TO: PRESIDENT NIXON

FROM: PRIME MINISTER HEATH

June 14, 1973

Dear Mr. President:

I thought that before your meeting with Mr. Brezhnev I ought to bring to your attention the concern which I feel about the present situation in the Middle East and the implications that this has for all of us. I have had the opportunity to discuss this problem with President Pompidou and Chancellor Brandt in recent weeks and I know that they share my anxiety.

I appreciate how hard you have tried to break the present deadlock in the Middle East. I recall the efforts you made with the Soviet Union in 1969 to agree on the basic principles for a settlement and it was of course Secretary Rogers' initiative of 1970 which brought about the ceasefire on the canal. This very nearly led to indirect negotiations between the parties, as did your attempts in 1971 to arrange the so-called proximity talks between them.

We too have made every effort on our own with the parties, in the four power talks and in the European forum to inject some movement into the situation. We have tried particularly to persuade the Israelis to be more flexible on withdrawal from Sinai and the Egyptians to be more flexible on negotiations. And all of us have given consistent support to the mission of Dr. Jarring. But I think we now have to recognize that all these efforts have failed in the primary objective of getting serious progress towards a settlement.

This is not to say that there have been no positive developments at all in the area. I have already mentioned the ceasefire on the canal. The situation in Jordan is reasonably encouraging and even the Syrians are showing some signs of wanting better relations with the West. President Sadat has freed himself of his dependence on Soviet military advisers and by doing so has lessened palpably the danger of a super-power confrontation. And on their side those Arab states which accept resolution 242 have come a long way from the three nos of Khartoum. They have now recognized that Israel exists and agreed to make peace with her as well as to the establishment of demilitarized zones and the introduction of international guarantees; all subject of course to Israeli withdrawal.
But on the Israeli side, apart from the dropping of the insistence on direct as opposed to indirect negotiations, there really does not seem to have been much sign of flexibility. I understand as well as anyone else Israel's need for security. And we would never advocate any course of action which might put that security at risk. I can understand too that the Israelis must feel that their present expanded borders and overwhelming military superiority will keep them safe for the foreseeable future. They would I am sure be prepared to negotiate on their own terms but they seem unwilling to make any kind of move to induce the Egyptians to come to the table. And I am bound to say that in my view the Arabs are further from the negotiating table than at any time since 1968 when the then Egyptian Foreign Minister came close to going to Cyprus to meet with the Israelis under the auspices of Dr. Jarring. I cannot accept the Israeli view that, if they close all other options, the Arabs are bound sooner or later to come to the negotiating table. I think it far more likely that the Arabs will go on as they are now, but becoming increasingly difficult to deal with.

Against this background of deadlock we are faced with a growing peril of which we in Europe are becoming very conscious -- the threat of an energy crisis. I know that you too, Mr. President, are equally aware of this danger. We in the West are all becoming increasingly dependent on Arab oil as well as increasingly exposed to the problems resulting from the movements of vast oil revenues. All the signs are that this situation is going to get worse, not better, and that unless we can do something about the Arab/Israel problem our whole industrial power and progress may be threatened.

I honestly believe that it would be wrong to draw too much comfort from the more positive developments in the Arab world that I mentioned earlier. These could all be reversed overnight with incalculable consequences for the western position in the area. This is why I am strongly of the opinion that a peaceful settlement of the Arab/Israel dispute, or at least progress toward such a settlement, would be of great benefit to the West. Of course the Arabs would still be difficult customers to deal with after a settlement and our relationship with them would not be without its rough patches; but the natural alignment of virtually all Arab countries is pro-western. This tendency would I am sure reassert itself once the Arab/Israel problem had been solved. It is this problem which has been the main cause of anti-western manifestations in the Arab world and of the increase in Soviet influence. A settlement would make our oil supplies more secure, and make it easier to handle continuing problems over price, participation and possibly over production levels. We would also have a better chance
of working out some modus vivendi with the Arabs regarding the disposal of their cash reserves, without political overtones.

But if there is no settlement the chances are that Arab world will become more frustrated, radicalized and irrational. It will look for scapegoats and will find them in the West. It will make increasing demands on Western Europe and the United States for support against Israel. If we fail to meet these demands, there will be a growing danger of the interruption of oil supplies for political reasons and of the Arabs trying to use their financial power to damage western economies. The Arabs will be further encouraged to conserve their oil in the ground (for which course they have in any case good economic arguments) since they will feel no obligation to maximize production in order to please the West. I have noticed that in recent weeks even the Saudi Arabians seem to have been speaking in terms of using oil as a political weapon.

I do not believe that this deadlock can be broken by trying to squeeze further concessions from the Egyptians, for example, on negotiations. I think they have gone about as far as they can without some corresponding movement on the part of Israel. Hence I believe that it is the turn of the Israelis. It seems to me that the best hope for progress towards a settlement would be if the Israelis were to state unequivocally that Israel regarded the frontier between her and Egypt as being the old Palestine mandatory frontier (regardless of whatever security arrangements might be made in Sinai). I believe that this would provide enough of an inducement to the Arabs to lead to a negotiation between Israel and Egypt (probably indirect to start with) in the course of which other problems such as guarantees, demilitarized zones and so on could be worked on. Progress on the territorial problem in Sinai might also lead to movement on the much more difficult problems such as the Palestinians, the West Bank and Jerusalem: even if it failed to do so, it would at least take much of the heat out of the whole situation.

I do not think it is overstating it to say that, unless Israel can be persuaded to show a greater willingness to withdraw from the territories she occupied in 1967, vital western interests will soon be at risk. In the circumstance I very much hope, Mr. President, that you will give the most serious consideration to using the unique influence of the United States with the Israelis to persuade them that they must change their lines -- in their ultimate interest as well as ours.

With warmest personal regards,

Yours sincerely,

EDWARD HEATH
TO: PRES

SUBJECT: PM Edward Heath conveys views on Middle East problem

REFERENCE: S/S

INTERNAL ROUTING AND DISTRIBUTION

ADVANCE CYS TO HAK/SCOWCROFT
STAFF SECRETARY
FAR EAST
SUB-SAHARAN AFRICA
MID EAST / NO. AFRICA / SO. ASIA
EUROPE / CANADA
LATIN AMERICA
UNITED NATIONS
ECONOMIC
SCIENTIFIC
NET ASSESSMENT GROUP
PROGRAM ANALYSIS
NSC PLANNING
CONGRESSIONAL
OCEANS POLICY

ACTION REQUIRED

MEMO FOR HAK
MEMO FOR PRES.
REPLY FOR
APPROPRIATE ACTION
MEMO TO
RECOMMENDATIONS
JOINT MEMO
REFER TO
ANY ACTION NECESSARY?
CONCURRENCE
DUE DATE:

COMMENTS: (INCLUDING SPECIAL INSTRUCTIONS)

IF NO ACTION, RETURN W/PROFILE FOR FILES. IF CONVENIENCE CY NEEDED, PLEASE INDICATE:

DATE FROM TO S SUBSEQUENT ACTION REQUIRED (OR TAKEN):

6/15 HAK X Pres for decision/approve msg to Heath (6/20)
6/16 Davis S Further action (6/22)
6/18 Fieldt/Saunders HAK X Pres for decision (6/24)
6-22 HAK Pres D Decision/Approve m5
6/28

Microfilm & File Rqmts:

M/P'd AOC

Cy Rqmts: See Above Plus:

JUL 2 1973