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RECORD OF A DISCUSSION BETWEEN THE PRIME MINISTER AND THE SECRETARY-GENERAL OF THE ARAB LEAGUE, M. CHADHLI KLIBI, AT 10 DOWNING STREET ON WEDNESDAY 3 SEPTEMBER AT 0930 HOURS

Present: Prime Minister M. Chadhli Klibi
Mr. J.L. Bullard Omar al Hassan
Mr. M.O'D.B. Alexander 1 Official

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After exchanging courtesies, M. Klibi said that his meeting with the Prime Minister was timely. A number of years had passed since President Sadat had taken his initiative. The fears of the Arab states about that initiative were now in the course of being realised. Arab doubts about President Sadat's policy had not been motivated by resentment of the fact that he had acted unilaterally but by an awareness that the policy was wrong. The Arab/Israel dispute could not be resolved by tackling peripheral problems. The central issue, that of the Palestinian people, had to be dealt with. Events were demonstrating that the Camp David approach would not work. Camp David envisaged autonomy for the Palestinians on the West Bank, but Mr. Begin continued to make it clear that he believed only in Samaria and Judaea which formed part of Eretz Israel. Given this attitude, and recent Israeli legislation annexing Eastern Jerusalem, what was left of Camp David? Nothing.

M. Klibi said that in this situation the Nine had an important role to play. Among the Nine the UK had a position of special significance partly because we had privileged relations with many Arab states and partly because of our involvement at the time the present problems originated. The Prime Minister had supported the Venice Declaration. The Arabs admired the part she had played in Venice, the stand she had taken since and the way in which she had resisted criticism. A new European initiative should not take place within the Camp David framework but outside it. Camp David envisaged Palestinian autonomy under the aegis of Israel. But the Palestinians would never accept this. Rather than wasting time and spilling blood by going down this road, it would be better to tackle the issue of independence now. The Prime Minister asked whether the

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Palestinians wanted independence now or the right to decide their own future. It was not inconceivable that the Palestinians might choose to throw in their lot with one of the neighbouring states. M. Klibi said that this was a theoretical possibility, but in his view there was no doubt that the Palestinians would, if consulted, opt for an independent state. As he saw it, a European initiative should be built on three cardinal points:

- (a) Recognition of the rights of the Palestinian people to their own homeland;
- (b) Recognition of the right of the Palestinians to self-determination (though M. Klibi said that in his view it would be better to refer to independence);
- (c) Agreement that Jerusalem should be an Arab city - or at least that that part which had been Arab before 1967 should revert to Arab control.

Failing agreement on these points, there was a risk of loss of time and of the outbreak of a new conflict. The Prime Minister had said that self-determination would require a lot of time to realise. But there were dangers in waiting. The situation in the Middle East, and in particular in South Lebanon, was deteriorating. Israeli legislation on Jerusalem had created disquiet throughout the Arab world: even the moderates in Saudi Arabia had become hard-liners. The situation in Syria was difficult. Israeli threats might tempt the Syrians to try an adventure. In doing so, the Syrians might invoke Soviet assistance. Even if their threats to do so were only a bluff, they had to be taken seriously. Finally, the ascendancy of the moderates in the PLO might not last much longer. The moderates could only hold their position if they could show results. There was ^{an} increasing tendency to ask what had been achieved by moderation. This was a particularly dangerous trend and could lead to changes in the orientation of the PLO.

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The Prime Minister asked how much time M. Klibi thought there was. Was he suggesting that an initiative was necessary before the Presidential elections in the United States?

M. Klibi confirmed that he thought the time between now and the installation of the next President should be exploited by the Nine to seek a new departure in the Middle East. If President Carter was re-elected, he would be happy to find a European solution on the stocks to help him persuade his party and American public opinion to move. He would be free from the pressures of the various lobbies and would need to consider nothing but the interests of the United States as a 'global' power. Those interests, in the Middle East, involved not only Israel but the Arab world as a whole. At present the Arabs did not consider the U.S. as their friend because the Americans had always backed Israel unconditionally. The Americans should recognise that it was possible to be friends with both sides. There were obvious dangers in leaving the Russians with a free run in the Middle East. Events in Afghanistan could be repeated in the Middle East. If Syria went the same way as Libya, South Yemen and Ethiopia the balance in the whole area would be upset. Therefore there was considerable urgency. Europe did not have months to play with.

M. Klibi noted that the U.S. and the Nine had been having difficulties with the question of the representivity of the PLO. They were embarrassed by Arab claims that the PLO were the sole legitimate representatives of the Palestinian people. The Arab argument was that the Palestinian people had to be associated with any realistic peace process. It was unreasonable to suppose that Egypt or Jordan could speak in the name of the Palestinians. After all, the Palestinians were a people in their own right and had the highest proportion of intellectuals among all Arabs. The Palestinians had learned about democracy in the universities of Britain and the United States. They would not have others speaking for them. If the PLO did not exist, it would have been necessary to invent it. No other organisation claimed to speak in the name of the Palestinians. The PLO embraced all the different Palestinian factions. Vice President Mubarak would no doubt have told the

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Prime Minister the previous day of the Egyptian Foreign Minister's recent statement that following the delays of the last year, the Palestinian people would now have to be associated with the talks between Egypt and Israel. This was what the Arabs had been saying for years.

M. Klibi said that he was aware of another fear entertained by Western Governments viz that any Palestinian state would be Marxist controlled. If Mr. Begin persisted with his present policies and if, as a result, no early solution was found, this would indeed be a real danger. But for the moment those in control of the PLO favoured ideas and values close to those of the West and of the Maghreb States. If progress could be made soon, there was a good chance that these ideas would continue to prevail. But time was short. The Nine, and among the Nine the United Kingdom, would have a determining role in the new period which lay ahead. Their task would be to produce an initiative which would help the United States to see matters in a clear and pragmatic way.

The Prime Minister thanked M. Klibi for his remarks. She said that the initiative taken by the Nine in Venice had been based on an effort to ensure that each side recognised the rights of the other. There were striking similarities between the positions in which the Israelis and the Palestinians found themselves. Both wanted a homeland, both wanted to live behind secure borders, both had a substantial proportion of their people dispersed in other countries. Each wanted the same thing but neither trusted the other sufficiently to accept their point of view. This was the blockage which prevented progress and which the Nine had been trying to remove. The Nine also felt that while over the years there had been a great deal of talk about the Arab/Israel dispute, insufficient effort had been devoted to working out the various options in full and in all their practical details. The Nine - and in particular the UK, because of her past links with the area - had a role to play here. The Prime Minister noted that the Palestinian problem went a good deal wider than the West Bank and the Gaza Strip. She wondered whether, if and when a settlement was reached, the Palestinians would stay where they now were or seek to return to the West Bank. The Prime Minister also referred to European concern

about the terrorist activities of the PLO and to the influence of the Soviet Union on the Organisation. Would the Russians relinquish their hold on the PLO? They were experts at infiltration.

Taking the last point first, M. Klibi said that terrorism was, in the Palestinian context, a relatively marginal issue. There were admittedly elements in the PLO which were not fully under control. Every revolution attracted lawless elements. The longer the present situation lasted and the more distant the hope of a solution appeared, the more it would favour those who advocated terrorism. Despair was their best friend. Progress towards a solution would encourage stability and discourage the Communists. If there was no discontent, the Russians would have no influence.

M. Klibi agreed with the Prime Minister that the absence of confidence between the two sides was the central problem. The Arabs distrusted Israel because, from an Arab point of view, the Zionists had siezed land which had been Arab for centuries. The creation of Israel was perceived by the Arabs as an expropriation. But the Arabs had matured in the last 30 years. There was no longer any question of their aspiring to push the Israelis into the sea. They were now seeking a modus vivendi. If mistrust persisted, it was because Israel had never defined its frontiers. No-one knew how far the Israeli empire might extend: there were those who claimed it would run from the Nile to the Euphrates. The way to restore trust was to create confidence about Israeli intentions. The Israeli Government should state publicly that they had no intention of expanding beyond the 1967 frontiers, and that they accepted the need for an independent Palestinian state. If Israel adopted this attitude a dynamic peace process could be set in motion. As the Venice declaration had made clear, defined and guaranteed frontiers would be required for all. The Prime Minister referred to Resolution 242 and to the fact that minor adjustments in frontiers might be required. M. Klibi referred to these as details which would cause no difficulty if the major principles could be agreed.

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The Prime Minister said that she expected things to move slowly. Some way would have to be found of reducing the existing mistrust but it would take a long time. Her own position was based on the belief, which she had stated many times in public, that no-one could demand rights for himself if he was not prepared to grant to others. That was the only basis on which a settlement would be possible. But it would not be easy so long as Mr. Begin was on the scene. M. Klibi said that confidence could not be established until all the parties felt that justice had prevailed and that their dignity would be respected. It was an illusion for the Israelis to suppose that their security could be preserved by force of arms.

As the discussion ended, at 1030, the Prime Minister thanked M. Klibi for his help in overcoming the recent difficulties between HM Government and Saudi Arabia.

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From the Private Secretary

3 September 1980

Call by M. Klibi

As you know the Secretary General of the Arab League called on the Prime Minister this morning. I enclose a copy of the record of their discussion.

M. O'D. B. ALEXANDER

S.J. Gomersall, Esq.,
Lord Privy Seal's Office.

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