



Foreign and Commonwealth Office

London SW1A 2AH

13 May 1980

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*Paul*

14/5

*Dear Michael,*

Your letter of 9 May asked for briefing for a meeting between the Prime Minister and a delegation from the Conservative Friends of Israel on 14 May.

/ I attach a brief.

*Yours ever*

*Paul*

(P Lever)  
Private Secretary

M O'D B Alexander Esq  
10 Downing Street  
LONDON



## CALL ON THE PRIME MINISTER BY THE CONSERVATIVE FRIENDS OF ISRAEL

### Points to Make

#### Need for a settlement

Lack of progress important cause of tension in region. Affects ability of West to make common cause, eg over Afghanistan. Present situation in West Bank not tenable in long term.

#### Requirements for a comprehensive settlement

No playing with Israel's security but Israel must show readiness to withdraw from West Bank and Gaza and stop settlements. Palestinians must accept unequivocally co-existence with Israel.

#### Autonomy talks

Prospects look poor. Autonomy agreement has to be acceptable to Palestinians themselves.

#### European initiative

European Council will consider in June. Will not cut across Camp David efforts but something more needed if Egypt-Israel peace not to be jeopardised.

#### PLO

Unrealistic to suppose comprehensive settlement possible without their eventual association with negotiations. But remain very concerned about PLO groups' involvement with terrorism and failure to confirm openly readiness to accept Israel. No question of recognition in diplomatic sense.

#### Self-determination/Palestinian State

Not committed to support for a state. Fears about Soviet domination understandable but Palestinian entity would depend on outside aid from West and Gulf and be demilitarised.



### Essential Facts

1. A CFI delegation called on Lord Carrington on 23 January. A copy of the record is attached. The delegation are likely to express concern about what they see as moves towards 'recognition' of the PLO; lack of European support for Camp David and talk of a European initiative; and endorsement of self-determination for the Palestinians, regarded as tantamount to support for a Soviet-dominated Palestinian state. They may also raise the UK vote in favour of last week's Security Council resolution calling for Israel's decision, to expel two West Bank mayors and a religious leader in retaliation for a terrorist attack, to be rescinded.

### PLO

2. The delegation may raise Lord Carrington's description of the PLO in the Lords on 17 March as not a terrorist organisation as such (we have consistently said that the PLO is a political umbrella movement which includes groups who continue to be involved with terrorism rather than itself a terrorist body). They may point to recent incidents at the Misgav Am kibbutz (carried out by an extremist group under the PLO umbrella but not endorsed by the PLO) and in Hebron (for which Fatah claimed responsibility) as evidence that the main business of the PLO continues to be terrorism. They may also query assertions that the PLO has in recent years become more 'political' by quoting an interview allegedly given by Yasser Arafat to a Venezuelan paper in which he called for Israel's destruction. Arafat has categorically denied giving such an interview, and our own researches cast considerable doubt on the interview's authenticity (eg it is supposed to have taken place in Libya during a period



in which Arafat could not have been there.) However, we have made clear that any policy not involving unequivocal acceptance of Israel's right to live in peace is quite unacceptable to us. The evidence about the PLO's real policies is conflicting.

#### Autonomy talks

3. Our position has been that we will not undermine Camp David but that there may be an opportunity in the second half of 1980 for Europe to keep up the momentum of peace efforts. This was most recently set out by Lord Carrington in Washington. There is now no prospect of an autonomy agreement by the 26 May deadline and President Sadat has suspended the plenary talks as a sign of displeasure at Israel's inflexibility. The chances of an agreement capable of attracting Palestinian participation and therefore of being workable are increasingly poor. The European Council have asked for a report on the issue for their next meeting in Venice on 12-13 June. Meanwhile discussion of options within the Nine remains at a preliminary stage.

#### Self-determination/Palestinian state

4. Self-determination does not necessarily mean an independent state. Palestinian options will be constrained by the need to seek agreement in negotiation (hence the important qualification 'within the framework of a negotiated <sup>settlement'</sup> / which we attach to our endorsement of self-determination). The Russians have supported the PLO for several years but there is no ideological affinity between the PLO leadership and Soviet party leaders, and no evidence that the PLO act under Soviet instructions. A Palestinian entity on the West Bank and Gaza would be very weak, almost certainly demilitarised, and dependent on financial aid from the West and the conservative oil-producing states. As such it would pose little immediate threat to Israel and would be an unlikely base for Soviet expansionism. More

/Widely



widely the continuation of the Arab-Israel conflict, with the US cast as Israel's supporter, offers the Soviet Union constant opportunities to identify with the Arabs and acquire influence through arms supplies.

#### West Bank/Hebron

5. Tension in the West Bank has risen steadily in recent months. The Israeli decision to establish two religious schools in the centre of Hebron has led to violent clashes involving deaths on both sides. The worst incident took place on 2 May when six Israelis were killed as they returned from a religious service. Fatah claimed responsibility. The Israelis immediately expelled in retaliation the mayors of Hebron and Halhul and the religious leader (Khadi) of Hebron (none of whom was noted for extreme views). They did not claim that the three were involved in the incident but accused them of incitement. Normal appeal procedures and the Geneva Convention on the responsibility of occupying powers, which forbids expulsions under any circumstances, were ignored. On 8 May the Security Council passed a resolution calling on Israel to cancel the expulsions. The US abstained. We argued in informal consultations that the Security Council should not concentrate on only one aspect of the situation, ignoring the incident which led to the expulsions, but nevertheless voted in favour of the resolution, which contained no condemnation of Israel. No speeches were made in the debate other than by the US to explain their abstention.

#### Arab Boycott

6. A separate brief is attached in case this is raised.



Mr Tomkys ✓

cc: Private Secretary  
Mr Moberly  
Chancery Tel Aviv

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NFR 026  
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CALL ON THE SECRETARY OF STATE BY THE CONVERSATIVE FRIENDS OF ISRAEL (CFI)

1. A CFI delegation, led by the Rt Hon Hugh Fraser MP and including Messrs Latham, Biggs-Davison, Dykes and Sainsbury. MPs and Baroness Hornsby-Smith, called on the Secretary of State on 23 January. It was agreed that the meeting would be regarded as private and confidential by both sides.
2. Mr Fraser said they had intended to raise the Arab Boycott but following discussions with the Israeli Minister of Foreign Trade, Mr Patt, and the exchanges at the recent Anglo-Israeli Joint Commission meeting were content to leave this aside for the moment. Their main concern was European policy. Mr O'Kennedy's references at the General Assembly to the need to broaden 242 and to the PLO suggested that Europe was thinking of undermining Camp David. Recent events had, however, demonstrated that the Egypt-Israel peace treaty represented a cornerstone of stability in an area otherwise in total disarray. Europe had never fully appreciated the extent of the achievement of the peace treaty or the sacrifices Israel had made. Whatever happened in the Arab/Israel dispute the disarray in the Arab world would continue. Meanwhile, the Arabs were unwilling to face the realities of Soviet action in Afghanistan and preferred to take refuge behind emotional talk of Israeli occupation of Jerusalem. The CFI plea to the Government was to avoid any action which might threaten what had been achieved by Camp David.
3. The Secretary of State explained his concern that the autonomy process was leading nowhere. We would continue to support US efforts but Afghanistan had brought home the degree to which Arab reactions were conditioned by Arab/Israel considerations. Meanwhile, Israel was continuing to lose friends in the West, particularly over the settlements issue, and the

/PLO



PLO were continuing to gain ground internationally. The PLO seemed to have become more political in character in recent years. He personally did not favour a ban on talking to the PLO, although this was not to say he wished in any way to whitewash them. In sum, unless something could be done for the Palestinians, Israel's international isolation was bound to increase. A European initiative might be able to help and might not be unwelcome to the Americans. A new resolution supplementing 242 was a possibility we had in mind.

4. In further discussion, the delegation expressed the view that the PLO had not changed their spots. The covenant remained unrepudiated. To give them a greater degree of recognition encouraged the PLO radicals, not the moderates. No Israeli politician was prepared to tolerate a PLO-dominated West Bank. Europe should be encouraging Palestinian representatives other than the PLO to come forward, rather than acquiescing in PLO intimidation.

5. The Secretary of State repeated in conclusion that while we feared the autonomy talks were a dialogue of the deaf, we would certainly not torpedo them. However Camp David was not enough in itself to solve the dispute.

*J. E. Holmes*

28 January 1980

J E Holmes  
Near East & North Africa Dept



ARAB BOYCOTT

POINTS TO MAKE (DEFENSIVE)

HMG'S POLICY

1. We deplore the boycott. Wrong to interfere with commercial judgement of firms. Government's role to encourage trade with both Israel and Arabs and remove misconceptions about boycott. First priority to resolve Arab/Israel conflict which gives rise to boycott.

AUTHENTICATION OF NEGATIVE CERTIFICATES

2. Ceasing authentication would cause unacceptable damage to exports. Service will be maintained. But explanatory statement now attached makes clear that procedure does not imply approval of documents in question.

EC INITIATIVE

3. Prepared to discuss the boycott at any time in the Community if there were a general wish to do so. But no evidence of this at present and no case for UK raising subject. Community policies (including Dutch) broadly similar to ours.



## ESSENTIAL FACTS

### ARAB BOYCOTT

1. Successive British Governments have deplored and opposed all trade boycotts, such as the Arab boycott of Israel, which lack international sanction and authority. They have consistently been criticised by Israel's supporters for doing too little to challenge the Arab boycott.
2. Late in 1977 Lord Byers introduced a Bill, on the lines of earlier US legislation, which would have made it illegal for British firms to comply with the boycott. The Bill failed when a Select Committee of the Lords reported in July 1978 that legislation would damage British commercial and political interests.
3. The Committee concluded that firms should remain free to decide whether or not to comply with the boycott in the light of their own commercial judgement; that the Government should promote British exports to Israel and the Arab states, maintain friendly relations with both sides and do nothing to impede a peace settlement in the Middle East. This amounted to a broad endorsement of existing Government policy but the Committee thought the Government should be more active in combatting the boycott and its effects. In particular they recommended that the FCO cease authentication of negative certificates of origin and take the initiative in the Nine to achieve concerted (and thereby more effective) EEC resistance to the boycott.

### NEGATIVE CERTIFICATES OF ORIGIN (NCO'S)

4. Iraq, and in some circumstances Bahrain, PDRY and YAR, require



NCO's (a statement by an exporter that goods were not made in Israel to be authenticated by the FCO. Such certificates are first attested by a Notary or Chamber of Commerce official whose signature the FCO in turn authenticates. We have made it clear that our authentication of the attesting signature does not imply approval for the contents of the document. But the Select Committee's view was that the FCO nevertheless thereby gave the impression of condoning the boycott. In response to the Committee's recommendation DOT consulted a number of trade and other bodies with an interest in authentication. As a result we announced in Parliament on 5 November that the FCO would not cease authentication because to do so would involve an unacceptable risk to our exports, but that we would issue an explanation with each authentication to the effect it was the signature on the document not the document itself which was being authenticated.

#### EEC INITIATIVE

5. The previous Administration did not accept the Select Committee's recommendation but expressed willingness to discuss the boycott in the Community if there was a general wish for this. There is still no evidence of such a wish and the signs are that an initiative would be unwelcome to our partners, would fail and could carry risks to our exports and standing in the Middle East. Ministers have endorsed this line. The policies of the Nine are broadly comparable to our own (although Italy, Ireland and Luxembourg for varying reasons do not authenticate NCO's). A number of anti boycott resolutions have been passed in the Dutch Parliament but there has not yet been any change in that Government's policy.



ADVICE TO FIRMS

6. Apart from the normal commercial support work DOT and overseas posts advise firms on the operation of the boycott and assist in overcoming problems. On the Select Committee's recommendation DOT have issued a revised statement for the guidance of firms which sets out the Government's opposition to the boycott and invites firms to take this into account.



PM  
BF 13.5.80

9 May 1980

The Prime Minister will be receiving a delegation of the Conservative Friends of Israel here on Wednesday 14 May. I should be grateful if you could let me have a brief by close of play the previous evening.

M. O'D. B. ALEXANDER

Paul Lever, Esq.,  
Foreign and Commonwealth Office

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MR. ALEXANDER

Did you ask for  
briefing for this meeting?

*es.*

8 May, 1980.





10 DOWNING STREET

*From the Private Secretary*

8 May, 1980.

I am writing to confirm that the Prime Minister is looking forward to seeing you and the delegation of the Conservative Friends of Israel at 1615 on Wednesday, 14 May, at 10 Downing Street.

CAROLINE STEPHENS

The Rt. Hon. Hugh Fraser, M.B.E., M.P.



FROM: THE RT. HON. HUGH FRASER, M.B.E., M.P.



HOUSE OF COMMONS  
LONDON SW1A 0AA

1st May, 1980

Prime Minister

I am sorry you will agree to this. It will have to be after the 2200 vote on Wednesday. Agree?

Yes Mr. El. 2/5.

Ian Gow

Meeting of the Prime Minister with the  
Conservative Friends of Israel

I gratefully take up your offer of a meeting with the Prime Minister next week at her convenience after a Division in The House.

Our delegation would consist of the following: Julian Amery, Peter Thomas, Maurice Macmillan, Tim Sainsbury, Michael Latham and the organiser of the C.F.I. and ex-MP, Michael Fidler. and Malcolm THORNTON MP

We will be coming against a background where in the gloom of increasing international tension, the May "deadline" for Camp David could become another crisis point. Locally, you will be aware, there is a mounting and vociferous distrust by the Jewish community of the British Foreign Office.

The two problems I suggest for discussion are:

- (1) some statements by Ministers outside No.10 regarding the P.L.O. and Israel, which I trust are misleading and misconceived, and which certainly have lead to confusion, and
- (2) our fear that the so-called European stance on Israel seems to be French dictated and not in our national interest.

I know how difficult the Israelis are being and, as a Group, we have criticised major parts of their settlement policy. Nevertheless, we will be coming with a feeling of great urgency on the points I have outlined.

The meeting will of course be private and it will be for the Prime Minister to decide whether anything should be said. Perhaps we could have a word about this at The "22" this evening.

P.S. I have warned all the above to be on stand-by. If you could perhaps let me know on Tuesday the approximate time of the meeting, they will be ready.

Ian Gow, Esq. TD, MP

Ian Gow