5 and 4 million, can be roughly divided into five groups (although there is considerable overlap between them):

- I) The present inhabitants of the West Bank and Gaza (approximately 1.1 million)
- II) The refugees from 1948 registered with UNWRA (approximately 1.4 million, of whom some 0.5 million remain in camps)
- III) The displaced persons of 1967 (approximately 0.3 million, of whom an unknown proportion remain in camps)
- IV) Palestinians living and working in Arab countries outside the immediate area or elsewhere, who are more or less integrated into the societies in which they live (approximately 0.6 million)
- V) The Palestinian inhabitants of Israel (approximately 0.6 million) who have Israeli citizenship and pose a special problem.

It should be noted that approximately 1.1 million Palestinians are part of the population of Jordan, some of them in camps, and that 0.4 million live in Lebanon.

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Whatever method is used to test the views of the Palestinians, and whatever criteria are devised to allocate rights to the various groups, the interests of the inhabitants of the West Bank and Gaza must be fully protected: they will form the majority in the new Palestinian entity, whatever its ultimate population. Their broad consent to its future political form will be needed.

It follows that the allocation of voting rights amongst the various groups is connected with the problem of the resettlement of Palestinian refugees in the West Bank and Gaza.

RESETTLEMENT

While the capacity of the West Bank and Gaza to absorb extra population is inevitably limited, peace will need to involve provision for the settlement there of a significant number of Palestinians currently in exile. A large proportion of the diaspora, particularly those working in Arab countries outside the immediate area, may have little desire to settle in this way (although they will wish to retain at least the theoretical right to do so and to have a form of citizenship involving at least provision of a passport). Nevertheless, the numbers wishing to live in a new Palestinian entity are likely to be considerable.

A system will need to be devised to regulate the rate of resettlement in the West Bank and Gaza during the transitional period (depending on the economic circumstances of the territories following Israeli withdrawal). It is not possible to lay down in advance from outside the details of such a system, but it would need to include:

- a) an upper limit for the numbers allowed to settle during the transitional period;
- b) strict criteria to establish those eligible to settle and a priority between them;
- c) the establishment of an authority to administer resettlement in general if the overall transitional authority were not to perform the task itself. In the latter case the relationship between these two authorities would need to be defined but would necessarily be close. UNWRA's experience could be used.

The resettlement of Palestinians after the end of the transitional period need not necessarily be defined in advance. This would be the responsibility of the authorities of the new Palestinian entity, in accordance with normal international practice.

ECONOMIC AID

Both during the transitional period and afterwards, large-scale economic aid would be needed. An obvious source would be the Arab States, but Western and other States as well as appropriate international organizations are also likely to be called on to contribute. The new entity would not be economically self-sufficient for a lengthy period, if ever, but need not be more dependent in the long term on outside aid than other comparable small States, including some in the immediate area.

Economic aid would also be needed to tackle in some measure the problems of compensation and of resettlement and integration for Palestinians unable or unwilling to settle in the West Bank and Gaza. A special fund could be set up for this purpose. Resettlement would take place principally in the countries where those concerned now live, but account would need to

be taken of special considerations, such as the effect on the political balance in Lebanon. Consideration might also be given to resettlement of refugees in other countries prepared to accept them.

PROCEDURES FOR SELF-DETERMINATION

As far as the exercise of the right to self-determination itself is concerned, two main formulas can be envisaged:

- I) the election of a consultative assembly
- II) a referendum.

Whatever procedure is adopted the Palestinians would choose between various political options: wholly independent state, self-governing territory linked to Jordan in a federal or confederal relationship, entity linked to both Jordan and Israel.

The establishment of a democratically elected consultative assembly can be envisaged. This might provide a useful intermediate stage in the self-determination process. The electoral system would need to be carefully considered. The assembly could organize a referendum and define the terms of the choice. Depending on the results of the referendum this assembly could become a constituent assembly.

It is possible that the assembly could, without a referendum, itself decide between the various options. However, this procedure might have less political impact than holding a referendum.

A referendum would have considerable weight. Electoral methods would need to be considered in detail: in particular, while as great a number of Palestinians as possible should have the opportunity to express their views, a weighted system of voting would need to be devised, taking into account the various categories of Palestinians identified above to ensure that the result of a referendum would be broadly acceptable to those living in the territories. The terms of the choice to be presented in the referendum would need to be defined. For example, the different options could be determined by a procedure fixed by the Security Council and applied by the Secretary General in agreement with the transitional authority.

In any of the above options it would be necessary to define precisely the role and responsibilities which would fall to the transitional authority: organization of elections, administration, security. Its role would clearly be more important in the second of the options set out above. Whatever procedure is adopted, the timing of the process of self-determination would need to be agreed in the context of the negotiations. The timing would have significance for the outcome of the process.

RIGHT TO RETURN

The right of return poses a particular problem. UN resolution 194 (III), passed by the General Assembly in 1948, accepts the right of the Palestinian refugees to return to their homes if they choose or to receive compensation if they do not wish to do so. This resolution had Western support and is still valid. The right to return cannot be easily denied in principle by the Nine. Its application must be subject

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to negotiated agreement between the parties. In practice it must be doubtful in all the circumstances whether more than a small number of Palestinians will wish or be able to return to Israel proper.

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SECTION III

SECURITY IN THE MIDDLE EAST

Conditions and guarantees

Security is one of the essential conditions for a just and lasting peace, and the need for security is a major concern for all the countries of the region. In Israel, this need goes beyond a strictly military concept and takes the form of a deeply felt desire to be accepted by its Arab neighbours.

It therefore follows that security will be one of the fundamental elements in any negotiations: security guarantees must be negotiated by the parties concerned, accepted by them and not imposed.

Security is born of reciprocal political commitments and technical guarantees, the two being closely linked. It presupposes also that the international community, including the Nine, plays its role to the full.

I. There cannot be a lasting peace without political commitment

1. There must be parallelism between political commitments of an increasingly binding nature and the timing of the withdrawal. Peace is not simply the end of the state of war, but the desire of the parties to live in peace. Resolution 242 establishes a close link between this desire for peace and the end of territorial occupation. ("The Security Council ... underlining the inadmissibility of the acquisition of territory by war and the need to work for a just and lasting peace allowing each state of the area to live in security").

The political commitments could include:

- an end to all declarations and states of belligerence;
- respect for, and mutual recognition of, the sovereignty, territorial integrity and political independence of each of the parties;
- respect for, and mutual recognition of, the right of each of the parties to live in peace within secure and recognized borders;

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- the renunciation by the parties of the use of force and the threat of such use;
- the responsibility of each party to take all necessary measures, according to a timetable still to be fixed, to ensure that no act of hostility or interference originates in, or is committed from, its territory against the people or the property of the other party (e.g. hostile propaganda, armed incursions, acts of terrorism, boycotts, obstacles to the free movement of people and goods, appropriation of water resources);
- the commitment of the parties to establish, according to a timetable still to be fixed, normal peaceful relations with their neighbours: political, economic and involving cooperation.

2. The recognition of borders is an essential political commitment being an important element of mutual recognition.

- Mutual recognition of borders by the parties must form part of any negotiations. This naturally presupposes the recognition by the parties concerned of their mutual rights to existence and security. It is in practice closely linked to the elements of negotiations: the end of territorial occupation and the rights of the Palestinian people. Mutual recognition of borders is an essential guarantee of security for the parties concerned, but secure and recognized borders cannot include occupied territories. This recognition can thus be considered as one of the gains which Israel would receive in exchange for withdrawal and the implementation of the Palestinians' right to self-determination. This link between the different elements of the peace settlement was brought out clearly in negotiations between Egypt and Israel: there is a clear parallelism between the withdrawal and the timetable for withdrawal, on the one hand, and the progressive normalization of relations between the two countries on the other.

The mutual recognition of borders between Israel and its neighbours will therefore have to form part of the process to be defined by the comprehensive peace settlement. This raises the question of the timetable for withdrawal and the definition of borders which should be based on Security Council Resolution 242 (see Section I)'

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- The international community will also be required to recognize the borders thus agreed.

In according recognition to the borders between Israel and its neighbours, the Security Council will give to both sides an assurance not accorded to any other UN member. This recognition should be based on the resolution of 11 May 1949 admitting Israel to the UN.

II. Security guarantees are an essential condition for the normalization of relations between Israel and its neighbours.

Respect for political commitments is closely linked to the implementation of guarantees on the ground. A whole range of technical measures is available and it will have to be decided whether a choice needs to be made from this range, and if so, how:

1) Demilitarized zones

These are provided for in Resolution 242 and should be established on both sides of the borders in the West bank, Gaza and Golan. Their extent and status will have to be decided in the negotiations. Their depth would depend on the relative importance of the territories in question and the different types of zone status:

- buffer zone with contingents of international forces (this could be continuous or discontinuous);
- totally demilitarized zone, with international observers present;
- zone involving graded restrictions on personnel, weaponry and the movement of military or paramilitary forces which could be stationed there.

Other measures would cover:

- the control and limitation of, if not a ban on, military planes and ships;
- the control and limitation of, if not a ban on, construction of military air bases and ports and their use.

2. Limitation or reduction of forces

There are two possibilities here: either general measures to limit or reduce armaments, or zones - other than the demilitarized zones - subject to special administration agreed by the parties on the quantitative or qualitative limitation of arms. These measures should be extended to nuclear weapons.

Limitation of forces would also be achieved through a commitment on the part of arms-supplying countries to oppose the development of the arms race in the region (by way of bilateral or multilateral agreements).

3. Monitoring systems

The process of demilitarization should include an early warning system to facilitate the detection of movements of land, sea or air forces, and other monitoring systems covering land, sea and air forces.

4. Confidence building measures, Mutual information and consultation system.

These measures, of an essentially military nature, should provide particularly for a prior notification procedure for all movements of land or air forces as well as a reduction in the scale of manoeuvres, mobilization exercises and movements of forces (men and equipment).

These measures would complement the arrangements regarding demilitarized zones and would contribute to the creation of a zone of peace.

The choice to be made from this range of measures raises two major problems:

- The difficulty of balancing guarantees in such a way they apply not only to the West Bank and Gaza but also to a very narrow strip of Israeli territory, given the narrow extent of this territory and the probable opposition of Israel. A significant degree of demilitarization will be necessary in the whole of the West Bank and Gaza if peace is to be achieved. It would be unrealistic to imagine that such measures could be matched by similar measures in Israel.

- The difficulty of the small area of the future Palestinian entity, which means that a choice has to be made between the different types of demilitarized zones (graduated zones would be impossible).

III. A commitment on the part of the international community must be entered into an agreement with the parties concerned; this will involve defining the international community's responsibility at multilateral and bilateral levels (E.G. United Nations, individual contributions, the Nine).

1. It is the responsibility of the international community to guarantee the peace settlement.

- A guarantee of the peace agreement would consist of the endorsement of the Security Council of the documents which would be deposited at the UN. Ratification by the Council would take the form of one or more resolutions once the agreements were deposited and before the implementation phase got under way .

The Council should certify that the peace settlement was not obtained by forces in contradiction to UN principles. In the absence of this, the peace settlement could in practice be attacked later by one of the parties as having no legal force under international law.

- As far as the settlement of differences is concerned, only major violations of the agreements would be referred directly to the Security Council, in which case it would be able to decide what measures were appropriate. By virtue of Article 29 of the Charter, one or more subsidiary bodies could be created to receive the complaints lodged by the parties. They would then pass on to the Council any difference which they could not settle themselves.

2. It is also the responsibility of the international community to assure the implementation and proper functioning of the guarantees on the ground

An international force is essential, and should be placed under the responsibility of the Security Council, which would decide on its creation, continuation or withdrawal. The establishment of such force would be linked to the Security Council resolution which would constitute the basis of the peace settlement .It could not be withdrawn without a new Council resolution and not before a minimum period of 5 years (a repeat of the events of 1967 must be avoided.).

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This force, whose size would be determined by the Council, would be composed of contingents from different countries. It could be placed under the command of a general staff designated by the Council.

The international force, whose mandate would have to be clearly defined, would have a dual task:

- observation and monitoring (observing compliance with the terms of de, militarization and monitoring the withdrawal);
- interposition between the sides in a buffer zone.

3. Bilateral or multilateral guarantees, outside the U.N. framework could also be considered.

These would be necessary in view of the suspicions which either side may entertain towards UN guarantees, and could take various forms , e.g.

- guarantee of the peace agreement itself;
- participation in a multinational peacekeeping force;
- commitment to limit the supply of armes to the Arab countries and Israel;
- guarantee by the principal maritime powers of respect for freedom of navigation in international waters (Strait of Tiran, Gulf of Aqaba);
- bilateral guarantees (possibly).

4. Role and responsibility of the Nine.

The Nine believe they have a special role to play in maintaining peace in the Middle East. They are ready to participate in specific and binding guarantees, including guarantees on the ground. Their involvement could take various forms

At the UN: active support by the Nine for the peace settlement guaranteed by the Security Council and participation in subsidiary bodies set up to deal with certain questions (e.g. settlement of differences, freedom of navigation).

Outside the UN framework: (see (iii) above).

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On the ground, participation of national contingents, (made available for these purposes,*) in the UN force. The possibility of various specialist European contributions could be studied and a concerted approach should be established. Study of the functioning of UNIFIL (in which France, the Netherlands, Ireland and Italy participate) would be very useful.

Economic, industrial and financial guarantees designed to encourage inter-regional cooperation, which would constitute the best possible evidence of the desire for peace on all sides. The European Community could, on the basis of the agreements which already exist between the Community, Israel and other countries of the Middle East, formulate a development plan for the whole of the region, including Israel. The principal aim of this plan would be to facilitate the integration of the Palestinians in the region, particularly in the West Bank and Gaza, and to encourage cooperation between the Palestinian entity and its neighbours. Initially, it could be coordinated with the UNWRA, and would consist essentially of infrastructure projects (e.g. construction of houses, schools and roads, agricultural development and irrigation works).

This plan would necessitate EC expert missions being sent out at the appropriate moment.

* (made available on the basis of national legislation)

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SECTION IVJERUSALEM

Although the question of Jerusalem is one of the elements in the wider Arab-Israeli dispute, there are certain aspects which give it a character of its own and make it stand somewhat apart from the rest. Among other things, it is characterized by a multitude of factors of an emotional and religious - as well as a political - nature. This explains why some feel that the question of Jerusalem should be excluded from the initial phase and left to be tackled at a later stage. However, others feel that, because of the complexity of the specific problem of Jerusalem, the reverse should be true: in other words, the most difficult problem - Jerusalem - should be tackled first of all in an attempt to remove one of the major obstacles to peace.

Disregarding for the time being the choice of the most opportune moment for consideration of the problem of Jerusalem, it is worth going into the various aspects of the problem in more detail to give some tangible form to the principles the Nine have espoused on this point. Clearly, the question of Jerusalem cannot be side-stepped by viewing it as part of the comprehensive settlement the Nine advocated in Venice. What is more, the importance of Jerusalem not only for the Arab countries but also for the whole Moslem world must be borne in mind with a view to furthering the process of reconciling Israel with its regional context.

The status of the city of Jerusalem in international law has not been clearly defined to this very day. Various resolutions passed by the United Nations General Assembly make specific reference to it, viz.

- No 181 of 29 November 1947, providing for the creation of a 'corpus separatum' under international control;
- No 303 of 9 December 1949, confirming the city's international status following its partition as a result of the Arab-Israeli War.

However, the majority of the UN Member States do not regard General Assembly resolutions as binding, unlike those passed by the Security Council. These latter resolutions refer simply to the 'special status' of Jerusalem without defining the term any further:

- No 252 of 21 May 1968;
- No 267 of 3 July 1969;
- No 271 of 15 September 1969

... right down to Resolution No 478 of 20 August 1980. The paradoxical conclusion from this is that, although the status of Jerusalem has not been clearly defined (as regards its nature and territorial application), it cannot be subject to unilateral changes. For this reason, the views of the international community should at any rate be taken into consideration.

In particular, the Nine's position on Jerusalem has been made clear by the views and attitudes adopted vis-à-vis specific developments. In particular, the Nine have not recognized:

- the partition of Jerusalem between Israel and Jordan (cease-fire agreement of 30 November 1948 - armistice agreement of 3 April 1949);
- the Knesset's proclamation of Jerusalem as the capital of Israel on 23 June 1950;
- the de facto annexation by Israel of the eastern part of the city in 1967. Most recently in their Venice Declaration, the Nine pointed out the need for Israel to put an end to the territorial occupation

which it has maintained since the conflict of 1967', this principle applying also to the eastern part of Jerusalem previously administered by Jordan;

- the basic law passed by the Knesset on 30 July 1980, proclaiming Jerusalem as the united and reunified capital of Israel.

The Venice Declaration stressed the special status of Jerusalem, recognizing the special importance of the role played by the city for all the parties concerned. The Nine stressed:

- a) that they would not accept any unilateral initiative designed to change the status of the city, and that
- b) any agreement on the city's status should guarantee freedom of access for everyone to the Holy Places.

The Venice Declaration also pointed out that 'modifications in population and property in the occupied Arab territories ... are illegal under international law'. This applies equally to Eastern Jerusalem.

Lastly, and in accordance with what was finally established by Security Council Resolution No 478 (1980), the embassies of the Member States of the Nine in Israel have been set up in Tel Aviv and not in Jerusalem.

It is worth noting that the three monotheistic religions traditionally enjoy equal rights with regard to the Holy Places. This is a particularly important point, and one which goes beyond the political aspects of the Jerusalem question.

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As regards the European effort outlined in the Venice Declaration, it is up to the Nine, whose civilizations are linked to the Christian tradition, not only to give tangible form to the principles they have formulated for an agreed solution to the Arab-Israeli conflict, but also to bring out their special interest in finding an equitable solution to the specific problem of Jerusalem and the Holy Places. It is important in these circumstances that an agreed settlement of the problem should give the various Christian denominations and their representatives and colonies in Jerusalem the guarantee of a status which takes more account of their interests.

Any equitable solution to the question of Jerusalem and the Holy Places necessarily involves concessions by both sides - and hence separations both in Israel and the Jewish diaspora and in the Arab and Moslem communities. An effort should be made, however, to reach a settlement which will enable public opinion on both sides to withstand the inevitable shock. This would mean excluding any formula purporting to resolve all the issues at one fell swoop; instead, preference should be given to solutions allowing for the deferment of basic decisions and decisions on sovereignty, concentrating instead on the practical problems of the civil administration of the city and freedom of access to the Holy Places.

A number of alternative solutions could accordingly be considered in principle:

- a) The internationalization of the entire city of Jerusalem, which would mean reverting to the 'corpus separatum' status of 1947. This solution does not, however, seem appropriate to the realities of the present situation.

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- b) A new plan for the straightforward partition of Jerusalem. This solution would boil down very largely to the restoration of the situation obtaining between 1948 and 1967, but giving it legal validity. It would encounter opposition, particularly from Israel, which currently occupies the whole of the city.
- c) A condominium involving Israel and the Arabs. This solution would imply joint sovereignty of the two sides, and would consequently presuppose the existence between the two sides of peaceful relations in a spirit of mutual trust; such relations do not at present exist.
- d) A solution which would not prejudice the final status of the city and which would involve joint administration without any physical divisions. This solution would in turn open the way for two alternative settlements:
- maintenance of the de facto unity of the whole of the city, without specifying the different areas of sovereignty;
 - a division of sovereignties existing merely on a map of the city, and with no significance on the ground.

In these two cases, Jerusalem would be governed by a municipal authority comprising locally elected representatives. A modus vivendi along these lines would enable both Israel and the Palestinians to regard Jerusalem as their capital and as the site of their respective institutions and administrations.

Similarly, the Holy Places could be placed under the exclusive administration of the religious authorities.

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e) The internationalization of the Old City. This would involve transferring the administration of the Old City (i.e. the whole area within the walls and including most of the shrines of the three religions) to a special representative appointed by the UN Security Council, for a number of years yet to be determined. This representative would exercise the full range of sovereign powers, but the parties would not be required to renounce their sovereign rights over the Old City. By emphasizing the religious aspect of Jerusalem, the Old City would acquire a character similar to that of the Vatican City. The same solution could apply to the religious sites outside the Old City, which could be subject to an extra-territorial form of government (as is the case in Rome for certain basilicas outside the walls of the Vatican).

A solution of this kind, compatible with the above hypotheses (c and d), could also involve a fresh partition of the whole urban area of Jerusalem - with the exception of the Old City - along similar lines to the situation obtaining between 1948 and 1967).

In this case, provision would have to be made for the creation of a body to ensure coordination and cooperation between the three authorities represented within the urban area of Jerusalem for the joint management of such municipal and social services as seemed to require it.

This solution would offer certain advantages to both the Arabs and the Israelis. Western Jerusalem would be accepted as the capital of Israel, while Eastern Jerusalem could become the capital of the Palestinian entity. However, the solution would require Israeli and Arab acceptance of the concept of partition.

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It is worth emphasizing once again that the problem of Jerusalem is the most emotionally charged of all the problems in the Middle East. In the circumstances, there can be no question at the moment of deciding what should be the final solution to the problem of Jerusalem. A solution cannot simply be imposed, but would have to be accepted by the parties concerned as a result of negotiations, would have to comply with the principles formulated by the Nine for a comprehensive settlement of the Arab-Israeli conflict and would have to be endorsed by the international community.

The solutions and alternative proposals put forward in this report may give food for thought as regards future contacts between the Nine and the various parties concerned.

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LEBANON

The problem of Lebanon is closely linked with the problems of the Middle East as a whole.

An analysis of the difficulties facing the Lebanese government shows that internal differences (which it is not up to the Nine to comment on) are aggravated by external factors connected with the continuing Middle East conflict and the lack of a solution to the Palestinian problem. Clearly, a solution to the Lebanese problem would be greatly facilitated by progress towards a comprehensive, just and lasting settlement to the conflict between Israel and its Arab neighbours.

The Nine have frequently affirmed their desire to see full respect accorded to the independence, sovereignty, unity and territorial integrity of Lebanon and to the authority of its government. This point was made in particular in Venice on 13 June, in Luxembourg on 15 September and in New York on 23 September by the Grand Duchy of Luxembourg's Minister for Foreign Affairs.

The Nine believe that any peace settlement in the Middle East should include, in particular, arrangements for guaranteeing the security of Lebanon's internationally recognized boundaries, which make up one of the elements of security in the region.

However, it would be dangerous to wait for such a settlement (which is bound to be preceded by a long and difficult phase of negotiation) before attempting to do anything to bring about a solution to the Lebanese crisis. As time goes by, the respective positions have a

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tendency to harden, and the gulf between the two to widen up to a point where, if nothing is done, the situation will become irreversible and will be bound to adversely affect the equilibrium of the whole region.

In this spirit, the Nine have at various times demonstrated their genuine desire to provide assistance to Lebanon. They support the work of the United Nations Interim Force in Lebanon (UNIFIL), in which several of them are directly involved. On a number of occasions, they have stressed that UNIFIL should be allowed to implement to the full the mandate assigned to it by Security Council Resolution 425. They have expressed very serious concern at the gravity of the situation in southern Lebanon and called on all parties to exercise the greatest possible restraint. To this end, they have made representations (individually and collectively) to the Israeli government and to other parties involved, such as Syria and the PLO.

In view of the persistently worrying situation in Lebanon, the members of the international community should persevere with their efforts regarding Lebanon in close cooperation with the Lebanese government. As far as the Nine are concerned, this could be done more specifically at the level of the United Nations:

- by giving favourable consideration to the requests from the Lebanese government to call a meeting of the Security Council;
- by way of actions designed to enable UNIFIL to fulfil its mandate;
- by studying the possibilities offered by a resumption of the activities of the Lebanese-Israeli joint armistice commission provided for by the armistice agreement between the two countries.

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These activities at the United Nations could be accompanied - as the circumstances require - by public declarations and diplomatic activity aimed at the parties directly concerned, as well as at other countries with an interest in maintaining peace and stability in Lebanon.

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LUXEMBOURG REPORT ON THE PRINCIPLES OF THE VENICE DECLARATION

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MIDDLE EAST: DRAFT PRESIDENCY STATEMENT

The Nine Heads of State and Government have fully reviewed developments in the Middle East, including the state of negotiations resulting from the agreements signed between Egypt and Israel in March 1979. They believe that rapid progress towards a comprehensive settlement of the Arab/Israel dispute is urgently required, and they remain convinced that the Nine have a particular role to play in search for such a settlement.

They deeply regret the current difficulties and divisions in the region, which can only complicate efforts aimed at a settlement.

The Nine reaffirm in their entirety the principles and aims set out in the European Council declaration on the Middle East issued in Venice on 13 June 1980.

On the basis of the Venice Declaration and in accordance with its paragraph 11, the President of the Council of Ministers established contacts with the parties concerned. The Nine express their gratitude for the cooperation and interest shown to the contact mission by all concerned. The results of this mission confirm them in their belief that the principles of the Venice Declaration form a basis for a just and lasting peace settlement, to be negotiated by the parties concerned. They therefore urge all concerned to accept these principles, taken together, and to signify their willingness to enter into negotiations in good faith and without preconditions.

The results of the European contact mission, together with the principles of the Declaration, have formed the basis for further work within the Nine aimed at clarifying and giving substance to the key issues associated with a comprehensive settlement. These include the need for reciprocal recognition of rights to existence

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and to security; practical problems associated with the need for an end to Israel's territorial occupation through arrangement agreed by the parties concerned; implementation of the Palestinians' right to self-determination (rights of representation, electoral methods); the practical aspects of guaranteeing security in the area in the context of a comprehensive peace settlement; and religious and political aspects of the Jerusalem question.

In the view of the Nine the essential link between these different elements constitutes a crucial part of any comprehensive settlement.

In order to explore these difficult areas further, and with a view to creating a climate in which eventual negotiations might more easily take place, the Nine will pursue their contacts with the parties further in the coming weeks and months. To this end, the Heads of State and Government have instructed the President of the Council of Ministers to continue and complete the soundings (contacts), taking account of the internal work of the Nine and developments in the situation.

[To this end, the Heads of State and Government have instructed Foreign Ministers to work out the mandate for the modalities of the soundings (contacts) which the Presidency of the Council is called upon to continue and complete, taking account also of the internal work in the Nine and developments in the situation. The Presidency of the Council of Ministers will report to the European Council's next meeting.]

The Nine therefore remain determined to contribute to a comprehensive settlement.

In this context the Nine renew their appeal to all the parties to refrain from all violent or other acts and all policies incompatible with efforts to reach a negotiated peace.

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The Nine are also convinced that the time has come for all concerned to abandon rhetoric and to engage in practical discussion of the problems involved. The Nine wish to encourage a wide-ranging and well-informed public debate about the way forward to a settlement. They are convinced that this will encourage the necessary climate of mutual trust. The Nine will contribute to this debate at every suitable occasion.

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FRENCH DRAFT OF STATEMENT OF THE EUROPEAN COUNCIL

I. The European Council has taken stock of the action taken by the Nine since the adoption of the Declaration of Venice.

The Council has heard the report of M. Thorn's mission with which he was charged on behalf of the Nine and in application of paragraph II of the Venice Declaration.

It noted that the mission brought out the great interest aroused by the position taken up by Europe and that it was in this respect a success.

Its results confirm that the Venice Declaration contains the necessary elements of a comprehensive, just and lasting settlement of the Middle East conflict.

They reinforce the determination of the Nine to contribute to the search for such a settlement.

In this spirit, the European Council approved the decision of the Ministers of Foreign Affairs to undertake consideration aimed at clarifying and giving substance to the Venice principles.

II. The European Council has considered in depth the report which the Ministers of Foreign Affairs submitted to them on this subject, covering the following sections: withdrawal from the occupied territories, self-determination of the Palestinian people, conditions and guarantees of security in the Middle East, Jerusalem.

The European Council is in broad agreement on the proposed approach. It has stressed that the measures provided for in these sections should form a coherent whole and therefore be carefully coordinated in the context of a timetable.

It has noted that different formulas were possible to give substance to the Venice principles, in particular on the duration of the transitional period preceding voting on self-determination,

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the definition of the provisional authority for the evacuated territories, the conditions and modalities of self-determination, and guarantees of security.

Before making its choice between these different formulas it has thought it necessary that new contacts should be undertaken with the parties concerned.

III The European Council has, in consequence, instructed the Ministers of Foreign Affairs to define precisely the list of interlocutors as well as the mandate and modalities of the contacts which will need to be undertaken to this end, under the aegis of the Presidency.

It has also asked the Ministers to pursue their considerations and to report to it at its session of

MOYEN-ORIENT

Les neuf Chefs d'Etat et de Gouvernement et les Ministres des Affaires Etrangères ont passé en revue les développements de la situation au Moyen-Orient, y compris l'état des négociations résultant des accords signés entre l'Egypte et Israël en mars 1979. Ils estiment que des progrès rapides vers un règlement global du conflit israélo-arabe sont indispensables et ils restent convaincus que les Neuf ont un rôle particulier à jouer dans la recherche d'un tel règlement.

Ils déplorent profondément les difficultés et les divisions actuelles dans la région qui ne peuvent que compliquer les efforts en vue d'un règlement global.

Les Neuf réaffirment l'ensemble des principes et des objectifs énoncés dans la déclaration du Conseil Européen sur le Moyen-Orient publiée à Venise le 13 juin 1980.

Sur la base de la déclaration de Venise et conformément à son par. II, le Président du Conseil des Ministres des Neuf a établi des contacts avec les parties concernées. Les Neuf expriment ici leur gratitude pour la coopération et l'intérêt que la mission de contact européenne a rencontrés auprès de tous les intéressés. Les résultats de cette mission les confirment dans leur conviction que des principes contenus dans la déclaration de Venise constituent une base valable pour un règlement de paix juste et durable à négocier entre les parties concernées. Par conséquent ils

adressent à celles-ci un appel pressant d'accepter ces principes, pris dans leur ensemble, et de se déclarer prêts à négocier sur l'avenir, en pleine bonne foi et sans poser des conditions préalables.

Les résultats de la mission de contact européenne, ensemble avec les principes de la déclaration de Venise, ont servi de base à des réflexions internes au sein des Neuf destinées à clarifier et à concrétiser les principaux problèmes en relation avec un règlement global. Ceux-ci comprennent la nécessité de la reconnaissance réciproque des droits à l'existence et à la sécurité; des problèmes pratiques relatives à la nécessité pour Israël de mettre fin à l'occupation territoriale par l'intermédiaire d'arrangements agréés par les parties concernées; la mise en oeuvre du droit à l'autodétermination du peuple palestinien; les aspects pratiques concernant les garanties de la sécurité dans la région dans le cadre d'un règlement global de paix, ainsi que les aspects religieux et politiques de la question de Jérusalem.]

Dans l'esprit des Neuf le lien indispensable qui existe entre ces différents éléments constitue un point crucial de tout règlement global.

En vue d'une exploration toujours plus approfondie de ces problèmes difficiles, et avec la volonté de créer un climat plus favorable à des négociations définitives, les Neuf vont poursuivre leurs

contacts avec les parties concernées au cours des semaines et des mois à venir. A cette fin, les Chefs d'Etat et de Gouvernement ont chargé la Présidence du Conseil des Ministres de continuer et de compléter ses sondages (contacts), en tenant compte à la fois du travail de réflexion des Neuf et des développements de la situation.

/A cette fin, les Chefs d'Etat et de Gouvernement ont chargé les Ministres des Affaires Etrangères d'élaborer le mandat concernant les modalités des sondages (contacts) que la Présidence du Conseil est appelée à continuer et à compléter en tenant compte aussi bien du travail de réflexion des Neuf que des développements de la situation. La Présidence du Conseil de Ministres fera rapport au Conseil Européen à l'occasion de sa prochaine réunion⁷

Les Neuf restent donc déterminés à apporter leur contribution à un règlement global.

Dans ce contexte, les Neuf renouvellent leur appel à toutes les parties de s'abstenir de toute action de violence et de toute prise de position incompatible avec les efforts pour parvenir à une paix négociée.

Les Neuf sont également convaincus que pour tous ceux qui sont concernés le temps est venu d'abandonner les exercices de rhétorique et de s'engager ensemble dans des discussions pratiques sur les problèmes en question. Les Neuf désirent encourager un large débat public, franc et bien informé, sur la meilleure voie à suivre pour aboutir à un règlement. Ils sont persuadés de favoriser ainsi la création d'un indispensable climat de confiance mutuelle. Les Neuf saisiront toute occasion possible pour contribuer à un tel débat.

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OBJET : CONSEIL EUROPEEN - MOYEN ORIENT

LA FRANCE SOUMET A SES PARTENAIRES LE TEXTE D'UN PROJET DE COMMUNIQUE SUR LE PROCHE ORIENT QUI POURRAIT ETRE PUBLIE A L'ISSUE DU PROCHAIN CONSEIL EUROPEEN.

LES MEMBRES DE PHASE ENTRE CROCHETS QUI FIGURENT A L'AVANT-DERNIER PARAGRAPHE CORRESPONDENT A L'ALTERNATIVE DEFINIE PAR LES MINISTRES AU COURS DE LA REUNION DE COOPERATION POLITIQUE DU 24 NOVEMBRE.

CITATION :

I./ LE CONSEIL EUROPEEN A FAIT LE POINT DE L'ACTION MENEES PAR LES NEUF DEPUIS L'ADOPTION DE LA DECLARATION DE VENISE.

IL A ENTENDU LE RAPPORT DE M. THORN SUR LA MISSION DONT IL AVAIT ETE CHARGE AU NOM DES NEUF ET EN APPLICATION DU PARAGRAPHE 2 DE LA DECLARATION DE VENISE.

IL A CONSTATE QUE CETTE MISSION AVAIT FAIT RESSORTIR LE GRAND INTERET SUSCITE PAR LA PRISE DE POSITION DE L'EUROPE ET QU'ELLE AVAIT ETE A CET EGARD UN SUCCES.

SES RESULTATS CONFIRMENT QUE LA DECLARATION DE VENISE RENFERME LES ELEMENTS NECESSAIRES D'UN REGLEMENT D'ENSEMBLE JUSTE ET DURABLE DU CONFLIT DU PROCHE ORIENT.

ILS RENFORCENT LA DETERMINATION DES NEUF D'APPORTER LEUR CONTRIBUTION A LA RECHERCHE D'UN TEL REGLEMENT.

DANS CET ESPRIT, LE CONSEIL EUROPEEN A APPROUVE LA DECISION DES MINISTRES DES AFFAIRES ETRANGERES D'ENTREPRENDRE UNE REFLEXION DESTINEE A CLARIFIER ET A CONCRETISER LES PRINCIPES DE VENISE.

II./ LE CONSEIL EUROPEEN A CONSACRE UN EXAMEN APPROFONDI AU RAPPORT QUE LUI ONT SOUMIS A CE SUJET LES MINISTRES DES AFFAIRES ETRANGERES ET QUI PORTE SUR LES CHAPITRES SUIVANTS : EVACUATION DES TERRITOIRES OCCUPES., AUTODETERMINATION DU PEUPLE PALESTINIEN., CONDITIONS ET GARANTIES DE LA SECURITE AU PROCHE ORIENT., JERUSALEM.

LE CONSEIL EUROPEEN A ENREGISTRE UN LARGE ACCORD SUR L'APPROCHE PROPOSEE. IL A SOULIGNE QUE LES MESURES A PREVOIR AU TITRE DE CES QUATRE CHAPITRES DEVAIENT CONSTITUER UN ENSEMBLE COHERENT ET DONC ETRE SOIGNEUSEMENT COORDONNEES DANS LE CADRE D'UN CALENDRIER.

IL A NOTE QUE DIFFERENTES FORMULES ETAIENT CONCEVABLES POUR DONNER CORPS AUX PRINCIPES DE VENISE, NOTAMMENT EN CE QUI CONCERNE LA DUREE DE LA PERIODE TRANSITOIRE PRECEDANT LE SCRUTIN D'AUTODETERMINATION, LA DEFINITION DE L'AUTORITE PROVISOIRE SUR LES TERRITOIRES EVACUES, LES CONDITIONS ET MODALITES DE L'AUTODETERMINATION, LES GARANTIES DE LA SECURITE.

AVANT D'ARRETER SON CHOIX ENTRE CES DIFFERENTES FORMULES, IL A JUGE NECESSAIRE QUE DE NOUVEAUX CONTACTS SOIENT PRIS AVEC LES PARTIES CONCERNEES.

III./ LE CONSEIL EUROPEEN A, EN CONSEQUENCE, CHARGE LES MINISTRES DES AFFAIRES ETRANGERES DE DEFINIR PRECISEMENT// //ARRETE// A LISTE DES INTERLOCUTEURS AINSI QUE LE CONTENU ET LES MODALITES DES CONTACTS QUI DEVONT ETRE PRIS A CETTE FIN SOUS L'EGIDE DE LA PRESIDENCE.

IL A PAR AILLEURS INVITE LES MINISTRES A POURSUIVRE LEURS REFLEXIONS ET A LUI FAIRE RAPPORT A SA SESSION DE
F I N D E C I T A T I O N .

COPEU DIPLO PARIS
FIN DE TEXTE

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SIR J. GRAHAM
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LORD BRIDGES

MR. J. MOBERLY
MR. HANNAY
MR. FERLUSSON

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The Heads of State and Government and the Ministers of Foreign Affairs of the Nine Member States of the European Community have exchanged views on all aspects of the present situation in the Middle East, including the state of negotiations resulting from the agreements signed between Egypt and Israel in March 1979. They agreed that growing tensions affecting this region constitute a serious danger and render a comprehensive solution to the Israeli-Arab conflict more necessary and pressing than ever.

2. The Nine Member States of the European Community consider that the traditional ties and common interests which link Europe to the Middle East oblige them to play a special role and now require them to work in a more concrete way towards peace.

3. In this regard, the Nine countries of the Community base themselves on Security Council Resolutions 242 and 338 and the positions which they have expressed on several occasions, notably in their declarations of 29 June 1977, 19 September 1978, 26 March and 18 June 1979, as well as in the speech made on their behalf on 25 September 1979 by the Irish Minister of Foreign Affairs at the 34th United Nations General Assembly.

4. On the bases thus set out, the time has come to promote the recognition and implementation of the two principles universally accepted by the international community: the right to existence and to security of all the states in the region, including Israel, and justice for all the peoples, which implies the recognition of the legitimate rights of the Palestinian people.

5. All of the countries in the area are entitled to live in peace within secure, recognised and guaranteed borders. The necessary guarantees for a peace settlement should be provided by the UN by a decision of the Security Council and, if necessary, on the basis of other mutually agreed procedures. The Nine declare that they are prepared to participate within the framework of a comprehensive settlement in a system of concrete and binding international guarantees, including on the ground.

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right to self-determination.

7. The achievement of these objectives requires the involvement and support of all the parties concerned in the peace settlement which the Nine are endeavouring to promote in keeping with the principles formulated in the declaration referred to above. These principles are binding on all the parties concerned, and thus the Palestinian people, and on the PLO, which will have to be associated with the negotiations.

8. The Nine recognise the special importance of the role played by the question of Jerusalem for all the parties concerned. The Nine stress that they will not accept any unilateral initiative designed to change the status of Jerusalem and that any agreement on the city's status should guarantee freedom of access for everyone to the Holy Places.

9. The Nine stress the need for Israel to put an end to the territorial occupation which it has maintained since the conflict of 1967, as it has done for part of Sinai. They are deeply convinced that the Israeli settlements constitute a serious obstacle to the peace process in the Middle East. The Nine consider that these settlements, as well as modifications in population and property in the occupied Arab territories, are illegal under international law.

10. Concerned as they are to put an end to violence, the Nine consider that the renunciation of force or the threatened use of force by all the parties can create a climate of confidence in the area, and constitute a basic element for a comprehensive settlement of the conflict in the Middle East.

11. The Nine have decided to make the necessary contacts with all the parties concerned. The objective of these contacts would be to ascertain the position of the various parties with respect to the principles set out in this declaration and in the light of the results of this consultation process to determine the form which an initiative on their part could take.

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ANNEX B : IRAN/IRAQ
(REVISE)

OBJECTIVES :

1. To exchange views on the Iran/Iraq conflict, including prospects for ending the fighting, the risks of escalation, and the implications of the release of the US hostages in Iran.

POINTS TO MAKE :

Attempts at Peace-making

2. How do partners assess Olaf Palme's prospects? Both sides still far apart. Little point in a European initiative, but should keep in mind possibility of a role for the Nine at the appropriate moment. Timing crucial.

Risk of Escalation

3. No sign that other powers in the region will join in. Fighting restricted to head of Gulf and territory of belligerents.

US Position

4. Shares objectives of ending the fighting, upholding principle of Freedom of Passage in the Gulf, and preventing disruption of oil supplies. New initiatives unlikely before 20 January.

Soviet Union's Position

5. Has consistently called for the two sides to end the fighting. Probably keeping all options open. Unlikely to pass up a real opportunity to enhance influence in Iran; or fail to react if US were to re-establish influence there.

US Hostages

6. Early release of the hostages still unlikely. Difficult for the US to meet all Iranian demands. There has been general agreement that when the hostages are released there will be an EC Presidential statement on the lifting of sanctions.

UK/Iran

7. Deterioration in relations led to withdrawal of Embassy staff from Tehran. Normal relations unlikely until British detainees in Tehran have been released.

Iraqi Message

8. Have other governments received message from Dr Hammadi setting out Iraq's case? Is any joint response called for?

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ESSENTIAL FACTS :

Situation on the Ground

1. Developing into a war of attrition. Iraqi ability to increase pressure depends upon halting oil supplies to Isfahan, Shiraz and Tehran refineries. Other states in the area show no sign of becoming involved at present. The Iranians have said that an alleged rocket attack on Kuwait was an accident and that they have no intention of allowing the war to be extended. No evidence that either side is prepared to compromise in order to end the fighting.

Role of the Nine

2. Foreign Ministers of the Nine issued a statement declaring their readiness to support any international initiative likely to end the fighting (copy attached). At Echternach on 25-26 October they further agreed on the need for strict neutrality. It was also agreed that decisions on arms supplies to the belligerents were a matter for national governments.

Shipping

3. ICRC attempts to arrange release of shipping trapped in the Shatt-al-Arab continue.
4. Shipping in the Straits of Hormuz remains normal.

Oil Supplies (see Brief 7)

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Security in the Gulf

5. We are maintaining a naval patrol outside the Gulf of Oman, while hostilities continue. Navy-to-navy talks between ourselves and allies with ships in the area are in train.

Views of Super-Powers

(a) United States

6. US shares our concern and has affirmed determination to maintain Freedom of the Straits. Release of the hostages might lead to supply of limited supplies of military equipment to Iran.

(b) Soviet Union

7. The Soviet Union has consistently called for both sides to end the fighting and seek a political settlement. It has maintained strict neutrality, at the risk of damaging its relations with Iraq. Although the Soviet Union recognises that continuation of the war might dangerously escalate the conflict, it would probably be prepared to throw its weight behind Iran if it believed that by so doing there was a real chance of establishing a permanent influence there.

US Hostages

8. The Iranian Parliament's conditions for release of hostages are :

- (i) US pledge of non-interference;
- (ii) transfer of Shah's wealth to Iran;
- (iii) release of blocked Iranian assets in US;
- (iv) dropping of US claims against Iran.

Conditions (ii) - (iv) present difficulties for the US.

UK/IRAN

9. Future UK policy to Iran and level and nature of representation in Tehran if hostages released, will need to take into account complicating bilateral factors.

Message from Dr Sa'doon Hamadi, Foreign Minister of Iraq

10. Dr Hamadi has sent a message to the Secretary of State (and no doubt to his EC colleagues also) 'on the occasion of the European Summit meeting'. The message (English text attached) sets out the Iraqi view of the war on predictable lines. It claims that the war was forced on Iraq (para 11), after persistent provocations by Iran. When diplomacy failed Iraq resorted to 'preventive strikes' (para 10). The message reiterates Iraq's readiness for a ceasefire followed by immediate negotiations under the auspices of the UN Secretary-General, but insists that any withdrawal of Iraqi troops must be accompanied by Iranian recognition of Iraqi sovereign rights (12). It also calls for Iranian withdrawal from the Gulf islands (13).

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STATEMENT ISSUED BY THE FOREIGN MINISTERS OF THE NINE
IN NEW YORK, 23 SEPTEMBER

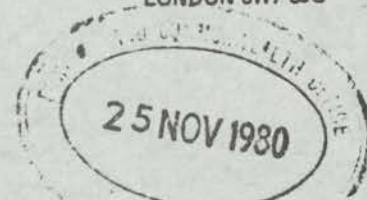
1. The Nine states of the European Community express their deep concern at the military confrontation between Iraq and Iran.
2. They note the bilateral nature of the present conflict and stress the need to avoid anything which might give it a broader dimension. In this connection, they look to other states, particularly the great powers, to maintain the restraint which they have shown.
3. They support the appeal of the Secretary-General of the Islamic Conference for an immediate ceasefire and, in connection with the consultations put in hand by Mr Waldheim, Secretary-General of the United Nations, declare themselves ready to support any international initiative likely to promote a political settlement of the dispute.
4. They recall the capital importance for the international community of freedom of navigation in the Gulf, which it is imperative not to infringe.
5. They decide to continue to follow closely developments in the situation and they hold themselves ready to support the search for a solution.

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EMBASSY OF THE
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21, QUEEN'S GATE,
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The Ambassador of the Republic of Iraq presents his compliments to the Foreign and Commonwealth Office and , upon instructions from his Government, has the honour to enclose herewith, the Arabic and English texts of a message from H.E. Dr. Sa'doon Hamadi, Minister for Foreign Affaires of the Republic of Iraq, to the Right Honourable the Lord Carrington, Secretary of State for Foreign and Commonwealth Affaires, on the occasion of the forthcoming European Summit meeting in Luxembourg on 1st-2nd December, 1980.

The Ambassador of the Republic of Iraq would be grateful if the aforesaid message is submitted to the Secretary of State.

The Ambassador of the Republic of Iraq avails himself of this opportunity to renew to the esteemed Foreign and Commonwealth Office the assurances of his high consideration.

24th November, 1980.



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24th November, 1980.

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

25 NOV 1980

On the occasion of the convening of the meeting of the Heads of State and Government and relying upon the happily existing relations of friendship and cooperation between our two countries, I am pleased to send to Your Excellency this note which comprises the most important points that my Government would like to reiterate for the purpose of explaining my country's posture concerning the conflict with Iran.

- 1- When the Islamic Republic was established in Iran, the Government of the Republic of Iraq welcomed the new regime from the very early days in every sense. On 5th April, 1979, the President of the Republic of Iraq addressed to Khomeini a telegram of congratulations. Official contacts were established with the Bazargan Government, including an invitation to visit Iraq to discuss bilateral relations and basis for mutual co-operation. Although Prime Minister Bazargan was co-operative and tried to strengthen bilateral relations between Iran and Iraq, but all efforts to that end were frustrated by Khomeini.
- 2- After the resignation of Prime Minister Bazargan, Khomeini reached the point of unmasking the true intentions of his Islamic Revolution by deciding to export it to Iraq and the Arab Gulf region. Under his auspices, and with his blessing, a reactionary and a sectarian party, namely Al-Da'awa party which means the " Call Party " was organised with the objective of overthrowing the Iraqi Government through subversion, sabotage and terrorism. For that purpose, the so-called Jondi El-Imam (The Imam Soldiers) were recruited in Iran and from amongst Iranian residents in Iraq as well as first generation Iraqis of Iranian origin, acts of terrorism and sabotage of mounting magnitude were committed by the said militants in the central and southern parts of Iraq.

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As a result, many innocent lives were lost. The Terrorist acts even included attempts to assassinate high Iraqi officials. All those acts were directed from Qom, as daily instructions were issued to Al-Da'awa agents through Khomeini's Broadcasting stations from Tehran, Qasr Shirin, Ahwaz, Abadan and Kurdistan. Those stations also issued instructions to manufacture local bombs for use in killing innocents citizens. The Iraqi security forces seized considerable amounts of money, arms, bombs, poisons and explosive materials in the hideouts of the said criminal group.

In all those incidents, Iranian were caught who fit the description of Jondi El-Imam. Iraq reacted to those acts of terrorism by expelling Iranian residents in the interest of internal security.

- 3- It is worth noting that, parallel with the acts just mentioned, the Barazani followers—now harboured and supported by Iran—Began to commit similar acts in the northern part of Iraq. In addition, the Khomeini authorities began to prevent the the return of Iraqi Kurds from Iran to Iraq, and to prosecute any remnant of families when some members of families had succeeded in returning to their homeland.
- 4- The acts referred to above were accompanied by a formidable public media propaganda campaign unprecedented in its fanatical and sectarian religious overtones. Iraq, in fact, was not alone in witnessing such acts. Similar actions were attempted in Kuwait, Saudi Arabia, Bahrain and The United Arab Emirates. Khomeini's scheme through the so-called Islamic Revolution was to destabilize the region through inciting religious sectarian strife, a medieval ideology unacceptable to Iraq. Iraq's concept is secular in which affairs of state and religion are clearly disting. Iraq is bound to stand against Khomeini's theories and practices in defence of its security, well-being and independence. Otherwise, what inherent hostility could Iraq possibly have against Iran or Khomeini had it not been for the most dangerous of all forms of interference in internal affairs ?

- 5- The present conflict between Iraq and Iran should be looked upon in its proper perspective, otherwise no viable solution would be likely to emerge. The problem is neither new nor simple. It goes back over 460 years of History. It is not a mere border problem or a minor conflict over navigational rights. It is much wider than that. Historically, it is established that since 1520 , Eighteen Treaties have been concluded by the " Persian State" with its western neighbours on its relations therewith , including the question of borders, only to be terminated by the said state, whether by word or by deed. We have become convinced that the policies and actions of the successive regimes in Iran, regardless of their shape or colour , are clearly those of territorial expansionism. Those policies have always followed the same pattern: First, an Iranian Allegation, then a Denial of Legal Obligations, to be followed by a new Legal Instrument designed to secure a territorial gain for Iran, then the same sequence repeating itself.
- 6- The Algiers Agreement of 6th March, 1975, was no exception to that pattern. It will be recalled that the political situation in the region during the period prior to that date witnessed the emergence of the Shah in Iran as the policeman of the region. The expansionist plans and pretensions of the Shah were met by Iraq with a firm adherence to sovereignty, full independence and non interference in the internal affairs of states. Evidently, neither ideologically, nor pragmatically did Iraq fit into the picture. Hence, the reactionary rebellion of Barazani, behind which the Shah and Israel put their moral and material support, was adopted as the means for the solution. The Idea was to disrupt Iraq's National unity in order to overcome its resistance. The Iraqi people valiantly fought against the rebellion. When a new factor emerged in relation to the balance of the military situation. Namely the October 1973 war, Iraq decided to seek a political settlement with Iran through peaceful means with a view to creating the appropriate conditions that would enable the Iraqi forces to participate in the battle against Israel with their Arab Brethren.

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So, when the late president of Algeria, Houari Boumedienne offered to mediate, Iraq accepted.

- 7- Against that political background, the Algiers Agreement was negotiated and concluded in the form of a package deal. It had both political and juridical aspects. The Agreement was concluded with a view to reaching a final and permanent solution to all the problems existing between the two countries. The arrangements agreed upon (which included definite demarcation of Land frontiers according to past legal agreement between the two countries, the thalweg line as a frontier in Shatt Al-Arab and strict security of borders) were in application of the principles of territorial integrity and inviolability of borders and non-interference in internal affairs. It is to be noted that the most fundamental obligation which the two parties assumed and which indicated the package deal nature of the agreement was paragraph 4 thereof, in which the parties considered the three elements of the arrangements agreed upon as integral elements of a comprehensive solution and , hence any impairment of any of their components shall naturally be contrary to the spirit of the agreement.

- 8- The technical details of the Algiers Agreement were worked out in a treaty, three protocols and a number of agreements. Upon their entry into force in 1976, Iran acquired sovereignty over half of the Shatt Al Arab, hence securing an early advantage. In return, Iraq did not receive the land areas that Iran had trespassed on contrary to its international obligations. This was the situation when the Shah was toppled from power. Despite the relatively long period of grace given to the new regime in Iran to fulfill its international obligations by completing the process of the return of Iraq's territories, the said regime instead displayed Iran's intentions of territorial ambitions and expansionism. Declarations began to emanate from official circles in Iran that Iran no longer considered itself bound by the Algiers Agreement, and this went parallel with Khomeini's destabilization through terrorism scheme mentioned above.

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9- Iraq persisted in its efforts through the diplomatic channel to secure a renewed recognition from Iran of the Algiers Agreement. But all those efforts went in vain. The turning point was reached when the Iranian Authorities resorted to military force against Iraq when Iranian terrorism failed to secure its ominous objectives. The border areas witnessed continuous shelling.

To mention but a few examples, there were more than 15 intensive Iranian bombardments between 26th August, 1979, and 3rd June, 1980, most of which originated from the Iraqi Lands withheld by Iran. As from the 4th of September, the Iranian military forces began to direct concentrated and continuous shelling on Iraqi towns like Khanaqin and Mendeli, as well as other border areas. During the period immediately following that date, Iraq exerted maximum self-restraint, falling back on reminding Iran of its obligations under international law including the 1975 Agreement. This was done in three diplomatic notes delivered to the Iranian Charge D'Affaires in Baghdad on the 7th, 8th, and 11th of September, successively.

Consequently, Iraq was left with no choice but to reassert its rights under international law by taking possession of its lands. In response to the intention of the Iranian Government, which it had made clear by word and deed, to terminate the Algiers Agreement of 6th March, 1975, the Government of the Republic of Iraq decided to consider the said Agreement as terminated on the grounds of the provisions of paragraph 4 thereof, to which reference is made earlier.

10- In announcing that decision on September 17, 1980, Iraq strongly emphasized that it had no territorial ambitions in Iran. Moreover, Iraq openly declared that it had no intention whatsoever of waging war on Iran or extending the scope of the conflict beyond the limits of defending sovereignty and legitimate rights. The response of the Government of Iran to this legitimate position was to escalate the situation to total war through indiscriminate hostile acts involving the use of force against Iraqi and foreign vessels in Shatt Al Arab, Civilian centres and economic installations in Iraq.

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In this connection again, Iraq exerted much self-restraint. From the 17th till the 22nd of September, the Iraqi military forces did not stop beyond the limits of defending Iraq's sovereignty and legitimate rights. Nevertheless, the Iranian aggression continued unabated.

Consequently, the Government of the Republic of Iraq was left with no choice but to direct preventive strikes against military targets in Iran . That position was adopted as from 22nd of September, 1980. The measures just indicated have been adopted by Iraq in the exercise of its lawful right of self-defence .

- 11- It is by now quite well-known that Iraq did not start the present conflict with Iran. The war was started, and forced upon Iraq, by Iran.

While Iraq did not fail to put its case clearly before the competent organs of the United Nations, it has cooperated from the outset with the security council. Iraq's response to the council's resolution 479 (1980) of 28th September, 1980, was prompt and positive. Iran, however, officially rejected the said resolution. Moreover, in response to Islamic conference goodwill mission, Iraq offered a unilateral cease-fire from 5th to 8th October, which actually went into effect on Iraq's part. But Iran's response was a large-scale attack on land and sea and in the air. In addition, Iraq has not failed to respond positively to the initiative of the group of non-aligned countries.

- 12- The position of the Republic of Iraq on the present conflict has been clearly stated on numerous occasions inside and outside the United Nations. The latest expression of that position was contained in the letter dated 24th October, 1980, from the Minister for Foreign Affairs of Iraq addressed to the Secretary-General and circulated in document S/14236. The said letter recalled once again that Iraq does not have any territorial ambitions in Iran and reaffirmed that Iraq does not desire anything but the restoration of its sovereignty and rights with effective guaranties.

On the basis of the considerations and facts contained therein, and from a position of responsibility and in order to reaffirm the principles of right and justice, the letter concluded that " The only possible, logical and practical resolution of the present situation which would not undermine the interests of either party is one which includes a cease-fire and immediate negotiations between them under the auspices of the Secretary-General of the United Nations with the goal of achieving a final solution to the conflict, by demarcating the frontiers between the two countries in a final manner, and the withdrawal of both parties from the territories and waters which do not fall within their territorial boundaries according to the frontier line. " specifically, on the question of withdrawal, the letter said the following:

" On the basis of military considerations and topography there may be better positions forward for defensive purposes but there are none backward. Consequently, no partial or total withdrawal should be practically contemplated unless it is supported by the achievement of the following:

- 1- The recognition by Iran of our sovereignty and rights which are in harmony with international law and custom, and its reaffirmation of the principle of the inadmissibility of her acquisition by force of Iraq territories and those of the neighbouring Arab States in the Arab Gulf and that this should be in word and deed.
- 2- The withdrawal should be guaranteed by practical arrangements which would make a surprise Iranian military aggression against Iraq materially impossible. In further clarification, we wish to point out that there is no longer any border agreement which delimits the frontiers between the two countries with the exception of the protocol for the delimitation of the turco-persian frontiers signed in 1913, the views of Iraq and Iran regarding that protocol notwithstanding.
- 13- At this juncture we should like to emphasize the importance of the fact that Iran's expansionist designs should not remain uncurtailed.

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Its continued aggressive occupation of the three Arab Islands (Abu Moussa, The Greater Tunb, and the Lesser Tunb) in the Arabian Gulf since 1971 serves to undermine, not only the security of Iraq, but the security and peace of the Arab countries of the region as a whole. In any eventually settlement of the conflict, therefore, it is imperative, in the interest of avoiding any future conflict, that the question of the Arab Islands be settled once and for all through effective Iranian withdrawas from them.

14- Iraq does not stand for war, nor does it believe in the use of force in international relations. Iraq, as its record proves and particularly in its frontiers relations with Iran, has always adhered strictly and honourably to the letter and the spirit of its international commitments. But at the same time Iraq does not accept any form of threat or aggression against sovereignty and dignity.

Hoping that this note has elucidated my country's posture concerning the conflict with Iran, I avail myself of this opportunity to express to Your Excellency my highest consideration.

Sa'doon Hamadi

Minister of Foreign Affairs of the
Republic of Iraq

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ANNEX C: EAST/WEST RELATIONS (INCLUDING AFGHANISTAN)

POINTS TO MAKE

GENERAL

1. Russians sought before US Presidential Election to blame the United States for difficulties in US-Soviet relations focussing on non-ratification of SALT, TNF, and US policy in Middle East. They seem to be adopting a wait and see approach to Reagan, while expressing cautious hopes for constructive bilateral relations.
2. Russians still interested in detente as they define it because of its economic and political benefits (trade, credits, arms control agreements) but will not let this stand in way of more important national interests (eg Poland). Harder Soviet East-West line is reaction to continuing criticism over Afghanistan and anxiety about Eastern Europe.
3. We shall maintain distinction between our relations with Soviet Union before and after Afghanistan. East European countries not to blame. British Ministers have visited all of them during 1980.
4. Glad that procedural problems have been resolved in Madrid, but regret it took so long to reach agreement. Look forward to constructive meeting.

POLAND

5. In Poland, Supreme Court decision on 10 November on registration of 'Solidarity' trades union has reduced tension in short term, but continuing risk of further confrontations between Party and independent unions. Party remains demoralised and economic problems are severe.
6. Russians appear content for time being to leave it to Polish authorities themselves to try to resolve problems. They must be aware of costs of armed intervention (we have made clear it would mean an end to detente) but that would not deter them if Polish authorities were unable to control what Russians saw as fundamental challenge to Communist system in Eastern Europe.

/7. (If raised)

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7. (If raised) We are giving careful consideration to Polish requests for economic assistance.

8. (If statement by European Council is raised). Not in favour of European Council statement on Poland. Have emphasised that matters must be resolved by Poles themselves without outside interference. Any statement that went beyond simply rehearsing this point would risk looking like an attempt by the EC to interfere. But President of Council could make point about non-interference to press afterwards if asked whether Poland has been discussed.

AFGHANISTAN

9. Afghanistan remains a liability for Russians whilst international pressure continues and resistance effort is maintained.

10. UNGA debate served its purpose. Need now to encourage continuing pressure through 1981. We should encourage Non-Aligned Countries not to compromise at their January New Delhi meeting.

11. Key to continuing pressure is Pakistan. West should give what support it can. May need to do more for refugees if numbers continue to increase.

FOOD FOR POLAND : See Appendix 1.

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BACKGROUND (All can be freely used)

GENERAL

1. Warsaw Pact Foreign Ministers meeting in October issued communique which included hard line passage blaming West for increase in international tension, echoing sharply anti-American and anti-Western remarks of Soviet leaders over recent months. But it reiterated a commitment to principles of detente as expressed in Helsinki Final Act and supported Romanian request that next CSCE meeting after Madrid should be in Bucharest, thereby implying that CSCE process would continue.
2. Soviet reaction to the Reagan victory has been satisfaction at humiliating scale of Carter's defeat and cautious expressions of hope for constructive bilateral relations during Reagan Presidency. At Kremlin banquet for President Machel of Mozambique of 17 November, Brezhnev said the Soviet Union would react positively to any constructive moves by the new Administration.
3. Agreement was reached on 14 November on agenda and procedures for Madrid main meeting. Preparatory meeting, which lasted almost ten weeks, had failed to reach agreement on these points in face of Warsaw Pact opposition to adopting structure employed at Belgrade review meeting.
4. The compromise text adopted, while not ideal, effectively preserves West's interests. It permits review of implementation to continue until Christmas break, and drafting of document on presentation of proposals should act as constraint on early substantial discussion of these.

POLAND

5. We have told Poles we shall give sympathetic consideration to requests for economic assistance but have made no commitment on details. Poles have made approaches to a number of other Western countries, including US, France, FRG, Italy, Belgium, Sweden, Norway, Austria and Japan.
6. Lord Carrington warned the Soviet Ambassador on 10 November that internationalisation of the Polish crisis would spell the end of detente.
7. At the meeting of foreign ministers in Brussels on 25 November to prepare the European Council M. Francois Poncet suggested that it might be appropriate for the European

/Council

Council to issue a statement on Poland. Netherlands opposed this suggestion. We would almost certainly want to propose a statement by the Nine if a Soviet intervention appeared imminent. But this is not yet the case.

AFGHANISTAN

8. Pakistanis and others made effective and tough contributions to UN Debate but Russians dismissive of all proposals for settlement other than those of Babrak Karmal Regime.

9. Next few months could present various dangers: Russians might decide to increase military pressure before new American Administration takes office; they may intensify efforts to win Non Aligned support prior to New Delhi meeting.

10. Any continuation in the flow of refugees into Pakistan will probably necessitate additional appeal by UNHCR.

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Appendix 1 to Annex C

FOOD FOR POLAND

INTRODUCTION

1. The Commission have been asked to produce suggestions about how Community food could be made available to Poland.

OBJECTIVE

2. To avoid commitments being made by Community, while expressing sympathy and political support for Poles.

POINTS TO MAKE

3. Have understanding for Poland's situation. But not easy to see how Community as such can help.

(If necessary) Commission ideas will need careful study.

4. (If raised) Special export refunds for Poland could set undesirable precedent for Community policy on food exports. Poland in any case still likely to require concessionary credit to finance purchase of even specially subsidised food. This would have to come from individual Member States.

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ESSENTIAL FACTS

1. The Poles are short of the sort of food of which the Community has considerable surpluses (in particular cereals). But they have very little hard currency with which to pay for it. The French suggested in the margins of the Political Cooperation ministerial meeting on 24 November that the Community should look at this question. The Commission were asked to investigate ways of helping the Poles, perhaps on a 'lend/lease' basis, and to make their preliminary conclusions available in time for discussion at the European Council.

2. Two suggestions which may be made are:

(a) to apply extra large export refunds to food exports to Poland; and

(b) to extend concessionary credit to Poland to enable her to purchase food.

3. The MAFF see several disadvantages to extra export refunds. Such a system would entail extra CAP expenditure; it would also open the Community to criticism from other food exporters for subsidised food exports to below world market prices, although the US, Canada and Australia would probably accept the political argument for doing so; it would represent an adaptation of the mechanism for exporting agricultural surpluses, which could be used by the French in their efforts to institutionalise a long-term export policy in the CAP. There is no precedent for granting special export refunds except for economic reasons (eg the need to dispose of large intervention stocks).

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4. The provision of credit is a matter for national institutions and does not fall within the competence of the Community. Prior to the recent Polish request for economic assistance the UK had already agreed a certain amount of credit which the Poles are using to buy barley (the only foodstuff which we have available to export, apart from potatoes). But we have not yet reached a decision on the package of requests for economic assistance now put to us by the Poles.

5. (Not for use) We are discussing possible Western responses with a number of Poland's main Western creditors. This does not include all our Community partners.

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Appendix 1 to Annex C - Corrigendum

28 November 1980

EUROPEAN COUNCIL, LUXEMBOURG

1/2 DECEMBER 1980

FOOD FOR POLAND

Corrigendum to Brief by the Foreign and Commonwealth Office

INTRODUCTION

1. The Commission have produced suggestions about how EC food could be made available to Poland. We understand that they are:

- a. special export refunds applicable only to Poland;
- b. some form of lend/lease;
- c. sales from intervention stocks at special prices, ie lower than usual subsidised export prices.

2. The Commission are understood to have rejected a. and b. and are expected to propose c. C also seems to us the best option entailing the fewest objections.

OBJECTIVE

3. To support a general consensus in favour of c.

POINTS TO MAKE

4. (If raised). Special export refunds for Poland would set undesirable precedent for Community policy on food exports.

5. (If raised). Lend/lease (an idea of Mr Jenkins). Difficult to see how it would work, Could not take a view unless full opportunity to consider operational and financial aspects.

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6. Sales from intervention stocks provide means of helping Poland in her uniquely critical situation. Must be presented as one-off operation which cannot be regarded as precedent for the future.

7. Our understanding is that a major priority for the Poles is grain. Any arrangements should take account of this priority.

8. The detailed arrangements will need careful scrutiny.

9. The operation of this proposal will depend on credit being available to Poland - a matter for individual member states.

ESSENTIAL FACTS

10. The Poles are short of the food of which the EC has considerable surpluses, especially cereals for both bread manufacture and animal feed. They also have an urgent political requirement for meat since they have introduced meat rationing and may not be able to provide the promised amounts.

11. The Commission's order of priority for disposal of intervention stocks is understood to be, 1. beef, 2, cereals, 3, butter. The UK has a national interest in selling barley to Poland. Credit to cover some 400,000 tonnes in 1980 is virtually exhausted. The Poles are interested in a further 350,000 tonnes provided credit is available.

12. Any of these proposals will represent an additional gross cost to the Budget. It is impossible to forecast the net effect. In some cases there might be savings to FEOGA on intervention costs. The provenance of Community funds is not likely to come up at the Council although it is likely to be discussed subsequently. If, as the Commission appear to be suggesting, the sales are to be

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handled through Management Committee procedures, they would be a charge on FEOGA.

13. See Annex for illustrative hypothetical costs.

14. Although the current proposal might open the EC to criticism from other food exporters (especially grain exporters) USA, Canada and Australia at least might be reconcilable to the measure, given the unique political situation.

15. Despite UK disavowal, the proposal will represent an adaptation of the mechanism for exporting agricultural surpluses which could be used by the French in their efforts to institutionalise a long-term export policy in the CAP.

16. This is part of a much wider picture. Poland's economic plight is serious. She is seeking financial help from the West, of two kinds: some form of debt relief; and continued export credits and other loans (including food credits). France has taken the lead in organising private meetings of the major creditors. (Not all the Nine know this.) Some form of multilateral rescheduling or refinancing of Poland's accumulated debt seems very likely. Meanwhile no individual country wants to get out ahead. UK Ministers have not yet agreed their line: OD on 10 December will decide this, leading to another creditors' meeting in Paris on 11 December.

17. Poland cannot afford to pay for this food, even at a subsidised price. Export credit will be needed. There is no prospect of this being repaid in the next few years. This would therefore represent a further instalment of UK bilateral assistance to Poland in advance of a multilateral package.

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ANNEX D

EUROPE/UNITED STATES RELATIONS

Points to Make

1. New administration in Washington will offer a chance to put relations between Europe and the United States on a new and more satisfactory footing. No point in raking over past, but clear that there have been faults on both sides and that unnecessary misunderstandings have arisen. Suggest that Europe base itself on the following principles:
 - a. The United States must understand that it is not a part of the decision making process in Europe. It is Europe's closest ally, but Europe makes its decisions independently.
 - b. Mutual confidence depends on mutual information. Europe must not present the US with faits accomplis and vice versa. Each must take account of the other's views in establishing its own independent position.
 - c. Europe should therefore use all available means to maintain close contact with the USA, including:
 - i. Bilateral contacts (eg Chancellor Schmidt has recently returned from the United States).
 - ii. Full use should be made of the established "Gymnich" procedures. It should be automatic that when the Nine establish a position on an issue, they inform the United States. There should be regular contacts after all meetings of Ministers or Political Directors.
 - iii. The Commission's excellent arrangements for

/rapid

rapid consultation with the United States on trade problems should be maintained and developed. (See brief no 4, Problems of Industry and Trade.)

- iv. The useful practice developed in Washington of briefing Ambassadors of the Nine on important aspects of US policy (Linowitz has briefed recently on the Middle East) should be encouraged.

2. Using all of these means Europe should take early opportunities to brief key members of the new administration on important European policies, eg on the Middle East and on the Proposal for a European Disarmament Conference.

3. But relations between Europe and the United States will only be balanced and successful if Europe can speak with one voice. If Europe and the United States are to be "2 pillars", the European pillar must match the US pillar in coherence and strength. UK attaches importance to developing European positions and to improving effectiveness of Political Cooperation. Hence proposals put forward by Lord Carrington at Hamburg on 17 November.

BACKGROUND

1. The only firm prediction which can be made about President-elect Reagan's foreign policy is that it will be more hawkish in tone than that of his predecessors. How much more will depend largely on whom Mr Reagan appoints to his Cabinet and to the White House.

2. The former Treasury Secretary, Mr George Schultz, and Senator Henry Jackson have been tipped as possible Secretaries of State. General Alexander Haig seems likely to get some position; as do Dr Kissinger, his former deputy Mr Brent Scocroft, and the former Secretary of Defence, Mr Donald Rumsfeld. Mr Richard Allen is still tipped to succeed Dr Brzezinski. Definite announcements may not come until the end of November or even later.

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3. In the White House President-elect Reagan has announced that Mr James Baker will be Chief of Staff, responsible for directing the functions of the White House staff, including Congressional relations, administration, press relations and personnel. Mr Baker, a 51 year old Houston lawyer, was briefly Under-Secretary of Commerce under President Ford before becoming Mr Ford's campaign manager in 1976. He was George Bush's campaign manager this year. After the Republican convention, he was taken into the Reagan campaign organisation, where his professionalism and tactical and managerial skill quickly impressed Governor Reagan and gained him entry into Mr Reagan's inner circle of advisers. His appointment is seen as recognition of his competence and as an indication that the Reagan White House will not be run by an exclusive California mafia. Mr Reagan has also announced that Mr Meese will be Counsellor to the President, with Cabinet rank, responsible for overseeing both the national security and domestic policy staffs. He will also be a principal spokesman on policy. Mr Meese is a law professor from San Diego. He was Mr Reagan's Chief of Staff when the latter was Governor of California and his appointment to a senior White House position was regarded as a foregone conclusion. Both Mr Meese and Mr Baker will be members of the National Security Council.

4. Mr Reagan will wish at the outset of his term to strike a distinctive note in his conduct of relations with the Soviet Union while professing belief in bipartisanship. Firmness and consistency of approach will be the aim. The super-power relationship will be restored as the central preoccupation of US foreign policy. Wider global perspectives will be viewed through the lens of the East/West confrontation. The commitment to regain military superiority is an important feature of the Republican Party Platform. But it is impossible to say how it will be pursued in practice.

5. In principle the Reagan administration will continue to find a place for SALT in relations with the Soviet Union. How much this counts for in practice will depend on the balance of internal debate in the USA, Soviet behaviour globally (linkage), and /the degree

the degree of flexibility shown by Moscow on arms control.

6. The administration will seek to tighten and widen controls on civil technologies with a military application. Election pledges to lift the grain embargo may be qualified in practice, but for sales of all other US agricultural products the free market may prevail. A review of other fields of cooperation is on the cards, to ensure strict reciprocity.

7. There is impatience with the Allies in the Republican camp. This could cause difficulty if the administration is misled into believing that Alliance problems are only a relic of uncertain Carter leadership and can be expected to vanish once the firm smack of the new administration makes itself felt. Republicans may nourish exaggerated expectations of what can be achieved in the name of the Alliance solidarity, particularly in regard to problems outside the NATO area, and where there are differences of interest. Equitable burden-sharing of NATO's defence effort and a wish to see Europe take up more of the slack as America moves to protect interest in SW Asia will continue to be high on the agenda.

8. The "Gymnich formula" is an agreement reached by Foreign Ministers in 1974 on consultations with the United States. This followed the strains in Europe/US relations during Kissinger's "Year of Europe" in 1973. The agreement is as follows (unofficial translation):

"As regards consultations by the Nine with friendly and allied States through the Presidency, the Ministers agreed to proceed on a pragmatic, case by case basis. If one partner raises the question of consulting a friendly or allied State, the Nine will discuss this and, following a consensus, authorise the Presidency to proceed on the basis of the consensus."

Interpreted strictly, this formula amounts to no more than that if all the Nine agree to consult the United States, the Presidency shall do so. In practice most of the Nine during their turn in the Presidency have used the formula as a fig

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leaf to cover thorough-going exchanges with the United States without seeking prior consensus among the Nine.

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ANNEX E

KOREA : KIM DAE JUNG

OBJECTIVES

1. a) To agree to a high level démarche in the name of the Nine in measured terms immediately after the Supreme Court reaches its verdict, assuming that it upholds the death sentence;

b) to resist any idea of sanctions; and to resist any proposal for a statement by the European Council.

POINTS TO MAKE

1. There is Parliamentary and press interest in the UK, but clearly less than in some Member states.

2. We fully support need for immediate démarche if Supreme Court upholds death sentence. Should be in measured terms and confidential if it is to have any chance of success.

3. Not appropriate for European Council to issue statement ; some merit in confirming at appropriate moment that démarche has been made.

4. Sceptical about desirability of démarche being in name of Heads of State and Government. Risks embarrassment if rebuffed [if pressed: Agree to associate self with an appeal if this is consensus view].

5. Sanctions in event of execution not an option we would favour. If imposed, what criteria would be used to decide when to lift them? No sanctions taken against Pakistan following Bhutto's execution, despite much greater public concern, at least in UK.

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BACKGROUND

1. Kim Dae Jung, a prominent South Korean opposition politician (who ran against President Park in 1971, subsequently went into exile, was kidnapped by the Korean CIA in Japan in 1973 and taken back to and imprisoned in Korea), was re-arrested this summer for his alleged involvement in serious disturbances centred in Seoul and the southern city of Kwangju. He was tried by a military court (Korea is under martial law) with other defendants in August/September on charges including plotting and inciting rebellion. He was sentenced to death in September. The sentence was confirmed by the Military Appeal Court on 3 November. The appeal has now gone to the Supreme Court. The appeal procedure could be completed by early December or could go over into January.

2. The Nine, acting through the Presidency representative in Seoul, have already made a number of démarches to the Korean Foreign Minister, first appealing for a fair and open trial (the Embassies of the Nine, who had observers in court, subsequently concluded that the trial was not fair since Kim and his co-defendants had insufficient opportunity to defend themselves); and, following the Court's verdict, appealing for the death sentence to be commuted. Similar appeals have been made by other governments, notably the United States and Japan.

3. The Political Directors agreed on 18 November that a further appeal at this time (favoured only by the Germans and Danes) would not be appropriate. It was agreed however that further representations by the Nine should be made immediately after a rejection of the appeal by the Supreme Court. While there is no specific provision in the Korean judicial system for the President to review such judgments, the internal and international importance of the Kim Dae Jung case makes it virtually certain that he would do so whether or not Kim makes a plea for mercy. The Nine's representations would therefore take the form of an immediate appeal for clemency to the President.

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4. The Germans, with some support from others, have argued strongly that the appeal by the Nine should be in the name of Heads of State and Government. We are not convinced that this is necessarily right. It risks embarrassment if the appeal is rebuffed. Nevertheless, if there is consensus in favour we would not recommend that we should stand out against it.

5. The Germans, with little or no support, are also arguing in favour of sanctions against Korea if Kim is executed; they propose withdrawal of Ambassadors and avoidance of high level contacts and other measures. Although clearly relations will cool if the Nine's appeal is ignored, we and others (notably the French) do not favour the German proposal. We have important commercial interests which would be at risk if we associated ourselves with any extreme reaction on the part of the Community. Moreover, it would be difficult to decide when to lift sanctions imposed in such circumstances; on what basis would the subsequent good behaviour of the Koreans be judged? In the case of Mr Bhutto the Community made a *démarche* appealing for his life before he was hanged. No joint Community action was taken after his execution though most members of the Nine made individual statements of condemnation. There was certainly much greater public interest in his case in the UK than there is about Kim.

6. Herr Genscher argued at the Ministerial Meeting of the Nine on 4 November that the European Council should consider making a Statement on the case of Kim Dae Jung. He received no support. We have all along argued that conspicuous public pressure is more likely to harden President Chun's attitude than to save Kim's life. But we agree that the fact that a *démarche* has been made (if the Supreme Court rejects the appeal) should be made public.