

010



CONFIDENTIAL

Lg. *Phut*

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*You will want to discuss this with the Foreign Secretary soon.*

PM/80/43

THE PRIME MINISTER

*see the chief whip's remark Arab/Israel*

*it will cause a lot of trouble and be unacceptable to quite a lot of our M.P.s. *Phut**

1. As we approach the European Council meeting in Venice on 12/13 June, I am increasingly concerned about the situation in the Middle East.

2. Recent events on the West Bank illustrate the dangerous frustrations which are building up. It is clear that any real progress in the Israeli/Egyptian/US autonomy talks can now be ruled out, at least until after the American election and perhaps for as long as Mr Begin is Prime Minister - judging from some of his recent language. In the absence of any political progress, President Sadat may become more isolated internationally. The bomb attacks on the Mayors of Nablus and Ramallah have produced the inevitable reaction in the Security Council. The Arabs and their supporters will have an opportunity to create more trouble at the Special Session of the General Assembly likely to be called in July and again at the regular Session starting in September. Tension may rise to a point where fundamental Western interests are at risk. There is an urgent need to assure Arab moderates that although the Americans are likely to be in baulk for many months, the path of negotiation is still the best.

*(if Carter loses *Phut*)*

3. Part of the difficulty is the vacuum created by American diplomatic impotence during the election period, that is, until early 1981. We are taking special pains to keep in touch with American thinking. President Carter and Mr Muskie have both made it clear that they will be very unhappy about any recourse by their friends to the Security Council and, indeed, would be obliged to use the veto. We had, in any case, been reaching the conclusion that this was not the path to follow.





CONFIDENTIAL

2

4. But this does not mean that Europe can and should do nothing. On the contrary, I believe some diplomatic activity by the Nine in the coming months is essential if the dangers described above are to be averted. We know that many senior American officials would privately accept this view. They are, or should be, as concerned as we are at the link between the deteriorating Arab/Israel situation and the other problems of the region, and at the opportunity offered to the Russians to recover lost ground by championing a 'just cause' during the period of the vacuum.

5. There is now agreement among the Nine at official level that the European Council on 12/13 June should issue a statement, the substance of which would stress commitment to Israel's security and elaborate on the need to take into account Palestinian political rights. I attach a copy of the latest draft which is broadly satisfactory. There are two points which might be construed as a move forward by the Nine, though both have been effectively covered in previous statements by the Nine as well as following closely positions we have adopted ourselves. These are the endorsement of Palestinian self-determination, always within the framework of a negotiated settlement, and acknowledgement that the PLO, among others, must be involved in negotiations. This is of course quite different from recognising them as a Government. We have for some time been taking the line that because of the support which the PLO enjoy on the West Bank they cannot be excluded indefinitely from negotiations.

6. The major proposal in the draft statement is that the Nine should begin to take soundings of the parties concerned. Those consulted should include the United States, Egypt and Israel, as well as the other Arab states most closely concerned, and also the PLO and Palestinian opinion on the West Bank and in Gaza. The soundings would be aimed at answering the following three questions:

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CONFIDENTIAL





CONFIDENTIAL

3

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- (i) How can Israeli fears about long-term security be met to permit a lasting settlement?
  - (ii) How is the principle of Palestinian self-determination to be put into practice and reconciled with the interests of the other parties, notably Israel; and in the light of these questions
  - (iii) How could eventual multilateral negotiations be got under way?

In our view the soundings could take place over many months and continue in any case until the Americans are back in play after the Presidential election. One possibility is that they could be carried out by the Luxembourg Presidency: (M Thorn would be well capable of this). Another is a specially appointed Mission. There is no question, at any rate for the foreseeable future, of a British Minister playing a direct part.

7. I am copying this minute to members of OD Committee and to Sir Robert Armstrong.

  
(CARRINGTON)

Foreign and Commonwealth Office  
6 June 1980

CONFIDENTIAL



EUROPEAN COUNCIL: DRAFT STATEMENT OF THE NINE ON THE MIDDLE EAST

1. The Heads of State and Government and the Foreign Ministers have exchanged views [in depth] on the situation in the Middle East [including the current state of negotiations resulting from the agreements signed between Egypt and Israel in March 1979]. They agreed that the growing tensions [which affect this region constitute a growing danger] [which affect this region constitute a serious danger to peace] [affect seriously the security of this region [and]] make a comprehensive solution of the Arab/Israel conflict more than ever necessary and urgent.

2. The Nine countries of the European Community consider that the traditional links and common interests which bind Europe to the Middle East require them to play a special role and call upon them today to work towards peace in a more concrete manner.

3. [In their action] [in acting thus], the Nine countries of the Community base themselves on Resolutions 242 and 338 of the Security Council and the positions which they have expressed on numerous 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 last by the Irish Foreign Minister at the 34th UN General Assembly.

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

5. All the countries of the region have the right to live in peace within secure recognised and guaranteed boundaries. The guarantees of the peace settlement should be provided by the United Nations by decision of the Security Council and, as appropriate, according to other mutually agreed procedures. The Nine once more declare themselves ready to participate in a system of international guarantees in the context of a comprehensive settlement.

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Not a  
happy  
example in  
this region

Not much  
use in this  
region.



6. The Palestinian problem, which is not simply a refugee problem, must at last find a just solution. The Palestinian people, who are conscious of their own existence as such, must be put in a position to exercise their right to self-determination [through an appropriate process] within the framework of the comprehensive peace settlement. [The exercise of this right involves the establishment of a homeland for the Palestinian people [organised by itself and, if it so desires, a Palestinian state on the territories which Israel should evacuate in Palestine]]

7. The implementation of these aims requires the adherence and concurrence of all the parties involved in the peace settlement which the Nine are striving to promote on the basis of the principles set out in the declarations mentioned above. These principles are valid for all the parties concerned, [including the Palestinian people, [which [involves the participation] [necessitates the participation] [involves the association] of the PLO in the negotiation.]

8. The Nine recognise the particularly important role which the question of Jerusalem possesses for all the parties concerned. In the speech of the then Presidency at the then United Nations on 25 September 1979, the Nine stressed inter alia that they did not accept any unilateral move which claimed to change the status of Jerusalem and that any agreement on the status of the city should guarantee the right of free access for all to the Holy Places.

9. The Nine recall the need for Israel to end the territorial occupation which it has maintained since the conflict of 1967. They are deeply convinced that the Israel settlements represent a serious obstacle to the peace process in the Middle East. The Nine consider that these settlements [as well as demographic and property modifications in the occupied Arab territories] are contrary to international law.

10. Concerned to put an end to violence, the Nine consider that only the renunciation of force and the threat of force by all the parties can create a climate of confidence in the region, and constitutes a fundamental element for a comprehensive settlement on the Middle East conflict.

/11.



11. The Nine have decided [to undertake the necessary soundings with] [to make the necessary contacts with] [all] the parties involved. In the light of the results of this consultation the Nine will decide the precise modalities of their future action [the precise methods and timetable for an initiative on their part].

12. The Nine also stressed the importance which they attach to the Euro/Arab Dialogue on all fronts and the need to develop its political dimension. They have accordingly agreed that a meeting at the political level between the two parties would be opportune. They intend thus to contribute to the development of co-operation and mutual understanding between Europe and the Arab world.