Following Thatcher’s election victory in the general election of June 1983, the Conservative government was ready to make a new start in Anglo-Israel relations. It helped that Israel had finally appointed a new ambassador to London, Yehuda Avner. Israel had been without an ambassador in London since the shooting of Argov in June 1982.

Israeli officials believed that Thatcher had concluded that the poor state of Anglo-Israeli relations was damaging British interests, and undermining the prospects of a resolution of the Israeli–Palestinian conflict. They assumed that the prime minister had given instructions to lower tensions and create a more conducive climate for an improved bilateral relationship. The Israelis were hearing at all levels of government that there was a willingness to improve relations between London and Jerusalem. There was also a realization that the key to bringing about this improvement lay in the hands of the much reviled FCO.¹

In the wake of Thatcher’s election victory, there was yet another change at the top of the FCO. Pym was removed, with Geoffrey Howe taking his place. Howe 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 the affair with his secretary Sarah Keays. Thatcher wrote in her memoirs that she had doubts about Howe’s suitability for the post 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’.²

There were additional changes at the FCO with Richard Luce, Baroness Young and Malcolm Rifkind also appointed as Ministers of State. Luce,
in particular, would play a leading role in the efforts to improve relations with Israel. The second half of 1983 saw the FCO make the first tentative moves towards the resumption of a political dialogue with Israel. Carrington had originally intended to restore a dialogue with 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. Nevertheless, all Carrington’s hard work was undone a few months after his visit to Jerusalem with the Israeli invasion of Lebanon, as Anglo-Israeli relations hit a new low.

Unlike Carrington, Howe did not view the Israeli–Palestinian conflict as a top priority. However, while he had few previous dealings with the Middle East, he took an interest and grasped the issues very quickly. Amid concerns over the stagnation in the Israeli–Palestinian dispute, he believed 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. 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 encourage those in Israel who shared Britain’s approach to a negotiated settlement based upon territorial compromise. This was to become the hallmark of the Thatcher government policy towards the Israeli–Palestinian conflict during its second and third terms.

The FCO was pivotal in building the political dialogue with Israel. The Conservative party and the prime minister herself had been discomfited by the agitation within the local Jewish community as a result of the recurrent crises in Anglo-Israeli relations following the Venice Declaration and the Lebanon war. Thatcher stood to gain from such a dialogue, as it was designed to bring about an improvement in Anglo-Israeli relations. Yet 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. 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 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 disagree, the bilateral relationship cannot be divorced from Israeli policy or actions in areas of importance to us.
Shamir Becomes Israel’s Prime Minister

During her first term as prime minister, Thatcher had despaired of Begin’s policies, believing that they were destabilizing the region. She became convinced early on that Begin’s departure from office had the potential to transform the prospects of a peace settlement between Israel and the Palestinians. 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. The difficulty, though, for Thatcher was that the Likud party had chosen 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. Shamir’s stormy meeting with Pym at the UN in September 1982 demonstrated that he would not be any more amenable than Begin was to compromise on the Palestinian question.

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 Hatzvai Haleumi, Shamir had become involved in an even more militant organization known as the Fighters for the Freedom of Israel or Lehi. Both organizations had their origins in Revisionism shaped by the charismatic leader Zeev Jabotinsky. Following Jabotinsky’s death in 1940, Irgun leader Avraham Stern broke away and formed Lehi, which the British knew as The Stern Gang. Notwithstanding their ideological differences, both organizations would carry out a sustained campaign of violence and terror against the British authorities. 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.

The Restrictions on Arms Sales

The resumption of a political dialogue with Britain presented the Israelis with an opportunity to raise the awkward issue of the arms embargo.
Britain had actually relaxed its arms sales 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.\textsuperscript{14} The Israeli government, however, remained resentful of the fact that there were extensive British restrictions on the sale of defence equipment to the Jewish State.

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. During the second term, the sale of arms 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 government in commercial terms. The arms export revival could be viewed as a means to strengthen British influence within the Arab world.\textsuperscript{14} Related to this was the need to keep the Arab states out of the reach of the Soviets.\textsuperscript{13} Thatcher’s determination to develop closer ties with Arab countries such as Saudi Arabia certainly affected 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.\textsuperscript{14}

This was made clear to Israel’s defence minister Moshe Arens when he met with his British counterpart, Michael Heseltine, in June 1984. Arens charged that the British policy was ‘to sell nothing to Israel and everything to the Arab countries’. Heseltine suggested that since Israel was receiving arms from the United States, there was no cause for anxiety about its need for arms. Furthermore, Israel was not facing an imminent threat so there was no need to halt weapons sales to Arab countries. Arens replied that Britain was selling large quantities of arms to Jordan, and there was a danger that it could attack Israel as part of a coalition of forces. Heseltine pointed out that Jordan was going to get the arms in any case, and the question was whether it would be receiving British or Soviet arms. Arens countered, ‘you would not say that Israeli weapons in Argentina are better than Russian weapons’. Heseltine countered, ‘to be frank, I would say that. If they are buying, it is better that they are buying from our friends’. Arens asserted that there was no principle in the policy Heseltine was describing. Since Israel was the only democracy in the region, it expected other democracies to feel that they had ‘a special obligation ... a special relationship with [Israel]’. Heseltine questioned whether there was such a thing as ‘principle’ in policy-making. It was
mostly about power. Britain would not have the same influence in the Middle East if it did not sell arms to the Arabs. Heseltine maintained that there was a lot of goodwill for Israel in Britain, and added for good measure that there were three Jews in the British cabinet.15

The exchange between Heseltine and Arens graphically illustrated the tensions and complexities at the core of the Anglo-Israeli relationship. 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.16 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 following 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.

The Emergence of Israel’s National Unity Government

On 23 July 1984, a general election was held in Israel against the backdrop of the Lebanon quagmire and hyperinflation. The election result was inconclusive: although Labor had emerged as the strongest party with forty-four seats while the Likud had forty-one seats, Labor was unable 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 twenty-five months of the fifty-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 twenty-five months.17 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. 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.18 The Likud and Labor 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 presented a recipe for political paralysis since Peres and Shamir were so far apart in their ideological positions. Yehuda Avner viewed it as a ‘grotesque’ arrangement.\(^\text{19}\)

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. It was Isaiah Berlin who was reported to have said of Shamir, ‘While walls have their uses, being talked to isn’t one of them’.\(^\text{20}\)

In contrast, Peres was a visionary who was shedding his hawkish positions, and now viewed a comprehensive settlement of the Israeli–Palestinian conflict as a matter of urgency for his country. He believed that the resolution of the 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’.\(^\text{21}\) 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 in order to restore the heavily populated areas of the West Bank to Jordanian rule, with the inclusion of Gaza, 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 Labor party.\(^\text{22}\) 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 ruled out Arafat’s PLO as a peace partner.\(^\text{23}\)

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 worked 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. The Americans were the key to the success of this approach. On this issue, Thatcher saw eye to eye
with the FCO which sought to strengthen the moderate forces in Israel who shared its approach to a negotiated settlement.24

**King Hussein Proposes an International Conference**

During her second term in office, Thatcher gradually became more actively involved in Middle East policy. Like King Hussein, Peres would become an increasingly important influence on Thatcher’s thinking on the Israeli–Palestinian conflict. However, it was the Jordanian leader who would exert decisive influence on the British prime minister which would eventually lead to her direct intervention on policy towards the Israeli–Palestinian conflict.

In December 1983 following a meeting with the king, Thatcher had written to President Reagan stressing the vital role of Jordan in the Israeli–Palestinian conflict and the importance of preserving its stability. She maintained that King Hussein was ‘a moderate, courageous and pro-Western force for stability in the Middle East’. Thatcher stated that the West had to support the king’s position by encouraging the Palestinians to pursue moderation in negotiations and by making it clear that the West was ‘actively committed to the search for a comprehensive solution of the Arab-Israel conflict, of which the Palestinian problem is the core’. Furthermore, the United States had to be resolute over UN Resolution 242 which required Israeli withdrawal from the Occupied Territories and urge Israel to freeze the growth of its settlements. Thatcher reinforced her message to Reagan, adding ‘I believe that the people of the West Bank would welcome a sign that you do not wish to see them absorbed by Israel’.25

During a meeting with King Hussein at 10 Downing Street in September 1984, Thatcher stated her intentions to discuss the Middle East with Reagan, and asked the king whether he had a message for the US president. Hussein told the prime minister that he would have nothing more to do with the Americans because of their lack of credibility and unqualified support for Israel. He added that the prime minister would wish to ask the Americans why they remained strongly opposed to an international conference. The prime minister responded that the United States would be concerned that such a conference ‘would only break up in chaos’. Hussein warned Thatcher that he could turn to the Soviet Union for arms, since Jordan had grievances over the US reluctance to sell weapons to Amman. Thatcher promised to help the Jordanians but warned Hussein that there were always dangers in ‘supping with the devil’. Thatcher was alarmed
and later insisted that Britain had to discourage the Jordanians from turning to the Soviets for arms, and by offering a package that would respond to Amman’s needs. The king had told Thatcher that present American policies were making the region ‘vulnerable to Soviet subversion’. Thatcher was left in no doubt that the situation in the Middle East was deteriorating and that the Reagan administration needed to act fast. She promised to pass on the king’s message to the Americans. Hussein reinforced Thatcher’s own fears over Soviet ambitions in the region.

The king returned to 10 Downing Street three months later. He had been working actively to identify moderate elements within the Palestinian National Council (PNC) Executive who could eventually be part of a joint Jordanian–Palestinian negotiating team. The king’s aim was to develop a joint position with the Palestinians that could be acceptable to the United States. Hussein told Thatcher that the Americans had always insisted on excluding the PLO from negotiations, but the PLO had to be involved in one way or another. Thatcher responded that the PLO still provoked strong feelings in Britain, and mentioned the opposition to a proposed visit by Arafat and also the fuss over media reports that the IRA had paid the organization £400,000. She did not know whether the media reports were true. The king did not believe there was any truth in the story, since the PLO was not short of money. However, he promised to follow up the allegation. Adnan Abu Odeh, the Minister of the Jordanian Court who was also present during the discussion, claimed that the PLO was undergoing a transformation from a terrorist organization into a political outfit. He insisted that there was no alternative to the PLO as a representative of the Palestinian people. Nevertheless, a Jordanian initiative was producing a formula which came close to President Reagan’s idea of association between Jordan and the Palestinians. Thatcher proposed that one option was to abandon the name ‘PLO’, and refer instead to the PNC. In this way, a clear distinction would be drawn between the moderate Palestinians and the actions of extremists based in Syria.

The king told the prime minister that he had discussed with both Egypt and the Palestinians his idea for an international conference. Thatcher said that this created many difficulties. Hussein asserted that he wanted to avoid a polarization of the Middle East between an Israel that was supported by the United States and the Arabs that were backed by the Soviet Union. For this reason, he had proposed a conference with the participation of all five permanent members of the UN Security Council. Thatcher responded that she saw little hope of progress on an international conference. She preferred the option which the king had referred to earlier in
the discussion: the development of a joint position between Jordan and the Palestinians which could eventually enjoy the support of other Arab governments. The Americans could then become involved.  

28 The king revealed to Thatcher that Israel had been trying to get in contact with him in order to propose direct discussions. He believed that the new Israeli prime minister Peres had good intentions. However, he was not optimistic about the likely outcome of such contacts. The king added that the Israelis had behaved unfairly by leaking details of his earlier contacts with them: in the Arab world, ‘this amounted to character assassination’. Thatcher agreed that the Jordanian leader would be unwise to enter into contacts with the Israelis unless he had good reason to believe that they would lead somewhere. However, the king would soon decide to give Peres the benefit of the doubt.  

On 11 February 1985, King Hussein signed an accord with the PLO to begin negotiations to resolve the Israeli–Palestinian dispute. The Amman 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.  

Thatcher swiftly endorsed King Hussein’s initiative, viewing it as an opportunity to launch peace negotiations with Israel. Here as on numerous other Middle East issues, Thatcher was in full agreement with the FCO which welcomed the king’s initiative. The Israeli response to the initiative was mixed, reflecting the composition of the national unity coalition government. Shamir viewed the accord as a very unwelcome development, and was concerned that it would bring the PLO out of the cold. However, Peres kept his options open, and did not criticize it.

The Visit of Shamir to London

The Amman accord loomed large during the visit of Shamir to London in June 1985. This would be the first official visit to Britain by a senior Israeli minister since the invasion of Lebanon in June 1982. 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.\(^\text{34}\)

At the heart of Thatcher’s concern was the view that Shamir’s inflexibility would lead to greater instability in the Middle East. There remained unease that the Soviets would profit from the regional stalemate. It was felt that, at the very least, Britain had to be seen to be taking action to resolve the Israeli–Palestinian conflict.

Shamir came to his meeting with Thatcher accompanied by Avner and his adviser Yossi Ben Aharon. Thatcher’s private secretary, Charles Powell, Britain’s ambassador Squire and FCO official Stephen Egerton were also present at the meeting. Thatcher remarked 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 terrorist 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.\(^\text{35}\) To illustrate her point, she told Shamir that she had found herself negotiating with former terrorists such as Mugabe and Nkomo of Zimbabwe and Kenyatta of Kenya.\(^\text{36}\) Shamir remarked that he had respect for Hussein in spite of mistakes he had made during the 1967 war and that Israel was ready to meet with the Jordanian leader without preconditions.\(^\text{37}\) However, Israel would not sit with the PLO. The Israeli foreign minister stated that it was unthinkable that the PLO would stay under Hussein’s control, and it would not accept a confederation between Jordan and the West Bank.\(^\text{38}\) He added that Hussein was endangering his kingdom by establishing a pact with Arafat.
Shamir maintained that the countries of the free world needed to work in cooperation to defeat terrorism, and Israel had plenty of experience in combating the phenomenon. Thatcher retorted that she did not need to be told about the fight against terror: cooperation against terrorism had never been better. The techniques of counter-terrorism were becoming more effective and sophisticated, but the terrorists were not far behind. However, this was not enough. She remarked that a democratic Israel could not prevent millions of Arabs living under its control from exercising their right to vote. The Palestinian problem was growing. Thatcher asked Shamir, ‘how long did Israel think it could go on without finding a solution to the problem?’ Shamir stated that Israel would be ready to meet with a delegation which included Palestinian Arabs, on the basis of the Camp David framework, but they had to be acceptable to Israel. The prime minister asked Shamir whether Israel would ‘unreasonably withhold consent’ from certain Palestinians. Thatcher insisted that whoever negotiated had to have the confidence of the Palestinians. Hussein could not negotiate without the cooperation of the moderate Arab governments and the PLO. She warned Shamir that it would be ‘a tragic mistake to alienate the PLO entirely and drive them into the arms of Moscow’. 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.

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.

The meeting with Shamir in June 1985 merely provided confirmation to Thatcher that Likud policies were likely to perpetuate a regional stalemate which could threaten the moderate Arab states. In particular, she was anxious that the deadlock would strengthen the radical forces, and encourage the expansion of Soviet influence in the Middle East. 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. 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 harmful to British interests in the region.

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, in spite of 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 to Israel was an act of discrimination. These issues had been raised by Israel on numerous occasions, but its requests had been ignored. 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. 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 on matters such as the Arab boycott.

Squire felt differently. He believed that Shamir would now understand that the views he heard through the diplomatic channels were indeed the positions of the Thatcher government. The meeting with Thatcher would have been designed 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 Israeli–Palestinian conflict.

King Hussein Enlists Thatcher’s Intervention

Thatcher told King Hussein about her conversation with Shamir when he met with her on 7 June. Thatcher told the king that Shamir wanted a veto over the composition of a joint Jordanian–Palestinian delegation. She had made it clear to the Israeli foreign minister that the Palestinian members of such a delegation had to be credible. Thatcher saw little prospect that Shamir would change his views. However, she sought to reassure Hussein that Israel’s prime minister Peres had a more positive approach, and it was vital to avoid anything which would undermine his position.

The king, in turn, told the prime minister of his recent visit to Washington. He had proposed to the Americans that there should be a timetable of meetings involving a Jordanian–Palestinian delegation and then a Jordanian–PLO delegation. The first meeting would take place in Amman in late June or July between the US assistant secretary of state
King Hussein Enlists Thatcher’s Intervention

for Near East Affairs, Richard Murphy, and a joint Jordanian–Palestinian delegation. Arafat was working on putting together a Palestinian delegation that would be uncontroversial and acceptable to the Americans. If such a meeting was successful, the PLO could issue a declaration accepting UN Security Council resolutions 242 and 338. This could pave the way for an international conference which would launch negotiations with Israel. Nevertheless, Thatcher continued to have doubts about the prospects for an international conference. She shared President Reagan’s concern that it would enable the Russians to cause havoc. She also feared that Hussein would be left exposed unless he gave serious thought to the nature of an international framework that would give him cover. The king responded that the Soviets were deeply involved in the region and could not be ignored. He had proposed that all five permanent members of the UN Security Council would attend the conference in order to limit the ability of the Soviets to cause problems. For diplomacy to succeed, the Palestinians needed to be on board but wide Arab support was also necessary. An international conference would be the means to secure this Arab backing. However, Thatcher remained sceptical, and asserted that the Russians and Syrians would cause mischief, with the prospect of the conference spinning out of control in spite of the king’s best efforts.

The king would not give up so easily. Instead, he decided to put Thatcher on the spot, and proposed that a joint Jordanian–PLO delegation visit London. The prime minister asked who the PLO members on the delegation would be. The Jordanian prime minister, Zaid Rifai, who was also present at the meeting, said that the representatives would be Mohammed Milhem and Bishop Elias Khoury. Both men had publicly renounced violence and neither had belonged to terrorist organizations. Thatcher was uneasy, and stated that she would have to think very carefully before giving a response. She stressed that any Palestinian delegation that came to Britain would have to state publicly that it accepted UN Security Council resolutions 242 and 338. Thatcher added that she preferred to see a meeting take place first between the United States and a Jordanian–Palestinian delegation. She told Hussein that she would discuss the matter with the Americans and would give him a considered response. While the British prime minister was anxious to bring about a breakthrough in the Israeli–Palestinian conflict, she did not want to move too far ahead of the Americans – particularly, when it entailed dealings with the PLO.

The following month, Thatcher informed the king that she was ready in principle to meet with a Jordanian–Palestinian delegation, including
Milhem and Khoury. However, she repeated that the two Palestinians had to publicly renounce violence and express their personal acceptance of UN Security Council resolutions 242 and 338 while they were present in the United Kingdom. It would not be enough for them to do so privately. The king said that he was confident they would make public statements, as requested. Thatcher added that she would prefer to wait for a meeting between Murphy and a joint Jordanian–Palestinian delegation before making an announcement on the hosting of a delegation in London. She asked the king when the meeting with Murphy would take place. Hussein hoped that a meeting would take place as soon as possible, and asked Thatcher to urge this on the Americans. Thatcher had recently returned from Washington, and was concerned to discover that US Secretary of State George Shultz was very cautious about the possibility of opening talks with the PLO, even if the organization was to accept the UN resolutions. The Americans believed that Arafat was directly involved in a recent attempt to dispatch terrorists by sea to carry out an attack in Israel. The king told Thatcher that he was constantly reminding Arafat that his political future depended upon his ability to act as a leader of the Palestinians and not as the head of a guerilla organization.50

While the king was in London, he met secretly with Peres. The meeting of 19 July 1985 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 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.51

Peres later informed Shultz through a personal envoy that if PLO supporters were to meet with 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 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.52

Thatcher visited Egypt and Jordan in September 1985, demonstrating her determination to play a more active role in Middle East diplomacy. During her visit to Jordan, Thatcher met with King Hussein and Prime Minister Zeid Rifai. The Jordanians continued in their efforts to
secure Thatcher’s support for an international conference. However, the Americans were now insisting on direct contacts between Jordan and Israel as a precondition for a meeting between Murphy and a Jordanian–Palestinian delegation. The king stated that the US condition was unacceptable, and he would lose all his credibility in the Arab world. Hussein had told Thatcher that he could not enter into direct talks with Israel because his grandfather had been killed for that very reason. The king believed that the introduction of the new condition was done with Israel’s encouragement and that of the pro-Israel lobby in Washington. This reflected the White House view that it would be too politically damaging for the US president to get involved in the Middle East. Thatcher did not believe that President Reagan was deliberately blocking Hussein’s initiative, but she wondered whether he understood the risks for the Jordanians of holding direct and visible talks with Israel. The British leader remained unenthusiastic about an international conference, claiming that it would be disrupted by the Soviet Union either acting directly or through the Syrians. She believed that the Soviets had no obvious interest in a Middle East agreement, and would benefit from the resulting stalemate. However, she recognized the need to help Jordan establish a framework for direct negotiations.

The king 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. 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.

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’. 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. She suggested during her meeting with the king that it would be necessary to confront President Reagan with the terrible consequences of failure of the king’s diplomacy, not only for Jordan but for
moderate Arab governments generally. In a bid to help Hussein, Thatcher offered to issue a statement at her final press conference in Jordan regarding the hosting of a joint Jordanian–Palestinian delegation in London. However, she repeated her insistence that Milhem and Khoury would be expected to publicly renounce terrorism and accept UN Security Council resolutions 242 and 338. This was a risk for a British leader known for her strong public stand against terrorism.

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 organizations such as AIPAC (The American Israel Public Affairs Committee) which possessed considerable clout in Washington. On one occasion, Shultz got carried away with himself at an AIPAC Conference and led a chant saying ‘Hell no to the PLO’. Murphy was bemused by this behaviour which was so out of character for the US secretary of state.

Shultz was insistent on not exposing Reagan 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. The British prime minister was not constrained to the same extent, in spite of 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.

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. Yet diplomatic correspondence between London and Jerusalem revealed that Thatcher had become upset by the growing protests and criticisms of the initiative she had taken on the Palestinian question. She was now inundated with letters of protest in spite of her firm stand against terrorism just because of a simple gesture.⁶⁴

Baron Rudiger Von Wechmar, West Germany’s ambassador to Britain, told Avner at a cocktail reception that he and other Western ambassadors serving in London believed that Thatcher was active in the Middle East as she was seeking an international platform to showcase her global leadership credentials. Von Wechmar remarked that Thatcher ‘could have chosen Bucharest or Central America or anywhere’. The German ambassador believed that Thatcher’s mistake had been to choose the most difficult conflict of them all: her knowledge of the region was superficial, her advisers were prejudiced and Thatcher’s special affection for King Hussein had blinded her to realities.⁶⁵

The Israelis were up in arms over Thatcher’s initiative. 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 rejected Netanyahu’s claim: since not everyone within the PLO supported terror, there could be no comparison between the two organizations.⁶⁶

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 impressed by 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’.

Peres, however, was walking a tightrope in his capacity as prime minister of the national unity government, and was severely constrained by his coalition arrangement with Shamir. Peres did not take kindly to Thatcher’s invitation, 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.\textsuperscript{68}

Thatcher’s diplomatic overture was blighted by unfortunate timing. Just days before the planned meeting with the delegation, an Italian cruise ship, the \textit{Achille Lauro}, was hijacked by a splinter group of the PLO, the Palestine Liberation Front. Leon Klinghoffer, 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 fifty-six Palestinians and fifteen Tunisians were killed in the air raid while Arafat narrowly escaped.\textsuperscript{69} Thatcher condemned the raid, and asked the Irish leader Garret FitzGerald to imagine what the Americans would say if Britain had ‘bombed the provos in Dundalk’.\textsuperscript{70} There were additional reasons for Thatcher to be unhappy about the operation in Tunis: her private secretary, Charles Powell, 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.\textsuperscript{71}

Thatcher took care not to alienate supporters of Israel over the invitation to the Palestinian delegation, and met with representatives of Conservative Friends of Israel. The CFI delegation expressed dismay over the planned meeting with the two PLO supporters. The representatives claimed that Milhem had not renounced violence, and expressed concern that the British government was effectively granting recognition to the PLO. The CFI delegation 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. Thatcher 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, Thatcher agreed that the British government would be placed in a difficult position if the statement was unsatisfactory.\textsuperscript{72}
Thatcher told the delegation that King Hussein had revealed to her in Amman that he could not enter visible direct negotiations with Israel as his grandfather had been killed for that very reason. He could talk to Israel only under the cover of an international conference. Thatcher disclosed that US Secretary Shultz had met with Milhem and supported her initiative. The prime minister also condemned Israel’s bombing raid on the PLO headquarters in Tunis. Thatcher had written earlier to the CFI director, Michael Fidler, and pointed out that Milhelm and Khoury had both been threatened with death since being invited to London. This only underlined the need to strengthen the position of those Palestinians who were ready to make peace with Israel.

Even Britain’s secretary of state for employment, David Young, a prominent representative of the Jewish community, attempted to persuade Thatcher to cancel Howe’s meeting with the Palestinian delegation. Young confided in Avner, and said to him, ‘a few days ago, I took my life in my hands’. Young warned the prime minister that once a meeting with PLO supporters was sanctioned, Thatcher would also face pressures to meet with representatives of the IRA. He added that in the wake of the Achille Lauro affair, there was a risk that the public would believe that she was appeasing Palestinian terrorists. Thatcher was furious with Young, and told him that there could be no comparison between the PLO and the IRA. She claimed that within the PLO, there were people such as Milhem and Khoury who were seeking a genuine resolution of the conflict. The prime minister was determined for the meeting to go ahead in spite of the criticisms from the media and the Jewish community.

The PLO Debacle

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. The advance commitment elicited from them during Thatcher’s visit to Amman had not been completely satisfactory. Now that they were in London, Khoury was prepared to adhere to the conditions set but Milhem could not. As a result, Thatcher and Howe declined to meet with the Palestinians. King Hussein supported Thatcher’s decision not to see the Palestinians in view of the refusal to meet the conditions. The Haaretz newspaper later declared: ‘The
The PLO Debacle

mountain had given birth to a mouse: Thatcher’s political initiative had been launched with great fanfare during her visit to the Middle East, but had shattered over the steps of the British foreign office!79

Ivan Lawrence has claimed that Thatcher cancelled the meeting at the last minute as a result of pressure from the CFI.80 It has also been claimed that Thatcher cancelled the meeting as a result of American pressure in the wake of the Achille Lauro affair.81 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.82 The American ambassador in Israel, Thomas Pickering, told Shamir that the US State Department had called on European Community member states not to meet with the Jordanian–Palestinian delegation unless the PLO were to issue a clear statement renouncing terrorism and recognizing Israel’s right to exist.83 When Milhem refused to sign the statement, Thatcher and Howe felt they had no choice but to cancel the meeting. Both Howe and Rifkind strongly denied that US pressure had led to the cancellation of the meeting.84
It later emerged that following his arrival in London, Milhem had demanded changes to the language of the statement he was due to accept. There were suggestions that Milhem had not been present in Amman when negotiations had taken place between the British and the Jordanians over the statement. He was unwilling to sign a statement which included the wording ‘recognition of Israel’.\(^85\) Milhem only learned of the wording of the statement on his arrival in London, two days before his meeting with Howe. After telephone consultations with his PLO colleagues, he notified the British that he would not be signing the document, and claimed that London had introduced two new conditions at the last moment. However, there was speculation in Britain that Milhem had been warned by Palestinian extremists not to sign the statement if he wanted to avoid a fate similar to that of Fahd Kawasmeh, his colleague and friend. Kawasmeh had been killed by a Palestinian terrorist splinter group for supporting a diplomatic solution with Israel.\(^86\) Later in a television interview, King Hussein stated that the PLO was fully to blame for the cancellation of the meeting. Arafat claimed in response that the king had been ‘unfair’ towards the PLO.\(^87\) Some FCO officials were more sympathetic towards Arafat, believing that he could not have adopted a moderate stance in the wake of Israel’s bombing raid of the PLO headquarters in Tunis.\(^88\)

Thatcher had viewed her invitation to the Jordanian–Palestinian delegation as a unique opportunity to help the king and 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. Israel’s Foreign Ministry believed that the unsuccessful outcome of the visit would dampen British enthusiasm for similar initiatives in the future.\(^89\) However, the fact that Thatcher had shown a readiness to host PLO-affiliated officials 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 on the Palestinian question. 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.

Patrick Nixon, the new head of NENAD at the FCO, noted that Hussein had done Thatcher a considerable favour.\(^90\) The cancellation
of the meeting was a major debacle and embarrassment for the prime minister. Hussein’s television interview had helped to take the pressure off the Conservative leader and enabled her to save face. However, the king’s own credibility had been damaged by the fiasco. His agreement with Arafat would collapse a short time later.
Notes to Pages 107–117

80 Ibid.

7 Thatcher’s Diplomatic Initiative

1 ISA 8932/7, Letter from M. Raviv, London, to Head of Europe II, MFA, 8 August 1983.
2 Thatcher, The Downing Street Years, pp. 309–310.
3 Interview with Oliver Miles.
4 Interview with Lord Luce, 25 March 2009.
5 FCO/FOI 0135–10, Anglo/Israeli Relations, Steering brief, Undated.
7 FCO/FOI 0135–10, Anglo/Israeli Relations, Essential Facts, Undated.
8 Shlaim, The Iron Wall, p. 419.
10 Interview with Dr William Squire, 11 March 2009.
11 FCO/FOI 351–09, Background points (ahead of visit by Mr Mellor to Israel and the Occupied Territories), Undated.
13 FCO/FOI 351–09, Minute from DESS 2 to FCO, Defence Sales to Arab countries: background, 14 May 1986.
14 Interview with Sir Ewen Fergusson, 3 June 2009.
15 ISA 8963/9, Cable from Israel Embassy, London, to MFA, 5 June 1984.
19 Interview with Yehuda Avner, 12 April 2010.
21 Peres, Battling for Peace, p. 349.
23 Peres, Battling for Peace, pp. 352–358.
24 FCO/FOI 0135–10, Anglo/Israeli Relations, Steering brief, Undated.
25 Ashton, ‘Love’s Labours Lost’.
28 Ibid.
29 Ibid.
FCO/FOI 698–09, Call on Mr Heseltine: Political background brief, Undated.

FCO/FOI 698–09, Call on the Secretary of State by Mr Yitzhak Shamir, 3 June 1985.

FCO/FOI 698–09, Call on Mr Heseltine: Political background brief, Undated.

FCO/FOI 698–09, Steering Brief, Undated.


ISA 8963/6, Cable from Y. Ben Aharon to MFA, 4 June 1985.

Ibid.


ISA 8963/6, Cable from Y. Ben Aharon to MFA, 4 June 1985.


FCO/FOI 698–09, Cable from FCO to Tel Aviv, 5 June 1985.


FCO/FOI 698–09, Minute from W. Squire to FCO, 5 June 1985.

FCO/FOI 351–09, Visit by Mr Mellor to Israel and the Occupied Territories, Background paper, Undated.

FCO/FOI 698–09, Minute from W. Squire to FCO, 5 June 1985.


Ibid.

Ibid.


Shlaim, Lion of Jordan, p. 428.

Shultz, Turmoil and Triumph, pp. 453–454.


ISA 4391/7/a, Cable from Y. Avner to Head of Europe II, MFA, 4 October 1985.


Shlaim, Lion of Jordan, p. 429.

Interview with Richard Murphy.

Shlaim, Lion of Jordan, p. 429.

Shultz, Turmoil and Triumph, p. 454.


Interview with Richard Murphy.

Ibid.


66 ISA 8961/17, Cable from Israeli Embassy, UN, New York, to MFA: Meeting of Foreign Minister Shamir with Foreign Secretary Howe, Undated.
67 ISA 8961/17, Letter from M. Thatcher to S. Peres, 23 September 1985.
68 ISA 8961/17, Letter from S. Peres to M. Thatcher, 23 September 1985.
69 Shlaim, Lion of Jordan, p. 430.
70 Campbell, Margaret Thatcher, p. 280.
73 ISA 4391/7/a, Cable from Y. Avner to Head of Europe II, MFA, 4 October 1985.
76 Interview with Lord Powell.
78 Thatcher, The Downing Street Years, p. 509.
80 Lawrence, My Life of Crime, pp. 174–175.
82 Interview with Richard Murphy.
84 ISA 4391/7/a, Cable from Political Counsellor, London, to Head of Europe II, MFA, 15 October 1985.
85 ISA 4391/7/a, Cable from Political Counsellor, London, to Head of Europe II, MFA, 16 October 1985.
86 ISA 4391/7/a, Cable from E. Avidan, Washington, to North American Department, MFA, 22 October 1985.
87 ISA 4391/7/a, Cable from A. Ganor, Europe II Department, MFA, to New York, 21 October 1985.
88 ISA 4391/7/a, Cable from E. Avidan, Washington, to North American Department, MFA, 22 October 1985.
90 ISA 4391/7/a, Cable from Political Counsellor, London, to Head of Europe II, MFA, 16 October 1985.

8 Thatcher’s Landmark Visit to Israel

3 Correspondence with Lord Powell, 9 June 2010.
4 Campbell, Margaret Thatcher, p. 343.
6 ISA 8961/17, Letter from S. Peres to M. Thatcher, 23 September 1985.