

ISRAEL CL FLO P.O

10 DOWNING STREET

THE PRIME MINISTER

31 October 1985

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Thank you for your letter of 17 October about our policy on the Arab boycott and defence sales to Israel.

We are opposed to the Arab boycott: our policy is to encourage trade with both Israel and the Arab states. Britain is Israel's third largest trading partner and the volume of bilateral trade has increased by 10 per cent so far this year and may reach £900 million in 1985. We dislike any attempts by third parties to place restrictions on this trade.

We imposed restrictions on defence sales to Israel in June 1982 in direct response to the Israeli invasion of Lebanon. We welcomed the Israeli government's decision to withdraw but have been disappointed by the continued IDF presence in South Lebanon. Our policy is kept under review.

In your earlier letter of 27 September you also raised our policy on the supply of North Sea oil. We expect companies to sell oil from the UK continental shelf to our partners in the European Community and International Energy Agency

and other traditional markets. The guidelines reflect the importance we attach to co-operation on energy matters with these countries. They are certainly not directed against Israel.

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Werth London Area Council of the Conservative Friends of Israel



President: The Rt. Hon. Mrs. Margaret Thatcher MP Vice-Presidents: The Rt. Hon Peter Thomas, QC, MP, John Gorst MP, Sydney Chapman MP, John Marshall, MEP, Councillor John Bull, JP. Sir Hugh Rossi, MP, M. Portillo MP

> Please reply to: 58, Talbot Crescent, London NW4 4HP.

17th October, 1985. 28

The Rt. Hon. Margaret Thatcher, MP The Prime Minister, 10. Downing Street, London SW1A OAA

Hear Nos. Thatcher.

Thank you very much for your prompt reply of 3rd. October in answer to my letter.

I apologise for not having written sooner, but first I wanted to place your reply to me as well as your letter of 26th ult. to Michael Fidler before the members of my Committee. However, due to the Party Conference several of my Committee and I were in Blackpool, so that the earliest date on which I was able to convene a meeting was yesterday.

I must respectfully point out that I have not had a reply from you to the points I raised regarding the Arab Boycott and the embargo against Israel.

May I ask you to give these very important matters your favourable consideration and may I further express the hope that as a result there will be an immediate change of Policy by the Foreign Office on the above points?

I await with keen interest your early reply and in the meantime assure you of the warmest good wishes and full support of my Council and myself.

E.A. Molyneux Chairman

Conservative Friends of Israel

Founder Patron: The Late Rt. Hon. The Earl of Avon KG, MC

President: The Rt. Hon Peter Thomas QC, MP. Vice-Presidents: Baroness Airey of Abingdon, The Countess of Avon Sir Edward Brown, MBE, JP, Baroness Elliott of Harwood, DBE Sir Nigel Fisher, MC, The Rt. Hon. Baroness Hornsby-Smith, DBE

The Lord Sieff of Brimpton Chairman: Sir Charles Johnston, TD

Treasurer: Victor Lucas

National Director: Michael Fidler, JP National Projects Director: Sylvia Sheff, JP, BA Parliamentary Group:

Chairman: Michael Latham, MP

Vice Chairmen: Sir John Biggs-Davison MP

Hugh Dykes, MP

Hon. Treasurer: Dr. John G. Blackburn, MP Hon. Secretary: Ivan Lawrence, QC, MP



Pc.

10 DOWNING STREET

18th October 1985

bear of Johnson,

I am writing on the Prime Miniter's behalf to thank you for your letter of yesterday's date. As you will know, the Prime Minister is at present in Nassau for the Commonwealth Heads of Government Meeting and does not return to London until the end of next week. I will, of course, bring your letter to her attention when she returns.

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Yours Sweerly, less Garsman

Tessa Gaisman (Mrs) Political Ofifce

E A Molyneux Esq

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