

Introduction

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.¹

It is a curious fact that Margaret Thatcher, a fiercely ideological leader, both in domestic and foreign policy, has publicly stated that the conflict between Israel and the Palestinians is the one area where compromise is essential.

This book will examine Thatcher's policy on the Middle East, with a spotlight on her approach towards the Israeli–Palestinian conflict. It questions claims that Thatcher sought to counter the Foreign Office policy on the Middle East, and argues that the prime minister was actually in close agreement with the Whitehall bureaucracy on the Arab–Israeli conflict. In particular, this study argues that Thatcher's concerns over Soviet ambitions in the Middle East encouraged her to oppose the policies of Israel's Likud governments, and to work actively for an urgent resolution of the conflict. Furthermore, while Thatcher was strongly pro-American, this was not translated into automatic support for Israel. Indeed, powerful disagreements emerged between the Thatcher government and the Reagan administration on Middle East policy, as a result of Washington's neglect of the forces of moderation in the region.

Foreign policy studies on the Thatcher era have focused traditionally on the Falklands war with Argentina, Europe, the Anglo-American

relationship and Thatcher's tough stance towards the former Soviet Union. Interestingly, though, the topic of the Thatcher government's policy towards the Israeli–Palestinian conflict has been neglected. This is perhaps surprising when one considers that she entered office as an MP for the Finchley constituency with its relatively large Jewish population, and enjoyed strong links with several pro-Israel organizations. 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 Thatcher government's Middle East policy is sparse and somewhat problematic.

One difficulty is the tendency to accentuate the differences between the Foreign and Commonwealth Office (FCO) and Number Ten on British policy towards Israel. Thus, Jonathan Rynhold and Jonathan Spyer have maintained that Britain's policy towards the conflict has traditionally swung between a 'Diplomatic' and a 'Strategic' orientation. They have argued that the Diplomatic orientation, associated with the FCO, has placed an emphasis on the resolution of the Arab–Israeli conflict, which is viewed as a core issue affecting general Middle East policy. This orientation 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. The FCO 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. While this does not mean that there are 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.²

Thatcher is viewed as a leader who has sought to counter the FCO's Middle East policy. The Conservative party had long been influenced by the patrician class which tended to have close ties with the Arab world. Thatcher, in contrast, was closely linked to new forces within the 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,

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as well as her solid pro-American orientation were elements that naturally influenced her support for Israel. Rynhold and Spyer accept that none of the ‘Strategic-minded’ occupants of Number Ten (such as Harold Wilson, Tony Blair and Thatcher) took action to permanently change the Whitehall consensus on the conflict. However, they do argue that prime ministers can determine policy when they decide to intervene. 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.³ Thus, the implication is that Thatcher did intervene, at least to some degree, to counter the FCO policy towards the Middle East. This corresponds to the image that Thatcher herself tried to project in her memoirs regarding the disagreement between her and the FCO on the Middle East.⁴

Anthony Parsons (formerly Thatcher’s foreign affairs adviser) has countered the view that the Thatcher government adopted a pro-Israel policy. 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 Palestine Liberation Organization (PLO) leaders at cabinet level. Parsons maintains 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. During the 1980s, 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’.⁵

Thatcher was instinctively sympathetic towards Israel, and she did attempt briefly to counter the FCO position on the Middle East. However, there were also numerous occasions when she took the lead in supporting policies that caused considerable difficulties for the Israeli political leadership. At the same time, it was the FCO that played a leading role in cementing a dialogue with the Israeli government which paved the way for the eventual groundbreaking visit of a British prime minister to Israel in 1986.

Furthermore, Thatcher was in strong agreement with the FCO in viewing the Israeli–Palestinian conflict as a core source of instability in the

Middle East. Indeed, she clearly believed that a comprehensive resolution of the Israeli–Palestinian conflict would go a long way towards removing the sources of hostility to the West in the Arab world, and exploited her growing control over policy to promote this objective. This book, therefore, challenges the exaggerated emphasis that has been placed on the differences between the FCO and 10 Downing Street on Middle East policy, and also questions the impact of partisan pressures on Thatcher’s approach towards the conflict.

Mark Stuart, for example, 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.⁶ However, 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 Israeli–Palestinian conflict. Thatcher certainly faced partisan pressures within her constituency, in the Conservative party and beyond to adopt a pro-Israel policy. However, Thatcher’s sympathies for Israel were also a byproduct of her Christian beliefs⁷ and the perception of the Jewish State as an oasis of democracy in the Middle East.⁸ Israel’s friends in Britain exerted efforts to dissuade the Thatcher government from adopting policies that were perceived to be harmful to the Jewish State. Nevertheless, while Thatcher’s tough stand on the PLO was undoubtedly reinforced by the views of Israel’s friends within her constituency and in the Conservative party, partisan pressures ultimately had a limited impact on Middle East policy.

Neill Lochery has pointed out that Thatcher may have disliked the culture and ethos of the FCO, but she tended to agree with its position on the Israeli–Palestinian conflict.⁹ Thatcher shared the FCO’s position that there was an urgent need for a just and comprehensive settlement of the Israeli–Palestinian question. However, unlike the FCO, she took this position not because she sympathized with Palestinian grievances (there is a view that she was not particularly sympathetic towards the Palestinian cause¹⁰). This book maintains that Thatcher was strongly influenced by Cold War considerations in her approach towards the Middle East. Like other regions of the world, the Middle East was affected by the super-power confrontation between the United States and the Soviet Union. Thatcher was anxious that a failure to resolve the conflict would heighten instability in the Middle East, endangering Britain’s moderate Arab allies. In particular, there was a concern that the Soviet Union and other radical forces would exploit this instability to expand their influence in the

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Middle East at the expense of Western interests. Thus, this study challenges the view that Thatcher's anti-communism naturally encouraged her to support Israel.¹¹ While it is undoubtedly true that she initially viewed Israel as a strategic asset against the Soviet threat and that this was arguably an important factor in her early support for the Jewish State, Thatcher's strong anti-communist posture actually encouraged her to adopt an increasingly critical stance towards Israel's government.

Furthermore, Thatcher's pro-American orientation did not prevent the strong disagreements that emerged between London and Washington on policy towards Israel. Thatcher was angered by the Reagan administration's reluctance to exert pressure on Israel, and was deeply troubled by its neglect of the forces of moderation in the region, with an emphasis on Israel's Shimon Peres and Jordan's King Hussein. In spite of the personal chemistry between Reagan and Thatcher and their shared hostility to the communist ideology of the Soviet Union, this book argues that the interaction between the two leaders on the Middle East was anything but harmonious, as the British prime minister became increasingly frustrated and disappointed with the direction of US policy.

Michael Clarke identifies Thatcher as a prime minister who became heavily involved in foreign policy issues, much like Winston Churchill and Harold Wilson before her.¹² 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, an FCO 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. 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. Nevertheless, once Charles Powell was secure in his position as private secretary alongside foreign affairs adviser 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. As Peter Hennessy puts it, 'policy reflected the enhanced potency of Mrs Thatcher's Downing Street'.¹³

Yet there is little evidence to suggest that the politicization of the policy process, typified by Thatcher's employment of senior advisers such as Anthony Parsons and Percy Cradock, affected the substance of Britain's Middle East policy during the 1980s. Even as 10 Downing Street exerted

stronger control over foreign policy, there was still extensive cooperation with the FCO on the Middle East. The fact that Thatcher came to adopt a presidential leadership style did not necessarily signify a change in the substance of Middle East policy. Indeed, as Thatcher acquired greater authority in foreign affairs, she used her powerful position to promote policies that were in line with the policy goals of the FCO. This was exemplified by the close agreement on the need to strengthen King Hussein and the dovish Peres at the expense of his hardline Likud rivals, in order to break the Middle East stalemate. Leading scholars such as Avi Shlaim have overlooked the role played by Britain during this period (Shlaim's biography of King Hussein, *Lion of Jordan*, devotes one page to Thatcher¹⁴).

This book utilizes a chronological approach and is based, to a large degree, on recently declassified archival materials located in Britain and Israel and FCO documents that have been released to the author under the Freedom of Information Act, as well as on numerous interviews conducted with senior statesmen, politicians and officials in Britain and Israel. The book also draws on 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.

During Thatcher's first term in office, relations between Britain and Israel faced perhaps their most serious crisis since the Jewish State's establishment in 1948. Israel tended to blame the FCO for the new policy of the Thatcher government which provoked the crisis with Israel. Within Israeli government circles and the Anglo-Jewish community, the FCO has traditionally been viewed as the source of the apparently hostile British attitude towards Israel, while Number Ten is considered the more sympathetic institution. However, the primary sources utilized provide a rather more complex picture of the relationship between Thatcher and Whitehall, and demonstrate how the prime minister's thinking on the Middle East evolved and was influenced by Cold War concerns and also shaped by key personalities such as Lord Carrington, King Hussein and Peres.

Britain's Colonial Legacy and Its Post-War Middle East Policy

The animosity of Anglo-Jewish and Israeli leaders towards the British foreign policy elite could be traced back to the thirty-year period between the Balfour Declaration and the eventual establishment of the State of

Israel, when Britain succeeded only in fuelling the resentment of both the Jews and Arabs in Palestine. The British angered the Arabs with their support of Zionist aspirations in Palestine. In turn, they angered the Zionists for making promises that they could not keep regarding a 'Jewish national home in Palestine'. In particular, the Zionist leadership was angered by the British White Paper of 1939 which sought to restrict and stabilize the Jewish population of Palestine at one-third of the Arab majority. The Zionist leadership viewed the White Paper as a stab in the back, with Winston Churchill describing it as a 'breach of faith with the Jews'. However, in the course of the 1940s, leading British officials believed that adherence to the White Paper policy was essential since continued Jewish immigration would result in an escalation of Arab hostility.¹⁵

Although there was undoubtedly great bitterness over the manner in which Britain was eventually forced out of Palestine in 1948, among the foreign policy elite, there was also 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 new Jewish State. This was articulated by Arnold Toynbee who had exerted a strong influence on British policy 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.¹⁶ 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.¹⁷ 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'.¹⁸ In the decades following the establishment of the State of Israel, many senior mandarins believed that the Balfour Declaration had damaged Britain's position in the Middle East, as a result of the widespread Arab perception that Britain was responsible for Israel's creation. Toynbee and other scholars in the publications of Chatham House believed that Palestine was the key issue in Middle East politics and was singularly responsible for the difficulties affecting British interests in the Middle East.¹⁹ This view has influenced the thinking of many British policy-makers, officials and politicians.

Within the Labour government of Clement Attlee, foreign secretary Ernest Bevin was notorious for his hostility to the establishment of an independent Jewish homeland in Palestine. Bevin strongly believed that

through expressing public opposition to the establishment of a Jewish State, 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.²⁰

Although Bevin was well known for his unsympathetic attitudes towards the Jewish State, his views were shared by leading FCO mandarins. 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. He wrote in his diary that as a result of the Balfour Declaration, 'Palestine was the burial ground' for British hopes of preserving its position in the Middle East.²¹ 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'.²² This statement neatly sums up FCO attitudes towards the Jewish State, during the 1950s in particular, but on occasions, their spirit continued to inform the policy of the Thatcher government during the 1980s.

Britain's post-war policy in the Middle East would place 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. 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. Following the Egyptian revolution of 1952, the Soviet Union was able to acquire significant influence among Arab nationalists. The Soviets consolidated their position in the Middle East over the next two decades, establishing relations with a number of nationalist military regimes including Egypt, Syria and Iraq, while the United States developed closer ties with countries such as Israel, Jordan, Saudi Arabia and Turkey. Between the mid 1950s and mid 1970s, the Middle East became a significant arena for intense East–West conflict, reflected in Washington's declaration of a nuclear alert during the Arab–Israeli war of October 1973. At the end of the 1970s, the deterioration in East–West relations played itself out in the Middle East. For the Western powers, the Iranian revolution in 1979 and

the Soviet invasion of Afghanistan that same year appeared to represent proof of the growing communist threat to the Middle East. Although the origins of the Arab–Israel conflict were entirely unrelated to the Cold War, the conflict was influenced increasingly by the competition between East and West.²³

In the years following the establishment of the Jewish State, British policy-makers believed that close relations with Israel would harm British interests.²⁴ Indeed, in the years following Israel's independence, Britain kept its distance from the Jewish State, ruling out strategic cooperation of any kind. It was only at the end of the 1950s that Britain realized that there was more to gain from establishing somewhat 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.²⁵

Britain's refusal to sell arms to Israel would become a major source of rancour in Anglo-Israeli relations. Israel's resentment over this policy was magnified by the fact that Britain was supplying arms to Arab countries. From the 1950s, the sale of British arms to Israel was consistently viewed by the Israeli government as the 'litmus test' of Anglo-Israeli ties.²⁶ 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. This policy was an ongoing irritant for Anglo-Israeli ties during the Thatcher period.

However, in the course of the 1960s, Britain began softening this policy. In 1967, the Labour prime minister, Harold Wilson, secretly authorized the sale of tank ammunition to Israel during the Six-Day War, overruling FCO objections.²⁷ Wilson was a friend of Israel and was sympathetic to its security predicaments, but he began to introduce a stricter approach on arms sales in response to the Meir government's intransigence over territory recently captured during the 1967 war. During the early 1970s, the Conservative government of Edward Heath took a tougher line on Israel. Foreign secretary Alec 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.²⁸

During this period, the FCO recommended halting arms sales to Israel in order to preserve oil supplies from the Middle East and maintain close ties with Arab countries.²⁹ Thus, Heath's Conservative government controversially refused to supply spare parts for Israel's tanks during the October war of 1973. It was not surprising, therefore, that within Arab

circles, there was a belief that a Conservative government would show greater sympathy towards the Arab position than the Labour party did. This would have stemmed from displeasure over the close ties between Israeli leaders and Labour prime minister Wilson. Historically, the Arabs had viewed the Labour party as being closer to Israel than the Conservative party. They were particularly suspicious of the Labour governments of the 1960s and 1970s.³⁰ 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.³¹

The Thatcher Government and the Middle East

One of the most significant factors driving Thatcher's thinking on the Israeli–Palestinian conflict was the perceived Soviet threat. As Chapter 1 makes clear, during her early months in power, Thatcher had been opposed to the FCO's attempt to obtain British recognition of Palestinian self-determination, and viewed Israel as a strategic asset in the Middle East. This situation did not last. During Thatcher's meeting with Israel's prime minister, Menachem Begin, just days after entering Number Ten, the Conservative leader claimed that the Israeli–Palestinian conflict created difficulties for the West in its struggle with the Soviets. 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.³² Thatcher's Middle East policy was dictated largely by concerns over threats to the stability of moderate Arab allies such as Jordan, Egypt and Saudi Arabia. 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.

Lord Carrington, Britain's foreign secretary during most of Thatcher's first term in office, was the active force behind a European initiative to recognize the right of Palestinians to self-determination. Carrington was viewed by the Israelis and Anglo-Jewish leaders as an aristocratic version of Bevin,³³ and his activism on the Palestinian question culminated in the European Economic Community (EEC) Venice Declaration of June 1980 which the Begin government detested. Carrington and his fellow FCO mandarins perceived that the Arab–Israel conflict was at the core of the