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Ref. A05235

MR ALEXANDER

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The Arab/Israel Dispute

(OD(81) 35) - with MODER  
on WF?

This memorandum by the Foreign and Commonwealth Secretary is a progress report on that section of his earlier memorandum of 23 February 1981 (OD(81) 14) dealing with the Middle East as part of the general range of problems which the United Kingdom would face during our Presidency of the European Community.

2. In his new memorandum the Foreign Secretary does not ask for any immediate decisions but seeks his colleagues' agreement to his general approach and suggests that we should be ready to seize any opportunities which arise to contribute to a settlement. In particular he thinks there might be a case for him meeting Arafat in certain circumstances.

3. A meeting between Lord Carrington and Arafat would of course be a very significant political event. When he suggested in his minute of 11 September 1979 that there was a case in principle for making a modest advance in our contacts with the PLO, the Prime Minister strongly disagreed with him (your letter to Mr Walden of 14 September 1979). But much has happened in the interval, including the second oil shock, the Venice Declaration, the Iraqi War and the Israeli raid on Iraq. The Arab/Israel dispute continues to be a major threat to world peace and to oil supplies; and if a breakthrough could be achieved during the British Presidency of the European Community, by an initiative that was plainly British, this would be a considerable gain in both national and international terms.

4. This is a difficult issue to handle because of its great political sensitivity. But it would not take matters much further forward to have a collective Ministerial discussion at this stage - even if there were not so many competing demands on the Prime Minister's time - before it is clear whether the Arafat possibility will materialise and if so in what circumstances. If no other OD

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colleagues comment this week, the Prime Minister may like on 13 July to indicate that in the absence of other comment by 15 July Lord Carrington should regard his general approach as approved; but that the specific issue of whether an Arafat meeting would be wise should be addressed separately if it begins to look like a real possibility.

RA

ROBERT ARMSTRONG

13 July 1981