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Prime Minister.

Foreign and Commonwealth Office

London SW1A 2AH

Useful in a
preliminary to Friday's
meeting at Hayes.

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28 May 1980

Dear Michael,

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28v.

Thank you for your letter of 14 May about the call on the Prime Minister by the Conservative Friends of Israel on 14 May. You asked for the Foreign and Commonwealth Secretary's views on two points raised during the call.

Members of the delegation claimed that the FCO were committed to the establishment of an independent Palestinian state. This is not so. HMG are committed to support the Palestinian right of self-determination within the framework of a comprehensive settlement but it is up to the Palestinians themselves to decide what sort of entity they want. One option would clearly be an independent state; another would be some form of confederation with Jordan; another could be the Benelux type of federation between "Palestine", Israel and Jordan as advocated by Mr Eban. It is for the parties themselves to decide on the future of the area. We would not rule out the possibility of an independent Palestinian state but we are not advocating such a solution.

The best result would probably be an autonomous Palestinian entity possessing many of the theoretical attributes of independence but politically and economically linked with Jordan in such a way that Jordan would exercise considerable influence over its international relations (particularly vis-a-vis Israel) and external defence (thus easing the way for complete demilitarisation of the West Bank). Neither Jordan, which is committed to the Palestinians' right to speak for themselves through the PLO, nor the PLO itself can publicly espouse this possibility at this stage, but there is some reason to believe that both King Hussein and Yasser Arafat see eventual advantage in such an arrangement.

However, whatever solution short of full independence for the Palestinians may be ultimately devised, it is clear that while most Palestinians of the diaspora would not wish to return to the West Bank, all Palestinians attach considerable importance to the symbolism of a national home, much as the Zionists did earlier this century. In other words, they want a separate nationality, which involves a Palestinian passport, and a place of ultimate refuge. A settlement which does not provide at least this is unlikely to last. Nor is there much point in

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providing some 'autonomous' body on which Palestinians will not serve, or holding elections in which they will not vote.

The attitude of other Arab leaders to the creation of an independent state is ambiguous. The Saudis and others are privately concerned that a Palestinian state might become a new centre for radical and possibly Soviet influence. The Syrians and Jordanians are wary of being obliged to maintain a state of permanent confrontation with Israel at the behest of a Palestinian state. But it would be misleading to say that they are therefore opposed to such a state. While in an ideal world they might prefer other arrangements, they are not prepared to stand out against the Palestinians' own wishes and would be ready to accept a state if that were the price of an end to the Palestinian problem, which they regard as more threatening to them than a future Palestinian state is likely to be.

It is worth adding that while King Hussein is undoubtedly ready to play a role in reaching a peace settlement and may at some stage be the key interlocutor for the Israelis, he has no intention of getting out in front of the PLO. Nor does he want the troublesome West Bank to revert again to Jordan. Publicly he has accepted the PLO's exclusive right to speak for the Palestinians. There has thus been a major change in his stance since he ruled the West Bank before 1967. He is not prepared to risk his position in the Arab world and the economic help which results, and perhaps his throne, by trying to reach a settlement which cuts out the PLO. This is the major flaw in the so-called "Jordanian option" favoured by the Israeli Labour Party. The King might at some stage be able to speak to the Israelis with the authority of the PLO when neither Israel nor the PLO is prepared to speak to the other directly, but his role will inevitably be to a large extent that of an intermediary.

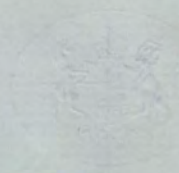
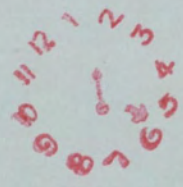
On the PLO and the language used by the FCO, Lord Carrington does not believe that we can be seriously accused of ambiguity. The Prime Minister is aware of our avoidance of the term "recognition" in the PLO context. Letters to MPs and the public have consistently made clear that there is no question of "recognising" the PLO in any formal or diplomatic sense; that we do not accept the PLO's claim to speak exclusively for the Palestinians; but that we do accept that the PLO, which is seen by large numbers of Palestinians as the voice of their aspirations, cannot be ignored and will have to be associated with peace efforts at some stage.

Yours own
Paul

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(P Lever)
Private Secretary

28 MAY 1960



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Thank you for your letter of 28 May to Michael Alexander following up two points which arose when the Prime Minister saw the Conservative Friends of Israel on 14 May.

I have shown this to the Prime Minister and she has taken note of Lord Carrington's views on the two points.

P. Lever, Esq.,
Foreign and Commonwealth Office.

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