

**A Triumph of Pragmatism over Principle:**  
**Margaret Thatcher and the Arab-Israel Conflict**

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I, Azriel Bermant, confirm that the work presented in this thesis is my own. Where information has been derived from other sources, I confirm that this has been indicated in the thesis.

## **Abstract**

Margaret Thatcher's concern over Soviet ambitions strongly influenced her Middle East policy. The present thesis will contend that this was a highly significant factor behind the cooperation between 10 Downing Street and the Foreign and Commonwealth Office (FCO) in the Middle East during the period in question. Notwithstanding her instinctive understanding for the State of Israel, Thatcher increasingly perceived Israeli policies as a liability rather than an asset for Western interests. There was unease that these policies were increasing instability in the Middle East, and therefore undermining the security of Britain's Arab allies. Thatcher feared that the Soviets and other radical forces would exploit regional turmoil in order to expand their influence in the Middle East. Therefore, Thatcher agreed with the FCO on the urgent need to resolve the Arab-Israel conflict as a means of defusing regional tensions.

As Thatcher acquired greater authority in the realm of international affairs, there was a growing convergence with the traditional position of the FCO on the Palestinian question. Thus, Thatcher used her stronger control over foreign policy to enhance the objectives of the FCO rather than to counter them, in the Middle East arena. Furthermore, during the second term of the Thatcher Government, it was the FCO rather than 10 Downing Street which took an initiative to advance a political dialogue with the State of Israel, resulting in a significant improvement in relations between Britain and Israel. Within Israeli Government circles and the Anglo-Jewish community, the FCO was generally viewed as the source of the apparently hostile British attitude towards Israel, while Number Ten was considered the more sympathetic institution. However, it is argued here that this is a simplistic view of the respective roles played by the FCO and 10 Downing Street in Middle East policy.

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## **Note on Sources**

The research for this thesis is based primarily upon a wide range of archival sources, including documents obtained under the Freedom of Information Act (FOI) and restricted material that was made available to me at the Ministry of Foreign Affairs in Jerusalem. I have also used documents from the Archive of the Board of Deputies of British Jews, the Thatcher Papers at Churchill College and the Reagan Library in the United States. In addition, I conducted interviews with over forty former statesmen, leading politicians and officials, and drew on the British Diplomatic Oral History Programme (BDOHP), which contains interviews with officials who played a key role in policymaking during the Thatcher period. The Margaret Thatcher Foundation (MTF) was an invaluable source for interviews, statements and speeches by the former Prime Minister, and I also made extensive use of autobiographies and memoirs.

There is a '30-year rule' in place covering British government documents. Under this rule, most government records are transferred to The National Archives, and are made accessible to the public, thirty years after publication. A similar rule applies in Israel. This has meant that very few documents were available for the bulk of the period under discussion. Documents have been released in Britain and Israel for the years 1979-1980. These have been used extensively in Chapters 1 and 2, but in order to build a full picture of the Thatcher Government Middle East policy during the remaining period, I had to put in multiple FOI requests to both the FCO and the Cabinet Office. In general, while the FCO were very helpful in releasing documents, the process of release was very cumbersome, and delayed the completion of this research. Very few documents were released by the Cabinet Office.

Similar difficulties were experienced in gaining access to documents in Israel and the United States. As with the National Archive in Britain, the Israel State Archive would provide me only with documents covering the first eighteen months of the Thatcher period. Indeed, I was originally informed that even these documents were unavailable. It was only through repeated requests and perseverance that the relevant documents were eventually obtained. In addition, after a protracted process of negotiation with the Foreign Ministry in Jerusalem, access was eventually granted to some forty files on Anglo-Israeli relations covering the entire Thatcher period, although highly confidential material remained inaccessible. The difficulty was considerably greater in regard to American documents. Nevertheless, I succeeded in obtaining the release of a small number of documents from the Reagan Library.

I am therefore aware that I have utilized only a small fraction of British, US and Israeli documents dating from the Thatcher period. While this has nevertheless enabled me to make a contribution to our understanding of British policy towards the Arab-Israel conflict, the picture that emerged from these documents was inevitably incomplete. I have sought to address this problem by conducting numerous interviews with statesmen, politicians and diplomats, mainly based in Britain and Israel. Most of these interviews were carried out on a face-to-face basis, while a small number were conducted by telephone and even through email correspondence. The questions in each session were tailored specifically to the individual interviewee. With one exception, all the interviews have been digitally recorded. In many cases, the questions were sent to interviewees ahead of our meetings. I sought to encourage interviewees, where applicable, to expand on information that I discovered in the archival sources.

In the discipline of history, there is some debate over the value of oral sources in research.<sup>1</sup> The interviews complemented the information I was able to obtain elsewhere, and provided unique personal insights from those involved in the policy process. I am aware of the problems inherent in the interviewing process: the memories of interviewees are not always reliable, some of them who seek to avoid controversy are liable to respond to questions on that basis and some may provide self-serving responses, exaggerating or underplaying their personal role. It was incumbent on me to exercise my judgment and to cross-reference their assertions with other interviews and with the documents and sources at my disposal, to ensure that the picture I obtained was as accurate as possible.

In a similar vein, there are also some difficulties with the use of biographies in historical research. There is a view that political biographies are driven by the need to entertain rather than to shed light on the development of political structures and processes. Furthermore, there is some debate over whether biography contributes to our understanding of the past. Biographers can lose a sense of perspective as they become “deeply involved with their subjects.”<sup>2</sup> The difficulty is greater still in relation to personal memoirs, where the author may be prone to self justification. I have taken these limitations into account, in the course of this research.

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<sup>1</sup> For example, Gwyn Prins, ‘Oral History’, in Peter Burke (ed), New Perspectives on Historical Writing (Polity Press: Cambridge, 1991), pp. 114-140

<sup>2</sup> Ben Pimlott, ‘Is Contemporary Biography History?’, The Political Quarterly, 70:1, (January 1999), pp. 31-41

## **Introduction**

### **Literature Review**

While much has been written about Britain's post-war Middle East policy and the formulation of British foreign policy in general, the existing literature on the policy of the Thatcher Government towards the Middle East is sparse and somewhat problematic. Furthermore, there is a particular problem with the general discussion of the Thatcher Government's foreign policy, inasmuch as it tends to focus on Margaret Thatcher's personality and leadership style, which has implications for the discussion of her Middle East policy specifically and her foreign policy in general. As Hennessy puts it, "policy reflected the enhanced potency of Mrs Thatcher's Downing Street."<sup>1</sup> Although Hennessy is not concerned specifically with policy towards the Middle East, his assumption is that both Thatcher's domestic policy and her foreign policy were essentially an expression of the Prime Minister's presidential style of leadership. Thus, while it is true that the policy unit in Number Ten grew increasingly powerful during Thatcher's second and third terms in office, this was not necessarily reflected in Britain's Middle East policy where cooperation between 10 Downing Street and the FCO was maintained. Hennessy fails to provide an explanation of the impact of Thatcher's leadership style on foreign policy. The politicization of the policy process, exemplified in Thatcher's employment of senior advisers such as Anthony Parsons and Percy Cradock, is discussed extensively in the literature, but there is little explanation of the impact of this politicization on foreign policy.

Realism is the best known approach in the international relations literature, placing an emphasis on the importance of power in an unstable international system.<sup>2</sup> The realist approach has traditionally focused on factors within the international system

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<sup>1</sup> Peter Hennessy, The Prime Minister: The Office and its Holders Since 1945 (Penguin Books: London, 2000), p. 424

<sup>2</sup> Christopher Hill, The Changing Politics of Foreign Policy (Palgrave Macmillan: New York, 2003), p.6

as opposed to domestic processes. In accordance with this thinking, the foreign policies of states will be strongly influenced by the need to pursue material interests in an unpredictable international environment. However, within the international relations field, it is now generally accepted that foreign policy is also influenced to some degree by processes occurring within states.<sup>3</sup> Thus, scholars adopting a 'domestic process' approach view the pressures facing policy-makers as originating in the national, political, economic and social systems. According to this view, "the international arena is thus essentially the arena in which policy is implemented, not the source of policy itself."<sup>4</sup> Christopher Hill claims that foreign policy is affected by a continuous flow of domestic influences, as well as international factors. Furthermore, domestic society imposes constraints on policymakers. As a consequence, governments will often anticipate possible domestic opposition to certain elements of foreign policy and will build into this policy a sense of what the population will tolerate.<sup>5</sup>

To what degree have domestic factors influenced foreign policy? The British parliament exercises oversight and supervision over foreign policy. However, its capacity to influence policy is limited.<sup>6</sup> As Reynolds points out, the British parliament has little involvement in foreign policy formulation. In Britain, public attitudes have less impact on specific policies than in setting the broad ideological parameters within which foreign policy is conducted.<sup>7</sup> In contrast, the US Congress enjoys significant power over policymaking, including the right to declare war and authorize legislation in the foreign policy arena.<sup>8</sup>

Hill describes public opinion as "a constraint which exists at least as much in the minds of decision-makers as it is embodied in substantive elements like law,

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<sup>3</sup> Ibid., p.220

<sup>4</sup> Steve Smith and Michael Smith, 'The Analytical Background', in Michael Smith, Steve Smith and Brian White (eds), British Foreign Policy: Tradition, Change and Transformation (Unwin Hyman Ltd: London, 1988) p.8

<sup>5</sup> Hill, The Changing Politics of Foreign Policy, pp.222-223

<sup>6</sup> Ibid., p.256

<sup>7</sup> David Reynolds, Britannia Overruled: British Policy & World Power in the 20th Century, (Longman Group Ltd: London, 1991), pp.38-41

<sup>8</sup> Hill, The Changing Politics of Foreign Policy, p.253

institutions, demonstrations.”<sup>9</sup> The Thatcher Government found that it was increasingly difficult to ignore the shift in British public opinion on the Arab-Israel issue.<sup>10</sup> Among this public, there are interest groups seeking to exercise influence over the direction of foreign policy. Pro-Israeli interest groups in the United States have been more successful than their British counterparts, partly because they have been able to exert influence in the US Congress, which has a greater involvement in foreign policy legislation than the British parliament.

Mark Stuart has suggested that Thatcher’s “pro-Israeli stance” was linked to her Finchley constituency and its large Jewish population which she represented as an MP. According to Stuart, Thatcher’s position on Israel caused difficulties with the FCO.<sup>11</sup> There are difficulties with this claim. First, while Thatcher was influenced by the views she heard in her constituency, this was just one of many factors which affected her position on the Arab-Israel issue. It ultimately had a very limited impact on the Middle East policy of the Thatcher Government. Furthermore, over time, there was an increasing convergence between Thatcher and the FCO on the Arab-Israel issue.

Hill concludes that while the foreign policy process is largely pluralist in nature, the processes of scrutiny even in liberal democracies are not very effective. The regular influence of interest groups and the media operates in an indirect and erratic manner. For the most part, actual participation in foreign policy decision-making is very difficult even for those who are articulate and knowledgeable.<sup>12</sup> Thus, policymakers have considerable room for maneuver in regard to the formulation and execution of foreign policy.

Rynhold and Spyer have maintained that British policy towards the Arab-Israeli conflict has traditionally swung between a ‘Diplomatic’ and a ‘Strategic’ orientation.

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<sup>9</sup> Ibid.,p.268

<sup>10</sup> See below,p.123

<sup>11</sup> Mark Stuart, *Douglas Hurd: The Public Servant* (Mainstream:London, 1998), p.119

<sup>12</sup> Hill, *The Changing Politics of Foreign Policy*, p.282

They have argued that the Diplomatic orientation places an emphasis on the resolution of the Arab-Israeli conflict, which is viewed as a core issue affecting general Middle East policy. This orientation, associated with the FCO, has defined British interests largely in terms of building and maintaining alliances with existing Arab regimes as well as enhancing commercial interests in the region. By extension, therefore, this orientation has traditionally viewed Israel as a factor complicating British interests in the Middle East. In contrast, the Strategic orientation is associated more with 10 Downing Street and defines British interests largely in terms of containing anti-Western threats in the Middle East. Israel is viewed in a more sympathetic light as a bulwark against these threats, and a greater emphasis is placed on close ties with the United States – a traditional supporter of Israel.<sup>13</sup>

While these two orientations have not given rise to two competing British policies on the Middle East (one pursued by 10 Downing Street and the other advocated by the FCO), an examination of British practices in the Arab-Israeli conflict over the last sixty years does reveal that fluctuations between these orientations have been reflected to some extent in policy. Thus, according to Rynhold and Spyer, while the early post-war years saw a preponderance of the Diplomatic orientation at a time when the FCO elite exercised a strong impact on Middle East policy, the period of the mid-to-late 1960s saw the Strategic orientation prevail, as 10 Downing Street took greater control over policy towards the Arab-Israeli conflict.<sup>14</sup>

The Diplomatic orientation views the Arab-Israeli conflict as the main cause of instability in the Middle East, undermining British interests in the region. In accordance with this perception, a comprehensive resolution of the Arab-Israeli conflict would go a long way towards removing the sources of hostility towards Britain in the Arab world.<sup>15</sup> As we will see, this perception was commonly held among the British foreign policy elites in the early post-war years, and it also held sway during the Thatcher period. The perception that the Arab-Israeli conflict was at

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<sup>13</sup> Jonathan Rynhold and Jonathan Spyer, 'British Policy in the Arab-Israeli Arena 1973-2004', British Journal of Middle Eastern Studies, 34:2 ( August 2007), pp. 137-155

<sup>14</sup> Ibid.

<sup>15</sup> Ibid.

the core of the difficulties facing Britain in its Middle East policy was illustrated, for example, by the Alpha Plan of 1955. Alpha was a major initiative involving confidential discussions between the British and American governments with a view to solving the Palestinian refugee problem and adjusting Israel's frontiers. Alpha was designed to address Arab grievances and place Israeli-Egyptian relations on a new footing.<sup>16</sup> It was symptomatic of FCO thinking during the 1950s: According to this logic, a limited settlement between Israel and even one of the Arab states could help defuse Arab hostility, which was undermining British interests in the region.<sup>17</sup>

A key difficulty in some of the literature is the tendency to accentuate the differences between the FCO and 10 Downing Street on British policy towards the Arab-Israel conflict. For example, the attempts to associate the FCO with the 'Diplomatic' orientation, as against Number Ten's association with the 'Strategic' orientation<sup>18</sup>, serve only to reinforce the differences between the two institutions. As this thesis will demonstrate, such an approach is somewhat simplistic and misleading. Thatcher was instinctively sympathetic towards Israel, and did attempt briefly to counter the FCO position on the Middle East. However, there were numerous occasions when she took the lead in adopting policies that caused considerable difficulties for the Israeli political leadership. At the same time, it was the FCO that initiated a dialogue with the Israeli Government, paving the way for the eventual groundbreaking visit of a British Prime Minister to Israel in 1986.

Against this background, the present thesis will highlight an interesting paradox. The FCO's post-war policy towards the Middle East focused on the enhancement of ties with conservative Arab regimes and the avoidance of close ties with the State of Israel. In contrast, Thatcher entered Number Ten in May 1979 with a reputation as a stalwart friend of the Jewish State. There was some concern within the Arab world that Thatcher would adopt a pro-Israeli policy in view of the fact that she represented

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<sup>16</sup> William Roger Louis and Roger Owen, 'Introduction' in William Roger Louis and Roger Owen (eds), Suez 1956: The Crisis and its Consequences (Oxford University Press: Oxford, 2003), pp.2-3

<sup>17</sup> Shimon Shamir, 'The Collapse of Project Alpha' in William Roger Louis and Roger Owen (eds), Suez 1956: The Crisis and its Consequences (Oxford University Press: Oxford, 2003), pp.84-92

<sup>18</sup> Rynhold and Spyer, 'British Policy in the Arab-Israeli Arena', pp. 137-155

a constituency with a substantial Jewish population.<sup>19</sup> There were some within the FCO who shared this unease.<sup>20</sup> Thatcher, who considered the FCO to be prejudiced towards the Arab viewpoint, had been hostile towards the institution.<sup>21</sup> During her period of service in Number Ten, she came under considerable pressure from pro-Israeli organizations and supporters of Israel within her constituency to adopt a policy that was supportive of the Israeli Government. In addition, the fact that Britain had become less dependent than before on Middle East oil supplies would arguably have reduced the pressure on her Government to pacify the Arab world on the Palestinian question. Thus, as policy became concentrated in the hands of Number Ten, one would have expected it to diverge significantly from the position of the FCO. Yet this did not occur.

Thatcher's hostility to the FCO is well-known.<sup>22</sup> There were significant differences in attitudes on various policy issues, including in the Middle East arena. However, policy towards the Arab-Israel conflict was cohesive, in spite of Thatcher's hostility towards Whitehall. As Neill Lochery has pointed out, Thatcher may have disliked the culture and ethos of the FCO, but she tended to agree with its position on the Arab-Israel Conflict.<sup>23</sup> This thesis will contend that on occasions, it was Thatcher herself, rather than the FCO, that took the lead in advancing a policy which was problematic from the Israeli Government's perspective. In turn, it was the FCO, rather than Number Ten, that was chiefly responsible for advancing a more conciliatory policy towards Israel, especially during the second term of the Thatcher Government. Thus, the present study will question the exaggerated emphasis that has been placed on the differences between Whitehall and Downing Street.

In particular, the present thesis seeks to demonstrate why Thatcher was ready to cooperate with the FCO in the Middle East arena. During her early months in power, Thatcher had been opposed to the FCO's attempt to advance a policy shift on

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<sup>19</sup> Anthony Parsons, 'The Middle East' in Peter Byrd (ed), British Foreign Policy under Thatcher (St Martins Press: New York, 1988), p.89

<sup>20</sup> See below, p.53

<sup>21</sup> See below, p. 126

<sup>22</sup> Margaret Thatcher, The Downing Street Years (London: Harper Collins, 1993), p.309

<sup>23</sup> Neill Lochery, Loaded Dice: The FCO and Israel, (Continuum International Publishing Group: London, 2007) p.196

Palestinian self-determination, and viewed Israel as a strategic asset in the Middle East. This situation did not last. This thesis contends that the most significant factor driving Thatcher's thinking in the Arab-Israel arena was the perceived Soviet threat. During 1979, the year in which she became Prime Minister, the Soviets had invaded Afghanistan and the Islamic revolution had taken place in Iran. The need to prevent Soviet expansion and political instability in the region had now become a matter of greater urgency.<sup>24</sup> There was also acute concern over the implications of the revolution in Iran.<sup>25</sup> It was in this context that British policy was formulated during the early 1980s. It was felt that a comprehensive resolution of the Arab-Israel conflict would dilute the threats to Western strategic interests in the region. In a similar vein, by 1990 with the ending of the cold war, a fresh opportunity had arrived to achieve a settlement of the Arab-Israel conflict. The inflexibility of the Likud leadership on the Palestinian question was a significant factor that strengthened agreement between 10 Downing Street and Whitehall. Furthermore, it was increasingly difficult for the Prime Minister to ignore shifts in British public opinion on the Palestinian question. Thus, Thatcher's policy towards the Arab-Israeli conflict was closely aligned to the FCO, as it became increasingly clear that British strategic interests demanded a certain detachment from the State of Israel.

The thesis is based, to a large degree, on recently declassified archival materials located in Britain and Israel, on FCO documents that have been released to the researcher under the Freedom of Information Act, as well as on numerous interviews conducted with senior statesmen, politicians and officials in Britain and Israel. These primary sources provide a rich and complex picture of the relationship between Thatcher and Whitehall. They show that Thatcher's policy towards the region was dictated by concerns over threats to the stability of the moderate Arab states, rather than by either the pro-Israel or the pro-Arab lobbies. They also indicate that Thatcher consistently displayed hostility to the leadership of the Likud Party, since its inflexible policies had negative ramifications for the stability of the region. As a result, the Prime Minister largely agreed with the Whitehall bureaucracy on the need

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<sup>24</sup> Rosemary Hollis, *Britain and the Middle East in the 9/11 Era* (John Wiley & Sons Ltd: London, 2010) , p.22

<sup>25</sup> See below, pp.94-95

to adopt a policy shift on the Palestinian question<sup>26</sup>, and to put an end to the situation where the Soviet Union was an advocate for Arab Governments against an Israel backed by the United States.<sup>27</sup> Indeed, the primary sources indicate that Thatcher was prepared on occasions to go beyond the FCO in adopting policies that were uncomfortable for the Israeli political leadership. The British policy towards the Arab-Israel conflict under Thatcher was influenced largely by international-level factors. Nevertheless, there were also domestic processes that had a significant impact on policy in the Arab-Israeli arena. For example, the patrician wing of the Conservative Party exerted a significant influence on policy during the first term of the Thatcher Government, and public opinion became increasingly significant. In addition, domestic economic interests played an important part in the sales of arms to the Arab world.

This fills a gap in our understanding of the relationship between statecraft and the substance of policy, as the policy of the Thatcher Government towards the Middle East serves as a case study that sheds light on the formation of other areas of foreign policy. The present thesis shows that even as the private office in Downing Street exerted stronger control over foreign policy, there was still extensive cooperation with the FCO on the Middle East. The fact that Thatcher had adopted a presidential leadership style did not necessarily signify a change in the substance of policy. It suggests that Thatcher's leadership style was more significant in the management of foreign policy than the actual substance and outcome of this policy.

In order to fully understand the factors underlying British policy towards the Middle East during the Thatcher period, it is necessary to look at the broader pattern of interplay between the Prime Minister's Office and Whitehall over the thirty years prior to the Conservative election victory of 1979. What was the traditional policy of the FCO towards the Arab-Israeli conflict and to what degree did the occupants of Number Ten follow this policy? In the rest of this chapter, I will explore the evolution of British policy towards the Arab-Israeli conflict as reflected in the

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<sup>26</sup> See below, p.81

<sup>27</sup> See below, p.230

existing literature, with an emphasis on the period between the Suez invasion of 1956 and the late 1970s, focusing on a number of key themes: the British perception of Israel/Palestine as the core issue in Middle Eastern politics; the development of the FCO position on Israel; the application of this policy, with special reference to the issue of arms sales to the region, and the influences of Downing Street and the FCO on British policy.

### **British Perceptions of Israel/Palestine as the Core Issue in Middle Eastern Politics**

There is no question that Britain's role in the creation of the State of Israel was uppermost in the minds of many leading British policymakers, during the early years of the Jewish State's existence. Arnold Toynbee exerted a strong influence on British policy during those years, in his capacity as the long-standing Director of Studies at Chatham House. The key elements of Toynbee's doctrine (described by the historian Elie Kedourie as the 'Chatham House version') was that the Arab peoples had suffered an injustice at the hands of the British in the wake of the 1917 Balfour Declaration, which promised the Jews a national home in Palestine.<sup>28</sup> Toynbee maintained that the British Government, and indirectly the British people, were "extremely responsible" for the change in the Middle East brought about by the Balfour Declaration.<sup>29</sup> Kedourie maintained in his classic work, *The Chatham House Version*, that the views of Toynbee were "widely shared among the intellectual and official classes in Britain."<sup>30</sup> One of the most contentious claims presented by Toynbee and other scholars in the publications of Chatham House was that Palestine was the key issue in Middle East politics and was singularly responsible for the difficulties affecting British interests in the Middle East.<sup>31</sup> Kedourie attacks this thesis, arguing that Britain's relations with countries such as

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<sup>28</sup> Elie Kedourie, *The Chatham House Version and other Middle-Eastern Studies* (Ivan R Dee: Chicago, 2004), pp.375-377

<sup>29</sup> Arnold Toynbee and Louis Eaks, 'Arnold Toynbee on the Arab-Israeli Conflict', *Journal of Palestine Studies*, 2:3, (Spring 1973), pp. 3-13

<sup>30</sup> Kedourie, *The Chatham House Version*, p. 383

<sup>31</sup> *Ibid.*, pp. 390-392

Egypt, Iran and Iraq were influenced solely by local issues.<sup>32</sup> Nevertheless, Toynbee's view has influenced the thinking of many British policymakers, officials and politicians, including arguably Thatcher herself.

Elizabeth Monroe has written that among the majority of Arabs, resentment over Palestine "destroyed every shred of regard for Britain."<sup>33</sup> Nevertheless, she also maintained that it was wrong to argue that Palestine alone brought about the deterioration of the Anglo-Arab relationship. Monroe claimed that there were other relevant factors in this deterioration such as Egyptian and Iraqi antipathy towards British military bases. The Iranian nationalism of the 1950s, for example, was untouched by the Palestine issue, and the Egyptians only embraced the Palestine cause after the Second World War. Palestine certainly exacerbated nationalist emotions, but it was only one factor among many.<sup>34</sup>

### **The Development of the FCO Position on Israel**

Britain's post-war policy in the Middle East placed an emphasis on the consolidation of ties with conservative Arab regimes, securing oil supplies, fending off the Soviet threat and maintaining stability in the region. In the years following the establishment of the State of Israel, there was a strong belief among British policymakers that close relations with Israel would harm British interests.<sup>35</sup> Indeed, in the years following Israel's independence, Britain kept its distance from the Jewish State, ruling out strategic cooperation of any kind. Nevertheless, by the end of the 1950s, Britain realized that there was more to gain from establishing friendlier relations and cooperation with Israel (which would provide it with a measure of influence), although not at the expense of its ties with Arab countries.<sup>36</sup>

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<sup>32</sup> Ibid., p. 392

<sup>33</sup> Elizabeth Monroe, *Britain's Moment in the Middle East, 1914-1971* (Chatto & Windus: London, 1981), p. 123

<sup>34</sup> Ibid., pp. 123-124

<sup>35</sup> For example, see Evelyn E Shuckburgh, *Descent to Suez* (WW Norton & Company: New York, 1986)

<sup>36</sup> Orna Almog, *Britain, Israel and the United States 1955-1958: Beyond Suez* (Frank Cass: London, 2003), pp.222-226

Although the period leading up to the establishment of the State of Israel is outside the scope of the present study, it is helpful to briefly survey the literature relating to FCO attitudes on Palestine, as they set the tone for what followed in the decades to come. According to William Roger Louis, in the mid 1940s, the FCO adopted an anti-Zionist position, but this was not necessarily motivated by anti-Semitism.<sup>37</sup> Louis maintains that the FCO worked towards the establishment of an Arab state, with the restriction of Jewish immigration to Palestine, in order to preserve British influence in the Middle East through Anglo-Arab friendship. Indeed, this had been the objective of the 1939 White Paper.<sup>38</sup> Such an option would have ruled out an independent Jewish State, thereby crushing Zionist aspirations. Foreign Secretary Ernest Bevin was responsible for overseeing this policy following the Labour party election victory of 1945. Bevin strongly believed that through expressing public opposition to the establishment of an independent Jewish homeland in Palestine, Britain would be able to deflect Arab hostility away from Britain. Yet even after the State of Israel was established, Bevin and leading FCO officials continued to demonstrate a marked aversion to the fledgling Jewish State. Bevin was also concerned that the creation of Israel would stimulate anti-western feeling among Muslims.<sup>39</sup>

Although Bevin was well known for his unsympathetic attitudes towards the Jewish State, his views were shared by some leading FCO officials. For example, Sir John Troutbeck, the Head of the British Middle East Office in Cairo had this to say about Zionism in the wake of the Deir Yassin massacre of April 1948: “It is difficult to see that Zionist policy is anything else than unashamed aggression carried out by methods of deceit and brutality not unworthy of Hitler.” He added that the Jews “would bring bitterness and unrest and, wherever the Jew was in control of an Arab population, the worst form of oppression. Deir Yassin is a warning of what a Jew will do to gain his purpose.”<sup>40</sup> Similarly, Troutbeck’s visit to Gaza in 1949 reinforced his anti-Zionism and sense of guilt over the Balfour Declaration:

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<sup>37</sup> William Roger Louis, *The British Empire in the Middle East 1945-1951* (Clarendon Press: Oxford, 1984), p.392

<sup>38</sup> *Ibid.*, pp. 453-454

<sup>39</sup> *Ibid.*, p.114

<sup>40</sup> *Ibid.*, p.577

After all it was we who created the situation in which they are now floundering and but for our action or inaction over the past thirty years there would not today be 700,000 odd refugees starving and shivering on the hillsides.<sup>41</sup>

Troutbeck was backed by Bevin and opposed the notion of a peace agreement between Israel and Jordan during the reign of King Abdullah, believing that this would jeopardize British oil interests and endanger its position in Suez – any peace had to be accepted by the Arab world. According to Louis, it was more important for Britain to appease Egypt than to encourage peace between Israel and Jordan.<sup>42</sup>

During the course of the 1950s, Evelyn Shuckburgh, Under-Secretary for Middle East Affairs in the FCO, set the tone for Britain's policy towards the Arab-Israeli conflict. Now that the State of Israel was a reality, Shuckburgh believed that it would be a struggle for Britain to win over Arab support. As he wrote in his diary, "How the Arabs hate us really... They will never forgive us Israel."<sup>43</sup> He also wrote that "Palestine was the burial ground of our hopes for maintaining the British position in the Middle East," adding: "I suppose this was inevitable from the time of the Balfour Declaration...."<sup>44</sup>

Nevertheless, as Shamir points out, Shuckburgh's hostility towards Israel was shared by other senior FCO officials. Indeed, Shamir maintains that during the 1950s, Whitehall found it difficult to get to grips with the reality of Israeli statehood, and did not view Israel as a fully sovereign state.<sup>45</sup> Thus, Sir John Nicholls, the British Ambassador to Israel from 1954-1957 wrote: "The centre of infection in the region is Israel and I believe that we must treat the Israelis as a sick people". Sir Nicholls had

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<sup>41</sup> Ibid., p. 588

<sup>42</sup> Ibid., pp.579-580,

<sup>43</sup> Shuckburgh, *Descent to Suez*, p. 311

<sup>44</sup> Ibid., p. 211

<sup>45</sup> Shamir, 'The Collapse of Project Alpha' p.91

also written: “It is not reasonable to expect that a nation made up of individuals so psychologically unstable should be capable of a mature foreign policy.”<sup>46</sup>

During this period, Whitehall tended to view Israel as a liability and this was reflected in British policy and rhetoric. Thus, Shuckburgh would tell Shimon Peres (then Director General of the Israel Defence Ministry) that the Western powers “must necessarily nurse their relations with the Arab world and cannot, even if they should be inclined to do so, sacrifice their major interests there for Israel.”<sup>47</sup> This statement neatly sums up FCO attitudes towards the Jewish State, during the 1950s, in particular.

Over the years, there has been an interesting debate over the FCO position in regard to the Arab-Israeli conflict – particularly in the early years of the State of Israel’s existence. Frank Brenchley, a former official in the British diplomatic service, has maintained that there is some truth in claims that the FCO traditionally has been pro-Arab. He explained that while a large number of British diplomats have been exposed to Arab culture and perspectives through service in the numerous Arab countries, comparatively few have been exposed to the Israeli experience, as there is only one diplomatic mission in Israel to influence the way in which Middle East issues are perceived.<sup>48</sup> This view was shared by former British Prime Minister, Harold Wilson.<sup>49</sup> Brenchley claimed that the number of Arabists in the FCO increased significantly from the early 1950s, as a result of the introduction of new procedures which placed an emphasis on fluency in the local language.<sup>50</sup> At one time, the Arabists were the only group with a separate FCO training centre – the Middle East Centre for Arab Studies (MECAS). These specialists could often expect to spend up to half their career working in their area of expertise.<sup>51</sup> It is therefore not surprising that their worldview and experience in the Arab world carried weight within the FCO.

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<sup>46</sup> Ibid., p.91

<sup>47</sup> Shuckburgh, *Descent to Suez*, pp. 265-266

<sup>48</sup> Frank Brenchley, *Britain, the Six-Day War and its Aftermath* (IB Tauris: London, 2005), pp.xix- xx

<sup>49</sup> Harold Wilson *The Chariot of Israel*, (WW Norton & Company: New York, 1981) pp. 129-130

<sup>50</sup> Brenchley, *Britain, the Six-Day War and its Aftermath*, p. xx

<sup>51</sup> William Wallace, *The Foreign Policy Process in Britain* (Royal Institute of International Affairs: London, 1975), p. 32

Against these views, Lochery maintains that the FCO is not “systematically anti-Israeli” or “institutionally pro-Arab”. Over the last sixty years, it has sought to defend British interests as it has seen fit, and this admittedly has often meant associating British interests with Arab interests, as opposed to Israeli ones, mainly as a result of Britain’s oil needs. Nevertheless, the FCO has also expended considerable energy in efforts to maintain influence with Israel from the late 1950s onwards.<sup>52</sup>

Britain initiated the Alpha Plan in tandem with the United States, with a view to establishing a settlement between Israel and Egypt. Shuckburgh, the key architect of the Alpha Plan, believed that the Arab-Israeli conflict was a festering wound which “poisoned” Britain’s relations with Egypt and weakened the West in its attempts to block Soviet penetration of the Middle East. Shuckburgh believed that a settlement of the Arab-Israeli dispute would deny the Soviets a foothold in the region. Alpha placed an emphasis on Israeli concessions over refugees as well as over territory in the Negev desert, with a view to establishing a land link between Jordan and Egypt. In return, the powers would provide “guarantees of security” to Israel and Egypt.<sup>53</sup>

In November 1955, Prime Minister Anthony Eden made a public reference to the Alpha Plan in a speech at Guildhall. In it, he described the territorial concessions expected of Israel, defining them as a compromise between the 1947 partition plan and the existing borders. Israel responded fiercely to the Guildhall speech, with Prime Minister Ben Gurion declaring in the Knesset that “the essence of Sir Anthony Eden’s proposal is the crushing of the State of Israel.”<sup>54</sup> Yet, as Shamir points out, it is difficult to see how the Alpha Plan could have succeeded. The Alpha planners failed to take into account the intense attachment of Israel to the Negev. Furthermore, Israel’s sense of being under siege, already heightened by strict restrictions on arms supplies, was now further exacerbated, this making it even less willing to be flexible and make concessions. Significantly, Britain was in no position

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<sup>52</sup> Lochery, *Loaded Dice*, pp. 227-231

<sup>53</sup> Shamir, ‘The Collapse of Project Alpha’ p.81

<sup>54</sup> *Ibid.*, p. 85

to pressure Israel to make concessions at a time of great distrust between the two countries. Although the United States had also given strong support to the Alpha Plan and cooperated closely with Britain on the project, it showed a greater understanding for Israel's position, and altogether, a more even-handed approach. Britain, on the other hand, was considerably less sympathetic towards Israel, and this undermined its attempts to obtain Israeli goodwill on Alpha.<sup>55</sup> Britain's lack of influence over Israel continued to be a problem which FCO officials had to address in the following decades.

Arguably, the belief of British policymakers that Nasser's anti-British sentiments were linked largely to anger over Israel reflected a core misreading of realities in the Middle East. The evidence appears to show that Nasser was considerably more upset about the Baghdad Pact of 1955, whereby Britain had joined a defensive alliance comprising Iraq, Turkey, Pakistan and Iran<sup>56</sup>, than he was about Britain's policy towards Israel. Britain did not take into account Nasser's intense rivalry with Iraq, and disregarded Egypt's fierce resentment over Britain's strategic alliances and its colonial bases in the Middle East.<sup>57</sup>

One of the cornerstones of post-war British policy in the Middle East was the establishment of regional stability through fostering strategic alliances with moderate Arab regimes. Stability was essential for Britain in order to safeguard its military bases in the region and to protect oil supplies. The prospect of the growth of Soviet influence in the Middle East focused British minds and required urgent steps to be taken in order to ensure that Arab states would remain within the Western orbit.

During the early part of the 1950s, leading FCO officials strongly believed that it was in Britain's interest to remain detached from the State of Israel, so as not to upset Arab opinion. Almog has chronicled the tense relations between Britain and

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<sup>55</sup> Ibid., pp-85-89

<sup>56</sup> Hermann Frederick Eilts, 'Reflections on the Suez Crisis: Security in the Middle East' in William Roger Louis and Roger Owen (eds), *Suez 1956: The Crisis and its Consequences* (Oxford University Press: Oxford, 2003), p.350

<sup>57</sup> Shamir, 'The Collapse of Project Alpha', pp 89-91

Israel during the course of the 1950s. She argues that the Anglo-Israeli relationship between 1950 and 1956 was formal without cooperation. Britain feared that cooperation with Israel would extinguish its influence in the Middle East. Thus, Britain rejected in March 1956, an Israeli request to join the Commonwealth. According to the FCO, “it would confirm Arab arguments that Israel is a spearhead of Western Imperialism in a new guise.” Almog maintains that British officials were ambivalent towards the State of Israel in these early years. While there were expressions of admiration for Israel’s pioneering spirit and accomplishments, there was also an unsympathetic attitude reflected through the British Ambassador to Tel Aviv, Sir John Nicholls, who believed that the ‘ghetto syndrome’ was perpetuated in Israel and that Zionism had succeeded “in exchanging a thousand ghettos for a single comprehensive one.”<sup>58</sup>

In the summer of 1956, Ambassador Nicholls, notwithstanding his unsympathetic perspective on Israel, did briefly entertain the idea of fostering a closer relationship between Britain and Israel. This was roundly rejected by the FCO on the basis of the belief that the Israelis would take full advantage of such a gesture, to the detriment of British interests. Sir Roger Makins, the British Ambassador to the United States, claimed that “[Israelis had] devious ways of achieving their ends.”<sup>59</sup>

Lochery argues that the Anglo-Israeli collusion of 1956 was strictly a “one-off...marriage of convenience” for the British who wished to punish Nasser for striking at Britain’s interests in the Suez Canal area. Once the Suez adventure was over, the FCO led the way in distancing Britain from Israel in order to regain the confidence of the Arab world. During this period, the Israeli leadership (and particularly Prime Minister Ben Gurion) believed that the FCO was appeasing the Arabs at Israel’s expense, in order to retain British influence in the Middle East. It was only when King Hussein’s regime came under threat in 1958 that Britain and

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<sup>58</sup> Almog, *Britain, Israel and the United States*, pp.36- 38

<sup>59</sup> *Ibid.* , pp.66- 67

Israel would discover a shared interest in protecting the Hashemite Kingdom, leading eventually to a closer understanding between the two countries.<sup>60</sup>

### **British Policy on Arms Sales to Israel**

One of the main sources of frustration for Israeli leaders, particularly during the 1950s, was Britain's refusal to authorize significant arms sales to Israel, in contrast to its arms sales to Iraq, Jordan and even Egypt. Northedge maintains that Britain wished to strengthen Arab states in the early 1950s, in order to offset growing Israeli military power. Thus, in line with treaty agreements, Britain supplied limited arms to Egypt, Iraq and Jordan, following the lifting of the UN Security Council arms embargo in August 1949. The United States and France were concerned that Israel would turn to Russia for assistance to counteract the British support to the Arab states. As a result, Britain, France and the United States issued the Tripartite Declaration in May 1950, in order to prevent an Israel-Arab arms race, and laid down the principle that an application for arms should be viewed only "in light of legitimate self-defence and ...defence of the area as a whole." The powers also undertook to take action both within and without the UN, in the event that preparations were being made to violate the armistice agreements of 1949.<sup>61</sup>

Britain's refusal to sell arms to Israel would become a major source of rancour in Anglo-Israeli relations. Sir William Strang, Permanent Under-Secretary of State at the FCO, had indicated that the British Government would not be supplying Israel with arms until peace had been reached between Israel and her neighbours. Lochery writes that the issue of the sale of British arms to Israel was consistently viewed by the Israeli Government as the "litmus test" of Anglo-Israeli ties. Ben Gurion had identified the arms issue as the central element of the bilateral relationship during his meeting with the British Ambassador Knox Helm in June 1950. Indeed, Lochery points out that by November 1950, the FCO itself had identified the issue of the

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<sup>60</sup> Lochery, *Loaded Dice*, p. 82

<sup>61</sup> F.S. Northedge, *Descent from power : British foreign policy, 1945-1973* (Allen and Unwin: London , 1974), pp.113-114

supply of arms as “virtually the only question outstanding between Britain and Israel.”<sup>62</sup> In the first half of the 1950s, Britain barely sold any arms to Israel. Up to 1955, the British arms supply to Israel consisted of 9 jet aircraft and 20 Sherman tanks,<sup>63</sup> while the UK arms shipment to Nasser in 1955 alone was more than the total arms sold to Israel in the previous seven years.<sup>64</sup>

Phythian argues that the political significance of arms sales lies in the “expression of approval” that is bestowed upon the recipient. Although the supplying country may not always perceive the supply of arms as an expression of approval, the recipient country clearly does. Furthermore, the arms sales tend to result in the supplier country “aligning itself” more closely with the recipient country, leading eventually to closer bilateral ties.<sup>65</sup> This argument carries some weight when analyzing Britain’s policy towards Israel during the Thatcher period. In the mid 1950s, Britain was not only concerned about Israel upsetting the military balance in the region; It had concerns that the sale of arms to Israel would be perceived in terms of British approval for Israeli policies, and would ultimately deprive Britain of influence in the Arab world. Thus, the very limited British arms shipments to Israel were suspended in early 1956, following *Operation Olive Leaves* - an Israeli attack on Syrian positions. Almog points out that Israel was the only country in the region to which Britain adopted a ‘trickle’ policy in arms deliveries.<sup>66</sup>

Arguably, the most significant change in British policy towards the Arab-Israeli conflict in the decade to come was the readiness to supply arms to Israel. By early 1964, there was a gradual increase in the amount of tanks supplied.<sup>67</sup> Nevertheless, while relations between Britain and Israel during the early 1960s were incomparably better than before, London was only prepared to go so far in enhancing ties with Israel. Lochery points out, for example, that Ben Gurion’s requests for the supply of

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<sup>62</sup> Lochery, *Loaded Dice*, pp.21-29

<sup>63</sup> Almog, *Britain, Israel and the United States*, p. 42

<sup>64</sup> Lochery, *Loaded Dice*, p.57

<sup>65</sup> Mark Phythian, *The Politics of British Arms Sales Since 1964* (Manchester University Press: Manchester and New York, 2000), pp.36-37

<sup>66</sup> Almog, *Britain, Israel and the United States*, pp.42-60

<sup>67</sup> Phythian, *The Politics of British Arms Sales Since 1964*, pp. 188-198

surface-to-air missiles were repeatedly turned down during his meetings with British leaders. Britain feared, once again, that such a deal with Israel could cause considerable damage to its interests in the Arab world.<sup>68</sup>

According to Gat, by the 1960s, Britain believed that Israel's military strength would help preserve stability in the Middle East. This was a considerable shift from earlier British thinking, which had viewed a strong Israel as a threat to regional stability. The British were now readier than before to sell arms and submarines to Israel because they sought to maintain quiet in the Middle East. It was believed that the provision of arms to Israel would prevent a regional war which would damage the interests of the Western powers.<sup>69</sup>

In 1964, British guidelines on arms sales to Israel and the Arab states placed an emphasis on maintaining a balance of military capabilities between the sides, restricting supplies to defensive weaponry and holding back the supply of materials that could contribute to the acquisition of a nuclear weapon. In addition, the FCO recommended that Britain should avoid becoming the principal supplier of either side to the conflict.<sup>70</sup> In September 1964, Israeli Deputy Minister of Defence, Shimon Peres, visited London in great secrecy to negotiate a deal with Britain over the sale of Centurion tanks. The visit was successful, with Britain agreeing to sell 250 tanks to Israel. Percy Cradock of the FCO was concerned that Israel might interpret the sale of tanks as part of a general British shift in its policy towards the Arab-Israeli Conflict. To this end, Lord (Peter) Carrington, a senior cabinet minister, told Peres that the arms sale did not represent a shift in attitudes towards the wider Arab-Israeli conflict. He emphasized that Britain was selling arms to Israel with a view to maintaining a balance of power that would maintain peace in the region.<sup>71</sup>

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<sup>68</sup> Lochery, *Loaded Dice*, pp.89-110

<sup>69</sup> Moshe Gat, *Britain and the conflict in the Middle East, 1964-1967: the coming of the Six-Day War* (Praeger Publishers: Connecticut, 2003), p. 8

<sup>70</sup> Phythian, *The Politics of British Arms Sales Since 1964*, p.188

<sup>71</sup> *Ibid.*, pp. 190-191

The FCO now viewed the sale of tanks positively in terms of maintaining the balance of arms in the region in the wake of the Soviet arming of Egypt. Nevertheless, concern was expressed about the effect on ties with the Arab states. The FCO stressed that the deal had to be kept secret so as not to antagonize the Arabs. Peres later described the deal as a case of “you will sell us the tanks and we will keep it a secret.” Phythian maintains that FCO concerns regarding the ramifications of closer ties with Israel permeated all areas of policy. Thus, the FCO rejected a proposal of annual talks between the Israeli Armoured Corps and the Royal Armoured Corps as the sort of “special relationship with Israel” that should be avoided. More significantly, in late 1965, it was decided not to sell the offensive Buccaneer aircraft to Israel.<sup>72</sup>

### **The Countervailing Influences of the FCO and Downing Street**

A common thread that runs through the literature on Britain’s policy towards the Arab-Israeli conflict is Britain’s deep reluctance to provide public support to Israel, whether through the provision of security guarantees or by taking a stand in the wake of Arab attacks on the Jewish State. Thus, Gat argues that between 1964 and 1967, Britain sought, above all else, to maintain a low profile and avoid committing itself to either side in the dispute. One prime example of this was the water dispute between Israel and the Arab countries, which erupted in 1963. Israel commenced work in the early 1960s on a national water carrier involving the diversion of waters from the Jordan River to the Negev region. Israel’s leaders viewed this project as a matter of the highest importance, laying the foundations for the development of the Jewish state in the decades to come. However, Israel’s Arab neighbours responded belligerently to the project, with Syria taking the lead in establishing a counter-diversion scheme, to prevent Israel from exploiting the Lake Tiberias waters. Although FCO officials such as John Beith, the British Ambassador to Israel, sympathized with Israel’s position in the dispute and found the Arab claims to be unjustified, the overwhelming position adopted by the FCO was that Britain would

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<sup>72</sup> Ibid., pp. 191-193

have to maintain a low profile on the issue, as it was not worth risking the hostility of the Arab countries.<sup>73</sup> Through 1965, Britain resisted Israeli requests for a commitment to deter aggression and calls to condemn the Arab counter-diversion scheme. Britain feared that strong support for Israel would strengthen Soviet penetration of the Middle East, to the detriment of British interests.<sup>74</sup> As events were to show, the growing understanding for Israel's predicament would not signify a change in Britain's public position on Israel.

Prime Minister Harold Wilson, who entered office in 1964, was a friend of Israel and viewed its predicaments with considerable sympathy. During his first two years in office, though, the FCO was largely setting the tone of policy towards Israel, exemplified by Britain's refusal to take a stand on the water dispute and the terrorist attacks against the Jewish state. The FCO was largely responsible for the decision not to support Israeli Prime Minister Eshkol's plea for British support of Israel's "independence and integrity", following the Egyptian threat to close the Straits of Tiran to Israeli shipping. The FCO feared that a declaration of support would threaten its interests in the Arab world.<sup>75</sup> However, once Nasser closed the Straits of Tiran to Israeli shipping on May 22, Wilson decided to intervene and take full charge of policy towards the Arab-Israeli crisis. Wilson believed that the Straits of Tiran constituted an international waterway, which had to remain open to the shipping of all nations, and he supported international action to secure the opening of the waterway. Gat argues that the shift in the handling of policy from the FCO to 10 Downing Street would also bring a corresponding change to the policy of maintaining a low profile. Now, Britain would have total involvement in the Middle East crisis.<sup>76</sup> In spite of Wilson's support for action, his cabinet was still reluctant to take the lead in a military operation in the Straits, fearing a backlash in the Arab world. It was argued that Britain should not take a lead in even organizing a declaration at the UN since its economic interests lay with the Arab side.<sup>77</sup>

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<sup>73</sup> Gat, *Britain and the conflict in the Middle East*, pp. 61-63

<sup>74</sup> *Ibid.*, pp. 92-93

<sup>75</sup> *Ibid.*, pp. 199-200

<sup>76</sup> *Ibid.*, p. 203

<sup>77</sup> Robert McNamara, *Britain, Nasser and the Balance of Power in the Middle East 1952-1967* (Frank Cass: London, 2003), p.253

Gat sees an irony in Wilson's intervention to secure the opening of the Straits of Tiran, in order to prevent a war that could damage British interests. Ultimately, it was the intervention itself that threatened to undermine British interests in the Middle East, since the Arabs saw British efforts to keep the Straits open as proof that Britain was backing Israel and that it was anti-Arab. Indeed, in Arab eyes, this could be seen as a throwback to the British-Israeli collaboration of 1956.<sup>78</sup>

Rynhold and Spyer argue that where Number Ten decides to intervene in foreign policy, it is able to determine policy. Thus, Wilson's eventual intervention during the 1967 crisis both in support of action to open the Straits of Tiran and by his approval of the secret supply of ammunition to Israel, is a case in point. Once the 1967 War had erupted, the official FCO line was that Britain should adopt a position of 'strict neutrality' in the conflict. Nevertheless, Wilson approved the secret supply of tank ammunition to Israel, overruling FCO objections.<sup>79</sup>

Rynhold and Spyer maintain that between 1957 and 1967, the Strategic orientation largely prevailed in British policy towards the Arab-Israeli conflict.<sup>80</sup> This was exemplified by a tendency to augment Israel's military strength in order to consolidate a pro-Western balance of power against attempts by Arab nationalists to destabilize the Middle East. In other words, the most important factor for both the Macmillan and Wilson governments was the need to maintain stability and to counter anti-Western threats in the Middle East, and this involved a relatively sympathetic attitude towards Israel. In contrast, the Heath Government, like the Attlee Government before it, embraced the Diplomatic orientation, placing a greater emphasis on the enhancement of political and commercial relations with the Arab world, if necessary, at the expense of the State of Israel.<sup>81</sup>

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<sup>78</sup> Gat, *Britain and the conflict in the Middle East* p. 205

<sup>79</sup> Rynhold and Spyer, 'British Policy in the Arab-Israeli Arena', pp. 137-155

<sup>80</sup> See above, pp.16-17

<sup>81</sup> Rynhold and Spyer, 'British Policy in the Arab-Israeli Arena', pp. 137-155

In the wake of Israel's swift and decisive victory in the 1967 War, the tensions in Britain's arms policy came to the fore once again. Phythian draws attention to these tensions in relation to the issue of the sale of Chieftain Tanks to Israel. Foreign Secretary Michael Stewart opposed the sale, claiming that Israel would gain a decisive military advantage over Arab sides. He also pointed to the dangers of an arms race spiraling out of control, and highlighted the potential damage to ties with Jordan and Saudi Arabia, especially given the efforts invested after the Six-Day-War in improving ties with these Arab States. There was a risk of losing around £400 million in arms contracts with Arab states as a result of the sale of Chieftain Tanks to Israel.<sup>82</sup> The Thatcher Government would later take exactly the same perspective on the issue of arms sales to Israel.

The FCO was firmly opposed to the sale of the tanks, believing that it would jeopardize relations with the Arab world. At the very least, the British Government felt that there should be a quid pro quo – Israel would receive the tanks only in return for territorial concessions.<sup>83</sup> Defence Secretary Dennis Healey, however, was a strong advocate of arms sales to Israel and favoured the sale of Chieftain tanks. Healey questioned the FCO belief that the sale would upset the “prevailing political balance in the region”, and argued that the military balance had altered to Israel's disadvantage since the 1967 war. He swung the cabinet on the issue and it moved towards approving the sale even though it contravened the Government's own guidelines on the matter. Wilson recognized the “obvious risks” of such a decision and emphasized the importance of maintaining secrecy on the matter.<sup>84</sup>

In June 1969, the new Israeli Prime Minister, Golda Meir, visited London and held talks with the British Prime Minister, Foreign Secretary and Defence Secretary, in a bid to secure the delivery of the tanks. Lochery claims that the FCO had decided not to go through with the sale in order to send a message to Israel - if Israel wished its relations with Britain to remain harmonious, it would have to show greater

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<sup>82</sup> Phythian, *The Politics of British Arms Sales Since 1964*, p. 197

<sup>83</sup> Lochery, *Loaded Dice*, pp. 127-131

<sup>84</sup> Phythian, *The Politics of British Arms Sales Since 1964*, pp. 197-198

flexibility. Nevertheless, following Meir's visit to Britain, the FCO admitted that this policy had failed to bring about a change in Israel's policy.<sup>85</sup>

Following the 1967 War, Israel feared that Britain had adopted a pro-Arab stance. It was particularly unhappy with Foreign Secretary George Brown's address to the Fifth Emergency Session of the UN General Assembly of June 20, 1967. In his address, Brown stated that gains could not be made from war, and there was a call for Israel to withdraw from the territories captured. Brown warned Israel against annexing the Old City of Jerusalem, stating that this would "isolate them not only from world opinion but will also lose them the support which they have."<sup>86</sup> Brenchley points out, however, that Brown chose to make a pro-Arab speech without reference to his cabinet or the Prime Minister. Although the address may well have been motivated by Brown's own beliefs on the issue, it is also likely that Lord Caradon, Britain's Permanent Representative to the UN, had influenced him. Caradon had sent a telegram to Brown during the 1967 War, arguing that Britain was "in a good position to maintain working relations with the Arabs....We must start rebuilding bridges with them."<sup>87</sup> Thus, the influence of the FCO was significant in bringing about closer ties between Britain and the Arab countries during the latter stage of Wilson's period in office.

For Israel, further proof that Britain had now adopted a pro-Arab position was evident in Britain's attempts to curry favour with Nasser and restore relations with Egypt. It was felt that Britain was enabling the Arabs to save face and evade the question of recognition of Israel. An Israeli newspaper blamed this on 'Bevinism' at the FCO. Foreign Minister Brown argued in return that "it was to Israel's interest as well as ours that we should have diplomatic relations with the UAR: we would be better able to influence them."<sup>88</sup>

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<sup>85</sup> Lochery, *Loaded Dice*, pp. 127-131

<sup>86</sup> Brenchley, *Britain, the Six-Day War and its Aftermath*, p.55

<sup>87</sup> *Ibid.*, p.56

<sup>88</sup> McNamara, *Britain, Nasser and the Balance of Power in the Middle East*, p.272

Lord Caradon was also instrumental in bringing about the compromise formula that resulted in the successful passage of Resolution 242 through the Security Council. Brown described this as “the first effective British initiative on a contentious issue for a long time.”<sup>89</sup> Brenchley claims that Caradon’s position was “completely consistent” with the ideas of the FCO at the time of Resolution 242: the FCO approved of minor exchanges of territory along the ceasefire line, in order to rectify the border line. Caradon had maintained that the 1967 line was unworkable as an international boundary because it was arbitrary and did not address the needs of the warring parties. The text of Resolution 242 required “withdrawal of Israeli armed forces from territories occupied in the recent conflict.” The Arabs were insistent that ‘the’ or ‘all’ had to be inserted before ‘territories’, but Caradon overcame their protests. According to Brenchley, Caradon and the FCO believed that the ambiguity in the text worked to the advantage of both Arabs and Israelis, and would ultimately encourage both sides to accept mutual concessions which would improve the situation on the border.<sup>90</sup>

A significant indication of a shift in British policy towards the Arab-Israeli conflict came during the early 1970s, when Edward Heath was Prime Minister. Heath oversaw the establishment of a task force on oil supplies. Under its auspices, Sir Colin Crowe (a former British Ambassador to the UN) was responsible for the publication of a report recommending the halting of arms sales to Israel. In essence, it was argued that if Britain wished to improve its relations with Arab states and thereby preserve its oil supplies, this policy had to be applied. The report also concluded that a Middle East settlement would not be achieved without an Israeli withdrawal from the Occupied Territories and that Britain should be seen to be pushing for such a withdrawal. The report reflected the arguments of three key FCO officials involved in shaping policy towards the Arab-Israeli conflict: Anthony Parsons, James Craig and Colin Crowe.<sup>91</sup> This line of thinking held sway in the FCO through much of the 1970s and 1980s.

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<sup>89</sup> Ibid., p.274

<sup>90</sup> Brenchley, *Britain, the Six-Day War and its Aftermath*, pp.87-88

<sup>91</sup> Lochery, *Loaded Dice*, pp. 151-153

During the early 1970s, the British Government was increasingly reluctant to sanction the sale of weapons to Israel, in view of two factors: the British frustration over the inflexibility of the Meir Government, and the belief that public knowledge of British arms sales to Israel would harm Britain's interests. In fact, the Heath Government did approve the sale of three mini submarines to Israel, although this deal would be an exception to the rule during Heath's time in office. Foreign Secretary Douglas-Home angered the Israelis with his Harrogate speech of November 1970, in which he spoke of "putting Britain's relations with the Arab world on a new footing", and called for Israeli withdrawal from captured lands in return for peace. Israel appeared increasingly concerned not only about British diplomatic activity within the UN, but also about the Heath Government's desire for stronger ties with Europe, fearing that this would result in a cooler attitude towards the Jewish State. From Israel's perspective, a British decision to align itself more closely with Europe would bring London into line with the European position, which was less favourable towards the Jewish State than the American position. In the meantime, the FCO was gradually moving towards promoting stronger ties with Arab states, if necessary, at the expense of relations with Israel.<sup>92</sup>

Thus, during the October War of 1973, Prime Minister Heath refused to supply spare parts for Israel's Centurion tanks. A statement by Douglas-Home indicated that having called for a ceasefire, it would be "inconsistent" to supply arms to the battlefield."<sup>93</sup> Indeed, the Heath Government also refused to provide landing rights to US military supply planes en route for Israel, reflecting the British reluctance to be identified as a supporter of Israel at a time when European Governments were dependent on Middle East oil. The Heath Government's policy could be viewed as a classic example of the Diplomatic orientation.<sup>94</sup>

Harold Wilson and James Callaghan, the Shadow Foreign Affairs Spokesman, attacked such decisions and stated that ammunition and spare parts should be sent to

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<sup>92</sup> Ibid., pp. 132-137

<sup>93</sup> Wilson, *The Chariot of Israel*, pp.365-367

<sup>94</sup> Rynhold and Spyer, 'British Policy in the Arab-Israeli Arena', pp. 137-155

Israel to “preserve the neutral position.” Since the Arabs were being armed by the Soviets, there were no grounds for depriving the Israelis of arms. Wilson also attacked Heath in a House of Commons speech for supporting three resolutions condemning Israel for military raids while “remaining silent” in condemning “the vastly greater act of aggression on the Day of Atonement.” The Heath Government was also criticized for “dishonouring contractual obligations at the very moment of Israel’s greatest need.”<sup>95</sup>

There is support for the idea that Heath’s arms embargo helped British interests in the Middle East. The mobilization of Arab countries to take full advantage of the ‘oil weapon’ had forced a change in the calculations of the British Government. Brenchley claims, for example, that Heath’s Britain was rewarded with a regular supply of oil from Arab countries (notwithstanding the fact that general production was cut by 5 per cent per month) because of its ‘satisfactory’ position on Israel. Linking in with this, on November 6, 1973, EEC members issued a reinterpretation of Resolution 242 in the Arabs’ favour – arguably, a response to Arab oil pressure.<sup>96</sup> This would suggest that by the early 1970s, Arab countries were prepared to give Britain the benefit of the doubt, and would be less likely to suspect that it was taking Israel’s side. The efforts invested by both the Wilson and the Heath Governments in the late 1960s and early 1970s to review policy towards Israel and rebuild ties with the Arab world had arguably paid dividends.

According to Lochery, the Israelis had wrongly blamed the Conservative Heath Government for adopting a tougher policy on arms sales to the Jewish State. They had overlooked the fact that the stricter arms sales policy had actually been overseen by the Government of Harold Wilson<sup>97</sup> who was considered a steadfast friend of the Israelis. In a similar vein, during the Thatcher period, this thesis will demonstrate

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<sup>95</sup> Wilson, *The Chariot of Israel*, p.369

<sup>96</sup> Frank Brenchley, *Britain and the Middle East: An Economic History 1945-87*, (Lester Crook Academic Publishing: London, 1989) pp.210-211

<sup>97</sup> Lochery, *Loaded Dice*, pp. 132-134

that the Israelis were quick to blame the FCO for policies which they disliked while overlooking the role of 10 Downing Street in the advancement of these policies.<sup>98</sup>

### **The Thatcher Period**

Rynhold and Spyer maintain that Margaret Thatcher was among those British Prime Ministers who adopted, at least to some extent, the Strategic orientation, in her policy towards the Arab-Israeli conflict. In doing so, she took a similar position to that of Winston Churchill and Harold Wilson. The authors point out that the Conservative Party had been influenced by the patrician class which tended to have close ties with the Arab world. They argue, however, that Thatcher was closely linked to the new forces within the Conservative Party, exemplified by Jewish associates such as Sir Keith Joseph and Leon Brittan, who closely identified with entrepreneurial values and self help. Thatcher's Finchley constituency with its relatively large Jewish population, her strong anti-communist position and opposition to terrorism, as well as her solid pro-American orientation were elements that naturally influenced her support for Israel.<sup>99</sup>

Rynhold and Spyer accept that none of the "Strategic-minded" occupants of Number Ten took action to permanently change the Whitehall consensus on the Arab-Israel issue. At the same time, however, they argue that Prime Ministers can determine policy when they decide to intervene, as we saw in the case of Harold Wilson. They argue that in 1986, Thatcher took steps that moved British policy towards the more pro-American Strategic orientation, by breaking off relations with Syria, supporting the US air strike on Libya and expressing skepticism over the viability of an independent Palestinian State.<sup>100</sup> Thus, the implication is that Thatcher did intervene, at least to some degree, to counter the FCO policy towards the Middle East. This

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<sup>98</sup> See below, pp.248-249

<sup>99</sup> Rynhold and Spyer, 'British Policy in the Arab-Israeli Arena', pp.137-155

<sup>100</sup> Ibid.

corresponds to the image that Thatcher herself tried to project regarding the disagreement between her and the FCO on the Middle East.<sup>101</sup>

Parsons counters the view that the Thatcher Government adopted a policy that was inclined towards Israel. Between 1979 and 1982, he points out, it was the Israelis who complained about the “pro-Arab bias” of the British Government. The only serious disagreement with the Arab side was the refusal to receive PLO leaders at cabinet level. Parsons points out that previous British Governments had more at stake in the Middle East, largely because of military bases in the region and the need for supplies of oil. From the outset, the Thatcher Government had been free from this difficulty. Under Thatcher, for the first time in history, Britain had become a major oil producer. Parsons maintains that this development, together with an eventual worldwide oil boom and a steep fall in oil prices, had significantly changed Britain’s relationship with the Middle East. Britain no longer had to worry about the threat of oil being used as a political weapon against it. Thus, Parsons maintains that the Thatcher Government found itself “in calmer and less reef-infested waters than those experienced by its predecessors.”<sup>102</sup>

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<sup>101</sup> Thatcher, *The Downing Street Years*, p.512

<sup>102</sup> Parsons, ‘The Middle East’, pp.84-95

## The Policy Process

In describing the foreign policy process, John Coles maintains that policy advice can be moved either up the FCO chain of command to ministerial level or else from the top down. The principle governing policy is that “officials advise while ministers decide”, but in situations of urgency, the Foreign Secretary can circumvent the process by simply holding a meeting, hearing advice and making a quick decision. However, the FCO is not the only ministry in Whitehall to make foreign policy. Coles maintains that there has been an increase in the involvement of disparate Whitehall departments in the process of shaping foreign policy.<sup>103</sup> Indeed, as will be made clear below, the Department of Energy and the Ministry of Defence (MOD), for example, played a decisive role in strategic decisions of relevance to Britain’s position on the Arab-Israeli question during the Thatcher period. Thus, an important element in the formulation of foreign policy advice involves active coordination between various Whitehall departments. The search for agreement among the departments is designed to bring about a policy which is accepted by the entire government as opposed to an individual minister or department. Coles concludes that “foreign policy is or should be the government’s policy, not the policy of the FCO or some other department.”<sup>104</sup>

Politicians rely heavily on FCO experts in regard to advice and guidance on a multitude of foreign policy questions many of which rarely receive public attention. FCO officials seek to institutionalize continuity in foreign policy. As a result, the bureaucracy produces pressures for conservatism in this arena. This can lead to frustration among politicians who seek change in policy only to be confronted with organizational inertia. In the foreign policy arena, bureaucrats are reluctant to take risks and prefer to adhere to policies that have worked in the past.<sup>105</sup> Indeed, Margaret Thatcher’s distrust of Whitehall was linked to her perception that it was an institution that was averse to change.

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<sup>103</sup> John Coles, Making Foreign Policy: A Certain Idea of Britain (John Murray: London, 2000), pp.84-90

<sup>104</sup> *Ibid.*, pp.90-91

<sup>105</sup> Hill, The Changing Politics of Foreign Policy, pp.77-95

Michael Clarke maintains that British foreign policy always has been and remains in the hands of the executive, whether controlled by a monarch or Prime Minister. In effect, this means that the FCO is one of the most senior ministries in Whitehall, and that the management of foreign policy is concentrated around the centre of government and conducted through the cabinet system. Clarke concludes that for purposes of determining foreign policy, the personality of the Prime Minister is vital for two reasons. Different Prime Ministers have shown varying degrees of involvement in foreign policy. The relationship between a Prime Minister and his or her Foreign Secretary is always important. The Prime Minister may grant the Foreign Secretary a certain amount of policymaking initiative and this can have a significant bearing on policy. The problem for the analyst is to define how personality is having an impact on policy at a given moment.<sup>106</sup>

Hill puts forward three possible models relating to the relationship between a head of government and his or her foreign secretary, along with the strengths and weaknesses of each model. The first one presented is defined as the 'Equality' model. This applies to a situation where there is trust and an element of mutual respect which fosters teamwork and continuity. However, there is also a risk that the team can become distant from other colleagues. The second model presented is the 'Subordinate Foreign Minister'. In this situation, a politically weak individual is appointed as Foreign Secretary, providing the head of government with considerable freedom of movement. There is a danger here that power will be centralized in the hands of the leader. The third model presented is the 'Established Foreign Minister'. This model can be successful where there is "a clear division of labour" and good communications. It can be problematic, however, where a political rivalry develops between the two personalities.<sup>107</sup> As will be made clear below, each model has some validity in regard to the Thatcher period where the Prime Minister was served by five Foreign Secretaries.

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<sup>106</sup> Michael Clarke, 'The Policy-Making Process', in Michael Smith, Steve Smith and Brian White (eds), British Foreign Policy: Tradition, Change and Transformation (Unwin Hyman Ltd: London, 1988) pp. 73-74

<sup>107</sup> Hill, The Changing Politics of Foreign Policy, pp.60-61

Clarke identifies Thatcher as a Prime Minister who became heavily involved in foreign policy issues, much like Winston Churchill and Harold Wilson before her.<sup>108</sup> In the case of Thatcher, however, there is a view that policy was controlled by 10 Downing Street in a manner which was unprecedented in the British post-war landscape. William Waldegrave, a Foreign Office Minister during the late 1980s, has claimed that Britain had not had such an all-encompassing personal government since Churchill had been a war leader.<sup>109</sup> Under Thatcher, the private office in 10 Downing Street became progressively stronger during her second and third terms in office. The Prime Minister was increasingly inclined to cultivate her own alternative sources of advice at the expense of the FCO and other Whitehall departments. Thatcher was not the first to bring private advisers into 10 Downing Street.<sup>110</sup> Nevertheless, Hennessy points out that once Charles Powell was secure in his position as Private Secretary alongside Foreign Affairs Advisor Percy Cradock and Bernard Ingham in the Press Office, it was clear that Thatcher had assembled a policy unit the likes of which had never been encountered in peacetime.<sup>111</sup>

Coles argues that whatever the interest of the Prime Minister in foreign affairs, by the 1980s, the degree to which he or she was obliged to become involved in this sphere had increased substantially. The increase in international summitry demanded that Prime Ministers would become more involved in international affairs issues. This was already the case when Coles served as a Private Secretary to Thatcher in the early 1980s.<sup>112</sup> Thus, from this perspective, Thatcher's growing involvement in foreign policy was also a function of changes in the international arena and not simply a result of her presidential style of government.

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<sup>108</sup> Clarke, 'The Policy-Making Process', pp. 73-74

<sup>109</sup> Hennessy, *The Prime Minister*, p. 425

<sup>110</sup> Dennis Kavanagh & Anthony Seldon, *The Powers Behind the Prime Minister: the Hidden Influence of Number Ten* (Harper Collins: London, 1999) p.52

<sup>111</sup> Hennessy, *The Prime Minister*, pp.421- 424

<sup>112</sup> Coles, *Making Foreign Policy*, pp.93-94

## Summary

Britain's post-war policy towards the Middle East was strongly influenced by the legacy of the Balfour Declaration. Among the foreign policy elite, there was acute concern that Britain's interests in the region would be compromised as a result of Arab resentment over its role in the creation of the Jewish State. It was perceived that the Arab-Israel conflict was at the core of the difficulties facing Britain in the Middle East.

In the decades following Israel's establishment, Britain worked actively to strengthen its ties with conservative Arab states, with a view to securing oil supplies, fending off Soviet influence and maintaining stability in the region. At the same time, successive governments sought to avoid a close relationship with Israel. This was reflected, for example, in the policy of withholding arms supplies to the Jewish State. While Whitehall exerted a strong influence on this policy, the occupants of 10 Downing Street largely cooperated with it, including Thatcher. Thus, this thesis questions the exaggerated emphasis that has been placed on differences between the FCO and 10 Downing Street on the Arab-Israel conflict.

## **Section One**

### **Chapters 1-3**

#### **Introduction**

Margaret Thatcher's policy towards the Arab-Israel conflict presents an interesting paradox. On entering office in May 1979, one would have expected Thatcher to adopt a policy that was supportive of the Israeli Government. The new Prime Minister entered 10 Downing Street with a reputation as a strong friend of Israel.<sup>1</sup> Thatcher represented a constituency with a substantial Jewish population. She had considered the FCO to be prejudiced towards the Arab viewpoint, and had been suspicious of the institution.<sup>2</sup> Thatcher had close links to pro-Israeli organizations and came under considerable pressure from supporters of Israel within and beyond her constituency to adopt a policy that was supportive of the Israeli Government. Britain was now less reliant than before on Middle East oil supplies<sup>3</sup> which would have reduced the pressure on the Thatcher Government to placate the Arab world on the Palestinian question. This would have been one area of foreign policy where Thatcher might have been expected to counter the Whitehall line. Interestingly, though, this did not occur.

It is true that the Prime Minister initially opposed the attempts of the FCO to advance a policy shift on Palestinian self-determination and the PLO.<sup>4</sup> She expressed reservations over self-determination for the Palestinians in the West Bank and Gaza. Nevertheless, Thatcher's public support for the EEC Venice Declaration of June

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<sup>1</sup> MTF (Margaret Thatcher Foundation), Letter from M Tait to N Williams, 28 February 1975

<sup>2</sup> Interview with Lord Powell, 18 November 2008

<sup>3</sup> Parsons, 'The Middle East', pp.83-95

<sup>4</sup> TNA (The National Archives)/FCO 93/2061, Letter from M Alexander to G Walden, 14 September 1979

1980 demonstrated that the FCO had successfully exerted decisive influence on the Prime Minister. Thatcher had initially viewed Israel as a bulwark against the threat of an expansion in Soviet influence in the Middle East.<sup>5</sup> Thatcher remained sympathetic towards the State of Israel but was increasingly unhappy about the policy of the Likud Government.<sup>6</sup> As a result, the Prime Minister supported the FCO position on the Arab-Israel conflict. The exception to this rule was Thatcher's refusal to sanction high-level contacts with the PLO. The FCO was accepting of the constraints in this realm and was still free to pursue lower-level contacts with the organization.

The policy of the Thatcher Government towards the Middle East was influenced largely by factors in the international system rather than domestic elements such as interest groups. The Soviet invasion of Afghanistan and the Iranian revolution in 1979 were central factors which lay behind the determination of the FCO to pursue an Israeli-Arab settlement during the early years of the Thatcher Government. The Soviet invasion of Afghanistan was viewed by many as the first phase of a push south to the Gulf and the Indian Ocean.<sup>7</sup> The Prime Minister was concerned that the Soviet Union would take advantage of instability in order to expand its influence in the region<sup>8</sup>, and saw the advancement of a comprehensive settlement of the Arab-Israel conflict as a means of winning over the moderate Arab States to the West. In the FCO, it was noted that the Soviet Union was exploiting the Arab-Israeli conflict for its own ends, posing as an advocate of the Palestinians and supporting radical regimes in the region.<sup>9</sup>

Domestic factors were a secondary influence on British policy. Pro-Israel interest groups exerted a very limited influence over policy, but they ensured that ministers and officials were aware of their presence. During the first term of the Thatcher Government, the Conservative Party was influenced to some degree by the patrician

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<sup>5</sup> TNA/FCO 93/2055, Letter from B Cartledge to JS Wall, 15 August 1979

<sup>6</sup> ISA (Israel State Archives) 7239/44, Minute from A Milo to MFA, 9 July 1979

<sup>7</sup> Percy Cradock, *In Pursuit of British Interests: Reflections on Foreign Policy under Margaret Thatcher and John Major*, (John Murray :London, 1997), p. 159

<sup>8</sup> TNA/FCO 93/1683, Meeting between M Thatcher and M Begin at 10 Downing Street, 23 May 1979

<sup>9</sup> Cradock, *In Pursuit of British Interests*, pp. 159-160

class which tended to have close ties with the Arab world. Four key figures from this wing of the Conservative Party were Edward Heath, Lord Carrington, Ian Gilmour and Douglas Hurd. The latter three played a significant role in the British policy shift on the Palestinian question. However, the influence of this wing of the party declined towards the end of Thatcher's first term with the resignations of Gilmour and Carrington. More significant was the declining public understanding for Israel which made it increasingly difficult for 10 Downing Street to provide any kind of support for the Begin Government.

The appointment of Anthony Parsons as Foreign Policy Advisor in November 1982 provided a first clear indication that the Prime Minister was exerting greater control over foreign policy towards the end of her first term. The incrementally tighter control of Number Ten over foreign policy only had a marginal impact on Britain's position on the Arab-Israel conflict. The only significant difference to emerge between 10 Downing Street and the FCO during Parson's service as adviser revolved around Thatcher's refusal to host an Arab League delegation in London because it included a PLO official. By the summer of 1982, in the wake of the British victory in the Falklands War, Thatcher's robust leadership style was very much in evidence.<sup>10</sup> Nevertheless, in spite of her scepticism towards the FCO as an institution, Thatcher largely accommodated the policy it promoted in the Arab-Israel arena. Indeed, this thesis contends that over time, Thatcher was prepared on occasions to use her growing influence to outflank the FCO, supporting positions which were designed to strengthen ties with moderate Arab countries but were strongly opposed by the Begin Government.

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<sup>10</sup> Hennessy, *The Prime Minister*, pp.407-422

## **Chapter One**

### **Thatcher and the Begin Government**

Thatcher's instinctive support for the State of Israel faced strong challenges within a very short time of her entry into 10 Downing Street. Thatcher had viewed Israel as a bulwark against the threat of Soviet expansion in the Middle East.<sup>1</sup> Thatcher would also have been influenced at the outset by the pro-Israel views she was exposed to in her Finchley constituency.<sup>2</sup> Initially, Number Ten had tried to resist a decisive policy shift on the Palestinian question which was being formulated within the FCO headed by Lord Carrington. However, Thatcher's personal experience of Begin's strong ideological stand over a Greater Israel was a highly significant factor which highlighted the constraints she faced in the realm of Middle East policy. It quickly became clear to the Prime Minister that Begin's inflexible position ruled out any possibility of a comprehensive peace settlement between Israel and her neighbours.<sup>3</sup> Thatcher was concerned that the absence of a peace settlement would result in greater instability in the Middle East which would be exploited by the Soviets.<sup>4</sup> Thatcher would also have been uneasy over the threat to British political and economic interests in the region.

Thus, under Thatcher, 10 Downing Street had effectively made a strategic choice to maintain a certain distance from the Likud Government. In doing so, Thatcher was reinforced by a Conservative Party which was influenced strongly by personalities such as Lord Carrington and Edward Heath who enjoyed strong ties with the Arab world. Over time, British policy towards the Arab-Israel conflict became

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<sup>1</sup> TNA/FCO 93/2055, Letter from B Cartledge to JS Wall, 15 August 1979

<sup>2</sup> Interview with Oliver Miles, 17 December 2010

<sup>3</sup> TNA/FCO 93/1683, Letter from B Cartledge to P Lever, 23 May 1979

<sup>4</sup> TNA/FCO 93/1683, Meeting between M Thatcher and M Begin at 10 Downing Street, 23 May 1979

increasingly cohesive as Number Ten and Whitehall shared a common perspective on the need to protect British interests in the Middle East, irrespective of any pressures that Thatcher may have faced from local constituents or pro-Israel interest groups.

### **The Influence of the Patrician Conservatives**

Thatcher entered 10 Downing Street on Friday 4 May 1979 following the electoral triumph of the Conservative Party over James Callaghan's Labour Party. Within 48 hours, a new British cabinet had been announced, including the appointment of Peter Carrington as Foreign Secretary. Since Carrington was a member of the House of Lords, it would also become necessary for the new Conservative Government to appoint a Deputy Foreign Secretary to represent the party in the House of Commons. Thus, Ian Gilmour was appointed as Lord Privy Seal, and was the principal spokesman for the Government on foreign affairs in the House of Commons. A third significant appointment was that of Douglas Hurd as Minister of State at the FCO. During the first term of the Thatcher Government, the Conservative Party was influenced, to some extent, by the patrician class which tended to have close ties with the Arab world. Carrington, Gilmour and Hurd were three key figures from this wing of the Conservative Party, all of whom played a significant role in the British policy shift on the Palestinian question.

Those Conservative MPs with interests in Middle Eastern affairs would occasionally meet with Thatcher as a group to address their misgivings on policy towards the Palestinians. Within the Conservative Party as a whole, those with pro-Arab sympathies carried more weight than those with an allegiance towards Israel. At the same time, neither the pro-Arab nor the pro-Israel lobby carried much weight with the Prime Minister.<sup>5</sup> Nevertheless, Carrington, Gilmour and Hurd were in the right place at the right time to exert a strong influence on Middle East policy during the first term of the Thatcher period.

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<sup>5</sup> Interview with Lord Powell

## The Contrasting Records of the Conservative and Labour Governments

Thatcher had a reputation as a long-standing friend of the State of Israel and had links with pro-Israeli organizations when she entered 10 Downing Street. Nevertheless, this had to be set against the recent record of the Conservative Party on policy towards the Arab-Israeli conflict. Significantly, the Heath Government's decision to impose an arms embargo against Israel during the October 1973 War meant that the Jewish State did not view Britain as a reliable arms supplier. Carrington made this point to the Iraqi Foreign Minister after the Thatcher Government was in power.<sup>6</sup> Furthermore, Carrington and Reginald Maudling, the two senior Conservative personalities dealing with Middle East issues in the shadow cabinet were very sympathetic towards the Palestinian position. The Conservative Party under the leadership of Heath and Thatcher was closer to the FCO line on the Arab-Israel conflict than was the Labour party, under Wilson and Callaghan.

There was a belief in some Arab circles that a Conservative Government would have a fairer approach on Middle East questions than the Labour Party. This would have stemmed from displeasure over the close ties between Israeli leaders and the Labour Prime Minister, Harold Wilson. Historically, the Arabs had viewed the Labour Party as being closer to Israel than the Conservative party. They were particularly suspicious of the Wilson Governments of the 1960s and 1970s.<sup>7</sup> Wilson had replaced Heath as Prime Minister in 1974, and helped to bring about a somewhat closer relationship between Britain and Israel. In particular, Wilson's readiness to meet with Israeli leaders in secret had helped to improve the atmosphere of bilateral ties.<sup>8</sup> The contrasting attitudes of Heath and Wilson towards Israel could be seen during the October War of 1973. Wilson had telephoned Heath to tell him that there were spare parts for Centurion tanks on the docks of Liverpool ready for despatch to Israel. Wilson requested that the spare parts be exempted from any arms restrictions

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<sup>6</sup> TNA/FCO 93/1683, Meeting between Lord Carrington and Foreign Minister Hammadi, 1 July 1979

<sup>7</sup> Parsons, 'The Middle East', p.89

<sup>8</sup> Lochery, Loaded Dice p. 163

on Israel. Wilson's request merely convinced Heath to catch the Centurion spares and impose an embargo on Israel.<sup>9</sup>

Kieran Prendergast who had served as a Private Secretary under Labour Foreign Secretary David Owen has noted the perceived differences between the Labour and Conservative Governments on policy towards Israel:

As a general proposition, the appearance was always given going back to Alec Douglas Home and previous Labour Governments that Labour was more sensitive to Israeli concerns and more pro-Israel than Conservative Governments. Conservative Governments were more sensitive to Arab concerns and the potential for exports to the Arab world. The Harrogate speech of Alec Douglas Home was by a Conservative Government... Labour had much more of an Israeli-sympathetic hinterland than the Conservatives seemed to have.<sup>10</sup>

### **Thatcher and the 'Finchley Factor'**

On 11 February 1975, Thatcher became the new leader of the Conservative Party. Thatcher's instinctive support for Israel was most clearly reflected through her position as President of the Finchley Anglo-Israel Friendship League. The FCO was particularly concerned that her involvement in the organization would harm Britain's relations with the Arab world. Lord Carrington, later to become Foreign Secretary during Thatcher's early years as Prime Minister, travelled abroad often in his capacity as a shadow minister. During a trip to Jordan in February 1975, Carrington asked for the advice of Britain's Ambassador to Jordan on Thatcher's role in the Anglo-Israel Friendship League. The Ambassador responded that such connections would damage British interests in the Arab world. It was suggested that Thatcher might sever her connection with the group and Carrington agreed with the Ambassador's advice. The FCO concern on this issue was best summed up by Michael Tait of the British Embassy in Amman, who wrote: "it is presumably in the national interest to do what we can to counter Arab fears and suspicions that the leader of HM opposition is already a prisoner of the Zionists."<sup>11</sup>

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<sup>9</sup> Interview with Patrick Nixon, 27 January 2010

<sup>10</sup> Interview with Sir Kieran Prendergast, 5 March 2009

<sup>11</sup> MTF, Letter from M Tait to N Williams, FCO, 28 February 1975

There were a range of reasons for Thatcher's sympathies towards Israel. Her philo-Semitic outlook would certainly have influenced her views on Israel. It has been claimed that her warm feelings towards Jews went back to the 1930s when she shared her childhood home with her sister's pen pal, Edith, an Austrian Jew who escaped the Nazis. Edith's experience would have strengthened Thatcher's identification with the plight of Jews.<sup>12</sup> She had tremendous admiration for what she saw as traditional Jewish values such as family, responsibility and self-help.<sup>13</sup> Thatcher was a great admirer of the Chief Rabbi of Great Britain and the Commonwealth, Sir (later Lord) Immanuel Jakobovits, and shared his belief in self-help and individual responsibility. There had been a remarkable number of Jews serving in the various Thatcher governments. It has been claimed that one of the reasons behind the appointment of the relatively large number of Jewish cabinet ministers was that they provided a much needed counterweight to the paternalistic Conservatives of the old school.<sup>14</sup>

Thatcher viewed Israel as a democratic and Western place surrounded by countries that were not noticeably the same.<sup>15</sup> Her daughter Carol had been a volunteer on a Kibbutz.<sup>16</sup> Thatcher's admiration for Israel is expressed clearly in her memoirs: "The political and economic construction of Israel against huge odds and bitter adversaries is one of the heroic sagas of our age. They really made the desert bloom."<sup>17</sup> There were even those in Israel's Foreign Ministry who believed that Thatcher's admiration for Israel was influenced by her own personality traits.<sup>18</sup>

Thatcher's Finchley constituency which she represented from 1959 to 1992 was also a factor in her pro-Israeli sympathies. When Thatcher first became the local MP in

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<sup>12</sup> Charles Dellheim, *The Disenchanted Isle: Mrs Thatcher's Capitalist Revolution*, (WW Norton & Company: New York, 1995), p. 159

<sup>13</sup> Interview with Sir Malcolm Rifkind, 21 April 2009

<sup>14</sup> Dellheim, *The Disenchanted Isle*, pp.154-156

<sup>15</sup> Interview with Sir Malcolm Rifkind

<sup>16</sup> MTF, Speech to Board of Deputies of British Jews, 15 December 1981

<sup>17</sup> Thatcher, *The Downing Street Years*, p.509

<sup>18</sup> ISA 9534/2, Paper prepared by Europe II Department, MFA, for the Foreign Minister's Adviser, 20 March 1990

1959, it was believed that about 20 per cent of the constituency was Jewish.<sup>19</sup> The views of the local constituency on the Arab-Israel issue would not have gone unnoticed by Thatcher. Cyril Townsend, a former Chairman of the Council for the Advancement of Arab-British Understanding (CAABU) and a leading Conservative MP during the Thatcher period believed that the Finchley constituency exerted a significant influence on her:

Margaret Thatcher had the Finchley constituency which is a very strong Jewish constituency. I think, if anything, the Jewish community was over represented amongst the officers of the association. She was not strong on foreign affairs and defence when she started. Under Heath, she had been involved in transport and education. She didn't have a background in foreign affairs and defence. Understandably, she was much influenced by the views of the Conservative Association and her constituency in Finchley.<sup>20</sup>

Nevertheless, Thatcher did not view the Arab-Israel conflict in black and white terms. While she was sympathetic to the State of Israel, she was from the generation that had lived through the mandate period. She was aware that the Arab-Israel conflict was a complex issue.<sup>21</sup> Her hostile attitude towards Israeli leaders who had been involved in violence against the British during the mandate period was a reflection of this.

Pro-Israeli groups expected Thatcher and her Conservative Party to support a position that was sympathetic to the Israeli Government. However, Carrington and the Conservative Shadow Foreign Secretary, Reginald Maudling, adopted positions that brought them into occasional confrontation with the Jewish community. During Carrington's tour of the Middle East in February 1975, he met with PLO leader, Yasser Arafat, incurring considerable displeasure both in Israel and among Conservative supporters of the country. Michael Fidler, the Chairman of the Conservative Friends of Israel (CFI), wrote to Thatcher, arguing that the

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<sup>19</sup> Hugo Young, *One of Us*, (Macmillan: London, 1989), p.40

<sup>20</sup> Interview with Sir Cyril Townsend, March 2, 2009

<sup>21</sup> Interview with Lord Waldegrave, 13 October 2010

Conservative Party would have to issue a clear statement of support for Israel following Carrington's visit to the Middle East which had caused "local agitation".<sup>22</sup>

More controversially, Maudling declared that Carrington had been "absolutely right" to meet with Yasser Arafat during his Middle East tour, since the entire Arab world viewed the PLO as representatives of the Palestinian people.<sup>23</sup> Maudling expanded on this theme on November 10, 1975 when he declared in the House of Commons that "the PLO was a fact of international life that no one can ignore." Maudling added that "the Palestinians should have a country of their own" as part of an Arab-Israeli agreement.<sup>24</sup> In its time, this was a groundbreaking statement on the Palestinian question. This was the approach favoured by the FCO.

Thatcher soon felt the impact of Maudling's statement as protests poured in from the local Jewish community. Fidler wrote to Thatcher informing her that "deep disquiet and concern has been expressed in all parts of the British Jewish community." He warned her that the episode could cause harm to the Conservative Party by depriving it of Jewish support and called on her to issue a statement indicating that there was no change in Conservative policy towards Israel or recognition of the PLO.<sup>25</sup> Maudling realized that his statement had caused Thatcher some difficulties but he held firm. In a private letter to Thatcher, he wrote: "I am sorry you are having trouble with your Jewish Community, but I am afraid that from time to time, this is unavoidable." Maudling insisted in his letter that there was no change in Conservative policy and reiterated that "the PLO were a major fact of life in the Middle East, and to ignore this would be foolish."<sup>26</sup> Thus, at an early stage, it was clear that there were pressures on Thatcher from both sides: supporters of Israel within her constituency and in the wider Jewish community sought to persuade her to adopt policies that were favourable towards Israel. However, Thatcher also faced

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<sup>22</sup> Thatcher papers, Churchill College, Cambridge (THCR) 2/1/1/44, Letter from M Fidler to M Thatcher, 19 March 1975

<sup>23</sup> Reginald Maudling, House of Commons, Hansard Debates, 25 March 1975

<sup>24</sup> Ibid. , 10 November 1975

<sup>25</sup> THCR 2/1/1/44, Letter from M Fidler to M Thatcher , 17 November 1975

<sup>26</sup> THCR 2/1/1/22, Letter from R Maudling to M Thatcher , 24 November 1975

pressure from senior politicians within the Conservative Party to show flexibility on the Palestinian question. Although Thatcher was instinctively sympathetic to the views she heard in her constituency, it was the position favoured by Maudling and Carrington which Thatcher eventually adopted.

### **Thatcher Wins the Respect of the FCO**

During her years as leader of the opposition, there were some early indications that Thatcher was slowly winning the respect of some Arabists within the FCO. Thus, in the early months of 1976, Thatcher embarked on a tour of the Middle East which included visits to Syria and Israel. Thatcher's visits enhanced her reputation in the international affairs arena. Britain's Ambassador to Syria, David Roberts, reported that Thatcher had made a very positive impression on Syrian President Hafez Assad.<sup>27</sup> Indeed, Assad had even invited her to his family home for a private dinner which she accepted. The British Ambassador described this as a "signal honour" – the only previous recipient of such an invitation during his tour of duty was US President Richard Nixon. Roberts described her visit to Syria as "a most useful prise de contact".<sup>28</sup> It appeared that Thatcher's links to pro-Israeli organizations did not prevent her from establishing a rapport with Arab governments including the Baathist regime in Damascus. FCO mandarins would arguably have been impressed by the fact that the Conservative leader was adept at building strong ties with Arab leaders, irrespective of her sympathies for Israel. This would prove an asset for Thatcher in her relationship with the FCO.

At a meeting of the Board of Deputies of British Jews in May 1978, Thatcher defended the British ban on arms sales to Israel in 1973: she claimed that since arms had also been denied to the Arab side, the 1973 embargo was not directed against Israel. Thatcher also praised Lord Home's Harrogate speech of 1970. An Israeli embassy official noted that Thatcher's responses had provided "little

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<sup>27</sup> TNA/FCO 93/973 Letter from D. Roberts to A Urwick, FCO, 19 January, 1976

<sup>28</sup> TNA/FCO 93/973 Letter from D. Roberts to A Urwick, 13 January 1976

encouragement” to her audience.<sup>29</sup> Thus, even before she had become Prime Minister, there were some indications that Thatcher was not going to deviate significantly from policies favoured by the FCO in the Arab-Israel arena.

### **FCO Concerns over Callaghan Government Policy**

There was some unease expressed within the FCO over the position adopted by the Labour Government. James Callaghan who took over as Prime Minister from Harold Wilson in April 1976 established a friendly relationship with the new Likud Government in Israel. The FCO was increasingly concerned that Britain would face a backlash in the Arab world as one of the few countries within Europe to be taking Israel’s side. These anxieties were exacerbated by the victory of Menachem Begin’s Likud party in the Israeli general election of June 1977. The Likud victory had put an end to 29 years of Labour party domination in Israel. Begin had long been viewed as beyond the pale by the British Government for his record of violence against the British prior to the establishment of the State of Israel. As recently as 1976, Britain’s Ambassador in Israel, Anthony Elliott, had advised against inviting Begin, as leader of Israel’s opposition, to a dinner at the British Embassy during Thatcher’s visit to Israel, in view of his “notorious anti-British activities.”<sup>30</sup> Begin was also known for his strong ideological attachment to a Greater Israel encompassing the lands of Judea and Samaria or the West Bank and Gaza, which Israel had captured in the 1967 War. Although previous Labour governments in Israel had approved settlement building on the West Bank, the new Likud Government was far more uncompromising over the possibility of territorial concessions in the West Bank.<sup>31</sup>

There were concerns in the FCO that the Callaghan Government’s close relationship with Israel would harm British interests. Willie Morris, Britain’s Ambassador in Cairo, argued that London should avoid encouraging Arab suspicions that Britain was Israel’s leading advocate within the European Community. These suspicions had

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<sup>29</sup> ISA 7239/42, From Minister, ( Israel Embassy) London, to MFA, 31 May 1978

<sup>30</sup> TNA/FCO 93/924, Cable from A. Elliott to A. Urwick, 24 February 1976

<sup>31</sup> Avi Shlaim, The Iron Wall: Israel and the Arab World (London, Penguin Books, 2000), pp. 352-353.

been roused by statements that Begin had made about his recent visit to London.<sup>32</sup> Ephraim Evron, the Director General of Israel's Foreign Ministry had told Britain's Ambassador to Israel, John Mason, that it would be difficult to over-estimate the value which Begin placed on his friendship with Prime Minister Callaghan, whom he viewed as a trusted friend.<sup>33</sup> Morris was concerned that Britain had tied itself too closely to the United States in promoting the Camp David Accords. Only the Danes and the Dutch had supported Britain's role within the EEC, while the French and Germans were hostile.<sup>34</sup>

David Owen, Foreign Secretary under Callaghan, was opposed to what he viewed as the Arabist orientation of the FCO and its overly strong commitment to the European Community. He believed that the institution had for too long been hobbled by a penchant for appeasement. Indeed, he has claimed that the FCO's "tendency towards appeasement" was on occasions prevalent within the institution between the 1920s and 1980s.<sup>35</sup> Owen also had little patience for the FCO hierarchy which he felt was too rigid and conservative. As a result, he was very unpopular within the office he served.<sup>36</sup> Owen felt strongly that it was the duty of the Foreign Secretary to counter the institutional prejudices and attitudes of his or her office in order to shape foreign policy.<sup>37</sup> Owen sought to counter the FCO on the Arab-Israel issue by promoting Britain's cooperation with the United States in the Middle East at the expense of its coordination with Europe, while also building closer ties with the Begin Government. Arguably, this enabled Britain to exert greater clout than other European countries in the Arab-Israel arena, through its role as a junior partner to the United States in the diplomatic efforts with the Israelis and the Egyptians.<sup>38</sup> His decision to overrule the FCO in inviting Begin to London and his determination to

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<sup>32</sup> TNA/FCO 93/1680, Cable from W. Morris, Cairo, to FCO, 7 January 1978

<sup>33</sup> TNA/FCO 93/1680, Cable from J. Mason to FCO, 23 January 1978

<sup>34</sup> Interview with Lord Owen, 13 May 2009

<sup>35</sup> David Owen, *Time to Declare*, (Penguin Books: London, 1992) P. 249

<sup>36</sup> Lord Renwick, interviewed for BDOHP, 6 August 1998

<sup>37</sup> Owen, *Time to Declare*, pp. 249-250

<sup>38</sup> *Ibid.*, P. 261

resist French and German hostility to the Camp David Accords<sup>39</sup> was a perfect illustration of his readiness to counter the predispositions of his office.

The Labour governments of the 1970s posed difficulties for some Middle East specialists within the FCO. The Arabs were suspicious of Wilson's links with the Israeli Government.<sup>40</sup> There was also some unease over Callaghan's advocacy for the Begin Government and his role in the Camp David process. Arabists did not like the Camp David Accords since they felt that they were sowing division in the Arab world, while pushing away the prospects of a comprehensive settlement in the Middle East.<sup>41</sup> It was feared that Britain could be exposed to an Arab backlash over the Callaghan Government's support for Begin.<sup>42</sup> The situation was hardly helped by the fact that the Foreign Secretary himself was openly hostile to FCO attitudes towards the Arab-Israeli conflict. These concerns swiftly evaporated after the Thatcher Government came to power.

### **Israeli Concerns over a Future Conservative Government**

In turn, there were concerns within Israel's Foreign Ministry over a future Conservative Government. In a paper written ahead of Britain's General Election of 1979, it was noted that that the Middle East policies of previous Conservative governments had generally been worse from Israel's perspective than those of Labour governments.<sup>43</sup> In the wake of the Conservative Party's election victory of 1979, a note of caution was sounded within Israel's Government. The most revealing and prescient perspective was that of Yoav Biran, a Minister serving in the Israeli Embassy in London. He maintained that while Labour support for Israel had been based upon an emotional dimension, positive sentiment towards Israel among Conservatives, including Margaret Thatcher, was more rational in nature, and based upon a strategic perspective influenced by hostility to the Soviet Union. The

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<sup>39</sup> Interview with Lord Owen

<sup>40</sup> Parsons, 'The Middle East', p.89

<sup>41</sup> TNA/FCO 93/1681, Cable from W. Morris to FCO, 21 September 1978

<sup>42</sup> TNA/FCO 93/1681, Minute from WR Tomkys to M Weir, 3 August 1978

<sup>43</sup> ISA 7239/43, Paper: "The British Elections: Implications for Foreign Policy", Undated

disadvantage was that a rational view could be changed more easily in line with reassessments of self-interest. Biran warned that the new Conservative Government would be subject to greater pressures from politicians with economic interests (such as Carrington) which could influence Middle East policy. He also maintained that professionals within the FCO would be able to exert greater influence under a Conservative Government since the Conservative political class and FCO mandarins shared a common Oxbridge background. Biran concluded that while Arabists had been restrained, on occasion, under Callaghan, it was likely that they would now have a greater say over the shaping of policy.<sup>44</sup>

Biran's paper reflected the suspicions within Israel's Foreign Ministry regarding the Middle East policy of a future Conservative Government and the likely influence of the FCO over this Government. While Thatcher was certainly viewed as a friend, there were concerns that pro-Arab sympathies within the Conservative Party and the FCO would tip the balance away from support for Israel. However, according to another Foreign Ministry view, the anti-Soviet position of Thatcher and the convergence of interests between Britain and Israel on policy towards the Soviet Union were likely to serve as a counterweight to anti-Israel trends within British policy.<sup>45</sup>

The Israelis were not alone in believing that the Callaghan and Wilson Governments had been more sympathetic towards them than previous Conservative governments. In a discussion with Thatcher after she had become Prime Minister, French President Giscard D'Estaing had told her that he had been surprised by the extent of support which the Labour Government had given Israel. He could understand the emotional reasons for this since they were applicable to France as well - it had the largest Jewish community in Western Europe. However, Giscard added, one had to be realistic about the situation. He remarked to Thatcher that "it was impossible for

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<sup>44</sup> ISA 7307/9, Paper: The Foreign Policy of the Conservative Government, from Y Biran to MFA, 9 May 1979

<sup>45</sup> ISA 7307/9, Paper: Britain's Policy towards the Arab-Israeli Conflict, By A Magid, 24 May 1979

Israel to keep the Occupied Territories and their attempts to do so were an embarrassment for everybody.”<sup>46</sup>

### **The Appointment of Lord Carrington as Foreign Secretary**

The appointment of Lord Carrington as Foreign Secretary was to carry great significance for Thatcher’s foreign policy during her first term of office in general, and for her policy towards the Arab-Israeli conflict specifically. Carrington had coveted the role of Foreign Secretary for much of his life and was delighted to be offered the position.<sup>47</sup> Coker argues that Thatcher allowed both the FCO and the conduct of British foreign policy to continue largely as before. He maintains that on entering 10 Downing Street, Thatcher sought to focus on running domestic policy and was not interested in diplomacy. As a result, Thatcher had to “defer to the FCO.”<sup>48</sup> Carrington’s appointment was significant for a number of reasons. On entering 10 Downing Street, Thatcher knew that she lacked experience in certain areas of foreign affairs and came to depend on Carrington who was a veteran in the field.<sup>49</sup> Indeed, the new Foreign Secretary viewed Thatcher’s inexperience as “quite useful”, providing him with an opportunity to take the lead in the realm of international affairs.<sup>50</sup> Carrington was also able to enhance his influence in foreign affairs by restricting his involvement in domestic issues.<sup>51</sup> Thus, as Coker points out, in the early years of the Thatcher Government, the FCO was very much in control of British foreign policy by virtue of the role of Foreign Secretary Carrington.”<sup>52</sup>

Although Thatcher had substantial disagreements with Carrington over numerous issues, including the Arab-Israel conflict and Rhodesia, she admired and respected him. Notwithstanding her well-known suspicion of the FCO, she did not have the

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<sup>46</sup> TNA/FCO 93/2061, Discussion between M Thatcher and President Giscard, 21 November 1979

<sup>47</sup> Lord Carrington, Reflecting on Things Past, ( Collins: London, 1988), p.280

<sup>48</sup> Christopher Coker, Who Only England Know, (Alliance Publishers Ltd for The Institute for European Defence and Strategic Studies: London), 1990, pp.5-43

<sup>49</sup> Douglas Hurd, Memoirs, ( Abacus: Great Britain, 2003), p.287.

<sup>50</sup> Interview with Lord Carrington, 28 October 2008

<sup>51</sup> Hurd, Memoirs, p.287

<sup>52</sup> Coker, Who Only England Know , p.45

capacity or confidence in the first term to make the changes there that she made elsewhere in government. Hence, Carrington with his great experience in international affairs was an appropriate choice as Foreign Secretary.<sup>53</sup> Not only was Carrington very knowledgeable in his field. He also knew how to win over the Prime Minister, and was not averse to flattery and flirtation as a means to gain support for his positions. As a result, Thatcher was content to let Carrington make the running in the field of foreign affairs.<sup>54</sup>

The appointment of Carrington was particularly significant in relation to the Thatcher Government's Middle East policy. Carrington viewed the Arab-Israeli dispute as an issue of the highest priority, and was concerned by the dangers of renewed conflict in the region which could drag in other powers.<sup>55</sup> Carrington had direct access to the Prime Minister and would hold a weekly seminar with her. They would frequently discuss the Arab-Israeli conflict.<sup>56</sup> Carrington believed that the Palestinians had suffered an injustice, as a result of the establishment of the State of Israel. He believed that the Palestinians had "a strong case" and had some understanding for the oft repeated Arab claim that the European expiation of guilt over centuries of anti-Semitism was obtained through the creation of the State of Israel which had occurred at the expense of the Arabs.<sup>57</sup> As Defence Secretary in the Heath Government, Carrington had declined to send spare parts to Israel during the 1973 War<sup>58</sup> which did not make him popular among the local Jewish community or the Israeli Government.<sup>59</sup> Israel's Ambassador to London had noted in February 1979 (before the Conservative Party election victory) that Carrington "was not a friend of Israel", and claimed that his pro-Arab leanings were influenced by his links to numerous British companies which had business interests in the Arab world.<sup>60</sup>

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<sup>53</sup> Young, *One of Us*, pp.168-172

<sup>54</sup> Interview with Sir Malcolm Rifkind

<sup>55</sup> Carrington, *Reflecting on Things Past*, p.285

<sup>56</sup> Interview with Oliver Miles

<sup>57</sup> Carrington, *Reflecting on Things Past*, p.337

<sup>58</sup> TNA/FCO 93/1683, Meeting between Lord Carrington and Foreign Minister Hammadi, 1 July 1979

<sup>59</sup> Carrington, *Reflecting on Things Past*, p.334

<sup>60</sup> ISA 7239/37, Cable from Ambassador, London, to MFA, 12 February 1979

Friends of Israel within the Conservative Party were dismayed that Carrington had chosen Gilmour as his deputy in the House of Commons.<sup>61</sup> Gilmour was known for his strong pro-Palestinian sympathies and was a trenchant critic of Israel. He had once written that “political Zionism [was] founded on a myth similar to Hitler’s Aryan nonsense.”<sup>62</sup> Carrington was very close to Gilmour and was saddened when his deputy had to resign in September 1981, following his recurrent dissent against the Prime Minister.<sup>63</sup> Gilmour had little influence within the Conservative Party and his views on the Arab-Israel issue were considered extreme even by Carrington.<sup>64</sup> However, the fact that Gilmour had been appointed Deputy Foreign Secretary signified that Thatcher was not beholden to pro-Israeli supporters within her party. The fact that she had appointed a man with strong pro-Palestinian views to such a sensitive post suggested that she was more open-minded than many had supposed on the Israeli-Arab conflict.

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<sup>61</sup> Patrick Cosgrave, *Carrington: A Life and a Policy*, (JM Dent & Sons Ltd: Great Britain, 1985), p.17

<sup>62</sup> The Times, Ian Gilmour, 25 June 1969

<sup>63</sup> Cosgrave, *Carrington*, p.9

<sup>64</sup> Interview with Lord Carrington

## Begin's Visit to London

The visit of Begin to London on 23 May, barely two weeks after the Conservative Party's election victory, provided early evidence that Thatcher shared the FCO's hostility towards Likud Government policy. Thatcher hosted a lunch for the Israeli Prime Minister, and was accompanied by her Foreign Secretary, among others. Thatcher wasted little time in emphasizing the importance of helping Egypt's President Anwar Sadat by making it clear that the Peace Treaty with Egypt was only a first step. She expressed her strong support for a comprehensive peace settlement, maintaining that this was both in the interest of Israel and the West as a whole. Thatcher said to Begin that Israel and the United Kingdom were both small countries of which higher standards were expected than of others. Thatcher added that the concern for a peace settlement stemmed from a determination to counter the Soviets who had thrived on conflict.<sup>65</sup> Thatcher's remarks to Begin appeared to indicate that her overriding concern in the Middle East was to prevent the Soviets consolidating their influence. The British leader added that in the wake of the revolution in Iran, she was now worried about the stability of the entire region, emphasizing that the Russians were "the biggest threat" in the Middle East:

...What we are worried about is that the whole thing could blow up again and you would be in the centre of it. We all face the threat and the tyranny of the Soviet Union. I am concerned that the next stage be genuine consolidation of the peace process. Therefore, we ask you to bear in mind Sadat's difficulties.<sup>66</sup>

Nevertheless, Begin would give little ground. He stated that Israel would grant full autonomy to the Palestinians in the election of their representatives, but could never agree to the establishment of a Palestinian State. Carrington argued that the kind of autonomy envisaged by Begin would not work. Thatcher, in turn, asserted that she had never heard of political autonomy without sovereignty. Begin then stated that the West Bank Arabs could be offered a choice of Israeli or Jordanian citizenship. In the

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<sup>65</sup> TNA/FCO 93/1683, Meeting between M Thatcher and M Begin at 10 Downing Street, 23 May 1979

<sup>66</sup> ISA 7239/39, Meeting between M Thatcher and M Begin at 10 Downing Street, 23 May 1979

event that the Arabs chose Israeli citizenship, they could vote to the Knesset. Thatcher pointed out that the Arabs would have a majority if the inhabitants of the West Bank were able to vote in the Knesset.<sup>67</sup> She suggested to Begin that the Jews in Israel were facing a demographic threat and were likely to find themselves “outnumbered”. Begin responded that there was no danger of being outnumbered since Israel was “a country of immigration.”<sup>68</sup>

Carrington and Begin clashed on several occasions on the question of settlements. The British Foreign Secretary expressed his concerns over the growth of settlements which the UK viewed as an obstacle during negotiations. Begin responded that settlements had been approved by Israel’s Supreme Court and were in accordance with international law. Faced with repeated criticism on the issue by Carrington, Begin retorted that he was aware that the Lord Privy Seal had criticized settlements in parliament but he would obey the Israel Supreme Court judges on the issue and not the Lord Privy Seal. The Israeli Prime Minister argued that settlements provided Israel with security.<sup>69</sup>

During the meeting, Thatcher had made several references to her Finchley constituency. She told Begin that her constituency was twinned with the Israeli municipality of Ramat Gan. At one point, she said to Begin, “I want you to know that from my own constituency, they all go to fight for Israel!” Thatcher was trying to reassure the Israeli Prime Minister and added, “We only think of the good of Israel. We are friends.”<sup>70</sup> Begin, however, was in combative mood. He turned to the British leader and remarked that the allies had been asked to bomb the railway lines leading to the death camps during the Second World War. Yet nothing had been done. Begin asserted that the Jews could only rely on themselves to survive, and Israel’s views on security had to be judged against that background. Thatcher’s response was forthright:

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<sup>67</sup> TNA/FCO 93/1683, Meeting between M Thatcher and M Begin at 10 Downing Street, 23 May 1979

<sup>68</sup> ISA 7239/39, Meeting between M Thatcher and M Begin at 10 Downing Street, 23 May 1979

<sup>69</sup> TNA/FCO 93/1683, Meeting between M Thatcher and M Begin, at 10 Downing Street, 23 May 1979

<sup>70</sup> ISA 7239/39, Meeting between M Thatcher and M Begin at 10 Downing Street, 23 May 1979

I must tell you that if I had then been Prime Minister, I am not certain what decision would have been made. The supreme goal then was to mobilise the total war effort in order to destroy as quickly as possible Hitler's war machine. I would not, I think, have agreed to any diversion from that supreme goal.<sup>71</sup>

Thatcher had been unsympathetic towards Begin because of his record of violence during the British Mandate.<sup>72</sup> Nevertheless, Thatcher's meeting with Begin was particularly significant in relation to her own position on the Arab-Israeli conflict. The encounter instilled in her a strong distaste for the policies of the Likud Party. Shortly afterwards, the Prime Minister would tell Egyptian Vice-President Hussni Mubarak that her meeting with Begin was one of the most difficult she had experienced.<sup>73</sup> Thatcher was particularly concerned about his attitudes towards the West Bank. In a letter to the FCO from the Prime Minister's Private Secretary, it was disclosed that Thatcher feared that "Mr Begin's attitude could kill the whole process of the search for a comprehensive settlement in the Middle East."<sup>74</sup>

During her meeting with President Giscard D'Estaing, a few months later, Thatcher had agreed entirely with her French counterpart that Begin's approach had been "fanatical and unrealistic." Thatcher told Giscard that Begin's policies were making life difficult for President Sadat. Indeed, in her opinion, Sadat had been too generous towards Begin. The Prime Minister lamented the fact that all Britain's efforts to convince Begin to stop his "absurd" settlement building policy in the West Bank had come to nothing.<sup>75</sup>

David Wolfson, Thatcher's Chief of Staff, revealed to Israeli diplomat Yoav Biran, that the British were very disappointed with the discussion between Thatcher and Begin. The Israeli leader lectured his hosts on "the facts of life", and would not

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<sup>71</sup> Ibid.

<sup>72</sup> Interview with Lord Hurd, 30 April 2009

<sup>73</sup> TNA/FCO 93/1683, Discussion between M Thatcher and H Mubarak, 15 June 1979

<sup>74</sup> TNA/FCO 93/1683, Letter from B Cartledge to P Lever, FCO, 23 May 1979

<sup>75</sup> TNA/FCO 93/2061, Discussion between M Thatcher and President Giscard, 21 November 1979

allow a dialogue to take place. Wolfson added that the Prime Minister's basic support for Israel remained. Nevertheless, he could not conceal that there was no rapport between her and Begin. Furthermore, Thatcher and Carrington both rejected the Israeli perspective on the West Bank and Gaza. Wolfson sought to reassure Biran that there was nothing to fear from the new political constellation dealing with foreign policy or indeed the growing influence of the Arabists in the FCO. Wolfson made it clear that Carrington set the tone in the FCO, and had the trust of his Prime Minister. Wolfson stated that Carrington was not unfriendly towards Israel even if there were disagreements, and it would be worthwhile to enhance contacts with him.<sup>76</sup>

Israeli diplomat Avraham Milo was warned by Charles Powell, the Deputy Head of the Near East and North Africa Department of the FCO (NENAD) that within the Conservative Government, "emotions [were] running high" against Israel. The Conservatives had a significant reserve of goodwill towards Israel, but they were fast becoming disappointed with the Likud Government position. Milo asked if Powell was referring to Ian Gilmour. Powell responded that he was referring, first and foremost, to the Prime Minister. Thatcher's disappointment had grown following her meeting with Begin. She was further dismayed by his authorization of construction in the new settlement of Eilon Moreh, as well as the reports of Israeli plans to establish two additional settlements. Powell claimed that he had previously enjoyed a reasonably free hand in providing assessments and instructions that were sympathetic towards Israel. However, Powell warned, events were now "spinning out of [his] control." He advised his Israeli interlocutor to pay attention to the prevailing mood of the British Government.<sup>77</sup>

Prior to the Prime Minister's meeting with Begin, she had met with the US Secretary of State, Cyrus Vance, accompanied by Carrington and Gilmour. Thatcher asked Vance for advice on the position she should take during her meeting with the Israeli Prime Minister. Vance stated that an emphasis should be placed on a settlement

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<sup>76</sup> ISA 7239/44, Letter from Y Biran, London, to MFA, 12 July 1979

<sup>77</sup> ISA 7239/44, Minute from A Milo to MFA, 9 July 1979

freeze in the West Bank. Thatcher responded that this was “a very modest requirement.” She believed that Begin’s view of a Greater Israel was “illogical”, and asserted that those who claimed sovereignty over land that had been acquired through hostilities would have “no leg to stand on” when that land was regained through the same means.<sup>78</sup> Later on, following a discussion she held with Jordan’s King Hussein who had expressed his support for Palestinian self-determination, Thatcher had indicated that she would ask President Carter to exert pressure on Begin to accept the principle of Palestinian sovereignty for the West Bank.<sup>79</sup> Thatcher’s anger and frustration over the Likud settlement policy would arguably have been a significant factor in the growing detachment of the British Government from Begin’s Israel.

Thatcher’s strong desire to see a peace settlement between Israel and her Arab neighbours was in line with her strategic view of the possible threats to Western interests in the Middle East. She feared that the absence of a peace settlement would create growing instability in the region which would be exploited by the Soviet Union. These concerns over Soviet actions were exacerbated by the Soviet invasion of Afghanistan in late 1979. The Prime Minister would later write in her memoirs that “detente had been ruthlessly used by the Soviets to exploit western weakness and disarray. I knew the beast.”<sup>80</sup> Thatcher was concerned that the Soviets would exploit such weaknesses in the Middle East. During the 1980s, as in earlier decades, the FCO viewed the containment of Soviet ambitions in the Middle East as a British interest.<sup>81</sup> However, during this period, there were still divergences between Number Ten and the FCO over how to achieve such a peace settlement.

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<sup>78</sup> TNA/FCO 93/1683, Discussion between M Thatcher and C Vance, 23 May 1979

<sup>79</sup> TNA/FCO 93/2061, Letter from G Walden to B Alexander, 23 September 1979

<sup>80</sup> Thatcher, *The Downing Street Years*, p.87

<sup>81</sup> Hollis, *Britain and the Middle East in the 9/11 Era*, p.24

## The Role of the FCO

Israel's outgoing Ambassador to London, Avraham Kidron, cabled Jerusalem following a meeting with Thatcher. Kidron noted that while Thatcher had been very friendly, he left the meeting with a sense of disappointment. He expressed concerns over a number of issues during the meeting, including his unease that Britain was falling into line with the French position. Thatcher was unresponsive. Kidron sensed that she wished to avoid any commitments which would undermine her Foreign Secretary.<sup>82</sup> His comments betrayed an Israeli concern that Thatcher was working in close coordination with Carrington and the FCO. Arguably, Kidron's unease would have been exacerbated by a meeting he held with Callaghan. The former Labour Prime Minister had remarked to Kidron that he feared that Carrington would be "very independent", adding that the FCO staff "would not be helpful to you."<sup>83</sup>

While Thatcher was clearly hostile towards Begin from the very outset, this did not mean that she was in full agreement with new FCO initiatives on the Arab-Israel conflict. Within three months of Thatcher taking office, the FCO and its ministers were working intensively behind the scenes to advance a significant shift in British policy towards the Palestinians. Roger Tomkys, the Head of NENAD, sent a minute to Douglas Hurd, claiming that a confrontation with Israel was inevitable as a result of the new British position on Palestinian self-determination. Tomkys added that the Prime Minister's meeting with Begin may have prepared the ground for a row with the Israelis.<sup>84</sup> Yet, at this stage, the Prime Minister was opposed to the idea of self-determination for the Palestinians.<sup>85</sup> The one thing which did unite Thatcher and the FCO, however, was their opposition to Begin and his settlement policies.

Anthony Parsons was an important player in the policy process. Parsons had been appointed as Deputy Under-Secretary for the Middle East under the Callaghan

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<sup>82</sup> ISA 7239/44, Letter from A Kidron to MFA, 9 July 1979

<sup>83</sup> ISA 7239/44, Cable from A Kidron to MFA, 19 July 1979

<sup>84</sup> TNA/ FCO 93/2194, Minute from WR Tomkys to D Hurd, 10 July 1979

<sup>85</sup> TNA/FCO 93/2061, Letter from M Alexander to G Walden, 14 September 1979

Government. Parsons wrote to Hurd that it was in the British national interest to have a firm position on the issue of Palestinian self-determination. Parsons believed that Britain had benefited from Home's Harrogate address of 1970 in terms of its relations with the Arabs. The Israelis might have been annoyed by the Harrogate address, but British oil supplies were left unscathed during the 1973 crisis. Parsons maintained that Britain had to put forward a more sympathetic policy on the Palestinian question. This would serve as "a valuable insurance of [British] interests against a worsening of the general situation." He passionately argued that the Palestinian right to self-determination was stronger than that of many Arab states which had already won independence.<sup>86</sup>

Hurd strongly approved of Parsons's minute. He wrote to Carrington that the Palestinians had a very strong case, and there would not be peace in the region until it was recognized. He was concerned that Britain was being "outmanoeuvred" by the French, as well as the Germans and Italians, to the detriment of its political and commercial interests in the Arab world. Britain had to vote in favour of a forthcoming UN Resolution on Palestinian self-determination if the other Europeans did. A common European position on the Middle East would provide greater effectiveness, give Britain cover and even help to "rein back" the French. Hurd noted that the change of position might upset Jewish opinion in the UK, but it was important to distinguish between those views and general public opinion. He added that Israel used to be seen as an underdog whose existence was threatened, but this was no longer the case. Nevertheless, Hurd emphasized, it was very important to ensure that the shift of position was not perceived in terms of "panic over oil supplies."<sup>87</sup> Hurd's comments suggested that British policymakers were not overly concerned about pressure from Israel's supporters in the UK. Moreover, it appeared that British public opinion was gradually becoming less supportive of Israel. In such an environment, it would be easier to advance a policy shift on the Palestinian question.

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<sup>86</sup> TNA/FCO 93/2055, Minute from A Parsons to D Hurd, 9 August 1979

<sup>87</sup> TNA/FCO 93/2055, Minute from D Hurd to P Carrington, 9 August 1979

Carrington pointed out that international opinion supported Palestinian self-determination, and that Britain risked isolation within Europe and the UN if it opposed it. Carrington sought Thatcher's consent for a vote in favour of a moderately worded resolution supporting Palestinian self-determination. Cartledge had written to the FCO indicating that Thatcher was content to give Carrington "a free hand" in the forthcoming UN Security Council debate and vote on Palestinian self-determination.<sup>88</sup> The freedom granted to Carrington by Thatcher was a reflection of the considerable influence which the FCO had over policy towards the Arab-Israeli conflict. Indeed, Thatcher had yet to put her personal stamp on foreign policy, and this enabled Whitehall to have a considerable influence in this sphere.

Nevertheless, Thatcher was sceptical regarding many of the arguments put forward by the FCO. While she agreed with Parsons's line of reasoning that the Palestinians had at least as much right as other Arab States to be treated as a "people", she believed that this could not be the only factor behind a UK vote on self-determination. Thatcher expressed concern that the oil-producing states could fall under direct or indirect Soviet influence. In such a scenario, the Prime Minister believed that only Israel could be expected to confront the extension of communist influence. Furthermore, in the event of an East/West confrontation in the region, Thatcher believed that Israel would be the West's only ally. While Thatcher acknowledged that such a scenario appeared farfetched, she noted that the same could have been said about recent developments in Iran. Thus, at this early stage in her premiership, Thatcher viewed Israel as a strategic asset in the struggle against the Soviets. The Prime Minister also doubted whether the practicalities and implications of a "Palestinian homeland" had been thought through.<sup>89</sup>

In view of Thatcher's scepticism regarding the FCO position on Palestinian self-determination, it was all the more surprising that she gave Carrington a free hand on the issue. Her willingness to do so was a reflection of her trust in the Foreign Secretary. A second factor, arguably, was her attitude towards Begin. Cartledge

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<sup>88</sup> TNA/FCO 93/2055, Letter from B Cartledge to JS Wall, 15 August 1979

<sup>89</sup> *Ibid.*

pointed out in a letter to Carrington's Private Secretary that Thatcher believed that the main problem with Israel at present was Begin himself. She believed that his departure would significantly change the situation in the Middle East and Britain's approach to it.<sup>90</sup> However, Begin was not about to relinquish power. It is likely that Thatcher's readiness to support Israel's position and rein in the FCO was compromised by her antipathy towards Begin and his policies. Indeed, Thatcher's growing impatience with Begin would have been an important element in her later change of heart over the FCO policy on the Palestinian question.

The Israelis became very concerned about the changes in Britain's position on the Arab-Israeli conflict. Biran met with Wolfson to discuss the shift in Britain's policy. Wolfson maintained that the Thatcher Government believed that Israel was being "intransigent and impossible." Wolfson added that it had reservations about the Camp David autonomy plan. He expressed his readiness to bring Israel's concerns to the attention of the Prime Minister. However, he added that the British Government's current focus on the Rhodesia issue and Thatcher's tendency to rely on Carrington in the foreign affairs sphere meant that she was unlikely to take an independent position on the issue.<sup>91</sup> Thus, it was clear that even if Thatcher had doubts at this stage about Palestinian self-determination, she was not prepared to confront the FCO on the issue.

Thatcher's readiness to allow her Foreign Secretary to take the initiative in foreign policy was not insignificant. Powell has stated that she greatly distrusted the FCO as an institution, believing that it was too accommodating to the views, perspectives and interests of foreigners, as opposed to British interests.<sup>92</sup> Thatcher has emphasized in her memoirs that the FCO viewed compromise and negotiations as "ends in themselves."<sup>93</sup> Campbell claims that Thatcher had a deep distrust of the Civil Service as a whole, based upon her experiences of the departments of education, science and pensions. She believed that Whitehall had a defeatist ethos,

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<sup>90</sup> Ibid.

<sup>91</sup> ISA 7307/9, Cable from Minister, London, to MFA, 10 August 1979.

<sup>92</sup> Interview with Lord Powell

<sup>93</sup> Thatcher, *The Downing Street Years*, p.309

viewing this as one of the causes of Britain's decline.<sup>94</sup> Nevertheless, these arguments overlook the fact that Thatcher was ready to embrace compromise in some areas of foreign policy: the Arab-Israel conflict is one clear example of this. Thus, Thatcher's tendency to distance herself from the FCO's Middle East policy<sup>95</sup> was arguably designed to enhance her reputation as a woman of principle. However, as this thesis makes clear, Thatcher's position on the Arab-Israeli question became closely aligned with that of the FCO.

Carrington, in contrast, was openly supportive of the FCO as an institution and had only the greatest respect for its staff. It is therefore not surprising that he was very popular in the Office, and was particularly welcome after the bruising experiences with David Owen.<sup>96</sup> Cosgrave points out that while Carrington served as Foreign Secretary, there is barely a single instance of him taking a position at odds with the FCO bureaucracy.<sup>97</sup> As a result, in spite of the Prime Minister's attitude, the relationship between 10 Downing Street and the FCO was a relatively harmonious one during Carrington's service as Foreign Secretary.<sup>98</sup>

The Israeli Government and its supporters in Britain were exerting efforts to try and counter the influence of the FCO on policy. Following the general election of 1979, twenty-four MPs had joined the CFI. There were now 128 MPs in the organization, as well as 21 peers.<sup>99</sup> The Deputy Prime Minister, William Whitelaw, a member of the CFI, had been viewed by the Israeli Embassy in London as a reliable friend who could intercede on their behalf.<sup>100</sup> Nevertheless, in a dispatch to Jerusalem, Biran maintained that there could be no illusions that public pressure would change government policy. He pointed out that the Conservative Government had a stable majority in parliament, and no "lobby" or public pressure would lead to a change in

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<sup>94</sup> John Campbell, *Margaret Thatcher – Volume Two: The Iron Lady* (London: Vintage Books, 2008), p.22

<sup>95</sup> Thatcher, *The Downing Street Years*, p.512

<sup>96</sup> Lord Renwick, interviewed for BDOHP.

<sup>97</sup> Cosgrave, *Carrington*, p.122

<sup>98</sup> Cradock, *In Pursuit of British Interests*, p. 24

<sup>99</sup> ISA 7307/9, Minute from Minister, London, to MFA, 26 June 1979

<sup>100</sup> ISA 7239/44, Cable from Minister, London, to MFA, 13 August 1979

ISA 7239/45, Minute from Minister, London, to MFA, 16 October 1979

policy. However, he added that public pressure had an accumulating “nuisance value” which could result in a certain degree of sensitivity and caution on the part of the Thatcher Government.<sup>101</sup> Although the Conservative Government could not ignore such domestic influences, the impact they had on Middle East policy was negligible.

In contrast to her predecessor Callaghan, Thatcher was very dissatisfied with Begin’s autonomy plan for the Palestinians. She was fiercely opposed to the building of Jewish settlements in the Occupied Territories, and viewed the Likud Prime Minister as a fanatic. This alone was a positive development for those FCO officials who had fretted over Callaghan’s close relationship with Begin. It signified that the new Prime Minister could be persuaded to adopt the policy shift being formulated in the FCO.

### **Thatcher’s Initial Scepticism over FCO Policy**

By September 1979, clear differences had emerged between Thatcher and Carrington over both the PLO and Palestinian self-determination. In the wake of the intensive activity in the FCO on the Palestinian question, Carrington had sent the Prime Minister a minute in which he argued that Britain would be better placed to help bring about a Middle East settlement if it supported the principle of Palestinian self-determination and closer contacts with the PLO. He added that such a policy would bring Britain into line with its other European partners such as France and Germany, it would protect British economic interests in the Arab world while enabling London to provide more effective support to Washington. Furthermore, a British policy of this kind would help the position of moderate Palestinians and the conservative Arab regimes where growing anger with US policy was causing regional instability.<sup>102</sup>

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<sup>101</sup> ISA 7239/45, Minute from Minister, London, to MFA, 16 October 1979

<sup>102</sup> TNA/FCO 93/2061, Minute from P Carrington to M Thatcher, 11 September 1979

The Prime Minister's Private Secretary wrote to Carrington's office, stating that Thatcher was "deeply opposed" to Carrington's minute. In particular, she was unhappy about upgrading contacts with the PLO.<sup>103</sup> In a private conversation with the French President, Thatcher expressed a reluctance to recognize the PLO. She stated that recognition of the PLO would have to be accompanied by the organization's acceptance of Israel's right to exist.<sup>104</sup> Thatcher also believed that a solution based on Palestinian self-determination in the West Bank and Gaza was not viable, and continued to express doubts about a Palestinian "homeland".<sup>105</sup> The Permanent Under-Secretary of the FCO, Michael Palliser, expressed his concern that Thatcher's position would damage British interests in the Arab world.<sup>106</sup>

During the autumn of 1979, with the possible exception of the Rhodesia question, Thatcher was relatively uninvolved in foreign policy issues. Moreover, the Prime Minister had not yet established a strong policy unit in 10 Downing Street. Thatcher had yet to acquire an imperious leadership style. Interestingly, though, it was during this period that Thatcher appeared to be most resistant to the FCO line on the Palestinian question.

### **Areas of Cooperation between the FCO and Downing Street**

Thus, during her first six months in power, Thatcher was resisting FCO efforts to bring about a comprehensive shift in position on the Arab-Israeli conflict. There were disagreements between 10 Downing Street and the FCO on the issues of Palestinian self-determination and the PLO. Nevertheless, there were other areas of policy in which cooperation was evident. Thatcher had shown a readiness to cooperate on the issue of a new Security Council resolution. In the course of a meeting in July 1979 at 10 Downing Street with the UN Secretary General, Dr. Kurt Waldheim, Parsons proposed a new Security Council resolution which would

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<sup>103</sup> TNA/FCO 93/2061, Letter from M Alexander to G Walden, 14 September 1979

<sup>104</sup> TNA/FCO 93/2061, Discussion between M Thatcher and President Giscard, 21 November 1979

<sup>105</sup> TNA/FCO 93/2061, Letter from M Alexander to G Walden, 14 September 1979

<sup>106</sup> TNA/FCO 93/2061, Minute from M Palliser to G Walden, 21 September 1979

formally enshrine Palestinian rights. This had to be done in such a way that the Americans would not oppose it. Thatcher supported the initiative, but pointed out that it would be difficult to secure Begin's agreement.<sup>107</sup>

There was also some cooperation between Thatcher and the FCO in the nuclear sphere. In the FCO, it was noted that Britain had never made an effort "to attract Israel to the NPT." However, the ratification of the Egypt-Israel Peace Treaty provided a good opportunity for taking action. While it was felt that the chances of success were low, NENAD agreed that an approach should be made to Israel.<sup>108</sup> The opportunity arose to take action following a letter from Begin to the Prime Minister in which he warned of the dangers of nuclear cooperation between Libya's Muammar Gaddafi and Pakistan.<sup>109</sup> Thatcher responded that Britain shared Israel's concern about Pakistan's plans to acquire nuclear weapons. However, she added that Israel could do her part to stop the spread of nuclear weapons in the Middle East. The developments in Pakistan and the threat of an arms race strengthened the need for Israel to take action to reach a political settlement with her neighbours. In turn, Thatcher concluded, Israel and other states in the region should also adhere to the NPT.<sup>110</sup>

On issues such as the sale of North Sea oil and the Arab Boycott, Thatcher and the Whitehall bureaucracy were also in full agreement. The boycott extended to third party suppliers, and demanded that the companies concerned should not have investments or partnership agreements in Israel, and that firms should not include Israeli components in exports. The Israeli Government was unhappy about the FCO's readiness to authenticate undertakings that companies gave to their Arab clients. The FCO's participation in the process suggested that it was an active accomplice in the boycott.<sup>111</sup>

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<sup>107</sup> TNA/FCO 93/1683, M Thatcher Meeting with K Waldheim, 12 July 1979

<sup>108</sup> TNA/ FCO 93/2105, Minute from TD Curran to Burns/ Mallaby, 26 April 1979

<sup>109</sup> TNA/ FCO 93/2105, Letter from M Begin to M Thatcher, 17 May 1979

<sup>110</sup> TNA/ FCO 93/2105, Letter from M Thatcher to M Begin, 19 June 1979

<sup>111</sup> The Guardian, 'What Price A Boycott', 31 October 1984

Following various approaches from Israeli officials in 1976 and 1977, Begin had raised the issue of the sale of North Sea oil to Israel during a meeting with Callaghan on 4 December 1977. Begin had requested half a million tonnes of oil per annum. Callaghan made no commitments but offered to review the situation once Britain was self-sufficient.<sup>112</sup> The FCO was firmly opposed to the supply of oil to Israel out of concern for Britain's relations with leading Arab countries.<sup>113</sup> Israel's Energy Minister, Yitzhak Moda'i, met with Hurd in December 1979. Hurd was asked how he expected Britain to exert influence over Israel if it could not help the country with oil supplies during her time of need. Begin also called on Hurd to ask Thatcher if she could help Israel with oil supplies. Hurd undertook to do so without holding out any hope of a positive reply.<sup>114</sup> The Israelis compared the polite but cold approach of Hurd on the issue to the sympathetic attitude adopted by the Labour Party's James Callaghan and Tony Benn.<sup>115</sup>

During a meeting with a delegation of the Board of Deputies, Thatcher was asked about the sale of North Sea oil to Israel. The Prime Minister responded that North Sea oil production was "committed" in the coming period, and that half of exports were going to Europe. The Board of Deputies delegation also expressed disappointment over the Thatcher Government's approach to the authentication of documents required under the Arab boycott.<sup>116</sup> The Board had asked the Thatcher Government to disassociate itself from the authentication process. The Prime Minister said to the delegation that she could not promise any movement on the matter.<sup>117</sup> Thatcher added that it was essential to give consideration to British economic interests.<sup>118</sup> Thatcher ultimately was a realist who attached great importance to Britain's political and commercial interests in the Arab world.<sup>119</sup> It

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<sup>112</sup> TNA/FCO 93/2103, Report by the Official Working Group on BNOC and Overseas Policy, Department of Energy, 26 September 1978

<sup>113</sup> TNA/FCO 93/2103, Minute by JS Wall to Department of Trade, 23 January 1979

<sup>114</sup> TNA/FCO 93/2104, Cable from J Mason to FCO, 13 December 1979

<sup>115</sup> ISA 7307/10, Cable from MFA to Israeli Embassy, London, 14 December 1979

<sup>116</sup> TNA/FCO 93/2104, Meeting between M Thatcher and Board of Deputies, 27 November 1979

<sup>117</sup> TNA/FCO 93/2104, Meeting between M Thatcher and Board of Deputies, 27 November 1979

<sup>118</sup> ISA 7240/10, Cable from the Consul General, London, to MFA, 28 November 1979

<sup>119</sup> Interview with Lord Powell

was therefore not surprising that Thatcher agreed with Whitehall policy in this realm, even at this early stage.

The Board had also asked Thatcher about the Government's attitude towards the PLO. While accepting the organization's links with terror, Thatcher would not rule out dealings with the PLO. Thatcher stated that "she had an intellectual problem" when she spoke of no recognition of the PLO. She implied that her own position on terrorism was inconsistent since she was talking to terrorists in Rhodesia in a bid to achieve peace. Thatcher told the delegation that she might one day have to deal with the PLO for the same reason. The Prime Minister also appeared to believe that King Hussein was having a moderating influence on Arafat.<sup>120</sup> The delegation left the meeting in a mood of disillusionment.<sup>121</sup>

Thus, during Thatcher's early months in office, she conducted an ambivalent policy on the Arab-Israel question. On the one hand, she was unhappy about the swift movement of the FCO on Palestinian self-determination and the PLO. Thatcher's opposition to Palestinian self-determination was linked to her concern that it would enable the Soviets to expand their influence in the region. She also had doubts about the viability of a Palestinian homeland.<sup>122</sup> On the other hand, she had been very critical of Begin's autonomy plan for the Palestinians since it ruled out Palestinian sovereignty over the West Bank.<sup>123</sup> Furthermore, Thatcher oversaw a gradual cooling of ties with the Likud Government.

Paradoxically, it was during Thatcher's early months in power, when she was relatively inexperienced in foreign affairs and without the backing of a strong foreign policy unit, that she appeared to show the strongest resistance to the FCO policy on the Palestinian question. This may have been due partly to an unwillingness to offend friends of Israel within her constituency and beyond it, at an early stage in her

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<sup>120</sup> TNA/FCO 93/2104, Meeting between M Thatcher and Board of Deputies, 27 November 1979

<sup>121</sup> ISA 7240/10, Cable from the Consul General, London, to MFA, 28 November 1979

<sup>122</sup> TNA/FCO 93/2055, Letter from B Cartledge to JS Wall, 15 August 1979

<sup>123</sup> ISA 7239/39, Meeting between M Thatcher and M Begin at 10 Downing Street, 23 May 1979

premiership. Nevertheless, there is also clear evidence to show that her opposition to Palestinian self-determination was linked to her view of Israel as an asset in the struggle against the expansion of Soviet influence in the region.<sup>124</sup> In the wake of the Soviet invasion of Afghanistan in December 1979, however, there was concern that a failure to obtain an Arab-Israeli peace settlement would result in a growing threat to Western interests in the region. It was in this context that the Thatcher Government eventually supported a policy shift on the Palestinian question.

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<sup>124</sup> TNA/FCO 93/2055, Letter from B Cartledge to JS Wall, 15 August 1979

## **Chapter Two**

### **A British Policy Shift on the Palestinian Question**

Thatcher's wholehearted support for the British policy shift on the Palestinian question, contained within the EEC Venice Declaration of 13 June 1980, represented a triumph of pragmatism over principle. Thatcher had been rather uneasy about the Venice Declaration<sup>1</sup> before she finally endorsed it at the European Council Heads of State summit. Thatcher had earlier expressed strong misgivings over the FCO's support for Palestinian self-determination and higher-level contacts with the PLO.<sup>2</sup> In this chapter, however, it will be argued that the Prime Minister's decision-making in this sphere was driven by geopolitical concerns rather than any fears over a backlash from Israel and its supporters in the UK. The twin factors of the Iranian revolution of 1979 and the Soviet invasion of Afghanistan had merely strengthened the conviction of the British Government that strong Western backing for a resolution of the Arab-Israel conflict was the key to restoring stability in the region<sup>3</sup> as well as a means to weakening Soviet influence.<sup>4</sup> Thatcher would also have been influenced by Whitehall concerns that a British failure to fall into line with its European partners on the Palestinian question would have implications for Britain's political and economic interests in the Arab world.

In endorsing the Venice Declaration, Thatcher had effectively set the seal on a decade of cooperation with the FCO on Middle East policy: her support for the Palestinian right to self-determination and the belief that the PLO had to be associated with a Middle East peace settlement signified that Number Ten was firmly aligned with the FCO on policy in the Arab-Israel arena. It was significant that Carrington and other FCO ministers were fiercely attacked by the Israeli

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<sup>1</sup> Interview with Lord Carrington, 19 November 2009

<sup>2</sup> TNA/FCO 93/2061, Letter from M Alexander to G Walden, 14 September 1979

<sup>3</sup> ISA 7308/5, Undated paper

<sup>4</sup> ISA 7308/5, Cable from Y Blum to MFA, 20 June 1980

Government, but Thatcher was not despite her public support for the British policy shift. This merely underscored the fact that there was a strong discrepancy between the Israeli perception of Thatcher's position on the Arab-Israel conflict and her actual policy which was now closely aligned with the FCO.

### **The Leading Role of the FCO in the Venice Declaration**

The summer of 1980 reflected the growing convergence between Thatcher and the FCO. Nine months after the Prime Minister had rejected Carrington's policy recommendations on Palestinian self-determination and the PLO, she now endorsed the British policy shift. At the European Council meeting in Venice on 12 and 13 June 1980, Thatcher endorsed the final communiqué which reaffirmed the rights of all states in the region - including Israel - to existence and security, and demanded justice for the Palestinian people which implied the right to self-determination. Perhaps the most controversial element of the Venice Declaration was the call for the PLO to be associated with peace negotiations. It also included a condemnation of Israeli settlements which were viewed as "a serious obstacle to the peace process in the Middle East."<sup>5</sup> In her memoirs, Thatcher writes that the communiqué struck "the right balance".<sup>6</sup> Indeed, days after the European Council meeting, the Prime Minister made it clear that she wholeheartedly supported the Venice communiqué.<sup>7</sup> Thatcher had signalled that she now supported the FCO policy on the Palestinian question. The policy shift would not have come about, however, without intensive behind the scenes activity of FCO mandarins.

During the autumn of 1979, the FCO engaged in extensive deliberations over the future direction of British policy towards the Middle East. During the last week of October 1979, the FCO hosted a Conference of British Heads of Missions in the Middle East. The discussions provided a unique insight into the FCO's leading role

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<sup>5</sup> [www.eeas.europa.eu/mepp/docs/venice\\_declaration\\_1980\\_en.pdf](http://www.eeas.europa.eu/mepp/docs/venice_declaration_1980_en.pdf)

<sup>6</sup> Thatcher, *The Downing Street Years*, p. 90

<sup>7</sup> MTF, House of Commons Statement [Venice European Council], 16 June 1980

in the formulation of the landmark EEC Venice Declaration.<sup>8</sup> There was wide agreement among participants that the British position on the Palestine issue had been seen in the Arab countries as “less satisfactory” than that of the other EEC countries.<sup>9</sup> Sir John Moberly, an Associate Under-Secretary of State, remarked that Britain was seen as “among the back markers in the Nine [EEC countries]” and suggested that this could affect its oil interests. Sir John Wilton, a former Ambassador to Saudi Arabia, maintained that Palestine was the key issue in Arab/Western relations. Western responsibility for Israel’s creation was still the greatest weakness for the West. The French had gained a good reputation in the Arab world for their pro-Palestinian and anti-American position. Britain would be “greatly helped” by a move on Palestine for which it was still held responsible. Wilton argued that Britain’s reputation would be enhanced in the Arab world if it could shift its public position by the spring of 1980. The fact that the UK was now a net exporter of oil would mean that Britain could make a move without being accused of having its “arms twisted” by the Arabs. Failure to act could mean that Britain would be left behind by Germany and France. Tomkys argued for Britain to move ahead of the Americans, and support the Palestinians through a declaration covering the PLO, self determination and the settlements.<sup>10</sup>

James Craig, a former Ambassador to Syria, maintained that the Camp David talks would not produce a settlement but a European initiative would not do so either. Craig argued, however, that a European policy shift would improve Britain’s image in the Arab world and protect its interests. Craig called for a move towards the PLO, an acknowledgment of the Palestinian right to self-determination and even recognition of an independent Palestinian State.<sup>11</sup> The Heads of Missions called for strong criticism of Jewish settlements in the Occupied Territories. A number of participants expressed their preference for a European initiative over a British one, though it was noted that French attitudes on the Palestinian question would dilute any British gains. The participants viewed a European initiative as a means of

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<sup>8</sup> TNA/FCO 93/2194, Discussion of Middle East Heads of Mission Conference at FCO, 22/23 October, 1979

<sup>9</sup> TNA/FCO 93/2194, Cable from NENAD on Middle East Heads of Mission Conference, 9 November, 1979

<sup>10</sup> TNA/FCO 93/2194, Record of Discussion of Middle East Heads of Mission Conference at FCO, 22/23 October, 1979

<sup>11</sup> Ibid.

generating new momentum in the peace process in the event of difficulties in the Camp David talks.<sup>12</sup>

By the beginning of 1980, Britain was playing an increasingly active role in promoting an initiative. Senior officials such as Tomkys believed that the Soviet invasion of Afghanistan in December 1979 had provided an opportunity for the West to build better relations with the Arab States. Nevertheless, Arab attitudes were adversely affected by the Arab/Israel issue. Since the United States was still committed to the Camp David framework, Tomkys believed that it was up to Europe to act quickly to “show the way forward”.<sup>13</sup>

The intensive FCO activity came to fruition in the early summer of 1980 with the Venice Declaration. The statement of the EEC Heads of Government on 13 June 1980 was unquestionably a landmark in European involvement in the Arab-Israeli dispute. A reading of the Venice Declaration text reveals a convergence between the ideas put forward by leading FCO mandarins over previous months and the final statement of the European Heads of State. In particular, the emphasis on the Palestinian right to self-determination and the association of the PLO with Middle East negotiations were fundamental elements of a policy that had been promoted by the FCO.<sup>14</sup> While the Venice Declaration was a common EEC position, Carrington and Gilmour had played an important role in advancing it. Not only were they proponents of the FCO view that Europe had to move up front in advancing a balanced Middle East settlement— they had an important input in translating this into policy and placing Britain at the heart of it.<sup>15</sup>

The leading role of the FCO in the Venice Declaration clearly reflected its ability to exert a decisive influence over the Thatcher Government’s policy towards the Arab-Israeli conflict. As a participant in the EEC Heads of Government communiqué,

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<sup>12</sup> TNA/FCO 93/2194, Cable from NENAD on Middle East Heads of Mission Conference, 9 November, 1979

<sup>13</sup> TNA/FCO 93/1682, Brief by WR Tomkys for Meeting between British Foreign Secretary and French Foreign Minister , 2 February 1980

<sup>14</sup> [www.ceas.europa.eu/mepp/docs/venice\\_declaration\\_1980\\_en.pdf](http://www.ceas.europa.eu/mepp/docs/venice_declaration_1980_en.pdf)

<sup>15</sup> Interviews with Lord Carrington and Sir Roger Tomkys

Thatcher had given her full backing to the Middle East initiative. Only a few months earlier, however, the Prime Minister had been rather less enthusiastic about the shift in British policy. In November 1979, Thatcher had told the French President that she doubted whether Britain could take further initiatives on the Middle East “until the Camp David talks had finally run into sand.”<sup>16</sup>

Hurd reveals in his memoirs that he had been summoned along with a number of FCO officials to Chequers on 30 May 1980 to discuss the Middle East with the Prime Minister. The FCO wanted the Prime Minister to be more flexible on the right of Palestinians to self-determination. There was some reluctance on her part. However, Thatcher was distracted. She had left Carrington and Gilmour behind in London to fight for a reduction of Britain’s contribution to the EEC budget, and was disturbed by what she had heard of their work. Carrington arrived exhausted at Chequers after midday accompanied by Gilmour and other officials. Thatcher broke off her discussion with Hurd on the Middle East, and hurried Carrington and Gilmour into a separate room to discuss the EEC budget. Hurd waited while FCO officials drafted a minute for him to sign, encapsulating the flexibility sought by Hurd on the Arab-Israel conflict.<sup>17</sup>

In the meantime, Thatcher harangued Carrington and Gilmour over the EEC budget, and accused them of selling the country down the river.<sup>18</sup> The three emerged some two hours later and attended a tense lunch. To Hurd’s surprise, Thatcher then returned to discuss the Middle East with him and the other FCO officials. Even more unexpectedly for Hurd, she accepted his minute on the Middle East. Hurd concluded that Thatcher accepted the minute possibly as a result of “a conciliatory twinge towards the FCO” in the wake of her treatment of Carrington and Gilmour.<sup>19</sup>

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<sup>16</sup> TNA/FCO 93/2061, Discussion between M Thatcher and President Giscard, 21 November 1979

<sup>17</sup> Hurd, *Memoirs*, p.288.

<sup>18</sup> Campbell, *Margaret Thatcher*, pp.66-67

<sup>19</sup> Hurd, *Memoirs*, p. 288

Nevertheless, there were other important conclusions that could be drawn from this episode. It appeared that Thatcher was far more exercised over the issue of Britain's contribution to the EEC budget than she was over recognizing Palestinian self-determination. The Arab-Israeli conflict was not a burning ideological issue for her which made it easier to adapt her position. Robin Butler, a Private Secretary to the Prime Minister, maintains that Thatcher was "very balanced" and ready to take advice except in areas where she had very strong prejudices. Although Thatcher was influenced by her Finchley constituents on Middle East policy, she did not enter office with a very strong ideological position on the Arab-Israel conflict, unlike on the issue of Europe. Thatcher was fiercely anti-communist and had strong prejudices on the issue of South Africa. This did not apply to the same degree on the Arab-Israel issue.<sup>20</sup>

Thatcher could be more easily influenced by developments on matters on which she was not primarily engaged. She was considerably more pragmatic on issues such as the Middle East. Thatcher would accept that her Foreign Secretaries knew what Britain had to do in this sphere of policy, even if this conflicted with her gut feeling. Thatcher tended not to interfere with the detail of policy, and was aware that the Middle East was a complex issue.<sup>21</sup>

A second conclusion was that Thatcher did not yet have the backing of a powerful policy unit which would exercise considerable control over foreign policy only during her second and third terms. Thus, it would have been easier for FCO mandarins to exert influence over the Prime Minister in such an environment. While Thatcher felt that the FCO was instinctively pro-Arab, individuals such as Parsons would have gradually influenced her. Thus, over time, Thatcher accepted the merits of the Palestinian case.<sup>22</sup> The difficulty with this argument, however, was that Thatcher had resisted the FCO policy on the Palestinian question some months earlier when she was also without the backing of a strong private office. By June 1980, however, Thatcher would have taken a more realistic view of the international

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<sup>20</sup> Interview with Lord Butler, 20 July 2009

<sup>21</sup> Interview with Sir Rifkind

<sup>22</sup> Interview with Lord Hurd

constraints facing Britain, and the possible damage to British strategic interests in the region incurred through withholding support from the Palestinians. Furthermore, this thesis contends that even when the Number Ten private office had amassed stronger control over foreign policy issues during the mid 1980s, there was only a short-term and marginal difference to the outcome of policy in the Arab-Israel arena.

### **Begin's Response to the Venice Declaration**

The Begin Government responded with great bitterness and anger to the European initiative. The Israeli Prime Minister delivered a harsh accusatory address before the Knesset on 2 June, some days before the EEC Middle East statement had even been issued. Begin claimed that the European move threatened the very existence of the State of Israel, arguing that those European nations that had collaborated with the Nazis or remained indifferent to the murder of Jews had no right to lecture Israel on security or “recognize the organization of murderers” – a reference to the PLO. Many European leaders had failed to heed the warnings signs of Nazism in the 1930s, and were now making the same mistake with the PLO today, he argued. Begin also implied that Britain was among those who had allowed the Nazis to exterminate the Jews. He maintained that by offering self-determination to the Palestinians, the Europeans were establishing a State in Judea, Samaria and Gaza that would endanger the State of Israel.<sup>23</sup>

The day after the Venice Declaration was issued, Thatcher had written to Begin to reassure him that the European initiative had Israel's best interests at heart. She wrote that Europe had no intention of interfering with the Camp David process or imposing terms on Israel. Thatcher expressed her understanding that some aspects of the Venice Declaration would be “very difficult for [Israel] to accept”, but felt that it was necessary to make clear “[Britain's] view of how a lasting peace settlement can best be reached.” The Prime Minister added that the aim was to create an improved atmosphere for peace efforts. In conclusion, Thatcher expressed her hope that

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<sup>23</sup> M Medzini, *Israel's Foreign Relations: Selected Documents, 1979-1980*, (Ministry of Foreign Affairs: Jerusalem, 1984), pp.266-270

Begin's Government would cooperate with the EEC-backed mission which was visiting the region to consult with the parties to the conflict.<sup>24</sup>

Begin responded forcefully and candidly to Thatcher's letter. Begin began by expressing his appreciation for her "kind and friendly words" in the wake of the Venice meeting. However, he emphasized to Thatcher that the Venice Declaration was deeply hurtful to his country, and that elements of the EEC communiqué were "impossible for [Israel] to accept." Begin was particularly unhappy about the call for the PLO to be associated with the peace process. Begin drew Thatcher's attention to the fact that Fatah, the main component of the PLO, had just convened in Damascus, days before the EEC meeting, and had called for Israel's destruction. He wrote:

Madam Prime Minister,

Did anybody since the days of Hitler and Goebbels, Goering, Rosenberg and Streicher ever declare more plainly and more precisely that the endeavour is to destroy both our people and our state again...And yet, the great, free, democratic countries of Europe assembled and asked us, the elected representatives of the people of Israel, the United States of America, and all other nations to recognize that organization as a future partner in "peace" talks. This is not only astonishing: As I said, it hurt us deeply.<sup>25</sup>

In the same letter to Thatcher, Begin raised a completely different issue: arms sales to Israel. The Israeli Prime Minister wrote that he could not understand how Britain could deny his country defence equipment when it was selling hundreds of sophisticated Chieftain tanks to Jordan. Begin stated that Israel had been refused Scorpion armoured vehicles, electro-optical equipment and information on the RB-199 engine which would have matched Israel's new aircraft requirements. Begin called on Thatcher to reconsider the Israeli defence requests.<sup>26</sup> However, Begin received no response from Number Ten.<sup>27</sup>

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<sup>24</sup> ISA 7308/5, Letter from M Thatcher to M Begin, 14 June 1980

<sup>25</sup> ISA 7308/5, Letter from M Begin to M Thatcher, 17 June 1980

<sup>26</sup> Ibid.

<sup>27</sup> ISA 7308/6, Cable from MFA, to Israeli Embassy, London, 12 November 1980

## **Thatcher Endorses British Policy Shift on the Palestinian Question**

On 16 June 1980, the Prime Minister gave the clearest indication yet that she shared the view of the FCO on the Arab-Israeli conflict during a parliamentary address. The Leader of the Opposition, James Callaghan, attacked the Prime Minister for her acceptance of the EEC Middle East communiqué. In particular, Callaghan suggested that Thatcher was deviating from the established British policy on the Palestinian question by endorsing the Palestinian right to self-determination. In doing so, the Prime Minister was providing support to the establishment of an armed independent Palestinian State on Israel's border. The Labour leader suggested that European actions were motivated by oil. He also attacked the EEC Heads of State for providing the PLO with a propaganda triumph only days after the organization had declared that it would destroy Israel.<sup>28</sup>

Thatcher responded by reminding the Leader of the Opposition that he himself had agreed to the idea of a "homeland for the Palestinian people" at the European Council meeting of June 1977 when he served as Prime Minister. Nevertheless, the European communiqué of 1977 was not as far-reaching as the Venice Declaration (there was no reference to Palestinian self-determination or the PLO), and had taken place before the Camp David Accords. The Leader of the Opposition took great pride in his minor role in the Camp David process, and was unhappy that the Venice initiative appeared to be undercutting it. Indeed, this was a significant factor in his criticisms of the Prime Minister. Thus, Callaghan strongly criticized the Prime Minister for adopting the position of President Giscard d'Estaing in apparently supporting an independent Palestinian State. Callaghan noted that the Frenchman had never supported the Camp David process.<sup>29</sup>

Thatcher's robust response to Callaghan revealed the extent of the Prime Minister's movement on the Arab-Israel issue:

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<sup>28</sup> MTF, House of Commons Statement [Venice European Council], 16 June 1980

<sup>29</sup> Ibid.

The words in the communiqué I support entirely. They concern the right of the Palestinian people to determine their own future. If one wishes to call that ‘self-determination’, I shall not quarrel with it. I am interested that the right hon. Gentleman appears to be attempting to deny that right. I do not understand how anyone can demand a right for people on one side of a boundary and deny it to people on the other side of that boundary. That seems to deny certain rights, or to allocate them with discrimination from one person to another.<sup>30</sup>

The Prime Minister’s new pronouncement on the Palestine issue was that the Israelis could not deny to the Palestinians what they had sought for themselves. Sir David Gore-Booth, a leading Arabist within the FCO, would later remark that this was “the best dictum for the Middle East” which he knew of.<sup>31</sup> During the debate in the House of Commons, Thatcher repeated the line from the Venice Declaration that there would be no comprehensive settlement in the Middle East unless the PLO was associated with it. Also, echoing the remarks she made during her meeting with Begin, Thatcher asserted that the failure to achieve a Middle East settlement would be disastrous for the entire Western world. She stated that it was wrong to conclude that the Venice initiative would necessarily lead to an independent Palestinian State. Rather, she maintained, it was up to the peoples in the region to determine their own future. While the Prime Minister did not endorse the idea of an independent Palestinian State, she did not appear to rule it out either.<sup>32</sup>

Having registered her deep opposition to Palestinian self-determination and a policy shift on the PLO only months earlier, it was significant that Thatcher was now giving her full backing to the new policy. There were a number of reasons for Thatcher’s change of heart. Unquestionably, since she had come to power, the FCO had been working up a head of steam in a bid to bring about a shift in the British position on the Arab-Israeli conflict. Thatcher’s opposition was slowly worn down by Carrington, and to a lesser extent by Hurd and Parsons.<sup>33</sup> The FCO’s success in exerting its influence over the Prime Minister was reflected in Thatcher’s shift on the Palestinian question. It is unlikely that this would have happened without the efforts

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<sup>30</sup> Ibid.

<sup>31</sup> Sir David Gore-Booth, interviewed for BDOHP, 4 March 1999

<sup>32</sup> MTF, House of Commons Statement [Venice European Council], 16 June 1980

<sup>33</sup> Interview with Lord Hurd

of Carrington, Hurd and Parsons. Thatcher eventually appointed Parsons as her special adviser which indicated the trust that she had in him. Thus, the Prime Minister was now in full agreement with the policy shift which the FCO had tried to bring about almost a year earlier.

The Israeli Government viewed Britain as the leading power behind the EEC Venice Delegation. In a cable to Jerusalem, Israel's Ambassador, Shlomo Argov, wrote that there was a "chill" in Anglo-Israeli ties, and that this was the fault of the Conservative Government. He wrote that while Britain had once been a leading force in support of the Camp David Accords, it was now the chief instigator of the European initiative and the attempts to change Security Council Resolution 242.<sup>34</sup>

Thatcher's robust defence of the Venice Declaration in parliament was an asset for the FCO. Britain's Ambassador to Israel, John Robinson, was subjected to a barrage of criticism during a stormy meeting with Israeli officials Moshe Sasson and Yosef Ciechanover. The Israeli side rejected the basic principles of the Venice Declaration, viewing them as a deviation from the Camp David agreements and Security Council Resolutions 242 and 338. Sasson was upset that there was no consultation on issues that touched on Israel's very existence. In response, Robinson quoted Thatcher's statement in parliament regarding the need for the Israelis to respect the Palestinian right to self-determination which they enjoyed for themselves. Sasson retorted that the Venice Declaration and Thatcher's parliamentary statement on self-determination were actually "a one-sided predetermination relating to Israel's existence."<sup>35</sup>

### **Britain and the Oil Question**

The difficulties in the bilateral relationship were exacerbated by Israel's insistence that the European initiative was dictated by a self-centred thirst for oil. Argov had insisted in his cable to Jerusalem that the Middle East policy of Europe and Britain

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<sup>34</sup> ISA 7308/5, Cable from S Argov, London, to MFA, 22 July 1980

<sup>35</sup> ISA 7308/5, Cable from MFA to S Argov, London, 22 July 1980

was fed by “narrow self interest involving the supply of oil and the disgraceful surrender to the dictates of Arab oil producers.”<sup>36</sup> Furthermore, in an impassioned address at the Institute for Jewish Affairs on 3 July 1980, Argov had accused the EEC of betraying fundamental Israeli interests in return for Arab oil.<sup>37</sup> Argov’s point was not without some justification. There was certainly a British concern over the rise in oil prices which posed a threat to the economic well-being of Western countries – a factor that Carrington refers to in his memoirs.<sup>38</sup> For many months leading up to the landmark European initiative of 13 June, FCO mandarins had warned that Western oil interests would be damaged unless a new policy was introduced that was more helpful to the Palestinian cause.<sup>39</sup> Since it was believed that certain Arab countries would possess greater bargaining power as a result of oil price rises, EEC member states could win favour in the Arab world by taking a more sympathetic position on the Palestinian question. It was also important for the FCO that Britain could match the position of its European partners on the Arab-Israeli conflict, and therefore reduce the risk of Arab retaliation on the Palestinian issue.<sup>40</sup>

The FCO took great exception to Argov’s accusations at the Institute for Jewish Affairs. Carrington summoned the Israeli Ambassador to the FCO the following day where he was reprimanded for “tendentious and inaccurate remarks” as well as “objectionable emotive innuendo” on the EEC Venice Declaration. The strongest criticism was reserved for Argov’s “totally unacceptable” suggestion that the Europeans had traded Israel’s security for Arab oil.<sup>41</sup> During a meeting with Argov, John Moberly rejected his claim that European policy was dictated by oil supply considerations, adding that Britain now had an independent source of oil supplies.<sup>42</sup> Certainly, Britain was more self-sufficient by the 1980s, partly because of North Sea oil.<sup>43</sup>

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<sup>36</sup> ISA 7308/5, Cable from S Argov, London, to MFA, 22 July 1980

<sup>37</sup> Archives of the Board of Deputies, ACC/3121/E4/012, Speech by Mr Shlomo Argov to the Institute of Jewish Affairs, 3 July 1980

<sup>38</sup> Carrington, *Reflecting on Things Past*, p.340

<sup>39</sup> TNA/FCO 93/2194, Cable from NENAD on Middle East Heads of Mission Conference, 9 November, 1979

<sup>40</sup> TNA/FCO 93/2194, Discussion of Middle East Heads of Mission Conference at FCO, 22/23 October, 1979

<sup>41</sup> FCO/ FOI 0841-08, Cable from FCO to J Robinson, 7 July 1980

<sup>42</sup> ISA 7308/5, Letter from S Argov, London, to MFA, 8 July 1980

<sup>43</sup> Interview with Sir Rob Young, 23 June 2009

Nevertheless, Britain would remain dependent on Arab oil during the 1980s. James Craig, for example, had pointed out in 1972 that while the importance of Arab oil to the British economy would decline as North Sea oil production was advanced, Britain was likely to remain heavily reliant on energy supplies from the Middle East well into the 1980s and possibly beyond. Craig concluded therefore that it was “a vital national interest to stay on the best possible terms with the Arabs.”<sup>44</sup>

In contrast, Parsons has maintained that the production of North Sea oil resulted in a situation where the British Government was less vulnerable to the threat of oil being applied as a political weapon.<sup>45</sup> However, if the Thatcher Government had become somewhat less reliant on Middle East supplies of crude oil, there would arguably have been less pressure on Britain to move into line with other European countries on the Palestinian question. After all, the fear of Arab retaliation against Britain on the oil issue had been one of the major determinants of British policy towards the Arab-Israeli conflict. However, as this thesis makes clear, the Thatcher Government took active steps to bring Britain into line with its European partners on the Palestinian question during the early 1980s. Oil was clearly a factor in British policy, but it was certainly not the only one.

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<sup>44</sup> William Roger Louis, ‘Legacy of the Balfour Declaration: Palestine, 1967-1973’ in Zach Levey and Elie Podeh (eds), *Britain and the Middle East: from Imperial Power to Junior Partner*, (Sussex Academic Press: Brighton, 2008), p. 125

<sup>45</sup> Parsons, ‘The Middle East’, pp.83-95

## Afghanistan and Iran

There were, however, other considerations that dictated the British push for a European initiative which the Israelis overlooked. The Soviet invasion of Afghanistan in December 1979, as well as the Iranian revolution of that same year, had given Carrington an even stronger motivation to push for a shift in Middle East policy. The Foreign Secretary appeared before the Board of Deputies in September 1980, and told his audience that there was a link between Afghanistan, Iran and the Palestinian problem.<sup>46</sup> The British Government believed that the Arab-Israeli conflict was the key to restoring stability to the region.<sup>47</sup> This echoed the approach of British policymakers during the mid 1950s when the Alpha Plan was adopted as a means of defusing Arab hostility to Britain.

There was great concern within the British Government over the rise of Islamic fundamentalism which was reflected in the overthrow of the Shah in Iran. It was believed that a resolution of the Arab-Israeli conflict would help to enhance stability in the region, while reducing the threat of Islamic fundamentalism to moderate Arab States. Carrington was very concerned by the dangers of renewed conflict in the region, and believed everything had to be done to prevent such an eventuality. He also believed strongly that it was necessary to show moderates that they could get results in accepting a fair settlement with Israel. If moderate leaders could not show progress, there was the danger that they could be replaced by extremists.<sup>48</sup> The achievement of progress in the Arab-Israeli dispute would also make it more difficult for the Soviets to build influence in the Middle East, while helping also to rally Arab opinion to the West on the issue of the Soviet invasion of Afghanistan.<sup>49</sup>

During a meeting with Israel's Ambassador to the UN, Yehuda Blum, Parsons remarked that the Israelis were mistaken in believing that an energy crisis was

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<sup>46</sup> ISA 7308/5, Paper: Carrington's Meeting with the Board of Deputies by Y Eldan, 21 September 1980

<sup>47</sup> ISA 7308/5, Undated paper

<sup>48</sup> Carrington, *Reflecting on Things Past*, pp.340-341

<sup>49</sup> TNA/FCO 93/1682, Brief by WR Tomkys for Meeting between British Foreign Secretary and French Foreign Minister, 2 February 1980

responsible for the shift in the European position. Rather, it was the Iranian revolution which had clarified for the Europeans the danger of instability in the Middle East. As in the past, the intention was to block the spread of Soviet influence in the Middle East and even to repel it. The Israeli Ambassador countered that Israel was being asked to pay a price for this, implying a parallel with Czechoslovakia in 1938. Parsons responded that Middle East stability was also an Israeli interest. Parsons added that a resolution of the Arab-Israeli conflict would weaken Soviet influence in the region. However, the British official was pessimistic about the possibilities of a regional settlement in the near future, and wondered whether the absence of a settlement would mean greater difficulties thirty years down the line.<sup>50</sup>

Thatcher's support for the Venice Declaration was arguably linked to the aforementioned geopolitical factors. Thatcher's position on Israel was influenced very strongly by her attitude towards the Soviet Union. During her early months in power, it was clear that she viewed the Jewish State as a bulwark against the spread of Soviet influence through the Middle East. Thus, she had initially been suspicious of FCO initiatives on the Palestinian question which she believed could have proved detrimental to Western interests.<sup>51</sup> Nevertheless, over time, there would have been concerns that Israeli intransigence over the West Bank and Gaza was becoming a liability in the struggle against communist influence. Thatcher had stated to Begin during their lunch in May 1979 that the British interest in a comprehensive settlement in the Middle East had "stemmed from a determination to oppose the tyranny of the Soviet Union, which thrived on disunity and dissension."<sup>52</sup> Since Thatcher believed that Begin was blocking any chance of a comprehensive settlement in the region, it is perhaps not surprising that she gave her approval to an initiative which held out a possibility of progress. Furthermore, in the wake of the revolution in Iran and the Soviet invasion of Afghanistan, Thatcher's support for the European initiative was arguably reinforced by the fact that it was designed to win over the moderate Arab States to the West. Thatcher would certainly have been sympathetic to arguments from Carrington and Parsons on the need for a resolution

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<sup>50</sup> ISA 7308/5, Cable from Y Blum, New York, to MFA, 20 June 1980

<sup>51</sup> TNA/FCO 93/2055, Letter from B Cartledge to JS Wall, 15 August 1979

<sup>52</sup> TNA/FCO 93/1683, Meeting between M Thatcher and M Begin, 23 May 1979

of the Arab-Israeli conflict as a means of eroding Soviet influence in the Middle East, since she later used this argument herself with the Americans on a number of occasions.<sup>53</sup> It is these factors in the international system which best explain Thatcher's agreement to the initiative promoted by the FCO.

The role of King Hussein may also have been a factor in encouraging the Prime Minister to support the Venice initiative. According to a senior source in the Conservative Party, one of the most persuasive arguments used by Carrington to win Thatcher's support on the Venice Declaration was that Europe and Britain, in particular, would be better placed than the United States to explore the possibility of Jordan's involvement in the peace process.<sup>54</sup> It appears that at this early stage in her premiership, the role of King Hussein was an important factor in Thatcher's thinking. She had already met with the Jordanian monarch on a number of occasions.

The intensive FCO activity on the Palestinian question was dictated in part by the US Presidential election campaign of 1980. It was clear to Carrington that the Carter Administration would not be supporting any initiatives in the Middle East during this period.<sup>55</sup> The White House continued to pledge its support to the Camp David Accords. The FCO had been sceptical about the Camp David Accords, however, and Thatcher appeared to share this scepticism. During her talks with President Giscard, she had stated that Begin's policies on the West Bank were "unrealistic" and that she did not know of any arrangement where people had autonomy over their political future but no autonomy over their own land.<sup>56</sup> Thatcher's impatience over Begin and his plan for Palestinian autonomy provided an opening for the FCO to win her approval for its Middle East initiative.

As Thatcher became increasingly impatient with the policy of the Begin Government, there was little or no discernible difference between her position on the

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<sup>53</sup> See below, pp.221-225

<sup>54</sup> ISA 7308/5, Foreign Ministry paper, Undated

<sup>55</sup> Carrington, *Reflecting on Things Past*, p.340

<sup>56</sup> TNA/FCO 93/2061, Discussion between M Thatcher and President Giscard, 21 November 1979

Arab-Israel conflict and that of the FCO. On 30 July 1980, the Israeli Government voted in favour of the Basic Law for Jerusalem which declared that “Jerusalem united in its entirety is the capital of Israel.”<sup>57</sup> The bill formalized Israeli law over east Jerusalem. In his meeting with the Board of Deputies, Carrington had condemned the Israeli decision on Jerusalem as “wrong, provocative and badly timed.”<sup>58</sup> Thatcher shared the position of her Foreign Secretary. During a lunch which she hosted for Egypt’s Deputy Prime Minister Mubarak, she fiercely condemned Israel’s “provocative” policy on east Jerusalem.<sup>59</sup> Indeed, on the controversial issue of east Jerusalem, Thatcher followed the line of the FCO with consistency during her eleven years in Number Ten.

### **Israel Mobilizes Opposition to the New Policy**

Israel’s diplomatic representatives sought to mobilize the local Jewish community and pro-Israeli groups in a bid to apply pressure on the Thatcher Government. Argov claimed that Conservative MPs were having to deal with protests from Jewish constituents, and were now registering reservations over the new Middle East policy. He noted that Carrington and Hurd were initiating meetings with the Board of Deputies. He viewed this as a sign that they were under pressure from Israel’s supporters. Argov maintained that in spite of all the British Government’s efforts, Israel had managed to highlight the existence of public constraints which could not be ignored. The Israeli Ambassador was aware that public pressure was unlikely to bring about a significant change in policy. Nevertheless, he viewed Israel’s supporters in Britain as an asset that had to be employed in order to repel policies that were detrimental to Israel. Indeed, the Ambassador emphasized, this appeared to be the only option left in confronting such policies:

We should not be afraid of making noise – it will embarrass the British more than it will embarrass us...It would be easier and more convenient to limit the campaign to the diplomatic sphere. It would be a lot more complicated and arduous to conduct a public campaign but this is the only sphere where we

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<sup>57</sup> M Medzini, *Israel’s Foreign Relations: Selected Documents, 1979-1980*, p. 319

<sup>58</sup> ISA 7308/5, Paper: Carrington’s Meeting with the Board of Deputies by Y Eldan, 21 September 1980

<sup>59</sup> *Ibid.*

have room for manoeuvre and action, including the need for the mobilization of the Jewish community.<sup>60</sup>

The Israeli Government and its supporters in London were certainly exerting efforts to fight the new Middle East policy of the Thatcher Government. Hurd had drawn Argov's attention to the fierce Israeli rhetoric aimed at the British Government. Hurd complained that British ministers had been "exposed to considerable public pressure by friends of Israel [in Britain]." The Minister of State remarked that both he and Carrington had faced some very uncomfortable experiences during various meetings. The Israeli Ambassador countered that the "expressions of deep concern" by Israel's friends were not without some justification.<sup>61</sup> Hurd's remarks indicated that both the Israeli Government and its supporters in Britain had been working to neutralize the shift in British policy embodied by the Venice Declaration. Hurd and Carrington were clearly feeling the pressure from pro-Israel organizations.

It was significant that Carrington and Hurd were attacked but Thatcher was not, in spite of her public support for the policy shift. Indeed, throughout the entire Thatcher period, the Israeli Government and its supporters in the UK tended to overplay the differences between the FCO and Number Ten. For understandable reasons, Thatcher was viewed as a friend of Israel because of her links to pro-Israel organizations and her warm ties with the Jewish community. The FCO, on the other hand, had historically shown a cool attitude towards the State of Israel. It was perhaps not surprising, therefore, that the Foreign Secretary, rather than Thatcher herself, was roundly criticized by representatives of the Jewish community.

Nevertheless, the local Jewish community was far from united in its support for the Begin Government. In this context, Biran had written to Jerusalem with details of a discussion he had held with a German counterpart, Dr Becker, who had previously headed the Middle East Department of the West German Foreign Ministry. Becker had told Biran that the British Government found it easier to promote its policy on

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<sup>60</sup> ISA 7308/5, Cable from S Argov, London, to MFA, 22 July 1980

<sup>61</sup> ISA 7308/6, Cable from S Argov, London, to Director General, 24 October 1980

the Arab-Israeli conflict in the knowledge that support for Israel had declined in the Western world. Becker added that even among the Anglo-Jewish community, support was patchy. The Thatcher Government was hearing dissenting voices from elements within the community, including the Board of Deputies. These reservations were giving the British Government more room for manoeuvre. The Zionist Federation was more supportive of the Israeli position, but the British Government attached far more importance to the Board of Deputies than the Zionist Federation.<sup>62</sup> Thus, public opinion was an influence, albeit a marginal one, on British policy towards the Arab-Israel conflict at the beginning of the 1980s.

### **Thatcher Hardens Position against the Begin Government**

In early October 1980, Argov met with Michael Palliser, the FCO Permanent Under-Secretary. The Israeli Ambassador had told Palliser of his dismay over the fact that Begin had not received a response to his personal letter to Thatcher. Palliser was well aware of the matter, and responded that Downing Street had reservations over Begin's recent "very difficult" remarks which were aimed at British ministers.<sup>63</sup> The implication was that Thatcher resented Begin's attacks on Carrington. The Prime Minister was invariably supportive of those who were carrying out her policy under pressure.<sup>64</sup> It is likely that Begin's fierce criticism of the FCO only encouraged Thatcher to give it greater support.

Indeed, this was borne out by a letter from the Israeli Ambassador to the Director General of the Foreign Ministry. Argov was particularly upset with Carrington whom he viewed as the chief culprit behind the European initiative. However, he warned that it would be counter-productive to launch personal attacks on Carrington. Argov believed that such attacks would lead to a "closing of the ranks" around the Foreign Secretary. Significantly, he sensed that it would lead to an increase in the

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<sup>62</sup> ISA 7308/5, Minute from Y Biran, London, to MFA, 14 July 1980

<sup>63</sup> ISA 7308/6, Cable from S Argov, London, to Director General, 6 October 1980

<sup>64</sup> Interview with Lord Waldegrave

support which Carrington already had from the Prime Minister.<sup>65</sup> This was a reflection of the close cooperation between Thatcher and the FCO. Argov's warning against personal attacks on the British Foreign Secretary was almost certainly linked to conversations he had held both with FCO officials and ministers.

While Israel's supporters in the UK were exerting pressure on the British Government, it made little difference to the actual policy on the Arab-Israel conflict. The difficulty for Israel was that the Whitehall bureaucracy was setting the tone of the British policy, and was largely impervious to public pressure. By this stage, Thatcher had accepted the policy set down by the FCO. There was no sign of any retreat by the Prime Minister on Britain's policy on the Palestinian question. If anything, the Thatcher Government was hardening its attitude towards the Israeli Government. One example of this was the policy on arms sales to Israel. Argov had complained to Hurd that Britain was supplying 275 Chieftain tanks to Jordan while Israel's requests for Scorpion armoured vehicles had been rejected. Begin had personally written to Thatcher to place a request for the Scorpions, but had not received a reply. Argov was unhappy to finally receive a rejection from a junior official in the FCO.<sup>66</sup> The following month, an MOD official informed his Israeli counterpart that a decision had been made not to supply any offensive weaponry to Israel.<sup>67</sup>

The FCO and MOD would not have been able to refuse Israel offensive weaponry without the clearance of Number Ten.<sup>68</sup> Since the Begin Government had taken such a confrontational stance in response to the Venice Declaration, there seemed little reason for Thatcher to agree to such a request for arms. Thatcher had earlier expressed her understanding for Heath's decision to place a ban on arms sales to Israel during the October 1973 War.<sup>69</sup> Furthermore, during her second term, she had

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<sup>65</sup> ISA 7308/6, Letter from S Argov, London, to Director General, 29 October 1980

<sup>66</sup> ISA 7308/6, Cable from S Argov, London, to Director General, 24 October 1980

<sup>67</sup> ISA 7308/6, Cable from MFA, to Israeli Embassy, London, 12 November 1980

<sup>68</sup> Interview with Sir Rifkind

<sup>69</sup> ISA 7239/42, From Minister, ( Israel Embassy) London, to MFA, 31 May 1978

agreed with Foreign Secretary Geoffrey Howe on the need to maintain restrictions on arms sales to Israel.<sup>70</sup>

A further sign of the shift in the British policy towards the Palestinians came with the meeting in December 1980 between Sir John Graham, a FCO official, and PLO leader Yasser Arafat. Carrington met with the Board of Deputies, and explained that the meeting with Arafat had taken place in order to persuade the PLO to accept the Venice formula. Carrington remarked that if Arafat were to invite him for a meeting, he would see the PLO leader. The Board President, Greville Janner, responded that if this were the case, “there would be no choice but to take to the streets.”<sup>71</sup> Graham would have required the authorization of Number Ten before such a meeting with Arafat. The fact that the meeting had taken place was proof of the fact that there was greater understanding between 10 Downing Street and the FCO on policy towards the PLO.

The Venice Declaration has been viewed widely as a landmark document that set a benchmark for European policy on the Arab-Israel conflict until the early 1990s.<sup>72</sup> Furthermore, it came to define Thatcher’s policy towards the Arab-Israel conflict for the rest of her time in power. However, it failed to make any serious headway in advancing a solution to the conflict because the Israeli Government rejected it out of hand. Equally, the PLO at this stage was not prepared to reject terrorism or recognize the existence of the State of Israel. Moreover, the European initiative was not likely to succeed in view of the lack of support from the Carter Administration. The United States would have been the only country with any serious influence over the Israelis. There was a danger that wholehearted American support for the EEC Middle East initiative could have resulted in the withdrawal of Begin from the Camp David negotiations on Palestinian autonomy. President Carter had staked his political prestige on the Camp David process, and was not willing to undermine it through a gesture to the Europeans.

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<sup>70</sup> FCO/FOI 351-09, Minute from DESS 2 to FCO, 14 May 1986

<sup>71</sup> ISA 7308/6, Cable from E Lador, London, to MFA, 21 December 1980

<sup>72</sup> Robin Shepherd, *A State Beyond the Pale: Europe’s Problem with Israel*, (Weidenfeld & Nicolson: London), 2009, p. 207

Thatcher was in agreement with the FCO in recognizing that by addressing the Palestinian issue, there was a greater likelihood of achieving stability in the region. Indeed, she has articulated this very argument in her memoirs:

It is...right that the Palestinians should be restored in their land and dignity: and, as often happens in my experience, what is morally right eventually turns out to be politically expedient. Removing, even in limited measure, the Palestinian grievance is a necessary if not sufficient condition for cutting the cancer of Middle East terrorism out by the roots. The only way this can happen, as has long been clear, is for Israel to exchange 'land for peace', returning occupied territories to the Palestinians in exchange for credible undertakings to respect Israel's security.<sup>73</sup>

Thus, just over a year after entering 10 Downing Street, it was clear that the position of the Prime Minister on the Arab-Israeli conflict was now in line with that of the FCO. Thatcher had recognized the right of the Palestinians to self-determination, and had also emphasized that the PLO had to be associated with Middle East negotiations. Thatcher was no less hostile than the FCO also in regard to Begin's settlement policy. Nevertheless, the FCO and its ministers had to exert considerable influence on Thatcher in order to win her approval for the policy shift in the first place. It was easier for the FCO to do so since the policy unit in 10 Downing Street did not yet possess the authority that it would acquire during the second and third terms of the Thatcher Government. Carrington and Gilmour were still in a position to exert a modicum of influence over policy. Most importantly, it is likely that Thatcher would have been persuaded by arguments on the need for a resolution of the Arab-Israel conflict, as a means to fending off the Soviets and radical elements in the Middle East.

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<sup>73</sup> Thatcher, *The Downing Street Years*, p. 507

## **Chapter Three**

### **The Convergence between the FCO and Downing Street**

It is argued in this chapter that the differences between Number Ten and Whitehall were increasingly blurred. Thatcher took a tougher line with the Begin Government, while the FCO adopted a more conciliatory tone for a time, as Lord Carrington sought to promote a political dialogue with the Israeli leadership. Thatcher's harder line was reflected through her outspoken condemnations of Israel over its raid on Iraq, its annexation of the Golan Heights and its invasion of Lebanon. Thatcher's tougher stance on Israel had to be seen within the context of her growing unease over the expansion of Soviet influence in the Middle East, and the fear that Israeli policies were a liability for Western interests in the region.

As the Prime Minister became more confident in international affairs, she was even prepared to outflank the FCO. This was reflected in the role she played in attempting to persuade the Reagan Administration to conclude the AWACS deal with Saudi Arabia, notwithstanding the strong Israeli attempts to block the sale on security grounds. As relations between Britain and Israel reached a new low, it was the FCO and not 10 Downing Street which initiated a political dialogue with the Begin Government, reflected through Carrington's visit to Israel in March 1982. The dialogue was curtailed following Israel's invasion of Lebanon in June 1982, but was resumed by the FCO during the second term of the Thatcher Government.

In this chapter, it will be demonstrated that Thatcher's growing self-confidence and control over foreign policy, reflected in her appointment of a Foreign Policy Advisor in late 1982, did not lead to changes in the Middle East policy. Indeed, even on policy towards the PLO where Thatcher was most resistant to the

position of the FCO, she had authorized higher-level contacts with the organization.

### **The Bombing of the Iraqi Nuclear Reactor**

As Thatcher acquired greater control over foreign policy during the mid 1980s, she was increasingly inclined to seek independent advice from outside the FCO. In 1981, however, there were clear indications that she was highly dependent on the Whitehall machine. For example, on visiting President Ronald Reagan in 1981, she took with her a large team of FCO officials. In later years, she would often travel with no FCO presence at all.<sup>1</sup> Arguably, this dependence on the FCO was a factor in the difficulties which affected the Anglo-Israeli relationship during this period, as the Prime Minister was inclined to adopt the FCO line on sensitive issues in this arena. One clear example of this was Israel's bombing of the Iraqi nuclear reactor. However, even where Thatcher took a more independent line on Israel during the mid 1980s, she was still quick to condemn the Jewish State when it carried out operations across its borders (for example, during its raid on Tunis in October 1985).

On 7 June 1981, Israeli aircraft bombed and destroyed an Iraqi nuclear reactor in Osirak, about ten miles outside Baghdad. The Israeli Government believed that the reactor was being used to conduct nuclear weapons research, and could have produced nuclear weapons within five years if it had not been destroyed. The Osirak operation was directly relevant to the US decision to sell airborne warning and control systems (AWACS) to Saudi Arabia since the Israelis had flown over the Kingdom on their way to bomb the reactor. Had the Saudis been in possession of AWACS prior to the raid, Israel would have had greater difficulty in launching such an operation.<sup>2</sup>

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<sup>1</sup> Campbell, *Margaret Thatcher*, p.257

<sup>2</sup> Alexander Haig, *Caveat*, (United States of America: Macmillan, 1984) p.184

Britain played a significant role in the deliberations at the UN Security Council which led to the unanimous adoption of a resolution condemning the Israeli operation.<sup>3</sup> Thatcher herself had little sympathy for Israeli claims of self-defence in the wake of the Osirak raid, condemning it as “an unprovoked attack” and “a grave breach of international law” during an appearance in the House of Commons on 9 June. On being asked by Greville Janner MP, a leading member of the Jewish Community, whether she was not relieved that the Iraqi regime had been deprived of a potential for nuclear weapons, she replied:

Had there been an attack on Israel of the kind that there has just been on Iraq, I should totally and utterly have condemned it. I, therefore, totally and utterly condemn the attack on Iraq.<sup>4</sup>

A short time afterwards, Ivan Lawrence, a Conservative MP and a leading supporter of Israel, met with the Prime Minister and expressed his discontentment over her condemnation of Israel’s strike against Iraq’s nuclear reactor. He asked the Prime Minister why she had condemned Israel, and why she was so certain that Iraq was not building nuclear weapons facility. Thatcher replied, “Because I have been into the matter with a tooth-comb and there is no jot or tittle of evidence to back the claim.” Lawrence asked Thatcher whether she had seen the evidence that Israel had on the issue. The Prime Minister repeated her claim that there was no justification for Israel’s air strike. Lawrence believed that Thatcher’s condemnation of Israel was linked to her reliance on an “Arabist FCO”. The Conservative MP had concluded that while Thatcher was always a supporter of Israel, she had been pressured on occasions by the FCO to act against the Jewish State. He believed that the Prime Minister was too reliant on FCO advice.<sup>5</sup> Thatcher’s condemnation of Israel’s strike against Iraq was a graphic illustration of this.

Nevertheless, Lawrence’s suggestion that Thatcher’s condemnation of Israel was directly linked to her reliance on the FCO is somewhat simplistic. Ultimately, she

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<sup>3</sup> Parsons, ‘The Middle East’, p.88

<sup>4</sup> MTF, House of Commons PQs, 9 June 1981

<sup>5</sup> Interview with Sir Ivan Lawrence, 1 December 2010

Sir Ivan Lawrence, *My Life of Crime: Cases and Causes*, (Book Guild Publishing: England, 2010), pp. 174-186

acted against Israel because she sincerely believed it was in the wrong, and not simply because the FCO had influenced her to do so. In an interview with *The Jewish Chronicle*, a newspaper which reflected the views of the local community, the Prime Minister was asked whether she had in fact given Carrington and “the old Arabists in the FCO” freedom to carry out Middle East policies without her interference. Uncharacteristically, Thatcher defended the FCO, rejecting the claim that it was ‘Arabist’ in the sense that it supported one cause. While Thatcher emphasized that she would not talk to the PLO until it recognized Israel and accentuated the positive aspects of the Venice Declaration from Israel’s perspective, she repeatedly criticized the recent Israeli raid on the Iraqi nuclear reactor. Thatcher also indicated that she was ready to allow Carrington, in his role as the new President of the EEC Council of Ministers, to hold talks with PLO representatives.<sup>6</sup> The *Jewish Chronicle* interview indicated that Thatcher was now very much on the same wavelength as the FCO on policy towards the Arab-Israeli conflict.

Thatcher had shown also that she had no inhibitions in condemning Israeli policy when appearing before a Jewish forum. Thus, the Prime Minister condemned the Israeli Government decision to annex the Golan Heights, when she addressed the Board of Deputies on 15 December 1981. Thatcher told her Jewish audience that the decision of the Israeli Government to extend Israeli law and administration to the “occupied Syrian territory” was a violation of international law and was “invalid”. She added that the move was “harmful to the search for peace.”<sup>7</sup>

Nevertheless, as Lochery points out, the Prime Minister’s well publicized identification with Israel and her previous public statements in support of the Jewish State tended to protect her from a backlash from the local Jewish community, while Carrington and the FCO were viewed as the chief culprits for the new policy towards Israel.<sup>8</sup> Carrington had told Hurd of his despondency

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<sup>6</sup> MTF, Interview for *Jewish Chronicle*, 12 June 1981

<sup>7</sup> MTF, Speech to Board of Deputies of British Jews, 15 December 1981

<sup>8</sup> Lochery, *Loaded Dice*, p.187

over “being savaged by Israelis”.<sup>9</sup> He was also angered by his perception that the Israelis treated him unfairly: Carrington believed that the new French President Francois Mitterrand had expressed similar views but had been well received in Jerusalem.<sup>10</sup> The Foreign Secretary was heckled throughout his address to a Jewish audience at Caxton Hall in London.<sup>11</sup> Dr. Lionel Kopelowitz, a former President of the Board of Deputies, recalls his own words to Carrington after he addressed the Board in the autumn of 1981. In the course of offering the vote of thanks, Kopelowitz said to the Foreign Secretary:

“I would be far from honest and less than sincere were I not to say that much of what you said made us shiver in our bones.”<sup>12</sup>

### **The Sale of AWACS to Saudi Arabia**

In the wake of Ronald Reagan’s entry into the White House in January 1981, Thatcher became increasingly mindful of Washington’s position on the Arab-Israeli conflict. The Prime Minister was careful not to run too far ahead of the position favoured by Reagan and his White House. Thatcher had little rapport with Reagan’s predecessor, Jimmy Carter, viewing him as a President who was out of his depth. In contrast, she saw Reagan as an intellectual soul mate, and was elated when he was elected President.<sup>13</sup> Thatcher had an excellent relationship with Reagan. The platforms upon which they came to power were similar (tax cuts and strong defence), and they carried the same convictions when it came to the Soviet threat and the need to confront it.<sup>14</sup> Reagan viewed Thatcher as “a tower of strength and a solid friend of the US.”<sup>15</sup> Young describes the Reagan-Thatcher relationship as “the most enduring personal alliance in the Western world throughout the 1980s”.<sup>16</sup>

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<sup>9</sup> Personal diary of Lord Hurd

<sup>10</sup> ISA 8897/17, Cable from Israeli Embassy, Washington, to MFA, November 1981

<sup>11</sup> Carrington, *Reflecting on Things Past*, p.345

<sup>12</sup> Interview with Dr. Lionel Kopelowitz, 19 May 2009

<sup>13</sup> Thatcher, *The Downing Street Years*, p.157

<sup>14</sup> Campbell, *Margaret Thatcher*, pp.261-262

<sup>15</sup> Ronald Reagan, *The Reagan Diaries: Edited by Douglas Brinkley*, (HarperCollins: United States, 2007), p. 32

<sup>16</sup> Young, *One of Us*, p.249

The Reagan Administration provided strong and unwavering support for successive Israeli Governments. Reagan's warm friendship towards the Jewish State was based on his identification with Israel's democratic ideals. He also perceived it as an asset in the struggle against the expansion of Soviet influence in the Middle East. From this perspective, Thatcher and Reagan shared a common attitude towards the State of Israel. However, the British Prime Minister showed a greater readiness to confront the policies of the Likud Governments which she ultimately believed could pose difficulties for Western interests in the region. As a result, Thatcher was prepared on occasion to approve policies and measures which were deeply resented by successive Israeli Governments. The US President, in contrast, was deeply reluctant to confront Begin and his successor Yitzhak Shamir, even though he had occasionally expressed private misgivings about their policies.

As a result of the hardening of the cold war atmosphere, the Prime Minister became increasingly concerned that the Soviet Union would expand its influence in the region through exploiting Arab dissatisfaction over Washington's attitude towards the Arab-Israel conflict. This was a factor in Thatcher's strong encouragement for the American AWACS deal. It was believed that the sale of AWACS would consolidate the security of the Saudi oil fields, deter external attacks against moderate Arab countries and strengthen US relations with the Arab world. The Reagan Administration sought to utilize the AWACS deal as an opportunity to advance a strategic dialogue with moderate Arab states. The Israeli Government was fiercely opposed to the strengthening of the offensive capacity of any Arab state. During a visit to Washington in September 1981, Begin expressed his opposition to the AWACS sale in the strongest terms, describing it as a grave threat to Israel's security. Pro-Israeli organizations lobbied intensively in Congress to thwart the sale.<sup>17</sup> Reagan was surprised by the vehemence of Jewish opposition to the AWACS sale to Saudi Arabia, and wrote

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<sup>17</sup> Haig, *Caveat*, pp. 167-191

in his diary: “It must be plain to them, they’ve never had a better friend of Israel in the W.H. than they have now.”<sup>18</sup>

In September 1981, Crown Prince Fahd held talks with Thatcher in London. The British Prime Minister expressed her support for the American sale of AWACS to Saudi Arabia. She also welcomed the possibility of the sale of British Nimrod surveillance to the Saudis, in the event of the US Congress blocking the AWACS deal.<sup>19</sup> In the wake of her talks with the Saudi Crown Prince, Thatcher wrote a letter to President Reagan. In her letter, she informed him of the talks with her Arab interlocutors. She told the President that “a mood of disappointment and alienation” had now permeated moderate Arab thinking about the Americans. Moreover, there was the sense that the West neglected the Palestinians, and was “one-sidedly committed to Israel.” She warned the President that the AWACS issue had now become a matter of critical importance throughout the Gulf area, and that a failure to conclude the sale would result in considerable damage to US-Arab relations.<sup>20</sup> The Prime Minister’s ability to exert influence in Washington on such an issue could only boost Britain’s standing in the Arab world. The FCO viewed Thatcher’s positive attitude to the Saudis as an asset. It was helpful to the FCO that she had friendly ties with King Fahd and Jordan’s King Hussein, as well as the various Arab rulers in the Gulf region.<sup>21</sup>

In the course of October 1981, Reagan exerted all his efforts to ensure that the sale went ahead. On 29 October, the US Senate narrowly approved the AWACS deal. Thatcher wrote to the President a few days later to congratulate him on the successful outcome.<sup>22</sup> The Prime Minister had seen a valuable opportunity to enhance Britain’s prestige in the Arab world, and would not let it slip, even at the expense of Israeli security concerns. Notwithstanding Thatcher’s considerable admiration and sympathy for the State of Israel, she was a realist who was concerned also with threats to the stability of Britain’s Arab allies. The Prime

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<sup>18</sup> Reagan, *The Reagan Diaries*, p.14

<sup>19</sup> MTF, Press Conference in Kuwait, 28 September 1981

<sup>20</sup> MTF, Thatcher Letter to Reagan (Impressions of Arab Opinion), 1 October 1981

<sup>21</sup> Interview with Oliver Miles

<sup>22</sup> MTF, Middle East: Reagan Letter to Thatcher, 1 December 1981

Minister had encouraged Reagan to follow through with the sale of AWACS to the Saudis since she believed it was essential to strengthen moderate Arab forces in the region. Crucially, though, it is likely that Thatcher also saw the AWACS deal as a means of boosting Western influence in the region at the expense of the Soviets. Thatcher's intervention in this sphere indicated that she was ready, on occasions, to use her growing influence to outflank the FCO in approving an arms deal which was fiercely opposed by the Begin Government.

### **Carrington's Resignation**

The FCO was jolted by the resignation of Lord Carrington in April 1982. Carrington had just embarked on a visit to Israel in a bid to initiate a political dialogue with the Begin Government. The very poor state of bilateral relations was encapsulated by the new British Ambassador, Patrick Moberly, who wrote the following in his Annual Review for 1981:

We have not had a good year here. Britain's attitude has been roundly criticized by politicians, journalists and ordinary Israelis alike. We were represented as leading the European pack in ways unsympathetic to Israel. Venice remained a dirty word.<sup>23</sup>

Carrington had initiated the visit with a view to improving Britain's relations with Israel,<sup>24</sup> and believed that it had been a success. Carrington met with Begin, Shamir, Shimon Peres, Yitzhak Rabin and Ariel Sharon (whom Carrington had been most impressed with), and believed that his visit had helped to improve bilateral relations.<sup>25</sup> The Israelis also believed that the visit had achieved its main purpose which was to renew the dialogue between the two countries at the level of Foreign Secretary. It was felt that the visit had taken place in a good atmosphere, and the discussions were open. One official concluded that in spite of remaining disagreements, it was possible that there was a better understanding

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<sup>23</sup> FCO/FOI 0591-10, FCO Annual Review for 1981 by P Moberly, 8 January 1982

<sup>24</sup> Interview with Lord Carrington

<sup>25</sup> Carrington, *Reflecting on Things Past*, p.368

of Israel's political perspectives and positions.<sup>26</sup> Carrington's visit was significant as it indicated that the FCO was beginning to soften its position on Israel. This would have benefits for a Prime Minister who was only too aware of the discontent of some of her constituents when it came to the Thatcher Government's policy on Israel.

Carrington's visit was cut short, however, following reports that an Argentinean invasion of the Falkland Islands was imminent. Carrington had been strongly criticized for the timing of his journey to Israel. The Foreign Secretary later admitted that he regretted embarking on the visit. On 2 April 1982, Argentina invaded the Falkland Islands. Three days later, Carrington resigned as Foreign Secretary. He felt that he had to shoulder a large part of the responsibility for what had occurred. There was also the fact that Carrington, as a member of the House of Lords, would not be able to defend the Prime Minister in the House of Commons during her time of need.<sup>27</sup>

Losing Carrington was a blow for Thatcher since she had established a strong working relationship with him. She liked and trusted him in spite of their ideological differences. The Prime Minister had initially been very sceptical about Carrington's policy perspective on the Arab-Israeli conflict. She had opposed his policy on the PLO, and had serious doubts about the viability of a Palestinian homeland.<sup>28</sup> Furthermore, during a trip to Washington, Thatcher had remonstrated to Carrington that his policies could lead to possible electoral defeat and even the loss of her Finchley constituency.<sup>29</sup> This demonstrated that Thatcher was mindful of the views of Israel's supporters within her constituency and the wider Jewish community. At the same time, this had not been the determining factor in her policy towards the Arab-Israeli conflict.

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<sup>26</sup> ISA 8930/18, Paper: Visit of British Foreign Secretary Lord Carrington, By M Peled, 2 April 1982

<sup>27</sup> Carrington, *Reflecting on Things Past*, p.370

<sup>28</sup> TNA/FCO 93/2061, Letter from M Alexander to G Walden, 14 September 1979

<sup>29</sup> Interview with Lord Carrington

Notwithstanding her initial concerns on the Palestinian question, Carrington quickly exerted an important influence on the thinking of the Prime Minister, not only on the Arab-Israel question but also, for example, on policy towards Rhodesia. It is likely that Thatcher's antipathy towards Begin and his policies gave Carrington an opening which he quickly exploited. Thatcher ultimately gave her Foreign Secretary free rein in the realm of Middle East policy, and ultimately adopted his policies as her own. The paradox was that in spite of Thatcher's apparent hostility towards the FCO, she tended to share the views of that institution on the Arab-Israel issue through the rest of her time in 10 Downing Street. Carrington was an important force in bringing this about. He was able to apply considerably more influence on Middle East policy than his successors in the position, with the possible exception of Hurd. As 10 Downing Street amassed greater control over foreign policy during later years, Carrington's successors would not exert quite the same degree of authority that he had enjoyed.

Carrington's resignation was also significant in that the patrician wing of the Conservative Party had now lost two important and influential voices within the cabinet. Gilmour had already resigned in the autumn of 1981. By June 1984, Carrington had left domestic politics in order to become the Secretary General of NATO.<sup>30</sup> The patrician wing of the Conservative Party had played a role in the shift on the Palestinian question, but would gradually lose its influence over British policy.

In the wake of Carrington's resignation, Francis Pym was appointed as Foreign Secretary. He was in the post for just over a year, and had little opportunity to formulate Middle East policy, in stark contrast to his predecessor. The appointment was considered by some in the FCO to be a very poor one. He had no qualifications for the position except that he was an able, decent and experienced Conservative politician. According to one FCO view, Pym had not been appointed to serve as Foreign Secretary. Rather, he was appointed as a

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<sup>30</sup> Carrington, *Reflecting on Things Past*, p.377

“dummy” to enable Thatcher to run foreign policy.<sup>31</sup> Thatcher disliked Pym intensely from the outset, and the feeling was mutual. The mutual antipathy had been strengthened by developments in the Falklands conflict. Thatcher had strong disagreements with Pym over his preference for a negotiated settlement with the Argentinians. Indeed, most of Pym’s own FCO ministers disagreed with him on the issue, believing that a negotiated settlement was unworkable because the Argentinians would not agree to anything that would require them to leave the Falkland Islands.<sup>32</sup>

### **The Impact of the Falklands War**

The Falklands Conflict cast a shadow over Britain’s ties with Israel, partly because of persistent allegations over Israeli arms sales to the Argentinians. Britain had received intelligence that the Israelis were supplying military hardware to Argentina during the war. There had also been extensive reports in the British media referring, among other things, to the sale of Israeli Gabriel missiles to Argentina via third countries.<sup>33</sup> The Gabriel missile was a particularly advanced anti-ship missile, and was a significant export item for the Israelis at the time.<sup>34</sup> The FCO summoned Israel’s Ambassador to demand that Israel end its weapon sales to Argentina.<sup>35</sup> The allegations regarding the sale of Israeli weapons to Argentina raised some unwelcome reminders of a difficulty that had long afflicted Anglo-Israeli relations. Argov referred to the issue in a public address, attacking Britain for “picking on” Israel when it was his country that had a grievance in the matter of arms supplies – Israel, after all, had been singled out for an arms embargo since 1973, while Israel’s enemies had been lavished with some of the most dangerous and sophisticated weaponry.<sup>36</sup>

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<sup>31</sup> Interview with Oliver Miles

<sup>32</sup> Interview with Sir Malcolm Rifkind

<sup>33</sup> Archive of the Board of Deputies, ACC/3121/E4/897, Embassy of Israel Statement: Israel’s Deputy Foreign Minister Denies Allegations of Israel Arms Sales to Argentina, 14 June 1982

<sup>34</sup> Interview with Moshe Arens, 9 August 2009

<sup>35</sup> John Leahy, *A Life of Spice*, (Simon and Schuster, 2007), pp.135-137

<sup>36</sup> Archive of the Board of Deputies, ACC/3121/E4/897, Extracts from Remarks by Ambassador Shlomo Argov, On ‘Article 51’ and the Right to Self-Defence, Hilton Hotel, 17 May 1982

There was an additional reason why the Falklands War had an adverse impact on Britain's relations with Israel. The Thatcher Government and the Prime Minister, in particular, framed Britain's response to Israeli military actions increasingly through the prism of its own experience of Argentina's invasion of the Falklands. The American diplomat Philip Habib had brokered a ceasefire between Israel and the PLO in Lebanon in July 1981, following a sustained period of hostilities between the two parties. Nevertheless, the ceasefire became increasingly fragile in the intervening months, breaking down eventually in the early summer of 1982.<sup>37</sup> On 17 May 1982, following Israel's shelling of PLO bases in southern Lebanon, Israel's Ambassador Argov complained in a public address at the London Hilton that the British condemnation of the air attacks was the sharpest of all the EEC countries.<sup>38</sup> Argov's address at the London Hilton was tragically to be one of his last. He was shot a few days later at point blank range by a gunman from the Palestinian splinter group Abu Nidal, and was left permanently paralysed.

### **Israel's Invasion of Lebanon**

The shooting of Argov was the trigger for Israel's invasion of Lebanon which took place on 6 June 1982, while Britain's war with Argentina was still at its height. Although Israeli intelligence officers had provided Begin and his cabinet with clear evidence that the shooting had been carried out by a terrorist group headed by Abu Nidal, a sworn enemy of the PLO, the Israeli Prime Minister ignored the evidence. A decision had been made to strike at the PLO.<sup>39</sup> The Begin Government codenamed Israel's invasion of Lebanon 'Operation Peace for Galilee', with a view to placing Israel's civilian population of northern Israel out of the range of terrorist fire from Lebanon.<sup>40</sup> The FCO was not exclusively responsible for the strong line taken against Israel. The Prime Minister set the tone for Britain's response to Israel's action in Lebanon. If anything, Britain's

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<sup>37</sup> Shlaim, *The Iron Wall*, pp.400-401

<sup>38</sup> Archive of the Board of Deputies, ACC/3121/E4/897, Extracts from Remarks by Ambassador Shlomo Argov, On 'Article 51' and the Right to Self-Defence, Hilton Hotel, 17 May 1982

<sup>39</sup> Ze'ev Schiff and Ehud Ya'ari, *Israel's Lebanon War*, (George Allen & Unwin, London, 1985), pp.97-102

<sup>40</sup> Shlaim, *The Iron Wall*, pp.403-407

experience in the Falkland Islands meant that it judged Israel in a harsher light than it would otherwise have done. Thatcher was no exception to this rule. In an interview with ITN, the Prime Minister was asked why she had joined with EEC Ministers to “vigorously condemn” Israel’s invasion of Lebanon. Her response was unequivocal:

Because she has gone across the borders of Israel, a totally independent country, which is not a party to the hostility and there are very very great hostilities, bombing, terrible things happening there. Of course one has to condemn them. It is someone else's country. You must condemn that. After all that is why we have gone to the Falklands, to repossess our country which has been taken by someone else...<sup>41</sup>

However, Begin criticized what he perceived as Thatcher’s double standards in a lengthy address to the Knesset. He charged that Thatcher had sent troops to war thousands of miles from British shores, on grounds of self-defence. Yet Israel was taking defensive measures a few kilometers away, and was told that it had no right to base its actions on self-defence.<sup>42</sup> Certainly, Israel’s perception of the Falklands War through the prism of their own experience in Lebanon resulted in greater misunderstandings and turmoil, as Moberly reported in his end of year review:

Israelis inevitably saw the Falklands campaign through the glass of their preoccupation with Lebanon. If Britain was prepared to fight thousands of miles from home, Israelis thought we should understand their obsession with security across their own frontier. They side-stepped the fact that invasion was invasion wherever it took place, and that we were bound to condemn Israel just as we condemned Argentina. This difference in perspectives was made worse by the wrangle, partly public, partly private, over Israeli arms supplies to Argentina, in which the Israelis seemed chiefly concerned to keep their balance between both parties but succeeded in annoying Britain the most.<sup>43</sup>

Thatcher’s attitude to Israel’s invasion of Lebanon also had to be seen in the context of her fierce anti-Soviet position. Thatcher would undoubtedly have been concerned that the Soviets would exploit Israel’s invasion of Lebanon as a means

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<sup>41</sup> MTF, Interview for ITN (Falklands), 10 June 1982

<sup>42</sup> M Medzini, *Israel’s Foreign Relations: Selected Documents, 1982-1984*, (Ministry of Foreign Affairs: Jerusalem, 1990), p.94

<sup>43</sup> FCO/FOI 0591-10, FCO Annual Review for 1982 by P Moberly, 10 January 1983

to win the support of the Arab world, to the detriment of Western strategic interests. From this perspective, a forthright British condemnation of Israel's actions was part of a general attempt to maintain the goodwill of moderate Arab states and protect British interests in the region.

### **Britain Imposes an Arms Embargo on Israel**

Moberly cabled London, stating his view that an arms embargo would be “the readiest means to hand of signalling the strength of Community disapproval of Israeli actions.” Nevertheless, he added that in military terms, an embargo was unlikely to worry Israel as it would be mainly symbolic and designed for Arab opinion. In the event of such an embargo, there was the fear that Britain along with France would be singled out as the “ringleaders”. Moberly warned that the British embargo of 1973 would receive emphasis while the French would be protected to some extent by their better standing in Israel. Moberly's concern was that Israel could make life difficult for Britain by increasing arms supplies to Argentina, including aircraft and missiles. The Ambassador expressed his preference for holding the embargo in reserve in the event of an all-out Israeli assault on west Beirut.<sup>44</sup>

As the Israeli military offensive in Lebanon intensified through June, pressure grew within the EEC for sanctions against Israel. In the days following Israel's invasion of Lebanon, the Prime Minister was asked for her position on the possibility of sanctions against the Israelis. She stated that she was “very hesitant” about applying sanctions since they were likely to be unproductive over a long period. However, she noted that they could work in the short term.<sup>45</sup> This suggested that Thatcher was at least open to short-term measures against the Israelis. Indeed, Number Ten had made an enquiry with the FCO in regard to European attitudes towards an arms embargo.<sup>46</sup> At the end of June, the EEC

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<sup>44</sup> FCO/FOI 0842-08, Cable from P Moberly to FCO, 24 June 1982

<sup>45</sup> MTF, Radio Interview for IRN (Falklands), 10 June 1982

<sup>46</sup> FCO/ FOI 0842-08, Minute from R O Miles to P Moberly , 25 June 1982

Heads of State convened in Brussels where the Middle East crisis was discussed. The leaders of the ten European countries agreed that the Second Financial Protocol between the Community and Israel would be suspended.<sup>47</sup> The Protocol would have enabled Israel to borrow money from the EEC. During a press conference at the UN, Thatcher confirmed that the EEC had approved the measure which stopped the financial arrangement.<sup>48</sup>

It was also noted during the European Council meeting that no sale of military equipment to Israel by member states was taking place.<sup>49</sup> However, British restrictions on arms sales to Israel had already been applied for a number of years. This was exemplified by the rejection of Begin's request to Thatcher in 1980 for Scorpion armoured vehicles.<sup>50</sup> By 1982, British arms sales to Israel were running at no more than £3 million a year.<sup>51</sup> Israel's invasion of Lebanon resulted in a formal British decision in 1982 to ban arms sales to Israel. While the ban was relaxed somewhat over time, it remained in place throughout Thatcher's period in 10 Downing Street.

The Israelis viewed the FCO as the leading force behind the decision not to authorize arms sales to Israel. The MOD was largely in agreement with the FCO on the issue of restricting arms sales to Israel, although elements within the MOD were arguably a little more flexible towards Israel on dual use equipment which had a civilian use.<sup>52</sup> Either way, the restrictions on defence equipment to Israel could not have remained in effect without the cooperation of 10 Downing Street. The Whitehall bureaucracy was not in a position to make sensitive decisions relating to Israel without the clearance of the Prime Minister. Any decision on an arms embargo would certainly have required the approval of Number Ten.<sup>53</sup> This was a further illustration of the cooperation between the various Whitehall departments and Prime Minister Thatcher.

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<sup>47</sup> FCO/ FOI 0842-08, Cable from FCO to Tel Aviv, 29 June 1982

<sup>48</sup> MTF, Press Conference at the UN, 23 June 1982

<sup>49</sup> FCO/ FOI 0842-08, Cable from FCO to Tel Aviv, 29 June 1982

<sup>50</sup> ISA 7308/6, Cable from S Argov, London, to Director General, 24 October 1980

<sup>51</sup> FCO/ FOI 0842-08, Cable from FCO to Tel Aviv, 29 June 1982

<sup>52</sup> Interview with Yoav Biran, 28 August 2008

<sup>53</sup> Interview with Oliver Miles

## The Growing Influence of Douglas Hurd

Following the resignation of Carrington in the wake of the Falklands debacle, Hurd rose up the ladder. He shouldered significantly more responsibilities than was normal for an FCO Minister of State. He debated with Thatcher over contacts with the PLO, and argued that the Palestinian organization had to be distinguished from the IRA because it represented a majority.<sup>54</sup> In July 1982, Thatcher agreed to a higher level dialogue with the PLO. Hurd was to meet with Farouk Kaddoumi, the Head of the PLO political bureau, who was visiting London as part of an Arab League delegation. Hurd noted that this was a “shift in policy only dragged out of a reluctant Prime Minister.”<sup>55</sup> Hurd maintains that he was able to gradually reconcile Thatcher to the need for movement on the PLO. While she had a strong personal dislike of Arafat because of his conduct and his involvement in violence, Thatcher did show flexibility on the PLO and realized that the Palestinian cause was moving forward.<sup>56</sup>

Moberly had warned London that the meeting of a British minister with Kaddoumi could result in a “severe Israeli reaction” in the present climate. He noted that Britain was “already in the dog house with the Israelis.” Britain was accused of “leading the European pack” after the invasion of Lebanon, and of issuing statements more hostile than those of European counterparts. Significantly, the British Ambassador stated that the Israelis believed that Britain had pressed for an arms embargo by the ten EEC members at the European Council meeting in Brussels. There was bitterness over restrictions imposed on defence links with Israel.<sup>57</sup>

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<sup>54</sup> Stuart, Douglas Hurd, p.119

<sup>55</sup> Campbell, Margaret Thatcher, p.335

<sup>56</sup> Interview with Lord Hurd

<sup>57</sup> FCO/ FOI 0842-08, Cable from P Moberly to FCO, 2 July 1982

Moberly noted that French Ministers had already met with the PLO representative, and had been subject to angry Israeli protests. Nevertheless, he believed that the Israelis did not regard the underlying friendship between the Israeli and French Governments as having been compromised, and that the relationship would recover. Moberly feared that the same would not apply to Britain, as he summed up the underlying crisis afflicting Anglo-Israeli relations:

There is a legacy of suspicion here towards Britain. Relations are already at a low ebb. For a British Minister to receive a leading official of the PLO could, I suspect, be just about the last straw... I hesitate to predict the consequences.<sup>58</sup>

In spite of Moberly's warning, Hurd's meeting with Kaddoumi and the Arab League delegation took place as planned. Saudi Arabia's Foreign Minister, Prince Saud Al-Faisal, had also requested that the Thatcher Government receive Kaddoumi as part of the Arab League delegation.<sup>59</sup> Thatcher authorized the meeting between Hurd and Kaddoumi who was accompanied by Sheikh Muhammad bin Mubarak, the Foreign Minister of Bahrain. Hurd's achievement in cajoling Thatcher to agree to his meeting with Kaddoumi reflected Carrington's earlier success in encouraging the Prime Minister to agree to a shift in British policy on Palestinian self-determination. The FCO retained significant influence over Thatcher on policy towards the Arab-Israeli conflict. The Prime Minister's cooperation with the FCO was reflected by her authorization of Hurd's meeting with Kaddoumi and her agreement to impose an official ban on arms sales to Israel.

### **Growing Disquiet in Israel and within the UK Jewish Community**

Although Thatcher had initially taken a firm stand on Israel's invasion of Lebanon, in the months that followed, the FCO would set the tone on Britain's policy towards the region with an increasingly robust response to events. On 17 September 1982, Christian Phalangist militiamen entered the Palestinian refugee

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<sup>58</sup> FCO/ FOI 0842-08, Cable from P Moberly to FCO, 2 July 1982

<sup>59</sup> FCO/ FOI 0843-08, Note Verbale from Saudi Arabian Embassy to FCO, 8 July 1982

camps of Sabra and Shatila in Lebanon, and killed many hundreds of civilians.<sup>60</sup> Israel faced a barrage of unprecedented criticism from the international community, as it was claimed that the Israeli forces had allowed the massacre to happen under its control.<sup>61</sup> The FCO instructed Moberly to seek a meeting with the Israel Foreign Ministry at the highest level, and communicate the views of the Government on recent events in Beirut. He was instructed to tell his Israeli counterpart that “British opinion [was] universally appalled at the cold blooded killing of Palestinian civilians.” In view of the fact that there had been nine months of relative peace on the Israel-Lebanon border, the Israelis had to be told that Britain found the events since 4 June “sickening”.<sup>62</sup>

The Israeli Government was dismayed by the strong British condemnations of the events in Lebanon. In the wake of the assassination attempt on Argov, Biran became Israel’s Charge D’Affaires in London. Biran was deeply unhappy with the fierce criticism and the perceived hostile attitude of the FCO.<sup>63</sup> Alfred Sherman, a confidante of the Prime Minister who had been a significant mentor and speechwriter while she had been in opposition, corresponded with Thatcher on a great many subjects. On this occasion, he questioned the wisdom of a policy that was dictated by the FCO. He wrote:

For understandable reasons, I have never pressed my views on the Arab-Israeli dispute, in general or particular. But since you mentioned the issue, en passant, last week, I think I should let you know that I regard Israel’s incursion into the Lebanon with the aim of ousting the PLO and restoring the status quo ante as generally justified, in terms of Israel’s security, Lebanon’s well-being and the area’s relative tranquillity.

It follows that I consider the British government’s response as wrongly conceived, both in terms of international morality and British interests...I fear that the FCO vendetta over-rides other considerations...I fear that the FCO’s obsession has led them to under-rate the dangers inherent to us in the Iran-Iraq war...<sup>64</sup>

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<sup>60</sup> Schiff and Ya’ari, *Israel’s Lebanon War*, pp.274-285

<sup>61</sup> For example see, George Shultz, *Turmoil and Triumph: My Years as Secretary of State*, (Charles Scribner’s Sons: New York, 1993) pp.104-106

<sup>62</sup> FCO/ FOI 0842-08, Cable from FCO, 24 September 1982

<sup>63</sup> Interview with Yoav Biran

<sup>64</sup> Papers of Sir Alfred Sherman, Royal Holloway, Box 8, AR MT/M/5/13, 16 July 1982

The implication in Sherman's letter was that Thatcher had allowed the FCO's "obsession" with Israel and its apparent hostility towards that country to distort British policy in the region. Both Biran and Sherman viewed the FCO as the source of the hostile attitude towards Israel, and ignored the role that Number Ten had played in the policy. Not for the first time, there was a discrepancy between the perception of Thatcher's position on the Arab-Israel conflict and her actual policy which was almost indistinguishable from the FCO's policy.

The strong British criticism of Israel's actions in Lebanon had a deleterious impact on Anglo-Israeli relations which had shown signs of recovering in the wake of Carrington's visit to Jerusalem some months earlier. The very poor state of Anglo-Israeli relations was illustrated by the stormy meeting between Foreign Secretary Pym and Israel's Foreign Minister Yitzhak Shamir in October 1982. Pym described Israeli policy as "provocative" and its Government as "intransigent". Shamir recalled that the previous Foreign Secretary, Lord Carrington, had visited Israel in an attempt to improve the tone and put an end to the arguments between Israel and Britain. Yet now, complained Shamir, the FCO under its present leadership was using "confrontational language" against Israel. Pym admitted that since his predecessor had visited Jerusalem, the gap between the two countries had widened significantly.<sup>65</sup>

Pym did not appear to be particularly sympathetic to Israel's security concerns. Later, he wrote in his book, 'The Politics of Consent' that Israel had a "sense of insecurity that borders on the paranoid."<sup>66</sup> His impatience with Israel in the wake of its invasion of Lebanon was arguably a factor in the fierce criticisms emanating from the FCO. Pym had angered Begin by his reference to 500,000 homeless in south Lebanon. Kieran Prendergast, a senior British diplomat serving in Israel was informed of this during a lunch in Jerusalem with Israeli official Amos Ganor. The Israeli told Prendergast that Begin had considerable respect for the professionalism of the FCO: in his opinion, the British would not

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<sup>65</sup> ISA 8930/22, Cable from MFA to Israeli Embassy, London, 5 October 1982

<sup>66</sup> Francis Pym, *The Politics of Consent*, (Hamish Hamilton: London, 1984), pp.29-30

get their facts wrong; if Pym had started an “absurd rumour”, Begin would assume that this was done deliberately.<sup>67</sup>

There was great disquiet in the Jewish community over the stance of the FCO. During the summer months of 1982, senior representatives of the Jewish community and pro-Israeli MPs charged that the FCO attacks on Israel were encouraging an atmosphere of anti-Semitism.<sup>68</sup> Hurd later sent a note to the President of the Board of Deputies, Greville Janner, stating “let us have no more talk of anti-Semitism!” The Israeli Embassy in London was aware of Hurd’s note to Janner, and viewed it as evidence that the Conservative Government was sensitive to charges of anti-Semitism.<sup>69</sup>

The Israeli Government naturally viewed the FCO as the source of the hostile British Government position on the invasion of Lebanon. However, Thatcher’s condemnations immediately following Israel’s invasion were also firm and unequivocal. Furthermore, Oliver Miles, the Head of NENAD between 1980 and 1983, maintains that the FCO was careful to coordinate its statements on Israel with 10 Downing Street:

We knew that the Prime Minister was very interested in this issue and we were constantly taking the temperature, so to speak... Every time that we wanted to say something which could be regarded as critical of Israel, we would have taken the temperature in Number Ten first.<sup>70</sup>

This indicates that the Prime Minister’s position on Israel’s invasion of Lebanon was largely the same as that of the FCO. Any fierce condemnations of Israel from the FCO would have been made with the knowledge of Downing Street. However, the FCO was setting the tone during the Lebanon crisis, while Thatcher had exerted little impact on policy aside from her early condemnations.

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<sup>67</sup> FCO/ FOI 0842-08, Minute from WK Prendergast to EGM Chaplin, 6 August 1982

<sup>68</sup> ISA 8930/21, Cable from Israeli Embassy, London, to MFA 25 November 1982

<sup>69</sup> ISA 8930/21, Cable from Israeli Embassy, London, to MFA 25 November 1982

<sup>70</sup> Interview with Oliver Miles

Nevertheless, there were differences in approach on the steps to be taken to end the carnage. Thatcher had sent a letter to President Reagan on 29 July, emphasizing the need to take account of the wider Palestinian problem and the risks involved with Israel driving the PLO from Lebanon into Syria. However, in the wake of Israel's attack on West Beirut, the FCO submitted an additional draft message calling on President Reagan to make it clear that Israel's action was unacceptable, and that further American financial and military assistance would be jeopardized. Thatcher decided not to send the draft message, expressing doubts that it would lead Reagan to take action.<sup>71</sup> Thatcher would have given careful consideration as to whether she was prepared to irritate the United States by pushing for an action which was not likely to be implemented.<sup>72</sup> The Prime Minister knew Reagan's mind better than the FCO, and had a realistic view of what could be achieved.

### **The Shift in British Public Opinion**

Thatcher's position on the Arab-Israel conflict would have been influenced to a certain degree by the changing climate of British public opinion. An official in NENAD had noted that the post bag which normally ran strongly in Israel's favour had expanded considerably since the Israeli invasion of Lebanon. However, since 1 July 1982, letters critical of Israel had consistently outnumbered those in favour by about two to one.<sup>73</sup> Within British Jewry itself, the consensus on Israel had been seriously eroded with the invasion of Lebanon. Organizations such as the British Friends of Peace Now were established, representing the views of leading Jewish intellectuals, writers and academics who were questioning the blind acceptance of Israeli policies by mainstream Jewish communal institutions. The rifts within Anglo-Jewry over Israel's invasion of Lebanon reflected divisions within Israeli society itself on the issue.<sup>74</sup>

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<sup>71</sup> FCO/FOI 0842-08, Minute from R O Miles to J Bullard, 9 August 1982

<sup>72</sup> Interview with Sir Andrew Burns, 20 January 2009

<sup>73</sup> FCO/ FOI 0842-08, Minute from EGM Chaplin to WK Prendergast, 17 August 1982

<sup>74</sup> Colin Shindler, 'The Reflection of Israel within British Jewry', in Danny Ben-Moshe and Zohar Segev (eds), Israel, the Diaspora and Jewish Identity, (Sussex Academic Press: Brighton, 2007), p.229

Significantly, the British Labour Party was shifting its position on Israel. In the course of the early 1980s, there had been a marked collapse of support for Israel within all sections of the Labour Party. This had been caused by the rise of the Labour left, the increase in Palestinian activism in Western political circles, the rightward shift in Israel and the growing support of British Jews for the Conservative Party. Undoubtedly, Israel's invasion of Lebanon had accelerated this shift among the British left. The invasion sparked a wave of condemnation of Israeli policy among the grass-roots of the Labour Party.<sup>75</sup> Thus, there had been a significant shift in attitudes towards Israel within the Labour Party since Callaghan's criticism of Thatcher over her support for the Venice Declaration. It was easier for the Thatcher Government to condemn Israeli policy over Lebanon in the knowledge that there was a bipartisan consensus on the issue.

### **The Reagan Plan**

On 1 September 1982, President Reagan unveiled his own Middle East peace initiative. He endorsed the idea of a five-year period during which the Palestinian inhabitants of the West Bank and Gaza would have "full autonomy over their own affairs." A self-governing Palestinian authority would be established through free elections in association with Jordan on the West Bank. The initiative also called for an immediate settlement freeze by Israel in the territories. Reagan emphasized, however, that the United States would not support the establishment of an independent Palestinian State in the West Bank and Gaza, and would not support annexation of the territories by Israel. Jerusalem would remain undivided, but its final status would be decided through negotiation.<sup>76</sup> This was the first American peace initiative in the Middle East since the Camp David Accords of 1978. Israel swiftly rejected the Reagan Plan outright. Begin had written to President Reagan on the subject, stating that "a friend does not weaken his friend; an ally does not put his ally in jeopardy".<sup>77</sup> Yehuda Avner, an aide to

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<sup>75</sup> June Edmunds, The Left and Israel: Party Policy Change and Internal Democracy. (Macmillan Press: London, 2000), pp. 86-108

<sup>76</sup> Shultz, Turmoil and Triumph, pp.96-98

<sup>77</sup> Ibid.

the Israeli Prime Minister, conceded during discussions with Moberly that Begin's hasty rejection of Reagan's initiative had been tactically unwise.<sup>78</sup>

Thatcher warmly welcomed the Reagan initiative, describing it as a "constructive and imaginative approach to the Palestinian problem."<sup>79</sup> She was also encouraged by the position of Shimon Peres, the Israeli Labour Leader, on the Reagan Plan. During Thatcher's meeting with US Secretary of Defence Weinberger, she joked that it was ironic that both she and the US Secretary were encouraged by a position taken by a Labour party – that of Mr. Peres.<sup>80</sup> Indeed, over time, Thatcher and the FCO came to share the view that it would become necessary to strengthen the domestic position of Peres in the light of his dovish approach to the Israeli-Palestinian impasse.

Thatcher and the FCO were in close agreement over the need to support the Reagan initiative. Thatcher had stated in the House of Commons that only the United States would be able to bring pressure to bear upon Israel. She added that a proper solution of the Lebanon problem would only be achieved with the resolution of the Palestinian problem.<sup>81</sup> Thatcher had been using her influence with the Reagan Administration to try and persuade the American President to advance a solution to the Arab-Israeli conflict. A State Department briefing had mentioned that Thatcher would be interested in American intentions with regard to resolving the Palestinian question. It stated that "we must impress upon [Thatcher] our resolve to make early progress on this through intense efforts to build on progress already made through the Camp David framework."<sup>82</sup>

In a similar vein, Pym accepted that Europe did not have sufficient influence over the parties to the Arab-Israeli conflict, and that the United States held the

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<sup>78</sup> FCO/ FOI 0842-08, Cable from P Moberly to FCO, 17 September 1982

<sup>79</sup> MTF, Speech at Japan Press Club, 21 September 1982

<sup>80</sup> MTF, Cold War: Weinberger Note of Meeting with Mrs Thatcher, 8 September 1982

<sup>81</sup> MTF, House of Commons Statement, [United States (Prime Minister's Visit)], 24 June 1982

<sup>82</sup> The Reagan Library, Department of State Briefing, Collection: Executive Secretariat, NSC: Records Country File  
File folder: United Kingdom vol. III 4/1/82 - 7/31/82 , Box 91327 or 91320, Document No 12 Briefing paper, Undated

key to the solution of the conflict.<sup>83</sup> In a letter to Shamir a short time before the general election of June 1983, he expressed his great concern at the lack of progress in the Arab-Israel dispute, and urged the Israeli Government to reconsider its rejection of the Reagan initiative which offered the best hope for a negotiated settlement.<sup>84</sup>

### **Convergence between the FCO and 10 Downing Street**

Thatcher had believed that the FCO was prejudiced towards the Arab viewpoint.<sup>85</sup> Malcolm Rifkind recalled that Thatcher had summoned him to her office during the Falklands campaign. There had been a reshuffle. Rifkind had been serving as a minister in the Scottish office. She told Rifkind that she wanted him to serve in the FCO. He was delighted. She said to him at one stage, “You’re Jewish aren’t you?” He said yes. She said, “That won’t do any harm at the FCO!” Rifkind viewed this as a reflection of Thatcher’s suspicions of the FCO ‘Camel Corps’.<sup>86</sup> Ultimately, however, Thatcher’s suspicious attitude towards the FCO was not linked to any sense that it was pro-Arab: it was related to her belief that the FCO was pro-compromise on every issue.<sup>87</sup> Yet over time, Thatcher was as determined as the FCO to achieve such a “compromise” in the Arab-Israel arena. Since Britain stood to gain politically and economically from a settlement of the Arab-Israel conflict, Thatcher expected to see Israel demonstrate greater flexibility on the Palestinian question.

Lochery maintains that the regular direct communication between 10 Downing Street and the White House during the latter period of Thatcher’s first term of office meant that the FCO was circumvented to some extent on the American-British diplomatic track.<sup>88</sup> This tendency was even more marked during the

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<sup>83</sup> ISA 8932/5, Cable from Israeli Embassy, London, to MFA, 22 April 1983

<sup>84</sup> ISA 8932/6, Letter from F Pym to Y Shamir, 2 June 1983

<sup>85</sup> Interview with Lord Powell

<sup>86</sup> Interview with Sir Malcolm Rifkind

<sup>87</sup> Interview with Lord Young, 21 April 2009

<sup>88</sup> Lochery, *Loaded Dice*, p. 189

Prime Minister's second and third terms of office. The appointment of Parsons as Thatcher's Foreign Policy Advisor in November 1982 provided the first concrete indication that the Prime Minister was taking greater control over foreign policy towards the end of her first term.

Parsons and Thatcher did not see eye to eye on the Arab-Israeli conflict. Thatcher encouraged Parsons to disagree with her – she did not want a 'yes man' in the position.<sup>89</sup> In fact, Thatcher's appointment was a very interesting one in the context of policy towards the Arab-Israel conflict. Parsons was a diplomat in the Arabist mould. Parsons believed that Britain had to be very cautious in its dealings with Israel since this could damage important strategic interests. A short time before the Conservative Government had come to power, Parsons had issued the following warning:

No country has a clearer perception of its own national interest than Israel has and no country pursues this interest more single-mindedly. Hence, when our interests diverge, there is bound to be a certain amount of blood shed... They are so convinced of the rightness and expediency of their own policies that they have a natural tendency to pocket favours from others and carry on regardless, with loud cries of resentment if any attempt is made to use the practical content of the relationship as any kind of leverage, however discreet.<sup>90</sup>

Thatcher would have been aware of Parsons's position on the Arab-Israel conflict prior to appointing him. The fact that she appointed him as her Foreign Policy Adviser suggests that she had become more receptive to such views. Hennessy has suggested that Parsons may have been appointed because of his independent thinking on foreign policy, and the fact that he was "not an establishment man". In fact, while Parsons believed that Britain had to support the United States in areas such as policy on NATO, he felt that scepticism was required on Washington's Middle East policy because of the role of domestic US lobbies which distorted the process.<sup>91</sup> In view of Parsons's position on the Arab-

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<sup>89</sup> Sir Anthony Parsons, interviewed for BDOHP, 22 March 1996

<sup>90</sup> TNA/FCO 93/2077, Minute by A Parsons, 27 March 1979

<sup>91</sup> Peter Hennessy, Whitehall, (Secker & Warburg, London, 1989), pp.646-647

Israel conflict, there are no grounds to suggest that Thatcher was about to forge an independent policy in this arena. However, the appointment did indicate that the policy unit in Number Ten was about to acquire a greater influence over the management of foreign policy.

The fact that the FCO was marginalized to some degree, particularly on Anglo-American cooperation on the Middle East, during the latter period of Thatcher's first term of office did not mean that there were differences between the Prime Minister and the FCO on policy towards the Arab-Israeli conflict. Indeed, the Prime Minister approved a policy that was carried out along the lines sought by the FCO. That Thatcher was now exerting greater control over policy had masked the reality that there was a considerable convergence between Whitehall and 10 Downing Street on policy towards the region. Even after Carrington departed from the scene, Thatcher continued to place great importance on a settlement in the Middle East in line with the FCO view.

In the months prior to the general election of 1983, she spoke out against the building of settlements in the West Bank which she described as "illegal". The Prime Minister made it clear that she stood by her belief in Palestinian self-determination as well as the right of Israel to exist behind secure borders.<sup>92</sup> Thatcher had supported the FCO line on Israel's operation against the Iraqi nuclear reactor. The Prime Minister had vociferously protested Israel's decision to annex the Golan Heights and its invasion of Lebanon. She had also approved the imposition of an arms embargo against Israel. The FCO's hostility towards Begin and his policies was shared by the Prime Minister. Indeed, in working to strengthen ties with moderate Arab states, as reflected in her lobbying for the AWACS deal, it can be argued that Thatcher outflanked the FCO. The Prime Minister had exploited her close relationship with the Reagan Administration to promote an arms deal that was fiercely opposed by the Israeli Government.

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<sup>92</sup> MTF, House of Commons PQs, 14 April 1983

### **Thatcher's Differences with the FCO on the PLO**

Nevertheless, Thatcher's growing control over foreign policy was reflected in her readiness to push a stronger line which was occasionally at odds with the position of the FCO. One area where differences did exist was on policy towards the PLO. Thatcher had reluctantly allowed Hurd to meet with Farouk Kaddoumi in July 1982. More controversially, she had been a party to the Venice Declaration, and had therefore affirmed the right of the PLO to speak on behalf of the Palestinians in a negotiated peace settlement. Nevertheless, she remained very hostile towards the PLO. She had stated in Kuwait a year previously that the real aim of the organization was to "drive Israel into the sea and wipe it off the face of the globe."<sup>93</sup>

In December 1982, Thatcher had decided not to receive an Arab League delegation in London because it included a member of the PLO. During Parliamentary Questions, the Labour MP Andrew Faulds asked Thatcher if she had discussed with her European colleagues the damage she had done to Britain's ties with the Arab world through her "misguided" interference in foreign affairs – namely, her refusal to meet with a PLO representative. Thatcher responded that Faulds knew very well that her Government did not receive members of the PLO, but this was not the same as receiving Palestinian representatives.<sup>94</sup>

During a press briefing at the FCO in January 1983, Hurd stated that the PLO had determined that an Arab League delegation would visit the FCO and 10 Downing Street with the inclusion of a PLO representative, or it would not visit at all. While Hurd made it clear that the FCO was not opposed to such a visit, he added cryptically "but the sensitivities are here." An Israeli diplomatic cable suggested that the FCO Minister was referring to Thatcher's "sensitivities" on

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<sup>93</sup> MTF, Press Conference in Kuwait, 28 September 1981

<sup>94</sup> MTF, HC Statement [Copenhagen European Council], 7 December 1982

the matter.<sup>95</sup> Thatcher later made it clear in the House of Commons that she refused to host the Arab League delegation since neither she nor cabinet ministers would meet with the PLO.<sup>96</sup> The Prime Minister would not entertain such meetings until the organization renounced terrorism and recognized the State of Israel. Thatcher's refusal to meet with the Arab League delegation was not a major difficulty for the FCO at that time since it was clear what the rules were on the PLO. The FCO would have liked ideally to have changed the rules but they accepted them as they were.<sup>97</sup> Ultimately, the FCO adapted itself to the line of Number Ten on the PLO. This was equally true during Thatcher's second term as the Prime Minister exerted greater control over policy.

Nevertheless, in return for her decision not to host the Arab League delegation, Thatcher later made a concession. She authorized Hurd to meet with the PLO's Kaddoumi, once again, in April 1983. Furthermore, Thatcher did finally receive an Arab League delegation on 18 March 1983 led by King Hussein. On this occasion, while no official PLO representative was present in the delegation, Walid Khalidi, a Palestinian academic, was included and was assumed by everybody to be a spokesman for the organization.<sup>98</sup> Thatcher had been greatly impressed by Khalidi.<sup>99</sup> Moberly was summoned to the Foreign Ministry where he was told of Israel's dismay and displeasure over Hurd's meeting with Kaddoumi.<sup>100</sup> The Board of Deputies also sent a letter of protest in the wake of the meeting.<sup>101</sup>

The PLO was one area of policy in the Arab-Israeli arena where the FCO was constrained by Number Ten. The FCO would ideally have pursued high-level ministerial contacts with the PLO, but the Prime Minister was opposed to this course of action.<sup>102</sup> There were a number of factors behind Thatcher's stand on

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<sup>95</sup> ISA 8930/23, Cable from Israel Embassy, London, to MFA, 19 January 1983

<sup>96</sup> MTF, Joint Press Conference with the German Chancellor, 22 April 1983

<sup>97</sup> Interview with Oliver Miles

<sup>98</sup> Ibid.

<sup>99</sup> Dennis Walters, *Not Always with the Pack*, (Constable and Company Limited, London, 1989), p.178

<sup>100</sup> ISA 8932/5, Cable from MFA to Israeli Embassy, London, 26 April 1983

<sup>101</sup> Archive of the Board of Deputies, ACC/3121/E4/1036, Letter from F Pym to H Pinner, 31 May 1983

<sup>102</sup> Interview with Sir Rob Young, 23 June 2009

the PLO. First, the Prime Minister had a reputation for firmness on the issue of terrorism. She refused to countenance talks with terrorists, whether it was the PLO, the IRA or the ANC.<sup>103</sup> A second factor (which Faulds had referred to) was that the Prime Minister was reluctant to upset the Reagan Administration by approving high-level contacts with the PLO. The United States had been constrained by an undertaking that had been made in 1975 ruling out any political dialogue with the PLO until it recognized Israel's right to exist, renounced terrorism and accepted UN Security Council resolutions 242 and 338.<sup>104</sup> A third factor was the views of Israel's supporters in Thatcher's Finchley constituency and beyond. Thatcher had previously remonstrated with Carrington that his policies towards the Arab-Israeli conflict risked alienating her local supporters in Finchley. This indicated that Thatcher was mindful of the sensitivities of Israel's supporters within her constituency and the Jewish community in general. The Prime Minister might have calculated that a firm position on the PLO could be helpful in electoral terms.

Thatcher's differences with the FCO on the PLO, however, were less significant than they appeared. Indeed, the FCO had persuaded the Prime Minister into making significant concessions. Thatcher allowed the PLO to hold an office in London, and FCO officials were able to meet freely with representatives of the organization both in the UK and abroad. The fact that Thatcher had twice authorized talks between Hurd and the PLO constituted a breakthrough in British policy towards the organization. In August 1977, during the Callaghan period, Britain's Ambassador in Damascus, James Craig, had met secretly with the PLO official Khaled Fahoum, and had to plead with the Palestinians not to publicize details of the meeting.<sup>105</sup> Over five years later, such meetings were the norm. Thus, under Thatcher, British contacts with the PLO had actually been strengthened considerably. It would therefore be misleading to present Thatcher's disagreement over the PLO as an example of her intervention against FCO policy.

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<sup>103</sup> Interview with Lord Powell

<sup>104</sup> Interview with Richard Murphy, 12 June 2009

<sup>105</sup> TNA/FCO 93/1134, Cable from M. Weir, 24 August 1977

Thatcher's stand over the Arab League delegation was made during a period when she was starting to assert a measure of independence on foreign policy. Her appointment of Parsons reflected this readiness to assert her authority in foreign affairs and question elements of FCO policy. Thus, her refusal to host the Arab League delegation in London could be seen in this context. However, Thatcher's stand over this question of policy towards the Arab-Israel conflict was the exception to the rule, and did not presage a significant shift in policy.

## Summary

During the first term of the Thatcher Government, it emerged that the Prime Minister's thinking on Middle East issues was driven primarily by geopolitical factors. Thatcher was concerned by the danger of a heightened Soviet presence in the Middle East, at a time of growing East-West tensions. There was also unease over the rise in Islamic fundamentalism, in the wake of the Iranian revolution. Thatcher had initially viewed Israel as a Western bulwark against the threat of Soviet expansion through the Middle East.<sup>106</sup> She was therefore initially opposed to the FCO initiative on Palestinian self-determination, out of concern for Israel as a strategic asset.<sup>107</sup>

Over time, however, Thatcher began to see the Begin Government as a liability rather than an asset for Western strategic interests. Like the FCO, Thatcher was anxious to see a comprehensive settlement of the Arab-Israel conflict, because she believed that a prolonged stalemate would destabilize the region. Thatcher feared that the Soviets and other radical forces would gain greater influence in the Middle East, as a result of the regional deadlock.<sup>108</sup> Thus, the Prime Minister embraced a shift in British Middle East policy, and pledged her full support for Palestinian self-determination, as part of a European bid to rally Arab support to the West. However, the Begin Government was not prepared to countenance territorial concessions in the West Bank or Gaza. Thus, the British unease over Soviet ambitions in the region tended increasingly to work against the Begin Government which was not prepared to show the flexibility demanded of it. The FCO also sought to contain Soviet ambitions in the Middle East, and there was therefore a growing convergence between the FCO and Number Ten through Thatcher's first term of office.

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<sup>106</sup> TNA/FCO 93/2055, Letter from B Cartledge to JS Wall, 15 August 1979

<sup>107</sup> TNA/FCO 93/2061, Letter from M Alexander to G Walden, 14 September 1979

<sup>108</sup> TNA/FCO 93/1683, Meeting between M Thatcher and M Begin at 10 Downing Street, 23 May 1979

In the Arab-Israel arena, Thatcher demonstrated that she was very much a pragmatist rather than an ideological crusader. This explains why there was a large degree of cooperation between Number Ten and Whitehall on Middle East policy. Indeed, her pragmatism extended even to policy on the PLO. In her public rhetoric, Thatcher expressed her fierce hostility to the PLO<sup>109</sup>, and took a stand over her refusal to meet with PLO officials. In private, however, she had indicated that she could not rule out dealings with the organization in a bid to achieve a peace settlement.<sup>110</sup> Indeed, during her first term of office, the restrictions on contacts with the PLO were gradually lifted.

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<sup>109</sup> MTF, Press Conference in Kuwait, 28 September 1981

<sup>110</sup> TNA/FCO 93/2104, Meeting between M Thatcher and Board of Deputies , 27 November 1979

## **Section Two**

### **Chapters 4 – 6**

#### **Introduction**

During the second term of the Thatcher Government, power shifted noticeably from Whitehall to 10 Downing Street. Thatcher herself played an increasingly dominant role in foreign policy during her second and third terms in office. As policy became concentrated in the hands of Number Ten, one would have expected policy to diverge significantly from the position of the FCO, in view of Thatcher's hostility to the Whitehall bureaucracy. However, to a large degree, the increasing involvement of 10 Downing Street in foreign affairs resulted in policies that closely accorded with Whitehall objectives, such as Thatcher's personal invitation to the Jordanian-Palestinian delegation in 1985, her direct role in arms sales to Saudi Arabia during the same period, and the discreet support for the Peres-Hussein London Agreement in 1987. Indeed, it can be argued that the FCO was outflanked by the Prime Minister with the actions she took vis-a-vis the Jordanian-Palestinian delegation and arms sales.

During the second term of the Thatcher Government, the convergence between 10 Downing Street and the FCO in the Arab-Israel arena remained in place. The FCO viewed Thatcher's groundbreaking visit to Israel as an opportunity to strengthen the domestic position of Shimon Peres.<sup>1</sup> Thatcher cooperated with the FCO as she too wanted to see Peres prevail over his Likud rival Shamir in Israel's National Unity Government. Geoffrey Howe, the new Foreign Secretary, and Thatcher had both welcomed the Hussein-Arafat Accord of 1985, and worked in close coordination over the visit of Shamir to London in June 1985,

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<sup>1</sup> FCO/FOI 351-09, Minute from R Culshaw to CD Powell, 9 May 1986

and the invitation of a Jordanian-Palestinian delegation to London in October 1985.

Howe did not enjoy the same influence on the Prime Minister as Carrington, and eventually became sidelined with the appointment of Charles Powell as Thatcher's Private Secretary. However, the FCO was able to exert a subtle influence on policy during Thatcher's second term of office which was demonstrated in a number of key areas: a political dialogue with the Israeli Government was initiated as a means to acquiring leverage over the Israelis. Notwithstanding some initial Israeli suspicions over the dialogue, it led to a significant improvement in Anglo-Israeli ties over the next few years. The FCO had also played a significant part in encouraging Thatcher to meet with a Palestinian delegation, and to call for an end to the Israeli occupation of the West Bank and Gaza during her visit to Israel in May 1986. The bureaucracy also determined that the restrictions on arms sales to Israel would continue. Thatcher agreed with this decision. Thus, in spite of the growing control of the Number Ten policy unit over foreign policy, Thatcher remained a pragmatist and did not pursue an independent policy in the Middle East arena.

## **Chapter Four**

### **The FCO Initiates a Dialogue with Israel**

It is argued in this chapter that British policy towards the Arab-Israel conflict was remarkably cohesive, notwithstanding the growing involvement of 10 Downing Street in foreign policy. The FCO had traditionally sought to discourage a close relationship between the British and Israeli Governments.<sup>1</sup> However, it was the FCO and not 10 Downing Street which took an initiative during the second term of the Thatcher Government to promote a political dialogue with the Likud Government. The dialogue was designed to enable Britain to acquire greater leverage over the Israelis and win their confidence. It helped to improve the atmosphere between the two countries. Thus, it was the FCO which adopted a more conciliatory policy towards Israel, while Thatcher gradually hardened her stance towards the Likud Government. Thus, she had urged the Reagan Administration to take a harder line with Israel,<sup>2</sup> and came into confrontation with Shamir during his visit to London in June 1985.<sup>3</sup> Thatcher was increasingly concerned that the Likud policy was perpetuating a regional stalemate which would benefit the Soviet Union and damage British interests in the Arab world.

### **Thatcher Takes Control of Foreign Policy**

Following Thatcher's election victory in June 1983, the policy unit in Number Ten gradually assumed greater control over foreign policy. Parsons remained in his post for only a few more months before being replaced by Sir Percy Cradock,

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<sup>1</sup> TNA/FCO 93/1680, Cable from W. Morris to FCO, 7 January 1978

<sup>2</sup> Lochery, *Loaded Dice*, p.190

<sup>3</sup> FCO/ FOI 698-09, Cable from FCO to Tel Aviv, 5 June 1985

another diplomat. The British Prime Minister was becoming increasingly involved in foreign policy issues during her second and third terms in office. That this was the case owed much to the appointment in June 1984 of Charles Powell, who took over from John Coles as Thatcher's Foreign Affairs Private Secretary. Powell's entry into 10 Downing Street marked a change as Thatcher exerted ever greater control over foreign policy, and sidelined Foreign Secretary Howe and the FCO. Howe was unhappy with Powell's appointment and wrote in his memoirs that he "went on to serve Margaret well – perhaps too well."<sup>4</sup>

Howe had been appointed Foreign Secretary a short time after the Conservative election victory of June 1983. He had not been Thatcher's first choice for the post. She had wanted to appoint Cecil Parkinson, but he was forced to decline in the wake of the revelations of his affair with his secretary Sarah Keays. Thatcher wrote in her memoirs that she had doubts about Howe's suitability as Foreign Secretary and that in retrospect, she had been correct about this. She felt that he was too easily influenced by practices fostered by the FCO, such as "a reluctance to subordinate diplomatic tactics to the national interest."<sup>5</sup> There emerged growing tensions between the Prime Minister and her Foreign Secretary which were based largely on her hostility towards the FCO. Significantly, though, there were few differences between them over the Arab-Israeli conflict. As a result, the interaction between Number Ten and the FCO in the Arab-Israel sphere was characterized largely by cooperation rather than disagreement.

### **The Emergence of Shamir**

During her first term as Prime Minister, Thatcher had despaired of the policies of the Begin Government, fearing that they could destabilize the region. She became convinced early on that Begin's departure from office had the potential to significantly change the situation in the Middle East and Britain's approach

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<sup>4</sup> Geoffrey Howe, *Conflict of Loyalty*, (Pan Books: London, 1995) p. 396

<sup>5</sup> Thatcher, *The Downing Street Years*, pp.309-310

towards it.<sup>6</sup> Thatcher's dislike of the Likud's policies was a factor which helped to establish agreement between Downing Street and the FCO on most areas of policy in the Arab-Israel arena.

Just over two months after the Conservative Party election victory of June 1983, Begin had indeed departed from office. On 28 August 1983, Begin resigned as Prime Minister on grounds of ill health. It later became clear that he had been suffering from deep depression, following the death of his wife Aliza, in September 1982. The political fallout from the Lebanon War also undoubtedly had an impact on him.<sup>7</sup> The difficulty, though, for Thatcher was that the Likud Party had chosen Yitzhak Shamir as Begin's successor. Shamir shared Begin's ideological attachment to a Greater Israel, and was uncompromising on the right of Jews to settle in the West Bank and Gaza. Indeed, he was arguably more inflexible than Begin, abstaining during the Knesset vote on the Camp David Accords because it involved the withdrawal of Jewish settlements in the Sinai.

Prior to the establishment of the State of Israel, both Begin and Shamir had been involved in violence against the British authorities in Palestine. While Begin had instigated attacks against the British authorities as the Commander of the National Military Organization known as the *Irgun*, Shamir had become involved in an even more militant organization known as the Fighters for the Freedom of Israel or *Lehi*. As with Begin, Thatcher's attitude towards Shamir was influenced strongly by his violent past. William Squire, Britain's Ambassador to Israel between 1984 and 1988 believed that Shamir's background counted strongly against him in Thatcher's eyes since she regarded him as a terrorist.<sup>8</sup> Richard Luce, Minister of State at the FCO between 1983 and 1985, recalled a conversation with Thatcher prior to his visit to Israel in October 1983. She had said to him: "Don't be too nice to Shamir. He's a terrorist you know."<sup>9</sup>

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<sup>6</sup> TNA/ FCO 93/2055, Letter from B Cartledge to JS Wall, 15 August 1979

<sup>7</sup> Shlaim, *The Iron Wall*, p. 419.

<sup>8</sup> Interview with Dr. William Squire, 11 March 2009

<sup>9</sup> Interview with Lord Luce, 25 March 2009

By early 1984, Thatcher was increasingly unhappy with the policies of the Shamir-led Government towards the territories. In a meeting with US Defence Secretary Caspar Weinberger on 27 February 1984, Thatcher's remarks were noted by him as follows:

Thatcher asked about Israeli views and policies, noting that the Shamir government appeared shaky. She wondered whether Israeli policies were acceptable to American-Jewish opinion. She recalled that the Sabra and Shatilla massacres had caused Begin to establish a commission of inquiry. She remarked that whenever there was a problem it seemed that Israel annexed what it wanted. She urged that there should be a reappraisal of Israeli policy.<sup>10</sup>

Thatcher and the FCO shared a strong dislike of the Begin and Shamir Government policies. Thatcher's comments reflected her frustration that the Reagan Administration was treating the Likud Government with kid gloves. The Prime Minister's discussion with Weinberger indicated that she shared the view of the FCO that a tougher line needed to be adopted with Shamir. Thatcher was concerned that the Likud policy was perpetuating a regional stalemate which in turn would lead to greater instability that would be exploited by the Soviets. It was feared that the Reagan Administration's automatic support for most Israeli policies constituted a liability which helped the Soviets in their efforts to win influence among the Arab States.<sup>11</sup> Thus, the cold war atmosphere remained a strong factor which shaped the Prime Minister's attitude towards the Arab-Israel arena.

### **The Resumption of a Political Dialogue**

Later on during Thatcher's second term, her frostiness towards Shamir was exacerbated by her growing frustrations over his inflexibility on the Palestinian question. Yet in spite of these difficulties, the second half of 1983 saw the FCO make the first tentative moves towards the resumption of a political dialogue with Israel. Lord Carrington had originally intended to restore a dialogue with

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<sup>10</sup> Lochery, *Loaded Dice*, p. 190

<sup>11</sup> MTF, Written Interview for Yediot Ahronoth, 20 November 1987

Israel during his visit to Jerusalem in March 1982. Relations between the two countries had sharply deteriorated in the wake of Britain's leading role in the Venice Declaration. Carrington's visit had been seen by the Israelis as a great success, and it achieved its main purpose which was to renew the dialogue between the two countries at ministerial level.<sup>12</sup> Nevertheless, all Carrington's hard work was undone a few months later with the Israeli invasion of Lebanon, as Anglo-Israeli relations hit a new low.

The decision to initiate the bilateral dialogue came from Luce and Howe.<sup>13</sup> Unlike Carrington, Howe did not view the Arab-Israeli conflict as an issue of the highest priority. However, while he had few previous dealings with the Middle East, he took an interest and grasped the issues very quickly.<sup>14</sup> There were concerns over the stagnation in the Arab-Israeli arena, and it was felt that a renewed dialogue with Israel would enable Britain to play a more meaningful role in the region. In addition, Luce was unhappy that Britain was perceived as one-sided by the Israelis.<sup>15</sup> The FCO has traditionally been viewed as an institution which has sought to avoid a close relationship with the State of Israel.<sup>16</sup> Yet during the middle period of the Thatcher years, it was the FCO and not Number Ten which took the initiative to develop a conciliatory policy towards Israel.

During a strategy meeting in September 1983, ministers agreed that Britain's overall aim in its relations with Israel had to be based on the development of a political dialogue with a view to influencing Israeli policy. A second important objective was to give support to those in Israel who shared Britain's approach to a negotiated settlement.<sup>17</sup> It was this particular objective which was to become the hallmark of the Thatcher Government policy towards the Arab-Israeli conflict during its second and third terms.

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<sup>12</sup> FCO/ FOI 0135-10, Anglo/Israeli Relations, Essential facts, Undated.

<sup>13</sup> Interview with Lord Luce

<sup>14</sup> Interview with Oliver Miles

<sup>15</sup> Interview with Lord Luce

<sup>16</sup> Rynhold and Spyer, 'British Policy in the Arab-Israeli Arena', pp. 137-155

<sup>17</sup> FCO/ FOI 0135-10, Anglo/Israeli Relations, Steering brief, Undated

## **The Visit of Richard Luce**

Luce visited Israel at the end of October 1983, in order to re-establish a political dialogue. The Israelis saw the Luce visit as the opening of a new chapter in Anglo-Israeli relations.<sup>18</sup> Luce met with Israeli Prime Minister Shamir, Defence Minister Moshe Arens and the Labour Party leader, Shimon Peres. The visit was marred by Israel's refusal to allow Luce to meet with Palestinian Mayors, although the issue was later resolved. Ultimately, though, both sides viewed the visit as a success. The Israelis were impressed by the sympathetic manner in which Luce put across his points even where there were disagreements, and his call for an ongoing dialogue was welcomed.<sup>19</sup> For the British side, it was an opportunity to win the trust of the Israelis after the difficulties of recent years.

The decision to build a political dialogue with Israel originated in the FCO, and not in 10 Downing Street. However, Thatcher stood to gain from such a dialogue, as it was designed to bring about an improvement in Anglo-Israeli relations. The Prime Minister would have been aware of the agitated mood of many of her Finchley constituents, at the height of the crisis in Anglo-Israeli relations in 1980. At the same time, the FCO was not interested in establishing a dialogue simply to improve relations with Israel. Ultimately, a good bilateral relationship was necessary to advance British interests.<sup>20</sup> The objective behind the new British policy was to acquire greater leverage over the Israelis, and to encourage them to act in a way that was not damaging to British interests, as an FCO paper prepared in advance of Luce's visit made clear:

There would be no harm in gently reminding the Israelis that while, as always, we want a dialogue even (or especially) on subjects on which we

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<sup>18</sup> Ibid.

<sup>19</sup> FCO/FOI 0135-10, Cable from British Embassy, Tel Aviv, to FCO, 3 November 1983

<sup>20</sup> FCO/FOI 351-09, Letter from W Squire to P Nixon, 12 June 1986

disagree, the bilateral relationship cannot be divorced from Israeli policy or actions in areas of importance to us.<sup>21</sup>

The resumption of a political dialogue with Britain presented the Israelis with an opportunity to raise certain issues at ministerial level that had become an increasing source of resentment. One of these irritants was the British refusal to sell North Sea Oil to Israel. In October 1983, the Israeli Energy Minister, Yitzhak Modai, met in London with his British counterpart, Peter Walker, to raise the issue of the sale of North Sea oil to Israel. Walker stated that he could see no prospect of a change in the British Government's policy: companies exporting UK crude were expected to do so only to countries in the EEC and IEA.<sup>22</sup> This was the stock answer of the British Government to Israeli requests on the matter. The issue had also been raised during the visit of Luce to Israel. While Israel did have a number of oil suppliers, it sought to diversify its sources of supply, and looked increasingly to Europe for solutions in this area. Norway was already supplying oil to Israel, and Britain's refusal to do so appeared baffling to the Israeli Government.<sup>23</sup> In fact, while the issue of energy security was not unimportant for the Thatcher Government, there was an overriding concern that the supply of oil to Israel would damage Britain's commercial interests in the Arab world.<sup>24</sup> Notwithstanding the gradual concentration of powers in the private office, the policy on North Sea oil suggested that there was still close coordination between Whitehall departments and 10 Downing Street.

In a similar vein, the Israelis raised the issue of the Arab boycott during the Luce visit. Nevertheless, it was clear that the Thatcher Government was not prepared to change its practices on this matter. A short time after his return to London, Luce announced in the House of Commons on 28 November that the FCO would continue its practice of authenticating boycott documents.<sup>25</sup> As early as November 1979, Thatcher had indicated that there would be no change in policy

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<sup>21</sup> FCO/FOI 0135-10, Anglo/Israeli Relations, Essential Facts, Undated

<sup>22</sup> FCO/FOI 0135-10, Mr. Luce's Visit to Israel: 31 October – 3 November 1983, Anglo/Israeli Relations, Defensive points.

<sup>23</sup> ISA, 8932/1, From MFA to Israeli Embassy London, 26 December 1983

<sup>24</sup> FCO/FOI 351-09, UK/Israel Relations: Background, 18 December 1987

<sup>25</sup> ISA, 8932/1, Meeting with the Foreign Secretary, 30 November 1983

on either the Arab boycott or North Sea oil, during a meeting with a Board of Deputies delegation. Thatcher had pointed out, for example, that there could be no adjustment to the Arab boycott policy since British economic interests had to be protected.<sup>26</sup> Four years later, there was no sign that Thatcher was prepared to challenge the Whitehall bureaucracy on these issues. Indeed, the importance of protecting Britain's commercial interests in the Arab world was uppermost in her thinking.<sup>27</sup> Furthermore, in view of Thatcher's dissatisfaction with the policies of the Likud Government, there was even less of a reason for her to gainsay existing policies in this sphere at the start of her second term in office.

### **The Arms Restrictions**

In regard to arms sales, Britain had actually relaxed its policy somewhat in 1983 to allow export licences for electronics and small non-lethal components. The relaxation was not announced publicly, but the Israelis were aware of it.<sup>28</sup> The Israelis, however, remained resentful of the fact that there were extensive British restrictions on the sale of defence equipment to the Jewish State. It was claimed that Britain was now alone among its EEC partners in taking such a tough line on arms sales. Defence Minister Arens complained to Luce that the arms restrictions left a bad impression on the Israeli Government when Britain had no scruples about selling arms to Israel's Arab enemies.<sup>29</sup>

Indeed, one important element of the developing relationship between Britain and the moderate Arab states was the steady increase in arms sales. During the first term of the Thatcher Government, Britain had sold tanks to Jordan, much to the consternation of the Israelis.<sup>30</sup> During the second term, the issue of arms sales to the Saudis would become an even greater source of friction between Britain and Israel. The sale of arms was defined increasingly by the Thatcher

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<sup>26</sup> TNA/FCO/ 93/2104/, Meeting between M Thatcher and the Board of Deputies of British Jews, 27 November 1979  
Also, ISA, 7240/10, Cable from the Consul General, Israeli Embassy London, to MFA, 28 November 1979

<sup>27</sup> Interview with Jonathan Aitken, 26 March, 2009

<sup>28</sup> FCO/FOI 351-09, Background points (ahead of visit by Mr Mellor to Israel and the Occupied Territories), Undated

<sup>29</sup> FCO/FOI 0135-10, Cable from British Embassy, Tel Aviv, to FCO, 3 November 1983

<sup>30</sup> Cabinet Office/FOI 259 064, Call on the Prime Minister by the Israeli Speaker, Date unspecified

Government in terms of commercial benefits. The arms export revival could also be viewed in terms of the pursuit of British influence within the Arab world.<sup>31</sup> Related to this was the need to keep the Arab states out of the reach of the Soviets.<sup>32</sup>

Thatcher's determination to develop closer ties with Arab countries such as Saudi Arabia had an impact on Britain's relationship with Israel. Britain's anxiety in trying to maintain good relations with the Gulf States and Saudi Arabia was a factor in its hesitation in reopening the possibility of extensive arms sales with Israel.<sup>33</sup> This was made clear to Arens when he met with his British counterpart, Michael Heseltine, during the early period of the Thatcher Government's second term. Arens raised the issue of the ban on arms sales imposed following Israel's invasion of Lebanon in June 1982. Arens remarked that Israel did not need any weapons from the United Kingdom since it had a very well developed defence industry. Nevertheless, he was still surprised to see that Britain had restrictions on the sale of arms to Israel. After all, Britain was selling arms to the Arabs. Arens asked Heseltine why there was still an embargo. Heseltine replied bluntly that the ban helped the sale of arms to Arab countries.<sup>34</sup>

Britain's refusal to lift the restrictions on arms sales was a symbolic issue for the Israelis, but it rankled greatly, particularly since it implied that Israel was an aggressor.<sup>35</sup> The Israelis tested the British policy by placing orders in 1983 and the beginning of 1984 but these were not successful.<sup>36</sup> While the British Government linked the lifting of the restrictions to a complete Israeli withdrawal from Lebanon, this arguably served as a pretext. Britain eventually lifted the ban completely in 1994 in response to Israel's withdrawal from Gaza and Jericho, as part of the Oslo process, and not because of Lebanon. Israel withdrew completely from Lebanon only in 2000.

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<sup>31</sup>Phythian, *The Politics of British Arms Sales Since 1964*, p.20

<sup>32</sup> FCO/FOI 351-09, Minute from DESS 2 to FCO, Defence Sales to Arab countries: background, 14 May 1986

<sup>33</sup> Interview with Sir Ewen Fergusson, 3 June 2009

<sup>34</sup> Interview with Moshe Arens

<sup>35</sup> Knesset files, File 4501/168/k/11, From Political Counsellor, Israeli Embassy, London, to MFA, 29 November 1985

<sup>36</sup> ISA, 8963/8, Minute from the Deputy Head of Europe II Department, MFA, to Israeli Ambassador, London, 25 July 1984

Arguably, the Prime Minister provided tacit encouragement for the policy of restricting arms sales to Israel. Thatcher was actively involved in the campaign to sell British arms to Saudi Arabia. Within Whitehall, it was believed that the sale of arms to Arab countries would be helped by restrictions on sales to Israel.<sup>37</sup> In spite of her affinity with the State of Israel, Thatcher was a realist who attached great importance to Britain's political and commercial interests in the Arab world.<sup>38</sup> It was therefore not surprising that Thatcher cooperated with Whitehall policy in this realm.

There was no change in policy on arms restrictions, North Sea oil or the Arab boycott through 1984 and 1985. The FCO had noted the "traditionally strident approach" of the Israelis towards the bilateral relationship:

Our restrictions on arms sales to the Middle East, refusal to sell North Sea oil to Israel, and coexistence with the Arab boycott are perennial subjects of complaint, important not so much in substance but as symbolic irritants.<sup>39</sup>

While the continuity on these issues was dictated by the Whitehall bureaucracy, 10 Downing Street cooperated with this policy. The arms restrictions, the refusal to sell North Sea oil and the complicity with the Arab boycott were related to Britain's need to avoid complications in its ties with the moderate Arab countries, as Charles Powell makes clear:

The reason we didn't sell things to Israel was for two reasons: the Americans sold them everything they wanted anyway. And secondly, why incur unnecessary trouble with the Arab boycott if Israel had no real need for British defence equipment. We always got the impression that when Israel did ask for minor items of equipment, it was just to rub our

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<sup>37</sup> Interviews with Moshe Arens and Sir Ewen Fergusson.

<sup>38</sup> Interview with Lord Powell

<sup>39</sup> FCO/ FOI 698-09, Visit to Britain by Mr. Yitzhak Shamir 3-4 June 1985, Steering Brief, Undated

noses in the fact of the Arab boycott rather than because Israel had any real need for the articles.<sup>40</sup>

Since Powell tended to reflect the thinking of his Prime Minister, this suggests that Thatcher and Whitehall departments shared the overriding objective of preventing any potential harm to British political and commercial interests in the Arab world.

In spite of these difficulties, there appeared to be a gradual improvement in Anglo-Israeli ties, reflected through the visit of Foreign Secretary Howe to Israel in October 1984. The Israelis felt that the tone and atmosphere of discussions was positive during Howe's visit, and there was now a better understanding between the two countries.<sup>41</sup> The FCO was particularly satisfied with the visit, and believed it to be very successful.<sup>42</sup> The visit of Luce to Israel in November 1983 had been seen as the catalyst for a "steady improvement in tone and content" in the bilateral relationship, fostering amicable disagreement rather than a change of views.<sup>43</sup>

Nevertheless, there was a certain amount of suspicion within Israel's Foreign Ministry over Britain's real intentions. This was typified by the remarks of a senior Israeli diplomat who had recently completed his tour of duty in London. In the course of a meeting at the Foreign Ministry in Jerusalem, he told his colleagues that there was undoubtedly a change in the atmosphere in Anglo-Israeli ties. Nevertheless, he warned that it would be a mistake to view the more positive atmosphere as a change in policy. There had been no change in the British policy on the arms embargo, North Sea oil and the Arab boycott. There was therefore a danger that optimism could ensnare Israelis in the trap that the

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<sup>40</sup> Interview with Lord Powell

<sup>41</sup> ISA, 8963/12, Cable from Political Counsellor, London, to MFA, 2 November 1984

<sup>42</sup> ISA, 8963/12, Cable from Political Counsellor, London, to MFA, 13 November 1984

<sup>43</sup> FCO/ FOI 698-09, Visit to Britain by Mr. Yitzhak Shamir 3-4 June 1985, Steering Brief, Undated

British had prepared. Time and again, the British had raised the issue of the joint dialogue but there had been no substance to it.<sup>44</sup>

The policy on North Sea oil, arms sales and the Arab boycott attested to the existence of joined-up government on matters of strategic importance, even as Number Ten was acquiring greater control over policy. In this case, the Department of Energy, the MOD, the Department of Trade and Industry and the FCO were working in coordination with Number Ten to protect Britain's political and commercial interests in the Middle East.

### **The Emergence of the Israeli National Unity Government**

On 23 July 1984, a general election was held in Israel against the background of the Lebanon quagmire and hyperinflation. The election result was inconclusive: Although Labour had emerged as the strongest party with 44 seats while the Likud had 41 seats, Labour was not in a position to form a coalition government since the Orthodox parties preferred the Likud. After protracted negotiations between Shamir and Peres, the leaders of the two largest parties, a decision was made to form a National Unity Government. Such governments had existed in Israel before. The novelty, on this occasion, was that the two leaders had also agreed to a rotation arrangement: Peres would serve as Prime Minister for the first 25 months of the 50-month term, while Shamir would serve as the Deputy Prime Minister and the Foreign Minister. The two men would then swap positions for the following 25 months.<sup>45</sup> The new Government was unveiled on 13 September 1984.

The most significant policy guidelines of the new Government were extending the peace process in the region in accordance with the Camp David formula, consolidating the peace with Egypt and withdrawing the IDF from Lebanon.

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<sup>44</sup> ISA, 8963/8, Report on Meeting at the Foreign Ministry, Jerusalem, 26 August 1984

<sup>45</sup> Shlaim, The Iron Wall, p. 424.

Shimon Peres, Battling for Peace: Memoirs, (Orion Books: London, 1995), pp.270-274

Significantly, Israel would not negotiate with the PLO, and would oppose the establishment of a Palestinian State in the West Bank and Gaza. Controversially, existing settlements in the territories would be developed, and five or six new settlements would be established within a year with the possibility of additional building if approved by a majority of cabinet ministers.<sup>46</sup> The Likud and Labour parties both wielded the power of veto over certain policy proposals even if these were in accord with the basic policy guidelines. The National Unity Government provided a recipe for political paralysis since Peres and Shamir were so far apart in their ideological positions and thinking. Israel's Ambassador to London, Yehuda Avner, viewed it as a "grotesque" arrangement.<sup>47</sup>

Shamir was very suspicious of outsiders, and believed strongly in self-reliance. Shamir's firm opposition to the very notion of any territorial compromise in the West Bank and Gaza was based on his strong ideological conviction that the entire Land of Israel belonged to the Jewish people. Furthermore, he was an enthusiastic advocate of the establishment of Jewish settlements in the West Bank. Shamir was a patient man with nerves of steel who was happy to maintain the status quo.

In contrast, Peres was a visionary who had shed his hawkish positions, and now viewed a comprehensive settlement of the Arab-Israeli conflict as a matter of the highest priority for his country. He believed that the resolution of the Israeli-Palestinian conflict was the key to achieving peace in the region. Peres has also claimed in his memoirs that the Palestinian question had to be resolved not only for political reasons but also as a "moral imperative", maintaining that "the Jewish people were not born to rule over other peoples."<sup>48</sup> He believed that a solution of the Palestinian question had to go through Jordan. Thatcher shared this view. Throughout the lifetime of the National Unity Government, Peres sought an agreement with King Hussein with a view to restoring the heavily

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<sup>46</sup> M. Medzini, *Israel's Foreign Relations: Selected Documents, 1984-1988*, (Ministry of Foreign Affairs: Jerusalem, 1992), pp.1-2

<sup>47</sup> Interview with Yehuda Avner, 12 April 2010

<sup>48</sup> Peres, *Battling for Peace*, p. 349

populated areas of the West Bank and Gaza to Jordanian rule, while leaving the strategically important areas under Israeli control. Since the end of the 1967 war, this had been the solution sought by many within Israel's Labour party.<sup>49</sup> While Peres clearly believed in territorial compromise in the West Bank and Gaza, he also made it clear during this period that he was opposed to a separate Palestinian State, and did not view Arafat's PLO as a peace partner.<sup>50</sup>

Thatcher increasingly began to view Peres as the great hope for the achievement of a peace settlement in the region. Once Thatcher could see that Peres was serious about the urgency of finding a solution to the Palestinian problem, she gradually sought to strengthen his position. Thatcher knew that she had to work quickly since the National Unity rotation arrangement meant that Peres would have to step down as Prime Minister in October 1986 with Shamir replacing him. She viewed the Americans as the key to the success of this approach. Thus, during a meeting at Camp David with President Reagan and Secretary of State George Shultz on 22 December 1984, Thatcher stated that she personally knew Peres very well and had a favourable opinion of him. She added that Peres wanted to be constructive, and that if progress was to be made in the Middle East, action had to be taken while he was Prime Minister. The President replied that he shared Thatcher's view, and remained committed to his Middle East initiative of 1 September 1982. The Americans sought an equitable settlement, and agreed that it was important to get the peace process restarted while Peres was in power.<sup>51</sup> Thatcher stressed the vital role of the United States in advancing the peace process, and urged Reagan not to place the Arab-Israeli conflict on the back burner.<sup>52</sup> On this issue, Thatcher saw eye to eye with the FCO which sought to strengthen those in Israel who shared its approach to a negotiated settlement.<sup>53</sup>

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<sup>49</sup> Shlaim, *The Iron Wall*, pp. 429-430

<sup>50</sup> Peres, *Battling for Peace*, pp.352-358

<sup>51</sup> MTF, Cold War: Thatcher-Reagan Meeting at Camp David, 22 December 1984

<sup>52</sup> ISA, 8963/10, Cable from Israeli Ambassador, London, to MFA, 16 January 1985

<sup>53</sup> FCO/ FOI 0135-10, Anglo/Israeli Relations, Steering brief, Undated.

## King Hussein's Diplomatic Initiative

On 11 February 1985, King Hussein of Jordan signed an accord with the PLO to begin negotiations to resolve the Arab-Israeli dispute. The accord was based on the following principles: a complete Israeli withdrawal from the territories, the right of self-determination for the Palestinians within the framework of a confederation with Jordan and resolution of the problem of Palestinian refugees on the basis of UN resolutions. Negotiations would be conducted between Israel and a joint Jordanian-Palestinian delegation. In addition, an international conference would be convened with the participation of the PLO and the UN Security Council's permanent member states. Shlaim maintains that although Israel and Resolution 242 were not explicitly mentioned in the Accord, it represented a genuine triumph for Jordanian diplomacy since it marked the first time in the history of the conflict that the PLO leadership had agreed to a peaceful settlement of the dispute with Israel.<sup>54</sup>

Thatcher swiftly endorsed King Hussein's initiative, viewing it as an opportunity to launch peace negotiations with Israel.<sup>55</sup> Here as on numerous other Middle East issues, Thatcher was in full agreement with the FCO which welcomed King Hussein's initiative.<sup>56</sup> The Israeli response to the initiative was mixed, reflecting the composition of the National Unity coalition Government. Foreign Minister Shamir viewed the Accord as a very unwelcome development, and was concerned that it would bring the PLO out of the cold.<sup>57</sup> However, Peres kept his options open, and did not criticize the Amman Accord.<sup>58</sup>

The United States was uneasy about the Accord. Shultz wrote in his memoirs that while King Hussein was in the driving seat and had put Yasser Arafat on the

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<sup>54</sup> Avi Shlaim, *Lion of Jordan: The Life of King Hussein in War and Peace*, (Penguin Books: London, 2007), pp.424-425

<sup>55</sup> MTF, Remarks Departing the White House, 20 February 1985

<sup>56</sup> FCO/ FOI 698-09, Call on Mr Heseltine: Political background brief, Undated

<sup>57</sup> FCO/ FOI 698-09, Call on the Secretary of State by Mr Yitzhak Shamir, 3 June 1985

<sup>58</sup> FCO/ FOI 698-09, Call on Mr Heseltine: Political background brief, Undated

backseat, he was concerned that Arafat would soon take over the wheel. Shultz believed that an international conference would be acceptable if it was merely a curtain-raiser that led immediately to direct Arab-Israeli negotiations. The Israelis would not join a conference where they would face Arafat's PLO and a barrage of pressure.<sup>59</sup>

While Thatcher's support for the Amman Accord was related to the possibility of a breakthrough in the Arab-Israel arena, it is possible also that she may have viewed it as an opportunity to undermine Soviet ambitions in the region. Indeed, Shlaim argues that the Soviets viewed the Accord as an attempt to remove the PLO from Moscow's hands. The Soviets were particularly upset about Jordan's proposal of a joint Jordanian-PLO delegation to the international conference. The Soviet Foreign Minister, Andrei Gromyko, accused the Jordanians of undermining them by agreeing to a joint delegation. King Hussein had removed their trump card, the Palestinians, and had delivered the PLO to the Americans.<sup>60</sup> However, Shultz feared that the Amman Accord would hand the Soviets a propaganda victory, since the United States would be forced into a position where it was Israel's sole backer against increasingly resentful Arabs.<sup>61</sup> The United States was also constrained by a pledge that had been made in 1975 which ruled out the opening of any political dialogue with the PLO until it recognized Israel's right to exist, renounced terrorism and accepted UN Security Council resolutions 242 and 338.<sup>62</sup>

### **The Visit of Shamir to London**

The Amman Accord loomed large during the visit of Shamir to London in June 1985. Shamir had been invited to London by Howe during the Foreign Secretary's visit to Israel in October 1984. This would be the first official visit to Britain by a senior Israeli minister since the invasion of Lebanon in June 1982.

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<sup>59</sup> Shultz, *Turmoil and Triumph*, pp.444-445

<sup>60</sup> Shlaim, *Lion of Jordan*, pp.425-426

<sup>61</sup> Shultz, *Turmoil and Triumph*, pp.444-445

<sup>62</sup> Interview with Richard Murphy, 12 June 2009

Under the leadership of Peres, Israel had begun the withdrawal of its forces from Lebanon in February 1985, and the process was completed by June of that year. Only a small number of forces remained in Lebanon to patrol a narrow security zone along the border. Nevertheless, concerns over possible damage to Britain's interests in the Arab world continued to serve as a constraint on Anglo-Israeli ties during this period. In an FCO briefing paper written ahead of the visit by Shamir, it was pointed out that Israel had a "disproportionate impact on the British media and political life, and capacity to affect [British] interests". The paper continued:

As long as Israeli policies play down the need for a settlement or even lead to further conflict, our political and economic interests throughout the region run the risk of severe damage. Our dealings with many of the Arab countries are soured by our historical responsibility for Israel's creation and what is perceived as continuing British support for an aggressive, expansionist Israel.<sup>63</sup>

The difficulty was that Britain had little direct influence over Israel. In contrast, US military and financial aid to Israel was a source of potential leverage for Washington. Nevertheless, the FCO was confident that the Israelis still had reason to be grateful towards the British. It was claimed that they needed the British market for their exports, and London's support for their continued liberal access to the EC market for their agricultural products, following enlargement of the EC. Furthermore, the Israelis felt increasingly isolated and sought British support and sympathy in such an environment.<sup>64</sup> Britain had been strongly in favour of maintaining agricultural trade access for Israel.<sup>65</sup> Thus, from this perspective, a closer dialogue between the two countries was viewed by the FCO as a means of acquiring a measure of influence over the Israelis. This would also bolster Britain's influence in the Arab world.

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<sup>63</sup> FCO/ FOI 698-09, Steering Brief, Undated

<sup>64</sup> Ibid.

<sup>65</sup> FCO/ FOI 698-09, Visit by Israeli Foreign Minister, Points to Make, Undated

Britain's Ambassador to Israel, William Squire, was not optimistic regarding Shamir's forthcoming visit. He described the Israeli Foreign Minister as "an archetypal hardliner", and predicted that Shamir was unlikely to endanger his strong position in the Likud party by demonstrating flexibility while in London. Shamir was wedded ideologically to the concept of Eretz Israel and, at most, would be willing to grant local autonomy to the residents of the West Bank and Gaza, while Israel annexed their land. Squire also pointed out that Shamir's past involvement in the Irgun and Stern Gang would make him sensitive to his treatment while in London.<sup>66</sup>

Shamir used his meeting with Howe on 3 June to raise the subject of the Arab boycott and other bilateral difficulties, while fending off pressures arising from the fresh regional developments. Shamir began by asking if there was any prospect of a change in policy on the Arab boycott. Howe stated that while the British Government deplored the boycott, positive action might be counterproductive. Shamir then raised the issue of restrictions on arms sales to Israel. He pointed out that since Israeli forces were withdrawing from Lebanon, there was no need to maintain an embargo. Howe responded that the restrictions would be removed once the reason for their imposition had disappeared. Shamir countered that almost all Israeli forces had now withdrawn from Lebanon. The Israeli Foreign Minister also asked for a reconsideration of British policy on the sale of North Sea oil. Howe responded that Britain only supplied oil to EEC and IEA members, as well as those with whom the British had traditional energy ties.<sup>67</sup>

Discussions eventually turned to the recent Amman Accord. Shamir claimed that the Jordan-PLO agreement of 11 February was not a constructive step since it tied King Hussein to the PLO. While Israel was ready to negotiate with King Hussein at any time, it would never agree to an international conference or talk with the PLO. Howe responded that Britain was firmly committed to Israel's

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<sup>66</sup> FCO/ FOI 698-09, Cable from W Squire to FCO, 29 May 1985

<sup>67</sup> FCO/ FOI 698-09, Call on the Secretary of State by Mr Yitzhak Shamir, 3 June 1985

security but also to Palestinian self-determination. Britain welcomed King Hussein's agreement with the PLO. Howe asserted that diplomacy required moving from the unthinkable to the possible. Howe stated to Shamir that as a young army officer in the 1940s, he had dealt with members of the Irgun, and now he was meeting with its former members in the political leadership of Israel. Shamir was unmoved by this. He stated that if Palestinian Arabs sought self-determination, they could move to Jordan where there was a Palestinian majority. He added that a Palestinian State in the territories would be a danger to Israel. Any solution would have to take account of Israel's rights to this territory.<sup>68</sup>

Shamir's meeting with Howe had been described by the FCO as a "friendly" discussion in which both sides had put their points across in a resolute but cordial manner.<sup>69</sup> The same could not be said of Shamir's meeting with the Prime Minister. At the heart of Thatcher's concern was the view that Shamir's intransigence would lead to greater instability in the Middle East. There remained unease that the Soviets would profit from the regional stalemate. Thatcher expressed her concern over the rise of Shia terrorism, and claimed that the situation in Lebanon had deteriorated since Israel's invasion. She remonstrated with Shamir, asserting that "Israel could not just sit back and do nothing." The Prime Minister voiced her fears that other groups could emulate Shia tactics if they felt that negotiating options were blocked. This was why Britain had supported King Hussein's efforts to bring together a team of Palestinians to negotiate directly with Israel. Thatcher stated that while she had always been firm in refusing to have talks with the PLO, there were situations in which one had to negotiate with people whose previous activities one found abhorrent.<sup>70</sup>

Shamir responded to Thatcher's criticism, and pointed out that the increase in Shia terrorism was linked to Iranian influence rather than the situation in Lebanon. As in his meeting with Howe, Shamir maintained that Israel was ready

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<sup>68</sup> Ibid.

<sup>69</sup> FCO/ FOI 698-09, Cable from FCO to Tel Aviv, 5 June 1985

<sup>70</sup> FCO/ FOI 698-09, Letter from CD Powell to P Ricketts, 4 June 1985

to meet with King Hussein without preconditions but would not sit with the PLO. He added that it was unthinkable that the PLO would stay under King Hussein's control, and it would not accept a confederation between Jordan and the West Bank.<sup>71</sup>

Thatcher reiterated that "Israel could not just stand back." Britain supported King Hussein's proposals since they offered the best hope for progress. Shamir repeated that Israel would not talk to the PLO. Nevertheless, it would be ready to meet with a delegation which included Palestinian Arabs on the basis of the Camp David framework. However, the Palestinians had to be acceptable to Israel. The Prime Minister asked Shamir whether Israel would "unreasonably withhold consent" from certain Palestinians. He did not comment but repeated that Israel would not negotiate with the PLO.<sup>72</sup>

Thatcher stated that whoever negotiated had to have the confidence of the Palestinians. King Hussein could not negotiate without the cooperation of the moderate Arab governments and the PLO. Warming to her theme, she warned Shamir that it would be "a tragic mistake to alienate the PLO entirely and drive them into the arms of Moscow."<sup>73</sup> As with Begin, Thatcher used her meeting with an Israeli leader to underline her concerns that an inflexible policy would be a gift for Soviet ambitions in the region. She stated her belief that talks between Israel and a joint Jordanian/Palestinian delegation would be a success. Israel had to look to its long term interests and be aware of the dangers of a disillusioned Palestinian population within its borders.<sup>74</sup>

The meeting ended on a more positive note with the Prime Minister expressing her understanding for Israeli concerns over EEC enlargement and the implications for its agricultural exports. Shamir thanked the Prime Minister for Britain's efforts on behalf of Soviet Jewry. Thatcher recalled her discussions

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<sup>71</sup> FCO/ FOI 698-09, Letter from CD Powell to P Ricketts, 4 June 1985

<sup>72</sup> Ibid.

<sup>73</sup> Ibid.

<sup>74</sup> Ibid.

with the Soviet leader, Mikhail Gorbachev, on the subject, and asked whether there had been an increase in the number of Jews leaving the Soviet Union. Thatcher did not raise the issue of a forthcoming visit by Peres in January 1986.<sup>75</sup> Following the meeting between Thatcher and Shamir, the press office of 10 Downing Street put out a communiqué stating that there had been “a brisk and lively exchange about peace prospects in the Middle East.” This prompted media speculation about a row between Thatcher and Shamir which the FCO and the Israeli Embassy denied.<sup>76</sup>

The Shamir visit highlighted the discreet cooperation between Number Ten and the FCO. Howe and Thatcher used their separate meetings with Shamir to make it absolutely clear that there was no difference between the FCO and Downing Street on the Palestinian question. Indeed, it is likely that Thatcher had deliberately taken a tougher line towards Shamir, since the Prime Minister would be taken more seriously as a friend of Israel. The FCO also recommended the adoption of this approach during Shamir’s visit to London in May 1989.<sup>77</sup>

The meeting with Shamir in June 1985 merely provided confirmation to Thatcher that Likud policies were likely to perpetuate a regional stalemate which would ultimately threaten the moderate Arab states. In particular, she was anxious that the deadlock would strengthen the radical forces, and result in the expansion of Soviet influence in the region. She was also concerned to keep the PLO out of the hands of the Soviets who had been providing financial and military support to the organization since 1967.<sup>78</sup> Thatcher’s meeting with Shamir merely reinforced her view that the status quo would be perpetuated if the Likud were in charge of Israeli policy. Such an eventuality would be inimical to British interests in the region.

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<sup>75</sup> Ibid.

<sup>76</sup> FCO/ FOI 698-09, Cable from FCO to Tel Aviv, 5 June 1985

<sup>77</sup> FCO/FOI 698-09, Minute from AF Goulty to DA Gore-Booth, 19 May 1989

<sup>78</sup> Bassam Abu Sharif, *Arafat and the Dream of Palestine: An Insider’s Account*, (Palgrave Macmillan: United States, 2009), p.93

For Thatcher and the FCO, the relatively flexible approach of Peres was clearly more promising in terms of breaking the regional stalemate. However, under the rotation agreement, he would only remain Prime Minister until October 1986. As a result, both the FCO and Thatcher saw the need to strengthen the hand of Peres while he was Prime Minister and even beyond, encouraging him to advance the peace process. Peres would become a regular visitor to 10 Downing Street in the coming years. In contrast, Thatcher was unwilling to host Shamir in London during the rest of her second term and for most of her third term, in spite of pressures from the Israeli side.<sup>79</sup>

Shamir was disappointed by his visit to London. Before his return to Israel, he held a breakfast with supporters of Israel from the three main British political parties. Shamir complained that Britain was continuing with its arms embargo, notwithstanding the fact that ten European countries had agreed to end restrictions against Israel. He also criticized Britain's acquiescence in the Arab boycott. He claimed that this had political significance which was unheard of in any other European country. Furthermore, Britain's refusal to sell North Sea oil smacked of discrimination. These issues had been raised by Israel on numerous occasions, but its requests had gone unanswered.<sup>80</sup> Whitehall had encouraged such a policy, but Thatcher had also approved it and saw no justification in ending the bilateral restrictions.

Avner told Squire that Shamir had been disappointed with his visit. There was little understanding for Israel's case that the PLO was a terrorist organization. The visit had produced nothing – not even on the arms embargo. Avner suggested that perhaps the British were saving up “douceurs” for the forthcoming visit of Peres.<sup>81</sup> The Israeli Ambassador was not so far from the truth on this point. It was only with the visit of Peres in January 1986 that the Thatcher Government began to make concessions in areas such as the Arab boycott.<sup>82</sup>

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<sup>79</sup> Interview with Patrick Nixon

<sup>80</sup> ISA 8963/13, Cable from Israeli Embassy, London, to MFA, 5 June 1985

<sup>81</sup> FCO/ FOI 698-09, Minute from W Squire to FCO, 5 June 1985

<sup>82</sup> FCO FOI 351-09, Visit by Mr Mellor to Israel and the Occupied Territories, Background paper, Undated

Nevertheless, Squire felt that from a British perspective, the visit had a positive angle. He believed that Shamir would now understand that the views he heard through the diplomatic channels were indeed the positions of the Thatcher Government.<sup>83</sup> The meeting with Thatcher would arguably have been designed, among other things, to make it clear to Shamir that there was no difference between the position of the FCO and that of 10 Downing Street on the Arab-Israeli conflict.

Thus, at the midway point of the Thatcher Government's second term, the Prime Minister was clearly on the same wavelength as the FCO in the realm of policy towards the Arab-Israeli conflict. This was illustrated during the visit of Shamir. The FCO and 10 Downing Street had been working in coordination to ensure that there was no misunderstanding of the British position. One example of this was Thatcher's readiness to tell Shamir that he would have to be prepared to talk to the PLO – a point that was echoed by Howe during his separate meeting with the Israeli Foreign Minister.<sup>84</sup> Thatcher appeared to be demonstrating a new flexibility on the PLO which would become more apparent still in the coming months. Her concern over Likud policies and the negative impact they could have on regional stability overshadowed any pressures she may have faced from pro-Israeli groups. As her meeting with the Israeli Foreign Minister showed, Thatcher was ready to challenge these policies.

The agreement between Thatcher and Howe over the Amman Accord and the Shamir visit, as well as the more general coordination between them over strategic matters such as restrictions on arms sales to Israel, indicated that the Prime Minister was no less a pragmatist than her Foreign Secretary on Middle East policy. In her memoirs, Thatcher has written dismissively of both Howe and the FCO, claiming that Howe “fell under the spell of the FCO where compromise

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<sup>83</sup> FCO/ FOI 698-09, Minute from W Squire to FCO, 5 June 1985

<sup>84</sup> FCO/ FOI 698-09, Letter from CD Powell to P Ricketts, 4 June 1985  
FCO/ FOI 698-09, Call on the Secretary of State by Mr Yitzhak Shamir, 3 June 1985

and negotiation were ends in themselves.”<sup>85</sup> The difficulty with Thatcher’s claim is that in the Arab-Israel arena, she was only too willing to embrace this compromise herself.

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<sup>85</sup> Thatcher, The Downing Street Years, p.309

## **Chapter Five**

### **The Growing Power of the Prime Minister's Office**

On the face of it, with power shifting gradually from Whitehall to 10 Downing Street, it appeared that the Prime Minister was increasingly ready to counter the FCO policy on the Middle East. Thatcher's support for the US operation against Libya suggested that she was tilting British policy in a pro-American direction. In fact, as this chapter will demonstrate, Thatcher was increasingly exasperated by the Reagan Administration's reluctance to support King Hussein, as well as its lack of resolve over a Middle East peace settlement. Thatcher's growing interventions in foreign policy actually reflected a tendency to outflank the FCO by taking a lead on policies that the Whitehall bureaucracy had traditionally supported. Thatcher intervened personally to advance the peace initiative of King Hussein by inviting a Jordanian-Palestinian delegation to London which included two prominent PLO officials. Thatcher also played a direct role in the sale of arms to Jordan and Saudi Arabia. These policies were fiercely opposed not only by Israel's Likud leadership but even by Labour leader Peres.

In fact, both of the Prime Minister's actions in this realm were interlinked since they were designed to strengthen moderate forces in the Arab world at a time of heightened concern over Soviet ambitions, while boosting Britain's standing in the region. Thus, if anything, as Thatcher acquired growing power in the foreign affairs arena, there was a tendency to reinforce the traditional objectives of the Whitehall bureaucracy rather than to challenge them.

### **Thatcher's Personal Intervention in the Arab-Israel Arena**

During the second half of 1985, Thatcher made arguably her most significant personal intervention in the Arab-Israel conflict when she invited a Jordanian-Palestinian delegation to London in a bid to advance the Middle East peace process. The initiative was a reflection of Thatcher's growing confidence in the international affairs arena. However, it also underlined 10 Downing Street's growing control over foreign policy. The initiative signified that the objectives of the FCO regarding a Middle East settlement could still be met even as power shifted to Number Ten. Indeed, Thatcher's intervention was significant in that she had essentially decided to bring the PLO out of the cold by means of an invitation to two of its representatives.

During the second half of 1985, it became clear that there was a growing convergence between Thatcher and the FCO. Within NENAD, an emphasis was placed on breaking the regional deadlock by promoting a Middle East settlement. This would require the bolstering of moderate forces in the region. Thatcher was now working actively in a bid to achieve just that objective. Thatcher's growing concerns about a regional stalemate resulted in her direct intervention in the Arab-Israeli dispute. Thatcher viewed Egypt's President Mubarak, Jordan's King Hussein and Israeli Prime Minister Peres as three moderate leaders who held the key to the advancement of the Middle East peace process. The recent visit of Shamir to London had made it clear to Thatcher that she would need to back Peres in order to achieve progress in the peace process. Her growing confidence in Peres was boosted by his address to the Knesset on 10 June 1985. In a policy statement, Peres put forward a five-stage Israeli plan which envisaged talks between Israeli, American, Jordanian, Egyptian and Palestinian representatives who were not PLO members. An Israeli-Jordanian-Palestinian working group would be established to put forward an agenda for a conference with US participation. The support of the other permanent members of the Security Council would be enlisted for a conference. One of the most important points in the plan was that "authentic Palestinian representatives from the territories" would be appointed on behalf of the inhabitants who would be acceptable

to all the sides. It was envisaged that a conference would be convened within three months in the Middle East, Europe or the United States.<sup>1</sup>

During the second half of 1985, it was King Hussein who most impressed the British Prime Minister. He had visited Thatcher in Downing Street on a number of occasions. During a meeting with Thatcher in London on 8 June 1985, King Hussein spoke of his interest in forming a joint Jordanian-Palestinian delegation that would meet with the Americans. It was hoped that such a meeting could take place in July. In his discussion with Thatcher, he also requested that the British Government agree to host a joint Jordanian-Palestinian delegation in London. The British viewed this request in terms of a Jordanian bid to build momentum for Hussein's diplomatic initiative, and to secure European support for his proposals. Following her meeting with the Jordanian monarch, Thatcher contacted Prince Bandar of Saudi Arabia to enlist his country's support for King Hussein's moves.<sup>2</sup>

On 19 July 1985, King Hussein met secretly in London with Peres. This was their first direct meeting in nearly ten years. The two leaders agreed that the peace process would unfold in stages. In the first stage, a joint Jordanian-Palestinian delegation would meet with the US Assistant Secretary of State for Near East Affairs, Richard Murphy; in the second stage, the PLO would meet the American conditions for a dialogue; and in the third stage, negotiations would commence. Peres was opposed to the participation of PLO members on the joint delegation.<sup>3</sup>

Peres later informed US Secretary Shultz through a personal envoy that if PLO supporters were to meet with Richard Murphy as part of the joint delegation, Israel would reluctantly accept it – after it had issued public objections on the matter. Peres, however, had to contend with his own Foreign Minister who sent a message to Shultz making it clear that he did not want Murphy to meet with any Palestinians. According to Shamir, such a meeting would constitute a violation of the US pledge

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<sup>1</sup> Medzini, *Israel's Foreign Relations: Selected Documents, 1984-1988*, p.206

<sup>2</sup> ISA 8963/13, Cable from Political Counsellor, London, to MFA, 11 June 1985

<sup>3</sup> Shlaim, *Lion of Jordan*, p. 428

not to meet with PLO members, and would jeopardize US-Israeli relations. President Reagan told his Secretary of State that he could not approve talks with anyone remotely connected with the PLO.<sup>4</sup>

King Hussein worked with the Reagan Administration in a bid to resolve the impasse over the Palestinian members of the delegation. Hussein came up with a list of seven Palestinians who were not leading members of the PLO. Shultz had given Murphy the go-ahead to travel to Amman to meet with the Jordanian-Palestinian delegation. A short time later, the US Secretary of State cancelled Murphy's meeting with the delegation following protests from pro-Israeli groups.<sup>5</sup> Shultz was intensely loyal to Reagan. Israel's supporters in Washington warned the US Administration that the PLO was trying to trick them into breaking their pledge. Shultz took the pledge very seriously and wanted to do nothing that could embarrass Reagan.<sup>6</sup>

King Hussein was in despair following the cancellation of the meeting. Peres angrily told his friends that Shultz was a "very stupid man" who had "blown it".<sup>7</sup> Thatcher was furious with the Reagan Administration over the failure to produce a meeting with the Jordanian-Palestinian delegation. Thatcher resolved to move into the vacuum left by Shultz, and decided that she would host the delegation, even if this involved meeting with PLO members.<sup>8</sup> Thatcher and the FCO shared the same attitude on the urgency of promoting a regional settlement, and ending the stalemate in the Middle East. In her memoirs, Thatcher writes:

During my time as Prime Minister all initiatives eventually foundered on the fact that the two sides ultimately saw no need to adjust their stance. But that did not mean that we could simply sit back and let events take their course. Initiatives at least offered hope: stagnation in the Middle East peace process only ever promised disaster.<sup>9</sup>

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<sup>4</sup> Shultz, *Turmoil and Triumph*, pp. 453-454

<sup>5</sup> Shlaim, *Lion of Jordan*, p.429

<sup>6</sup> Interview with Richard Murphy

<sup>7</sup> Shlaim, *Lion of Jordan*, p.429

<sup>8</sup> Shultz, *Turmoil and Triumph*, p. 454

<sup>9</sup> Thatcher, *The Downing Street Years*, p.508

In September 1985, Thatcher visited both Egypt and Jordan. During her visit to Cairo, Mubarak called on Thatcher to put forward a British initiative in order to put pressure on the Reagan Administration. Thatcher stated during a press conference in Cairo that a Palestinian delegation could include members of the PLO as long as they had rejected terrorism. She added, “There are a number of PLO members who have rejected terrorism as the way forward.”<sup>10</sup> Thatcher was taking an increasingly flexible position on the PLO, and moving closer to the FCO on the issue. During Thatcher’s trip to Jordan, she clearly sympathized with the King’s disappointment with the Reagan Administration: one minute, the Americans were encouraging Hussein with his peace initiative, and the next minute, they were pulling out as a result of domestic Jewish pressure. During a press conference in Jordan, Thatcher publicly expressed her disappointment with the Reagan Administration and pledged that Britain was obligated to do everything to help King Hussein.<sup>11</sup>

### **Thatcher’s Diplomatic Initiative**

During her visit to Amman, King Hussein informed Thatcher that two leading PLO supporters would be ready to publicly renounce terrorism, and accept UN Security Council Resolution 242. Thatcher responded that if they would do so, she would meet them in London as part of a Jordanian-Palestinian delegation. Explaining her move as a bid to help King Hussein’s initiative, she expressed her hope that the United States would take a similar step.<sup>12</sup> Thatcher’s comments were a reflection of her deep disappointment with the Reagan Administration, as well as a call to the Americans for action.

Thatcher’s readiness to sanction high-level meetings with PLO representatives in London served to highlight the contrasting pressures facing the British Prime Minister and the US Secretary of State. Shultz was unwilling to authorize a meeting with a Jordanian-Palestinian delegation as he feared a backlash from pro-Israeli

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<sup>10</sup> Alan Hart, *Arafat: A Political Biography*, (Sidgwick and Jackson: London, 1994), pp.446-447

<sup>11</sup> MTF, TV Interview for ITN (Visiting Jordan), 20 September 1985

<sup>12</sup> Hart, *Arafat*, p.447

organizations such as AIPAC (The American Israel Public Affairs Committee) which possessed considerable clout in Washington. Shultz was insistent on not exposing the President to any suggestion that he had weakened the US formula on the PLO. He believed that it was his responsibility to protect the White House from criticism on this issue. Thatcher did not face the same level of intense pressure as the Reagan Administration did from leaders of the Jewish community and AIPAC.<sup>13</sup> The British Prime Minister was not constrained to the same extent, notwithstanding pressures from the Board of Deputies, the CFI and her own constituents.

During a press conference in London following her visit to Jordan, Thatcher was told of the strong protests of the local Jewish community, and was pointedly asked whether she had given any consideration to the 'Finchley Factor' in making her decision to meet with PLO representatives. Thatcher responded that she did not feel that her constituents or the local Jewish community had any reason to be concerned about what she was doing. Rather, they should be welcoming her initiative as a step forward in the peace process.<sup>14</sup>

Thatcher's readiness to receive the two PLO officials indicated that she did not feel constrained by pro-Israeli pressure groups or by the feelings of many of her Finchley constituents. The precedent of the June 1983 general election showed that there was solid support for the Conservative Party within the Anglo-Jewish community, in spite of disquiet over policies towards Israel. Thatcher's rhetorical support for the Jewish State, her links with pro-Israeli organizations such as the CFI, her appointment of a number of Jews to senior positions in the cabinet and her outspoken support for Soviet Jewry meant that the Jewish community, as a whole, continued to view her as a friend of Israel. This helped to shield her from criticism when she took actions which upset the Israeli Government.

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<sup>13</sup> Interview with Richard Murphy

<sup>14</sup> MTF, Press Conference for Israeli and British Press, 30 September 1985

Nevertheless, Thatcher still took care not to alienate supporters of Israel. On 3 October 1985, she held a meeting with a CFI delegation. The delegation expressed their unhappiness over the Prime Minister's forthcoming meeting in London with a joint Jordanian-Palestinian delegation, including the two leading members of the PLO Executive Committee.<sup>15</sup> The Prime Minister maintained that the two Palestinians, Mohammed Milhem and Bishop Elias Khoury, were both men of peace who were visiting London on the understanding that they had rejected terrorism and recognized UN Security Council Resolution 242.<sup>16</sup>

The delegation maintained that Milhem had not renounced violence, and expressed concern that the British Government was moving towards recognizing the PLO. The CFI representatives pointed out that if the two Palestinians were unwilling to renounce terrorism or recognize Israel's right to exist, the Prime Minister would find herself "in a very invidious position." The delegation suggested that the promised statement by Milhem and Khoury should be made prior to their visit to Britain. The Prime Minister countered that it would not be feasible to impose such a precondition, and that it would increase the danger faced by the two Palestinians. King Hussein had already undertaken that they would make a clear statement accepting UN resolutions and renouncing terrorism. She had to put her trust in the Jordanian Government on the issue. Nevertheless, she agreed that if the proposed statement were to turn out to be unsatisfactory, the British Government would be placed in a difficult position. In such a situation, the Prime Minister would have to make it clear that the statement was unsatisfactory, and that British support for King Hussein's initiative and contacts with moderate Palestinians would be affected.<sup>17</sup>

The delegation concluded that a letter of reassurance from the Prime Minister confirming that the Government's attitude to the PLO had not changed would be helpful for relations with the Jewish community.<sup>18</sup> Representatives of the Board of Deputies also held discussions with Thatcher's Private Secretary, Charles Powell, to

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<sup>15</sup> FCO/FOI 953-09, Letter from CD Powell to P Ricketts, 3 October 1985

<sup>16</sup> MTF, Press Conference for Israeli and British Press, 30 September 1985

<sup>17</sup> FCO/FOI 953-09, Letter from CD Powell to P Ricketts, 3 October 1985

<sup>18</sup> Ibid.

express their concern over the Prime Minister's planned meeting with the PLO.<sup>19</sup> Thatcher's meeting with the CFI delegation demonstrated that she was sensitive to the views of the Jewish community on Israel. The Prime Minister's resolve to go ahead with the invitation to the two Palestinians indicated that such sensitivities were not the determining factor in her policy towards the Arab-Israeli conflict. Nevertheless, the vociferous Israeli response to Thatcher's initiative, and the strong pressures exerted from home could not be ignored.

Within Israel, there was considerable displeasure over Thatcher's invitation to the Jordanian-Palestinian delegation. Foreign Minister Shamir and Israel's Ambassador to the UN, Binyamin Netanyahu, met with Howe at the UN in the autumn of 1985. Shamir claimed that Britain was violating its own policy by inviting PLO officials to London, and argued that it would boost the PLO's prestige throughout the Arab world while directly encouraging acts of terror. Howe responded that it was very difficult to find Palestinian representatives who did not have any links with the PLO. He added that both Milhem and Khoury were suitable Palestinian representatives. Shamir countered that Milhem had repeatedly called for armed struggle. Howe stated that the Prime Minister's policy on terrorism was clear, and Britain would never give any encouragement to terrorists. Netanyahu remarked that Israel sympathized with Britain's struggle against the IRA, and asserted that the PLO should be treated in the same way as the IRA. Howe countered that there was no comparison between the two organizations: there were those within the PLO who did not support terrorism.<sup>20</sup>

Shamir's position on Thatcher's invitation to the Jordanian-Palestinian delegation was not surprising. Nevertheless, Thatcher was increasingly pinning her hopes on Peres who she viewed as the moderate force within the Israeli Government. Following her visits to Egypt and Jordan, she wrote an urgent letter to Peres notifying him of her meeting with King Hussein and the initiative she had taken: Thatcher informed the Israeli Prime Minister that she had remained greatly

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<sup>19</sup> Interview with Dr. Lionel Kopelowitz

<sup>20</sup> ISA 8961/17, Cable from Israeli Embassy, UN, New York, to MFA: Meeting of Foreign Minister Shamir with Foreign Secretary Howe, Undated

impressed by King Hussein's genuine desire to reach a just and lasting peace and was aware that he shared the same objective. She informed Peres that a Jordanian-Palestinian delegation would soon be received in London including Mayor Milhem and Bishop Khoury, both of whom were "moderates". In doing so, it would demonstrate that Britain was extending support to moderate Palestinians who were "willing to take risks for peace." She ended her letter to Peres by emphasizing "that the consequences of failure in the current efforts to move towards peace negotiations would be extremely serious for all of us."<sup>21</sup>

Peres, however, was walking a tightrope in his capacity as Prime Minister of the National Unity Government. His room for manoeuvre was severely constrained by his coalition arrangement with Shamir. Peres did not take kindly to Thatcher's initiative, as he felt it undermined his own plan of action and made this very clear to her in a swift response:

I am unable to share your conclusion that a meeting between Secretary Howe and a Jordanian-Palestinian delegation that includes senior officials of the PLO will contribute to the peace process. Quite the contrary. As we labour to impress on Jordan and the Palestinians the need to address the issue of direct negotiations with no unnecessary detours as well as the need to force the PLO to cease its terrorist activity, any reinforcement of the present course seems counter-productive.

Such a course is particularly puzzling in light of your firm, consistent and courageous stand against international terrorism...

I would like to hope that constructive steps, taken after thorough consultation and coordination, may facilitate progress in the not-too-distant future. I trust that you share this hope and determination to do the utmost to remove obstacles rather than aggravate them.<sup>22</sup>

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<sup>21</sup> ISA 8961/17, Letter from M Thatcher to S Peres, 23 September 1985

<sup>22</sup> ISA 8961/17, Letter from S Peres to M Thatcher, 23 September 1985

Thatcher's initiative was blighted by unfortunate timing. Just days before the planned meeting with the delegation, an Italian cruise ship, the *Achille Lauro*, was hijacked by a splinter group of the PLO, the Palestine Liberation Front. An elderly American Jew in a wheelchair was thrown overboard the ship by the terrorists. A few days before, three Israelis had been killed in a Palestinian terrorist attack in Larnaca, Cyprus. Thus, it was hardly surprising that the Israeli Government was very unhappy about the planned meeting in London. On 1 October 1985, Peres ordered an air raid on the Tunis headquarters of the PLO, in response to the terrorist attack in Cyprus. Some 56 Palestinians and 15 Tunisians were killed in the air raid while Arafat narrowly escaped.<sup>23</sup> Thatcher was very unhappy with the raid, and asked the Irish leader Garret Fitzgerald to imagine what the Americans would say if Britain had "bombed the provos in Dundalk."<sup>24</sup> There were additional reasons for Thatcher to be unhappy about the operation in Tunis. Her Private Secretary had expressed concerns that the raid would make it more difficult for the PLO representatives to issue a statement that would be satisfactory for the British Government. Powell foresaw that there was likely to be a difficulty in obtaining from them a clear and unconditional recognition of Israel's right to exist.<sup>25</sup>

Following the arrival of the two Palestinians in London (the other members of the delegation were the Jordanian Deputy Prime Minister and Foreign Minister), Powell spoke to the Prime Minister and suggested that they inquire whether Milhem and Khoury really intended to renounce terrorism and accept UN Resolution 242.<sup>26</sup> The advance commitment elicited from them during Thatcher's visit to Amman had not been completely satisfactory in reference to the UN resolution.<sup>27</sup> Now that they were in London, Khoury was prepared to adhere to the conditions set but Milhem was not. As a result, Thatcher and Howe declined to meet with the Palestinians. King

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<sup>23</sup> Shlaim, *Lion of Jordan*, p.430

<sup>24</sup> Campbell, *Margaret Thatcher*, p. 280

<sup>25</sup> FCO/FOI 953-09, Letter from CD Powell to P Ricketts, 4 October 1985

<sup>26</sup> Interview with Lord Powell

<sup>27</sup> FCO/FOI 953-09, Letter from CD Powell to P Ricketts, 3 October 1985

Hussein supported Thatcher's decision not to see the PLO members in view of the refusal to meet the conditions.<sup>28</sup>

Thatcher had viewed her invitation to the two PLO representatives as a unique opportunity to strengthen the forces of moderation in the region. Nevertheless, the glaring failure of the visit undermined the Prime Minister's hopes of achieving this goal. Her invitation to the two PLO representatives could also be seen as an attempt to wean the PLO away from the arms of the Soviets. Thatcher wanted to move quickly while Peres was still Prime Minister in Israel.<sup>29</sup> However, Peres was unhappy about Thatcher's plan to bring the PLO out of the cold, and he felt that her initiative undermined his own plan.<sup>30</sup> Israel's Foreign Ministry believed that the unsuccessful outcome of the visit would dampen British enthusiasm for similar initiatives in the future.<sup>31</sup>

The former Conservative MP, Sir Ivan Lawrence, has claimed that Thatcher cancelled the meeting at the last minute as a result of pressure from the CFI.<sup>32</sup> Once the two PLO officials were in London, Thatcher came under pressure to inquire whether they were prepared to renounce terrorism and recognize Israel. It would therefore be more accurate to claim that Milhem and Khoury were required to restate their acceptance of the two conditions as a result of pressure from the CFI. It has also been claimed that Thatcher cancelled the meeting as a result of American pressure in the wake of the *Achille Lauro* affair.<sup>33</sup> The second explanation is the more convincing one. Certainly, in the wake of the terrorist attack, the atmosphere in Washington was highly charged in regard to contacts with the PLO. Downing Street would have faced a very negative response had it sought approval from the White House on the meeting with the two PLO representatives.<sup>34</sup> When one of the PLO

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<sup>28</sup> Thatcher, *The Downing Street Years*, p. 509

<sup>29</sup> MTF, Press Conference for Israeli and British Press, 30 September 1985

<sup>30</sup> ISA 8961/17, Letter from S Peres to M Thatcher, 23 September 1985

<sup>31</sup> Knesset files, File 4501/168/k/11, From Political Counsellor, Israeli Embassy, London, to MFA, 29 November 1985

<sup>32</sup> Lawrence, *My Life of Crime*, p.174-175

<sup>33</sup> Hart, *Arafat*, p.453

<sup>34</sup> Interview with Richard Murphy

representatives failed to renounce terrorism and accept Israel's right to exist, Thatcher and Howe felt they had no choice but to cancel the meeting.

However, the fact that Thatcher had shown a readiness to meet with PLO officials at all demonstrated that she had moved much closer to the FCO on this issue. Howe and Thatcher's close coordination during this period was a reflection of the broad cooperation between the FCO and Number Ten in the Arab-Israel arena. In fact, Thatcher's attempt to bring the PLO out of the cold was an example of the Prime Minister utilizing her growing power to direct a policy initiative in an area which was traditionally the preserve of the FCO. The invitation to Milhem and Khoury saw Thatcher outflanking the FCO, and taking a lead in advancing a policy that caused difficulties not only for Likud politicians but even for a dove such as Peres.

The worry for the Thatcher Government was that Arab opinion would perceive the eventual cancellation of the meeting as capitulation to Israeli pressure. The FCO was concerned that there would be a "misunderstanding" by the Saudis of the decision of the British Government. It was therefore recommended that the Prime Minister write to King Fahd, and explain to him why the meeting had been cancelled.<sup>35</sup> Thatcher duly wrote to the Saudi monarch, expressing her deep disappointment that the meeting with the Jordanian-Palestinian delegation could not take place. Thatcher sought to reassure King Fahd of her full support for a "just and balanced settlement" which met the "legitimate aspirations of the Palestinian people to self-determination."<sup>36</sup>

In spite of the Thatcher Government's disappointment with the PLO, there was no immediate change in policy towards the organization. In fact, a few months later in March 1986, Sir David Miers, the FCO Under-Secretary for the Middle East, met with the PLO's Farouk Kaddoumi. The Board of Deputies were very quick to protest

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<sup>35</sup> FCO/FOI 953-09, Letter from P Ricketts to CD Powell, 25 October 1985

<sup>36</sup> FCO/FOI 953-09, Letter from M Thatcher to King Fahd, 24 October 1985

to Miers in the wake of the meeting.<sup>37</sup> Avner met with the Minister of State at the FCO, Timothy Renton, to express his disappointment at the meeting, and maintained that it would not help the position of King Hussein.<sup>38</sup> The meeting between Miers and Kaddoumi underscored the fact that Thatcher had given the FCO a reasonably free hand in regard to contacts between diplomatic officials and PLO representatives.

In the meantime, a serious rift had developed between King Hussein and Arafat. The Americans had informed the Jordanian monarch that they would be prepared to accept an invitation to the PLO to attend an international conference if the organization were ready to negotiate peace with Israel, accept resolutions 242 and 338 and renounce terrorism. However, Arafat was not prepared to accept the conditions. By February 1986, King Hussein had made it public that he could no longer work together with Arafat since he could not be trusted.<sup>39</sup> This was a welcome development for Peres since it appeared to increase the likelihood of a political solution emerging through the Jordanian option. At the same time, it resulted in a temporary shift in Thatcher's attitude towards the PLO. The Prime Minister had lost patience with the PLO, and this became clear during her visit to Israel a few months later.

### **Arms Sales to Jordan and Saudi Arabia**

Thatcher's correspondence with King Fahd reflected the growing importance of the relationship between Britain and Saudi Arabia. Thatcher played an increasingly active role in the promotion of British arms exports to the Arab world during her second and third terms of office. Israeli policymakers had always been deeply concerned by arms sales to Arab countries as they appeared to threaten Israel's

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<sup>37</sup> Archives of the Board of Deputies, ACC/3121/E4/1036, Letter from D Miers to H Pinner , 27 March 1986

<sup>38</sup> ISA 8961/17, Cable from MFA to Israeli Embassy, London, 26 March 1986

<sup>39</sup> Shlaim, *Lion of Jordan*, pp.432-433

qualitative military edge. This extended even to Arab countries that did not pose a concrete military threat.<sup>40</sup> Thatcher was not deflected by such concerns.

The Prime Minister's concern over the possible growth of Soviet influence in the Middle East was an important factor in her determination to forge a closer relationship with the Jordanians and Saudis, and was one of the most significant considerations in her approach to the region. This lay behind her wish to develop stronger relationships with moderate Arab states such as Egypt, Jordan, Saudi Arabia and the Gulf States. Her fierce opposition to Soviet expansion was a major incentive for the Saudis to build a strong relationship with Britain – this applied particularly to King Fahd.<sup>41</sup> The Arab-Israeli conflict was not completely unrelated to the concerns over the expansion of Soviet influence in the Gulf area, as the Prime Minister had already acknowledged during her first term.<sup>42</sup> Thatcher was unhappy at the thought that the Soviets could win greater influence among Arab States and the PLO by standing up for the Palestinians while the United States was giving automatic support to the Israelis.<sup>43</sup> The Prime Minister was concerned that the Soviets would exploit the deadlock in the region in order to expand their influence in the Middle East. This made Thatcher increasingly unhappy about Israeli policies that appeared to exacerbate this state of affairs. Arguably, this was a background factor that constrained Thatcher in her dealings with Israel, and helped to explain the non-interference of Number Ten on such matters as the sale of North Sea oil.

Throughout 1984 and most of 1985, Britain and Saudi Arabia conducted negotiations over the sale of British fighter aircraft. Thatcher met Prince Bandar, a nephew of King Fahd, at least twice in 1985, once in Riyadh in April and the second time in August.<sup>44</sup> At the last minute, the Prime Minister managed to secure Britain's most lucrative arms export deal ever, interrupting a holiday in Austria in order to secure the deal with the Saudis in Switzerland. On 17 February 1986, Britain and

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<sup>40</sup> Interview with Yoav Biran

<sup>41</sup> Correspondence with Lord Powell, 9 June 2010

<sup>42</sup> MTF, Press Conference for Arab Correspondents, 6 April 1981

<sup>43</sup> FCO/FOI 698-09, Cable from Head of NENAD to Heads of Missions: Prime Minister's Meeting with Shamir, 23 May 1989

<sup>44</sup> Campbell, *Margaret Thatcher*, p.343

Saudi Arabia formally signed the £5 billion Al Yamamah deal in Riyadh, under the terms of which Britain was to supply 132 military aircraft to the Saudis. Britain had also reached an arms deal with Jordan worth £270 million in September 1985. On 8 July 1988, a new phase of the Al Yamamah deal between Britain and Saudi Arabia was announced. The value estimated was £10 billion. The deal signed by Prince Sultan and Defence Minister George Younger on 3 July 1988 had followed discussions which again included the British Prime Minister.<sup>45</sup>

There were strong parallels between Thatcher's involvement in the arms deal with Saudi Arabia and the invitation to the Jordanian-Palestinian delegation to London. In both cases, they showed the growing involvement of 10 Downing Street in the realm of international affairs. Thatcher had exploited her personal relationships with King Hussein and Prince Bandar to advance her policy in the Middle East which focused on strengthening Britain's moderate Arab allies while keeping radical forces at bay. Thatcher's growing intervention in the foreign policy arena was reinforced by the increasingly significant role of her Private Secretary Charles Powell.

Thatcher took advantage of the difficulties facing the Reagan Administration in this arena. Israel's supporters in Britain were not in a position to exert influence on the Thatcher Government on arms sales to the Arab world. In the United States, a proposed sale of arms to Jordan and Saudi Arabia would have required careful congressional scrutiny. In contrast, the British political system was clearly more amenable to those purchasing arms. As Phythian points out, parliament did not oversee this area of foreign policy with the result that greater secrecy was granted to the purchaser.<sup>46</sup> This would have made it even more difficult for pro-Israel organizations in London to lobby against the sale of arms to Arab countries. The Board of Deputies certainly attempted to dissuade the Thatcher Government from selling Tornado aircraft to Saudi Arabia. Indeed, in 1984, a letter had been sent to

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<sup>45</sup> Phythian, *The Politics of British Arms Sales Since 1964*, pp. 218-232

<sup>46</sup> *Ibid.*, p. 24

Heseltine expressing the anger and dismay of the Board and the Jewish community, as a whole, in the wake of early reports on a possible deal.<sup>47</sup>

In late September 1985, Israel's Defence Minister Arens summoned the British Ambassador to express Israel's great concern over the arms deals. Arens claimed that the proposed sale was a significant deviation from British policy in the Middle East, and would have very negative ramifications for the region. He maintained that the deal would seriously threaten Israel's security. Arens also bemoaned the fact that Britain had chosen to sell weapons to countries which were at war with Israel while it maintained an embargo on arms sales to the Jewish State. Squire was unable to answer Arens on the question of whether restrictions had been placed on the aircraft as had been the case with other suppliers.<sup>48</sup> Peres had also written to Thatcher to express his opposition to the arms deal. He claimed that the sale would "become a potential added threat to Israel and aggravate the economic burden of sustaining an adequate balance."<sup>49</sup> Nevertheless, the British Prime Minister was unmoved by such protests. The strategic importance of the sale of arms to Saudi Arabia overrode any concerns that Thatcher may have had over upsetting the Israeli Government and the local Jewish community. Furthermore, she had the luxury of knowing that the Americans were providing for Israel's security.<sup>50</sup>

There were four clear benefits to Britain in this arena which highlighted the importance of both international and domestic factors in the policy-making process: Firstly, there were clear commercial benefits in selling arms to the Saudis. Thatcher was fiercely protective of British industry which required her to pursue large-scale export projects.<sup>51</sup> Thus, there were clear domestic economic benefits to be had from selling arms. The deal would contribute to the defence of a major source of Western oil supplies, and would ensure that many of the other oil producers remained friendly to the West. The deal was also designed to strengthen traditional ties with moderate

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<sup>47</sup> Archives of the Board of Deputies, ACC/3121/E/04/0666, Letter to M Heseltine, 20 August 1984

<sup>48</sup> ISA 8961/17, Cable from MFA to Israeli Embassy, London, 23 September 1985

<sup>49</sup> ISA 8961/17, Letter from S Peres to M Thatcher, 23 September 1985

<sup>50</sup> Interview with Yehuda Avner

<sup>51</sup> Interview with Jonathan Aitken

Arab countries and prevent penetration by the Soviet Union.<sup>52</sup> Aside from concerns over Soviet influence, there was growing unease also over the threat of Iranian subversion to moderate Arab states.<sup>53</sup> Thus, there were strong factors at the international-level which dictated this policy. The arms deal appeared to be strongly in line with Western strategic interests, in terms of maintaining stability in the Middle East. There was also an argument that if the British did not sell arms to the Saudis, other powers would rush into the vacuum.<sup>54</sup>

Thatcher herself was defiant on the issue of the arms deal with Saudi Arabia during a meeting with Israeli journalists on 30 September 1985:

No, I do not believe Saudi Arabia will ever attack Israel, ever, ever, ever. Saudi Arabia is really quite a bastion for stability in the Middle East and, as you know, she has taken a very statesmanlike position on many things that could have destabilised the Middle East, a very statesmanlike position. She too is entitled to defend herself.<sup>55</sup>

During the same meeting, the Prime Minister angrily denied suggestions that there had been a link between the invitation to the Jordanian-Palestinian delegation and the arms deal to Saudi Arabia. She stressed that she had supported King Hussein's initiative for a long time, and had been anxious to do what she could to advance the peace process.<sup>56</sup> Certainly, Thatcher's invitation to the Jordanian-Palestinian delegation was a fundamental element in her bid to strengthen King Hussein's standing and advance the peace process. Nevertheless, the invitation could only have bolstered Britain's standing in the eyes of the Saudis, thereby enhancing the chances of an arms deal. Furthermore, it was surely no coincidence that the FCO had been so concerned about the reaction of the Saudis to the cancellation of the meeting with the two PLO representatives. The Prime Minister's letter to King Fahd explaining the circumstances behind the cancelled meeting could arguably be seen also in the

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<sup>52</sup> FCO/FOI 351-09, Minute from DESS 2 to FCO, Defence Sales to Arab countries: background, 14 May 1986

<sup>53</sup> Correspondence with Sir Rob Young, 2 July 2010

<sup>54</sup> Interview with Lord Heseltine, 28 April 2009

<sup>55</sup> MTF, Press Conference for Israeli and British Press, 30 September 1985

<sup>56</sup> Ibid.

context of safeguarding the arms deal that had recently been agreed between the two countries.

Thatcher's direct involvement in the invitation to the Jordanian-Palestinian delegation and the sale of arms to Saudi Arabia not only signified the solid agreement between Number Ten and Whitehall in the Arab-Israeli arena. It also indicated that Thatcher was ready to outflank the FCO: she was prepared to take the lead in pursuing policies which enhanced Britain's strategic and commercial interests in the region, even while they posed clear difficulties for the Israeli Government. Thus, Israel's Foreign Ministry concluded that while there had been an improvement in the tone and atmospherics of Anglo-Israeli relations under Howe, British policy itself had been largely unchanged since the early 1980s.<sup>57</sup>

In spite of the concentration of powers in the Downing Street policy unit, cooperation between Thatcher and Whitehall continued. As with the issue of North Sea oil, the arms sales to Jordan and Saudi Arabia provided a clear example of cohesive government on matters of strategic importance. In this case, the MOD, the Department of Trade and Industry and the FCO were working in coordination with Number Ten to boost Britain's political and commercial interests in the Middle East. Thatcher's strong personality and leadership style had served to cement the coordination with Whitehall rather than to undercut it.

### **The Visit of Peres**

In spite of the recent disagreements between Thatcher and Peres, the British Prime Minister had been greatly impressed by Peres's Knesset address of 10 June, describing it as "a very courageous speech", and was encouraged by his position on an international framework for negotiations between a Jordanian-Palestinian

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<sup>57</sup> Knesset files, File 4501/168/k/11, From Political Counsellor, Israeli Embassy, London, to MFA, 29 November 1985

delegation and Israel.<sup>58</sup> Peres would be arriving in London towards the end of January 1986 on an official visit. Thatcher viewed this as a unique opportunity to advance the peace process, but realized that she would have to move swiftly since Peres was due to step down as Prime Minister the following autumn.<sup>59</sup>

Peres saw his visit to London as an opportunity to enlist Thatcher's influence with King Hussein. Peres and Hussein both sought an international framework for negotiations, but there were considerable disagreements over the type of framework. The King had envisaged an ongoing international conference with the participation of the five permanent members of the Security Council. In contrast, Peres sought an emasculated international framework that would have only symbolic value. The Israeli Prime Minister wanted Thatcher to sell his idea to the King, and persuade him that progress was still possible on this basis.<sup>60</sup>

Peres's visit to London provided the Israeli leader with an opportunity to strengthen his domestic position. Thatcher was happy to oblige. She gave a dinner for Peres at 10 Downing Street. During their meeting, Thatcher accepted an invitation from Peres to visit Israel in the coming months. She would become the first British Prime Minister to visit the Jewish State while in office. During their meeting, Peres also raised the idea of holding secret working-level discussions with Jordan.<sup>61</sup>

Ahead of the Israeli Prime Minister's trip to London, there had been a re-examination of Anglo-Israeli ties including a review of the various restrictions.<sup>62</sup> One outcome of the visit was the discontinuation of the practice of authenticating Arab boycott documents within Whitehall.<sup>63</sup> Avner viewed the decision as a personal victory.<sup>64</sup> The decision to discontinue the practice arguably constituted a

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<sup>58</sup> MTF, Press Conference after Addressing UN General Assembly, 24 October 1985  
MTF, TV Interview for ITN (visiting Jordan), 20 September 1985

<sup>59</sup> Thatcher, *The Downing Street Years*, p.510

<sup>60</sup> Interview with Dr. Nimrod Novik, 28 March 2010

<sup>61</sup> FCO/FOI 351-09, Cable from FCO to Amman, May 1986

<sup>62</sup> ISA 8961/11, From Political Counsellor, London, to MFA, 19 January 1986

<sup>63</sup> ISA 8961/11, From Israeli Ambassador, London, to MFA, 17 February 1986

<sup>64</sup> Interview with Yehuda Avner

small symbolic gesture in support of Peres. Nevertheless, the difficulties arising from the boycott had not been eliminated since the Arab-British Chamber of Commerce was now administering the authentication of boycott documents instead.<sup>65</sup> Indeed, The Guardian newspaper, hardly a supportive voice on Israel, had opined that the authentication of boycott documents should not be taking place at all.<sup>66</sup> Thus the gesture was of very limited value.

There was no change in policy on the arms restrictions and North Sea oil. Lynda Chalker, an FCO Minister of State, had stated in January 1986 that while Britain had welcomed Israel's decision to withdraw from Lebanon, there was disappointment over the residual presence of Israeli forces on Lebanese territory. The policy of arms sales to Israel would be kept under review.<sup>67</sup> More significantly, a short time before the Prime Minister's visit to Israel, Howe had recommended that there be no change in the restrictions on arms sales to Israel. The Prime Minister endorsed her Foreign Secretary's recommendation.<sup>68</sup> This indicated the clear agreement between Thatcher and the FCO in regard to the restrictions on arms sales to Israel.

### **Charles Powell**

Disagreements began to emerge, however, between Thatcher and Howe in the course of 1985 and 1986 over the transatlantic relationship. Howe believed in a greater detachment from US policies, and felt that his Prime Minister was excessively loyal to the Reagan Administration.<sup>69</sup> Certainly, a closer relationship had developed between Thatcher and Reagan during her second term of office.<sup>70</sup> This reflected the growing shift in power away from the FCO towards 10 Downing Street.

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<sup>65</sup> Interview with Patrick Nixon

<sup>66</sup> The Guardian, 'What Price A Boycott', 31 October 1984

<sup>67</sup> ISA 8961/11, From MFA to Political Counsellor, London, 28 January 1986

<sup>68</sup> FCO/FOI 351-09, Minute from DESS 2 to FCO, 14 May 1986

<sup>69</sup> Howe, *Conflict of Loyalty*, p.387-393

<sup>70</sup> Reagan, *The Reagan Diaries*, p. 302

As the Foreign Affairs Private Secretary, Powell's role was to represent the thinking of the FCO, and to act as a bridge between his ministry and Downing Street, while keeping the Prime Minister informed on foreign affairs, defence and Northern Ireland. Nevertheless, the post expanded during Powell's tenure. Powell became increasingly close to Thatcher, he quickly understood her thinking and articulated it. She liked his competence, elegance and charm. There was a strong chemistry between them.<sup>71</sup> Within a short time of assuming his post, Powell had established himself in a position of considerable influence. He would be quick to reject certain courses of action if he felt that his Prime Minister would not go along with them. Powell's status was recognized in Washington, and he listened in to all conversations between the President and the Prime Minister.<sup>72</sup> By the second half of the 1980s, no important foreign affairs decision was made without reference to Number Ten.<sup>73</sup>

Powell had served in NENAD before his appointment to the post of Private Secretary. Nevertheless, he was untypical of many fellow diplomats who had served in the department. Most of the NENAD heads had been distinguished Arabists by training, and served most of their working lives in the Middle East. Powell moved into NENAD with no background in the Middle East. He was not an Arabist, and had not learned Arabic or served anywhere in the Middle East. He was disposed to give the Israeli Government a reasonably fair hearing, and was ready to see its diplomats on a regular basis.<sup>74</sup> During his period of service in the department, his positive approach towards the Jewish State helped to win the trust of the Israelis. One Israeli diplomatic official had described him as "a good source, reliable and a good friend."<sup>75</sup>

Following Powell's appointment as Private Secretary, he allowed the Israelis greater access to Downing Street. In this case, it meant access to Powell rather than direct access to Thatcher. Among those who visited Powell's office was Israel's

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<sup>71</sup> Kavanagh & Seldon, *The Powers Behind the Prime Minister*, p.182

<sup>72</sup> John Dickie, *Inside the Foreign Office*, (Chapman Publishers: London, 1992), pp.269-271

<sup>73</sup> Cradock, *In Pursuit of British Interests*, p. 24

<sup>74</sup> Interview with Lord Powell

<sup>75</sup> ISA 7240/2, Cable from Israeli Embassy, London, to MFA, 5 April 1979

Ambassador to the UN, Binyamin Netanyahu. Powell would also meet Israelis on the recommendation of the local Ambassador. Israelis had indirect access to Thatcher herself through the Jewish community in Britain. The Prime Minister attended many Jewish community events at which an Israeli leader or minister would be present.<sup>76</sup> One former British diplomat believes that the Israelis were well served by Powell, although they were not the only beneficiaries of his patronage:

Charles Powell was seen as Israel's friend at court and cultivated as such once he became Mrs Thatcher's Private Secretary. He was the channel of influence which the Israelis very cleverly used to get a fair hearing... He was very open. There were lots of other countries doing this to Charles Powell.<sup>77</sup>

Middle East specialists were also put out by the fact that the private office was used as a back channel to send instructions to the FCO, instead of advice coming in from the FCO to Downing Street.<sup>78</sup> Powell's indulgent attitude towards the Israelis arguably reinforced the belief of some Israeli officials that there were differences between the FCO and Thatcher on policy towards the Arab-Israeli conflict. In substance, however, there is little evidence to show that the greater access to 10 Downing Street made a difference to the Thatcher Government's policy towards Israel. At best, it reinforced the belief of Israeli officials that they had a friend in Number Ten.<sup>79</sup> Indeed, a former diplomat who had served in NENAD during the mid 1980s believed that there were few if any differences between the FCO and 10 Downing Street in the Arab-Israel arena while he served in the post:

The FCO didn't attempt to do anything different from Mrs Thatcher's line nor did they want to. She judged the realities of what could be done with British policy domestically, and therefore, we worked together. I don't think I ever put a brief to Charles Powell that challenged him or surprised him. This was a consensus, and I wasn't aware of great tensions - occasional differences but nothing substantial.<sup>80</sup>

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<sup>76</sup> Interview with Lord Powell

<sup>77</sup> Interview with Patrick Nixon

<sup>78</sup> Ibid.

<sup>79</sup> For example, ISA 9533/17, Britain-Israel: Developments Following the Uprising in the Territories, MFA, May 1988

<sup>80</sup> Interview with unattributed source

### **Thatcher's Support for the US Bombing of Libya**

Powell was said to have reinforced Thatcher's positions against those of the FCO. This applied particularly on European issues.<sup>81</sup> A clear example of Powell's closeness to Thatcher was the eventual decision to support the Reagan Administration's bombing raid on Libya in April 1986 which was in line with the closer relationship between London and Washington. The United States possessed intelligence pointing to Libyan involvement in a bombing attack on American servicemen in West Berlin, and sought to carry out air strikes on Libya in response. On 8 April, Reagan contacted Thatcher to request her support for the use of American F1-11s based in Britain for raids against Libya.<sup>82</sup> However, Howe was uncomfortable about giving Reagan carte blanche to launch attacks on Libya from British soil. There were also concerns over whether such a raid could be defined as a legitimate act of self-defence. Thatcher, for her part, expressed her anxieties to Reagan over the risk of civilian casualties and the accuracy of an offensive.<sup>83</sup>

A separate concern for Thatcher was related to the reaction of the Saudis. She contacted Jonathan Aitken, a Conservative MP with close ties to Riyadh, asking him how the Saudis would react if the Americans used British bases to bomb Libya. Aitken responded that the Saudis would "huff and puff" but that would be it. In private, they would be happy to see Colonel Gaddafi getting his comeuppance.<sup>84</sup> When the time for the final decision came on 10 April, Thatcher contacted Powell rather than Howe. She authorized her Private Secretary to send a message to the Americans giving them permission to use the bases.<sup>85</sup> Thatcher was alone among Western leaders and virtually the only one in her cabinet to support Reagan's action against Libya.<sup>86</sup> The Prime Minister's readiness to support the action would have

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<sup>81</sup> Kavanagh & Seldon, *The Powers Behind the Prime Minister*, p. 182

<sup>82</sup> Thatcher, *The Downing Street Years*, p. 443

<sup>83</sup> Dickie, *Inside the Foreign Office*, p.273

<sup>84</sup> Interview with Jonathan Aitken

<sup>85</sup> Dickie, *Inside the Foreign Office*, p.273

<sup>86</sup> Interview with Lord Powell

been reinforced by the fact that Britain itself had suffered from Libyan terrorism in the spring of 1984 when a British policewoman was killed by gunshots fired from the Libyan Embassy.

Thatcher's decision to support the US bombing raid on Libya was significant for a number of reasons. She sought to exploit her influence with the United States in order to maintain Britain's standing as a leading power. According to Sharp, since the end of the Second World War, Britain has traditionally asserted its usefulness to Washington as a uniquely valuable source of political support. In return for this assistance, it was hoped that the Americans would listen to Britain's advice on policy, and demonstrate understanding for Britain's efforts to maintain its standing as a leading power.<sup>87</sup> This was directly related to Thatcher's own involvement in policy towards the Arab-Israeli conflict. In the coming period, Thatcher would attempt to take advantage of her growing influence with the Reagan Administration by, among other things, arguing for stronger US engagement in the Middle East peace process. Nevertheless, while the Reagan Administration did show a greater degree of sympathy towards some British concerns (for example, over the extradition of IRA terrorists, much to the delight of the Prime Minister<sup>88</sup>), there was a reluctance to heed Thatcher's arguments over the Arab-Israeli conflict.

Secondly, Thatcher's support for the US action was also an opportunity to reassert her anti-terrorist credentials. It certainly helped her win support on the Israeli street ahead of her visit to the Jewish State. The Israelis appreciated Thatcher's support for what they perceived as an American operation against state sponsored terrorism.<sup>89</sup> Furthermore, Thatcher's strong stand against terrorism would enhance her position also within the local Jewish community. On the debit side, there were concerns in the FCO about the fact that Britain would have to "make up lost ground" in the Arab world after its support for the US action in Libya.<sup>90</sup>

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<sup>87</sup> Paul Sharp, *Thatcher's Diplomacy: The Revival of British Foreign Policy*, (Macmillan Press: London, 1997) p.102

<sup>88</sup> Reagan, *The Reagan Diaries*, p. 425

<sup>89</sup> Interview with William Squire

<sup>90</sup> FCO/FOI 351-09, Cable from Fergusson to Consul General, Jerusalem, May 1986

Thirdly, the raid on Libya appeared to reflect the Prime Minister's growing tendency to cut the FCO out of the loop. Powell had noted that the FCO were "wholeheartedly" against the raid on Libya, believing that British interests in the Middle East would be severely damaged.<sup>91</sup> Nevertheless, Thatcher felt that she had no choice but to support America in its time of need.<sup>92</sup> As the relationship between Thatcher and Reagan grew closer, the FCO felt itself increasingly marginalised in the British-American sphere.<sup>93</sup>

### **Thatcher Government Breaks off Ties with Syria**

A second area of disagreement between Thatcher and the FCO revolved around policy towards Syria. Thatcher had moved to cut off diplomatic relations with Damascus in October 1986 following Syrian involvement in an attempted bombing of an El-Al airliner. Britain's Ambassador in Syria, Roger Tomkys, had argued for the expulsion of the Syrian Ambassador because of his implication in the affair, but did not believe that President Hafez Assad had been directly responsible. Tomkys advised against a complete severing of diplomatic ties with the Syrians. He maintained that once ties were broken off, it would be difficult to restore them. Tomkys lost the argument to the Prime Minister.<sup>94</sup> Thatcher's FCO Adviser, Percy Cradock, believed that the Prime Minister had a "good case" for breaking off relations with Syria, although he was concerned that the dictates of counter-terrorism policy were forcing Britain "into an almost Israeli-style isolation" which was not ideal for Britain's position in the Middle East.<sup>95</sup> Arguably, the differences between Number Ten and the FCO over Syria were reflected not so much in the severing of diplomatic links, but rather in Thatcher's later resistance to restoring ties with Damascus. During Thatcher's third term in office, the FCO would have to work hard to overcome the Prime Minister's resistance on this issue.

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<sup>91</sup> Campbell, *Margaret Thatcher*, p. 280

<sup>92</sup> Thatcher, *The Downing Street Years*, p. 444-449

<sup>93</sup> Lochery, *Loaded Dice*, p. 189

<sup>94</sup> Interview with Sir Roger Tomkys

<sup>95</sup> Cradock, *In Pursuit of British Interests*, p.163

Rynhold and Spyer argue that Thatcher's steps against Libya and Syria together with the later hardening of her views on an independent Palestinian State represented a move towards a more pro-American strategic position.<sup>96</sup> In fact, while Thatcher's steps on Libya were certainly taken with a view to supporting the Reagan Administration, the measures against Syria had to be seen in a different light. Thatcher had revealed to Peres in 1987 that the United States was actually exerting pressure on Britain to restore normal ties with Syria.<sup>97</sup> Thus, Thatcher's action against Damascus did not represent part of a larger shift towards a pro-American policy. In view of Thatcher's strong public stand against international terrorism, the Prime Minister arguably had little choice but to cut off diplomatic relations with Syria after its involvement in an attempt to blow up an airliner with British civilians on board. After all, Howe had also given his full support to the British move against Syria.<sup>98</sup>

Nevertheless, Thatcher's actions against Libya and Damascus highlighted one area of disagreement between Number Ten and the FCO. Thatcher felt as strongly as the FCO on the need to build strong alliances with moderate Arab forces in the Middle East. However, there were differences in regard to radical forces in the region. Towards the end of Thatcher's second term of office, the Prime Minister adopted a zero-tolerance approach towards states or organizations that were sponsoring terrorism. Syria, Libya and the PLO certainly fell into this category. The FCO, however, was concerned to maintain good ties with all the Arab actors in the region. In spite of these tensions, the FCO adapted itself to the stronger line emerging from Number Ten.

Thatcher's decisions on Libya and Syria were significant in that they represented two rare occasions in which the Prime Minister exerted her independence on Middle East policy. Thatcher's readiness to take such steps was augmented by the stronger

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<sup>96</sup> Rynhold and Spyer, 'British Policy in the Arab-Israeli Arena 1973-2004', pp.137-155

<sup>97</sup> FCO/FOI 698-09, Letter from CD Powell to AC Galsworthy, 23 June 1987

<sup>98</sup> The Guardian, Hella Pick and David McKie, 25 October 1986

foreign policy machine that she had at her disposal in 10 Downing Street. However, this thesis contends that such steps were the exception rather than the norm during Thatcher's eleven and a half years in power. For the most part, where Thatcher exerted her growing authority in the sphere of Middle East policy, it was to promote a policy that was closely aligned with cherished objectives of the FCO. Her interventions in British arms sales to the Arab world and her involvement in the invitation to the two PLO representatives were a perfect illustration of this.

## **Chapter Six**

### **Thatcher's Visit to Israel**

Thatcher was the first British Prime Minister to visit Israel while still in office. Thatcher's visit to Israel was actually the culmination of earlier efforts by the FCO to improve Anglo-Israeli relations, rather than a direct initiative from 10 Downing Street. Although Peres had issued the invitation for her visit during his recent trip to London, the FCO had played an important role behind the scenes in improving the bilateral atmosphere between the two countries. Indeed, the FCO was enthusiastic about the visit, viewing it as an opportunity to strengthen Peres and undercut the Likud. In addition, it provided an opportunity for Thatcher to build a dialogue with Palestinian moderates in a bid to show that Britain was sympathetic to Palestinian grievances. Although Thatcher deviated from the FCO line on the issues of the PLO and an independent Palestinian State during her visit, the Prime Minister and the FCO were in close agreement on the need to strengthen the standing of Peres who represented the peace camp in Israel.

The following spring, the FCO was once again outflanked by Thatcher as she extended discreet support to Peres during his secret talks with King Hussein which culminated in the London Agreement of April 1987. The FCO was not aware of the secret talks which had been arranged by Powell,<sup>1</sup> reflecting the concentration of powers in 10 Downing Street. Nevertheless, it is argued here that Thatcher's growing control over policy in the Arab-Israel arena actually saw her take actions to reinforce traditional FCO objectives: in other words, she sought to strengthen moderate forces such as King Hussein and Peres, while simultaneously seeking to counter Likud hardliners who favoured a status quo in the region.

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<sup>1</sup> Interview with Lord Powell

### **Thatcher's Visit: An Opportunity to Strengthen the Doves**

Thatcher's visit to Israel in May 1986 was highly significant for her policy towards the Arab-Israeli conflict. The visit was an opportunity to reinforce the moderates in the region both on the Israeli and Palestinian sides. The FCO sought to strengthen the position of the dovish Peres at the expense of his rival Shamir. The Prime Minister would use her international standing to articulate support for the peace process as advocated by Peres, in the hope of strengthening the Labour leader's domestic position. She would also be sending a message to Arab opinion by meeting with Palestinians, and expressing sympathy for their rights and aspirations. Arguably, the greatest challenge of her trip was to strengthen the moderate Palestinians who she hoped would eventually prevail over the extremists within the PLO.<sup>2</sup> The stronger control of the Number Ten private office over foreign policy was exploited by the Prime Minister to cultivate closer ties with Israel under the premiership of Peres.

As the first British Prime Minister to visit the Jewish State, there would be a unique opportunity for Thatcher to enhance her credentials as a friend of Israel. Within the FCO, Thatcher's visit to Israel had been viewed as the culmination of a series of visits, beginning with Richard Luce's trip in 1983. The process had intensified during the premiership of Peres, as the British Government had sought to encourage his more flexible approach on the Palestinian issue.<sup>3</sup>

It was no coincidence that Thatcher was visiting Israel while Peres was at the helm. As Yossi Ben Aharon, Shamir's adviser, points out:

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<sup>2</sup> Thatcher, *The Downing Street Years*, p.511

<sup>3</sup> FCO/FOI 351-09, Minute from P Nixon to D Miers, 19 June 1986

Peres wanted to strengthen his standing, and there were many who wanted to help him. Therefore, when he invited Thatcher to visit, she came. She would not have come to visit Shamir.<sup>4</sup>

In her own memoirs, Thatcher writes that she timed her visit to coincide with Peres's term as Prime Minister. She felt that "it was a great pity" that under the Israeli coalition rotation arrangement, he would soon be replaced by "the hardline" Likud leader.<sup>5</sup> The FCO was greatly concerned about the regional stalemate, and the consequent danger of the radicalization of Arab states which threatened renewed conflict.<sup>6</sup> On this basis, Squire argued that Thatcher's visit to Israel was a timely opportunity to break the status quo. In a cable to London, he noted that Thatcher's standing was very high in Israel – in particular, after her support for the US raids on Libya. Thatcher's influence with President Reagan and King Hussein together with her strong stand on terrorism would therefore enable her to say unpalatable things to the Israelis that would be regarded from others as unwelcome interference in domestic affairs. He expressed the hope that the Prime Minister would send a "tough message" to the Israelis on the need for a realistic solution to the Arab-Israeli conflict which would take Palestinian nationalistic aspirations into account – a failure to do so would undercut moderates like Peres. Squire added that Thatcher had an opportunity to shape the debate in Israel.<sup>7</sup> This underlined the fact that the FCO was hoping for cooperation from Thatcher with a view to strengthening the domestic standing of Peres.

Howe entirely agreed with Squire that Thatcher had to exploit her high standing in Israel to speak firmly on the Arab-Israel issue: it would help Peres against the Israeli hardliners. Nevertheless, there was concern within the FCO that Israeli hawks would exploit rhetoric about a "common crusade against terrorism" and portray Arabs as the villains. The FCO noted that the Arabs would be paying very careful attention to

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<sup>4</sup> Interview with Yossi Ben Aharon, 6 April 2010

<sup>5</sup> Thatcher, *The Downing Street Years*, p.510

<sup>6</sup> Cradock, *In Pursuit of British Interests*, p. 161

<sup>7</sup> FCO/FOI 351-09, Cable from W Squire to FCO, 6 May 1986

every word of the Prime Minister against the background of Britain's support for the US action against Libya.<sup>8</sup> Ahead of Thatcher's dinner speech at the Knesset, Sir David Miers, the FCO Under-Secretary for the Middle East, recommended removing references to Jewish sufferings from terrorism to avoid any suggestion of a link between Britain's actions against terror and Israel's problems with the Palestinians.<sup>9</sup> There had also been a suggestion that the Prime Minister make a swift visit to Cairo to counter-balance her trip to Israel, were it necessary, in order to pacify Arab opinion. Howe rejected the idea.<sup>10</sup>

As Foreign Secretary, Howe would hold a weekly bilateral meeting with the Prime Minister. Prior to Thatcher's visit to Israel, a briefing was prepared for the bilateral on 20 May which was devoted to the forthcoming trip. A minute was circulated within NENAD alluding to Howe's concern that Thatcher would become suspicious of the briefing because it was written in the "notoriously pro-Arab FCO."<sup>11</sup> Howe therefore suggested that the strongest points in the briefing were best expressed by reference to their adoption by King Hussein or John Coles, the British Ambassador in Amman who had served as Private Secretary to Thatcher.<sup>12</sup> The Prime Minister would take these points more seriously if they were linked to King Hussein. Furthermore, Howe felt that the briefing could emphasize the need for the Prime Minister to tell her hosts some "home truths", particularly over Palestinian rights.<sup>13</sup>

The briefing for the Howe-Thatcher bilateral stated that in view of the stagnation in the peace process, it would be important to emphasize the urgency of the difficulties, the need for the amelioration of conditions in the Occupied Territories and to switch the focus away from terrorism. The briefing mentioned also that the Israelis were not

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<sup>8</sup> FCO/FOI 351-09, Minute from R Culshaw to CD Powell, 9 May 1986

<sup>9</sup> FCO/FOI 351-09, Minute from D Miers to Private Secretary, FCO, 19 May 1986

<sup>10</sup> FCO/FOI 351-09, Minute from R Culshaw to Nixon, 1 May 1986

<sup>11</sup> FCO/FOI 351-09, Minute from R Culshaw to Nixon, 19 May 1986

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

pushing for additional bilateral concessions. The Prime Minister's visit to Israel was "sufficient in itself".<sup>14</sup>

In a cable to the FCO, John Coles expressed his hope that the Prime Minister would emphasize the need for a "just and lasting settlement of the Palestinian problem as an urgent necessity." Coles added that it would help if the Prime Minister could appeal to Washington to restart the peace process. It was hoped that Thatcher would stress the need for an early Israeli withdrawal from the territories, and the need for an improvement in the living standards of the Palestinians as a prelude to and not a substitute for withdrawal.<sup>15</sup>

### **The Knesset Address**

Thatcher's after-dinner speech at the Knesset on 25 May was possibly the centrepiece of her entire visit. On the one hand, Thatcher played to the gallery of Israel's supporters in expressing her sincere admiration for Israel's outstanding accomplishments, and pledging Britain's commitment to "a stable, peaceful and secure future for the people of Israel." Indeed, she highlighted her personal connections with the Jewish State, mentioning her daughter's stay on a Kibbutz and the fact that her Finchley constituency was twinned with the Israeli municipality of Ramat Gan. There were also strong words of support for Soviet Jewry. On the other hand, Thatcher used her address to state uncomfortable truths to her audience: because Israel had set high standards, more was expected of her than other countries. As a result, the world expected Israel to protect the rights of Arabs in the territories. Israel could surely not accept a situation where two classes of people coexisted with different standards and rights. Thatcher also asserted that the situation in the Occupied Territories could not last. There was encouragement for the idea of West

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<sup>14</sup> FCO/FOI 351-09, Secretary of State's Bilateral with Prime Minister, 20 May 1986

<sup>15</sup> FCO/FOI 351-09, Cable from J Coles, Amman, to FCO, May 1986

Bank elections. Above all, the British Prime Minister emphasized that the Palestinians had to be given the right to determine their own future.<sup>16</sup>

Thatcher had not broken new ground with her speech. After all, she had already pledged her support for Palestinian self-determination in 1980. Nevertheless, there was a shift of emphasis towards the steps that were expected of Israel and its responsibilities. Thatcher's address was aimed essentially at four constituencies: the British Jewish community, the Israeli electorate, Arab opinion, and Washington. Squire maintained that her speech was designed to support Peres and other moderates while challenging Likud arguments in favour of the status quo. The address "touched raw nerves" on the need for progress in the territories, self-determination for the Palestinians and West Bank elections. Squire believed that almost everything she had said converged with the position of Peres, with the exception perhaps of mayoral elections in the territories. It was no surprise, therefore, that Peres's adviser Nimrod Novik was delighted with the speech.<sup>17</sup> Thatcher's remarks on the need for an urgent solution had also been intended for Washington's consumption.<sup>18</sup> In view of Thatcher's oft-stated hostility to the FCO, it was interesting how closely her keynote address dovetailed with the hopes and expectations of senior mandarins.

### **Thatcher's Visit to Israel and the 'Finchley Factor'**

During her visit to the Yad Vashem Holocaust Heroes and Martyrs Authority, Thatcher stated: "Who better than you, with the experience of the fate of a persecuted minority, can understand the Palestinians?" Following her frank remarks at Yad Vashem, the Haaretz newspaper later commented that "Thatcher made it clear that she didn't come to Israel to win the hearts of the Jews of Finchley but to express the European consensus."<sup>19</sup> In fact, Thatcher had set out to do both. The Prime

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<sup>16</sup> MTF, Speech at Dinner given by Israeli Prime Minister, 25 May 1986

<sup>17</sup> FCO/FOI 351-09, Letter from W Squire to P Nixon, 12 June 1986

<sup>18</sup> FCO/FOI 351-09, Letter from W Squire to P Nixon, 12 June 1986

<sup>19</sup> FCO/FOI 351-09, Cable from W Squire to FCO, 3 June 1986

Minister's visit had also been organized in such a way as to appeal to the Israeli people and her Jewish supporters in Britain. Thatcher brought with her a large entourage, including her constituency chairman and prominent Jews such as Gerald Ronson and Marcus Sieff. She relished the symbolism of being the first British Prime Minister to visit the State of Israel.<sup>20</sup> Israel's Ambassador to Britain noted that she was quite overwhelmed during her trip:

It had a royal cavalcade feel about it. Thousands of people came out to cheer her... [She was given] a ceremony of a Head of State with a Guard of Honour... She was astonished as she drew up by the King David Hotel at the number of people behind the barriers. She was also surprised how clean everything was.<sup>21</sup>

The Prime Minister visited a school in the town of Ashkelon which had been built with the support of British Jews. The visit offered her an opportunity to pay tribute to the multifaceted contributions of Anglo-Jewry to Israeli life.<sup>22</sup> Later, on her way to the airport, Thatcher visited Ramat Gan, a suburb of Tel Aviv that was twinned with Finchley. On her arrival, the Prime Minister found a very enthusiastic crowd of 25,000 people awaiting her. According to Ewen Fergusson, a FCO official who accompanied Thatcher during her trip, the visit was clearly something that played to her Finchley constituency.<sup>23</sup> Thatcher herself was visibly moved by the enthusiastic response within Israel. A few weeks later, at a State banquet in London for the West German President, Thatcher went over to Avner and spoke with great excitement about her visit to Israel, with members of the Royal Family within earshot.<sup>24</sup>

### **The Meeting with Palestinian Leaders**

Thatcher's planned meeting with Palestinian leaders from the West Bank was also a fundamental element of her visit. Howe believed that such a meeting would be

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<sup>20</sup> Interview with Ewen Fergusson

<sup>21</sup> Interview with Yehuda Avner

<sup>22</sup> MTF, Speech at Henry Ronson Comprehensive School, 26 May 1986

<sup>23</sup> Interview with Ewen Fergusson

<sup>24</sup> ISA 9707/1, Cable from Israeli Embassy, London, to MFA, 8 July 1986

“important presentationally” at a sensitive time for relations between Britain and the Arab world.<sup>25</sup> A number of newspapers had claimed that Thatcher would become the first Western Prime Minister to meet with West Bank leaders while on a visit to Israel.<sup>26</sup> A FCO cable to the Consulate General in Jerusalem provided an indication of the importance of the meeting for British policy in the region:

The atmosphere at the Prime Minister’s meeting with Palestinians will be vitally important for the success of the visit to Israel and its wider impact in the Arab world, where we need to make up lost ground after Libya.<sup>27</sup>

Ahead of the meeting, the Palestinians prepared a Memorandum for the Prime Minister. Appreciation was shown for the position of the Thatcher Government on the Arab-Israeli conflict. The Memorandum stated that unlike successive US Administrations, the British Government had shown a “sincere willingness” to resolve the conflict on a fair basis reflected in the October 1985 attempt to meet two PLO officials in London. Furthermore, Britain openly recognized the “all important Palestinian right to self determination” as a signatory to the Venice Declaration. The Palestinians had also welcomed the British statements on the illegality of Israeli settlements in the West Bank. The Palestinians called for the British Government to open a direct dialogue with PLO representatives without preconditions. Awkwardly, there was a denunciation of the air strike on Libya which had “unfortunately received British backing.”<sup>28</sup>

Thatcher met with eight Palestinian leaders on 26 May. Five of the Palestinians were from the West Bank, and three were from Gaza. The meeting lasted nearly two and a half hours. The leaders welcomed Thatcher’s speech in the Knesset, and were reassured by her position on Palestinian self-determination.<sup>29</sup> The Palestinians described to Thatcher the difficulties they faced living under Israeli occupation. There was a unanimous rejection of terrorism, and a commitment to a peaceful

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<sup>25</sup> FCO/FOI 351-09, Secretary of State’s Bilateral with Prime Minister, 20 May 1986

<sup>26</sup> FCO/FOI 351-09, Cable from CJ Ferguson to FCO, February 1986

FCO/FOI 351-09, Cable from W Squire to FCO, February 1986

<sup>27</sup> FCO/FOI 351-09, Cable from E Fergusson, FCO, to Consul General, Jerusalem, May 1986

<sup>28</sup> FCO/FOI 351-09, Memorandum presented to Prime Minister Margaret Thatcher, 26 May 1986

<sup>29</sup> FCO/FOI 351-09, Cable from De Courcy-Ireland, Jerusalem, to FCO, May 1986

settlement, as well as total support for the PLO under Arafat. The leaders asked the Prime Minister to tell King Hussein that they wished to see a revival of the Amman Accord and a resumed dialogue between Jordan and PLO representatives. The leaders asserted that Israel had to grant democratic rights to the residents of the territories, and stop land expropriation and settlements. No mention was made of the bombing raids on Libya during the meeting itself.<sup>30</sup>

Britain's Consul General, Patrick De Courcy-Ireland, viewed the meeting as "a resounding success." The Palestinians had felt honoured that the Prime Minister had devoted so much time to their concerns while on an official visit to Israel. They regarded the first ever meeting of the head of a leading Western Government with a Palestinian delegation during a visit to Israel a very significant political development which demonstrated that the Palestinian case demanded to be heard. They expressed their hope that the meeting would lead to the reactivation of the peace process.<sup>31</sup> Thatcher later wrote to King Hussein that she found her meeting with the Palestinians "very helpful in reaching a better understanding of their grievances", and was encouraged by their willingness to reach a peaceful agreement by negotiation.<sup>32</sup> Some three months before Thatcher's visit, Howe had made it clear that he viewed such a meeting as a matter of "great importance."<sup>33</sup> It was important to show the Arab world that Britain was sympathetic to Palestinian grievances. Thatcher's successful meeting with the Palestinians was a further demonstration of the cooperation between the FCO and Number Ten. Furthermore, the Prime Minister had utilized her personality and growing international stature to make her own distinctive contribution to British diplomatic efforts in the Arab-Israel arena.

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<sup>30</sup> FCO/FOI 351-09, Cable from De Courcy-Ireland, Jerusalem, to FCO, June 1986

<sup>31</sup> Ibid.

<sup>32</sup> FCO/FOI 351-09, Cable from FCO to Amman, May 1986

<sup>33</sup> FCO/FOI 351-09, Letter from RN Culshaw to CD Powell, 25 February 1986

## The Meetings with Peres

Thatcher held some four hours of discussions with Peres, as well as a number of conversations while they were travelling around Israel.<sup>34</sup> Novik who had been present at Peres's meetings with international statesmen believed that his relationship with Thatcher was unique since the discussions with her were more intimate than those he held with Kohl, Mitterand or anyone else. Peres was friends with Mitterand, but his meetings with him did not hold the same weight because of her connections with King Hussein and President Reagan. The discussions he held with Thatcher on internal political issues were much more open than those he held with others from the outside.<sup>35</sup>

During their discussions, Thatcher found Peres sympathetic to King Hussein's needs. Peres was prepared to implement promptly a number of measures on the West Bank which had been proposed by Hussein, such as doubling the numbers of family reunifications. Nevertheless, he was unenthusiastic about the idea of the election of Mayors on the West Bank, citing the unsatisfactory precedents of such elections in 1976 and the risks of PLO intimidation.<sup>36</sup> He was also sceptical about King Hussein's proposal for an international conference.<sup>37</sup> Peres proposed the idea of a 'Gaza First' arrangement whereby Egypt would become directly involved in Gaza's economic development, while Jordan would build political links in the area. Peres also returned to his idea of holding confidential working-level discussions with Jordan, and urged Thatcher to raise it with King Hussein. Thatcher informed Peres that she knew that Hussein had strong reservations about both ideas. Nevertheless, she would pass on any message which the Jordanian King wished to pass on to him.<sup>38</sup> Thatcher was encouraged by Peres's wish to see progress being made, and by his readiness to improve the situation in the West Bank which in itself constituted

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<sup>34</sup> FCO/FOI 351-09, Cable from FCO to Embassy, Tel Aviv, May 1986

<sup>35</sup> Interview with Dr Nimrod Novik

<sup>36</sup> FCO/FOI 351-09, Cable from FCO to Amman, May 1986

<sup>37</sup> Thatcher, The Downing Street Years, p.512

<sup>38</sup> FCO/FOI 351-09, Cable from FCO to Amman, May 1986

an advance. She wrote to King Hussein that it would be important to take advantage of this willingness before the Israeli Government rotated in the autumn.<sup>39</sup>

Following her meetings with the Israeli Prime Minister, Thatcher was pessimistic about future prospects in the region. Peres understood the need for compromise, but it appears that Thatcher was a little disappointed with him. She expected more flexibility over issues such as the international conference. Nevertheless, in comparison to Shamir, Peres's policies still represented a ray of hope for the peace process. Thatcher was therefore unhappy that Peres would soon be rotating with Shamir. As she wrote in her memoirs, "the succession of Mr Shamir as Prime Minister would soon seal off even these few shafts of light."<sup>40</sup>

Powell maintains that Thatcher did not attempt to influence internal political developments in democratic countries. In her discussions with the Soviet leader, Mikhail Gorbachev, she would try and influence him to introduce systemic changes in his country. When it came to democratic countries, however, she did not believe in backing one side against the other. According to Powell, the FCO may have been motivated to do so, but not Thatcher.<sup>41</sup> The correspondence from the FCO during this period confirms that it certainly believed in strengthening Peres at the expense of his Likud rivals.<sup>42</sup> Nevertheless, Thatcher's actions during her visit to Israel and her later discussions with the Americans demonstrated that she too was putting her full weight behind this policy, as she also wanted Peres to prevail over Shamir.<sup>43</sup>

Thatcher was disappointed by the readiness of Peres to go ahead with the rotation. She was even prepared to intervene in domestic Israeli affairs by subtly trying to discourage Peres from going ahead with the rotation with Shamir in October 1986. During one meeting with Peres, she had expressed her concern about the forthcoming rotation. In the talks between them, she would ask a lot of questions

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<sup>39</sup> Ibid

<sup>40</sup> Thatcher, *The Downing Street Years*, p.512

<sup>41</sup> Interview with Lord Powell

<sup>42</sup> FCO/FOI 351-09, Minute from R Culshaw to CD Powell, 9 May 1986

<sup>43</sup> See below, pp.221-225

about Israeli politics. Thatcher was very concerned about the rotation agreement, and was very surprised by his responses on the matter. She probed to see if there was any way of preventing the arrangement from going ahead.<sup>44</sup> The Reagan Administration had serious misgivings over this approach. In a meeting with Thatcher during 1987, Shultz expressed his unease over attempts to support Peres against Shamir, and warned that such an approach could be counter-productive.<sup>45</sup>

### **A Shift on the PLO and a Palestinian State**

At her final press conference shortly before leaving Israel, Thatcher appeared to backtrack from one of the commitments she had made as a signatory to the Venice Declaration. The Prime Minister had originally committed that the PLO had to be associated with peace negotiations. Now, she was stating that if the PLO could not be persuaded to renounce terrorism, it would become necessary to find other representatives who “truly represented the Palestinian people.”<sup>46</sup> Thatcher was suggesting that there could be an alternative Palestinian leadership to the PLO. She went even further during a European Council meeting in London in December 1986 when she stated at a press conference that “it is not acceptable to some of us that the Palestinians should be represented by the PLO.” Israel’s Foreign Ministry noted that this was the first time that Thatcher had publicly identified with Israel’s position on the PLO.<sup>47</sup>

There was further controversy during Thatcher’s visit to Ramat Gan when she stated that an independent Palestinian state would cause difficulties. Thatcher preferred the West Bank to be part of a federation with Jordan.”<sup>48</sup> Since 1980, the Prime Minister had not ruled out the possibility of an independent Palestinian State. Now it appeared that she had stronger reservations about such an eventuality. In making the aforementioned statements, Thatcher had gone further than the FCO would have

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<sup>44</sup> Interview with Dr. Nimrod Novik

<sup>45</sup> Reagan Library, Ledsky/92082/61795, Meeting between Prime Minister Thatcher and Secretary Shultz, 17 July 1987

<sup>46</sup> MTF, Press Conference Ending Visit to Israel, 27 May 1986

<sup>47</sup> ISA 9707/2, Cable from Minister, London, to MFA, 8 December 1986

<sup>48</sup> MTF, Remarks Visiting Ramat Gan, 27 May 1986

liked. This was a rare example of the Prime Minister departing from the FCO line. Nevertheless, according to one official within NENAD, her statements were an expression of the policies that King Hussein had espoused and was trying to implement.<sup>49</sup> Indeed, it soon emerged that King Hussein had been very pleased by the Prime Minister's statements – in particular, her reference to “federation”.<sup>50</sup> In other words, Thatcher was trying to strengthen the position of King Hussein who had recently fallen out with Arafat. At the same time, Thatcher left the door open for a new approach towards the PLO, in the event of a renunciation of terrorism and an acceptance of Israel's right to exist.<sup>51</sup>

During the first term of the Thatcher Government, the FCO prevailed largely as a result of the lack of political leadership from Number Ten on policy towards the Arab-Israel conflict. By the mid 1980s, however, Thatcher had exercised stronger political leadership in this realm. The Whitehall bureaucracy did not challenge Thatcher, but accommodated her position. This was particularly evident with regard to Thatcher's new political line on the PLO and an independent Palestinian State. In the same way that Thatcher adapted her position during her first term in office, the FCO was similarly able to adjust itself to the new line emerging from 10 Downing Street.

This was illustrated perfectly by an FCO cable sent out in the wake of Thatcher's visit to Israel. On the one hand, the FCO expressed concern that there was misunderstanding in the Middle East over some of the Prime Minister's remarks. In particular, there had been suggestions that her support for “some kind of Federation with Jordan” ruled out self-determination for the Palestinians. There was also unease that her support for the election of Mayors on the West Bank would be viewed as excluding the PLO as the sole legitimate representative of the Palestinian people. On the other hand, the FCO urged British officials to counter such misunderstandings by pointing out that the Prime Minister had not dismissed the principle of self-

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<sup>49</sup> ISA 9707/1, From Political Counsellor, London, to MFA, 2 June 1986

<sup>50</sup> FCO/FOI 351-09, Minute from SWJ Fuller, FCO, to Ambassador, Cairo, 4 June 1986

<sup>51</sup> MTF, Press Conference Ending Visit to Israel, 27 May 1986

determination for the Palestinians. In advocating a federation with Jordan, she had merely presented the most realistic option for achieving self-determination. The Prime Minister had also accepted the possibility of a confederation which both Jordan and the PLO had supported in February 1985. In addition, it was pointed out that Thatcher had not ruled out the PLO's association with negotiations.<sup>52</sup> In fact, Thatcher's position on an independent Palestinian State broadly followed the views of both Jordan's King Hussein and Egypt's President Mubarak.<sup>53</sup> Thus, Thatcher's apparent policy shift on the Palestinian question did not have far-reaching significance and was accommodated by the FCO

### **Thatcher's Letter to King Hussein**

On her return from Israel, Thatcher wrote to King Hussein. She informed him that the starting point for her discussions was that the stagnation in the peace process was "dangerous", and that a way had to be found to achieve some momentum. Until progress in negotiations could be achieved, a focus had to be placed on practical steps to improve conditions in the Occupied Territories. These steps could only constitute a confidence building measure, and not a substitute for an eventual settlement. Israel could not claim democratic rights for itself, and deny them to others. Thatcher also insisted that the PLO would have to renounce violence and accept Security Council resolutions 242 and 338 before becoming involved in negotiations. Thatcher informed the King that she had stated that the Palestinian right to self-determination could be pursued most effectively within the framework of a federation with Jordan. She also informed the King about her discussions with Peres, and emphasized that it would be important to take advantage of Peres's flexibility ahead of the rotation in the Israeli Government in the autumn.<sup>54</sup>

King Hussein had responded very positively to Thatcher's visit. Coles cabled the FCO to report that Hussein had been very grateful for the Prime Minister's efforts in

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<sup>52</sup> FCO/FOI 351-09, Cable from FCO to Middle East posts, Undated

<sup>53</sup> FCO/FOI 698-09, Cable from J Adams to FCO, 18 May 1989

<sup>54</sup> FCO/FOI 351-09, Cable from FCO to Amman, May 1986

Israel, and looked forward to their forthcoming meeting in London on 17 June. The Jordanian monarch asked Coles to relay to Thatcher his “great admiration for the way she had conducted the visit and his appreciation for her efforts to get to the heart of the problem.”<sup>55</sup>

### **FCO Reaction to the Visit**

The FCO viewed Thatcher’s visit to Israel as a great success. Squire believed that Thatcher’s visit was a “personal triumph” in its impact on Israeli public opinion. The response of the Israeli public had been “remarkable” and “beyond expectations”. In terms of atmosphere, relations between the two countries were at an all time high. Nevertheless, Squire had warned that once the euphoria had subsided, there was a danger of a reaction in the opposite direction.<sup>56</sup> Significantly, there was encouragement for Israeli politicians such as Peres who were working for a negotiated settlement. There was also an emphasis on the need for urgency in resolving the Arab-Israeli dispute. Squire maintained that a good bilateral relationship was not an end in itself – such a relationship had to be designed to advance British interests. The success of the visit had not removed the differences between the two countries, but had provided a more conducive atmosphere for the advancement of British perspectives. Furthermore, the point that Thatcher had made about urgency was designed for Washington’s consumption as well as for Israel. The visit had to be viewed as not just an event, but as part of a larger process.<sup>57</sup>

The FCO had noted with satisfaction that “the usual bilateral irritants” had scarcely arisen in Britain’s contacts with Peres, although this had not affected the “persistent zeal of some of Israel’s supporters” in Britain. Unlike his Likud rivals, Peres did not make an issue out of arms restrictions, oil sales and the Arab boycott. This gave the FCO further reason to hope that Peres would prevail over Shamir. At the same time, Israel’s supporters in Britain were exerting pressure on the Thatcher Government to

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<sup>55</sup> FCO/FOI 351-09, Cable from J Coles, Amman, to FCO, May 1986

<sup>56</sup> FCO/FOI 351-09, Cable from W Squire to FCO, Undated

<sup>57</sup> FCO/FOI 351-09, Letter from W Squire to P Nixon, 12 June 1986

put an end to the “bilateral irritants”.<sup>58</sup> The Haaretz newspaper pointed out at the end of the Prime Minister’s visit that the chemistry between Peres and Thatcher was not able to “overcome the British arms embargo on Israel.”<sup>59</sup> The FCO was now bracing itself for renewed Israeli pressure on the issues of the arms restrictions, the supply of North Sea oil and the Arab Boycott, once Shamir was Prime Minister.<sup>60</sup> Nevertheless, the Prime Minister had managed to pull off a remarkable balancing act – she had buttressed her reputation as a friend of the Jewish State, both among the Israeli public and the Jewish community in Britain, while also winning the support of moderate Arab opinion as a result of her outspoken support for Palestinian rights. Furthermore, the British Government had presided over a noticeable improvement in relations with the Jewish State without having to make concessions on the issues of arms restrictions and oil sales. Thus, the FCO had an additional reason to be satisfied with Thatcher’s visit.

The FCO had accepted that reaction to Thatcher’s visit in the Arab world was “mixed”. The main criticisms focused on Thatcher’s remarks about the PLO. There was concern that the remarks would leave some lingering doubts in the minds of Palestinians. Nevertheless, Arab governments had responded well to the “corrective line” put out by the FCO. The FCO stressed that Britain had to continue highlighting the Prime Minister’s messages that the Israeli occupation could only be temporary, and that there was an urgent need to seek a peaceful solution to the conflict.<sup>61</sup> Thus, in spite of Thatcher’s remarks about the PLO and an independent Palestinian State, the FCO was largely positive about the messages that the Prime Minister had relayed during her visit.

Thatcher and the FCO shared identical perspectives regarding King Hussein.<sup>62</sup> The visit to Israel provided a unique opportunity to build support for the positions espoused by the King. Hussein was gratified by the British Prime Minister’s public

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<sup>58</sup> FCO/FOI 351-09, Minute from P Nixon to D Miers, 19 June 1986

<sup>59</sup> FCO/FOI 351-09, Cable from Tel Aviv to FCO, June 1986

<sup>60</sup> FCO/FOI 351-09, Minute from P Nixon to D Miers, 19 June 1986

<sup>61</sup> FCO/FOI 351-09, Minute from P Nixon to W Squire, 23 June 1986

<sup>62</sup> Lochery, *Loaded Dice*, p. 190

statements while in Israel. Thatcher had also played an important role in narrowing the differences between Peres and Hussein, paving the way for the eventual London Agreement of April 1987. Nevertheless, in regard to making up “lost ground” in the Arab world after the bombing of Libya, there were mixed results. Alongside Jordan, moderate Palestinians were greatly encouraged by Thatcher’s vigorous statements in support of Palestinian rights. There was also some appreciation expressed in Cairo and Riyadh.<sup>63</sup> However, Thatcher’s statements on Palestinian representation arguably played into the hand of extremists in the region, while enraging the PLO leadership.<sup>64</sup>

Thatcher’s visit to Israel had been designed with a view to breaking the regional status quo and strengthening the voices of the moderates. On this score, her record was mixed, notwithstanding the upbeat assessments of the FCO. Thatcher’s addresses and statements in Israel had been carefully calibrated to strengthen public support for the positions espoused by Peres, just as FCO mandarins had hoped for. This reflected the cooperation between the FCO and 10 Downing Street on policy in the Arab-Israel arena. Nevertheless, Britain was not in a position to exercise an influence on internal Israeli dynamics. Thatcher’s visit would make little difference to Peres’s political standing in Israel. Since he was intending to go ahead with the rotation in October 1986, Peres would soon be swapping positions with his hardline political rival Shamir. This would leave him less room for manoeuvre.

Ultimately, in order to break the regional deadlock, it would become necessary for the Reagan Administration to take an initiative. Thatcher’s statements in Israel had been aimed at the Americans, as well as the Israelis and the Arabs.<sup>65</sup> Nevertheless, there was no sign of any movement on the part of Washington. One of the successes of the Thatcher visit lay in the positive atmosphere which had been created. Following the visit, FCO officials believed that relations between Britain and Israel

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<sup>63</sup> FCO/FOI 351-09, Cable from Cairo to FCO, 3 June 1986

FCO/FOI 351-09, Note from King Fahd to M Thatcher, 24 June 1986

<sup>64</sup> FCO/FOI 351-09, Cable from Tunis to FCO, June 1986

<sup>65</sup> Interview with Dr. William Squire

had never been better.<sup>66</sup> However, the warmer bilateral ties were designed to provide Britain with a greater measure of influence over the Israelis. In the period that followed, there did not appear to be any evidence to suggest that Britain had acquired this influence over the Israeli Government.

Thatcher's visit to Israel had provided evidence that the Prime Minister was beginning to utilize her expanded involvement in foreign policy to impose her leadership in the Arab-Israel arena. This was noticeable in regard to her attempts to strengthen the standing of Peres, her well publicized meeting with Palestinian moderates and her new statements on the PLO and an independent Palestinian State. Thatcher's controversial statement on the PLO and Palestinian independence did not constitute a far-reaching departure from the traditional FCO position. Arguably, it was designed to strengthen the position of King Hussein rather than to win support among the Israelis. Nevertheless, it was the closest that Thatcher came to exerting an independent line on policy towards the Arab-Israel conflict.

### **Policy on East Jerusalem**

Thatcher's readiness to follow the FCO's traditional position on the Arab-Israel conflict was exemplified by her attitude over east Jerusalem. The FCO had always taken pains to ensure that representatives of the British Government avoided any action which appeared to constitute recognition of Israel's claims over east Jerusalem. In this context, it was the British practice to hold separate receptions for Arabs and Jews in Jerusalem to celebrate the Queen's birthday. The FCO was opposed to the holding of joint receptions in Jerusalem for Arab and Jewish residents on National Days, as there was a concern that this would constitute recognition of Israeli claims over the entire city of Jerusalem.

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<sup>66</sup> ISA 9707/1, Cable from Political Counsellor, London, to MFA, 2 June 1986

The Mayor of Jerusalem, Teddy Kollek, wrote to Thatcher in the wake of her visit to express his dissatisfaction over the holding of separate functions by the Consul General of Britain. Kollek claimed that the Americans had stopped such a practice, and he hoped that the British would follow suit.<sup>67</sup> Indeed, during a later meeting with David Mellor, the Minister of State at the FCO, Kollek claimed that the British Government was unhelpful to him as Mayor of Jerusalem. Kollek did not understand the British Consul General's objections to joint parties in which both Arabs and Jews could participate, and maintained that he was doing nothing to establish better relations between the parties in Jerusalem.<sup>68</sup>

Thatcher responded that it was European practice to hold two receptions for national days, and that it provided opportunities to meet with more people. Thatcher rejected the option of a change in the policy.<sup>69</sup> In a letter to the Director General of Israel's Foreign Ministry, Kollek's Special Adviser wrote that Thatcher's response was "unsatisfactory".<sup>70</sup> In fact, it signified that Thatcher was not prepared to deviate from the FCO position on east Jerusalem.

### **Shamir Takes Over as Prime Minister**

In the months following her visit to Israel, Thatcher tried to use her growing influence with the Reagan Administration, in view of her increasing concern over the vacuum in the Middle East. During talks at Camp David in November 1986, the Prime Minister urged the Americans to launch a Middle East initiative.<sup>71</sup> A month earlier, Shamir and Peres had swapped places, with Shamir becoming Prime Minister and Peres Foreign Minister. With Shamir now serving as national leader, Thatcher believed it was particularly important for Washington to apply pressure on Israel. During a television interview, she asserted that there could be no movement without the United States using its influence with Israel. She expressed her hope that the

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<sup>67</sup> ISA 9707/2, Letter from T Kollek to M Thatcher, 18 June 1986

<sup>68</sup> FCO/FOI 351-09, Meeting between D Mellor and T Kollek, 6 January 1988

<sup>69</sup> ISA 9707/2, Letter from M Thatcher to T Kollek, 24 July 1986

<sup>70</sup> ISA 9707/2, Cable from Mayor's Special Adviser to Director General of MFA, 15 August 1986

<sup>71</sup> ISA 9707/3, Cable from Israeli Embassy, London, to MFA, 20 January 1987

remaining two years of Reagan's presidency would be used for this very purpose, adding that the problems being experienced throughout the Middle East meant that negotiations were "even more urgent, as one of the world's post-war problems to be tackled."<sup>72</sup> Thatcher appeared to be echoing the sentiments of Toynbee and leading FCO Arabists in expressing the view that the Israel/Palestinian impasse was a central factor affecting developments in the Middle East: a resolution of the conflict would be the key to eradicating Middle East unrest.

As Prime Minister, Shamir was actively opposed to any initiatives to change the status quo. The Reagan Administration was therefore reluctant to put forward new ideas for breaking the deadlock. It was feared that any initiative on its part would be viewed as an intervention in internal Israeli politics. Thatcher and the FCO shared the views of Peres and Hussein on the appeal of an international conference as a means to breaking the regional stalemate. Shamir was fiercely opposed to an international conference, viewing it as a danger to Israel.<sup>73</sup>

### **The London Agreement**

In view of the bleak situation in the region, Peres and Hussein chose to act together in a bid to break the deadlock. Lord Mishcon, a British Jew and a friend of both Peres and Hussein hosted the two leaders in his flat for a meeting on 11 April 1987.<sup>74</sup> Thatcher's private office was involved in putting together the arrangements for the meeting. The FCO, however, was left out of the loop.<sup>75</sup> Peres notified Shamir before and after all of his meetings with King Hussein, so the Israeli Prime Minister was well aware of the secret meeting of April 1987.<sup>76</sup> Peres was accompanied on his trip

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<sup>72</sup> MTF, TV Interview for Channel 4 News, 9 December 1986

<sup>73</sup> Yitzhak Shamir, *Summing Up: An Autobiography*, (Little, Brown and Company: London, 1994), p. 167

<sup>74</sup> Shlaim, *Lion of Jordan*, p. 441

<sup>75</sup> Interview with Lord Powell

<sup>76</sup> Interview with Dr. Yossi Beilin, 23 August 2009

to London by Dr. Yossi Beilin, the Director General of the Foreign Ministry and Efraim Halevy, the Deputy Director of the Mossad.<sup>77</sup>

On the plane to London, Peres said to Beilin that there was an opportunity to achieve “something special”.<sup>78</sup> Peres, Beilin and Halevy were joined in London by King Hussein and his Prime Minister, Zaid Rifa’i. Agreement was reached on the convening of an international conference to launch a process of negotiations. King Hussein agreed that the conference should not have the power to impose solutions. There was agreement also on a joint Jordanian-Palestinian delegation which would not include declared members of the PLO. There would be direct negotiations in bilateral committees consisting of Israelis and their Arab adversaries. The Israelis drafted two documents, as suggested by Hussein. One of the documents dealt with the procedures of an international conference, and the other detailed the understandings reached between Israel and Jordan. Peres viewed the London understandings as a major accomplishment. He had long sought an agreement with King Hussein, and now he had one. Hussein had managed to obtain an Israeli agreement on an international conference which was also an important achievement.<sup>79</sup> The Agreement was subject to the approval of the Israeli and Jordanian Governments, and it would be shown and recommended to the United States for its endorsement.<sup>80</sup>

Peres and Beilin were convinced that Shultz would enthusiastically support the London Agreement, and that the Likud would also accept it. Beilin recounts that on their return to Israel, Rabin was shown the document. The Defence Minister, a sceptic by nature, responded that they had to do all they could to advance it. Peres then despatched Beilin to Helsinki in order to notify Shultz of the London Agreement. Beilin believed it was critical that the London Agreement “was on the table” ahead of the superpower summit meeting that Shultz was preparing for in Moscow. Beilin spoke to Charles Hill, Shultz’s aide. Hill was very emotional about

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<sup>77</sup> Shlaim, *Lion of Jordan*, p. 441

<sup>78</sup> Interview with Dr. Yossi Beilin

<sup>79</sup> Shlaim, *Lion of Jordan*, pp. 442-443

<sup>80</sup> Peres, *Battling for Peace*, p.422-423

the Agreement, believing it constituted a breakthrough. He informed Beilin that Shultz was very enthusiastic about the document.<sup>81</sup> Nevertheless, Shultz believed it “extraordinary” that he had been asked by Peres to sell the agreement to Shamir, his own Prime Minister, before Peres himself had done so. Shultz was well aware that Shamir was strongly opposed to an international conference.<sup>82</sup>

Peres later met with Shamir, and told him about the London Agreement. Shamir asked to be shown the document, but Peres refused to do so, claiming that he was afraid of leaks by Shamir’s staff.<sup>83</sup> Shamir was stung by Peres’s refusal to show him the document. Peres gave Shamir the impression that he was working behind his back. Beilin believes that the London Agreement ultimately failed partly because of Peres’s behaviour towards Shamir. Furthermore, Beilin claims that the objections of Likud ministers towards the London Agreement were not based so much on ideology but rather on the fact that it came from the hand of Peres.<sup>84</sup>

On 22 April, Shultz telephoned Shamir to inform him that Peres had told him about the London Agreement. Shultz indicated that he was ready to travel to the Middle East to advance the understandings that had been reached. Shamir was clearly unhappy.<sup>85</sup> Shamir immediately sent Arens to meet with Shultz. Arens told the US Secretary of State that Peres wanted to hurt Shamir. He warned Shultz that he would be getting embroiled in internal Israeli politics, and advised him not to endorse the Agreement. Shultz accepted Arens’s advice. Shultz came to see the London understandings as an internal Israeli concern and a waste of the Reagan Administration’s time. The London Agreement had effectively collapsed.<sup>86</sup>

Peres did not hold a cabinet debate on the Agreement, as it was clear that he did not have a majority in favour. However, a meeting was held in Peres’s office with other

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<sup>81</sup> Interview with Dr. Yossi Beilin

<sup>82</sup> Shultz, *Turmoil and Triumph*, p. 939

<sup>83</sup> Peres, *Battling for Peace*, p.361

<sup>84</sup> Interview with Dr. Yossi Beilin

<sup>85</sup> Shultz, *Turmoil and Triumph*, p. 940

<sup>86</sup> Interview with Dr. Yossi Beilin

Labour ministers. A number of ministers demanded that the Government be brought down on the issue, but Peres together with Rabin felt that Labour had to remain in the Government. Beilin prepared a letter for Peres announcing his readiness to resign as Director General of the Foreign Ministry. Peres pleaded with Beilin not to do so, as he feared that it would reflect badly on him. King Hussein was very angry with Peres because he understood that the Israeli Foreign Minister would resign if the agreement fell. Hussein felt that Peres was effectively abandoning him.<sup>87</sup>

The London Agreement held much promise, but was ultimately a missed opportunity. Peres claimed that the eruption of the Intifada some nine months later might have been avoided had there been success with the Agreement.<sup>88</sup> The failure of the London Agreement had left King Hussein dangerously exposed.<sup>89</sup> This was arguably a factor in his eventual decision to disengage from the West Bank in August 1988.

The London Agreement provided a further manifestation of the growing control of Downing Street over foreign policy. Thatcher had given her full support to the London talks. In particular, she viewed the Hussein-Peres understanding as an opportunity to clip the wings of the Soviets, at a time of heightened concern over their growing influence in the region.<sup>90</sup> Her private office was involved in the arrangements for the meeting, while the FCO was left out of the loop. Thus, in a sense, the FCO found itself outflanked once again by a Prime Minister who was exploiting the growing authority she now possessed to play a direct supporting role in the peace process. Nevertheless, the Prime Minister limited her involvement in the London talks since she knew that the Americans were already playing a role in the proceedings. There was very close coordination between Shultz and the British Government on the issue. Furthermore, King Hussein, in particular, kept Thatcher

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<sup>87</sup> Ibid.

<sup>88</sup> Peres, *Battling for Peace*, p.365

<sup>89</sup> Interview with Dr. Nimrod Novik

<sup>90</sup> Reagan Library, Declassified, Executive Secretariat, NSC: System File, Box 230, 8790998-8791003, Doc 88420, Message from M Thatcher to R Reagan, September 1987

closely informed on the discussions and their outcome.<sup>91</sup> Thus Thatcher's strong backing for the London Agreement suggested that even as Number Ten exerted greater control over Middle East policy, the Prime Minister tended to take the lead with a view to strengthening traditional FCO objectives in the Arab-Israel arena, rather than challenging them.

The fragile position of Peres in Israel's National Unity Government meant that support from the Americans would have made a considerable difference in terms of strengthening his domestic standing. Peres would have been in a stronger position to win the backing of the Israeli public for the London Agreement had the Reagan Administration pledged its support. In her talks with the Americans some three months later, Thatcher expressed her great disappointment and anger over their failure to help Peres. Shultz, in particular, made it clear that American support for the position of Peres would be viewed in Israel as outside intervention in its domestic affairs.<sup>92</sup> Yet American intervention was exactly what Thatcher was hoping for from the Reagan Administration.

Peres must also bear some responsibility for the ultimate collapse of the London Agreement. Thatcher and Howe both believed that Peres had to be strengthened domestically since it appeared that only he was prepared to work for the advancement of the peace process. Thatcher had given her full support to the Peres-Hussein London meeting. Yet Peres did not have the courage to resign and bring down the Israeli National Unity Government over the London Agreement. Peres has claimed that he could not have resigned since he had agreed with King Hussein to keep their understanding a secret. A resignation would have dishonoured the pledge he had made to Hussein, and would have embarrassed him.<sup>93</sup> Nevertheless, those close to Peres have dismissed this argument. Peres had already promised the King that he would leave the Government, and could have sought his approval prior to

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<sup>91</sup> Interview with Moshe Raviv, 14 April 2009

<sup>92</sup> Reagan Library, Ledsky/92082/61795, Meeting between Prime Minister Thatcher and Secretary Shultz, 17 July 1987

<sup>93</sup> Peres, *Battling for Peace*, p.364

resignation.<sup>94</sup> Beilin maintains that from the moment Peres decided against leaving the Government, the London understanding became a marginal issue. Had the Government fallen, a subsequent Israeli election would have revolved around the issue of the London Agreement. Peres would have had a reasonable chance of forming a coalition after such an election. According to this view, Peres's decision not to resign was a mistake.<sup>95</sup>

In spite of the failure of the London Agreement, Thatcher and the FCO continued to support Peres for the duration of the National Unity Government. There were no other options available. Nevertheless, over the longer term, both King Hussein and Thatcher were extremely disappointed with Peres. He had promised to bring down the Government and go to elections, but would not do so. Peres did not have the courage to do what he had promised.<sup>96</sup> Furthermore, Peres had handed the initiative to his rival Shamir who was determined to maintain the status quo.

The eventual failure of the London Agreement also indicated the scale of the challenge facing the Thatcher Government in persuading the Reagan Administration to play a more active role in the peace process. Although Shultz had originally been enthusiastic about the London Agreement, he refused to support it since he did not want to be perceived as backing one Israeli faction against another.<sup>97</sup> Nevertheless, by refusing to support the London Agreement, Shultz was effectively killing it – in this way, he was clearly exerting an influence over the internal Israeli process.<sup>98</sup> Peres's Labour Party would lose out while the Likud faction clearly stood to benefit from the non-intervention of the United States. Thatcher was angry equally with Peres and with the Reagan Administration over the missed opportunity embodied by the failure of the London Agreement, since King Hussein had been left dangerously exposed.<sup>99</sup> The Prime Minister was also concerned that a vulnerable Jordanian

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<sup>94</sup> Interview with Dr. Nimrod Novik

<sup>95</sup> Interview with Dr. Yossi Beilin

<sup>96</sup> Interview with Dr. Nimrod Novik

<sup>97</sup> Interview with Moshe Raviv

<sup>98</sup> Interview with Dr. Nimrod Novik

<sup>99</sup> Ibid.

monarch could now turn to Moscow for arms.<sup>100</sup> In his end of year report for 1987, the British Ambassador to Israel encapsulated the agreement between Thatcher and the FCO on the matter, at a time of growing concern over Soviet ambitions in the Middle East:

The United States Administration failed to add its weight at the critical moment in May to secure Israeli cabinet endorsement of the Hussein/Peres understanding...An opportunity was lost to move one step nearer negotiations at a time when the influence of moderate Arab leaders is stronger than for many years. In the face of a more active and sophisticated Soviet policy in the region, this may prove to be a damaging near-miss for both US and Israeli policy makers.<sup>101</sup>

### **Summary**

Thatcher was known for her suspicion of the FCO and its supposed pro-Arab bias.<sup>102</sup> In line with her reputation as a strong leader, Thatcher might have been expected to counter the FCO line on the Middle East, as power shifted from Whitehall to Number Ten. The Prime Minister's interventions on Libya and Syria, as well as her statements on the PLO and a Palestinian State, suggested a possible readiness to take an independent line on Middle East policy. However, Thatcher did not challenge the FCO Middle East policy. She was a pragmatist who remained concerned that Likud policies would perpetuate a regional stalemate which could ultimately prove damaging to Western interests. Instead, the Prime Minister used her growing authority to promote a policy that was closely aligned with the FCO. Thatcher's direct intervention in supporting King Hussein's diplomatic initiative, her meeting with Palestinian moderates, the backing for the London Agreement of April 1987 and her strong involvement in arms sales to the Arab world actually signified that she was using her growing power to take a lead in reinforcing traditional FCO objectives in the Arab-Israel arena. Indeed some of the actions taken by Thatcher were deeply problematic from the Israeli Government's perspective. Thus, her active involvement in arms sales to the Arab world and her efforts to bring the PLO out of

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<sup>100</sup> Reagan Library, Declassified, Executive Secretariat, NSC: System File, Box 230, 8790998-8791003, Doc 88420, Message from M Thatcher to R Reagan, September 1987

<sup>101</sup> FCO/FOI 0284-10, FCO Annual Review for Israel for 1987 by W Squire, 31 December 1987

<sup>102</sup> See above, p.191

the cold in 1985 were fiercely opposed not only by the Likud leadership but also by Peres.<sup>103</sup>

The leading representatives of the Anglo-Jewish community and Israeli officials had traditionally viewed the FCO and not 10 Downing Street as the source of difficulties affecting Britain's relationship with Israel.<sup>104</sup> Paradoxically, though, it was the FCO and not Number Ten which had initiated a conciliatory policy towards Israel, in order to improve the bilateral atmosphere and acquire greater leverage over the Jewish State. The FCO had played a significant part in the noticeable improvement in Anglo-Israeli relations during the mid 1980s, culminating in Thatcher's visit to Israel in 1986.

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<sup>103</sup> See above, pp.166-178

<sup>104</sup> See above, pp.248-249

## **Section Three**

### **Chapters Seven – Nine**

#### **Introduction**

Between 1987 and 1989, Thatcher remained concerned that the Soviet Union would be able to expand its influence in the Arab world at a time when the United States was granting automatic support to Israel.<sup>1</sup> It was during this period that the Prime Minister appeared to express her strongest opposition to US policy on Israel. Thatcher was deeply unhappy that Washington was allowing Shamir to veto any chances of a Middle East settlement. Thus, even where the FCO was largely frozen out of the Anglo-American relationship, the Prime Minister exploited her personal rapport with the Reagan Administration to push for the convening of an international conference – an idea that was approved by the FCO and fiercely opposed by the Likud leadership.<sup>2</sup> In fact, Thatcher's private diplomacy with the Reagan Administration was one area where the Prime Minister had attempted to exert her strong leadership in the Arab-Israel arena, but she had limited success here.

Thatcher did not challenge Whitehall policies on Israel, nor did she push an independent line. In this context, there was agreement between Downing Street and Whitehall that Britain had to maintain some distance from the Israeli Government while Shamir was Prime Minister, out of concern for British political and commercial ties in the Arab world. The cooperation between Number Ten and Whitehall on the Arab-Israel question was strengthened further during Thatcher's last years in office, in spite of the marginalization of the FCO in some areas of policy. Thus, the FCO expressed its strong objections to the hosting of Shamir in

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<sup>1</sup> See below, pp.229-230

<sup>2</sup> See below, pp.227-229

London during the first thirty months of his premiership in the National Unity Government. The FCO also advised against visits to Israel by representatives of the Royal Family. The Israeli Government and its supporters were unsuccessful in their attempts to counter these policies, largely because Thatcher herself accepted the advice of the FCO.<sup>3</sup> Pro-Israeli interest groups remained unsuccessful in challenging restrictions on arms sales and the Arab Boycott. Furthermore, there were also domestic-level factors which Downing Street had to take account of, as British public opinion swung against the Jewish State.

By 1990, the ending of the cold war had provided a fresh opportunity to achieve a settlement of the Arab-Israel conflict. From an American perspective, as the Soviet Union was gradually weakened, Israel's value as a strategic asset had declined. Thus, the Bush Administration was ready to take a tougher line with the Shamir Government. Thatcher was also increasingly critical of the Israeli Government on settlement building. Once King Hussein had disengaged from the West Bank, Thatcher was persuaded that the PLO had to be brought into the peace process. Indeed, even when faced with clear evidence of the PLO's fresh involvement in terrorism, Thatcher insisted on maintaining high-level contacts with the organization. The fact that Washington had welcomed Britain's dialogue with the PLO was an important factor in this decision.<sup>4</sup> Thatcher had been reluctant to move too far ahead of Washington during the Reagan years.

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<sup>3</sup> FCO/FOI 351-09, UK/Israel Relations, Points to Make, NENAD, 18 December 1987

FCO/FOI 351-09, Background points (ahead of lunch between Mr Mellor and Mr Avner), NENAD, 9 September 1987

<sup>4</sup> See below, p.283

## **Chapter Seven**

### **Thatcher and the Reagan Administration**

During the first half of Thatcher's final term in office, the FCO found itself outflanked by a Prime Minister who sought to exert decisive influence in the Arab-Israel arena. This was most noticeable in Thatcher's direct contacts with the Reagan Administration. Thatcher had attacked Shultz for treating Shamir with kid gloves. She insisted that the Likud Prime Minister could not be allowed to veto an international conference, and expressed her anger over his settlement policies in the West Bank.<sup>1</sup> Indeed, Thatcher's indignation over Shamir's policies was arguably a key factor in her readiness to allow Whitehall to take a number of measures which reflected a gradual cooling of relations between Britain and Israel.

Thus, it is argued in this chapter that the tighter control of Number Ten over foreign policy did not see Thatcher counter the FCO position in the Arab-Israel arena. On the contrary: policy in this sphere remained cohesive with close coordination between Number Ten and Whitehall. Perhaps, the main difference at this stage was that Thatcher was prepared to use all the resources at her disposal to achieve these objectives, reflected through her direct contacts with the Americans. Arguably, the greatest concern of the Prime Minister was that the Soviet Union would be able to expand its influence in the region as long as there was no solution in sight to the Arab-Israel conflict. This was a significant factor which dictated Thatcher's approach to the Arab-Israel conflict, and ensured that cooperation remained, even in the wake of the controversial visit of FCO Minister David Mellor to Israel and the Occupied Territories. While there was considerable irritation within 10 Downing

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<sup>1</sup> See below, pp.221-223

Street over the confrontational approach adopted by Mellor during his visit to Gaza<sup>2</sup>, the message he was promoting on the bankruptcy of the status quo and the urgent need for an international conference was essentially that of his Prime Minister.

### **The Peres Visit of June 1987**

Just over a week after winning a third consecutive general election on 11 June 1987, Thatcher hosted Peres at 10 Downing Street. The meeting had already been proposed some months earlier. Back in March 1987, Britain's Ambassador to Israel had written that Peres had been experiencing domestic difficulties. Squire maintained that meetings in London would help him in the domestic struggle against the status quo policies of the Likud.<sup>3</sup> Peres was visiting London to enlist support for an international conference.<sup>4</sup> Both for the British Government and for the Israeli Foreign Minister, the visit to London served the same purpose as Thatcher's recent visit to Israel: to strengthen the domestic standing of Peres, and help him prevail over his Likud rivals. The FCO officials felt that they could work with Peres, they trusted him and they therefore sought to boost his position.<sup>5</sup> Thatcher readily cooperated with the FCO policy outlined by Squire.

In the days prior to the visit, Squire cabled the FCO to present his view of Peres's objectives. The Israeli Foreign Minister sought to strengthen his standing in Israel, to consolidate support for his peace policies and to regain the initiative from Shamir in the foreign policy argument at home. Squire believed that a European tour would help Peres by showing that international public opinion viewed an international conference as the way forward in the peace process. Thatcher herself would have an important part to play. Squire maintained that the timing of Peres's visit to London was favourable since the re-election of a Conservative Government under Thatcher

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<sup>2</sup> Interview with Lord Powell

<sup>3</sup> FCO/FOI 698-09, Cable from Squire to FCO, March 1987

<sup>4</sup> FCO/FOI 698-09, Minute from AF Goulty to Private Secretary, 12 June 1987

<sup>5</sup> Interview with Patrick Nixon

was popular among “all sections of opinion” in Israel. Any public statement made by the British Prime Minister would catch the attention of the Israeli public.<sup>6</sup>

The Prime Minister met with Peres on 23 June. The meeting lasted one and three quarter hours. The only other person present was Dr. Novik. The meeting focused on the issue of an international conference. Peres told Thatcher that while general understandings had been reached between Israel and Jordan over an international conference, there appeared to be some uncertainty about the actual role of a conference. Peres bemoaned the fact that the Americans were sceptical over an international conference – this attitude was largely due to concerns over a Soviet foothold in the Middle East. Peres pointed out that the Soviets were already present in the region, and were strengthening their position. The goal would be to bind the Soviets into a responsible role.<sup>7</sup>

Peres lamented the US refusal to take a position on an international conference out of a fear of appearing to intervene in Israeli politics. He had told Shultz that there was a difference between being neutral in Israeli domestic politics, and being objective about the peace process.<sup>8</sup> Peres’s aides had publicly blamed Shultz for the collapse of the London Agreement.<sup>9</sup> The Peres camp was angry with Shultz for refusing to state a clear US position lest this be viewed as “taking sides” in Israeli internal politics.<sup>10</sup> Peres had repeatedly warned the Americans that if they did not become more active in their support for a conference and engage seriously with Russia on the issue, an opportunity would be lost until 1990 at least (because of the US elections).<sup>11</sup> This would accrue to the advantage of the Russians who would be given a free hand in the Middle East on this basis.<sup>12</sup>

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<sup>6</sup> FCO/FOI 698-09, Cable from Squire to FCO, June 1987

<sup>7</sup> FCO/FOI 698-09, Letter from CD Powell to AC Galsworthy, 23 June 1987

<sup>8</sup> Ibid.

<sup>9</sup> Shultz, *Turmoil and Triumph*, p. 942

<sup>10</sup> FCO/FOI 0284-10, FCO Annual Review for Israel for 1987 by William Squire, 31 December 1987

<sup>11</sup> FCO/FOI 698-09, Letter from CD Powell to AC Galsworthy, 23 June 1987

<sup>12</sup> FCO/FOI 698-09, Cable from FCO to Tel Aviv, 23 June 1987

Peres shared with Thatcher the details of his domestic political difficulties. He told her that he had only 58 or 59 of the 60 votes needed to force an election. This suggested that Peres was under pressure to explain to Thatcher why he was still serving in the National Unity Government. He felt that the Israeli public had responded more positively than he expected to the idea of an international conference. The problem he faced was in the Knesset rather than in the country, as a whole. Peres believed that it was essential to win over Israeli public confidence in an international conference, and show that there was Western agreement on the conditions for Soviet participation. Peres told Thatcher that it would help if she was able to encourage King Hussein to take measures which would strengthen Israeli public support for a conference. Peres suggested further that if King Hussein were to receive him in Amman, this would have a similar impact on Israeli public opinion as the Sadat visit to Jerusalem. He also wanted Thatcher to tell the King that an international conference could be convened without the Russians, if necessary. Peres asked Thatcher to urge the Americans to speak up robustly for the understanding between Israel and Jordan, and to take full account of time constraints. He stated that without urgent progress, an opportunity would be lost.<sup>13</sup>

Following the meeting, Powell wrote to Howe's Private Secretary, Anthony Galsworthy, informing him that the Prime Minister believed it would be "very helpful" if the Foreign Secretary were to present in detail the UK's position on an international conference during his parliamentary address of 26 June.<sup>14</sup> In his speech, Howe declared that Britain and its European partners strongly supported an international conference. It was the most practical way forward to negotiations between the parties, it would help to enhance Israel's security and would lead to justice for the Palestinian people. Such a conference would not have the right to impose solutions, nor to veto agreements that were reached between the parties. Britain was ready to play a full role, and welcomed the efforts made by Peres and King Hussein. Howe added that the Prime Minister would be discussing the issue shortly with President Reagan in Washington.<sup>15</sup> The Foreign Secretary's address on

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<sup>13</sup> FCO/FOI 698-09, Letter from CD Powell to AC Galsworthy, 23 June 1987

<sup>14</sup> Ibid.

<sup>15</sup> Geoffrey Howe, House of Commons, Hansard Debates for 26 June 1987

the issue of the international conference reflected the ongoing coordination between Number Ten and the FCO in the Arab-Israeli arena.

Following the meeting with Peres, a statement was put out by 10 Downing Street. The statement made it clear that the Prime Minister considered an international conference the most practical route to peace negotiations between the parties. The statement added that the Prime Minister emphasized “the importance of not missing this opportunity to take a major step forward in the peace process.”<sup>16</sup> A few days later, a meeting took place between the new Minister of State at the FCO, David Mellor, and Israeli Ambassador Avner. Mellor told Avner that Peres’s ability to persuade Thatcher and enlist her support for his policy was a remarkable achievement and had become an asset for the bilateral relationship.<sup>17</sup>

### **Thatcher’s Visit to Washington**

On 17 July, Thatcher met with US Secretary of State Shultz at the British Embassy in Washington. The remarks made by Peres during the recent meeting with Thatcher had made a strong impression on her. The Prime Minister expressed her concern over developments in the Middle East. She regretted the fact that there had been no major Western initiative since the Camp David Accords. While President Reagan’s 1982 speech had been very positive, it had been rejected by Begin. Thatcher praised Peres and Hussein as two constructive figures that were doing everything possible to advance the peace process, and were deserving of support.<sup>18</sup> The Prime Minister was clearly frustrated that the Reagan Administration was not extending this support.

It was the issue of the international conference, however, which brought into focus the Thatcher policy towards the Arab-Israeli conflict. The Prime Minister expressed her concern over Soviet efforts to increase its influence among Arab states. She

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<sup>16</sup> ISA 9707/3, Text of Statement from No. 10 , 23 June 1987

<sup>17</sup> ISA 9707/3, Minute from Israel Embassy, London, to MFA, 1 July 1987

<sup>18</sup> Reagan Library, Ledsky/92082/61795, Meeting between Prime Minister Thatcher and Secretary Shultz, 17 July 1987

asked rhetorically whether it was not timely to begin to promote an international conference. She maintained that the Soviets had behaved responsibly at the UN on the Iran-Iraq issue, and could also do so on an international conference on the Middle East. Shultz replied that it was no good promoting a new initiative without Likud support: the American approach was to seek Shamir's approval. Shultz expressed his unease over Thatcher's approach which appeared to support Peres against Shamir in a domestic Israeli partisan showdown. Shultz suspected that Peres would lose such a contest. In spite of Peres's charm, the Arabs had to understand that Shamir was Prime Minister, and had to be brought into the peace process. Shultz stated that Shamir needed guarantees that an international conference would not result in an ambush on Israel by the Russians, Chinese and the Arabs. The US Secretary told Thatcher that they were examining a new approach with Shamir which would revolve around an international conference for Soviet Jewry. If the Soviets were to meet the Israeli price for a conference such as diplomatic recognition and the right of emigration for Soviet Jews, this would reduce the risks for Shamir.<sup>19</sup>

Thatcher, however, was becoming increasingly frustrated with Shultz's position. She asked Shultz whether he thought that Shamir ever intended to negotiate over the West Bank or Jerusalem, or whether in fact it was Shamir's view that all of Biblical Israel belonged to modern Israel. If it was the latter, Shamir was simply "holding the entire world ransom", and there would never be negotiations. Shultz agreed that Shamir was not prepared to negotiate over territory, but was ready to negotiate about interim arrangements. Thatcher described Shamir's position as "hypocritical" because it denied basic rights to the Arabs and "removed Israel's credibility as the only Middle East democracy." The Prime Minister concluded the discussion on the Middle East by stressing the need for the US to take the lead, and asked whether there could be a joint push for an international conference. Thatcher proposed that she and Reagan agree to a common position on an international conference, and that it be announced during her Washington visit. Shultz agreed to look at the draft.<sup>20</sup>

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<sup>19</sup> Reagan Library, Ledsky/92082/61795, Meeting between Prime Minister Thatcher and Secretary Shultz, 17 July 1987

<sup>20</sup> Ibid.

## The Soviet Threat

In the weeks following her visit to Washington, Thatcher wrote to President Reagan. Thatcher's communication with Reagan demonstrated clearly that it was the Soviet threat which was the most significant factor behind her activism on the Arab-Israel conflict. She urged him to take a more active position in support of Peres and the international conference. She wrote that Shamir could not be allowed to veto progress, in particular, because he would not offer proposals that were acceptable to others. Thatcher added that by providing Shamir with a veto, the position of Peres would be undermined and there would be a danger of an increase in Soviet influence in the region. She had delivered an identical message to the President during her visit to Washington in July.<sup>21</sup>

Thatcher informed Reagan that since her discussions with him in July, she had been in contact with both Shamir and Peres, as well as with King Hussein. Thatcher was "more concerned than ever" about the implications of the lack of support for the Peres-Hussein understanding. She warned Reagan that Western interests in the Middle East were threatened by "an increasingly active and effective Soviet diplomatic effort." The Soviets were "taking great trouble" with moderate Arab states, and there was reason to fear that their efforts were being rewarded. It was Jordan's contacts with the Soviets that heightened Thatcher's anxiety. King Hussein had told the British Prime Minister that the Russians would be able to supply him with MIG-29 jet fighters by the end of 1987. Thatcher warned Reagan that such a deal would endanger Western defence cooperation with Jordan, and would be highly damaging for Western interests in the region. Thatcher pointed out that there was a risk of "losing the initiative" and being outflanked by the Soviets, unless a strong diplomatic effort was made to promote the peace process in the Arab-Israel arena.<sup>22</sup>

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<sup>21</sup> Reagan Library, Declassified NLS MO7-057 32091, By LDJ, NARA, DATE 2/1/08, NSC, Memorandum from Robert Oakley to Frank Carlucci, Thatcher's Letter on the Peace Process, 21 September 1987

<sup>22</sup> Reagan Library, Declassified, Executive Secretariat, NSC: System File, Box 230, 8790998-8791003, Doc 88420, Message from M Thatcher to R Reagan, September 1987

In her correspondence with Reagan, Thatcher accepted that an international conference had to be properly prepared, and that it would be “preferable” if Shamir were included in such a forum. However, she feared that Shamir’s obdurate position would hurt Peres, with the prospect of losing a unique opportunity to advance the peace process. Thatcher added that such an outcome would “be a tragedy.” She concluded that there was no better option for progress than an international conference. Thatcher urged Reagan to support the Peres-Hussein Accord, since it offered “the best bulwark against the expansion of Soviet influence in the region, as well as the most effective way of reassuring the moderate Arab countries”, at a time of growing tension in the Gulf region.<sup>23</sup>

In response, Reagan wrote that while the United States was not abandoning the idea of a conference, certain realities had to be confronted. Shamir possessed considerable political power, and experience had clearly shown that he could not be ignored. The United States remained interested in the conference, and Shamir was aware of this. Nevertheless, it made little sense to go to a conference if immediate deadlock was likely. Quiet efforts were necessary to develop understandings with the parties on the nature of the negotiations. Reagan wrote that the United States would maintain a dialogue with the Soviets, and would continue its efforts to launch negotiations. Reagan promised to keep Thatcher updated, and expressed appreciation for her assessment.<sup>24</sup>

Thatcher’s communication with Shultz and Reagan demonstrated that the Thatcher Government and the Reagan Administration were working at cross purposes on the Arab-Israeli conflict. Reagan and Shultz were effectively strengthening the position of Shamir and weakening Peres by holding back their support for an international conference. In contrast, Thatcher was attempting to strengthen Peres at the expense of Shamir and his Likud party by supporting an international conference and trying to persuade the Americans to do so. Thus, the FCO once again found itself outflanked by a Prime Minister who was using her direct channel to Washington to

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<sup>23</sup> Ibid.

<sup>24</sup> MTF, Reagan Letter to Thatcher, 30 September 1987

promote a policy that strongly converged with that of the FCO. Shamir and his allies were fiercely opposed to the idea of an international conference. Yet it was Thatcher who took the lead in enlisting Washington's support for this idea.

The perceived threat from the Soviet Union was the most significant issue that drove Thatcher's thinking on Middle East issues. She may have been a great admirer of President Mikhail Gorbachev, but she retained her suspicions of Soviet foreign policy.<sup>25</sup> During her early months in power, Thatcher viewed Israel as a strategic asset which could help to contain Soviet ambitions in the Middle East.<sup>26</sup> Yet, over time, it was becoming increasingly clear that she perceived the obduracy of the Likud-led Israeli Government as a liability which was helping to boost Soviet influence in the region at the expense of the West. This was evident from her communication with Reagan during 1987. It can, of course, be argued that the Prime Minister may have exaggerated the Soviet threat in an attempt to encourage Reagan to act. Thatcher knew only too well that Reagan shared her strong hostility towards the communist ideology of the Soviet Union. Nevertheless, Thatcher's strong concerns over Soviet ambitions in the Middle East were genuine, and were not only expressed in talks with the Americans. She had raised these same issues during her talks with Begin, for example, only days after becoming Prime Minister.<sup>27</sup> As Powell has pointed out, "the Middle East was indeed a dimension of the cold war, and that played an important part in her thinking."<sup>28</sup>

The Reagan Administration's diplomatic ambitions in the region had been damaged by the fallout from the Iran-Contra affair. Israel had conspired with officials in the CIA and the National Security Council to secretly sell arms to Iran in the spring of 1985 when Peres was Prime Minister. Indeed, Peres had been closely involved in the deal. Ostensibly, the idea behind the sale was to obtain the release of American hostages in Lebanon. Iran was a fierce ideological opponent of the State of Israel. Shlaim maintains that the Israelis covertly sold arms to Iran largely with a view to

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<sup>25</sup> Campbell, *Margaret Thatcher*, pp.298-299

<sup>26</sup> See above, p.72

<sup>27</sup> See above, p.65

<sup>28</sup> Correspondence with Lord Powell

prolonging the Iran-Iraq war which had already been raging for five years. Israel believed that a stalemate in the Iran-Iraq war would ultimately weaken both these countries which were its enemies.<sup>29</sup> Robert McFarlane, Reagan's national security adviser, and Oliver North of the National Security Council secretly delivered the arms, and used the proceeds to fund the Nicaraguan Contras. The Iran-Contra affair damaged the morale of the Reagan Administration including elements of its foreign policy.<sup>30</sup> A related problem was the fact that North and McFarlane had been working on their own, and had left Shultz out of the picture. Shultz was furious with Peres over the affair, and believed that he had concealed the deal from him.<sup>31</sup> According to Seale, Shultz's lukewarm support for the London Agreement may have been related to his anger with Peres over the Iran-Contra affair.<sup>32</sup>

### **Likud Policy towards Jordan**

Thatcher's unease over the Likud policy was exacerbated by the message leading Likud politicians were sending out on Jordan. The Jordanians were concerned that some Likud personalities were seeking the removal of the Hashemite monarchy, with a view to turning Jordan into a Palestinian State. Indeed, Ariel Sharon, the Likud Minister for Trade and Industry had long been a strong advocate of the slogan 'Jordan is Palestine'. Thatcher summoned Avner to 10 Downing Street, and demanded a halt to Sharon's provocative statements on Jordan. Thatcher did not want to go through the FCO channel – she sought to settle the matter directly.<sup>33</sup> Avner would have taken more notice of Thatcher's admonishment than one coming from the FCO. Furthermore, Thatcher's action reflected her tendency to exert greater control over policy at the expense of the FCO. The Prime Minister was pursuing the same objective as the FCO in terms of supporting a key Arab ally, but was using her stronger position to achieve a more immediate and effective outcome.

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<sup>29</sup> Shlaim, *The Iron Wall*, pp. 440-442

<sup>30</sup> Ibid.

<sup>31</sup> Peres, *Battling for Peace*, p. 293

<sup>32</sup> Patrick Seale, *Asad: The Struggle for the Middle East*, (University of California Press, Berkeley, 1988), p.491

<sup>33</sup> Interview with Yehuda Avner

In order to allay Jordanian concerns, Shamir met with King Hussein on 18 July 1987 just outside London. He started the meeting with the King saying that Israel attached importance to the role of the Hashemite Kingdom of Jordan and wished it stability and success.<sup>34</sup> Shamir sought to reassure the King that ‘Jordan is Palestine’ was not the policy of his party or Government. However, Shamir’s meeting with the King also presented an opportunity to express his outright opposition to an international conference. He told Hussein that he opposed the convening of an international conference mainly because of the participation of the Soviet Union which was very hostile to Israel. Shamir suggested that the best way to advance to peace was through direct negotiations without mediators.<sup>35</sup> The Israeli side believed that the meeting was a success, and that Hussein and Shamir saw eye to eye on many issues.<sup>36</sup> Nevertheless, it later emerged that the Jordanians did not feel the same way about the meeting. King Hussein later told Shultz that Shamir was hopeless and that he could not work with him.<sup>37</sup>

### **International Conference**

Thatcher was becoming increasingly despondent about Shamir’s position on an international conference. In early October 1987, Israel’s Minister of Absorption, Yaakov Tsur, met with David Mellor in London. Mellor told Tsur that there was “some depression” over the position of Shamir, referring, in particular, to Thatcher’s feelings on the matter. Mellor stated that Britain sought the convening of an international conference, and preferred the approach of Peres over that of Shamir. Mellor added that the British Prime Minister was trying to use her influence to advance the international conference, but this was dependent on the United States.<sup>38</sup>

During the autumn of 1987, there were signs that the Reagan Administration was finally taking the idea of an international conference more seriously. In early

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<sup>34</sup> Interview with Dan Meridor, 3 May 2010

<sup>35</sup> Shlaim, *Lion of Jordan*, pp. 448-449

<sup>36</sup> Interview with Dan Meridor

<sup>37</sup> Shultz, *Turmoil and Triumph*, pp. 943-944

<sup>38</sup> ISA 9707/4, Cable from Minister, London, to MFA, 5 October 1987

September, Shultz proposed to Reagan that he and Soviet President Gorbachev would invite King Hussein and Shamir to a meeting in the United States at the end of the year under US-Soviet auspices. The Middle East talks would form a component of the Reagan-Gorbachev summit that was due to take place in Washington. The gathering would call on the parties to commence direct negotiations: the Jordanian delegation would include Palestinians with whom Israel was prepared to meet. Shamir would be able to save face by calling the gathering a summit rather than an “international conference”. At the same time, King Hussein would have the international cover he needed to negotiate with Israel. Two weeks after Shultz proposed the idea to Reagan, the US President gave him approval to take it further.<sup>39</sup>

On 12 October, Shultz sent Richard Murphy to Canada where he met with Thatcher and Howe for over an hour. He briefed them on Shultz’s plans for the Arab-Israeli conflict. In an enthusiastic response, Thatcher said, “This is a way to kick it into life at last.” She continued, “It’s putting a stiletto to Yitzhak Shamir’s throat. I like that!” Nevertheless, she sounded a note of caution over the proposed Soviet role, adding that there had been “an astonishing U-turn in America’s approach to the Soviet Union.” Howe’s response to Thatcher’s remarks was to say, “Margaret, you’ve badgered George for five years about doing something just like this; now don’t send a message of apprehension.” Thatcher quickly responded that she was very much in favour of the initiative, before adding that she was sceptical of Shamir and reserved about giving a leading role to the Soviets.<sup>40</sup>

Arguably, Thatcher’s persistent efforts with the Reagan Administration were an important contributory factor to Shultz’s initiative in the autumn of 1987. Thatcher enjoyed an enormous amount of trust in Washington.<sup>41</sup> Her views on the issue of the international conference would have helped and strengthened Shultz’s own efforts to persuade Reagan on the matter.<sup>42</sup> Certainly Shamir believed that it was the British Prime Minister who had “planted the seed” for Shultz’s proposal. Indeed, Shamir felt

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<sup>39</sup> Shultz, *Turmoil and Triumph*, pp. 944-945

<sup>40</sup> *Ibid.*, p. 946

<sup>41</sup> Interview with Richard Murphy

<sup>42</sup> Interview with Sir Stephen Wall, 13 January 2010

that Reagan “always lent an extremely attentive ear” to Thatcher’s views while the British Prime Minister was “rather given to Peres’s influence.”<sup>43</sup> In accordance with this view, Peres (and King Hussein) persuaded Thatcher to give her full support to an international conference. In turn, she persuaded Shultz who did the same with President Reagan.

Shamir’s suspicions of Thatcher’s role in the international conference idea may also have been prompted by her own communication with him on the matter. During their difficult meeting in June 1985, the one point of agreement was that both felt that an international conference was undesirable.<sup>44</sup> Now, over two years later, Thatcher was writing to Shamir to point out that the proposal to convene an international conference on the Middle East was the most practical route towards direct negotiations. She tried to reassure him that the conference would not have powers to impose a settlement or to veto agreements reached between the participants. It would provide a fresh opening to secure for Israel the lasting peace and recognition it deserved. Furthermore, Thatcher wrote, Soviet participation in the conference offered a unique opportunity for Israel to bring about the release of thousands of Soviet Jews and enable them to emigrate to Israel. She warned that the failure to grasp the opportunity would encourage the Soviet Union to greatly expand its activities in the region.<sup>45</sup>

In an interview with the Israeli newspaper Yediot Ahronoth a short time later, Thatcher restated her view that an international conference was “the only practical way forward to a peaceful settlement” and that she would continue to do what she could to facilitate progress towards it. Furthermore, she revealed that Howe had recently met with King Hussein in Amman to assure him of Britain’s full support for an international conference. In the same interview, Thatcher warned that time was

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<sup>43</sup> Shamir, *Summing Up*, p. 174

<sup>44</sup> FCO/FOI 698-09, Cable from Tel Aviv to FCO on Israeli Press Reaction, 6 June 1985

<sup>45</sup> ISA 9707/4, Letter from M Thatcher to Y Shamir, Undated

not on Israel's side, and that it was "sitting on a demographic time-bomb."<sup>46</sup> Thatcher had issued a similar warning to Begin eight years earlier.

In the same interview, Thatcher warned that Israel's policies were having an unfavourable impact on the geopolitics of the region: it was very unhelpful that the United States was being perceived as "Israel's lawyer", while the Soviet Union was being seen "as the friend of the Arabs." The Prime Minister argued for Britain and the EC to play a role as "a third party" which was "not bound by US or Soviet policies."<sup>47</sup> Thatcher's concern over the expansion of Soviet influence in the Middle East continued to be a major consideration in her policy towards the region. Thatcher also appeared to be distancing herself from the Reagan policy towards the Israel-Palestinian question.

Through 1987 and 1988, the FCO and Number Ten would continue to work in close coordination in the push for an international conference. As part of this effort, Thatcher and Howe focused their attention on pro-Israeli and pro-Arab organizations. Thus, addressing a CFI lunch at the Conservative Party Conference in early October 1987, Howe took the opportunity to clarify Britain's position on an international conference. Avner noted that this was the first time he had done so in such a public and comprehensive manner, and believed that a decision had clearly been taken on this with Thatcher's backing. For the Israeli Ambassador, Howe's address was an expression of the quiet and intensive contacts that Britain was maintaining with the Americans in order to advance the idea of a conference.<sup>48</sup> Some weeks later on 18 November, Howe addressed the Conservative Middle East Council, a pro-Arab lobby within the Conservative Party. Howe gave a warning of the "dangers of the status quo", and called for urgent action. Like Thatcher, he warned of the demographic threat facing Israel, and stressed that time was not on the side of either Israel or the Palestinians. Howe maintained that Britain would continue

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<sup>46</sup> MTF, Written Interview for Yediot Ahronoth, 20 November 1987

<sup>47</sup> Ibid.

<sup>48</sup> ISA 9707/4, Cable from Israeli Embassy, London, to MFA, 7 October 1987

to push for an international conference under UN auspices.<sup>49</sup> Howe and Thatcher were reading from the same hymn sheet.

### **Cooperation on Policy towards Peres and Shamir**

On 23 November 1987, Peres paid another visit to 10 Downing Street. The meeting with Thatcher was a further opportunity for the Israeli Foreign Minister to boost his standing in Israel. Both Peres and Thatcher agreed that an international conference provided the best prospects for the advancement of the peace process.<sup>50</sup> The fact that the Israeli Labour leader had been a guest of the British Prime Minister three times since January 1986, while Shamir had not been invited to London once during that period reflected the continued readiness on the part of Number Ten to strengthen Peres at the expense of Shamir.

Avner had raised the issue of a visit by Shamir with the FCO on a number of occasions. During a meeting with Alan Munro, the Deputy Under-Secretary for the Middle East, Avner had dropped hints about the desirability of an early visit to London by Shamir. Avner claimed that Peres saw no objection to the proposal. Nevertheless, when the issue was raised with Peres's officials, they made it clear that further exchanges between the British Government and Shamir "would not be helpful." Thatcher herself had decided that she would not be seeing Shamir "in present circumstances."<sup>51</sup>

A briefing was prepared by Alan Goulty of NENAD for FCO Minister of State, David Mellor, ahead of a meeting with Avner. Mellor was warned that Avner would raise the issue of a Shamir visit. Mellor was advised to discourage Avner from raising the matter by telling him that a visit in the prevailing circumstances would

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<sup>49</sup> Archive of the Board of Deputies, ACC/3121/E4/1036, Speech by Geoffrey Howe to the Conservative Middle East Council, 18 November 1987

<sup>50</sup> FCO/FOI 351-09, Briefing for Israeli Correspondents, 15 December 1987

<sup>51</sup> FCO/FOI 351-09, Minute from AF Goulty to D Mellor, 10 September 1987

damage Anglo-Israeli relations.<sup>52</sup> During the meeting itself, Avner did indeed strongly advocate a visit by Shamir to London. Mellor responded using the argument suggested by Gouly. Avner cautioned that the British Government should not lose contact with the Likud. The Israeli Ambassador suggested that during Mellor's forthcoming visit to Israel, he speak at least to some of the more "open-minded" Likud members such as David Levy.<sup>53</sup>

Shamir's office had been probing for a visit to London to counterbalance Peres's three meetings with Thatcher in 1987. There was concern in the FCO that Shamir or his aide Yossi Ben Aharon would put Mellor on the spot during his forthcoming visit to Israel. It was felt that Shamir's terrorist background as well as his hard-line views would present difficulties if he visited London as Prime Minister.<sup>54</sup> Ultimately, though, Thatcher was no more interested than the FCO in hosting Shamir at Number Ten.

The fact that the Prime Minister herself did not wish to host Shamir was an indication of the meeting of minds between the FCO and 10 Downing Street on policy. This was also noticeable in other areas. Thus, Avner had been pressing for a visit by Princess Alexandra to Israel. There were concerns that the Israelis would use the forthcoming visit of Israel's President, Chaim Herzog, to London in December 1987 as an opportunity to renew pressure for Royal visits to Israel. No official visit to Israel by a member of the Royal Family had ever taken place. The official line used with the Israelis was that there were difficulties over scheduling, and that a Royal Visit could not be envisaged in the near future. Thatcher herself had agreed with the FCO that a visit by a member of the Royal Family would be inappropriate while Shamir was Prime Minister.<sup>55</sup>

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<sup>52</sup> Ibid.

<sup>53</sup> FCO/FOI 351-09, Minute from K Darroch to AM Thomson, 11 September 1987

<sup>54</sup> FCO/FOI 351-09, UK/Israel Relations, Points to Make, NENAD, 18 December 1987

<sup>55</sup> FCO/FOI 351-09, Background points (ahead of lunch between Mr Mellor and Mr Avner), NENAD, 9 September 1987

The Thatcher Government also maintained its restrictions on arms sales to Israel. The Government continued to claim that the arms restrictions were an expression of its concern over the Israeli presence in Lebanon.<sup>56</sup> Defence sales to Israel between 1983 and 1985 totalled £1.97 million. In contrast, British arms sales to the Arab world in 1986 were worth £3.6 billion. The value of the Jordanian Tornado package alone was worth £240 million. The FCO had expressed its opposition to visits by Defence Ministers, maintaining that this would be controversial while Britain maintained restrictions on arms sales to Israel. Thus, there was tight control over Israeli visits to MOD establishments and restrictions on visits by MOD officials to Israel. Britain had also recently refused attack training for Israeli submarine commanders aboard British submarines.<sup>57</sup> Controversially, in the first half of 1987, the Thatcher Government had also turned down an informal Israeli request for the sale of gas masks on the grounds that this would have implications for chemical and biological weapons proliferation.<sup>58</sup>

There had been no change at all in the policy of North Sea oil sales to Israel. The Israeli Ambassador called on the British Energy Minister, Cecil Parkinson, in November 1987. Following the meeting, the Department of Energy concluded that it would be wrong to relax restrictions as it would risk the oil security of the UK, while threatening commercial relations with the Arab world. It was argued that since Israel had no difficulty in gaining oil from such suppliers as Egypt and Mexico, there appeared to be no justification for relaxing restrictions. The guidelines to oil exporters originally introduced in 1979 were to define UK supply priorities in a tight oil market, but they served a useful purpose for “disassociating the UK from the supply of crude to countries where this could prove embarrassing or provoke reprisals.”<sup>59</sup>

A further potential cause of difficulty was the 70th anniversary dinner marking the Balfour Declaration. Clearly, British officials remained concerned about the

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<sup>56</sup> FCO/FOI 351-09, Briefing for Israeli Correspondents, 15 December 1987

<sup>57</sup> FCO/FOI 351-09, Background points (ahead of ), Undated

<sup>58</sup> FCO/FOI 698-09, Letter from JS Wall to CD Powell, 19 May 1989

<sup>59</sup> FCO/FOI 351-09, Background points (ahead of ), Undated

possibility of stirring up Arab resentment over Britain's historic role in the creation of the State of Israel. The Israeli Embassy had sought high level participation in the dinner but was unsuccessful. No ministers attended the anniversary dinner. The FCO was ready to reject Israeli accusations of a "cool UK approach" to the event, pointing out that Britain wished to "avoid reawakening Arab sensitivities while reaffirming our friendship with Israel." The Israeli Embassy informally asked whether the British Government was trying to "downgrade" the Balfour Anniversary.<sup>60</sup>

The aforementioned episodes had shown that the FCO, the MOD and other Whitehall departments were exerting considerable pressure on Downing Street to place constraints on ties with Israel while Shamir was Prime Minister. They were successful. Indeed, as Thatcher's response to the pressures over Shamir indicated, she accepted the advice of Whitehall on such matters. This was a further illustration of the close coordination between the various departments of Whitehall and Number Ten on matters relating to Israel. The Prime Minister would also have come under pressure from the Israeli Government and local pro-Israeli organizations not to give in to the FCO. Nevertheless, as Sir Rob Young points out, this was not the determining factor in her decision-making:

[Thatcher] was more pro-Israeli than most of her Conservative predecessors, but that didn't prevent her being pretty detached and calculating when required. When it came to policy decisions, she didn't let her gut instinct rule.<sup>61</sup>

### **David Mellor's Visit to Israel and the Occupied Territories**

The planned visit of Mellor to Israel in the beginning of January 1988 began to assume greater significance with the onset of the Palestinian uprising or Intifada in early December 1987. During the first half of December, a series of disturbances in Gaza quickly spread to the West Bank, culminating in a mass protest involving

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<sup>60</sup> FCO/FOI 351-09, UK/Israel Relations, Points to Make, NENAD, 18 December 1987

<sup>61</sup> Interview with Sir Rob Young

commercial strikes, street demonstrations and riots aimed at the twenty-year Israeli occupation of the West Bank and Gaza. Britain's Consul General in Jerusalem, Ivan Callan, had also warned about the risks of a trip to Gaza, but Mellor insisted on including the area in his visit.<sup>62</sup>

Squire believed that the unrest in the Occupied Territories would result in considerable public interest in Mellor's visit. This provided an opportunity to put over the Thatcher Government position of the last few years which had been "predicated on the dangers of leaving the status quo to fester." There was an opportunity to emphasize the need for early negotiations through an international conference. Squire believed that Mellor would have the opportunity to push this message to the Israeli public. Nevertheless, he was concerned that "the fully justified" British condemnations of Israeli actions in the West Bank and Gaza would provide the Likud with the pretext it needed to divert attention from this message.

Mellor's visit to Israel and the Occupied Territories, however, was notable for generating headlines over his altercation with an IDF colonel in Gaza and his outspoken comments on conditions in the area. Mellor visited the Jabaliya Refugee Camp in Gaza on 4 January 1988. Several Palestinians gave accounts of their experiences to Mellor among excited crowds. A contingent of Israeli soldiers had gathered while Mellor's party was visiting a distribution centre for emergency rations, resulting in a highly charged atmosphere. The father of a boy arrested for allegedly throwing stones immediately made representations to the visiting Minister of State. Mellor held an on-the-spot exchange with the Israeli colonel in charge of the Jabaliya camp area which featured prominently in media coverage of his visit to the region. Mellor's reaction to the difficult conditions in the refugee camp became the focus of media reporting during his whole visit.<sup>63</sup> In an interview, Mellor asserted that what he had seen in Gaza had been "an affront to civilised values" and

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<sup>62</sup> FCO/FOI 351-09, Cable from FCO to Tel Aviv, December 1987

<sup>63</sup> FCO/FOI 351-09, Cable from Callan, Jerusalem, to FCO, January 1988

that while a few miles away there was prosperity, in Gaza there was “misery on a scale that rivals anything anywhere in the world.”<sup>64</sup>

Squire had viewed Mellor’s decision to use his visit to highlight British concern over the stagnation in the peace process as a courageous move. The unrest in the West Bank and Gaza was viewed as an opportunity to “dramatise the bankruptcy of the status quo.” In Squire’s cable to the FCO, he wrote that “Mr Mellor spoke out more bravely than any US politician or appointed official has dared do in my time here in criticism of status quo policies.” Furthermore, he believed that the attempt to use public opinion and events in the Occupied Territories as a means to stimulate new ideas was a “courageous gamble” although it had not yet paid off.<sup>65</sup>

Mellor made it clear during his discussions with the Director General of Israel’s Foreign Ministry, Dr. Yossi Beilin, that the purpose of his visit to Gaza was to “show up the inadmissibility of the status quo.” Mellor had told Beilin his host that pressure on Israel over the West Bank and Gaza would be “helpful in supporting the argument for change versus the do-nothing approach.” Mellor claimed that by remaining silent, those seeking to perpetuate the status quo were being strengthened.<sup>66</sup>

Israel’s Charge d’Affaires, Moshe Raviv, wrote to Powell in protest at Mellor’s actions, claiming that the Israeli Government had exercised considerable restraint in its reactions to the Minister’s remarks and to the “unfortunate incident with the Israeli army officer.” Raviv added that Israel viewed the Mellor incident as closed, and hoped for a “reciprocal approach.”<sup>67</sup> Nevertheless, this was not the end of the matter. Raviv later met with a Downing Street official to express the feelings of his Government on the Mellor saga.<sup>68</sup> Following the visit to Gaza, it was noted in Israel that Mellor had generally taken a “one-sided approach” in parliamentary debates on

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<sup>64</sup> Cabinet Office/FOI 259 064, Transcript of Interview with David Mellor, 4 January 1988

<sup>65</sup> FCO/FOI 351-09, Cable from W Squire to FCO, January 1988

<sup>66</sup> FCO/FOI 351-09, Meeting between D Mellor and Y Beilin, 5 January 1988

<sup>67</sup> Cabinet Office/ FOI 259 064, Letter from M Raviv to CD Powell, 8 January 1988

<sup>68</sup> Interview with Moshe Raviv

the Middle East, repeating the message conveyed during his trip to the region. According to this view, Mellor's visit had encouraged unfavourable coverage of events in the West Bank and Gaza. Furthermore, it was felt that the Minister had achieved his goal of "focusing public attention on the future of the Occupied Territories" since the Gaza issue was now in the media spotlight. Therefore, there were good reasons for the Israelis to hope for Mellor's removal from the FCO. It was widely predicted that Thatcher would remove Mellor from his position. There was surprise within Israel's Foreign Ministry that he was still in his post some four months later.<sup>69</sup>

Thatcher and her Private Secretary were also distinctly unimpressed with Mellor's conduct in Gaza, as Powell points out:

He gave the impression that he was most concerned, to be perfectly honest..., with the promotion of David Mellor. I think that was what lay behind his ill-fated visit to Gaza and his altercation with the Israeli colonel in Gaza. That was just publicity seeking that profoundly irritated Mrs Thatcher at the time. He got a ticking off for it.<sup>70</sup>

The cabinet reshuffle of July 1988 provided an opportunity to transfer Mellor from the FCO without fanfare, and he was eventually moved to the Department of Health. Mellor left the FCO six months after his trip to Gaza. Thatcher herself was unhappy with his conduct, and this may have been a significant factor in the decision to transfer him to the Department of Health. In fact, the position taken by Mellor in Gaza accorded with the line taken by Thatcher herself on the dangers of the prevailing status quo. Indeed, during Mellor's visit to Gaza, a FCO spokesman confirmed that his remarks corresponded fully to the position of the British Government.<sup>71</sup> Furthermore, when asked about Mellor's visit during an address to the Foreign Press Association, the Prime Minister did not criticize the Minister of State. Instead, she stated her great concern about the unrest in the territories which had merely underlined what her Government had been saying and what she had been trying to bring about. Thatcher restated her belief in an international conference as

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<sup>69</sup> ISA 9707/4, Europe II Departmental Paper: Visit of David Mellor, May 1988

<sup>70</sup> Interview with Lord Powell

<sup>71</sup> FCO/FOI 351-09, Cable from W Squire to FCO, January 1988

the means to launching bilateral negotiations between Israel and her neighbours, just as Mellor had been doing during his trip.<sup>72</sup> It was not the position espoused by Mellor that irritated the Prime Minister, but rather the manner of his intervention in Gaza.

A related concern was that publicity given to Mellor's visit in Israel would only strengthen the Likud and weaken those such as Peres who sought to advance the peace process. Labour figures such as Beilin were worried that the negative publicity from the visit would have an adverse effect on their electoral position, and feared that it had hardened opinion in Israel. A British diplomat revealed that some Israeli doves had "rung their hands" in private conversations over the Mellor row.<sup>73</sup>

### **Mellor's Meetings with Israeli Ministers**

The controversy engendered by Mellor's altercation with an Israeli colonel and his strong public criticisms of Israeli actions in the West Bank and Gaza overshadowed the discussions which the Minister held with leading figures in the Israeli Government. Mellor met with Shamir, Peres, Beilin and the Knesset Foreign Affairs Committee Chairman, Abba Eban. Mellor's talks with Peres, Beilin and Eban provided the clearest indication yet of the great difficulties facing the Thatcher Government's policy towards the Arab-Israeli conflict. The British policy was predicated on strengthening the positions of Peres and King Hussein, as well as persuading the Reagan Administration to provide active support for an international conference, thereby advancing the peace process. However, the Peres camp had become very disillusioned over the attitude of the Reagan Administration. Furthermore, Mellor's discussions with Peres, Beilin and Eban laid bare the increasingly precarious domestic position of the Israeli Foreign Minister.

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<sup>72</sup> MTF, Speech to Foreign Press Association, 13 January 1988

<sup>73</sup> FCO/FOI 351-09, Letter from SWJ Fuller, Tel Aviv, to AF Goulty, FCO, 14 January 1988

Eban had been particularly scathing about the Reagan Administration's attitude during his talks with Mellor. He asserted that Shultz "had badly let down Peres." Eban charged that while Peres had been Prime Minister, "Shultz had done nothing to advance the peace process." When the US Secretary of State finally visited Israel, his attitude had been half-hearted at best. This had not helped Peres as he faced the forthcoming elections.<sup>74</sup> The picture Beilin painted during his discussions with Mellor was bleaker still. He said to Mellor that it was an illusion to believe that there was a status quo. If no progress was made, there could be further unpleasant developments in the Occupied Territories, and even war. Beilin stated that while the Americans had leverage in the Middle East, at the highest levels of the Administration, they were "sick and tired of Arabs." He expressed his revulsion at the thought that only another war would persuade people to take action. Mellor responded by highlighting the actions that the Thatcher Government had taken at the highest level with the Americans. He expressed his disappointment over the outcome of the last Shultz visit to Israel, and the unhelpful role of "the [pro-Israel] lobby" in Washington.<sup>75</sup>

The Peres camp, including the Foreign Minister himself, believed that the Thatcher Government could help to bolster his domestic position. During his talks with Mellor, Peres appeared to be pessimistic about future prospects – particularly, since he had no support from Washington. Peres claimed that Shultz had effectively "washed his hands of the international conference concept", since his visit to Israel. Peres believed that Shultz was merely trying to play for time with an eye on the elections in Israel and the United States (in November 1988), and had therefore proposed the idea of Israel/Jordan negotiations under a US/Soviet mini umbrella. Nevertheless, this had not worked out. In the meantime, the Reagan Administration was not helping his cause "by sitting on the fence."<sup>76</sup>

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<sup>74</sup> FCO/FOI 351-09, Meeting between D Mellor and A Eban, 5 January 1988

<sup>75</sup> FCO/FOI 351-09, Meeting between D Mellor and Y Beilin, 5 January 1988

<sup>76</sup> FCO/FOI 351-09, Meeting between D Mellor and S Peres, 4 January 1988

In the six months since the Conservatives had won a third term of office, one could point to a continued readiness on the part of the Thatcher Government to support Peres at the expense of Shamir. The time that Mellor had spent with personalities in the Labour party during his visit was a reflection of this. Indeed, it was clear that Thatcher's animosity to Shamir had grown considerably, since he was blocking the prospects of an international conference. Thatcher believed in an international conference as the means to advancing a peace settlement and holding back Soviet influence. Nevertheless, Mellor's visit to Israel and the Occupied Territories had underlined the difficulties facing the Thatcher Government policy. In seeking to challenge the status quo in the region, Mellor was doing exactly what his Prime Minister had sought to do during her visit to Israel in May 1986. Mellor was trying to strengthen support for the domestic position of the Labour doves much as Thatcher had done. Nevertheless, in the wake of the Palestinian uprising, Peres was quickly losing support, while the Likud Party was becoming stronger. Beilin claimed that Israelis viewed the Labour party as "the defenders of the Arabs."<sup>77</sup>

The FCO had been marginalized, to a degree, from the Anglo-American diplomatic process.<sup>78</sup> Howe had been very unhappy about the way in which Powell became personally involved in communications with the White House, at his expense.<sup>79</sup> Nevertheless, a picture emerges of a Prime Minister who tried to exploit her direct influence in Washington to gain support for a policy which was in fact supported by the FCO. This policy focused on strengthening the positions of Peres and King Hussein, as well as pushing for an international conference.<sup>80</sup> The fact that the FCO had been cut out of the loop in areas such as Anglo-American relations might have had an impact on the management of policy towards the Arab-Israel conflict, but the substance of policy was unaffected.

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<sup>77</sup> FCO/FOI 351-09, Meeting between D Mellor and Y Beilin, 5 January 1988

<sup>78</sup> Lochery, *Loaded Dice*, p. 189

<sup>79</sup> Kavanagh and Seldon, *The Powers Behind the Prime Minister*, p. 183

<sup>80</sup> FCO/FOI 351-09, Mr Mellor's Lunch with Israeli Ambassador: Objectives, 10 September 1987

## **Chapter Eight**

### **The Thatcher Government Upgrades Ties with the PLO**

Regional developments were a crucial factor in removing one of the main sources of disagreement that still existed between Number Ten and the FCO in the Arab-Israel arena: the issue of contacts with the PLO. The intensification of the Palestinian uprising in the course of 1988 resulted in a drastic weakening of King Hussein's regional standing, while the PLO gained in strength. The uprising was an important element in the eventual decision of the Reagan Administration to launch a peace initiative<sup>1</sup> which was encouraged by Thatcher but ultimately rejected by Shamir. Significantly, the uprising also resulted in King Hussein's decision to disengage from the West Bank – an action which Thatcher deeply regretted.<sup>2</sup> It was now clear that a solution to the conflict between Israel and the Palestinians would have to go through the PLO rather than Jordan.

By the end of 1988, Thatcher was persuaded that the PLO had moderated its position sufficiently to authorize the approval of a higher-level dialogue with the Palestinian organization. Arguably, Thatcher would have viewed such a dialogue as an opportunity to detach the PLO from Moscow. Thus, even on the issue of the PLO, the Prime Minister was now in close agreement with the FCO. Yet the Israeli Government continued to view the FCO as the source of the difficulties afflicting the bilateral relationship, and tended to overlook the role that Number Ten had played in the policy.<sup>3</sup> Once again, there was a notable discrepancy between the Israeli perception of Thatcher's position on the Arab-Israel conflict and her actual policy which was almost indistinguishable from the FCO's policy.

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<sup>1</sup> Shultz, *Turmoil and Triumph*, p. 1016

<sup>2</sup> Correspondence with unattributed source, 14 September 2010

<sup>3</sup> ISA 9533/17, Britain-Israel: Developments Following the Uprising in the Territories, MFA, May 1988

The increasingly inflexible line of the Israeli Government and the growing decline in British public support for Israel were background factors that would have influenced the thinking in 10 Downing Street. Nevertheless, now that a solution to the Israel/Palestinian impasse required the involvement of the PLO, Thatcher would need to depend much more on the FCO as she did not enjoy the direct links to the Palestinian organization which she had with Amman. As a result, the FCO was able to exert a stronger influence on the Prime Minister. Indeed, Thatcher's capacity to take the lead on policy was gradually being eroded since both King Hussein and Peres, with whom she enjoyed warm ties, were becoming sidelined. Furthermore, with Reagan's departure from the White House, the Prime Minister's ability to exert her influence on the United States would be further weakened. Thus, the FCO was now in a position to set the tone on much of policy towards the Arab-Israel conflict.

### **The Shultz Initiative**

Thatcher believed that there would be no serious pressure on Israel to negotiate as long as successive US administrations were afraid of confronting the pro-Israel lobby in Washington, and she had made this clear to the Reagan Administration.<sup>4</sup> This was indeed true up until the end of 1987. Nevertheless, by early 1988, with rising Palestinian unrest in the West Bank and Gaza, it appeared that Reagan and Shultz were now listening to Thatcher. Indeed, in November 1988, prior to Thatcher's final discussions with Reagan before he left the White House, the FCO had suggested to Powell that the Prime Minister express her appreciation for Shultz's initiative which had been launched partly as a result of British encouragement. This suggested that the FCO believed that the Thatcher Government's powers of persuasion had made at least some impact on Reagan and Shultz in the Arab-Israel arena.<sup>5</sup>

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<sup>4</sup> Campbell, Margaret Thatcher, p. 338

<sup>5</sup> FCO/FOI 698-09, Minute from FCO to CD Powell ,9 November 1988

Following the eruption of the Palestinian Intifada, the Reagan Administration felt compelled to launch a new initiative in late January 1988 to break the impasse in the Arab-Israeli conflict.<sup>6</sup> Shamir had hinted at a more flexible approach on the issue of Palestinian “autonomy” in a letter to Shultz on 17 January 1988. Leaders from the American Jewish community began to urge the US Secretary to become more involved in the peace process. President Mubarak had also recently called on the Reagan Administration to take urgent action to ward off “a radicalization of the entire region.”<sup>7</sup> While the initiative had been loosely based on some ideas from Camp David such as the call for Palestinian self-rule, there would be an accelerated timetable for the conclusion of autonomy talks. The important innovation was the establishment of an “interlock” – a locked-in link between the autonomy talks and final status discussions. An international conference would also be convened at the start of the process.<sup>8</sup> Significantly, Shultz had secured Reagan’s support for his initiative.<sup>9</sup>

Shultz met with Thatcher and Howe at 10 Downing Street on 1 March, following his talks with King Hussein. Shultz briefed them on his initiative, and his meetings with Hussein and Shamir. Murphy who was also present at the meeting observed that Thatcher demonstrated very little patience when it came to the issue of Shamir. The US Secretary told Thatcher and Howe that he recognized that there were differences between Shamir and Peres, and he did not want to play one against the other. In contrast, Thatcher showed a readiness to do so.<sup>10</sup>

The following month, Thatcher stated in the House of Commons that her Government was doing its utmost to promote negotiations in the Middle East, adding that Britain had used its influence with the Americans. She emphasized that a vacuum would be disastrous for the region. She pledged her support for Shultz’s

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<sup>6</sup> Shultz, *Turmoil and Triumph*, p. 1016

<sup>7</sup> William B. Quandt, *Peace Process: American Diplomacy and the Arab-Israeli Conflict Since 1967* (Brookings Institution Press: Washington DC, 2001) , p.274

<sup>8</sup> Shultz, *Turmoil and Triumph*, pp. 1018-1019

<sup>9</sup> Reagan, *The Reagan Diaries* p. 572

<sup>10</sup> Interview with Richard Murphy

initiative, and stressed the importance of the ongoing efforts to convene an international conference, as a framework for negotiations between Israel, Jordan and a Palestinian delegation.<sup>11</sup> Through the first half of 1988, the Reagan Administration continued its efforts to persuade Shamir to accept the international conference proposal, but the Israeli Prime Minister resisted. During his visit to Washington in March, the Israeli leader was given assurances by Reagan that his fears about an international conference were not justified, and that the United States would not let Israel down. Nevertheless, Shamir insisted that the US initiative was a danger to Israel. Prior to the Israeli leader's departure from Washington, Reagan told Shamir that the United States would not abandon its initiative.<sup>12</sup>

Shamir remained fiercely opposed to any notion of an international conference.<sup>13</sup> The US President was becoming increasingly frustrated over the stance of the Israeli Prime Minister. Reagan had written in his diary that Shultz was simply unable to "move Shamir". The Israeli remained a "hold out" while King Hussein and President Mubarak were more positive.<sup>14</sup> Thus, as the Reagan Administration entered its last few months, the prospects of a breakthrough in the Middle East appeared as remote as ever. Thatcher had pinned her hopes on the Reagan Administration exerting sufficient pressure on Shamir to ensure that an international conference went ahead. While Reagan and Shultz had belatedly thrown their weight behind the idea of an international conference, they showed no inclination to confront Shamir on the issue.

Shultz's initiative may have had the support of American public opinion but it had little chance of success. Aside from Shamir's opposition, Jordan was reluctant to get involved without PLO backing. In addition, the Palestinians were unhappy over their perceived role as a junior partner of Jordan. The Soviets and Syrians were also unenthusiastic. Only Egypt had been openly supportive of the initiative. Shultz's plan had depended upon cooperation with King Hussein. Once Jordan had cut its

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<sup>11</sup> Margaret Thatcher, House of Commons, Hansard Debates for 19 April 1988

<sup>12</sup> Shamir, *Summing Up*, p. 178

<sup>13</sup> *Ibid.*, pp. 174-178

<sup>14</sup> Reagan, *The Reagan Diaries*, p.616

administrative and legal ties with the West Bank on 31 July 1988, the basis for the Shultz initiative had effectively collapsed.<sup>15</sup>

Thus, Thatcher's policy of strengthening the moderate forces and weakening the radicals appeared to have failed. The convening of an international conference would have helped both Peres and King Hussein. Instead, both were weakened by the Palestinian uprising, and had no diplomatic gains to show their respective populations. All the while, the PLO gained in strength at the expense of the Jordanian monarchy.<sup>16</sup>

### **Domestic Sources of Pressure on Policy**

During the third term of the Thatcher Government, the Israeli Government became increasingly concerned over the impact of British public attitudes towards Israel. The Foreign Ministry published a paper in May 1988 on Anglo-Israeli relations against the background of the Palestinian uprising. It was noted that Israel now faced more hostility in the British Parliament than it had done during the Lebanon War. It was claimed that during the Lebanon conflict, Israel was viewed as a country at war. In confronting the uprising, Israel was portrayed as an occupying army facing a civilian population. It was noted that the British Parliament had devoted considerable attention to events in the territories. Parliamentary motions were tabled on various issues relating to the Israeli-Arab conflict, including an international conference, medical aid to the Palestinians and proposals for economic sanctions against Israel. It was felt that most of the debates were one-sided, with anti-Israeli voices gaining the upper hand. Of equal concern was the media treatment of Israel. Since the Palestinian uprising, it was claimed that Israel's image as portrayed in British media reports had never been worse.<sup>17</sup>

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<sup>15</sup> Quandt, *Peace Process*, pp.275-277

<sup>16</sup> Shlaim, *Lion of Jordan*, p. 454

<sup>17</sup> ISA 9533/17, Foreign Ministry Paper: Britain-Israel: Trends in the Wake of the Uprising in the Territories, Drafted by Europe II Department, MFA, May 1988

The first half of 1988 saw a steady deterioration in ties between Britain and Israel. Squire, the outgoing British Ambassador to Israel, had remarked during valedictory discussions with his Israeli counterparts that there had been a significant cooling in bilateral ties, against the background of outspoken British rhetoric and criticism. Squire argued that events in the Occupied Territories and the difficult public atmosphere arising from media coverage was having an influence on ties. He warned that the bilateral relationship was entering a new and different era.<sup>18</sup>

The Shamir camp, in particular, was becoming very unhappy with the position of the Thatcher Government. This was expressed during a meeting between Yossi Ben Aharon, the Director General of Shamir's office and Alan Munro. Ben Aharon, as ever reflecting the views of his political master Shamir, expressed his strong opposition to an international conference which he argued would be used to pressure Israel. Ben Aharon asserted that Britain was not balanced in its policy towards Israel, citing its commitment to the Venice Declaration, its approach towards the PLO and the supply of arms to Arab countries. He was also unhappy about British pressure on the Americans to adopt the idea of an international conference.<sup>19</sup> Ben Aharon's criticisms were directed at a policy that was strongly advocated by the FCO, but it was largely supported by Thatcher herself. Shamir was now well aware of Thatcher's efforts to enlist Washington's support for an international conference, but he was successfully resisting these efforts.<sup>20</sup>

It is likely that the decline in public support for Israel had an impact on Thatcher herself. Indeed, Shamir was told by Thatcher some time later that television images from the Occupied Territories were losing Israel support even among its friends.<sup>21</sup> Thatcher would have found it more difficult to take a supportive line on Israel in these circumstances, and would have shown an even greater readiness to support the FCO position. Thus, domestic factors, reflected in declining public support for Israel

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<sup>18</sup> ISA 9533/17, Cable from Europe Department, MFA, to Israeli Embassy, London, 6 May 1988

<sup>19</sup> ISA 9533/17, Cable from Israeli Embassy, London, to MFA, 14 April 1988

<sup>20</sup> Yitzhak Shamir, *Summing Up*, p. 174

<sup>21</sup> See below, p.273

and lobbying against the Jewish State were having a measure of influence on policy in the Arab-Israel arena.

Although the outbreak of the Palestinian uprising and Shamir's intransigence were significant factors in the increasingly difficult atmosphere afflicting Anglo-Israeli ties, there were also other elements at work. Between 1986 and 1988, there had been a series of incidents involving Israel's Mossad which had caused growing anger at the highest levels of Britain's political establishment. The first difficulties arose in the autumn of 1986 after the abduction from British soil of Mordechai Vanunu, a former nuclear technician who had revealed Israel's nuclear secrets to the Sunday Times. The Israeli Government denied that it had been involved in the abduction of Vanunu, but the case proved embarrassing for the British Government.<sup>22</sup>

These incidents clearly had a deleterious impact on the bilateral relationship. The Prime Minister raised Britain's concerns over the matter during her meeting with Peres in November 1987.<sup>23</sup> Ahead of Mellor's visit to Israel in January 1988, he was instructed by the FCO to tell his Israeli interlocutors that they should not "underestimate the damage done by ill-considered high-handedness."<sup>24</sup> Squire had written in the Annual Review for 1986 that the Vanunu case had cast a shadow over the bilateral relationship, adding:

It is to be hoped that the repercussions of this kind of Israeli misbehaviour will not require us to curtail the political dialogue with the Israeli leadership which remains in our wider interests – and theirs.<sup>25</sup>

Israel's Ambassador, Avner, issued a formal apology on instructions from his Government, and stated that there would be no recurrence of such incidents.<sup>26</sup> Nevertheless, the exposure of the above cases contributed to the growing difficulties

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<sup>22</sup> The Guardian, Ian Black, 10 November 1986

<sup>23</sup> FCO/FOI 351-09, Minute from AM Thomson to AF Goulty/ D Mellor, 1 December 1987

<sup>24</sup> FCO/FOI 351-09, UK/Israel Relations, Points to Make, NENAD, 18 December 1987

<sup>25</sup> FCO/FOI 0591-10, FCO Annual Review for 1986 by William Squire

<sup>26</sup> Interview with Yehuda Avner

faced by Israel in the sphere of British public opinion. Aside from the damage caused to bilateral cooperation in the intelligence domain, Israel faced strong criticism in the British Parliament and in the media.<sup>27</sup> Thus, during a meeting between Patrick Nixon, the outgoing Head of NENAD, and an Israeli official from the Embassy, Nixon remarked that the cases had placed “burdens” on British politicians, and the Israeli Government had to take this into account.<sup>28</sup> Public sympathy towards Israel had already declined considerably in the wake of the Palestinian uprising, and the revelations of Israeli intelligence activities in the UK increased the damage to Israel’s image. It is likely that such incidents would have increased Thatcher’s irritation with the Israeli Government, while arguably encouraging greater cooperation with Whitehall on Israel.

### **Israeli Perceptions of Britain’s Policy**

As relations between Britain and Israel gradually deteriorated, Israel’s Government was inclined to draw distinctions between the policy of Number Ten and that of the FCO. In a paper published by Israel’s Foreign Ministry, it was noted that since 1984, there had been something of a rapprochement between Britain and Israel. Of all the European Community member countries, Britain had been the most vociferous in expressing its opposition to an independent Palestinian State, and had ruled out the PLO as an interlocutor. The paper emphasized that while the mid 1980s could be perceived as a “honeymoon” period for the bilateral relationship, this had been largely due to the friendship of Thatcher, and did not necessarily reflect the view of the British Government as a whole. In spite of the Palestinian uprising and Israel’s poor image in Europe and Britain, it was claimed that Thatcher had not changed her policy towards Israel. In contrast, the FCO was viewed as a source of the difficulties facing Israel. The Foreign Ministry was unhappy about Howe’s strong backing for Mellor in the wake of his visit to Gaza. An additional source of dissatisfaction was the increasingly sharp and frequent FCO condemnations of Israel’s actions in the West Bank and Gaza. In spite of the friendship of Britain’s Prime Minister towards

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<sup>27</sup> ISA 9534/1, Foreign Ministry Paper: Bilateral Issues, Drafted by MFA, February 1989

<sup>28</sup> ISA 9707/3, Cable from Minister, Israeli Embassy, London, to MFA, 17 March 1987

Israel, the FCO was closing ranks with the other member states of the European Community in its statements on developments in the territories.<sup>29</sup>

Thus, it was convenient in Israel to believe that there was a dichotomy in Britain's policy towards the Arab-Israel conflict: it was perceived that 10 Downing Street adopted a friendly attitude while the FCO and Parliament were hostile. This view was arguably reinforced by the fact that Israeli officials tended to receive relatively easy access to 10 Downing Street, while Powell ran Thatcher's Private Office.<sup>30</sup> Nevertheless, this was a simplistic view of how British policy operated. Thatcher and Howe had their differences in certain areas of British foreign policy, but there was broad agreement on policy towards the Arab-Israeli conflict. Both Thatcher and Howe continued to view an international conference as the most effective path to launching negotiations between Israel and her neighbours. Thatcher had been at the forefront of efforts to encourage Washington to support an international conference which was fiercely resisted by the Shamir camp.

While the FCO had been marginalized in certain areas of policymaking, there is a view that Thatcher had actually been timid in her attitude to the institution. Coker argues that under her leadership, the institution was able to "weather every crisis" and continue much as before. Thatcher's personal advisers on foreign policy did not create the same upheaval as those in the Treasury. Thatcher might have "dominated" Whitehall, but she had not "transformed" it.<sup>31</sup> The FCO retained its influence in spite of the growing involvement of the private office in foreign policy, and no more so than in the Arab-Israel arena. Indeed, Thatcher's well publicized disagreements with the FCO have obfuscated this fact.

As Clarke points out, much of the rancour between Thatcher and the FCO was based on her hostility to the culture of the institution as opposed to its actual policy

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<sup>29</sup> ISA 9533/17, Foreign Ministry Paper: Britain-Israel: Trends in the Wake of the Uprising in the Territories, Drafted by MFA, May 1988

<sup>30</sup> Interview with Lord Powell

<sup>31</sup> Coker, *Who Only England Know*, pp.44-45

recommendations. The Prime Minister disliked its emphasis on continuity and the tendency to pursue compromise. Nevertheless, Clarke argues that Thatcher's radicalism on domestic issues was not applied to foreign policy. Thus, "even a government as vigorous as that of Mrs Thatcher was not able to inject the 'ism' of its leader – Thatcherism – very effectively into the foreign policy process."<sup>32</sup>

While Thatcher's difficulties with the FCO were associated with its tendency to pursue "compromise", it was this very virtue which enabled her to cooperate with the FCO in the Arab-Israel arena: this was the one area where the Prime Minister strongly believed in compromise, a point which she has emphasized in her political treatise, *Statecraft: Strategies for a Changing World*:

There are very few international questions in which compromise is more necessary or more difficult than in the conflict between Jews and Arabs in Israel/Palestine. Throughout my political life I have usually sought to avoid compromise, because it more often than not turns out to involve an abdication of principle. In international affairs, it is often also symptomatic of muddle and weakness. But over the years I have been forced to conclude that the Arab-Israeli conflict is an exception. Here a historic compromise is, indeed, necessary. This is because both sides have unimpeachable moral cases, because neither side can fully prevail without loss to the other, and because shared interests in security are ultimately greater than those which divide the parties.<sup>33</sup>

### **The Collapse of the 'Jordanian Option'**

By the summer of 1988, Jordan's standing as a regional power was in steep decline, while the PLO had enhanced its status. This was reflected in the resolutions passed at the Algiers Arab summit which ignored Jordanian aspirations, and affirmed the right of the Palestinians to independent statehood under the PLO's leadership. The outcome of the Algiers summit encouraged King Hussein to initiate measures to disengage from the West Bank. Peres became deeply concerned by these steps because they presaged an end to the so-called 'Jordanian option', and would place

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<sup>32</sup> Clarke, 'The Policy-Making Process', pp. 76-77

<sup>33</sup> Margaret Thatcher, *Statecraft: Strategies for a Changing World* (Harper Collin: USA, 2002), p.243

the PLO at the centre of the diplomatic process. The PLO had still not recognized Israel's right to exist.<sup>34</sup>

Peres became increasingly alarmed, and sought at the last minute to dissuade King Hussein from disengagement. Peres held an urgent and very dramatic discussion with Shultz and his aide Charles Hill to see if there was anything that could be done to discourage Hussein from disengaging from the West Bank. Peres asked Shultz to go to Jordan with a note as a last resort. Novik who was present during the discussion sensed that Shultz did not appear to understand the gravity of the situation. Peres and his aides tried to convince Shultz to remonstrate with Hussein. They tried to impress on Shultz that as a superpower, the United States could help the King and reduce the risks he was facing. Nevertheless, the US Secretary resisted. He concluded that Hussein had made a decision, and that was the end of the matter.<sup>35</sup> Peres also contacted Thatcher, and asked her to try and dissuade the King.<sup>36</sup> Before Hussein had made a formal announcement on the matter, Thatcher sent him a message asking him to reconsider his decision. The King declined. He argued that since 1967, he had been saddled with responsibility without power as far as the West Bank was concerned, and that he couldn't be expected to continue in that situation.<sup>37</sup>

On 31 July 1988, King Hussein formally announced his decision to terminate Jordan's legal and administrative ties with the West Bank.<sup>38</sup> Thatcher had good reason to be unhappy with King Hussein's decision. The King's view of the PLO, or at least of Arafat, was not dissimilar to Thatcher's. He believed that Arafat was unpredictable, not fully in control of his organization and probably unable to deliver what he might promise in negotiations. According to one view, this assessment of Arafat was an important part of the reason why the British Prime Minister was disappointed by the King's decision to disengage from the West Bank.<sup>39</sup> Peres and Thatcher had invested great hopes in King Hussein as the address for a solution

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<sup>34</sup> Shlaim, *Lion of Jordan*, pp.460-462

<sup>35</sup> Interview with Dr. Nimrod Novik

<sup>36</sup> Ibid.

<sup>37</sup> Correspondence with unattributed source, 14 September 2010

<sup>38</sup> Shlaim, *Lion of Jordan*, p.462

<sup>39</sup> Correspondence with unattributed source, 14 September 2010

between Israel and the Palestinians. Now, the Jordanian monarch was abdicating his role, and handing it over to Arafat.

The policy of the Thatcher Government in the Arab-Israel arena had been predicated upon strengthening the moderate forces in the region at the expense of the radicals. To this end, the FCO and Thatcher, in particular, had sought to strengthen the position of King Hussein as a leader who could represent the Palestinians and reach a settlement with Israel. At the same time, a concerted effort had been made to strengthen Peres at the expense of his rival Shamir. However, Hussein's decision to disengage from the West Bank had shown that this policy had failed. Instead of keeping the more radical forces at bay, it was clear that a solution to the Arab-Israeli conflict would now have to go through the PLO. For Peres, Hussein's decision to disengage was a bitter personal blow. It was his strategic conviction that Israel had to reach an agreement with the Jordanian monarch.<sup>40</sup> He had staked everything on reaching an understanding with King Hussein, but now had little to show for it.

Peres was therefore at a great disadvantage when running against his Likud rival Shamir in the Israeli election of 1 November 1988. Although there was no decisive winner in the election, the Likud emerged with one seat more than the Labour Alignment. The election result was a considerable disappointment for Peres and his party. Both Likud and Labour lost seats to the extreme right and left and the religious parties. As the leader of the largest party, Shamir was called upon by Israel's President to form a government. After failing to form a narrow government with the religious parties, Shamir reached an agreement with the Labour Alignment on a National Unity Government. This time round, however, there was no rotation. Labour was clearly the junior partner in the coalition. Peres left his post as Foreign Minister to become Vice Premier and Minister of Finance. Shamir was Prime Minister.<sup>41</sup>

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<sup>40</sup> Interview with Dr. Nimrod Novik

<sup>41</sup> Shlaim, *The Iron Wall*, p. 462

Thus, the Thatcher Government's ongoing efforts to strengthen Hussein and Peres had failed. Hussein's influence had declined while the PLO had been strengthened considerably in the wake of the Palestinian uprising, leading eventually to Jordan's disengagement from the West Bank. In Israel, Peres's advocacy of an international peace conference had made little headway as evidenced by the Israeli election result of 1 November 1988. Thus, the Thatcher Government would have to adopt a new strategy in working for a resolution to the Arab-Israeli conflict. This was advantageous for the FCO since it was now in a stronger position to push for a new British approach towards the PLO.

Thus, by the end of 1988, an interesting new dynamic had emerged in regard to Thatcher's relationship with the FCO. As long as King Hussein had been the main address for a solution to the Israeli-Arab conflict, Thatcher could rely to a large degree on her own offices as she had a direct link to the Jordanian monarch. However, now that a solution to the Israel/Palestinian impasse required the involvement of the PLO, Thatcher would need to depend much more on the FCO as she did not enjoy those direct links to the Palestinian organization. As a result, the FCO was able to exert a stronger influence on the Prime Minister. Indeed, Thatcher's ability to impose her own personality on policy was gradually being eroded since both King Hussein and Peres, with whom she enjoyed close ties, were becoming sidelined. Furthermore, with Reagan about to leave the White House, the Prime Minister's ability to exert her influence would be further weakened. Thus, the FCO was now in a position to set the tone on much of policy towards the Arab-Israel conflict while Thatcher would be following behind.

### **The New Approach towards the PLO**

The early signs of the new British approach towards the PLO were evident during the spring of 1988 as the Jordanian influence in the Occupied Territories was quickly waning. A letter from Howe's Private Secretary to Number Ten revealed that a decision had been made at the highest levels to re-examine the possibility of a

resumption of ministerial contacts with the PLO. Since the unrest in the West Bank had reduced King Hussein's influence there, he had stated that he would not seek to represent the Palestinians in negotiations. Howe was concerned about the consequent damage to British interests, and proposed a meeting between Britain's Ambassador in Jordan, Anthony Reeve, and King Hussein. The British Ambassador would explore whether Hussein was interested in a meeting between the British Minister of State and a suitable PLO representative. The immediate objective was to encourage a more constructive approach by the PLO to the American peace initiative of February 1988. It was thought that a UK/PLO dialogue would help fill the Palestinian vacuum in the American strategy. It would also align Britain's policy more closely with that of its European partners, and put it in a stronger position to lead a European contribution to the peace process. Howe believed that there would be considerable parliamentary and public support for renewed ministerial contacts with the PLO. He also felt that Britain's European partners would view this development favourably.<sup>42</sup>

Towards the end of 1988, there was a significant shift in Thatcher's attitude towards the PLO. This had been brought about largely by the evolving positions within the PLO itself. In mid November 1988, at a Palestine National Congress (PNC) meeting in Algiers, Arafat hinted at the recognition of Israel, and proclaimed an independent Palestinian State in the West Bank and Gaza with east Jerusalem as its capital.<sup>43</sup> The PNC meeting took place while Thatcher was visiting Washington for her final talks with President Reagan. Only a few days earlier, the Republican Party candidate, George Bush, had won a landslide victory in the US presidential elections. The FCO viewed the visit as an opportunity for the Prime Minister to urge Reagan and Shultz to do their utmost to encourage the new incoming team to advance the Middle East peace process as a matter of priority.<sup>44</sup>

Notwithstanding the strong American hostility towards the PLO, there was a reluctant acceptance by most US policymakers that the organization had the widest

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<sup>42</sup> FCO/FOI 954-09, Letter from RN Culshaw to CD Powell, 25 April 1988

<sup>43</sup> Shultz, *Turmoil and Triumph*, p. 1037

<sup>44</sup> FCO/FOI 698-09, Minute from FCO to CD Powell, 9 November 1988

support among the Palestinians. Thus, over the years, American officials had occasionally explored the possibility of establishing direct contacts with the PLO with a view to softening its position on peace with Israel and opening the way for direct involvement by legitimate Palestinian representatives in negotiations. At the same time, by the end of 1988, the PLO was making a concerted effort to meet the US conditions for a dialogue. The PLO was in danger of being eclipsed by the Palestinian Intifada and also faced pressures from the Arabs and Soviets to moderate its position.<sup>45</sup> The PLO believed that American pressure could force Israel to make territorial concessions, but it first needed to win Washington's support. Arafat had concluded that "nothing can get done in the region without the United States." The PLO realized that in order to obtain US recognition, it had to appear moderate and flexible.<sup>46</sup>

While the Americans were sceptical about the PNC communiqué of November 1988, Thatcher stressed the importance of giving encouragement to the parties to move in the positive directions implied by the Algiers statement.<sup>47</sup> She had said to Reagan and Shultz: "When people do things that we like, we should welcome it."<sup>48</sup> While Thatcher was unhappy with the declaration of an independent Palestinian State, she stated at a Washington press conference that the PLO's apparent acceptance of Resolution 242 was a "modest step forward."<sup>49</sup> The Americans felt differently. Shultz decided on 26 November to deny Arafat a visa to visit the United States since he held the view that the PLO still engaged in terrorism.<sup>50</sup>

Pro-Israeli organizations in London had consistently lobbied against British ministerial contacts with the PLO, and had opposed the establishment of a PLO office in the capital.<sup>51</sup> The Israeli Government had claimed that since the PLO was a

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<sup>45</sup> Quandt, *Peace Process*, pp.277-278

<sup>46</sup> Barry Rubin, 'The United States and the PLO', in Avraham Sela and Moshe Ma'oz (eds), *The PLO and Israel: From Armed Conflict to Political Solution, 1964-1994*, (Macmillan Press Ltd: London), 1997, pp. 150-152

<sup>47</sup> FCO/FOI 698-09, Undated Cable on M Thatcher's Visit to Washington

<sup>48</sup> Shultz, *Turmoil and Triumph*, p. 1039

<sup>49</sup> MTF, Press Conference in Washington, 17 November 1988

<sup>50</sup> Shultz, *Turmoil and Triumph*, p. 1038

<sup>51</sup> Archive of the Board of Deputies, ACC/3121/E4/1036, Letter from H Pinner to G Howe, 22 December 1986

terrorist organization, the office should be closed down. FCO officials had regular dealings with the PLO representative in London. Following Arafat's arrival in Tunis, it was considered important for practical reasons to allow British diplomatic contacts with the PLO leader. Thus, the British Embassy in Tunis was given permission to speak to Arafat. By 1988, Stephen Day was given authorization as Britain's Ambassador in Tunis to meet with the PLO leader. Therefore, the taboo on contacts with the PLO had been gradually broken down under Thatcher.<sup>52</sup> Over the past two years, Thatcher had kept the PLO at arm's length since the organization had not renounced terrorism or accepted UN Resolution 242. The Prime Minister now signalled a possible change of heart in view of the apparent shift in the PLO's position.

Following the establishment of a new Israeli National Unity Government in December 1988, the basic policy guidelines of the new coalition included opposition to an independent Palestinian State in the West Bank and Gaza and no negotiations with the PLO.<sup>53</sup> Peres's public position on the PNC communiqué in Algiers was starkly at odds with the new position of the Thatcher Government. Peres sent a letter to Howe claiming that the PNC Algiers resolutions had complicated the chances of a resolution of the conflict since they prejudged the outcome of a negotiated settlement. Peres asserted that the Algiers statement had not constituted acceptance of Resolution 242, recognition of Israel or the renunciation of terrorism. Peres called on the Thatcher Government not to provide support to the PNC Algiers Resolutions which was "bound to prove counter-productive."<sup>54</sup>

Howe's response reflected the shift in the Prime Minister's own thinking on the PLO. While Howe understood Israel's wary approach towards the PLO, he expressed the hope that Israel would take advantage of the new opportunities presented by the PNC meeting in Algiers. In his letter, the Foreign Secretary betrayed the sense of frustration within the Thatcher Government on Israel's

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<sup>52</sup> Interview with Oliver Miles

<sup>53</sup> <http://www.mfa.gov.il/>

<sup>54</sup> ISA 9533/17, Letter from S Peres to G Howe, 16 November 1988

position. He informed Peres that the Thatcher Government was unsympathetic to Israel's "totally negative reaction to the PNC." While the PNC communiqué had flaws, there were some constructive aspects which held promise. Howe wrote that "it would be a tragedy" if an opportunity were lost because of Israeli intransigence.<sup>55</sup>

In the course of December 1988, the Thatcher Government moved to upgrade relations with the PLO. In a letter to Powell, Howe's Private Secretary, Stephen Wall, reported that Thatcher and Howe had persuaded other European Community member states that they had a threefold task: to engage the incoming Bush Administration in the search for a peace agreement, to persuade the Israeli Government that there was a fresh opportunity for negotiations and to encourage PLO moderates to maintain their pressure for acceptance of Resolutions 242 and 338, the recognition of Israel and the renunciation of terrorism. Wall noted that an opportunity had presented itself for the Thatcher Government to exercise influence over the PLO. Bassam Abu Sharif, Arafat's senior adviser, would be visiting London in the second week of December. Abu Sharif was seen as a moderate within the PLO, and had recently written articles calling for acceptance of Security Council Resolution 242 and the renunciation of terrorism. Wall maintained that the British Government had an opportunity to enhance the process of moderation within the organization.<sup>56</sup>

Day met with Abu Sharif to discuss the possibility of a meeting with Britain's Minister of State at the FCO, William Waldegrave. The two discussed the wording of a declaration to be issued during the meeting with Waldegrave. Following an agreement on the draft, it was then agreed that Abu Sharif would obtain Arafat's oral approval for the wording while it was transmitted it to London.<sup>57</sup> An arrangement was made for Abu Sharif to meet with Alan Munro during his visit to London. Howe proposed that an undertaking by Abu Sharif to honour the commitments he had made in his articles should be rewarded by a meeting with Waldegrave. The Prime

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<sup>55</sup> ISA 9533/17, Letter from G Howe to S Peres, 29 November 1988

<sup>56</sup> FCO/FOI 954-09, Letter from JS Wall to CD Powell, 4 December 1988

<sup>57</sup> Interview with Stephen Day

Minister would then be able to convey this news to King Hussein during her meeting with him on 5 December.<sup>58</sup>

The differences between 10 Downing Street and the FCO in regard to Britain's contacts with the PLO were gradually subsiding. While Thatcher was moving ever closer to authorizing upgraded contacts with the PLO, her suspicions remained. Powell wrote to Wall that the Prime Minister did not feel that the case for a meeting between Waldegrave and Abu Sharif was "anything like as clear-cut" as his letter had suggested. Nevertheless, he added that Thatcher agreed that her Government could not "move the goalposts in any direction." Abu Sharif had to explicitly and publicly accept the same three conditions which the British Government had laid down in October 1985 for a meeting between the Foreign Secretary and the two PLO members – points which the Prime Minister had referred to in the House of Commons the previous week. The PLO had to accept UN Resolutions 242 and 338, recognize Israel's right to exist and renounce violence.<sup>59</sup>

Thatcher was extremely wary about the PLO, and took quite a lot of persuasion that the organization had shifted its position.<sup>60</sup> In the event, the Prime Minister approved the text of the statement that Abu Sharif was to make following his meeting with Waldegrave on December 9, 1988. Thatcher believed that provided the meeting went to plan, it could be presented "as a minor success for British diplomacy." Abu Sharif had accepted the three conditions set by Thatcher. The next step was to encourage Arafat to make the same statement.<sup>61</sup> Following the meeting, Waldegrave and his Palestinian counterpart came down the steps of the FCO to face the journalists and issue a declaration. The occasion was very fraught and tense. In the event, however, there were no surprises.<sup>62</sup> Arafat was pleased with the results of the meeting, and called Abu Sharif to congratulate him on his accomplishment.<sup>63</sup>

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<sup>58</sup> FCO/FOI 954-09, Letter from JS Wall to CD Powell, 4 December 1988

<sup>59</sup> FCO/FOI 954-09, Letter from CD Powell to JS Wall, 5 December 1988

<sup>60</sup> Interview with Lord Waldegrave

<sup>61</sup> FCO/FOI 954-09, Letter from CD Powell to RN Peirce, 9 December 1988

<sup>62</sup> Interview with Lord Waldegrave

<sup>63</sup> Abu Sharif, *Arafat and the Dream of Palestine*, p. 106

Rob Young, a senior official within the Middle East Department during the third Thatcher term, maintains that if policy towards the PLO had been left exclusively to the FCO, contacts with the organization would have been upgraded some years earlier. The FCO had quite persistently tried to use its connections to initiate contacts with the PLO representatives at a high ministerial level, but Thatcher had resisted until 1988 because the organization had not renounced terrorism or recognized Israel.<sup>64</sup> Yet now, Thatcher was seeking to present Britain's renewed contacts with the PLO in terms of "a minor success for British diplomacy." Arguably, she wanted to highlight Britain's relevance as an influential actor in the Middle East arena, by demonstrating its apparent ability to encourage a process of moderation within the PLO. It was not clear that Arafat had made a strategic decision to abandon terrorism and recognize Israel. Nevertheless, British strategic interests in the region could be enhanced through demonstrating to the Arab world that Britain could exert influence over the PLO. Furthermore, it was becoming clear to Thatcher that any future negotiated settlement would have to include the PLO.<sup>65</sup> Thus, Thatcher's pragmatism on the issue of Palestinian terrorism now predominated, as her Government dismissed the objections of the Israelis on the upgraded ties with the PLO. Furthermore, at this stage in 1988, it is likely that Thatcher would have perceived a dialogue as an opportunity to detach the PLO from the Soviet Union.

As a result of the Waldegrave-Abu Sharif meeting, Thatcher agreed to raise the level of dialogue with the PLO to ministerial level. A week after the meeting, Howe announced that Waldegrave would be visiting Tunis in January 1989. Nevertheless, at this stage, the Thatcher Government adopted a cautious approach, and its moves towards the PLO were coordinated closely with Washington. While the PLO had apparently renounced violence, there was a sense that it had not moved far enough.<sup>66</sup>

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<sup>64</sup> Interview with Sir Rob Young

<sup>65</sup> See below, p.283

<sup>66</sup> Interview with Lord Waldegrave

The Reagan Administration was now pressing Arafat hard to explicitly renounce terrorism and issue a clear statement recognizing Israel's existence. Shultz remained unconvinced by Arafat's address at the UN in Geneva on 13 December, since the PLO leader had failed to renounce terrorism. While the PLO leader had previously rejected or condemned terrorism, Shultz wanted Arafat to explicitly renounce terrorism and not simply reject it. Finally, on 14 December, Arafat held a press conference in Geneva where he stated his recognition of Israel's existence and explicitly renounced terrorism.<sup>67</sup> Following Arafat's statement, the Reagan Administration announced that the PLO had now met the US conditions for a dialogue.<sup>68</sup>

The Reagan Administration's decision-making on the PLO dialogue followed a pattern that could be seen in other areas of policymaking in the Arab-Israel arena. Quandt argues that "Reagan's disengaged style as President, his lack of curiosity, and his passivity on issues related to the Middle East were impediments to creative US peace diplomacy." Reagan and Shultz produced policy in reaction to events rather than "as part of a grand design." Thus the Reagan Plan of September 1982 was formulated in response to Israel's invasion of Lebanon while the Shultz initiative of 1988 was a reaction to the Intifada. The decision to open a dialogue with the PLO could also be viewed as a reaction to King Hussein's disengagement from the West Bank. The distinct lack of leadership displayed by the President and his US Secretary meant that little of substance was achieved in the peace process during the Reagan period.<sup>69</sup>

The fact that the United States had now authorized contacts with the PLO made it considerably easier for Thatcher to sanction a higher-level dialogue with the Palestinian organization. According to one Palestinian view, she was very careful not to run ahead of the Americans on this issue, notwithstanding the fact that she

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<sup>67</sup> Quandt, *Peace Process*, pp.277-285

<sup>68</sup> Shultz, *Turmoil and Triumph*, p. 1044

<sup>69</sup> Quandt, *Peace Process*, pp.287-288

generally preferred to take the lead rather than to follow.<sup>70</sup> In fact, Thatcher had moved ahead of Washington to some degree on this issue since there had already been low level British contacts with the PLO some years earlier, including meetings between her FCO Minister of State and PLO officials. Now, however, Washington was looking kindly on the Thatcher Government's readiness to upgrade contacts with the PLO.

The British Government was now in close contact with the Americans in regard to a renewed dialogue with the PLO. The Thatcher Government held discussions with the Americans regarding Waldegrave's forthcoming trip to Tunis. In Washington, it was felt that a response was needed to the political shift within the PLO. At the same time, the Americans viewed the opening of a dialogue as merely the beginning of a negotiating process in which the PLO would have to demonstrate its moderation and convince Israel that a solution with Arafat was possible. The US Government defined the new stage not as negotiations but as a constructive dialogue that would be maintained only if the PLO honoured Arafat's pledge in Geneva.<sup>71</sup> However, the United States had political difficulties in raising the dialogue to the level of elected politicians, and it was agreed that it would be a useful step if the British could do so. It took some persuasion for Thatcher to sanction Waldegrave's visit to Tunis. Certainly, if Thatcher had entertained any doubts at all about how the Americans would have perceived it, she would not have allowed the visit to take place.<sup>72</sup>

Shultz designated US Ambassador to Tunis, Robert Pelletreau, as the only authorized channel for contacts between the United States and the PLO.<sup>73</sup> Day effectively played a role in Tunis as a go-between with the Americans to help them establish a dialogue with the PLO, advising the US Embassy in Tunis on how to set up a meeting and with whom. He had also supplied his American counterparts with the telephone numbers of PLO officials including Arafat. For a short period, Day's contacts with Arafat enabled Britain to help the Americans orchestrate their own

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<sup>70</sup> Interview with Bassam Abu Sharif, 7 July 2009

<sup>71</sup> Rubin, 'The United States and the PLO', p. 153

<sup>72</sup> Interview with Lord Waldegrave

<sup>73</sup> Shultz, *Turmoil and Triumph*, p. 1044

dialogue with the PLO. Day maintains that Britain's dialogue with the PLO was certainly a helpful step which facilitated the American move.<sup>74</sup> Waldegrave was in regular contact with Pelletreau.<sup>75</sup>

Waldegrave's visit to Tunis in January 1989 resulted in a further strengthening of the ties between Britain and the PLO. The FCO Minister was attacked by sections of the British press following his meeting with Arafat. During his visit, Waldegrave stated that Shamir was what the British had once described as a terrorist but he had made the transition to political life. Waldegrave added that the Israelis had to give the same benefit of the doubt to Arafat who had wanted to make a similar change. Thatcher had also viewed Shamir as a former terrorist, and this had a significant influence on her attitude towards him.<sup>76</sup> The Prime Minister gave Waldegrave her full backing on the episode.<sup>77</sup>

On his return to London, Waldegrave appeared in the House of Commons, and robustly defended his visit to Tunis. The Minister argued that while Israeli anxieties over the PLO were understandable, the conditions were right for a political solution and Britain had to play a role. He emphasized that the steps taken by the PLO had to be tested by comprehensive negotiations. Waldegrave added that he had met with Arafat to encourage him to maintain his moderate position.<sup>78</sup> Thatcher sat stony faced in parliament while the Minister made his statement. At the end of his address, Thatcher patted Waldegrave on the shoulder as an endorsement of what he had done.<sup>79</sup> The Prime Minister was always supportive of those who were carrying out her policy under pressure.<sup>80</sup> There was now a growing convergence between the FCO and 10 Downing Street on the PLO question.

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<sup>74</sup> Interview with Stephen Day

<sup>75</sup> Interview with Lord Waldegrave

<sup>76</sup> Interview with Lord Powell

<sup>77</sup> Interview with Lord Waldegrave

<sup>78</sup> William Waldegrave, House of Commons Hansard Debates for 17 January 1989

<sup>79</sup> Interview with Stephen Day

<sup>80</sup> Interview with Lord Waldegrave

Thatcher's policy towards the PLO in January 1989 mirrored her attitude towards the Venice Declaration some nine years earlier. Thatcher was initially hesitant about upgrading relations with the PLO as there were some doubts about the sincerity of Arafat's true intentions. Thatcher was uncomfortable with anything resembling a terrorist organization. This was why she took her time to respond to the ANC in South Africa. On the issue of the PLO, Waldegrave observed that there was "a very careful observation" from 10 Downing Street, but no intervention once the matter was agreed. Thatcher had "tested the arguments", but once agreement was reached, she moved on.<sup>81</sup> Since Thatcher was convinced that the PLO had moderated its position, she gave her full support to Waldegrave's dialogue with Arafat.

It has been argued that there were few if any restraints left on Thatcher once William Whitelaw, had gone into retirement in 1988. Whitelaw, a close associate of the Prime Minister, had been able to intervene with Thatcher during private bilateral sessions. Howe had stated that Thatcher was now succumbing to the "language of the battlefield rather than the language of partnership." Thus, by this point, the tight policy unit in Number Ten had acquired even more influence as Powell and Ingham had become increasingly politicized.<sup>82</sup> However, even as the centralization of policy was intensifying, the cooperation between Number Ten and Whitehall in the Arab-Israel arena was also increasing. It may be true that the Number Ten policy unit was becoming increasingly dominant in the management of policy. Yet, as far as its substance was concerned, there appeared to be little impact. Thatcher had asserted a measure of independence in policy towards the PLO, yet even this difference was now evaporating. Since the PLO had met Thatcher's conditions, there was no longer any justification for opposing a dialogue with the organization. The disengagement of Jordan from the West Bank was an important factor in the new approach towards the PLO, as was the change in America's attitude towards the organization.

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<sup>81</sup> Interview with Lord Waldegrave

<sup>82</sup> Hennessy, *The Prime Minister*, p.405

## **Chapter Nine**

### **A Renewed Focus on the Resolution of the Conflict**

In this final chapter, it is argued that Thatcher's resolve to support a resolution of the Arab-Israel conflict underpinned her close cooperation with Whitehall during her final years in office. By 1990, Thatcher appeared to be less concerned about the threat from the Soviet Union which was now in severe decline but, rather, from the dangers posed by radical regimes possessing weapons of mass destruction. She believed that a resolution of the Arab-Israel conflict would help to address the insecurity which was gripping the region.<sup>1</sup> Indeed, by this stage, the removal of the cold war dimension appeared to strengthen the belief of policymakers that a resolution of the conflict was possible.<sup>2</sup>

The visit of Shamir to London in May 1989 saw the FCO and Thatcher work in very close cooperation in a bid to draw concessions from the Likud Prime Minister. This was unsuccessful since Shamir effectively ended up rejecting his own peace plan. By the summer of 1990, a new Israeli Government had been formed which adopted an even more uncompromising approach on the Palestinian question. The FCO was now led by Hurd who was in a stronger position than predecessors Major and Howe, and was at the forefront of calls for a just and comprehensive resolution of the Arab-Israel conflict. Arabists within the FCO such as David Gore-Booth were also becoming increasingly influential in setting the tone of policy. Thus, the stage was set for a return to the very tense bilateral relationship which had predominated during 1980-82, as Israel refused to demonstrate flexibility on the Palestinian

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<sup>1</sup> MTF, Press Conference for Washington Post and Newsweek, 17 November 1988

<sup>2</sup> Interview with Lord Waldegrave

question. Leading representatives of the Jewish community and the Israeli Government expected Thatcher to counter the FCO line. Yet Thatcher was no less outspoken than the FCO on Israel, exemplified by her refusal to suspend a dialogue with the PLO and her strong condemnation of Jewish settlement in east Jerusalem.

In the wake of Saddam Hussein's invasion of Kuwait, 10 Downing Street appeared to be playing a double game. While Thatcher was insistent that there could be no linkage between the resolution of the Arab-Israel conflict and the Iraq/Kuwait crisis, the FCO led by Hurd and Waldegrave were given freedom to ratchet up the rhetoric on the urgent need for a settlement of the Palestinian question. Thatcher could only gain from such an approach, as there was a realization within Number Ten that some kind of linkage was necessary in order to rally Arab states to the anti-Saddam coalition. Furthermore, it was this same interest which persuaded Thatcher to finally agree to the reestablishment of diplomatic ties with Syria. Ultimately, both Hurd and Waldegrave were subject to fierce attacks from Israel and its supporters in the wake of their position while Thatcher was still perceived in more favourable terms. Thus, once again, there was a discrepancy between the Israeli perception of Thatcher's position on the Arab-Israel conflict and her actual policy which was very closely aligned with the FCO.

## The Shamir Plan

The close coordination between the FCO and Number Ten in the Arab-Israel arena continued through 1989, and was exemplified by the visit of Shamir to London in May of that year. Indeed this cooperation increased in spite of the strong control of the private office over policy. The change of heart over Shamir could be linked to several factors. Thatcher had become disappointed with Peres as a result of his failure to bring down the Israeli National Unity Government over the London Agreement.<sup>3</sup> The disappointment over Peres's failure to deliver was also felt by FCO officials.<sup>4</sup> Now that the Likud was the senior partner in the National Unity Government, there was little to be gained from trying to strengthen Peres at the expense of Shamir.

The fact that the new Bush Administration had made it clear that it was resolved to use its influence with Shamir was a source of encouragement for the Prime Minister. Thatcher now believed that a resolution of the Arab-Israel conflict was a matter of the greatest urgency, in view of the "fundamentally unstable" situation in the Middle East. During a trip to Morocco, Thatcher warned that the proliferation of weapons of mass destruction and the ballistic missiles to deliver such weapons had brought home "the horrors of a further conflict."<sup>5</sup>

President Bush and his Secretary of State, James Baker, wasted little time in exerting pressure on the Israeli Prime Minister. Shamir visited Washington in April 1989 where he unveiled his plan for elections in the Occupied Territories. Baker, in particular, pressed Shamir over the need to adopt fresh thinking and initiate negotiations with the Palestinians. Baker cautioned the Israeli Prime Minister against "digging one's heels in", and urged him to "recapture the high ground".<sup>6</sup> This was certainly a departure from the policy adopted by the Reagan Administration. Shamir

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<sup>3</sup> Interview with Nimrod Novik

<sup>4</sup> Interview with Yoav Biran

<sup>5</sup> MTF, Speech at Dinner given by King Hassan of Morocco, 27 March 1989

<sup>6</sup> Shamir, Summing Up, p. 200

had presented a plan for elections among the Palestinians for representation to negotiate a transitional period of self-rule. Israel would continue to have security control over the West Bank and Gaza. Negotiations would begin three years after the implementation of interim arrangements towards a permanent solution with each side proposing whatever it saw fit.<sup>7</sup> By mid May 1989, Shamir's initiative had been accepted by the Israeli cabinet, and he was ready to promote it in Europe.<sup>8</sup>

### **The Visit of Shamir to London**

As a result of the Shamir Plan, both Thatcher and the FCO viewed the visit of Israel's Prime Minister to London as a golden opportunity to encourage diplomatic progress in the region. Shamir's visit was taking place amidst promising developments in the Middle East. Aside from the shift in the PLO's position, Egypt had been readmitted to the Arab League following a decade of ostracism in the wake of its Peace Accord with Israel.<sup>9</sup> Britain's Ambassador to Israel, Mark Elliott, maintained that there was an extensive view that there had been a significant shift in Shamir's thinking.<sup>10</sup> While Elliott was inclined to believe that Shamir was an unreconstructed tactician who was playing for time, he argued for Britain to encourage Shamir in his plan since it could have "an unstoppable dynamic of its own", adding that the Israeli Prime Minister would be more receptive to reasoned argument than he was a few months ago. Shamir would hope to persuade Thatcher that in spite of his plan's ambiguities, it represented the only way forward. The Ambassador maintained that Shamir's forthcoming visit to London in May was "timely". Since the details of his peace plan had been publicized, support from Thatcher would be "a God-send to him". Elliott claimed that Thatcher was "central to Israel's campaign for international support because of her influence in

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<sup>7</sup> Moshe Arens , Broken Covenant: American Foreign Policy and the Crisis Between the US and Israel, (Simon & Schuster: New York, 1995), pp.67-68

<sup>8</sup> Shamir, Summing Up, p. 201

<sup>9</sup> FCO/FOI 698-09, Cable from A Acland to FCO, 16 May 1989

<sup>10</sup> FCO/FOI 698-09, Cable from Elliott to FCO, Undated

Washington, Europe, Amman and Moscow, as well as her standing in Israeli public opinion.’’<sup>11</sup>

Thatcher had prepared very carefully for Shamir’s visit to London. She wrote to King Fahd, King Hassan, President Mubarak and King Hussein to canvass their views on how to handle Shamir. Thatcher had also written to US Secretary of State Baker. King Fahd had conveyed to Thatcher that she had to emphasize to Shamir that there had been a shift in Arab attitudes towards Israel and that it had to respond.<sup>12</sup>

Mubarak conveyed his views to Britain’s Ambassador to Egypt, James Adams. The Egyptian leader feared that Shamir would be “incapable of taking a positive decision”, and was pessimistic about the prospects of doing business with him. Adams tried to elicit Mubarak’s reaction to the view of the British Government regarding the current impracticalities of a direct Israeli dialogue with the PLO. Mubarak avoided giving a straight answer to the question of direct negotiations with the PLO. However, he expressed his contempt for members of the PLO Executive Committee and other wealthy PLO exiles who had no future in a Palestinian entity, and advised against the inclusion of Palestinian outsiders in negotiations. Nevertheless, he commended to Thatcher that Arafat was “far and away the most moderate PLO leader”. Mubarak candidly told Adams that he tried hard not to speak about an independent Palestinian State because he did not believe in it. Nevertheless, he supported a confederation with Jordan – Mubarak maintained that King Hussein agreed with this although he would not say so now. Mubarak added that notwithstanding the Palestinian insistence on their right to a state, they would accept a confederation in the course of negotiations if there was progress.<sup>13</sup>

King Hussein greatly valued the opportunity to present his views to Thatcher ahead of her meeting with Shamir. Hussein told Britain’s Ambassador to Jordan, Anthony

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<sup>11</sup> FCO/FOI 698-09, Cable from Elliott to FCO, 16 May 1989

<sup>12</sup> FCO/FOI 698-09, Cable from A Acland to FCO, 16 May 1989

<sup>13</sup> FCO/FOI 698-09, Cable from J Adams to FCO, 18 May 1989

Reeve, that he viewed Shamir's opposition to land for peace as the main obstacle to progress, and was deeply sceptical about his election proposal. The prospects for movement would be bleak unless Shamir could be persuaded to change his attitude. The King was convinced that Thatcher was aware of the importance of obtaining a shift in Shamir's attitude. He agreed with the PLO view that Shamir's plan had no value unless it was linked to a final settlement. He believed that the new Bush Administration was a great improvement on Reagan and Shultz, but feared that Shamir would simply buy time through his proposal and would split the Palestinians. The Jordanian monarch warned of the fragility of Arafat's position, and emphasized that time was short. He encouraged the Prime Minister to "put the central issues squarely to Shamir." King Hussein was convinced that Thatcher's "plain speaking could have considerable impact."<sup>14</sup>

Thus, Thatcher was left in no doubt that she had a unique opportunity to push Shamir to expand on his own plan, and create a new dynamic in the peace process which even he would find hard to resist. Nevertheless, there was also a certain amount of sensitivity within the British Government over the Shamir visit. Howe's Private Secretary informed Powell that British friends of Israel had suggested that Shamir had felt unwelcome in Britain. Shamir was placing an emphasis on getting the atmosphere right for his visit. Stephen Wall wrote that the Israelis had argued strongly to ensure that Shamir's visit resembled the visit paid by Peres in January 1986. They had attached importance to the "official working visit" title. Peres came in January 1986 as a Guest of Government. Unusually for a working visit, Wall pointed out, Shamir would be met at the airport by the Foreign Secretary and there would be a ceremonial lining party. Wall wrote that one of Britain's objectives during the visit would be to reassure Shamir that he is treated on the same basis as his Labour predecessor.<sup>15</sup> A ceremonial lining party was exceptional for official working visits, but Howe was at pains to make sure that Shamir felt at home.<sup>16</sup>

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<sup>14</sup> FCO/FOI 698-09, Cable from A Reeve to FCO, 16 May 1989

<sup>15</sup> FCO/FOI 698-09, Letter from JS Wall to CD Powell, 19 May 1989

<sup>16</sup> FCO/FOI 698-09, Minute from AF Goulty to Gore-Booth, 19 May 1989

Both Number Ten and the FCO were in an awkward situation over the visit of Shamir. Over the past four years, they had worked in cooperation to strengthen the domestic position of Peres at Shamir's expense, and he had been feted in Downing Street on numerous occasions. Now that the Likud Prime Minister was finally an official guest at 10 Downing Street, he wanted to enjoy the same treatment as Peres. Pro-Israel groups in London had pressured the Thatcher Government over the issue. Dr. Lionel Kopelowitz, President of the Board of Deputies, was concerned about the treatment Shamir would receive in London. In his contacts with the Israeli Embassy, it was suggested that Shamir was worried about the reception he was going to receive. Kopelowitz met with Waldegrave for lunch to air his concerns on the issue. Waldegrave stated that Shamir would get a suitable reception. Kopelowitz responded that when Peres visited London as Prime Minister, Thatcher gave him a dinner at Number Ten. However, there was no dinner for Shamir. Waldegrave responded quickly, "Mr Peres came on an official visit, Mr Shamir is coming on a working visit!"<sup>17</sup> There were limits to how far the Thatcher Government would go to satisfy the Likud Prime Minister.

There was also a second concern ahead of Shamir's visit. Wall had written of the need to prepare for "the common Israeli tactic of wedge-driving between the Prime Minister and the FCO."<sup>18</sup> Alan Goulty, the Head of NENAD, had also written to the Assistant Under-Secretary of State for the Middle East, David Gore-Booth, and suggested that Howe discuss with Thatcher the handling of the talks with Shamir, since the Israelis perceived that the Prime Minister was more sympathetic than the FCO. It was recommended that the Prime Minister put across the tougher points since he feared that Shamir and his entourage would pay more attention to Thatcher and would "discount" points raised by FCO Ministers on the following day. Goulty wrote that "such an approach would reduce the scope for Israeli wedge-driving."<sup>19</sup> For example, the Prime Minister would wish to register her disapproval of Israeli

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<sup>17</sup> Interview with Dr. Lionel Kopelowitz

<sup>18</sup> FCO/FOI 698-09, Letter from JS Wall to CD Powell, 19 May 1989

<sup>19</sup> FCO/FOI 698-09, Minute from AF Goulty to DA Gore-Booth, 19 May 1989

policies in the Occupied Territories: it was important for public and presentational reasons that the British Government could say that this was done.<sup>20</sup>

Gore-Booth agreed that there would be a significant advantage in the Prime Minister discussing beforehand with Howe the handling of talks with Shamir. Thatcher had to make it clear to Shamir that there was no alternative to territory for peace or to dialogue with representative Palestinians. Furthermore, there was no prospect of resolving the issue purely on a superpower basis. Gore-Booth claimed that Shamir's proposals were very deficient in these areas.<sup>21</sup> The contacts between Downing Street and the FCO relating to Shamir's visit reflected the close cooperation between the two institutions and the fact that they were working for the same goal: the advancement of a peace settlement based on the land for peace formula.

A third difficulty related to the issue of "bilateral grievances". The issues of arms restrictions, the sale of North Sea oil and the Arab boycott had barely arisen during Peres's visits to London.<sup>22</sup> It was expected that Shamir and the Director General of his office, Ben Aharon, would dwell on the issues during the meeting with Howe. Goulty had written to Gore-Booth, stating that Ben Aharon could not be allowed to dwell on the "bilateral grievances".<sup>23</sup> The Thatcher Government maintained restrictions on arms sales which were still ostensibly linked to Israel's military presence in Lebanon. The Israeli Government had renewed pressure to lift the restrictions following the large British sales contract with Saudi Arabia in 1988. Defence sales to Israel between 1985-1988 had totalled just over £9million. Thatcher, however, had agreed to lift unpublicized restrictions on the British purchase of Israeli defence equipment.<sup>24</sup>

There was no change in the British Government policy on sales of North Sea oil. The Israelis were still told that Britain sold oil only to EC and IEA partners. According to

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<sup>20</sup> FCO/FOI 698-09, Letter from JS Wall to CD Powell, 19 May 1989

<sup>21</sup> FCO/FOI 698-09, Minute from DA Gore-Booth to AF Goulty, 19 May 1989

<sup>22</sup> FCO/FOI 351-09, Minute from Nixon to Miers, 19 June 1986

<sup>23</sup> FCO/FOI 698-09, Minute from AF Goulty to DA Gore-Booth, 19 May 1989

<sup>24</sup> FCO/FOI 698-09, Secretary of State's Meeting with Mr Shamir, 23 May 1989: Points to Make

the FCO, this was not discrimination but merely “prudent energy cooperation.”<sup>25</sup> Nevertheless, the FCO had also made it clear that these guidelines were “useful” in preventing “embarrassing” oil sales, in particular, to South Africa.<sup>26</sup> Such sales would ultimately harm British interests. Israel and South Africa were placed in the same boat. In regard to the Arab boycott, while the FCO had stopped authentication of boycott documents following the Peres visit of January 1986, no anti-boycott legislation had been introduced in Britain. Effective anti-boycott legislation had been introduced in the United States. Furthermore, France had introduced such legislation in 1977, while the Netherlands had a statutory requirement for companies to report any requests to comply with foreign boycotts.<sup>27</sup> It was deemed, however, that such legislation would not be in the British national interest.<sup>28</sup> Number Ten under Thatcher would continue its acquiescence with this policy.

The FCO had given plenty of thought to the tactics to be deployed by the Prime Minister during her meeting with Shamir. Wall had written to Powell about the likelihood that Thatcher would find the Israeli Prime Minister on edge. Since there would need to be “frank speaking”, it was suggested that Thatcher draw him out on “easy ground” such as Eastern Europe or Soviet Jewry.<sup>29</sup> Whatever differences Thatcher and Shamir might have had over policy towards the Palestinians, the Likud leader had appreciated the British Prime Minister’s stand over Soviet Jewry and had conveyed this to her in the past.<sup>30</sup>

Thatcher treated her meeting with the Israeli Prime Minister as an opportunity to win over his confidence in view of their previous stormy encounter in London in June 1985. On this occasion, the atmosphere was friendly and Shamir grew visibly more relaxed as the meeting progressed. Shamir did not raise any difficult bilateral questions. He told Thatcher that he attached great importance to the Prime Minister’s views: her standing was “extraordinarily high” in Israel, and there was admiration

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<sup>25</sup> FCO/FOI 698-09, Letter from JS Wall to CD Powell, 19 May 1989

<sup>26</sup> FCO/FOI 698-09, Secretary of State’s Meeting with Mr Shamir, 23 May 1989: Points to Make

<sup>27</sup> Ibid.

<sup>28</sup> FCO/FOI 698-09, Letter from JS Wall to CD Powell, 19 May 1989

<sup>29</sup> FCO/FOI 698-09, Letter from JS Wall to CD Powell, 19 May 1989

<sup>30</sup> ISA 9707/3, Letter from Y Shamir to M Thatcher, 17 April 1987

for her patriotism and her policy of peace through strength. Shamir said to Thatcher that it was Israel's destiny to be surrounded by a sea of hostile Muslim states. However, he believed that King Hussein was different from other Arab leaders: relations between Israel and Jordan were "an unsuccessful love story." Shamir stated that Israel would be content to work silently with the King to prevent an independent Palestinian State which would be a "mortal danger" to him. He called on Thatcher to help through her "exceptionally close relations" with the King. Israel was prepared to work openly or secretly with Hussein. The King knew that he could trust Israel.<sup>31</sup>

Shamir discussed his peace plan in detail, and maintained that in the third year of autonomy, negotiations would start for a permanent solution. Shamir insisted that Israel would oppose an independent Palestinian State which would become "a basis for aggression against Israel", and would not negotiate with the PLO. Israel, however, would negotiate with the elected representatives of Palestinians in the territories. His proposals marked the limit of the concessions he could make. Israel needed the help of Britain and others in the Western world, as they did not want their future to be discussed between the United States and the Soviet Union alone.<sup>32</sup>

Thatcher remarked to Shamir that the scenes shown on television from the Occupied Territories were losing Israel support even among its friends, and that higher standards were expected of Israel. She maintained that the PLO had made an important stride forward through their acceptance of UN Security Council Resolutions 242 and 338, and had underlined their right to be involved in negotiations. Britain had therefore raised its level of contacts with the PLO. However, Thatcher made it clear that she would not be meeting with Arafat.<sup>33</sup>

Thatcher saw that Shamir was about to draw a comparison between the IRA and the PLO. She quickly stepped in, asserting that there could be no comparison between

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<sup>31</sup> FCO/FOI 698-09, Cable from Head of NENAD to Heads of Missions: Prime Minister's Meeting with Shamir, 23 May 1989

<sup>32</sup> Ibid.

<sup>33</sup> Ibid.

the two organizations.<sup>34</sup> Thatcher claimed that the great difference between the PLO and IRA was that the latter's supporters could express their wishes through free elections. The Palestinians did not have this option. Thatcher stated that there was no prospect of King Hussein's participation in negotiations unless they were clearly taking place on the basis of territory for peace. She expressed some understanding for Shamir's misgivings about an independent Palestinian State, indicating that she had always preferred the idea of a confederation between the West Bank and Jordan. However, Thatcher maintained that all this was academic until it could be established that negotiations were taking place on the basis of territory for peace. Thatcher stated that Shamir's elections plan needed elaboration – in particular, there had to be a link between elections and a permanent settlement. There were other questions that had to be addressed such as the participation of neutral election observers, and the right of east Jerusalem residents to vote.<sup>35</sup>

Thatcher shared Shamir's view that it would be a mistake to leave support for negotiations exclusively to the Americans and the Russians. Britain and France also had to play a role. The British Prime Minister expressed her concern over expanding the role of the Soviet Union in the region. She was unhappy about allowing the Soviet Union to become an advocate for Arab Governments against an Israel backed by the United States. Thatcher remained concerned over the Soviets gaining inroads in the Arab world. The British Prime Minister concluded by stating that she believed that Shamir had been sincere in expressing his wish for a peaceful settlement. Nevertheless, she reiterated that it could only be achieved by accepting the principle of territory for peace: this was the "real problem which had to be addressed." Shamir concluded by thanking Thatcher on behalf of the Israeli people for all she had done for Soviet Jewry.<sup>36</sup>

The Prime Minister had done just as the FCO mandarins had hoped in criticizing Israel's actions in the Occupied Territories, pressing Shamir to elaborate on his

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<sup>34</sup> Interview with Yossi Ben Aharon

<sup>35</sup> FCO/FOI 698-09, Cable from Head of NENAD to Heads of Missions: Prime Minister's Meeting with Shamir, 23 May 1989

<sup>36</sup> Ibid.

election proposal and emphasizing at every opportunity the need for a solution based on land for peace. Thatcher and Howe were clearly working in close coordination over the Shamir visit. Later on during Shamir's meeting with the Foreign Secretary, Howe had said to the Israeli Prime Minister that there was no difference between Downing Street and the FCO on the issue of a solution to the Israeli-Palestinian impasse. According to the FCO, Shamir had "agreed histrionically" to this.<sup>37</sup>

Nevertheless, the Likud continued to draw distinctions between the FCO and Number Ten. In his end of year despatch, Britain's Ambassador to Israel had written that "in Likud eyes, the FCO remains especially suspect." The Ambassador added that "Mrs Thatcher remains clearly identified as a friend of Israel, both explicitly by Arens after his February visit to London, and implicitly when Shamir followed suit in May." Elliott noted that Shamir had long wished for a visit to London as Prime Minister.<sup>38</sup> The reality was that Thatcher and the FCO were actually working in close cooperation in a bid to pressure Shamir to demonstrate greater flexibility on the Palestinian question. If anything, this cooperation had been strengthened in the wake of King Hussein's disengagement from the West Bank. Following his meeting with the British Prime Minister, Shamir had actually been somewhat relieved that a "domineering and self-important" Thatcher had been more preoccupied with expressing her views to him on the issues of an international conference and the intifada than in hearing his perspectives on those matters.<sup>39</sup>

Thatcher wrote to King Hussein following her meeting with Shamir. She informed Hussein that her talks with Shamir were "friendly and very frank", but she detected no shift in Shamir's position. Thatcher reassured the King that her Government would continue to press the Israelis to develop their proposals. Nevertheless, if the Israelis were to move, the Palestinians would also need to develop ideas of their own. She hoped that the forthcoming Arab Summit would provide an impetus for

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<sup>37</sup> FCO/FOI 698-09, PM Bilateral: Visit of Shamir, Undated

<sup>38</sup> FCO/FOI 0591-10, FCO Annual Report for 1989 by Mark Elliott

<sup>39</sup> Shamir, *Summing Up*, p. 188

Arafat's peace efforts.<sup>40</sup> Thatcher had written also to President Mubarak, King Fahd and King Hassan. The FCO had viewed the letters as a good opportunity to consolidate a higher-level dialogue with the Arab leadership.<sup>41</sup> The Prime Minister's warm relations with the moderate leaders of the Arab world were clearly an asset for the FCO.

### **The Shamir Government Backtracks**

By July 1989, in spite of US pressure, there were already serious doubts over the readiness of the Shamir Government to take its initiative further. Indeed, there was strong opposition to Shamir's initiative from Ariel Sharon, David Levy and Yitzhak Moda'i. Sharon argued that the initiative would lead to dealings with Arafat who was still a terrorist. Sharon had stated to Mark Elliott that concessions over any part of the West Bank would create an "unacceptable military threat." He suggested that Jewish settlements in strategic areas could be consolidated into a Jewish area, leaving Nablus and Ramallah as "Arab cantons" where 540,000 of the 720,000 West Bank Arabs already lived. Sharon, however, believed that Gaza had to be treated differently to the West Bank, and could become viable with Western assistance.<sup>42</sup>

The coalition rebels successfully pressured Shamir to bring his plan before the Likud Central Committee. Various restrictive conditions were introduced during the meeting which were designed to dilute Shamir's initiative. The conditions included opposition to "territory for peace", support for settlement building in the territories and opposition to the participation of Arabs from east Jerusalem.<sup>43</sup>

In spite of Thatcher's deep scepticism about Shamir, she had decided to give him the benefit of the doubt during his visit in May 1989. Nevertheless, following her meeting with the Israeli Prime Minister, she had said that there was little prospect

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<sup>40</sup> FCO/FOI 698-09, Shamir's Visit: Message to King Hussein, May 1989

<sup>41</sup> FCO/FOI 698-09, Minute from AF Goulty to DA Gore-Booth, 24 May 1989

<sup>42</sup> FCO/FOI 698-09, Cable from M Elliott to FCO, 17 May 1989

<sup>43</sup> FCO/FOI 0591-10, FCO Annual Report for 1989 by Mark Elliott

that he would move sufficiently to make a solution possible.<sup>44</sup> Thatcher was ultimately proved right in this respect. In the past, Thatcher and the FCO had sought to strengthen Peres who had previously served as an equal partner in Israel's National Unity Government. By the autumn of 1989, however, this policy was a non-starter. The Labour ministers in the coalition were now junior partners in the National Unity Government. Furthermore, in the course of 1989, Rabin's influence had increased at the expense of Peres. It was Rabin who ultimately kept Labour in the coalition in the autumn of 1989 at a time when the Likud was taking an increasingly intransigent position.<sup>45</sup>

### **Douglas Hurd**

By late October 1989, there was a significant change in the composition of the Thatcher Government. Howe had been moved out of the FCO in July 1989, in order to fill the post of Leader of the House of Commons. He had served in the post of Foreign Secretary for six years. In that period, there had been strong disagreements with Thatcher over policy towards Europe and South Africa. However, this had not been the case in regard to the Arab-Israel conflict. The cooperation between Thatcher and Howe in this realm reflected the broader agreement between Number Ten and the FCO. As Howe writes in his memoirs:

Neither of us was so directly and passionately engaged in the politics of the Middle East that the Finchley factor ...could create an unbridgeable divide between us.<sup>46</sup>

John Major, a man with no experience in foreign affairs, was appointed as Foreign Secretary in his place. Yet within three months, Major was moved to the Treasury to replace Nigel Lawson who had resigned. Douglas Hurd was widely seen as the natural choice for the vacant post of Foreign Secretary, but Thatcher had been

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<sup>44</sup> FCO/FOI 698-09, Cable from Head of NENAD to Heads of Missions: Prime Minister's Meeting with Shamir, 23 May 1989

<sup>45</sup> FCO/FOI 0591-10, FCO Annual Report for 1989 by Mark Elliott

<sup>46</sup> Howe, Conflict of Loyalty, p.397

reluctant to appoint him to the position.<sup>47</sup> Ewen Fergusson recalls a conversation with Thatcher in Paris. She had said to him, “Douglas, he is one of you.” Fergusson asked her what she meant. She responded, “Well he was in the FCO, wasn’t he?”<sup>48</sup> Thatcher assumed that because Hurd was an ex-diplomat, he would automatically take the FCO line. Rifkind maintains that Thatcher was broadly correct on this score. However, she respected him and realized he was by far the best choice to be Foreign Secretary at that time.<sup>49</sup> Therefore, Hurd was eventually appointed to the position in October 1989.

Hurd took a greater interest in the Arab-Israeli conflict than Howe. The Israeli Government regarded him as an Arabist.<sup>50</sup> Even a leading Israeli dove such as Beilin believed that Hurd was “very problematic” from Israel’s perspective.<sup>51</sup> Hurd was close to several leading personalities in the Council for the Advancement of Arab-British Understanding (CAABU), and was a particularly close friend of Dennis Walters – a Conservative MP and an outspoken supporter of the Palestinians.<sup>52</sup> As FCO Minister during the first term of the Thatcher Government, Hurd had fallen foul of the Begin Government and pro-Israeli groups in Britain. During Thatcher’s final year in 10 Downing Street, relations between Britain and Israel became increasingly cool. Hurd’s influence over policy towards Israel was arguably one factor in the growing strain between the two countries. However, there were clear signs that Thatcher herself was becoming increasingly disenchanted with an Israeli Government that was becoming progressively more hard-line. In these circumstances, Hurd would have found Thatcher more receptive to his policy prescriptions in the Arab-Israel arena.

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<sup>47</sup> Campbell, *Margaret Thatcher*, p.690

<sup>48</sup> Interview with Sir Ewen Fergusson

<sup>49</sup> Interview with Sir Malcolm Rifkind

<sup>50</sup> ISA 10085/1, Foreign Ministry Paper: Israel-Britain, Drafted by MFA, 3 September 1990

<sup>51</sup> Interview with Dr. Beilin

<sup>52</sup> Interview with Lord Powell

### **Thatcher's Tougher Line on Israel**

Thatcher's disenchantment with the position of the Israeli Government was made abundantly clear during her address to the Board of Deputies on 18 February 1990. Thatcher continued to express her wholehearted admiration for the Jewish State's accomplishments, telling her audience that Israel was "a remarkable country." She expressed her "utter rejection" of the UN 'Zionism is Racism' resolution which she described as a "total departure from truth." However, she also took the opportunity to express her concern over Israeli policies much as she had done in the Knesset four years earlier. Thatcher stated that many of the problems which had troubled the international community had found solutions, and she was particularly "anxious" to see similar progress in the Middle East. She emphasized that Israel's proposal for elections in the occupied territories would bring progress only if it involved Palestinian representatives both from inside the territories and outside, adding that "the tragic situation in the Occupied Territories" was "hurtful to Israel's reputation and standing in the world."<sup>53</sup>

Going further, the Prime Minister expressed her deep displeasure over reports that the Israeli Government was settling Soviet immigrants in the West Bank. There were good reasons why this troubled her. Firstly, she had always supported a land for peace formula as the solution to the Israeli-Palestinian conflict. Clearly, by settling Jews on land that was to be vacated in return for peace, Israel was creating a greater problem. Secondly, Thatcher emphasized her role in supporting the right of Soviet Jews to emigrate. She asserted that "it would be a very ironic and unjust reward for all our efforts" if the freedom of Soviet immigrants was secured "at the expense of the rights, the homes and the land of the people of the Occupied Territories."<sup>54</sup>

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<sup>53</sup> MTF, Speech to the Board of Deputies of British Jews, 18 February 1990

<sup>54</sup> Ibid.

The issue of the settling of Soviet Jews in the West Bank would become a major source of contention between the Israeli and British Governments. The fact that Thatcher had been a strong supporter of Soviet Jewry was an important factor that helped to protect her position among pro-Israeli organizations. As with a previous address to the Board of Deputies in 1981, the Prime Minister's well publicized emotional identification with Israel and her support for Jewish causes tended to insulate her from criticisms within the local Jewish community. Nevertheless, Thatcher's growing readiness to criticize Israel over its settlement policy during her last year in office would eventually embroil her in difficulties with local pro-Israeli organizations that were already unhappy that she was taking the FCO line.

### **Collapse of the National Unity Government**

Britain's policy towards Israel in early 1990 was affected by the growing friction within Israel's National Unity Government over the approach towards the peace process. Peres had argued strongly, among other things, for including east Jerusalem Arabs in the peace talks. Shamir eventually fired Peres in response to his criticisms that the Government was not trying to advance the peace process. The remaining Labour ministers resigned collectively leading to the eventual collapse of the National Unity Government in March 1990.<sup>55</sup> President Chaim Herzog called on Peres to form a coalition, but the Labour leader was unable to do so after six weeks of effort.<sup>56</sup> Shamir eventually succeeded in forming a narrow coalition which was widely viewed as the most right-wing Government in Israel's history.<sup>57</sup>

The new Israeli Government was presented by Shamir to the Knesset on 8 June 1990. According to the guidelines of the new Government, there would be no direct or indirect negotiations with the PLO. Significantly, it was announced that the Israeli Government would take action to strengthen and expand settlements "in all parts of

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<sup>55</sup> Shamir, Summing Up, pp. 207-214

<sup>56</sup> Shlaim, The Iron Wall, p.471

<sup>57</sup> Lawrence Freedman & Efraim Karsh, The Gulf Conflict 1990-1991: Diplomacy and War in the New World Order, (Princeton University Press: New Jersey, 1993), p. 16

Eretz Yisrael.”<sup>58</sup> The rightward shift of the new Israeli Government accentuated the disagreements between Britain and Israel. The two issues which were particularly sensitive were Britain’s dialogue with the PLO and the settlement policy of the new Shamir Government. On both the above issues, pro-Israeli organizations in London were increasingly ready to confront the Thatcher Government.

### **Thatcher Alienates Israel’s Supporters**

During Thatcher’s last months in office, there were concerns expressed both within and outside the Conservative Party that the Prime Minister was alienating Jewish supporters in her Finchley constituency. One particular Conservative MP tried to bring these concerns to the attention of the Prime Minister. Thatcher respected the politician, viewing him as a reliable supporter of her policies. The Israelis believed that the MP was an ally who could advance their interests both inside and outside of parliament.<sup>59</sup> He wrote to Powell to express the concerns of the Jewish community over the apparent British support for the PLO. The MP pointed out to Powell that there were “implications in these concerns for the Prime Minister and her constituents.” He was anxious to demonstrate to the Jewish community in London that the Thatcher Government was aware of the “different faces of the PLO”, and sought reassurance from Powell on the issue.<sup>60</sup> In the event, Thatcher herself responded to the MP. The Prime Minister wrote that her Government had “no illusions about the PLO’s history of involvement with terrorism.” Nevertheless, once the PLO had accepted the conditions set for ministerial contact, she felt it was right to acknowledge this by upgrading relations with them. She emphasized that the PLO had to be involved in negotiations with Israel in order to reach a settlement.<sup>61</sup>

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<sup>58</sup> M. Medzini, *Israel’s Foreign Relations: Selected Documents, 1988-1992*, Volume Twelve, (Ministry of Foreign Affairs: Jerusalem, 1993), pp.345-349

<sup>59</sup> ISA 10085/1, Cable from Minister, Israeli Embassy, London, to MFA, 25 April 1990

<sup>60</sup> ISA 10085/1, Letter to CD Powell, 27 March 1990

<sup>61</sup> ISA 10085/1, Letter from M Thatcher, 17 April 1990

On 30 May 1990, a number of gunmen from the Palestine Liberation Front, a faction of the PLO, attempted an attack on an Israeli beach in Tel Aviv. They were ultimately thwarted by Israeli forces. In the days following the aborted attack, Israel's Deputy Foreign Minister Netanyahu met with the British Ambassador, and insisted that it was inconceivable that the attack could have been planned without the knowledge of the PLO leadership. Netanyahu maintained that the recent terrorist attempt was a deviation from the conditions which Britain had set for its dialogue with the PLO. The Israeli Minister said to Elliott that he hoped that his Government would halt its talks with the PLO, and asked him what it would take for Britain to end the dialogue. The Ambassador replied that he did not believe that the dialogue would be stopped, adding that a lack of progress in the peace process would result in Arafat's loss of control over the PLO.<sup>62</sup>

The aborted terrorist attack provided the Board of Deputies with an added incentive to exert pressures on the Prime Minister to halt the British dialogue with the PLO. The Board of Deputies wrote to Thatcher in the hope that she would emulate the measure taken by Washington. President Bush had just announced on 20 June that he had suspended talks with the PLO in the wake of Arafat's refusal to condemn the attempted attack. The Board paid tribute to Thatcher in view of her "consistent stand against negotiating with... terrorists of all kinds", and concluded by calling on Thatcher to issue a statement mirroring that of President Bush.<sup>63</sup>

Britain had received intelligence about the different factions within the PLO. It was felt that a suspension of contacts with the PLO would have constituted a betrayal to the moderates within the organization. The extremist elements within the PLO would have prospered at their expense.<sup>64</sup> In responding to the Board, Thatcher made it clear that she would not suspend the dialogue with the PLO. Thatcher maintained that her Government was no less opposed to terrorism than the US Administration. Britain had unreservedly condemned the attempted attack on the Tel Aviv beach, and had

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<sup>62</sup> ISA 10085/1, Cable from MFA to Israel Embassy London, 6 June 1990

<sup>63</sup> Archive of the Board of Deputies, ACC/3121/E4/1035, Letter from L Kopelowitz to M Thatcher, 21 June 1990

<sup>64</sup> Interview with Lord Waldegrave

urged the PLO to do the same. Thatcher noted in her letter that the PLO had not condemned the attack which resulted in the American suspension of contacts. However, she stated that Britain would maintain a dialogue with the PLO in order to encourage its members to pursue moderate policies and to renounce terrorism. Thatcher emphasized that it would be unwise to sever links with the PLO. Indeed, she pointed out, the United States had urged Britain to maintain contacts with the organization. The Prime Minister added that if progress was to be made towards a negotiated settlement, Israel would have to talk to “credible representatives” of the Palestinian people both inside and outside the Occupied Territories. Thatcher added that “too many Palestinians owe their allegiance to the PLO for a solution which excludes them to be durable.” Thatcher concluded by drawing attention to the recent European Council meeting in Dublin which had called for the PLO to participate in negotiations for a settlement. She enclosed a copy of the statement with her letter.<sup>65</sup>

Thatcher’s letters to the Conservative MP and the Board of Deputies were significant for a number of reasons. They indicated that the Prime Minister was not swayed by pressures from pro-Israeli organizations in regard to policy towards the PLO. Thatcher had not given up on the possibility of a negotiated settlement, and was ready to maintain a dialogue with the PLO if it could help the peace process. The fact that the Bush Administration had actually requested the British Government to maintain contacts with the PLO was a significant factor in this policy.<sup>66</sup> However, the influence of the FCO on this issue was also important. Thatcher’s support for the European Council statement on the Middle East indicated her readiness to bring Britain’s position on the PLO back into line with that of other European countries such as France and Germany. Exactly ten years earlier, Thatcher had placed Britain at the heart of the European consensus in regard to policy towards the PLO, through her strong support for the EEC Venice Declaration.

Inside Israel’s Government, however, there was still a tendency to view the FCO as the source of the difficulties affecting the bilateral relationship. Thus, in a paper

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<sup>65</sup> Archive of the Board of Deputies, ACC/3121/E4/1035, Letter from M Thatcher to Dr. L Kopelowitz, 12 July 1990

<sup>66</sup> ISA 10085/1, Cable from Israel Embassy, Cairo, to Israeli Embassy, London, 22 July 1990

published by the European Department of the Foreign Ministry, it was claimed that the positive FCO statements on the PLO did not reflect the perspective of Thatcher who was sensitive to the issue of the PLO dialogue and the FCO's *modus operandi* on the issue. Indeed, it was claimed that the FCO's approach of gradually upgrading contacts with the PLO was designed, in part, to conceal the developments from the Prime Minister herself.<sup>67</sup> However, Thatcher's private correspondence from 1990 has clearly demonstrated that the Prime Minister was in full agreement with the FCO on the need for high-level contacts with the PLO.

The Prime Minister's concern over the dangers of instability in the Middle East and the consequent need for a solution to the Arab-Israel conflict remained as strong as ever. In a message to Shamir, Thatcher wrote that the European Council Declaration on the Middle East had provided a guide to efforts for the resolution of the conflict. She emphasized that the need for progress towards a settlement of the Arab-Israel dispute was urgent, and that the present deadlock in the region was dangerous. She warned that Middle East extremists would take advantage of the stalemate. Thatcher wrote that the way forward was through a direct dialogue between Israel and representative Palestinians, as the first phase towards a comprehensive settlement.<sup>68</sup>

It was the issue of Jewish settlements, however, which provoked the greatest unease among Israel's supporters in Britain. A prominent member of the Anglo-Jewish community had written to the Prime Minister to express his concern over possible restrictions on the right of Soviet Jews to emigrate to Israel.<sup>69</sup> Responding on the Prime Minister's behalf, Powell wrote that the British Government had made the Soviet leadership well aware of its views on the right of Soviet Jews to emigrate to Israel. However, the Thatcher Government did not believe that Israel could allow any of them to settle in the Occupied Territories. This included east Jerusalem. Israel's settlement programme there was illegal under international law, and would

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<sup>67</sup> ISA 9534/2, Paper from Europe II Department, MFA, to Political Counsellor of the Foreign Minister, Relations between Israel and Britain, 20 March 1990

<sup>68</sup> ISA 10085/1, Letter from M Elliott to Y Shamir containing message from M Thatcher, 9 July 1990

<sup>69</sup> ISA 10085/1, Letter to M Thatcher, 4 June 1990

undermine the search for peace in the Middle East.<sup>70</sup> The respondent wrote to Powell expressing his gratitude for all the Prime Minister had done for human rights in the Soviet Union. However, he was disturbed by the final sentences of Powell's letter which were "more in keeping with the traditional policies of the FCO than the enlightened office of the Prime Minister."<sup>71</sup> As with the Israeli Government, there was a tendency among many Jewish supporters of the Prime Minister to believe that there was a gulf between the FCO and 10 Downing Street on policy towards Israel. This was manifestly not the case.

On 14 June 1990, Thatcher told the House of Commons:

We are also joining others in pointing out that Soviet Jews who leave the Soviet Union—and we have urged for years that they should be allowed to leave—should not be settled in the Occupied Territories or in east Jerusalem. It undermines our position when those people are settled in land that really belongs to others.<sup>72</sup>

Thatcher's reference to east Jerusalem as land that "belonged to others" could have come straight from the FCO. Israel's Foreign Ministry had noted that Thatcher as well as Hurd and Waldegrave had expressed opposition to the settling of Soviet Jews in east Jerusalem. The Zionist Federation and the Board of Deputies issued letters of protests following a series of statements on the matter by Hurd. The Israeli Embassy in London had reported that the muted response of the Anglo-Jewish community's leadership to Thatcher's statements on the matter had resulted in criticism within the community. It was felt that the references to east Jerusalem could only be stopped through persuasion of the Prime Minister herself. The Israeli Embassy had noted that in Britain over recent weeks, the references to east Jerusalem had become an inseparable part of every political statement on the Middle East. An increasing number of people had sought to make it clear to Thatcher that in spite of her friendship to the local community and to Israel, she was antagonizing the Jewish community on the issue of Jerusalem.<sup>73</sup>

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<sup>70</sup> ISA 10085/1, Letter from CD Powell , 18 June 1990

<sup>71</sup> ISA 10085/1, Letter to CD Powell , 22 June 1990

<sup>72</sup> MTF, House of Commons PQs, 14 June 1990

<sup>73</sup> ISA 10085/1, Cable from Israeli Embassy, London, to MFA , 3 July 1990

Thatcher was less constrained on the settlements issue because of the hard-line nature of the new Israeli Government. Thatcher had generally refrained from criticizing the Israeli Government when Peres had served as Prime Minister. It is also likely that Thatcher took her cue from the Bush Administration which was taking a much tougher line against Shamir. Furthermore, since the Prime Minister had been a forceful advocate of the rights of Soviet Jews to immigrate to Israel, it was galling for her to discover that they were being settled in the Occupied Territories.<sup>74</sup> This fuelled her irritation with the Shamir Government.

### **Influence of the FCO Arabists on Policy**

Within the FCO, David Gore-Booth was playing an increasingly significant role in policy towards the Arab-Israeli conflict, as the Thatcher period was drawing to a close. As the Assistant Under-Secretary for the Middle East, he worked closely with Waldegrave and Hurd. The Israelis viewed Gore-Booth as a “rising star” within the FCO firmament. In his capacity as a leading Arabist, the Israelis sensed that his activism did not make it easy to advance their interests. The Israeli Embassy noted that Gore-Booth was increasingly active, and searching for new ideas most of which were not to Israel’s liking. It was believed that his standing among those dealing with the Arab-Israel issue in the FCO was strong and his influence over Waldegrave and Hurd was not inconsiderable.<sup>75</sup> Gore-Booth was an optimist who believed strongly that a negotiated solution to the Arab-Israel conflict was possible. Waldegrave recalls that Gore-Booth became very irritated with him on discovering that he was reading Conor Cruise O’Brien’s book, “The Siege” which took a pessimistic view on the Arab-Israeli conflict.<sup>76</sup>

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<sup>74</sup> MTF, Speech to the Board of Deputies of British Jews, 18 February 1990

<sup>75</sup> ISA 10085/1, Cable from Minister, London, to MFA, 16 July 1990

<sup>76</sup> Interview with Lord Waldegrave

Like a number of other Arabists within the FCO, Gore-Booth did not believe that Thatcher's sympathy towards Israel necessarily had a negative influence, as they saw it, on Britain's policy towards the Arab-Israeli conflict, as he explained in an interview:

...She had the reputation of being pro-Israeli and... I think that's where her instincts lie but she actually produced the best dictum for the Middle East that I know of which is that the Israelis cannot deny to the Palestinians what they have claimed for themselves and actually as a solution to the Arab/Israel conflict that's a pretty perfect analysis.<sup>77</sup>

The FCO exerted a strong influence on policy towards the Arab-Israeli dispute during Thatcher's last year, notwithstanding growing disenchantment over the role of Powell in 10 Downing Street. Patrick Wright, Permanent Under-Secretary during Thatcher's final term of office, noted that during Powell's tenure in Downing Street, very few members of the FCO had entered the building.<sup>78</sup> Thatcher herself was unhappy with the way that Wright ran the FCO viewing him as a compromiser and a wet.<sup>79</sup>

According to one view, Powell was a power grabber who was doing the Prime Minister a great disservice towards the end of her time in office because she was cut off from other sources of advice.<sup>80</sup> However, Wright did not believe that FCO advice was countered or ignored. Wright was a leading Arabist within the FCO, but he believed that Thatcher was very balanced in her Middle East policy, notwithstanding the fact that she was an MP in a constituency with a particularly large Jewish population.<sup>81</sup> There is also a view that in Thatcher's last year in Number Ten, she was less inclined to act on her own across the board in foreign affairs. Hurd was in a much stronger position as Foreign Secretary than his two predecessors, and knew that he could not be ousted in another reshuffle prior to a general election.<sup>82</sup> Thatcher

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<sup>77</sup> Sir David Gore-Booth, interviewed for BDOHP, 4 March 1999

<sup>78</sup> Lord Wright, interviewed for BDOHP, 16 October 2000

<sup>79</sup> Interview with Lord Wright, 10 December 2008

<sup>80</sup> Interview with Sir Stephen Wall

<sup>81</sup> Interview with Lord Wright

<sup>82</sup> Dickie, *Inside the Foreign Office*, p.285

would ultimately have trusted Hurd much as she had trusted Carrington in previous years.

Powell has claimed that during the Thatcher years, “Number Ten could beat the bushes of Whitehall pretty violently.”<sup>83</sup> Yet during Thatcher’s final year in power, her private office did not challenge Whitehall on policy in the Arab-Israel arena. Hurd was in a remarkably similar position to that of Carrington who had been given the freedom to initiate a far-reaching policy shift on the Palestinian question. During Thatcher’s last years in office, the main disagreements between the FCO and 10 Downing Street revolved around the issues of Europe and German reunification rather than the Arab-Israeli conflict. Under Thatcher, Powell exerted particularly strong control over European Community matters. Powell shared his Prime Minister’s scepticism over Europe, reinforcing Thatcher’s views on the issue against those of the FCO.<sup>84</sup> There were disagreements between the FCO and 10 Downing Street over Thatcher’s growing wariness on European integration. These disagreements came to a head over her ‘Bruges speech’ of 20 September 1988. There were also strong differences over the reunification of Germany. The FCO believed that the Prime Minister was impractical in attempting to delay reunification.<sup>85</sup>

Waldegrave recalled that there had been some tension between Thatcher and Hurd over the issues of German reunification and Europe, but this did not apply to the same extent over the Arab-Israeli conflict. While Powell and Thatcher were both considerably more sympathetic towards Israel than the FCO, the Private Secretary was less active in this domain.<sup>86</sup> The Middle East was a high-priority issue for Hurd as it had been for Carrington, and he exercised a significant influence on policy in this arena at a time when the Prime Minister was preoccupied with fighting for her political life. This would explain to some degree why the FCO was able to exert a strong influence on the Arab-Israel issue during Thatcher’s last year in office. Moreover, she largely agreed with the policy prescriptions of the FCO mandarins at

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<sup>83</sup> Hennessy, *The Prime Minister*, p.397

<sup>84</sup> Kavanagh & Seldon, *The Powers Behind the Prime Minister*, p.182

<sup>85</sup> Interview with Lord Butler

<sup>86</sup> Interview with Lord Waldegrave

a time when there was a declining readiness to sympathize with the position of the Shamir Government.

Furthermore, by 1990, the world was in flux. In South Africa, apartheid was on its way out. The Eastern Bloc had fallen, and the Soviet Union was on the verge of collapse. Thus, the Arab-Israeli conflict was only one of a great many issues that were concentrating the minds of policymakers. Nevertheless, there was a sense that the removal of the cold war dimension in the Middle East would help to bring about progress in the region.<sup>87</sup> A new opportunity had emerged to resolve the Arab-Israel conflict. Thatcher had clearly subscribed to this approach as she makes clear in her memoirs:

Certainly, the end of Soviet communist manipulation of disputed issues makes it potentially easier to reach agreement with moderate Arabs and allows the United States to place clearer limits on its support for particular Israeli policies.<sup>88</sup>

### **Thatcher Government Suspends PLO Dialogue**

The Thatcher Government did finally suspend its dialogue with the PLO in September 1990. This, however, was related to the PLO's support for Iraq's invasion of Kuwait in August 1990 rather than the organization's refusal to condemn terrorist attacks against Israel. The FCO appeared no less determined than Number Ten to carry out such a move. In his conversation with Beilin, Waldegrave stated that he was "totally disappointed" with the PLO which had caused "a major catastrophe" for the Palestinian question, and had caused great damage to the peace process. He was unsure how to rectify the damage to ties with the PLO. Waldegrave concluded that there would be no renewal of contacts at ministerial level until the PLO began a reassessment of its position on the Iraq/Kuwait issue.<sup>89</sup> It was instructive that Thatcher did not suspend the British dialogue with the PLO when it had refused to

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<sup>87</sup> Ibid.

<sup>88</sup> Thatcher, *The Downing Street Years*, p. 507

<sup>89</sup> ISA 10085/1, Cable from Israel Embassy, London, to MFA, 3 October 1990

condemn terrorism against Israel in the summer of 1990. Thatcher had given short shrift to pro-Israeli organizations who were arguing for such a move. The Prime Minister only did so when the PLO came out in support of Saddam Hussein's invasion of Kuwait. Waldegrave's comments make it clear that the FCO supported this move.

Thatcher's personal relationship with King Hussein had also become a casualty of Saddam's invasion of Kuwait.<sup>90</sup> The Prime Minister had already been disappointed with King Hussein's disengagement from the West Bank. This disappointment was compounded by the Jordanian monarch's support for Saddam during the Gulf Crisis. Thatcher was particularly unhappy that Jordan appeared to be helping Iraq to evade the sanctions imposed following the invasion, and was dismayed that the King was justifying Saddam's actions. During a lunch with King Hussein on 31 August 1990, Thatcher admonished the monarch for defending Iraq's invasion of Kuwait. She claimed that the Iraqi leader was "a loser" who had caused great damage to the Palestinian cause.<sup>91</sup> King Hussein maintained that he was not supporting anybody, but merely trying to restore peace to the region.<sup>92</sup> The Prime Minister demanded that the King put an end to his support for Saddam, and cooperate in the implementation of sanctions against Iraq. Thatcher later conceded in her memoirs that the Jordanian leader had calculated that he could not openly oppose the Iraqi regime and survive.<sup>93</sup> Thatcher's relationship with King Hussein never recovered, in the wake of his stance on Iraq's invasion of Kuwait.<sup>94</sup>

### **The Gulf Crisis**

Thatcher's policy towards the Arab-Israeli conflict during her last four months in office was conducted in the shadow of the Iraqi invasion of Kuwait. Bush did not

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<sup>90</sup> Correspondence with unattributed source, 14 September 2010

<sup>91</sup> Thatcher, *The Downing Street Years*, p.824

<sup>92</sup> Shlaim, *Lion of Jordan*, p. 490

<sup>93</sup> Thatcher, *The Downing Street Years*, p.824

<sup>94</sup> Shlaim, *Lion of Jordan*, p. 490

have a close relationship with Thatcher, unlike his predecessor Reagan. However, the Thatcher Government and the Bush Administration worked very closely during the Gulf Crisis. It provided an opportunity for Thatcher to rebuild the 'special' Anglo-American relationship which had suffered since Reagan had left office. The Bush Administration up to this point had preferred to focus on Germany at the expense of London.<sup>95</sup> Powell was a key player with the Americans in helping to build an alliance against Saddam.<sup>96</sup>

While the Prime Minister, as well as the FCO, viewed a resolution of the Arab-Israeli conflict as an urgent priority, Saddam's invasion of Kuwait severely complicated the situation. On 12 August 1990, Saddam linked the Kuwaiti issue to the Palestinian problem by suggesting a comprehensive solution for "all issues of occupation." The solution would include an "immediate and unconditional withdrawal of Israel from the occupied Arab territories in Palestine, Syria and Lebanon..." Saddam insisted that the situation in Kuwait could only be resolved after the Palestine question had been settled.<sup>97</sup> A number of days after the invasion of Kuwait, the Iraqi Ambassador in Britain came to see Roger Tomkys, the Deputy Under-Secretary of State for the Middle East. The Ambassador arrived with a message for the Government from Baghdad which explicitly linked a withdrawal from Kuwait with an Israeli withdrawal from the Occupied Territories. Tomkys told the Iraqi Ambassador that it was a "monstrous proposition."<sup>98</sup> Like Thatcher, the FCO believed that the Israel/Palestinian conflict had to be resolved independently of the Gulf crisis. However, the FCO did emphasize at every opportunity that the Israel/Palestinian conflict had to be addressed once the Iraq/Kuwait issue had been settled.

Thatcher reinforced Bush's own inclinations to take a stand over Iraq's invasion of Kuwait.<sup>99</sup> Yevgeny Primakov, Gorbachev's special emissary to the Gulf visited

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<sup>95</sup> Freedman & Karsh, *The Gulf Conflict 1990-1991*, p. 110

<sup>96</sup> Interview with Lord Waldegrave

<sup>97</sup> Freedman & Karsh, *The Gulf Conflict 1990-1991*, p. 101

<sup>98</sup> Interview with Sir Roger Tomkys

<sup>99</sup> Freedman & Karsh, *The Gulf Conflict 1990-1991*, p. 75

Thatcher at Chequers, and tried to win her support for a ‘flexible linkage’ between the Gulf Crisis and the Israeli-Palestinian conflict, in order to save face for Saddam.<sup>100</sup> President Mitterrand of France had taken a similar position on the issue.<sup>101</sup> She strongly opposed the proposal. Thatcher maintained that while there was a duty to return to resolve the Israeli-Arab conflict, this had to be done independently of Kuwait. There could be no appeasement. Primakov had later reported to Moscow that Thatcher had been the most determined opponent of his proposal.<sup>102</sup>

In the House of Commons, Thatcher had to counter a charge of double standards. It was suggested that she had taken a strong stand against Iraq’s occupation of Kuwait while neglecting Israel’s occupation of the West Bank and Gaza because of oil considerations. Thatcher responded that both cases were grave but they were “very different.” Kuwait had never attacked anyone before it was occupied by Iraq. In the second case, however, Jordan had attacked Israel [during the 1967 War]. As a result, it had lost the West Bank to Israel. Thatcher stated that once the Kuwait issue was settled, she would continue to support negotiations for a resolution of the Palestinian problem.<sup>103</sup> Thatcher’s statement demonstrated that she was still sympathetic towards the State of Israel, irrespective of her strong disagreements with the Likud Government.

Hennessy maintains that Thatcher’s imperious style of governing was taken to extremes during the Gulf crisis. Key figures such as the Cabinet Secretary, Robin Butler, and Patrick Wright were kept out of discussions while copies of minutes were restricted.<sup>104</sup> Nevertheless, Hennessy’s focus on Thatcher’s leadership style is misleading in that it obscures the role of the FCO which was setting the tone on much of Middle East policy. In spite of Powell’s important involvement in the handling of diplomacy during the Gulf Crisis, the FCO continued to place an

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<sup>100</sup> Thatcher, *The Downing Street Years*, pp.826-827

<sup>101</sup> Freedman & Karsh, *The Gulf Conflict 1990-1991*, p. 167

<sup>102</sup> Thatcher, *The Downing Street Years*, pp.826-827

<sup>103</sup> MTF, HC Statement [Rome European Council], 30 October 1990

<sup>104</sup> Hennessy, *The Prime Minister*, pp.441-442

emphasis on the resolution of the Arab-Israel conflict, in a bid to show the Arab world that Britain was not applying double standards or neglecting the Palestinians. Rob Young points out that the FCO saw the Gulf Crisis as a golden opportunity to resolve what it perceived as the core issue in the Middle East:

It was certainly pretty clear to everybody at the FCO during the Gulf War that here was not just an opportunity but a need to address what we always saw as the core issue in terms of Middle East stability which was the Arab-Israeli conflict. The Americans saw it the same way leading to the Madrid Conference... The consistent thread in FCO thinking for decades has been that the core problem is the Arab-Israeli conflict and unless that is solved, a lot of issues will arise which will cause more friction grief and confrontation between Western Europe and the Arabs over which we will have less than total control.<sup>105</sup>

Hurd's authority and expertise on the Middle East put him in a strong position to handle the Gulf Crisis from the moment Iraq invaded Kuwait.<sup>106</sup> While Thatcher was consistent in her vocal opposition to any linkage between the Gulf Crisis and the Israeli-Palestinian conflict, her Government was sending a mixed message on the issue. Although both Waldegrave and Hurd had emphasized that the Iraq/Kuwait conflict had to be resolved first, the Israel/Palestinian issue was dangled as a carrot to win over Arab support. In the eyes of the Israeli Government and its most ardent supporters, however, any discussion of a solution of the Israeli-Palestinian question in the context of the Iraq/Kuwait crisis was perceived as linkage. This was exemplified by Hurd's address to the Diplomatic and Commonwealth Writers' Association on 4 October. He told his audience that there was an opportunity to address the Israeli- Palestinian problem after Saddam Hussein had been driven from Kuwait. Hurd used strong language to condemn the Israeli occupation, stating that "anyone with a sense of humanity" had to sympathise with the Palestinians. They were occupied, had no political rights and were victims of a "misguided policy"

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<sup>105</sup> Interview with Sir Rob Young

<sup>106</sup> Dickie, *Inside the Foreign Office*, p.285

which believed that Israel's security "rested on closed schools, illegitimate settlements and even collective punishments."<sup>107</sup>

Hurd wished to emphasize that the Palestinian problem had not been forgotten. Britain's Consul General in Jerusalem, Ivan Callan, viewed Hurd's address as part of a rearguard action to win over Palestinian and Arab opinion. He wrote that Britain had been unusually well regarded by Palestinians from the beginning of the Intifada to Iraq's invasion of Kuwait, both for its national policies and its participation in EC declarations and policies. However, Britain's partnership with the United States in leading international action to remove Iraq from Kuwait had revived some difficult historical memories and "generated bitter accusations of double standards." The positive response to Hurd's speech reflected the continuing readiness of Palestinians to respond to assurances that the Arab-Israeli problem had not been forgotten.<sup>108</sup> Hurd would also have wanted to ensure that Britain was not out of step with the rest of Europe in the court of Arab opinion.

The Board of Deputies, however, reacted with dismay to Hurd's address. In a letter to the Foreign Secretary, Hurd was told that his apparent attempt to "rally moderate Arabs" was misconceived. The Board maintained that Hurd's address would inevitably be viewed as a "minor victory for Saddam Hussein" and an attempt to link the Iraqi aggression with Israel's occupation of the West Bank and Gaza. The letter countered the implication that the Palestinian question was the core problem of the Middle East, arguing that the Iran-Iraq and Iraq-Kuwait conflicts had nothing to do with the Israeli-Palestinian conflict.<sup>109</sup>

Waldegrave was also attacked by pro-Israeli organizations following a speech in parliament in which he spoke of the need to resolve the Palestinian issue once the Gulf crisis had passed. During a meeting in London with the Member of Knesset

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<sup>107</sup> Archive of the Board of Deputies, ACC/3121/E4/1036, Foreign Secretary's Speech to the Diplomatic and Commonwealth Writers' Association, 4 October 1990

<sup>108</sup> FCO/FOI 0135-10, Cable from I Callan, Jerusalem, to FCO, 10 October 1990

<sup>109</sup> Archive of the Board of Deputies, ACC/3121/E4/1036, Letter from Dr. Kopelowitz to D Hurd, 9 October 1990

Yossi Beilin, Waldegrave complained that he had been subjected to bitter personal attacks from CFI members and the Jewish community who believed that he had drawn a linkage between the Kuwait crisis and the Palestinian question. The Minister emphasized that it was British policy to deny Saddam Hussein a “monopoly” on the Palestinian question, and he was therefore opposed to such a linkage.<sup>110</sup> The voluble response of the Board and the CFI to Hurd and Waldegrave’s statements was a reflection of the leading role played by the FCO on policy towards the Arab-Israel conflict during the Gulf Crisis.

In spite of her forceful rhetoric against the linkage of the Kuwait issue with the Israeli-Palestinian impasse, Thatcher was aware that some kind of linkage was unavoidable in order to keep the anti-Saddam coalition intact, as Powell points out:

She thought that was sensible diplomacy. It was really the whole part of the package at the beginning in assembling the coalition. There had to be some discernible benefit for getting the Arab governments including ones as absurd as Syria on side so there was an absolutely solid front apart from Jordan against Iraq. That gave her no particular problem.<sup>111</sup>

### **The Resumption of Diplomatic Ties with Syria**

Gore-Booth had exerted considerable influence in persuading the Prime Minister to re-establish diplomatic ties with Syria just before she had left office on 28 November 1990. Arguably, the one remaining difficulty between Thatcher and the FCO revolved around attitudes towards Damascus. Gore-Booth was a popular British diplomat among the Arab community, not least because of his charm. In a determined bid to achieve the restoration of relations with Syria, the FCO mandarin visited Damascus under ministerial instructions to see if he could get assurances that the guilty men involved in the attempted bombing had been punished and removed. Tomkys was not convinced that Gore-Booth had received all the assurances that he

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<sup>110</sup> ISA 10085/1, Cable from Israel Embassy, London, to MFA, 3 October 1990

<sup>111</sup> Interview with Lord Powell

needed.<sup>112</sup> Thatcher remained very hostile to the notion of restoring diplomatic ties with Syria. Howe had tried unsuccessfully to persuade Thatcher to restore ties when he had served as Foreign Secretary.<sup>113</sup> Now Hurd accepted Gore-Booth's recommendation that ties be restored. Gore-Booth had personally argued his case with the Prime Minister, and it was her Foreign Secretary who eventually persuaded Thatcher to re-establish ties with Damascus.<sup>114</sup> Hurd believed that it was "a hard-headed calculation in British interests that diplomatic relations should be resumed."<sup>115</sup> Hurd had tried harder than Howe ever did to encourage the Prime Minister to accept FCO advice on such matters.<sup>116</sup> The decision to restore ties with Syria was linked to Saddam's invasion of Kuwait. The FCO believed that it was clearly in British interests to resume relations with Syria which would form an important part of the anti-Saddam coalition.<sup>117</sup>

The resumption of diplomatic ties with Syria was announced by Hurd on 28 November 1990<sup>118</sup> - the day that Thatcher resigned from office. Thatcher's opposition to the renewal of diplomatic relations with Syria had been one area where she had asserted a measure of independence on Middle East policy. Thus, one remaining source of disagreement between Number Ten and the FCO was removed just before Thatcher left office.

### **Summary**

For much of the third term of the Conservative Government, Thatcher was at the height of her powers. The Prime Minister was served by a very powerful policy unit which had unparalleled authority in the foreign policy arena. Nevertheless, Thatcher

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<sup>112</sup> Interview with Sir Roger Tomkys

<sup>113</sup> Interview with Lord Powell

<sup>114</sup> Sir David Gore-Booth, interviewed for BDOHP

<sup>115</sup> Stuart, Douglas Hurd, p.272

<sup>116</sup> Interview with Lord Powell

<sup>117</sup> Sir David Gore-Booth, interviewed for BDOHP

<sup>118</sup> Stuart, Douglas Hurd, p.272

did not pursue an independent policy towards the Middle East. International and regional factors constrained Thatcher's freedom of movement. Between 1987 and 1989, the Prime Minister was concerned about the capacity of the Soviet Union to expand its influence in the Middle East through its support for the Palestinians, at a time when Washington was granting automatic backing for Israel. As a result, the Prime Minister was receptive to advice from Whitehall on the need for a cooler relationship with Israel. Moreover, the hard-line policies of the Shamir Government, exemplified by the acceleration of settlement building in the West Bank, profoundly annoyed the Prime Minister: in this environment, Thatcher was more inclined to accept FCO advice which was not to Israel's liking. King Hussein's disengagement from the West Bank was also a key factor in forcing Thatcher's hand on the establishment of a dialogue with the PLO.

One area where Thatcher had attempted to exert her influence and strong leadership had been in her contacts with the Reagan Administration. Once again, the FCO found itself outflanked by a Prime Minister who was using her expanded authority in a bid to encourage the Americans to reassess their policy towards the Likud leadership. Thatcher had interceded with Reagan and Shultz to grant support to Peres and provide strong backing for an international conference. The FCO had been marginalised, to some degree, from the Anglo-American relationship during this period. Yet, it was here where Thatcher had worked hardest to advance important FCO objectives in the Middle East: to promote an international conference leading to a resolution of the Arab-Israel conflict and to persuade the Americans to put pressure on the Likud Government.

By 1990, the Soviet Union was on the verge of collapse. Thus, a new opportunity had emerged to resolve the Arab-Israel conflict. In this environment, Washington was taking a tougher line with the Shamir Government, and had also approved a dialogue with the PLO. This made it considerably easier for Thatcher to authorize higher-level contacts with the PLO. The Gulf Crisis had also created a new situation: Britain was at the forefront of efforts to build an Arab coalition against Saddam Hussein. In these circumstances, the FCO was given free rein to win Arab support by

underlining the need for a resolution of the Arab-Israeli conflict. Thatcher had conducted an ambiguous policy during the Gulf crisis. On the one hand, the Prime Minister was insisting that there could be no linkage between the Iraq/Kuwait crisis and the Israeli-Palestinian impasse. On the other hand, the FCO was allowed to set the tone on this issue by placing an emphasis on the resolution of the Israel-Arab conflict.

## Conclusion

In her memoirs, Thatcher has claimed that she did not “share the established FCO view of...the Middle East.” Indeed, she wrote that the FCO viewed Israel as “the pariah of the Middle East with which [Britain] would be ill-advised too closely to associate.”<sup>1</sup> It is certainly true that in the first decades after Israel’s establishment in 1948, the FCO as an institution believed that Britain could ill-afford to establish close ties with Israel since this would undermine Britain’s ties with Arab states.<sup>2</sup> This view prevailed, to some degree, within parts of the FCO during the Thatcher period.<sup>3</sup> The difficulty with Thatcher’s claim, however, is that she herself was willing to cooperate with FCO policies which occasionally reinforced the perception that Israel was a pariah state within the Middle East.

The present thesis has sought to demonstrate that Thatcher’s policy in the Arab-Israel arena was influenced most significantly by her concerns over Soviet ambitions in the Middle East, as opposed to pressures from her Finchley constituency or pro-Israel interest groups in the UK. A related concern was the growth of Islamic radicalism in the Middle East, in the wake of the Iranian revolution.<sup>4</sup> Furthermore, it was these geopolitical factors which underpinned the growing convergence between 10 Downing Street and the FCO during the Thatcher years. Thatcher had initially viewed Israel as a bulwark against the danger of an expanded Soviet influence in the Middle East.<sup>5</sup> Indeed, it can be argued that to a large extent, her early support for Israel was linked to her view of the country as a strategic asset against the communist threat. Nevertheless, over time, Thatcher increasingly began to view Israeli policies as a liability rather than an asset as far as British interests were concerned. Thatcher was anxious that the inflexible policies of Begin and Shamir were increasing instability in the Middle East and threatening Britain’s moderate Arab allies. In particular, Thatcher was uneasy that the Soviets and other radical

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<sup>1</sup> Thatcher, *The Downing Street Years*, p.512

<sup>2</sup> Shuckburgh, *Descent to Suez*, pp. 265-266

<sup>3</sup> See above, p.153

<sup>4</sup> See above, pp.94-96

<sup>5</sup> See above, p.72

forces would exploit regional instability in order to expand their influence in the region. As a result, Thatcher was increasingly unhappy about Israeli policies that damaged any prospects of a Middle East settlement.

Thatcher was mindful of the concerns of the UK Jewish community in regard to policy towards Israel. During Thatcher's first term in office, she would have been more susceptible to pressures from pro-Israel organizations. Indeed, this may have been a minor factor in her initial opposition to a policy shift on Palestinian self-determination and the PLO. Nevertheless, exaggerated claims have been made for Thatcher's Finchley constituency and the notion that it influenced policy in the Arab-Israel arena.<sup>6</sup> While Thatcher would have been exposed to sympathetic views on Israel in Finchley, her perception of Israel was a complex one<sup>7</sup> which was influenced by many factors. Thatcher became increasingly critical of Israeli policies, and expressed this also in appearances before Jewish audiences. Thatcher's endorsement of the Venice Declaration in 1980, her forthright condemnation of Israel's raid on an Iraqi nuclear reactor in 1981, her strong involvement in arms sales to Saudi Arabia in 1985 and her refusal to suspend talks with the PLO in 1990 are just a few examples of her readiness to support a British policy that conflicted strongly with the position of the Israeli Government of the time. Ultimately, pro-Israel interest groups had a negligible impact on the Thatcher Government's Middle East policy.

There is a view among some scholars that Thatcher's presidential style of leadership was noticeable in the international affairs arena, just as in the domestic sphere.<sup>8</sup> While it is true that the private office in Number Ten grew increasingly powerful during Thatcher's second and third terms in office, this was not necessarily reflected in Britain's Middle East policy where there was extensive cooperation between 10 Downing Street and the FCO. Thus, this thesis suggests that Thatcher's leadership style was more significant in terms of the management of foreign policy than the actual substance and outcome of this policy.

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<sup>6</sup> Stuart, Douglas Hurd, p.119

<sup>7</sup> See above, p.55

<sup>8</sup> For example, Hennessy, The Prime Minister, pp.397-436

As Thatcher acquired greater authority in the realm of international affairs, her policy in the Arab-Israel arena tended to converge increasingly with the traditional positions of the FCO. Indeed, as power shifted from Whitehall to Number Ten, the FCO occasionally found itself outflanked by the Prime Minister. Thatcher's actions were motivated by her perception of Soviet ambitions in the Middle East and the consequent threat to Western strategic interests in the region. Thatcher was directly involved in the sale of arms to Saudi Arabia – a policy that was encouraged by the Whitehall bureaucracy and strongly opposed by the Israelis. In 1985, she had invited two PLO representatives to London, much to the dismay of both the Labour and Likud factions within the Israeli Government, as well as Israel's supporters in London. Thatcher had taken a step which the FCO itself would have taken long ago, had it been permitted to do so. The Prime Minister had robustly supported the Amman Accord of 1985 and the London Agreement of 1987 which were consistent with the objective of the FCO which was to encourage the forces of moderation within the region. Thatcher had also utilized her strong relationship with President Reagan to push for an international peace conference, in the face of strong Likud opposition. Indeed, she had even attempted to intervene in internal Israeli politics, in a bid to strengthen the dovish Peres against his hawkish rival Shamir.<sup>9</sup> Thus, Thatcher was using her stronger authority in the Middle East arena to enhance the objectives of the FCO rather than to counter them.

At the same time, during the second term of the Thatcher Government, it was the FCO rather than 10 Downing Street which took an initiative to advance a political dialogue with the State of Israel. This step was taken in late 1983 when a Likud Government was still in power. The dialogue led to a significant improvement in relations between Britain and Israel, culminating in Thatcher's visit to the Jewish State in 1986. Within Israeli Government circles and the Anglo-Jewish community, during the period in question, the FCO was generally perceived as the source of the apparently hostile policies on Israel, while Number Ten was viewed as a more sympathetic institution. To a certain extent, this view has prevailed. However, this is

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<sup>9</sup> See above, pp.198-199

a simplistic reading of the relationship between the FCO and 10 Downing Street in the Arab-Israel arena.

It is true that Thatcher had marginalized the FCO in general terms through appointing Parsons and then Cradock as her advisor, and allotting her Private Secretary an augmented role in foreign policy. As power shifted slowly from the FCO to Number Ten towards the end of Thatcher's first term and, particularly, during her second term, differences did emerge. For example, Thatcher's strong opposition to direct ministerial contacts with the PLO came to a head over the planned Arab League delegation visit of 1982. However, Thatcher reached a compromise with the FCO on the issue. A close examination of Thatcher's attitude towards the PLO over her eleven years in power reveals two interesting conclusions: Thatcher was known for her strong public stand against terrorists of all stripes. On the PLO, however, she was consistent only in her inconsistency, and adjusted her position in accordance with prevailing circumstances. The FCO had succeeded on several occasions in using its influence to persuade Thatcher to show flexibility on the PLO. Furthermore, the FCO was also careful not to run too far ahead of the Prime Minister on this issue. By 1990, Thatcher's position on the PLO was almost indistinguishable from that of the FCO.

The decisive factor in Thatcher's decision-making on the PLO was not the Israeli Government and its supporters in Britain but, rather, the view from Washington. Since the Bush Administration had welcomed British contacts with the PLO, Thatcher approved an ongoing dialogue with the Palestinian organization, in spite of its ambiguous position on terrorism. Thatcher had actually encouraged the Reagan Administration to take a positive view of Arafat's announcement in Algiers.<sup>10</sup> It is likely that Thatcher would have shown greater flexibility on the PLO in earlier years if the Reagan Administration had also done so. Either way, Thatcher's position on the PLO owed less to principle and more to political pragmatism. Under her

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<sup>10</sup> See above, p.255

leadership, Britain had actually significantly upgraded its relations with the PLO. Her differences with the FCO on this issue were less substantial than they appeared.

While Thatcher became increasingly assertive in the realm of international affairs, she exerted a degree of independence in some areas of policy but not in others. Thatcher was at loggerheads with her Foreign Secretaries over South Africa and Europe, for example, but not over the Arab-Israel issue. This can tell us something significant about British foreign policy in this arena. Britain's historic role in the creation of the State of Israel was a particularly problematic issue for policymakers who were conscious of the need to avoid upsetting Arab sensibilities.<sup>11</sup> This has been an important factor behind the cooperation between Whitehall and Number Ten on the Palestinian question. Thatcher was fiercely protective of British political and commercial interests in the Middle East, and was therefore unwilling to risk these interests through automatic support for Israel.

Furthermore, it can be argued that Thatcher and her successors adhered to a view that was commonly held by FCO mandarins in the years following the establishment of the State of Israel: the perception that the Arab-Israel conflict was at the core of the difficulties facing the West in the Middle East. According to this logic, a resolution of the Arab-Israel conflict would remove the central strategic threats to Western interests in the region.<sup>12</sup> Thatcher held this view, although she tended to express it in private conversations with international leaders. Thatcher believed that the fallout from the Arab-Israel conflict was a factor which imperiled fundamental British interests, since it heightened the resentment of Arab leaders towards the West and allowed the Soviet Union to expand its influence in the region by exploiting this antipathy.<sup>13</sup> Yet even with the Soviet Union on the verge of collapse in 1990, Thatcher continued to push for a resolution of the Arab-Israel conflict. On the one hand, the ending of the cold war provided an unprecedented opportunity to resolve the Israel/Palestinian impasse, because of the absence of a superpower rivalry. On

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<sup>11</sup> See above, p.234

<sup>12</sup> See above, pp.17-18

<sup>13</sup> See above, pp.223-225

the other hand, radical regimes such as Iraq and Iran were destabilizing the Middle East.<sup>14</sup> Thus, according to this perspective, a resolution of the Arab-Israel conflict would help to remove these destabilizing elements.

Even Tony Blair, viewed by many as a particularly strong supporter of the State of Israel, had declared as Prime Minister that the conflict between Israel and the Palestinians was “the core problem of the Middle East.”<sup>15</sup> Blair’s statement was little different to the view expressed by Toynbee decades earlier.<sup>16</sup> Blair’s remarks were made at a time when Iran and other radical elements were expanding their influence in the region, and using the Palestinian issue as a means to strengthen their position. Blair expected Israel to make far-reaching concessions in order to reach a settlement with the Palestinians, and help restore stability to the region. Thus, the perception of Israel/Palestine as the core issue driving instability in the Middle East has been a powerful factor which goes a long way to explain why British Prime Ministers have refrained from pursuing an independent line in the Arab-Israel arena.

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<sup>14</sup> MTF, Press Conference for Washington Post and Newsweek, 17 November 1988

<sup>15</sup> Neill Lochery, ‘Present and Post-Blair British Middle East Policy, The Annual Madame Madeleine Feher European Scholar Lecture No. 9’, *The Begin-Sadat Center for Strategic Studies*, March 2007

<sup>16</sup> See above, p.22

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Jonathan Aitken – Conservative MP 1974-1997 – Date: 26 March 2009, London

Moshe Arens – Minister of Defence 1983-1984 and Foreign Minister 1988-1990

Date: 9 August 2009, Tel Aviv

Yehuda Avner – Ambassador of Israel to Britain 1983-1988

Dates: 6 April 2009, Jerusalem; 12 April 2010, Jerusalem

Dr. Yossi Beilin – Director General of the Israel Foreign Ministry 1986-1988 –

Date: 23 August 2009, Herzliya

Yossi Ben Aharon – Adviser to Yitzhak Shamir and Director General of the Prime Minister's Office 1986-1992 - Date: 6 April 2010, Jerusalem

Yoav Biran – Ambassador of Israel to Britain 1988-1993 -

Dates: 28 August 2008, Jerusalem; 13 August 2009, Jerusalem

Sir Andrew Burns – British Ambassador to Israel 1992-1995 - Date: 20 January 2009, London

Lord Butler – Principal Private Secretary to Prime Minister 1982-1985 – Date: 20 July 2009, London

Lord Carrington – Foreign Secretary 1979-1982 – Date: 28 October 2008; 19 November 2009, London

Stephen Day – British Ambassador to Tunisia 1987-1992 - Date: 3 March 2009, London

Sir Ewen Fergusson – FCO Deputy Under-Secretary of State 1984-1987 – Date: 3 June 2009, London

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Sir Bernard Ingham – Chief Press Secretary to Mrs Thatcher 1979-1990 – Date: 15 December 2009, Correspondence

Dr. Lionel Kopelowitz – President of the Board of Deputies of British Jews 1985-1991 –

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Sir Michael Latham – Conservative MP 1974-1992 - Date: 12 October 2010, London

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