

# Conservative Research Department

32 Smith Square Westminster SW1P 3HH

Telephone 01-222 9511

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Director: ROBIN HARRIS

RH/CR

18th November 1985

*Dear Sir Keith,*

## OIL SALES TO ISRAEL

We have consulted John Houston, the Special Adviser in the Foreign & Commonwealth Office, about the issue raised in your letter of 22nd October. I am sorry not to have sent an earlier reply: the consultation took some time. It is, as you say, an awkward issue.

I understand that after the 1979 election the Government considered its policy on the subject of oil exports and decided to maintain the policy unchanged. This does not involve an 'embargo' as such on oil to Israel, and to that extent it is compatible with Nicholas Wolfers' letter. But the Government guidelines do provide for oil companies exporting North Sea crude to confine their exports to IEA and EC countries except where there are existing patterns of trade. This would exclude exports to Israel. The basis of the policy is that in the event of a world oil shortage there would be a potential obligation to share North Sea oil with our partners.

Israel does not appear to have any difficulty in securing oil supplies. Moreover, the international supply and demand position has changed very substantially over the past couple of years, at least for the present, as non-OPEC oil production has built up. In the case of an emergency, there is an arrangement with the US which has guaranteed Israel's oil supplies under a bilateral agreement of 26th March 1979.

There is a case before the European Court of Justice concerning the prevention of the export of a cargo of oil from Britain to Israel on which judgement is expected next year.

... I attach a letter from Sir Geoffrey Howe to Mr Michael Ivens on the question of oil sales to Israel, which also deals with the parallel but separate question of the 'Arab boycott'.



The Rt Hon Sir Keith Joseph - 2 -

18th November 1985

I hope that these points allow you to answer, as fully as is prudent, Mr Apfel's letter.

I am sending a copy of this letter and yours (with enclosures) to Stephen Sherbourne at 10 Downing Street.

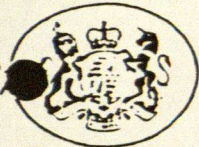
*Yours ever,*

*Robin*

ROBIN HARRIS

The Rt Hon Sir Keith Joseph Bt MP  
House of Commons  
LONDON SW1A 0AA





1) cc MENAD  
ECD (E)  
for 08 28/11

2) Mr Brooker  
Mr Nichols

E.S/S.D.

9 25/11

Foreign and Commonwealth Office

London SW1A 2AH

25 November 1983

From the Secretary of State

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Dear Michael

Thank you for your letter of 9 November seeking my comments on two points which came up during your recent visit to Israel organised by the British-Israel Chamber of Commerce. I am glad your trip went well.

You said you found it hard to understand why oil from the UK Continental Shelf is not sold to Israel. It has been the policy of successive Governments since 1979 that UKCS oil available for export should be sold only to countries which are members of the European Community or the International Energy Agency, or to countries where there was an existing pattern of trade. This policy reflects the priority we give our partners in the Community and the IEA over the sharing of a vital resource.

Secondly, you asked about the Arab Boycott. We have repeatedly made clear the Government's opposition to it. As you know, our policy is to encourage trade with both Israel and the Arab states and we deplore any attempts by third parties to place restrictions on our trade with Israel. We do not, however, intend to introduce legislation against the Boycott and therefore would not be in a position to take up the issue with our European partners in the manner you envisage. We believe it is for each individual firm to decide in the light of its own commercial interests what attitude to take towards the Boycott. Meanwhile we do our

Michael Ivens Esq

/best





best to help British firms by informing them of the  
restrictions the Boycott imposes.

*[Handwritten signature]*  
*[Handwritten signature]*

GEOFFREY HOWE



From: The Rt.Hon. Sir Keith Joseph, Bt., M.P.



Robin Harris, Esq.,  
Director,  
Conservative Research Department,  
32 Smith Square,  
London, SW1P 3HH.

22nd October 1985.

*Dear Robin*

I have an awkward issue on which I would like your help, please. A constituent who wishes us very well, called Mr. Apfel - a solicitor - has given me the enclosed copy of his letter to Mrs. Thatcher of 30th March 1979 and her answer of 11th April 1979. You will see that she categorically asserted that we would not be a party to any sort of embargo on oil for Israel, except under very limited and defined circumstances spelled out in the 3rd paragraph of her letter and in the 4th paragraph.

Mr. Apfel did not take the opportunity of a big public meeting recently between me and the local Zionist Council, during which I was questioned on the invitation to the PLO, to refer to this matter, but saw me afterwards.

I also enclose a contemporary cutting explaining that the embargo stemmed originally from the time of Tony Benn.

Would you please advise me how the present oil embargo on Israel can possibly be reconciled with Mrs. Thatcher's letter of 11th April 1979, so that I may write to Mr. Apfel?

*Yours*

*Keith*



## UK 'will withhold oil from Israel'

By Mark Arnold-Foster

Britain is pledged to withhold oil from Israel if it runs short. The commitment was made, according to a Foreign and Commonwealth Office spokesman, by Mr Tony Benn in a written answer to a Parliamentary question on January 31.

It was an answer not just to Mr Benn's questioner (the MP for Dumbartonshire West, Mr Campbell) but also to US Government officials who had sought Britain's assurance that North Sea oil would be available to Israel if, because of the outcome of the Camp David and subsequent agreements, Israel runs short.

Mr Benn's rebuff to Israel — for that is what it is — was described yesterday by the Foreign Office spokesman as "the publication of guidelines issued to British oil companies." The spokesman denied that it had any foreign political importance.

In fact, Mr Benn's reply means that if Israel's Arab suppliers let her down (as they are already beginning to do) she can expect no help from Britain. "The Government," Mr Benn said, "will expect oil companies exporting North Sea crude to do so in the markets of our partners in the International Energy Agency and in the European Community."

This excludes Israel the Foreign Office said. "These guidelines would not at the moment permit oil to go to Israel."

By taking sides against Israel in a written answer (which was recommended reading over the weekend, with spokesmen for several departments drawing journalists' attention to Hansard Col. 461 for January 31) Mr Benn would seem to have taken a foreign political initiative on behalf of Mr Callaghan and Dr Owen.

Though this has been denied by 10 Downing Street and with some fervour by the Foreign Office, the Americans and the Israelis have concluded that the Government left it to Mr Benn to make the veiled announcement that on the Middle East peace settlement Britain is on the Arabs' side.



From

# The Rt. Hon. Mrs Margaret Thatcher

Conservative & Unionist Central Office, 32 Smith Square, Westminster SW1P 3HH

11th April 1979

*Dear Mr. Apfel,*

Mrs. Thatcher thanks you for your letter of 30th March and has asked me to reply on her behalf. She has asked me to say that she fully shares your concern at the way in which the Government appears to have handled this issue.

The Conservative Party very much hopes that the new Egyptian-Israeli peace treaty will endure, including the provisions for security of Israeli oil supply from Sinai.

We also believe that normally, provided that we are able to meet our own oil requirements in the United Kingdom, the Government should not intervene to determine the destination of our oil exports. We certainly should not be a party to any sort of embargo of Israel.

In the event of oil supply difficulties in the West, it is of course true that we are bound by treaty obligations to make oil-sharing arrangements with our partners in the European Community and our co-members of the International Energy Agency. Our ability to supply others, including Israel, would clearly depend on the severity of the crisis. But if Israel's security were threatened because of an interruption of its oil supplies, it is inconceivable that the West could stand idly by.

*Yours sincerely,*

*Nicolas Wolfers*

Nicolas Wolfers  
Private Office

F. Apfel, Esq.



Our Ref. FA

Your Ref.

PRIVATE AND CONFIDENTIAL

The Right Honourable Mrs. Margaret Thatcher, M.P.,  
Houses of Parliament,  
Westminster,  
LONDON.

30th March 1979

Dear Mrs. Thatcher,

I enclose copy cutting from The Guardian, which is self explanatory .

I am a supporter of the Conservative Party.

I hope that you, as the leader of what we hope will be the next Government will clarify the position of the Party on this particular matter, namely :-

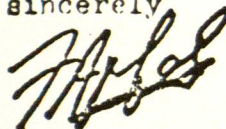
1. Is Conservative policy to be the same as that of the Labour Party, so that oil would be withheld from Israel?
2. Would a Conservative Government not act this way but instead supply oil should no other alternative prove available?

You will appreciate that this is a matter of great concern to Jewish voters and even many others.

If it transpires that your policy is more reasonable and that oil would not be withheld from the only western type democratic state in the Middle East, I would suggest that prior to the election maximum publicity is given to this policy of the Labour Party and the different Conservative policy.

I await hearing from you.

Yours sincerely



(MR. F. APPEL)