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PREM 19/2773

Part 19

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Situation in the Middle East

MIDDLE EAST

Part 1: May 79

Part 19: January 89

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
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PART 19 ends:-

29-11-89

PART 20 begins:-

3-12-89

TOP ENCLOSURE

See CSP note for file dated 14 March 89.

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YOUR TELNO 264 : STATUS OF PALESTINE AT THE UNITED NATIONS

SUMMARY

1. ARAFAT TELEPHONES INSTRUCTIONS IN MY PRESENCE TO QADDOUMI IN NEW YORK TO DO NOTHING WITHOUT EUROPEAN AGREEMENT. HE IS GRATEFUL FOR OUR ADVICE. IN A RELAXED DISCUSSION OF THE PEACE PROCESS HE SHOWS DEEP SUSPICION OF US OFFICIALS, WHILE EVIDENTLY LONGING TO FIND SOME WAY OF SETTING UP THE PALESTINIAN-ISRAELI MEETING.

DETAIL

2. SINCE ARAFAT IS THE ONLY MAN CAPABLE OF CONTROLLING QADDOUMI I ASKED TO SEE HIM AND A CALL WAS ARRANGED IMMEDIATELY. MR BUNNEY ACCOMPANIED ME AND ARAFAT WAS JOINED AFTER A SHORT TIME BY ABU ALA AND ABU MAAZEN. (I SPOKE TO MY FRENCH COLLEAGUE : HE HAD RECEIVED NO INSTRUCTIONS).

3. I LED HIM FIRST THROUGH A DISCUSSION OF RECENT EVENTS, INCLUDING MR WALDEGRAVE'S MEETING WITH BASSAM, THE MEETING OF EUROPEAN FOREIGN MINISTERS ETC. WE AGREED THAT THE SITUATION WAS FLUID AND THE GENERAL INDICATIONS POSITIVE. WHAT THEN WAS THE PURPOSE OF PLO ACTIVITY IN NEW YORK? HE DISMISSED IT AS A SMALL MATTER, SIMPLY ANOTHER SMALL STEP TO CHEER UP HIS TROOPS : WHAT DID ''PALESTINE'' MEAN IF IT WAS NOT THE STATE OF PALESTINE ? I ASSURED HIM IT DID NOT LOOK THAT WAY TO US AND SPOKE AS INSTRUCTED.

4. ARAFAT LISTENED CAREFULLY AND AFTER A SHORT ARGUMENT ABOUT THE RIGHTS OF THE PLO CASE ACCEPTED THE FORCE OF OUR ARGUMENTS. HE RANG QADDOUMI AND TOLD HIM TO DO NOTHING WITHOUT THE SUPPORT OF ''OUR EUROPEAN AND SOCIALIST (SIC) FRIENDS.'' EVIDENTLY QADDOUMI ATTEMPTED TO ARGUE. EXPLAINING THAT HE WAS SPEAKING IN MY PRESENCE, ARAFAT SAID THAT THE EUROPEANS AND SOCIALISTS MATTERED MUCH MORE THAN THE NON-ALIGNED. HE WAS NOT INTERESTED IN VOTES. HIS ORDERS WERE

THAT QADDOUMI SHOULD ONLY WORK IN AGREEMENT WITH ''OUR FRIENDS'' : THAT APPLIED ALSO TO ANY DISCUSSION OF ISRAELI CREDENTIALS. PUTTING THE 'PHONE DOWN HE SUGGESTED THAT THE PLO WOULD SEEK A ''DELICATE MOVE WHICH WOULD PROVOKE NO-ONE.'' I EXPRESSED DOUBT, AND MOVED ON TO SEEK HIS VIEWS ON THE PEACE PROCESS (SEE MIFT, NOT TO ALL).

5. WHEN ABU MAAZEN JOINED US, ARAFAT INTRODUCED HIM AS HIS NEW FOREIGN MINISTER. ONLY WHEN QADDOUMI IS IN NEW YORK, MUTTERED ABU MAAZEN.NOT AT ALL, SAID ARAFAT, THIS MAN IS MY REAL FOREIGN MINISTER. NEITHER DISGUISED HIS IRRITATION WITH QADDOUMI AND WHEN ARAFAT REACHED THE POINT IN HIS TELEPHONE CALL WHEN HE GAVE QADDOUMI A DIRECT ORDER, ABU MAAZEN TURNED AND WINKED. WE HAD EVIDENTLY CONFIRMED THE ADVICE OF SENIOR PLO OFFICIALS.

6. THOUGH THERE WAS AGREEMENT ON TACTICS AT NEW YORK, ALL THREE WERE BITTER ABOUT THE FAO. MY PEOPLE ARE STARVING, COMMENTED ARAFAT, IS THE INTERNATIONAL COMMUNITY TELLING ME I CANNOT SEEK HELP FROM THE FAO ? I SUGGESTED HE SHOULD KEEP POLITICS APART FROM PRACTICAL MEASURES AND WORK THROUGH THE COMMUNITY, WHICH WAS SEIZED WITH THE PROBLEM AND WAS IN THE BEST POSITION TO HELP. SO FAR AS POLITICAL ACTION WAS CONCERNED, IT WAS IN HIS INTEREST TO KEEP ATTENTION FOCUSSED ON THE BAKER INITIATIVE AND MR SHAMIR'S INTRANSIGENCE: ANY DIVERSION WOULD BE A PRESENT TO LIKUD HARDLINERS. ABU MAAZEN LENT HIS SUPPORT.

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YOUR TELNO 310

AUDIENCE WITH KING HUSSEIN: PEACE PROCESS

SUMMARY

1. KING HUSSEIN REPEATS HIS CONCERNS ABOUT THE BAKER 5 POINTS. I EXPLAIN OUR OWN THINKING. THE KING CONTINUES TO HOPE THAT THE AMERICANS CAN BE PERSUADED TO PURSUE THE GOAL OF AN INTERNATIONAL CONFERENCE MORE VIGOROUSLY.

DETAIL

2. AT MY AUDIENCE WITH KING HUSSEIN ON 23 NOVEMBER, THE KING ONCE AGAIN REPEATED HIS CONCERN ABOUT THE IMPLICATIONS FOR ARAFAT OF THE PRESENT NEGOTIATIONS OVER THE BAKER FIVE POINTS. HE EMPHASISED IN PARTICULAR THE DEGREE TO WHICH THESE NEGOTIATIONS SEEM TO HAVE BEEN BLOWN OFF COURSE FROM THE ORIGINAL CONCEPT WHICH, AS HE RECALLED, WAS TO NARROW THE DIFFERENCES BETWEEN PALESTINIANS AND ISRAELIS IN PREPARATION FOR AN INTERNATIONAL CONFERENCE. I SAID THAT MUBARAK TOO WAS CLEARLY ALIVE TO THE RISKS OF LANDING THE PLO IN AN UNTENABLE POSITION. THE KING AGREED, BUT ADDED THAT MUBARAK HAD OTHER PRESSURES IE FROM WASHINGTON WHICH HE FELT OBLIGED TO RESPOND TO. HE HOPED THAT MUBARAK WOULD BE VISITING AQABA SHORTLY SO THAT THEY COULD HAVE A FURTHER DISCUSSION.

3. I TOOK THE KING THROUGH OUR OWN THINKING. I EXPLAINED THAT WE HAD BEEN WORKING HARD ON THE PLO IN TUNIS, COUNSELLING ARAFAT TO AVOID GIVING A NEGATIVE REPLY TO THE AMERICANS. WE WERE DOING THIS BECAUSE, ALTHOUGH WE SHARED THE KING'S ANXIETIES ABOUT THE RISKS OF THE PRESENT APPROACH, WE SAW NO REALISTIC ALTERNATIVE. WE CONTINUED TO BELIEVE THAT THE INTERNATIONAL CONFERENCE ULTIMATELY OFFERED THE BEST PROSPECT OF AN OVERALL SETTLEMENT. HOWEVER, GIVEN THE ATTITUDE OF THE CURRENT ISRAELI GOVERNMENT, AND A CLEAR US VIEW THAT THEY COULD NOT COERCE SHAMIR, THERE WAS IN FACT NO PROSPECT OF AN IC BEING HELD IN THE NEAR TERM. THE AMERICANS ALSO HAD RESERVATIONS ABOUT PREPARATORY WORK AMONG THE FIVE PERMANENT MEMBERS. THUS, IF BAKER'S INITIATIVE COLLAPSED, WE COULD THEN FACE A VACUUM MORE DAMAGING TO ARAFAT THAN THE PRESENT EXERCISE.

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4. I AKSED THE KING WHETHER HE SAW ANY SCOPE FOR ACTION ON HIS PART. HE SHOOK HIS HEAD. THE PALESTINIANS, HE SAID, MUST BE ALLOWED TO SPEAK FOR THEMSELVES. BUT WAS IT REALLY OUT OF THE QUESTION TO LOOK AGAIN AT THE IC IDEA? EUROPE WAS STRONGLY IN SUPPORT OF IT AND HE BELIEVED THAT MRS THATCHER COULD PERSUADE PRESIDENT BUSH TO RE-THINK HIS APPROACH.
IF, AS I HAD SAID, WE COULD SHORTLY FACE A VACUUM IN THE PEACE PROCESS, MUBARAK AND ARAFAT WOULD HAVE NO CHOICE BUT TO HAND THE PROBLEM BACK TO THE ARAB LEAGUE, MANY OF WHOM HAD NO DIRECT INTEREST AND WOULD MERELY EXPLOIT THE ISSUE FOR THEIR OWN ENDS. I SAID THAT, SPEAKING PERSONALLY, I SAW NO PROSPECT OF ANY REAPPRAISAL AT LEAST UNTIL THE PRESENT INITIATIVE HAD RUN ITS COURSE. IF IT FAILED, THE AMERICANS MIGHT CONCEIVABLY BE AMENABLE TO NEW IDEAS THOUGH, AS I BELIEVED MY US COLLEAGUE HAD BEEN INSTRUCTED TO MAKE CLEAR, THE ADMINISTRATION WAS AT PRESENT EMPHASISING THAT IT HAD NO ALTERNATIVE SHOTS IN THE LOCKER.

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YOUR TELS 2027 AND 2028: ARAB/ISRAEL: US VIEWS

SUMMARY

1. ADMINISTRATION ARE TREATING ISRAELI CABINET DECISION AS ACCEPTANCE OF BAKER POINTS. THEY WILL AWAIT EGYPTIAN/ PALESTINIAN FORMAL RESPONSE BEFORE DISCUSSING ISRAELI REQUEST FOR US ASSURANCES. NO UNDERSTANDING WITH ISRAELIS ON COMPOSITION OF PALESTINIAN DELEGATION.

DETAIL

2. WE HAVE SPOKEN TO HAASS (NSC), BURNS (PLANNING STAFF, STATE, WHO HAD DISCUSSED WITH ROSS) AND KURTZER (NEA, STATE). HAASS DESCRIBED THE ISRAELI INNER CABINET DECISION AS PURPOSEFULLY VAGUE. HE EXPECTED THE LABOUR AND LIKUD TO INTERPRET THE DECISION IN LINE WITH THEIR OWN KNOWN POSITIONS. THUS, LABOUR WOULD SEE THE ACCEPTANCE OF THE BAKER POINTS AS STANDING ALONE. LIKUD WOULD INSIST THAT THE ACCEPTANCE AND THE UNDERTAKINGS MUST BE READ TOGETHER.

3. BUT, REGARDLESS OF LIKELY DIFFERING ISRAELI INTERPRETATIONS, ALL SAID THAT THE ISRAELI RESPONSE WAS BEING TREATED BY THE ADMINISTRATION AS AN ACCEPTANCE OF THE AMENDED BAKER POINTS. (THUS, HAASS SAID THAT - LIKE IT OR NOT - THE ISRAELI RESPONSE HAD EFFECTIVELY PUT THE BALL BACK INTO THE EGYPTIAN/PLO COURT. HE FULLY SHARED THE ASSESSMENT OF SHAMIR'S MOTIVES SET OUT IN PARA 3 OF TEL AVIV TELNO 340.) THE NEXT STEP WOULD BE TO OBTAIN A DEFINITIVE RESPONSE TO THE POINTS FROM THE EGYPTIANS. THERE WAS TO BE A FURTHER PLO EXECUTIVE COMMITTEE MEETING IN CAIRO TOMORROW AND THUS IT WAS POSSIBLE THAT THE EGYPTIANS WOULD RESPOND IN THE NEXT FEW DAYS. BUT, FOLLOWING THE ISRAELI EXAMPLE, IT WOULD NOT BE SURPRISING IF ANY ACCEPTANCE WERE SUBJECT TO REQUESTS FOR CLARIFICATIONS/ UNDERTAKINGS. ONCE A POSITIVE RESPONSE WAS RECEIVED, THE

ADMINISTRATION WOULD SET ABOUT DEALING WITH WHATEVER ASSURANCES WERE SOUGHT BY BOTH SIDES. THE MECHANISM FOR NEGOTIATING ON THE ASSURANCES HAD YET TO BE DETERMINED. IT WAS LIKELY TO INVOLVE FURTHER TELEPHONE DIPLOMACY LEADING UP TO A MEETING OF THE THREE FOREIGN MINISTERS. THE QUESTION WOULD BE WHETHER TO SET A DATE FOR THE MEETING IN ADVANCE, PUTTING PRESSURE ON THE PARTIES BUT RISKING AN ABORTIVE MEETING, OR TO TRY TO REACH AGREEMENT ON ASSURANCES BEFORE CONVENING THE MEETING - IN WHICH CASE THE PROCESS COULD DRAG ON AND ON.

4. FOR THE PRESENT, THE ADMINISTRATION WOULD TREAT THE ISRAELI REQUEST FOR US ASSURANCES AS VIEWS EXPRESSED BY ONE PARTY WHICH COULD BE DISCUSSED ONCE AGREEMENT HAD BEEN REACHED BY ALL PARTIES ON A BASIC FRAMEWORK. ON THE SUBSTANCE, ALL OUR INTERLOCUTORS MADE IT CLEAR THAT THE ADMINISTRATION WOULD NOT ACCEPT THE ISRAELI CAVEATS AS THEY STOOD. SPECIFICALLY, KURTZER'S REACTIONS TO EACH ISRAELI POINT WERE AS FOLLOWS:

A. SIMILAR LANGUAGE WAS REJECTED BY THE ADMINISTRATION WHEN PROPOSED AS AN AMENDMENT TO THE BAKER POINTS. THE ADMINISTRATION'S VIEWS HAD NOT CHANGED.

B. THIS WAS A KNOWN ISRAELI POSITION WHICH THE ADMINISTRATION HAD NOT CHALLENGED. WHY DID THEY NEED A US ASSURANCE?

C. THE USE OF THE PHRASE QUOTE SUBSTANTIVE ISSUES UNQUOTE OFFERED SOME POSSIBILITY OF COMPROMISE LANGUAGE. THE ADMINISTRATION WOULD HAVE EXPECTED THE PHRASE TO BE QUOTE ONLY ISSUES UNQUOTE.

D. THE ADMINISTRATION HAD NO INTENTION OF ACTING AS ARBITER OF WHAT CONSTITUTED DEVIATION.

E. THE ADMINISTRATION WOULD HAVE DIFFICULTY WITH THE SPECIFIC REFERENCES TO QUOTE STAGES OF NEGOTIATIONS AND THEIR SUBSTANCE UNQUOTE.

F. NO PROBLEM, BUT THEY WOULD HAVE PREFERRED IT TO BE A SEPARATE PARAGRAPH IN THE DECISION.

5. OUR INTERLOCUTORS CONFIRMED THAT THERE WAS NO (NO) UNDERSTANDING WITH THE ISRAELIS ON WHETHER PALESTINIANS FROM OUTSIDE THE OCCUPIED TERRITORIES SHOULD FORM PART OF THE DELEGATION. THE ISRAELIS WERE WELL AWARE THAT, IN THE ADMINISTRATION'S VIEW, A WAY COULD BE FOUND TO ACCOMMODATE PALESTINIANS FROM OUTSIDE THE TERRITORIES. THE MOST PROMISING ROUTE STILL APPEARED TO BE THE PARTICIPATION OF RECENT DEPORTEES. KURTZER SAID THAT THE ADMINISTRATION ACCEPTED THAT THE ISRAELIS SHOULD NOT HAVE A VETO OVER THE COMPOSITION OF THE PALESTINIAN DELEGATION, BUT EQUALLY THEY SHOULD NOT BE QUOTE SURPRISED UNQUOTE BY THOSE THEY WERE TO SIT DOWN WITH AT THE MEETING. THE ADMINISTRATION DID NOT WANT THE RISK OF AN ISRAELI

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WALK-OUT OVER THE PARTICIPATION OF CERTAIN PALESTINIANS AND IT WAS NOT IN THE PALESTINIAN INTEREST THAT THIS SHOULD HAPPEN.

6. ALL SAID IT WOULD BE HELPFUL IF MR WALDEGRAVE WERE TO ENCOURAGE HIS EGYPTIAN/PALESTINIAN INTERLOCUTORS TO ACCEPT THE BAKER POINTS AND RECOGNISE THE ISRAELI COMMENTS FOR WHAT THEY WERE: NAMELY AN ATTEMPT TO GET THE PLO TO REJECT THE BAKER PLAN AND THEREBY GET LIKUD OFF THE HOOK. THE MESSAGE WAS CLEAR: CALL THE ISRAELI BLUFF, WHILE THE ADMINISTRATION WOULD BE WILLING TO LOOK AT ANY CLARIFICATIONS/ASSURANCES REQUESTED BY THE EGYPTIAN/PALESTINIAN SIDE, IT WAS HOPED THAT THEY WOULD NOT ENCUMBER THE PROCESS MORE THAN WAS NECESSARY AND WOULD NOT SEEK ADDITIONS/CLARIFICATIONS WHICH GAVE THE ISRAELIS AN EXCUSE TO WALK AWAY. A POSITIVE AND MODERATE RESPONSE WOULD PUT GREATER PRESSURE ON THE ISRAELIS TO FOLLOW THROUGH ON THEIR ACCEPTANCE. IT WAS NOT IN THE PALESTINIANS' INTEREST TO BE SEEN TO CAUSE THE BREAKDOWN OF THE CURRENT INITIATIVE

7. WE THANKED THOSE CONCERNED FOR BAKERS MESSAGE TO YOU. WE WOULD BE GRATEFUL FOR EARLY READOUT OF MR WALDERGRAVE'S MEETINGS IN CAIRO, IN WHICH THE ADMINISTRATION HAVE CONSIDERABLE INTEREST

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ARAB / ISRAEL : ISRAELI REACTION TO THE BAKER PROPOSALS

SUMMARY

1. SHAMIR WILL HOPE THAT ISRAEL'S CONDITIONAL AGREEMENT TO BAKER'S FIVE POINT PLAN WILL HAVE GAINED HIM MORE TIME BUT CONTENTIOUS POINTS REMAIN TO BE RESOLVED AFTER HIS RETURN FROM HIS FORTHCOMING VISIT TO THE US.

DETAIL

2. AT MEETINGS OF THE FOUR SENIOR MINISTERS ON 3 AND 5 NOVEMBER SHAMIR AND ARENS REPORTEDLY ARGUED THAT ISRAELC AGREEMENT TO THE REVISED BAKER PROPOSALS SHOULD BE SUBJECT TO US COMMITMENT TO GIVE ASSURANCES OF THE POINTS OF CONCERN TO LIKUD. RABIN AND PERES ARGUED AGAINST THIS. THEY SECURED THE SEPARATION OF THE STATEMENT OF ACCEPTANCE OF THE PROPOSALS FROM THE LIST OF US UNDERTAKINGS, AND THE ADOPTION OF THE 'ON THE ASSUMPTION' FORMULA IN PLACE OF LIKUD'S PREFERRED 'SUBJECT TO'.

3. SHAMIR AND ARENS WILL HOPE THAT THE INNER CABINET STATEMENT WILL HAVE GAINED THEM A LITTLE MORE TIME. IN PARTICULAR THEY MUST CALCULATE THAT THEY HAVE DONE JUST ENOUGH TO KEEP THE AMERICANS IN THE GAME AND TO ENSURE THAT HHAMIR CAN GET THROUGH HIS FORTHCOMING VISIT TO WASHINGTON WITHOUT A PUBLIC CONFRONTATION. AT THE SAME TIME THEY HAVE KEPT ON BOARD BOTH THE LABOUR LEADERSHIP AND MAINSTREAM LIKUD. THERE IS A GOOD DEAL OF FROTH FROM SHARON AND CO BUT IT IS CLEAR THAT THEY ARE NOT IN A POSITION TO DESTABILISE THE GOVERNMENT AT THIS MOMENT.

4. SHAMIR MAY WELL HOPE THAT THE ARAB SIDE WILL LET HIM OFF THE HOOK BY REJECTING THE PROCESS AT THIS STAGE. BUT IF THEY DO NOT THERE REMAIN ISSUES TO BE RESOLVED BEFORE A MEETING IN CAIRO CAN TAKE PLACE WHICH ARE HIGHLY CONTENTIOUS IN THE DOMESTIC POLITICAL DEBATE:
- THE EXACT COMPOSITION OF THE PALESTINIAN NEGOTIATING TEAM
- THE ELIGIBILITY OF INHABITANTS OF EAST JERUSALEM IN THE ELECTORAL PROCESS
- WHATEVER PARALLEL COMMITMENTS THE PLO MAY NOW SEEK FROM THE US

ON ANY ONE OF THESE ISSUES LABOUR COULD FIND THEMSELVES ON WEAK GROUND (AS BEILIN CONFIDED IN US LAST WEEK).

5. IN SUM, SHAMIR IS STILL IN THE SLOW BICYCLE RACE. HE HAS LEFT HIMSELF ROOM FOR FURTHER MANOEUVRE IN THE DOMESTIC DEBATE. HE CAN ARGUE, IF THE AMERICANS WILL LET HIM, THAT THE ONUS IS NOW ON THE ARAB SIDE.

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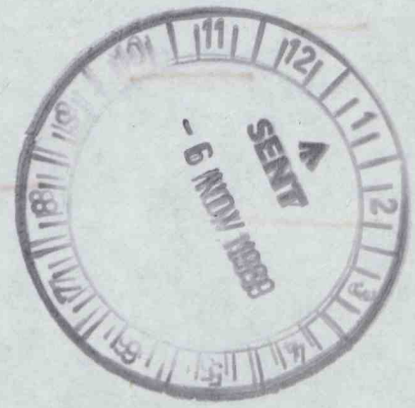

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OUR TELNO 332 ARAB/ISRAEL : ISRAELI REACTION TO THE BAKER PROPOSALS

SUMMARY

1. ISRAELI INNER CABINET ACCEPTS THE LATEST VERSION OF BAKER FIVE POINT PROPOSALS ON THE 'ASSUMPTION' THAT THE US WILL GIVE UNDERTAKINGS ABOUT THE COMPOSITION OF THE PALESTINIAN TEAM AND THE NEGOTIATING AGENDA.

DETAIL

2. ON THE EVENING OF 5 NOVEMBER THE ISRAELI INNER CABINET AGREED BY NINE VOTES TO THREE THE FOLLOWING DECISION (UNOFFICIAL TRANSLATION RELEASED TO THE PRESS):

QUOTE

1. THE MINISTER OF FOREIGN AFFAIRS WILL INFORM THE US SECRETARY OF STATE THAT ISRAEL ACCEPTS THE AMENDED FIVE-POINT DOCUMENT OF NOVEMBER 1, 1989 AS PROPOSED BY SECRETARY OF STATE BAKER.
2. THIS, ON THE ASSUMPTION THAT FOLLOWING THIS AGREEMENT, AND IN ACCORDANCE WITH THE SECRETARY'S LETTER THAT ACCOMPANIED THE FIVE-POINT DOCUMENT, THE US WILL, FOR ITS PART, UNDERTAKE THAT THE ENTIRE PROCESS WILL BE CONSISTENT WITH THE PEACE INITIATIVE OF THE GOVERNMENT OF ISRAEL OF MAY 14, 1989, INCLUDING THE FOLLOWING CLAUSES:
A. THE DIALOGUE WILL BEGIN AFTER THE COMPOSITION OF A LIST OF PALESTINIAN ARABS, RESIDENTS OF JUDEA, SAMARIA AND GAZA, ACCEPTABLE TO ISRAEL.
B. ISRAEL WILL NOT NEGOTIATE WITH THE PLO.
C. THE SUBSTANTIVE ISSUES OF THE DIALOGUE WILL BE THE ELECTION PROCESS IN THE TERRITORIES, IN A MANNER CONSISTENT WITH THE OUTLINE INCLUDED IN THE PEACE INITIATIVE OF THE GOVERNMENT OF ISRAEL.
D. THE US WILL PUBLICLY SUPPORT THE ABOVE ISRAELI POSITIONS AND WILL STAND BY ISRAEL IN THE EVENT THAT ANOTHER PARTY TO THE DIALOGUE DEVIATES FROM WHAT HAS BEEN AGREED UPON.

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E. THE US AND EGYPT WILL DECLARE THEIR SUPPORT FOR THE PRINCIPLES OF THE CAMP DAVID ACCORDS, WHICH ARE THE FOUNDATION OF THE ISRAELI PEACE INITIATIVE, INCLUDING THE STAGES OF NEGOTIATIONS AND THEIR SUBSTANCE.
F. THE FIRST MEETING WILL TAKE PLACE IN CAIRO. THE NEXT STEP WILL BE CONSIDERED ACCORDING TO THE RESULTS OF THE FIRST MEETING.

UNQUOTE.

3. THIS DECISION FOLLOWED THE MEETING OF THE FOUR SENIOR MINISTERS (SHAMIR, PERES, RABIN, ARENS) WHICH AGREED TO PROPOSE THIS FORMULA. THE TEXT WAS FORMALLY CONVEYED TO THE US AMBASSADOR. CABINET SECRETARY RUBINSTEIN LEAVES FOR THE US ON 6 NOVEMBER AND IS EXPECTED TO DISCUSS THE REQUESTED AMERICAN ASSURANCES IN ADVANCE OF SHAMIR'S VISIT TO THE US WHICH BEGINS ON 13 NOVEMBER.

4. MINISTERS VOTING AGAINST THE DECISION WERE, AS EXPECTED, THE RIGHT WING TRIO OF SHARON, MODA'I AND LEVY. SHAMIR HAS CLAIMED THAT DECISION PROVED 'ONLY A NATIONAL UNITY GOVERNMENT CAN ADVANCE THE PEACE PROCESS WITH THE SUPPORT OF THE MAJORITY OF THE PEOPLE'. HIS OFFICE HAS DESCRIBED IT 'AS A GREAT STEP FORWARD'. LABOUR LEADERS HAVE BEEN MORE GUARDED. PERES HAS DESCRIBED THE DECISION AS HAVING 'PREVENTED THE LOSS OF THE US FROM THE NEGOTIATING PROCESS' BUT HAS PREDICTED FUTHER PROBLEMS IN AGREEING THE COMPOSITION OF THE PALESTINIAN DELEGATION.

5. FOR COMMENT PLEASE SEE MIFT.

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MIPT : TOMKYS' MEETING WITH LUBRANI

SUMMARY

1. LUBRANI SUMMARISES ISRAELI POSITION ON LEBANON. ISRAELI SECURITY ZONE HAD PROVED ITSELF. FAILURE TO PREVENT CROSS BORDER ATTACKS WOULD MEAN SENDING IDF BACK IN. BUT COMPLETE WITHDRAWAL COULD BE NEGOTIATED WITH A VIABLE GOVERNMENT IN BEIRUT. CHANGES AGREED AT TAIF POSITIVE BUT SUPERFICIAL. NEED FOR STRUCTURAL CHANGE. ISRAEL WOULD NOT TAKE ACTION ON BEHALF OF ANY FACTION. ANALYSIS OF IRANIAN POLITICS. NEED TO HELP RAFSANJANI TO CONSOLIDATE POSITION.

DETAIL

2. TOMKYS CALLED ON LUBRANI, DIRECTOR FOR LEBANON, AT THE MOD ON 2 NOVEMBER. IN A DISCUSSION OF OVER AN HOUR THEY COVERED ISRAELI POLICY ON THE LEBANON AND THE IMPLICATIONS FOR IT OF ATTITUDES IN SYRIA AND IRAN. LUBRANI WAS PLAINLY IN CLOSE TOUCH WITH MANY OF THOSE INVOLVED AND DREW ON HIS OWN PERSONAL EXPERIENCE IN PARTICULAR OF IRAN AS AMBASSADOR SOME YEARS AGO.

3. LUBRANI BEGAN BY SETTING OUT THE ISRAELI VIEW ON LEBANON. IDF INVOLVEMENT HAD BEEN SIGNIFICANTLY DECREASING OVER THE LAST TWO OR THREE YEARS. THE SECURITY ZONE HAD PROVED ITSELF AND THERE HAD BEEN NO CIVILIAN CASUALTIES IN ISRAEL ARISING FROM INFILTRATION FROM THE NORTH SINCE JANUARY 1985. BUT THE ER RITY ZONE WAS STILL VERY ACTIVE. ISRAEL HAD ALSO SOMETIMES TO TAKE ACTION BEYOND IT BECAUSE NORTHERN ISRAEL WAS STILL IN KATYUSHA RANGE FROM THERE. IF THERE WERE TO BE SUCCESSFUL ATTACKS ACROSS THE BORDER INTO ISRAEL, NO ISRAELI POLITICAL PARTY WOULD HAVE ANY OPTION BUT TO AUTHORISE SENDING TROOPS BACK IN: THE SUCCESS OF THE CURRENT POLICY COULD BE JUDGED BY ITS ABILITY TO PREVENT THIS OUTCOME. THE SLA WERE NOW SOME 2,500 STRONG, YOUNG, BETTER ARMED AND TRAINED: BUT THEY STILL NEEDED IDF SUPPORT.

4. LUBRANI SAID THAT THE ISRAELIS COULD LIVE WITH THIS SITUATION. THEY WERE RESIGNED TO THERE BEING NO MAJOR CHANGE UNLESS THERE WAS A

DRAMATIC CHANGE IN BEIRUT. IF THERE WERE A VIABLE AND COHESIVE ENTITY IN BEIRUT ABLE TO CONTROL LEBANON AND WILLING TO NEGOTIATE SECURITY ARRANGEMENTS WITH ISRAEL, AND THEN STAND BEHIND ITS COMMITMENTS, THERE WOULD BE NO PROBLEM ABOUT CHANGING ISRAEL'S DEPLOYMENT IN THE LEBANON. LUBRANI SAID HOWEVER THAT HE COULD NOT SEE THIS HAPPENING IN THE FORESEEABLE FUTURE.

5. WE THEN MOVED ON TO THE GENERAL SITUATION IN LEBANON. TOMKYS SET OUT THE UK'S POLICY OF SUPPORT FOR THE C3 INITIATIVE. WE ASSUMED THAT THE LEBANESE WERE NOW TIRED OF BLOODSHED AND IT WAS WORTH LOOKING FOR A WAY OF ACCOMMODATING ALL INTERESTS, IN WHICH AOUN WOULD PROBABLY HAVE NO EVENTUAL PART. TOMKYS TGUTN THAT HE PERSONALLY BELIEVED THAT ASSAD WOULD WELCOME THE CREATION OF A GOVERNMENT WHICH WOULD NOT STIR UP TROUBLE FOR DAMASCUS, AND IF THIS HAPPENED WOULD BE PREPARED TO CALL HIS TROOPS OUT OF THE LEBANON. BUT IT WAS IMPORTANT THAT THE ISRAELI GOVERNMENT SHOULD CONTINUE TO AVOID MAKING TOO CLOSE A LINK BETWEEN ISRAELI AND SYRIAN WITHDRAWAL. IN PRACTICE THE TWO WOULD BE BOUND TO AFFECT EACH OTHER, BUT THE LINK WAS BETTER LEFT UNSPOKEN.

6. LUBRANI SAID THAT THE ISRAELI GOVERNMENT HAD TAKEN NO PUBLIC POSITION ON THE TAIF AGREEMENTS. HE BELIEVED THAT THEY WERE POSITIVE IF ONLY BECAUSE BEIRUT WAS BEGINNING TO RETURN TO NORMAL BEFORE THE WINTER. BUT THE CHANGES WERE ONLY SUPERFICIAL. UNLESS THE OLD 1943 STRUCTURE WAS FUNDAMENTALLY CHANGED, IT WOULD BE DIFFICULT TO FIND A PERMANENT SOLUTION. THIS WAS THE MESSAGE THAT HE WAS GETTING FROM THE LEADERS OF ALL THE COMMUNITIES IN LEBANON. HE BELIEVED THAT IT WOULD BE NECESSARY TO WORK ON THE BASIS OF THE MAP AS IT WAS NOW, RATHER THAN ATTEMPTING TO MOVE EACH OF THE OPPOSING FORCES BACK TO THEIR STARTING POSITION. BUT HE COULD NOT SAY THIS OPENLY. THE IMPORTANT THING WAS THAT THE MAJOR ELEMENTS IN LEBANON SHOULD ALL TALK TO EACH OTHER IN BEIRUT, NOT ELSEWHERE. THIS COULD NOW HAPPEN. BUT IT WOULD HAVE TO INVOLVE REAL PEOPLE, AND SOME OF THOSE AT TAIF WERE HAS BEENS.

7. TOMKYS SUGGESTED THAT A FIRST STEP, AFTER THE CEASEFIRE, WOULD BE TO RECOGNISE THAT THE OLD INSTITUTIONS HOWEVER FAULTY HAD TO BE RE-CREATED, STARTING WITH THE PRESIDENT. LUBRANI SAID THAT IT WOULD BE NECESSARY TO WORK FROM WITHIN SO THAT WHEN A NEW PRESIDENT WAS ELECTED THERE WOULD BE A FIRM BASIS ON WHICH HE COULD BUILD. ONE OF THE PROBLEMS WAS THAT BERRI, ALTHOUGH THE LEADER OF THE LARGEST COMMUNITY, HAD NOT GOT ROOM FOR MANOEUVRE AND WAS CONSIDERED A SYRIAN TOOL EVEN WITHIN HIS OWN COMMUNITY. TAIF WAS SEEN AS A SYRIAN SELL OUT. AS FOR IRAN VELAYATI WAS OPENLY WORKING IN DAMASCUS AGAINST

SYRIAN INTERESTS. BUT THE TAIF SETTLEMENT WAS SO IMPORTANT TO THE SYRIANS THAT THEY COULD NOT PLAY GAMES.

8. THE CONVERSATION THEN TURNED TO IRAN. TOMKYS SAID THAT THE AIMS OF SYRIA AND IRAN IN LEBANON WERE IN FUNDAMENTAL CONFLICT. HE RECALLED THAT A SENIOR ALAWITE IN DAMASCUS HAD TOLD HIM THAT SOONER OR LATER SYRIA WOULD HAVE TO HAVE A SHOWDOWN WITH 'THESE CRAZY PEOPLE', ALTHOUGH FOR THE PRESENT THEY HAD TO SUPPORT THEM. LUBRANI SAID THAT THE IRANIAN INTEREST IN LEBANON WAS IF ANYTHING GROWING: THEY WERE SPENDING MONEY AND ENCOURAGED TO WIN OVER MORE SHI-ITES IN AMAL AND ELSEWHERE. TOMKYS SAID THAT IT WAS PUZZLING THAT VELAYATI SHOULD BE PLAYING GAMES IN DAMASCUS, BECAUSE IT WAS HIS SIDE OF THE IRANIAN EQUATION WHICH HAD BEEN PUTTING OUT FEELERS TO THE UK, AND THE OTHER SIDE (MOHTASHEMI) WHICH HAD RELATIONS WITH THE HIZBOLLAH.

9. LUBRANI SAID THAT MOHTASHEMI HAD NOW LOST ALL HIS OFFICIAL POSTS, BUT WAS IN THE LEBANON STIRRING UP TROUBLE AGAINST THE RAFSANJANI SUPPORTERS. THE STAKE MIGHT BE THE TOPPLING OF RAFSANJANI HIMSELF. RAFSANJANI WAS TOTALLY AWARE OF THE NEED FOR OPENING CONDUITS TO THE WEST, BUT COULD NOT OVERCOME THE INTERNAL IRANIAN TABOOS. HIS APPROACH TO MOSCOW HAD MISFIRED BECAUSE THE RUSSIANS HAD USED IT SIMPLY TO HELP THEM WITH THEIR PROBLEMS WITH THE MUSLIM SOVIET REPUBLICS. HOWEVER RAFSANJANI COULD NOT OPEN UP DIRECT CHANNELS TO THE US, AS THE GREAT SATAN. THE ALTERNATIVES WERE THE FRENCH, BUT THEY WERE TOO INVOLVED WITH IRAQ: THE GERMANS, BUT THEY WERE UNLIKELY TO BE EFFECTIVE AND WERE NOT ARMS SUPPLIERS: AND THE UK, BUT THERE WAS THE RUSHDIE PROBLEM.

10. LUBRANI SAID THAT IN IRAN THERE WAS ALWAYS A KEY FOR EVERY LOCK, AND A BREAK THROUGH COULD BE ACHIEVED AND WOULD BE VERY IMPORTANT. HE APPEARED TO BE URGING THE UK TO DO SOMETHING TO HELP RAFSANJANI TO CONSOLIDATE. TOMKYS SAID THAT WE COULD NOT RELAX OUR STAND ON TERRORISM. UNLESS IRAN MOVED ON THE MAIN ISSUES - RUSHDIE, THE HOSTAGES AND COOPER AS WEWL AS TERRORISM - THE UK WOULD HOLD EUROPE BACK IN IRAN. LUBRANI SAID THAT RAFSANJANI WAS SHREWD (AND VERY CRUEL). THE APPOINTMENT OF KHAMENEI HAD BEEN A COUP FOR HIM AND ENABLED HIM TO SEPARATE OFF THE RELIGIOUS CSNQTITUENCY. HE NOW HAD A LITTLE MORE FREEDOM OF MOVEMENT. BUT MOHTASHEMI COULD STILL DO A LOT OF MISCHIEF, AND IF RAFSANJANI WENT, THERE COULD BE NO MILITARY SUCCESSOR SO IT WOULD BE LIKELY TO BE ANOTHER RELIGIOUS FIGURE - THIS COULD BE BAD. TOMKYS SAID THAT HE SAW THE LONG TERM INTEREST IN KEEPING RAFSANJANI IN PLAY, BUT THE OBSTACLES MUST BE ELIMINATED FIRST. LUBRANI SAID THAT IT MIGHT BE ONLY A VERY SMALL GESTURE THAT THEY NEEDED.

11. IN A FINAL EXCHANGE ON THE LEBANON, LUBRANI SAID THAT ISRAEL HAD TAKEN ACTION BOTH IN THE AIR AND AT SEA TO ENSURE THAT THE SYRIANS DID NOT ENCROACH ON THE 'RED LINES', WHICH WERE REALLY MORE LIKE BANDS. IT WAS A GOOD THING THAT ONE AND A HALF DIVISIONS OF THE SYRIAN ARMY WERE TIED UP AROUND BEIRUT IN THE SENSE THAT AT LEAST THEY WERE NOT ON THE GOLAN (ALTHOUGH LUBRANI MADE IT CLEAR THAT ISRAEL'S ACTION WAS NOT DESIGNED TO KEEP THE SYRIANS AROUND BEIRUT). BUT ISRAEL WOULD NOT TAKE ACTION IN THE INTEREST OF ANY LEBANESE FACTION, AND THERE HAD BEEN SOME CRITICISM OF THIS POLICY FROM ISRAEL'S LEBANESE CONTACTS. FOR ISRAEL THE KEY ISSUE WAS THAT SYRIA SHOULD NOT IMPROVE HER STRATEGIC POSITION AT ISRAEL'S EXPENSE, AND THIS WAS NOW WELL UNDERSTOOD ON BOTH SIDES. LUBRANI SAID THAT ASSAD WAS THE SHREWDEST AND MOST CAPABLE LEADER OF ISRAEL'S NEIGHBOURING STATES, BUT HE HAD MOVED FROM ONE FAILURE TO ANOTHER IN RECENT YEARS.

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10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

12 October 1989

Your Royal Highness,

Thank you very much for your letter about your initiative aimed at establishing an International Research Centre in Istanbul.

I know what an active interest you take in regional issues, and your contribution towards attempts to resolve them. The idea of a Research Centre in Istanbul to research and discuss the issues strikes me as very well worth while. We shall naturally look very carefully at ways in which we might be able to help. I am asking our Ambassadors in Ankara and Amman to discuss the ideas with you and Mr. Turgut Ozal and with your officials so we can the better judge how we might be able to contribute.

With best wishes,

Yours sincerely

Margaret Thatcher

His Royal Highness Prince Hassan bin Talal

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T181/89

JD

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SUBJECT CE MASTER
OPS

10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

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With best wishes,

Yours sincerely,

Margaret Thatcher

His Excellency Mr. Turgut Ozal

Foreign and Commonwealth Office

London SW1A 2AH

9 October 1989

Dear Charles

Thank you for your letter of 27 September enclosing an undated letter to the Prime Minister signed jointly by the Turkish Prime Minister and Crown Price Hassan of Jordan about the establishment of an International Research Centre in Istanbul to do work on the Middle East.

The project appears to be another of Crown Prince Hassan's worthy but nebulous initiatives. Nevertheless a forum on the Middle East which draws in Turkey should be of some interest; it is not inconceivable that Israel, which has diplomatic relations with Turkey, might be drawn in.

The letter to the Prime Minister is, however, typically imprecise as to the sort of role we might be expected to play, and, more important, what financial commitment is sought. The enclosed draft reply is therefore designed to be encouraging but non-committal. We would certainly wish to look more closely at the real potential of the proposed Centre before making any commitment.

If the Prime Minister agrees we shall ask Sir Timothy Daunt and Mr Reeve to deliver her messages and to seek further details of the project.

Yours ever

(R N Peirce)
Private Secretary

C D Powell Esq
10 Downing Street

DSR 11 (Revised Sept 85)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1 +

FROM:
Prime Minister
DEPARTMENT:
TEL. NO:
BUILDING:
ROOM NO:

Reference
PODAAN/SI

Your Reference

SECURITY CLASSIFICATION

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Confidential
Restricted
Unclassified

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CAVEAT .....

Enclosures flag(s) .....

TO:

HE Mr Turgut Özal
Prime Minister
Republic of Turkey

Copies to:

SUBJECT:

Thank you very much for your letter about your initiative aimed at establishing an International Research Centre in Istanbul.

I know your keen interests in regional issues, and your considerable efforts to generate greater understanding of them on both local and international levels. The idea of a Research Centre in Istanbul to look at ways of resolving regional conflicts and friction is constructive and imaginative.

We shall naturally look very carefully at ways in which we might be able to help the realisation of this project. I am asking HM Ambassadors in Ankara and Amman seek an early opportunity to discuss these ideas with both you and Crown Prince Hassan, and your officials.

I send you my best wishes for the successful launch of this project.

DSR 11 (Revised Sept 85)

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Enclosures flag(s) .....

TO:

HRH Prince Hassan bin Talal
Hashemite Kingdom of Jordan

Copies to:

SUBJECT:

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We will naturally look very carefully at ways in which we might be able to help the realisation of this project. I am asking HM Ambassadors in Ankara and Amman to seek an early opportunity to discuss these ideas with both you and Mr Özal and your officials.

I send you my best wishes for the successful launch of this project.

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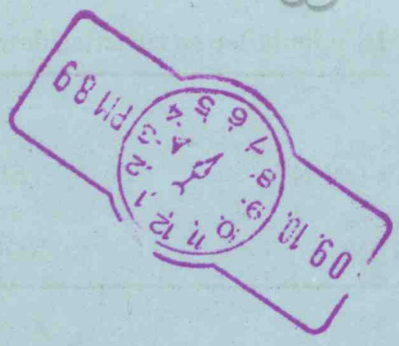

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US ADMINISTRATION VIEWS ON THE PEACE PROCESS

SUMMARY

1. INCREASED OPTIMISM ABOUT CHANCES OF LAUNCHING AN ISRAELI-PALESTINIAN DIALOGUE. CLEAR US SUPPORT FOR CONTINUING EGYPTIAN DIPLOMACY, AND HINT OF MORE ACTIVE US ROLE IN RESOLVING PROBLEMS OVER MODALITIES OF DIALOGUE. NO EXPECTATION OF AN EARLY DECISION BY THE ISRAELI CABINET.

DETAIL

2. WE HAVE SOUGHT THE VIEWS OF STATE DEPARTMENT (MILLER, PLANNING STAFF AND EICHER, NEA) AND NSC (WELCH) ON THE STATE OF THE PEACE PROCESS FOLLOWING ACTIVITY IN NEW YORK LAST WEEK AND PRESIDENT MUBARAK'S VISIT TO WASHINGTON. MILLER WAS THE MOST OPTIMISTIC, COMMENTING THAT AN ISRAELI-PALESTINIAN DIALOGUE WAS CLOSER TO FRUITION NOW THAN AT ANY TIME IN THE LAST NINE MONTHS. BUT ALL WERE ENCOURAGED AT THE PROGRESS MADE OVER THE LAST MONTH THROUGH EGYPTIAN DIPLOMACY AND USE OF THE TEN POINTS.

3. ALL SAID THAT THE THRUST OF CURRENT US ACTIVITY WAS TO ENCOURAGE THE EGYPTIANS TO CONTINUE THEIR DIPLOMACY, TO PERSUADE THE PRINCIPALS THAT IT WAS IN THEIR INTERESTS TO SEE A DIALOGUE COMMENCE AND, IN THE CASE OF THE ISRAELIS, TO TRY TO ENSURE THAT THEY HAD NO PRETEXT FOR WALKING AWAY FROM THE PROCESS. ONE SUCH PRETEXT WAS THE SENSE THAT THE EGYPTIANS WOULD ONLY DEAL WITH HALF OF THE ISRAELI GOVERNMENT. ARENS HAD MADE GREAT PLAY OF THIS IN HIS MEETINGS WITH BUSH AND BAKER. THE ADMINISTRATION BELIEVED THAT USEFUL PROGRESS HAD BEEN MADE THROUGH MUBARAK'S TELEPHONE CALL TO SHAMIR (CAIRO TELNO 616).

4. THEY SAW THE EGYPTIANS CONTINUING TO PLAY A FOCAL ROLE IN THE NEXT FEW WEEKS, WITH THE FULL BACKING OF THE ADMINISTRATION. THE ONE CONCRETE SUGGESTION PUT BY THE EGYPTIANS HAD BEEN AN EARLY VISIT TO ISRAEL BY ABDUL MAGID, BUT THIS WOULD PROBABLY DEPEND UPON A NON-NEGATIVE OUTCOME TO THIS WEEK'S ISRAELI CABINET MEETING. THE ADMINISTRATION WOULD CONTINUE TO BE ACTIVE BEHIND THE SCENES, AND WERE READY TO JOIN IN DISCUSSIONS WITH EGYPT AND ISRAEL ON THE MODALITIES OF AN ISRAELI-PALESTINIAN DIALOGUE. MILLER STRESSED THAT THE US WOULD NOT TAKE ON THE ROLE OF FORMAL

MEDIATOR BUT RATHER WOULD ACT AS AN IDENTIFIER OF PROBLEMS AND A SUGGESTOR OF SOLUTIONS. EICHER SAID THAT, CONTRARY TO PRESS SPECULATION, NO NEW INSTITUTIONAL FRAMEWORK WAS ENVISAGED. DISCUSSION WAS STILL IN PROGRESS AS TO HOW THE US MIGHT PLAY ITS COLLABORATIVE ROLE, BUT ONE POSSIBILITY WAS THE SENDING OF AN ENVOY TO THE REGION FOR BILATERAL/TRILATERAL TALKS.

5. OF THE MAIN ISSUES TO BE DECIDED IN ORDER TO LAUNCH THE DIALOGUE, THEY SAW THE VENUE AS THE LEAST CONTENTIOUS. THE EGYPTIAN OFFER TO HOST TALKS IN CAIRO SEEMED LIKELY TO BE ACCEPTABLE TO THE PARTIES. THE COMPOSITION OF THE PALESTINIAN DELEGATION WAS ANOTHER MATTER. MUBARAK HAD STRESSED DURING HIS MEETINGS IN WASHINGTON THAT REPRESENTATION FROM OUTSIDE THE OCCUPIED TERRITORIES WAS A PALESTINIAN REQUIREMENT. ALL INTERLOCUTORS SAID THAT THE ADMINISTRATION HAD NO SPECIFIC SOLUTIONS TO OFFER AT PRESENT, BUT HOPED THAT LIKUD OPPOSITION COULD BE OVERCOME IF THE MATTER WAS DEALT WITH QUOTE CREATIVELY UNQUOTE. THEY THOUGHT THAT ACCEPTABLE CANDIDATES MIGHT BE FOUND AMONG RECENT DEPORTEES, THOUGH THIS WAS ONLY ONE POSSIBLE ROUTE.

6. THEY ALSO SAW PROBLEMS OVER THE AGENDA FOR THE DIALOGUE. THE BASIC PREMISE WAS THAT EITHER PARTY WOULD BE FREE TO RAISE ANY MATTER THAT WAS OF CONCERN TO THEM BUT THE ISRAELIS WOULD WANT ASSURANCES THAT THE BASIS FOR DISCUSSION WAS THE SHAMIR ELECTION PROPOSAL. IF IT BECAME CLEAR THAT THE PALESTINIANS WERE INTENDING TO CONCENTRATE ON FINAL STATUS ISSUES THE ISRAELIS COULD REFUSE TO ENGAGE.

7. THEY SAID THAT MUBARAK HAD TOLD BUSH AND BAKER THAT EGYPTIAN EFFORTS HAD THE BLESSING OF ARAFAT, THAT HE WAS AGREEABLE TO A PALESTINIAN DELEGATION ENGAGING IN A DIALOGUE WITH THE TEN POINTS AS THEIR OPENING POSITION AND THAT HE ACCEPTED AND UNDERSTOOD THE NEED FOR THE PLO REMAIN AT ARMS LENGTH FROM THE DIALOGUE. THE ADMINISTRATION HAD HAD ONLY LIMITED CONTACTS WITH THE PLO SINCE EARLY AUGUST AND HAD RECEIVED NO SEPARATE CONFIRMATION ON ANY OF THESE POINTS.

8. ON THE ISRAELI POSITION, ALL WARNED AGAINST ANY EXPECTATION OF A MOMENTOUS DECISION FROM THE INNER CABINET THIS WEEK. THEY WOULD NOT BE ENDORSING THE EGYPTIAN TEN POINTS AND, HOPEFULLY, WOULD NOT REJECT THEM EITHER. A GOOD OUTCOME WOULD BE AN INDICATION, HOWEVER MUTED, OF WILLINGNESS TO CONTINUE THE PEACE PROCESS. MORE LIKELY WAS A PERIOD OF INDECISION, WITH A RISK OF MOUNTING DOMESTIC DEBATE AND A DEEPENING OF DIVISIONS WITHIN THE COALITION.

9. COMMENT FOLLOWS.

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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

27 September 1989

I enclose a letter to the Prime Minister signed jointly by the Turkish Prime Minister and Crown Prince Hassan of Jordan about the establishment of an International Research Centre in Istanbul to do work on the Middle East. I should be grateful for advice and a draft reply in due course.

C. D. POWELL

Richard Gozney, Esq.,
Foreign and Commonwealth Office.

KK

Turgut ÖZAL
Prime Minister
Republic of Turkey

Hassan Bin TALAL
Crown Prince
Hashemite Kingdom of
Jordan

Subject cc Master
OPS

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T169/89

Your Excellency,

On various occasions over the last few years we have had the opportunity to discuss the over-all situation in the Middle East and tried to find out how best to serve the cause of a durable peace in the region. In doing so we have tried to ascertain the causes which have long impeded peace and stability in the area. We have also endeavoured to create an atmosphere conducive to building mutual confidence and facilitating multilateral and beneficial cooperation.

Together we have observed that although peace has been absent in the region for decades, this fact is recognized both within the region and outside only when crises emerge and issues require special priority on the international agenda. We have concluded that the goal of peace and the circumstances to achieve it require vigilance, continuous attention and care. We, therefore, consider that objective scientific studies of regional affairs would constitute an important step in this direction.

We have also noted a lack of indigenous scholarly research work on regional level in the Middle East. There have been a number of institutes and research centers in the individual countries of the region, but their work has been mostly oriented towards their own national affairs. This has led to an over-reliance on non regional research work. We feel that time has come to address ourselves to such a need through the creation of a regional research center whose primary purpose would be to provide facilities for the conduct of independent research in the Middle East affairs undertaken by scholars and specialists of high standing and repute. With this in mind, we have decided to launch a new initiative for the establishment of the "International Research Center- Istanbul."

The Right Honourable
Margaret Thatcher, MP
Prime Minister of the United
Kingdom of Great Britain and
Northern Ireland
London
THE UNITED KINGDOM

./..

A brief note on the foundation of the said Center is enclosed herewith.

We envisage announcing the establishment of the Center at an International Conference to be convened in Istanbul in 1989.

The Conference, which will be attended by statesmen, eminent personalities and scholars well-known for their studies on and/or interest in the Middle East affairs is intended to take up current issues of the region and announce, at its conclusion, the formation of the above mentioned Center.

Cognizant of your efforts and contributions towards the creation of a more harmonious and peaceful world, we take the liberty of introducing to you our new initiative. We would warmly welcome your comments on the Center and the ways by which you could kindly contribute to the realization of this project.

We extend to you, together with our best wishes, our warmest regards.

Encl.

INTERNATIONAL RESEARCH CENTER-ISTANBUL

In view of the unique characteristics of the Middle East and the consequent need for an organized effort to study and analyse its problems, a Center will be established in İstanbul, to be known as the "International Research Center-Istanbul" (IRC-I) for that purpose. The Center will be independent, impartial and a non-government body. In its work it will cover all matters of special interest and concern to the region; and its purposes will be to generate a better understanding and wider awareness of regional issues on the local and international levels.

The work of the proposed Center will be concerned with issues, problems and developments relevant to the promotion of regional peace, security and cooperation. The sources and causes of regional conflicts and friction will be traced, explained and analysed so that appropriate perspectives for a better understanding may be provided. Scholars and public figures participating in the work of the Center may be called upon to construct modalities and make proposals for the resolution of existing problems in the light of the Center's research findings or suggest ways and means of pre-empting future conflicts arising.

In its research work the proposed Center will collaborate in an interdisciplinary manner with authorities, organisations, institutions and individuals, both in the region and outside it, to project a regional approach. Through the establishment of a network of affiliates the proposed Center will be able to exchange information, benefit from other experience, research and studies and act as a conduit for the promotion of Middle Eastern scholarship on the widest possible scale.

./..

- a permanent Turkish Deputy Director to be appointed to assist the Director and serve as the Secretary of the Board of Governors;

- Administrators to organize and direct the activities of the Center, undertake research work and prepare other necessary studies and papers in accordance with the instructions of the Director;

- Researchers to carry out research on subjects approved by the Board of Governors;

- and other administrative and service staff, such as a librarian, accountant, secretary/typist, driver.

To enable as wide an international participation as possible in the activities of the Center, its membership categories will be composed of: Full Members,Corporate Members, Associate Members and Other Members.

For the purpose of disseminating its research findings the Center will issue a variety of publications in the form of quarterly reports, monographs and book-length research.

Contribution of the founding members, grants from various national and foreign, real or juridical persons, membership fees and income from the sale of its publications will constitute the financial resources of the Center.

It is estimated that initial yearly budget of the Center will be around $US 500, 000.

The legal status of the Center will be drawn up in a manner that will enable it to function as effectively as possible while also conforming with the norms of the legal system in effect in the Republic of Turkey since the Center will be established in Istanbul.

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Prime Minister

Ankara,

12719

Your Excellency,

I have the pleasure to present herewith a letter jointly signed by His Royal Highness Crown Prince Hassan Bin Talal of the Hashemite Kingdom of Jordan and myself, regarding an initiative aimed at establishing an International Research Center in Istanbul.

The letter and its enclosure contain information about this initiative submitted for your valuable consideration and I would highly appreciate your early response in this regard.

With best regards and high esteem,

Encl.

Turgut Özal

The Right Honorable
Margaret Thatcher, MP
Prime Minister of The United
Kingdom of Great Britain and
Northern İreland
London
THE UNITED KINGDOM

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FROM PRIVATE SECRETARY
UNGA 44: SECRETARY OF STATE'S BILATERAL MEETING WITH ISRAELI FOREIGN MINISTER, 25 SEPTEMBER

SUMMARY

1. FAMILIAR ARENS LINE ON ARAB/ISRAEL. CRITICISM OF MUBARAK'S 10-POINT PLAN. REFUSAL TO NEGOTIATE WITH PALESTINIANS FROM OUTSIDE THE OCCUPIED TERRITORIES. NO QUESTION OF DEALING WITH THE PLO. RESISTANCE TO ANY LINKAGE BETWEEN ISRAELI AND SYRIAN WITHDRAWAL FROM LEBANON.

ARAB/ISRAEL

2. AFTER A BRIEF EXCHANGE ABOUT PRESIDENT BUSH'S SPEECH, ARENS ASKED WHETHER THE SECRETARY OF STATE HAD A MIDDLE EAST PEACE PLAN IN HIS POCKET. REFERRING TO THE EMPHASIS THAT BUSH HAD PUT ON THE IMPORTANCE OF DEMOCRACY, ARENS SAID THAT IN HIS VIEW A PEACEFUL SETTLEMENT OF THE ARAB/ISRAEL DISPUTE WOULD ONLY COME WHEN PLURALIST DEMOCRACY HAD TAKEN ROOT IN THE ARAB WORLD. DEMOCRACIES RESISTED RESORT TO WAR. ISRAEL HAD DOGGEDLY PURSUED PEACE AND HAD ONE SOLID ACHIEVEMENT BEHIND IT - CAMP DAVID. ARENS PRAISED MUBARAK FOR HAVING MAINTAINED THE PEACE WITH ISRAEL AT THE COST (UNTIL RECENTLY) OF ISOLATION IN THE ARAB WORLD.

3. THE SECRETARY OF STATE SAID THAT HE CAME FRESH TO THE PROBLEM. THERE WAS GREAT AFFECTION FOR ISRAEL IN THE UK. WE UNDERSTOOD ISRAEL'S SECURITY PROBLEMS. AS A FRIEND, HOWEVER, HE HAD TO SAY THAT ISRAEL SEEMED TO BE IN DANGER OF LOSING THE PUBLIC RELATIONS BATTLE. THE SHAMIR PROPOSALS HAD BEEN HELPFUL. SO IN OUR VIEW WAS EGYPT'S 10-POINT PLAN. HE WONDERED WHY ISRAEL HAD SO MANY RESERVATIONS ABOUT THE EGYPTIAN POINTS.

4. ARENS SAID THAT THERE WAS A TOTAL LACK OF SYMMETRY BETWEEN SHAMIR'S INITIATIVE AND MUBARAK'S 10 POINTS. THERE WAS NO DIFFICULTY OVER THE POINTS RELATING TO FREE AND FAIR ELECTIONS (ALTHOUGH IT WAS ISRAEL'S OWN INTENTION THAT THE ELECTIONS SHOULD BE FREE AND FAIR

AND THEY DID NOT NEED EGYPTIAN REINFORCEMENT OF THAT). BUT SOME OF MUBARAK'S POINTS DEALT WITH MATTERS THAT SHOULD BE LEFT FOR THE PERMANENT SETTLEMENT. THEY WERE NOT RELEVANT TO THE INTERIM ARRANGEMENTS IN SHAMIR'S PROPOSALS, NOR WERE THEY HELPFUL. IT WOULD HAVE BEEN BETTER IF MUBARAK HAD MET SHAMIR AND PUT HIS VIEWS ACROSS DIRECTLY. UNFORTUNATELY, HE WAS HESITANT ABOUT DOING SO AND HAD ADDED INSULT TO INJURY BY INVITING RABIN TO CAIRO. ARENS WOULD HIMSELF BE MEETING MUBARAK IN NEW YORK AND WOULD ENCOURAGE HIM TO TALK DIRECTLY TO SHAMIR.

5. THE SECRETARY OF STATE SAID HE ASSUMED THAT ONE OF THE POINTS TO WHICH ARENS WAS REFERRING WAS THE CONCEPT OF LAND FOR PEACE. SINCE THIS WAS ENDORSED AT CAMP DAVID, HE WONDERED WHY ISRAEL WAS DIGGING ITS HEELS IN. ARENS ASKED WHAT LOGIC THERE WAS IN PUTTING ROAD BLOCKS IN THE WAY OF THE ELECTION PROPOSAL BY SEEKING CONCESSIONS ON FINAL STATUS WHICH THE PRESENT ISRAELI PRIME MINISTER COULD NOT POSSIBLY MAKE. HE REHEARSED THE FAMILIAR ARGUMENT ABOUT THE ABSENCE OF THE DEFINITE ARTICLE IN UNSCR 242. THE QUESTION OF WHAT TERRITORY SHOULD BE SURRENDERED HAD BEEN DELIBERATELY LEFT OPEN AND WAS BEST LEFT IN ABEYANCE UNTIL THE NEGOTIATIONS ON A PERMANENT SETTLEMENT. THOSE NEGOTIATIONS WOULD COME ONLY AFTER A NUMBER OF YEARS OF THE INTERIM AUTONOMY ARRANGEMENTS PROPOSED BY SHAMIR.

6. THE SECRETARY OF STATE ASKED WHETHER ISRAEL WOULD BE PREPARED TO NEGOTIATE THESE INTERIM ARRANGEMENTS WITH PALESTINIAN REPRESENTATIVES FROM OUTSIDE AS WELL AS INSIDE THE OCCUPIED TERRITORIES. ARENS SAID THAT ISRAEL WOULD NEGOTIATE ONLY WITH PALESTINIANS FROM JUDEA, SAMARIA AND GAZA NOT FROM THE DIASPORA. THERE HAD BEEN A POPULATION EXCHANGE WITH THE ARAB WORLD IN 1948. ISRAEL HAD TAKEN THE JEWS FROM ARAB COUNTRIES AND ARABS IN ISRAEL HAD GONE TO LIVE IN ARAB COUNTRIES. THE CLOCK COULD NOT BE TURNED BACK. THE SECRETARY OF STATE SAID THAT THE PALESTINIAN LEADERS WERE NOT IN THE OCCUPIED TERRITORIES BUT OUTSIDE. THE INTERNATIONAL COMMUNITY COULD NOT UNDERSTAND WHY ISRAEL WOULD NOT SPEAK TO THEM. THE PLO SEEMED TO BE CHANGING ITS NATURE. IT WAS SURELY NOT DEMOCRATIC TO REFUSE TO TALK TO REPRESENTATIVES OF THE PALESTINIAN NATION WHO WERE NOT AT PRESENT RESIDENT IN THE OCCUPIED TERRITORIES.

7. ARENS SAID THAT THE IDEA OF A PALESTINIAN NATION WAS ONLY QUOTE 50 OR 30 UNQUOTE YEARS OLD. THE PLO CLAIMED TO SPEAK FOR THE PALESTINIANS IN JORDAN AND HAD TRIED TO TAKE OVER JORDAN IN 1970. THEY HAD FAILED. THE PLO CLAIMED TO SPEAK FOR THE PALESTINIANS IN ISRAEL. BUT THEY DID NOT. ARENS HIMSELF DID. HE WAS THEIR FOREIGN MINISTER. HE HAD NO INTENTION OF SPEAKING TO THE PALESTINIAN

DIASPORA.

8. THE SECRETARY OF STATE SAID THAT SURELY THE PALESTINIANS WANTED TO SELECT THEIR OWN LEADERS, SOME OF WHOM WERE NO LONGER RESIDENT IN THE OCCUPIED TERRITORIES. HE QUESTIONED TO WHAT EXTENT ISRAEL COULD IGNORE THE PLO. ARENS SAID THAT THE PLO WERE THE MAIN OBSTACLE TO PEACE, AND TO FREE AND FAIR ELECTIONS. THE SECRETARY OF STATE WONDERED HOW LONG THIS POSITION WOULD BE SUSTAINABLE. ISRAEL NEEDED A COMPREHENSIVE SETTLEMENT FOR THE SAKE OF ITS OWN SECURITY AND THAT COULD NOT BE ACHIEVED WITHOUT DEALING WITH THE PLO. ARENS SAID THAT THERE COULD BE NO COMPREHENSIVE PEACE SETTLEMENT INVOLVING RIGHT OF RETURN. RIGHT OF RETURN WOULD MEAN THE END OF ISRAEL.

OCCUPIED TERRITORIES

9. THE SECRETARY OF STATE SAID THAT ANOTHER AREA OF CONCERN TO ISRAEL'S FRIENDS WAS ITS POLICIES IN THE OCCUPIED TERRITORIES. HE DID NOT WISH TO LECTURE ARENS ON THIS BUT HE HAD TO SAY THAT ISRAEL WAS DOING ITSELF A LOT OF DAMAGE INTERNATIONALLY. ARENS RESPONDED BY DEFENDING IDF OPERATIONS AGAINST STONE-THROWERS ETC. THE SECRETARY OF STATE SAID THAT HE WAS THINKING MORE OF THE INEQUALITIES OF TREATMENT OF ARAB AND JEWISH RESIDENTS OF THE OCCUPIED TERRITORIES. HE FOUND THIS IMPOSSIBLE TO DEFEND. ARENS SAID THAT THE WEST BANK HAD FORMERLY BEEN IN JORDANIAN CONTROL AND ITS RESIDENTS WERE CITIZENS OF JORDAN. JORDAN WAS NOW STRIPPING THEM OF THAT CITIZENSHIP. THIS CREATED A NEW SITUATION WHICH ISRAEL WAS TRYING TO SORT OUT. HENCE THE PROPOSAL FOR ELECTIONS LEADING TO INTERIM ARRANGEMENTS, TO BE FOLLOWED IN DUE COURSE BY A PERMANENT SETTLEMENT (HE DID NOT RESPOND TO THE SECRETARY OF STATE'S POINT EVEN WHEN IT WAS REPEATED).

LEBANON

10. THE SECRETARY OF STATE ASKED HOW ISRAEL ASSESSED THE ARAB LEAGUE'S EFFORTS TO BRING PEACE TO LEBANON. ARENS SAID THAT HE HAD MUCH ADMIRED THE FRENCH ROLE WHICH HAD ENABLED THE ARAB LEAGUE TO TAKE AN IMPORTANT STEP IN THE RIGHT DIRECTION.

11. THE SECRETARY OF STATE, NOTING THAT AOUN AND THE SYRIANS HAD NOW ACCEPTED THE C3'S 7-POINT PLAN, ASKED WHAT THE ISRAEL POSITION WAS ON WITHDRAWAL FROM LEBANON IF THE SYRIANS WITHDREW. ARENS SAID THAT THE TWO WERE NOT CONNECTED. THE SYRIAN PRESENCE HAD NOTHING TO DO WITH SYRIAN SECURITY CONCERNS BUT RATHER WITH SYRIAN AMBITION. THEY DID NOT RECOGNISE THE LEBANESE STATE: THERE WAS NO SYRIAN AMBASSADOR IN BEIRUT. WHEN THERE WAS A LEBANESE GOVERNMENT IN CONTROL OF ITS COUNTRY AND WHEN THERE WAS NO THREAT TO ISRAEL'S NORTHERN BORDER,

THEN THERE WOULD BE NO NEED FOR AN ISRAELI PRESENCE IN LEBANON. BUT NOT BEFORE. ARENS DODGED THE SECRETARY OF STATE'S QUESTION WHETHER, IF HE WAS IN SYRIA'S SHOES, HE WOULD WITHDRAW FROM LEBANON WHILE ISRAEL REMAINED THERE. HE RECALLED ISRAEL'S 17 MAY 1983 PEACE TREATY WITH LEBANON, WHICH THE LEBANESE GOVERNMENT HAD NOT RATIFIED, AS EVIDENCE OF ISRAELI WILLINGNESS TO REACH AGREEMENT WITH THE LEBANESE ON WITHDRAWAL IN THE RIGHT CIRCUMSTANCES.

HOSTAGES

12. THE SECRETARY OF STATE ASKED WHETHER ISRAEL HAD GOT ANY INFORMATION FROM OBEID OR ANYONE ELSE ABOUT BRITISH HOSTAGES. ARENS SAID HE THOUGHT NOT. HE UNDERSTOOD THAT OBEID HAD BEEN INVOLVED IN THE ABDUCTION OF TWO ISRAELIS AND COLONEL HIGGINS. BUT HIS ACTIVITIES HAD BEEN IN THE SOUTH OF LEBANON, NOT IN BEIRUT WHERE THE BRITISH HOSTAGES HAD BEEN TAKEN. THE OBEID EPISODE HAD CONVINCED THE ISRAELIS THAT SYRIA HAD MORE LEVERAGE IN THE HOSTAGE QUESTION THAN HAD PREVIOSULY BEEN CLEAR TO THEM. THE HEZBOLLAH'S THREATS TO EXECUTE HOSTAGES HAD ENDED AFTER THE AMERICANS HAD PUT PRESSURE ON THE SYRIANS.

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MY TELNO 273: ARAB/ISRAEL: EGYPTIAN INITIATIVE

SUMMARY

1. RABIN AND PERES BOTH SEE POSSIBILITY OF EGYPTIAN INITIATIVE LEADING TO NEGOTIATION. PLO AGREEMENT TO AN ACCEPTABLE NEGOTIATING TEAM REMAINS THE KEY.

DETAIL

2. THE ISRAELI PRESS THIS MORNING (15 SEPTEMBER) REPORTS THAT THE EGYPTIAN AMBASSADOR, WHO HAS BEEN IN CAIRO, IS EXPECTED TO BRING BACK WITH HIM TODAY FORMAL NOTIFICATION OF MUBARAK'S 10 POINTS AND A MESSAGE CONTAINING DETAILS OF THE PROPOSALS FOR THE TALKS IN CAIRO. SHAMIR, PERES, RABIN AND ARENS ARE MEETING TODAY, FOR THE SECOND TIME THIS WEEK, TO DISCUSS THE EGYPTIAN PROPOSALS. THE PRESS ARE MAKING MUCH OF DIFFERENCES BETWEEN THEM. IN PARTICULAR PERES AND RABIN ARE SAID TO BE AMENABLE TO THE PROPOSAL THAT PALESTINIAN DEPORTEES SHOULD BE ELIGIBLE TO PARTICIPATE IN NEGOTIATIONS, WITH SHAMIR AND ARENS VIGOUROUSLY OPPOSED. THE RIGHT WING OF LIKUD (SHARON, LEVY) ARE AGAINST THE GOVERNMENT EVEN DISCUSSING THE PROPOSALS AMONGST THEMSELVES. MODERATE LIKUDNIKS (MERIDOR) ARE MORE AMBIVALENT.

3. SHEPHERDING VISITORS (CONSERVATIVE FRIENDS OF ISRAEL AND RCDS) HAS GIVEN ME AN OPPORTUNITY IN THE LAST TWO DAYS TO SOUND OUT SENIOR MINISTERS:

- PERES'S ANALYSIS WAS AS FOLLOWS. ISRAEL WAS NOT IN THE POSITION OF HAVING TO ACCEPT OR REJECT MUBARAK'S 10 POINTS. THEY COULD PROVIDE A USEFUL STARTING LINE FOR NEGOTIATION. THE MAIN POSITIVE POINT WAS THE IMPLICIT ACCEPTANCE OF THE ISRAELI PROPOSAL FOR ELECTIONS IN THE OTS. THERE WERE ALSO SOME INTERESTING, ALTHOUGH NOT NECESSARILY SIGNIFICANT, OMMISSIONS - NO MENTION OF A PALESTINIAN STATE, SELF-DETERMINATION OR THE 1967 BORDERS. IF THE PALESTINIANS ACCEPTED THE EGYPTIAN PROPOSALS A PERIOD OF QUOTE PRE-NEGOTIATION UNQUOTE COULD START. THE EGYPTIANS COULD PLAY AN IMPORTANT INTERMEDIARY ROLE QUOTE EVEN INSTEAD OF THE UNITED STATES UNQUOTE.
- RABIN SAID THAT IT WAS NOT YET CLEAR HOW MUCH IMPORTANCE TO ATTACH

TO THE EGYPTIAN PROPOSALS. IT REMAINED ESSENTIAL FOR ISRAEL TO NEGOTIATE WITH INHABITANTS OF THE OCCUPIED TERRITORIES. NEGOTIATIONS NEEDED NEITHER AN UMBERELLA NOR OUTSIDE ARBITERS. BUT IF THE EGYPTIAN 10 POINTS WERE WHAT THE PALESTINIANS NEEDED TO BRING THEM TO THE NEGOTIATING TABLE HE WOULD QUOTE NOT MIND UNQUOTE. ISRAEL WOULD NEGOTIATE ON THE BASIS OF ITS OWN PROPOSALS. IT WAS OPEN TO THE OTHER SIDE TO ADOPT THE 10 POINTS AS ITS NEGOTIATING POSITION. THE US SECRETARY OF STATE HAS TOLD HIM ABOUT THE EGYPTIAN PROPOSALS DURING HIS VISIT TO WASHINGTON LAST WEEK. THE AMERICANS CONTINUED TO TRY TO FIND WAYS TO MAKE THE ISRAELI INITIATIVE WORK. NO OTHER COUNTRY COULD TAKE OVER THE NEGOTIATING ROLE OF THE UNITED STATES.
- SHAMIR WOULD NOT BE DRAWN, IN TALKING TO THE RCDS. OVER DINNER WITH THE CFI ON 14 SEPTEMBER BEN-ELISSAR (HARD LINE LIKUD CHAIRMAN OF THE KNESSET FOREIGN AFFAIRS AND DEFENCE COMMITTEE) WAS WHOLLY NEGATIVE REITERATING THE VARIOUS LIKUD OBJECTIONS TO THE 10 POINTS.

COMMENT
4. THE POSITIONS OF PERES AND RABIN ARE COMPATIBLE ALTHOUGH RABIN'S LANGUAGE IS CHARACTERISTICALLY MORE GRUDGING. THE ASSESSMENT REMAINS THAT THE DECISIVE FACTOR IS WHETHER THE EGYPTIANS CAN GET THE PLO TO AGREE ON A RESPECTABLE PALESTINIAN NEGOTIATING TEAM - IT IS HARD TO IMAGINE THAT THE AMERICANS AND EGYPTIANS HAVE NOT PRE-COOKED NAMES ACCEPTABLE TO RABIN AND PERES. IF THE PLO DO AGREE SHAMIR WILL BE UNDER CONFLICTING PRESSURES FROM RABIN AND FROM HIS OWN RIGHT WING WHICH COULD THREATEN THE STABILITY OF THE GOVERNMENT. SHAMIR WILL WANT TO POSTPONE DECISIONS AS LONG AS POSSIBLE AS PROBABLY WILL RABIN. (PERES AND ARENS WILL ANYWAY BE IN THE UNITED STATES FROM NEXT WEEK.)

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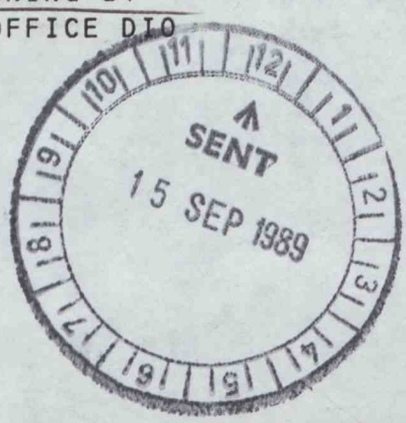

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TUNIS TELNO 331: US/PLO DIALOGUE AND PEACE PROCESS
SUMMARY
1. DOWNBEAT ASSESSMENT FROM STATE DEPARTMENT OF IMMEDIATE PROSPECTS FOR PEACE PROCESS. POSITIONS OF MAIN PLAYERS SEEN AS HARDENING OVER LAST MONTH.
DETAIL
2. TO UPDATE OUR TELNO 2207, WE HAVE SPOKEN TO BURNS (DEPUTY HEAD OF PLANNING STAFF, STATE) ABOUT US/PLO DIALOGUE AND PEACE PROCESS. HE UNDERLINED THAT THE SHORT-TERM US GOAL WAS TO LAUNCH AN ISRAELI-PALESTINIAN DIALOGUE, WHICH MIGHT THEN DEVELOP INTO A SUBSTANTIVE NEGOTIATION. THE MAIN, BUT NOT THE ONLY, STICKING POINTS WERE THE NATURE OF PALESTINIAN REPRESENTATION. THE US VIEW REMAINED THAT ISRAEL WOULD NOT OPEN A DIALOGUE WITH A DELEGATION WHICH INCLUDED DIASPORA PALESTINIANS OR THOSE WITH CLEAR LINKS TO THE PLO. RECENT US DIPLOMACY HAD CONCENTRATED UPON PERSUADING THE PLO THAT IT WAS IN THEIR INTEREST TO GET A DIALOGUE GOING, IN THE COURSE OF WHICH THEIR CONCERNS COULD BE ADDRESSED. THEY SHOULD THEREFORE BE PREPARED TO TAKE A RISK BY AUTHORISING PALESTINIANS IN THE TERRITORIES TO OPEN A DIALOGUE ON A BASIS WHICH ISRAEL COULD ACCEPT.
3. BURNS ADMITTED THAT THE ADMINISTRATION HAD LITTLE TO SHOW FOR THEIR EFFORTS. THE PLO REMAINED OF THE VIEW THAT THEY HAD TAKEN THEIR RISKS IN NOVEMBER/DECEMBER LAST YEAR AND COULD NOT BE EXPECTED TO DO MORE AT THIS STAGE. THE US PERCEPTION WAS THAT ARAFAT'S GENEVA SPEECH HAD QUOTE PLAYED THE PLO INTO THE GAME UNQUOTE BUT, AS THE WEAKER PARTY, THEY STILL HAD TO MAKE THE RUNNING. BURNS SAID THIS MIGHT APPEAR QUOTE UNFAIR UNQUOTE BUT IT WAS REALISTIC AND ULTIMATELY IN THE PALESTINIAN INTEREST. HE SAID THAT THE ADMINISTRATION SAW PLO UNWILLINGNESS TO MOVE ON THIS POINT MORE AS A MEASURE OF THEIR INSTITUTIONAL INTEREST IN PRESERVING THEIR OWN ROLE IN THE PEACE PROCESS, THAN OF THEIR FEAR OF INTERNAL OPPOSITION TO SUCH A CONCESSION.
4. THE ADMINISTRATION HAD SOUGHT EGYPTIAN AND JORDANIAN ASSISTANCE IN PERSUADING ARAFAT TO BE FLEXIBLE ON PALESTINIAN

REPRESENTATION IN ORDER TO GET AN ISRAELI-PALESTINIAN DIALOGUE STARTED, BUT WITHOUT SUCCESS (AMMAN TELNO 433 REFERS). AN ADDITIONAL US SUGGESTION WAS THAT THE EGYPTIAN TEN POINTS MIGHT OFFER THE PLO A POLITICALLY DEFENSIBLE MEANS OF ALLOWING PALESTINIANS NOT FORMALLY CONNECTED WITH PLO TO ENGAGE IN DIALOGUE. AGAIN, THE PLO'S RESPONSE HAD NOT BEEN ENCOURAGING (PARA 9 OF TUR UNDERLINES THIS).

5. BURNS NOTED THAT, NOT ONLY HAD THERE BEEN LITTLE PROGRESS, BUT POSITIONS IN TUNIS, JERUSALEM AND THE OCCUPIED TERRITORIES HAD HARDENED. HE DREW ATTENDION TO THE CRITICISMS OF US POLICY BY ABU IYAD AND ARAFAT'S STATEMENT IN AMMAN. THE ISRAELI GOVERNMENT'S ATTITUDE - NOTABLY THE DECISION TO EXPEL FIVE PALESTINIANS - WAS NOT HELPING. HE ACKNOWLEDGED THAT A US DECISION TO REFUSE ARAFAT A VISA WOULD BE A FURTHER NEGATIVE FACTOR, BUT SAID THAT THE ADMINISTRATION WOULD BE UNDER HEAVY DOMESTIC PRESSURE TO DO SO. THE DECISION WOULD BE QUOTE POLITICAL AND LEGAL UNQUOTE. HE ADDED THE STANDARD RIDER THAT IT WOULD BE EASIER FOR THE ADMINISTRATION TO DEFEND A DECISION TO GRANT A VISA IF THERE WAS EVIDENCE OF PROGRESS ON THE PEACE PROCESS.

6. HE CONCLUDED THAT, IN THE ABSENCE OF TANGIBLE PROGRESS, THE ADMINISTRATION MIGHT NEED TO REVIEW ITS STRATEGY THIS AUTUMN, ADDING THAT VISITS TO WASHINGTON NEXT MONTH OF SENIOR ISRAELIS (ARENS, RABIN, PERES) WOULD MAKE THIS OPPORTUNE. HIS PERSONAL VIEW WAS THAT THE LACK OF PROGRESS COULD LEAD TO GREATER VIOLENCE IN THE TERRITORIES, WHICH WOULD IN ITSELF FORCE A REAPPRAISAL OF THE POLITICAL PROCESS. BUT HE DID NOT SUGGEST THAT THERE WERE NEW US IDEAS READY TO BE UNVEILED.

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ARAB/ISRAEL: AUDIENCE WITH KING HUSSEIN, 20 AUGUST

SUMMARY

1. KING HUSSEIN UNWILLING TO BROKER US IDEAS FOR PALESTINIAN-ISRAELI CONTACTS WITH ARAFAT. WILL HAVE FURTHER TALKS WITH ARAFAT AND (POSSIBLY TRIPARTITELY) WITH MUBARAK.

DETAIL

2. THE KING SHOWED ME A MESSAGE HE HAD RECEIVED ON 19 AUGUST FROM PRESIDENT BUSH. HE ATTEMPTED TO FIND A MORE DETAILED MESSAGE FROM BAKER TO MARWAN QASSEM, BUT COULD NOT PUT HIS HAND ON IT. THE MESSAGE FROM BUSH SOUGHT HIS HELP OVER WITH ARAFAT IN PERSUADING THE PLO TO BE MORE FLEXIBLE OVER CONTACTS BETWEEN PALESTINIANS AND ISRAELIS. THE MESSAGE FROM BAKER APPARENTLY SUGGESTED HOW THIS MIGHT BE DONE: IE THAT ARAFAT SHOULD ACCEPT THAT ANY SUCH CONTACTS SHOULD BE WITH PALESTINIANS WHO WERE NOT MEMBERS OF THE PLO AND WHO WERE FROM WITHIN RATHER THAN OUTSIDE THE WEST BANK.

3. THE KING SAID THAT ARAFAT WAS UNDERSTANDABLY VERY CONCERNED ABOUT THIS LINE OF THINKING. HE (THE KING) SIMPLY DID NOT THINK THAT WHAT THE AMERICANS WERE PROPOSING MADE ANY SENSE. WHO WERE THESE PALESTINIANS AND HOW COULD THEY BE DIVORCED FROM THE PLO? ARAFAT'S MISGIVINGS, WHICH HE SHARED, WERE REINFORCED BY THE CONTINUING UNRESOLVED AMBIGUITIES ABOUT THE ELECTIONS PROPOSAL. THE KING SAID HE HAD CONCLUDED THAT IT WOULD NOT BE RIGHT FOR HIM TO TRY TO ACT AS A MIDDLE-MAN WITH ARAFAT AS THE AMERICANS WERE REQUESTING. HE WOULD TELL PRESIDENT BUSH THIS AND SUGGEST THAT HE SHOULD MAKE HIS PROPOSAL DIRECT TO THE PLO.

4. KING HUSSEIN SAID THAT HE WOULD BE HAVING FURTHER TALKS WITH ARAFAT IN THE NEXT FEW DAYS AND HOPED THAT THEY MIGHT WORK OUT SOME CONSTRUCTIVE IDEAS FOR BREAKING THE LOGJAM. HE DID NOT ELABORATE. THE KING ALSO MENTIONED THAT HE WOULD BE SEEING MUBARAK DURING THIS PERIOD. I ASSUME THEREFORE THAT A TRIPARTITE

MEETING MAY STILL BE A POSSIBILITY.

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18 August 1989

Dear Dominic,

Arab/Israel Peace Process

Caroline Slocock wrote on 15 August enclosing a copy of a telegram to the Prime Minister from President Bush about the Arab/Israel peace process. We agree that this does not require a reply at this stage.

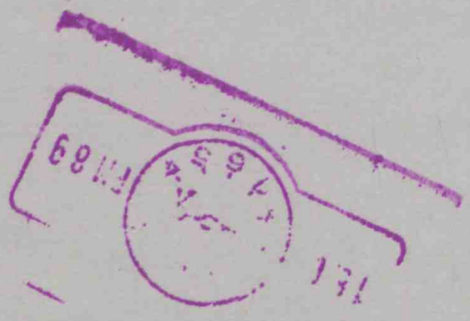
Yours ever,

Richard Gozney

(R H T Gozney)
Private Secretary

Dominic Morris Esq
PS/10 Downing Street

MIDDLE EAST: Situation pr 19



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INFO PRIORITY THE HAGUE, LISBON, MADRID

MIPT : LEBANON : FRENCH INITIATIVE

1. FOLLOWING IS TEXT OF THE STATEMENT ON LEBANON ISSUED BY THE PRESIDENT OF THE SECURITY COUNCIL ON 15 AUGUST:

BEGINS

IN RESPONSE TO THE URGENT APPEAL ADDRESSED TO THE SECURITY COUNCIL BY THE SECRETARY-GENERAL IN HIS LETTER OF 15 AUGUST 1989, THE COUNCIL MET IMMEDIATELY AND, WITHOUT PREJUDICE TO ANY SUBSEQUENT ACTION BY IT, ADOPTED THE FOLLOWING STATEMENT:

DEEPLY CONCERNED AT THE FURTHER DETERIORATION OF THE SITUATION IN LEBANON, THE SECURITY COUNCIL PROFOUNDLY DEPLORES THE INTENSIFICATION OF THE SHELLING AND THE BITTER FIGHTING IN RECENT DAYS. IT EXPRESSES ITS GREAT DISQUIET AT THE LOSS OF HUMAN LIVES AND THE UNTOLD SUFFERINGS THAT IT CAUSES TO THE LEBANESE PEOPLE.

THE COUNCIL REAFFIRMS ITS STATEMENT OF 24 APRIL 1989 AND URGENTLY APPEALS TO ALL THE PARTIES TO PUT AN IMMEDIATE END TO ALL OPERATIONS AND TO ALL FIRING AND SHELLING ON LAND AND AT SEA. IT FIRMLY APPEALS TO ALL THE PARTIES TO OBSERVE A TOTAL AND IMMEDIATE CEASE-FIRE. IT ALSO APPEALS TO THEM TO DO EVERYTHING POSSIBLE TO SECURE THE CONSOLIDATION OF THE CEASE-FIRE, THE OPENING OF THE LINES OF COMMUNICATION AND THE LIFTING OF THE SIEGES.

THE COUNCIL EXPRESSES ITS FULL SUPPORT FOR THE TRIPARTITE COMMITTEE OF THE ARAB HEADS OF STATE IN THE EFFORTS IT IS MAKING WITH A VIEW TO PUTTING AN END TO THE TRIALS OF THE LEBANESE PEOPLE THROUGH THE ESTABLISHMENT OF AN EFFECTIVE AND DEFINITIVE CEASE-FIRE AND THE PUTTING INTO EFFECT OF A PLAN FOR THE SETTLEMENT OF THE LEBANESE CRISIS IN ALL ITS ASPECTS BY GUARANTEEING THE FULL

SOVEREIGNTY, INDEPENDENCE, TERRITORIAL INTEGRITY AND NATIONAL UNITY OF LEBANON. IT APPEALS TO ALL STATES AND TO ALL THE PARTIES LIKEWISE TO SUPPORT THE EFFORTS OF THE TRIPARTITE COMMITTEE.

IN THIS CONTEXT, THE COUNCIL INVITES THE SECRETARY-GENERAL TO PURSUE ALL APPROPRIATE CONTACTS, IN LIAISON WITH THE TRIPARTITE COMMITTEE, IN ORDER TO ENSURE OBSERVANCE OF THE CEASE-FIRE, AND TO KEEP IT INFORMED ON THE MATTER.

ENDS

TICKELL

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LEBANON: US VIEWS
SUMMARY
1. US INTERPRET RECENT FIGHTING AS ASAD ATTEMPTING TO BRING DOWN AOUN. THEY CONTINUE TO SEE THE C3 AS THE MOST HOPEFUL ROUTE TOWARDS A CEASEFIRE.
DETAIL
2. WE HAVE SPOKEN TO A RANGE OF CONTACTS IN STATE DEPARTMENT AND NSC ABOUT RECENT DEVELOPMENTS IN LEBANON AND THE FRENCH INITIATIVE. THE GENERAL VIEW IS THAT THE INTENSIFICATION OF FIGHTING, INCLUDING THE SOUQ AL GHARB ATTACK, IS PART OF A SYRIAN CAMPAIGN TO OUST AOUN. ASAD HAS BEEN CONFIRMED IN HIS VIEW THAT COEXISTENCE WITH AOUN IS NOT POSSIBLE, AND IS THEREFORE INCREASING PRESSURE ON THE CHRISTIAN ENCLAVE, IN AN EFFORT TO PRECIPITATE HIS DOWNFALL. STATE DEPARTMENT DO NOT THINK THAT THIS NECESSARILY FORESHADOWS A CONCERTED SYRIAN MOVE INTO THE ENCLAVE, WHICH WOULD INEVITABLY INVOLVE HIGH CASUALTIES AND MIGHT NOT BE SUCCESSFUL. (HARRIS, INR, DID HOWEVER MENTION RECENT REPORTS OF SYRIAN CONTINGENCY PLANS TO INVADE THE ENCLAVE THOUGH WITHOUT ANY EVIDENCE OF SYRIAN INTENTION TO ACT ON THEM.)
3. THE LEBANON OFFICE IN STATE DEPARTMENT CONFIRMED THAT THE RECENT ARTILLERY EXCHANGES HAD CAUSED SOME MINOR DAMAGE TO US EMBASSY PROPERTY. BUT US POLICY REMAINED TO KEEP THE EMBASSY IN PLACE. WE UNDERLINED OUR WISH TO KEEP IN CLOSE TOUCH ON THIS.
4. STATE DEPARTMENT WERE SCEPTICAL ABOUT THE FRENCH DIPLOMATIC INITIATIVE, WHICH HAS INCLUDED LOBBYING IN WASHINGTON ALONG THE LINES SET OUT IN UKMIS NEW YORK TELNO 1046 AND PARIS TELNO 1073. THEY SAW IT AS A RESPONSE TO FRENCH DOMESTIC PRESSURE TO BE SEEN TO BE DOING SOMETHING, CHARACTERISING IT AS ''MOTION RATHER THAN SUBSTANCE''. BUT THEY HAD NO DIFFICULTY WITH THE FRENCH OBJECTIVES OF AN UNCONDITIONAL CEASEFIRE AND A REACTIVATION OF THE TRIPARTITE GROUP. THEY CONTINUE TO SEE ARAB LEAGUE ACTION AS THE MOST EFFECTIVE WAY OF PUTTING PRESSURE ON THE MAIN PARTIES TO

STOP FIGHTING, AND THEY HAVE AGAIN MADE THEIR VIEWS KNOWN THROUGH THE HIGHER COMMITTEE OF THE ARAB LEAGUE.

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LONDON SW1A 2AA

From the Private Secretary

15 August 1989

SECRET

Dear Richard,

I am enclosing a copy of a telegram we have received today from President Bush, on which I would be grateful for your advice. It does not seem to me that this needs any reply but I would also be grateful for your views on this point and a draft if appropriate. I do not plan to send the Prime Minister a copy of the telegram while she is on holiday but I would be grateful for your advice by Friday 18 August in time for her next box.

Yours sincerely,

Caroline Slocock

CAROLINE SLOCOCK

Richard Gozney Esq.
Foreign and Commonwealth Office

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Prime Minister 2

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MT

ARAB/ISRAEL: VISIT OF US ASSISTANT SECRETARY OF STATES

SUMMARY

1. LENGTHY BRIEFING FROM US EMBASSY ON KELLY'S TALKS HERE. NO PROGRESS ON PEACE PROCESS. RECITATION OF ISRAELI GRIEVANCES ABOUT US/PLO DIALOGUE.

DETAIL

2. THE US EMBASSY HAVE BRIEFED US ON KELLY'S VISIT TO ISRAEL FROM 2 - 4 AUGUST. HE MET SHAMIR, RABIN, PERES, ARENS, LEVY, AND A GROUP OF PALESTINIANS (JERUSALEM TELNO 139). IT WAS HIS FIRST VISIT TO ISRAEL AND THE EMBASSY CATEGORISED IT AS INTRODUCTORY. THERE WAS MORE SPARRING THAN DISCUSSION OF REAL SUBSTANCE. THE TALKS FOCUSSED ON THE PEACE PROCESS RATHER THAN HOSTAGES, ON WHICH ONLY ARENS HAD TALKED IN ANY DETAIL. (THE MAIN CHANNEL ON HOSTAGES IS RABIN/AMBASSADOR BROWN.)

3. KELLY BRIEFED SHAMIR ON THE LATEST SHEVARDNADZE/BAKER EXCHANGE AND ON DEVELOPMENTS IN IRAN AND AFGHANISTAN. ON THE PEACE PROCESS HE AVOIDED REFERENCE TO THE CONSTAINTS IMPOSED ON SHAMIR BY THE LIKUD CENTRAL COMMITTEE AND SPOKE ON THE ASSUMPTION THAT THE SHAMIR/RABIN PROPOSALS STOOD AS ORIGINALLY AGREED BY THE ISRAELI CABINET. KELLY RE-EMPHASISED SUPPORT FOR THE PROPOSALS AND DESCRIBED US EFFORTS TO PERSUADE THE RUSSIANS, THE EUROPEANS AND ARAB GOVERNMENTS TO SUPPORT THEM. IN REPLY, SHAMIR DOUBTED THAT THE RUSSIANS COULD PLAY A USEFUL ROLE. HE WAS UNHAPPY THAT INTERNATIONAL REACTION HAD FOCUSSED ON THE PROPOSAL FOR ELECTIONS IN THE OTS RATHER THAN ON OTHER ELEMENTS OF THE PLAN. SHAMIR SAID THAT IN PURSUING THE DIALOGUE WITH THE PLO THE AMERICANS HAD EFFECTIVELY EXCLUDED LOCAL PALESTINIANS, WHO COULD NOT NOW SEE ANY ROLE FOR THEMSELVES. THESE WERE THE PEOPLE WHO WANTED TO SOLVE PROBLEMS: THE PLO, WITH WHOM ISRAEL WOULD NEVER DEAL, DID NOT. (THE MEETING WITH SHAMIR HAD BEEN PRECEDED BY HIGHLY CHARGED DIATRIBES FROM RUBINSTEIN AND BEN AHARON ON THE INIQUITIES OF THE US/PLO DIALOGUE) SHAMIR DESCRIBED HIS OWN RECENT CONTACTS WITH LOCAL PALESTINIANS. HE ADMITTED THAT THEY SEEMED ''FIXATED' ON A FINAL

SETTLEMENT AND UNINTERESTED IN DETAILS OF PROPOSALS FOR INTERIM ARRANGEMENTS. SHAMIR NOTED THAT THEY HAD NOT RAISED THE ''RIGHT OF RETURN'' ISSUE. IN RESPONSE, KELLY EMPHASISED THAT THE AMERIANS WERE, IN ADDITION TO THE DIALOGUE IN TUNIS, WORKING HARD WITH LOCAL PALESTINIANS. HE CITED HIS OWN MEETINGS IN JERUSALEM AND BROWN'S RECENT CONTACTS WITH GAZAN LEADERS. THE US BELIEVED THAT SHAMIR'S INITIATIVE HAD CREATED AN HISTORIC OPPORTUNITY WHICH WAS NOT TO BE MISSED. ISRAEL AND THE US SHARED THE SAME OBJECTIVES. SHAMIR CONCLUDED WITH A FURTHER ATTACK ON THE US/PLO DIALOGUE.

4. RABIN ARGUED THAT THE PLO COULD MOVE THE PROCESS FORWARD BY SANCTIONING A DIALOGUE BETWEEN ISRAEL AND LOCAL PALISTINIANS. THE PROCESS COULD GET NOWHERE UNTIL THE PLO REDUCED ITS CAMPAIGN OF INTIMIDATION IN THE OTS. THE ISRAELI PROPOSALS COULD ONLY LEAD TO PROGRESS IF A NEGOTIATING PARTNER COULD BE IDENTIFIED. IT WAS STILL POSSIBLE THAT PRESSURE FROM LOCAL PALESTINIANS COULD FORCE THE PLO TO SHIFT POSITION AND ALLOW THEM TO NEGOTIATE. IT WAS IMPORTANT FOR LOCAL PALESTINIANS TO REALISE THAT THE ISRAELI PROPOSALS MARKED A SHIFT FROM CONSULTATION TO DIALOGUE. BUT ISRAEL WOULD CONTINUE TO MEET VIOLENCE WITH VIOLENCE. IT WAS DEPRESSING TO SEE THAT MODERATE ARAB GOVERNMENTS WERE NOW CONTENT TO SIT ON THE SIDELINES. NOT EVEN EGYPT WAS PREPARED TO DISCUSS THE INTIFADA WITH ISRAEL. RABIN QUESTIONED THE WISDOM OF THE US/PLO DIALOGUE, BUT IN LOW KEY AND, THE AMERICANS THOUGHT, FOR FORM'S SAKE. HE EXPRESSED SOME CONCERN ABOUT POSSIBLE DESTABILISATION IN JORDAN AND ABOUT IRAQI INTENTIONS. (HE SAID THAT ISRAEL HAD ''ALLOWED' THE SYRIAN NAVAL DEPLOYMENT AND AIR RECONNAISSANCE LAST MONTH TO PREVENT DELIVERY OF IRAQI MISSILES TO THE LEBANESE CHRISTIANS.)

5. DAVID LEVY (DEPUTY LEADER OF LIKUD AND OPPOSED TO THE SHAMIR/RABIN PROPOSALS) ACCUSED THE AMERICANS OF TOTAL FAILURE TO UNDERSTAND ISRAELI CONCERNS. IT WAS A GREAT MISTAKE TO FOCUS ON THE PALESTINIAN PROBLEM. ISRAEL COULD WORK OUT ARRANGEMENTS IN NEGOTIATION WITH JORDAN AND EGYPT. THE US/PLO DIALOGUE WAS DAMAGING THE CHANCES FOR PEACE.

6. THE US EMBASSY DID NOT GO INTO DETAIL ON DISCUSSIONS WITH ARENS, WHO HAD ALSO SPOKEN IN THE MOST UNCOMPROMISING TERMS ABOUT THE US/PLO DIALOGUE.

7. THERE WAS LITTLE OF SUBSTANCE IN DISCUSSION WITH PERES. HE HAD CUT RATHER A SAD FIGURE AND SEEMED TO BE OUT OF THE GAME.

COMMENT

8. THIS WAS A FULLER THAN USUAL BRIEFING FROM THE AMERICANS. THE TALKS SEEM TO HAVE MADE LITTLE OR NO PROGRSS. LIKUD REMAIN OBSESSED BY THE NEED TO SABOTAGE THE US/PLO DIALOGUE. IT IS CLEAR THAT THE AMERICANS SEE SHAMIR AND RABIN AS VERY MUCH IN CHARGE AND THE ONLY WORTHWHILE INTERLOCUTORS AT THE MOMENT.

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VISIT OF KING HUSSAIN TO SAUDI ARABIA

1. KING HUSSAIN ACCOMPANIED BY HIS PRIME MINISTER AND FOREIGN MINISTER VISITED JEDDA ON 31 JULY/01 AUGUST. HE HAD MEETINGS WITH KING FAHD AND PRINCE SULTAN. PRESS REPORTS OF THE VISIT ARE EXTREMELY CURSORY AND GIVE NO INDICATION OF ITS MAIN THEME, THOUGH IT IS NOT DIFFICULT TO GUESS THAT THE JORDANIAN PREOCCUPATION WILL HAVE BEEN TO WRING AID OUT OF THE SAUDIS. SO FAR AS WE ARE AWARE THERE HAS BEEN NO SUCH AID SINCE THE DISTURBANCES IN JORDAN OF LAST APRIL, OR INDEED SINCE BAGHDAD PAYMENTS ENDED AT THE END OF LAST YEAR.

PLUMBLY

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SECRET

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

29 July 1989

ARAB/ISRAEL

Bob Peirce sent over last night a draft message from the Prime Minister to President Bush about Arab/Israel. She was not happy with it as drafted. I enclose an amended version. I should be grateful if you could let me know during today whether you have any comments before we despatch it on the direct line to Washington.

(C. D. POWELL)

The Resident Clerk,
Foreign and Commonwealth Office.

SECRET

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PRIME MINISTER

MIDDLE EAST

You agreed to send a message to President Bush after your meetings with King Hussein and the Sultan of Oman. The Foreign Office have provided the attached draft. I began to amend it, but gave up. I attach an alternative version which is suitably modest, given that we have nothing much in the way of practical ideas to offer. Would you like to send one or other of the messages?

C. D. POWELL

28 July 1989

PM2ATX

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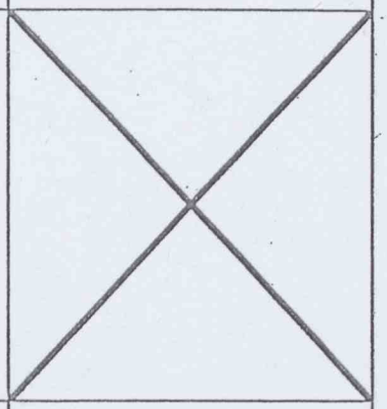
Extract details: Attachment to Powell to PM 28/7/89	
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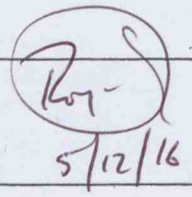
TEMPORARILY RETAINED	
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PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T139/89

(2)

سفارة المملكة العربية السعودية
لندن
SAUDI ARABIAN EMBASSY
LONDON

27 July 1989

Dear Mr Powell,

I have pleasure in enclosing a copy of the message, together with an unofficial translation, from the Custodian of the Two Holy Mosques, King Fahd bin Abdulaziz, addressed to the Prime Minister, The Rt Hon Margaret Thatcher, MP.

With warm regards,

Yours sincerely,

N. Almanqour

Nasser Almanqour

Ambassador

Mr Charles Powell
Private Secretary to the Prime Minister
10 Downing Street
London SW1

دولة السيدة مارغريت تاتشـــــر

رئيسة وزراء بريطانيـــــا

تحية طيبة وبعد:

فقد تلقيت رسالة دولتك عطفا على الرسالة التي حملها وزير خارجيتنا سمو الامير سعود الفيصل بشأن خطة اللجنة الثلاثية العربية العليا المكونة لايجاد حل لازمة لبنان.

وقد اطلعت على ماأعرب عنه دولتك عن تأييد بلدكم الصديق ، ودعمكم الكامل لجهود هذه اللجنة ومساهمتكم للحصول على وقف اطلاق النار الدائم باعتبار ذلك الخطوة الاولى لاستئناف الحوار بين الاطراف اللبنانية.

ومع شكرى الجزيل وتقديرى لما اعرب عنه دولتك أؤكد أن اهتمام بلدكم الصديق بهذه القضية سيكون له الاثر الكبير فى مساعي اللجنة الثلاثية التي نأمل ان تكلل بالتوفيق.

وبالنسبة لدعوة دولتك لي لزيارة المملكة المتحدة فاني اقدر كثيرا هذه الدعوة الكريمة وانه ليسرني كثيرا القيام بها فى أى فرصة سانحة.

هذا وتقبلو اطيب التمنيات الحارة بدوام الصحة والسعادة.،،،

صديقكم

فهد بن عبدالعزيز آل سعود

جده في ١٦ ذوالحجة ١٤٠٩هـ
الموافق ١٩ يولية ١٩٨٩م

سفارة المملكة العربية السعودية
لندن
SAUDI ARABIAN EMBASSY
LONDON

UNOFFICIAL TRANSLATION

The Right Honourable Margaret Thatcher, MP
Prime Minister

Best greetings,

I have received Your Excellency's letter which was a reply to the letter conveyed by our Foreign Minister, His Royal Highness Prince Saud Al-Faisal, regarding the plan of the High Tripartite Arab Committee, which was formed to find a solution to the Lebanese crisis.

I have taken note of Your Excellency's expression of the support of your friendly country, your full endorsement of the efforts of this committee and your contribution to achieve a permanent ceasefire as a first step to resume dialogue between the Lebanese factions.

While extending my warmest thanks and appreciation I assure Your Excellency that the interest of your friendly country in this matter would have a great effect on the endeavours of the Tripartite Committee, which we hope will be crowned with success.

As for Your Excellency's kind invitation to me to visit the United Kingdom, I deeply appreciate this invitation, and it would be my pleasure to pay such a visit at an appropriate time.

Please accept my wishes for your health and happiness.

Your friend

Jeddah 19 July 1989

Fahd bin Abdulaziz Al Saud

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ARAB/ISRAEL HEADS OF MISSION CONFERENCE, 24-25 JULY: JORDAN

SUMMARY

1. UNCERTAIN INTERNAL SITUATION MARGINALLY IMPROVED BY LATEST DEVELOPMENTS ON INTERNATIONAL ECONOMIC SUPPORT. JORDANIANS FEEL VINDICATED IN THEIR SUPPORT OF AN INTERNATIONAL PEACE CONFERENCE BY LATEST ISRAELI DEVELOPMENTS. POSSIBLE PROBLEMS WITH SYRIA OVER LEBANON, CONSISTING COMMITMENT TO ACC TO IRAQ IN PARTICULAR. JORDAN WILL BE LOOKING FOR AND BADLY NEEDING, SUPPORT FROM HER FRIENDS.

DETAIL

2. THERE IS LITTLE TO ADD ON THE INTERNAL SCENE TO OUR RECENT ROUNDUP (ARCHER'S TELELETTER OF 12 JULY TO AYRES). THE LONG EID HOLIDAY AND THE RECENT APPROVAL BY THE IMF BOARD OF THE JORDAN ECONOMIC ADJUSTMENT PROGRAMME AND ASSOCIATED CREDITS HAVE PROVIDED SOME DISTRACTION FROM THE GENERAL MALAISE DESCRIBED IN THAT REPORT. THE LOCAL PRESS HAVE BEEN HAILING THE IMF DECISION AS THE START OF THE RESTORATION OF ECONOMIC CONFIDENCE IN JORDAN, INCLUDING THE RESUMPTION OF ARAB AID AND A REVERSAL OF THE DECLINE IN REMITTANCES FROM JORDANIANS OVERSEAS. THOUGH THIS NEW OPTIMISM MAY BE PREMATURE, IT REMAINS OUR ASSESSMENT THAT WITH THEIR RECENT ANNOUNCEMENTS ABOUT THE ELECTION TIMETABLE (AND PERHAPS WITH THEIR APPARENTLY RESOLUTE ACTION AGAINST MERCHANTS ACCUSED OF HOARDING PRIMARY GOODS) THE GOVERNMENT ARE LIKELY TO BE ABLE TO BLUNT THE EDGE OF SERIOUS POPULAR DISCONTENT FOR THE TIME BEING. IN THE LONGER TERM, MUCH WILL DEPEND ON THEIR SKILL IN HANDLING THE FURTHER DIFFICULT ECONOMIC DECISIONS THAT ARE LIKELY TO HAVE TO BE TAKEN TO MEET THE PHASED TARGETS IN THE IMF PROGRAMME. THE ONLY THING ONE CAN SAY WITH REASONABLE CONFIDENCE AT PRESENT IS THAT THE AUTHORITIES ARE WELL AWARE OF THE NEED TO KEEP TO THOSE TARGETS AS THE PRICE OF RETAINING THE SUPPORT OF THE INTERNATIONAL FINANCIAL INSTITUTIONS.

3. ON ARAB/ISRAEL, THE JORDANIANS SEEM TO REMAIN CONTENT WITH THEIR

LESS FRONT-LINE ROLE DICTATED BY THE AFTERMATH OF DISENGAGEMENT. THEIR WHOLE-HEARTED SUPPORT FOR THE PLO POSITION HAS CERTAINLY LED TO A SUBSTANTIAL IMPROVEMENT, ON THE SURFACE AT LEAST, IN JORDAN/PLO RELATIONS. ALTHOUGH THEY HAVE NOT SAID SO PUBLICLY, RECENT US (AND EGYPTIAN) EFFORTS TO PURSUE THE PEACE PROCESS THROUGH DIRECT ISRAELI/PALESTINIAN DIALOGUE MUST HAVE WORRIED THE JORDANIANS, WHO ARE ANXIOUS TO ENSURE THAT THEIR WIDER INTERESTS ARE NOT LEFT OUT OF ANY FINAL SOLUTION. THEY WILL NO DOUBT THEREFORE BE RELIEVED AT THE EMPHASIS BEING LAID, IN PARTICULAR BY THE EUROPEANS BUT ALSO NOW EVEN BY THE AMERICANS, ON THE IDEA OF AN INTERNATIONAL CONFERENCE, WHICH IS THE CENTRAL COMPONENT OF JORDANIAN POLICY. BOTH THE EC'S MADRID STATEMENT OF 27 JULY AND THE MORE RECENT REFERENCE TO AN INTERNATIONAL CONFERENCE IN THE PARIS SUMMIT COMMUNIQUE HAVE NOT SURPRISINGLY BEEN VERY WELL RECEIVED HERE. BUT IT IS WORTH NOTING IN THIS CONTEXT THAT THE JORDANIANS REMAIN SUSPICIOUS OF US INTENTIONS, FEARING AS MANY OF THEM DO THAT THE AMERICANS STILL HANKER AFTER SOME SORT OF DIRECT JORDAN/ISRAEL ACCOMMODATION.

4. MEANWHILE, THE JORDANIANS CONTINUE TO TAKE A CAUTIOUS LINE IN RESPONSE TO THE LATEST DEVELOPMENTS OVER THE SHAMIR PEACE PLAN. WE RECENTLY REPORTED (AMMAN TELNO 371) THE FOREIGN MINISTER'S LATEST REMARKS ON THIS, IN WHICH HE CRITICISED THE SHAMIR PLAN BUT ALSO URGED THE PLO NOT TO REJECT THE CONCEPT OF ELECTIONS. REGARDING THE NEW LIKUD CONDITIONS, THE DIRECTOR OF THE POLITICAL DEPARTMENT IN THE MFA TOLD ME RECENTLY THAT JORDAN WAS TAKING THE LINE THAT UNTIL OR UNLESS THESE BECAME PART OF OFFICIAL ISRAELI GOVERNMENT POLICY THERE WAS NOTHING NEW OFFICIALLY TO REACT TO.

5. ON LEBANON, THE JORDANIANS CONTINUE TO SMART PRIVATELY AT BEING LEFT OUT OF THE TRIPARTITE ARAB COMMITTEE, WHICH THE FOREIGN MINISTER LIKENED TO ME THE OTHER DAY TO BRITAIN BEING LEFT OUT OF AN INTERNATIONAL COMMITTEE TO DISCUSS THE IRISH PROBLEM. THEY NEVERTHELESS CONTINUE TO DECLARE FULL SUPPORT FOR THE COMMITTEE'S PEACE EFFORTS, DESPITE THE RECENT AWKWARDNESS CAUSED BY THE TRANSIT THROUGH JORDAN OF IRAQI ARMS DESTINED FOR THE LEBANON CHRISTIANS. SYRIAN REACTION TO JORDAN'S ROLE IN THIS HAS NOT BEEN AS SHARP AS WE HAD EXPECTED, PERHAPS PARTLY BECAUSE OF THE IRAQI DECISION TO HALT SUPPLIES. BUT SUBJECT TO VIEWS FROM DAMASCUS SOME FORM OF SYRIAN RETALIATION AGAINST JORDAN MAY YET BE ON THE CARDS.

6. ON OTHER REGIONAL MATTERS, THE JORDANIANS SEEM ANXIOUS TO MAINTAIN A HIGH PROFILE IN THE ARAB COOPERATION COUNCIL (ACC). THEY ARE HOSTING THIS WEEK A MEETING OF ACC FOREIGN MINISTERS APPARENTLY DESIGNED TO BOOST PRACTICAL COOPERATION AT THE DIPLOMATIC LEVEL. AS

WELL AS THE POTENTIAL ECONOMIC BENEFIT TO WHICH THEY REGULARLY ALLUDE, THEY NO DOUBT SEE THE ACC AS A USEFUL WAY OF MAINTAINING THEIR CLOSE RELATIONSHIP WITH - BUT PERHAPS ALSO CONTAINING - IRAQ. THE JORDANIANS HAVE ALSO EXPRESSED SOME OFFICIAL CONCERN ABOUT THE SOVIET RAPPROCHEMENT WITH IRAN: WHICH AS ONE OF IRAQ'S MORE VOCIFEROUS SUPPORTERS DURING THE CONFLICT IS PERHAPS NOT SURPRISING. THEY CERTAINLY FOLLOW IRANIAN DEVELOPMENTS WITH INTEREST AND ARE LIKELY TO WELCOME ANYTHING WE CAN TELL THEM ON THIS SUBJECT.

CONCLUSION

7. THE JORDANIANS MAY BE GROWING SLIGHTLY MORE CONFIDENT ABOUT THE IMMEDIATE FUTURE THEN THEY HAVE OF LATE. BUT THEY STILL REMAIN ON THE DEFENSIVE, AS ILLUSTRATED REMARKS BY THE KING ATTRIBUTING JORDAN'S ECONOMIC AND OTHER WOES TO OUTSIDE INFLUENCES, ESPECIALLY ISRAEL. ONE EFFECT OF THIS UNFORTUNATE TENDENCY TO BLAME OTHERS FOR HER PROBLEMS MAY HAVE BEEN TO ALIENATE SOME OF JORDAN'S POTENTIAL SUPPORTERS, SUCH AS THE SAUDIS AND POSSIBLY TO A DEGREE THE US. CERTAINLY, JORDAN WILL BE ACTIVELY LOOKING FOR, AND NEEDING, SUPPORT FROM HER FRIENDS OVER THE NEXT FEW MONTHS.

HOGGER

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Foreign and Commonwealth Office

London SW1A 2AH

17 July 1989

Prime Minister

You will wish to see the King's letter. But I don't think it needs a reply: it is itself an acknowledgement (& anyway, we have nothing new to say.)

Dear Charles

CDP. 18/7

Letter from King Fahd

The Foreign Secretary has received a letter from the Saudi Ambassador enclosing one to the Prime Minister from King Fahd. I enclose the Arabic original of this together with an English translation. I also enclose the text of a short reply which, if the Prime Minister agrees, might be delivered by our Embassy in Riyadh.

Yours ever

Bobby

(R N Peirce)
Private Secretary

C D Powell Esq
PS/10 Downing Street

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MESSAGE FROM PRIME MINISTER TO KING FAHD

1. King Fahd has sent the following letter to the Prime Minister under cover of a letter from the Saudi Ambassador to me:

Begins:

~~In the Name of Allah the Merciful, the Compassionate~~

~~Her Excellency Margaret Thatcher~~

~~Prime Minister of Britain~~

~~Greetings~~

I have the pleasure, having received your friendly letter which included a report on the talks you held with the Prime Minister of Israel on the Palestine issue, to express considerable gratitude and appreciation for [your] attention to this issue and [your] search for practical and just bases for settling it.

There is no doubt that Your Excellency is aware of the

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distress and the difficult circumstances and conditions which the Palestinian people are facing today in the Occupied Territories, which confirms the extent of the dire need for attention to this issue, particularly when this suffering will only increase its complexity and tension which will reflect as a whole on the issues of security and peace in the region and beyond.

I studied what Your Excellency mentioned about the discussion on this question with President George Bush and I would like to point out that no one of us wants more than the legitimate right defined by the resolutions adopted by the Security Council and international bodies and organisations, in which Britain participated positively and effectively and which for his part the Chairman of the Palestine Liberation Organisation accepted and supported at the Arab Summit Conference in its recent meeting in Casablanca.

With reference to the issue of Lebanon, I explained in my letter dated 14 June 1989 what had been done and His Highness Prince Saud al Faisal, our Minister of Foreign Affairs, must have explained to Your Excellency what had been resolved. In this regard, I confirm that the Tripartite Committee will work with all its might to end the distressing situation in Lebanon.

At a time when we are endeavouring to achieve the positive results we look for on this issue, I am confident that Your Excellency will share our view that the Palestinian issue, in addition to the Lebanon and Iran/Iraq issues, are issues faced by the region and their effects will reflect on its security and stability. We look forward to the sincere efforts you will be making regarding these issues and in helping to solve them.

I take this opportunity to wish you lasting health and happiness and to wish your friendly people lasting prosperity and well-being.

Accept my greetings and esteem

Fahd bin Abdul Aziz Al Saud

Ends

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OUT TELEGRAM (CONT)

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2. Please pass the following reply from the Prime Minister to King Fahd:

Begins:

Sir,

Thank you for your letter of 26 June which was conveyed to the Foreign Secretary by His Excellency your Ambassador.

The need for a political settlement to the Arab/Israel dispute has if anything grown even more urgent since Mr Shamir's visit to this country. It would be very regrettable if the conditions attached to Mr Shamir's election plan by the Likud Central Committee on 5 July were to determine Israeli Government policy. We shall continue our efforts to promote a negotiated solution to the problem on the basis of the principles reiterated in the declaration issued by the European Council in Madrid on 27 June.

On Lebanon, you will know from my letter delivered to you on 9 July that I was able to reassure Prince Saud of our full support for the efforts of the Arab League in seeking a solution to the crisis in Lebanon. I am pleased that the resolve of the Tripartite Committee remains strong, and assure you that our support is firm.

Please accept, Sir, the expression of my deepest respect and warm good wishes.

(Signed) Margaret Thatcher

Prime Minister

Ends.

3. There will be no/no signed original.

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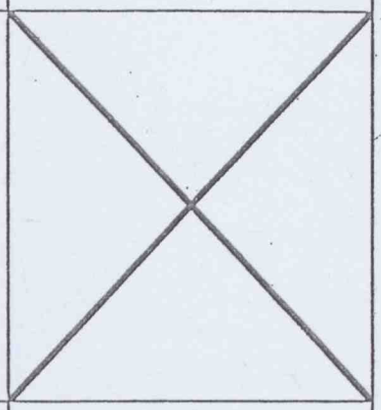
Extract details: Peirce to Powell 13/7/89	
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PRIME MINISTER

SIR ANTHONY PARSONS

Anthony Parsons telephoned today to say that he would like to come and see you at some point to discuss the hostage situation in the Middle East. He was not intending to suggest anything silly like negotiations: but he did have one or two ideas which he would prefer to put to you than to the Foreign Office. I said that you were exceptionally busy at the moment but I would mention his request to you.

I do not know what you feel about this. You do not have any particular obligation to see him, especially since he has become an activist for a political party. And anyway, you are genuinely enormously busy right up to the end of the month. You could say that you prefer him to see the Foreign Office, at least in the first instance, or perhaps see Percy Cradock. Would you be content with this? Or will you see him yourself?

See Percy - or alternatively

Put it into writing.

CDP

CHARLES POWELL

10 July 1989

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ARAB/ISRAEL: ISRAELI COALITION CRISIS

SUMMARY

1. LABOUR PARTY BUREAU RECOMMENDS LEAVING GOVERNMENT, BUT DECISION SUBJECT TO RATIFICATION BY CENTRAL COMMITTEE. SHAMIR/ARENS MAINTAIN BUSINESS AS USUAL AND URGE LABOUR TO REMAIN IN COALITION: SHARON CHALLENGES SHAMIR IN CABINET. EAGLEBURGER VISIT IN PROSPECT.

DETAIL

2. THE LABOUR PARTY BUREAU MEETING, POSTPONED FROM 7 JULY AS A MARK OF RESPECT FOR THE BUS DISASTER, TOOK PLACE ON 10 JULY. THE BUREAU ADOPTED A RECOMMENDATION THAT LABOUR LEAVE THE GOVERNMENT, BUT THIS WILL NEED ENDORSEMENT BY THE CENTRAL COMMITTEE WHICH WILL TAKE AT LEAST LOWED BY NEW ELECTIONS. SHAMIR AND ARENS CONTINUE TO INSIST THAT THE INITIATIVE IS UNCHANGED, BUT SHARON IS REPORTED TO HAVE ARGUED AGAINST SHAMIR IN CABINET THAT THE LIKUD CENTRAL COMMITTEE RESOLUTIONS CONSTITUTED A SIGNIFICANT CHANGE.

5. A US STATE DEPARTMENT DELEGATION, LED BY EAGLEBURGER, ARRIVES NEXT WEEK AND WILL HAVE A CRUCIAL EFFECT. BUSH IS SAID TO HAVE SENT A MESSAGE TO PERES URGING HIM TO STAY IN THE GOVERNMENT AT LEAST FOR THE TIME BEING.

COMMENT

6. THE LABOUR PARTY DECISION LEAVES A BREATHING-SPACE, AND THE PICTURE MAY CHANGE AFTER THE EAGLEBURGER VISIT. SPECULVTION WILL BE RIFE. BY CHANCE I WAS CALLING TODAY ON DER'I, A SHAS LEADER AND MINISTER OF THE INTERIOR, WHO SAID THAT HIS PARTY WOULD TRY TO HOLD THE COALITION TOGETHER, BUT IF THAT FAILED WOULD SUPPORT A NARROW COALITION EITHER OF RIGHT OR LEFT. HE THOUGHT THAT SHAMIR WOULD PREFER AN IMMEDIATE GENERAL ELECTION IF LABOUR DID WITHDRAW, BUT MIGHT FAIL TO GAIN A KNESSET MAJORITY FOR THIS COURSE, IN WHICH EVENT HIS ENTHUSIASM FOR LEADING A NARROW-RIGHT COALITION WOULD BE LESS

THAN TOTAL.

ELLIOTT

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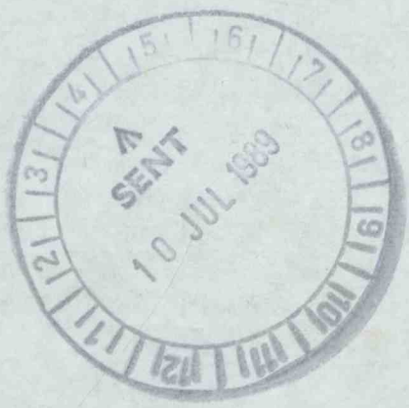

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From the Private Secretary

7 July 1989

LEBANON: MESSAGE FROM THE PRIME MINISTER TO KING FAHD

The Prime Minister has agreed to send a reply to King Fahd's recent message about Lebanon. I enclose an amended version with which she is content. Subject to any comments, I should be grateful if it could be despatched as soon as possible.

CHARLES POWELL

R N Peirce Esq
Foreign and Commonwealth Office

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TEL AVIV TELNOS 189-90: ARAB/ISRAEL: LIKUD CENTRAL COMMITTEE

SUMMARY

1. INITIAL US RESPONSE NEUTRAL BUT LIKELY TO BE ONLY A HOLDING POSITION. PRIVATELY US OFFICIALS ADMIT THAT SHAMIR HAS DEVALUED HIS OWN INITIATIVE. THEY EXPECT SOME MOVE TO DISTANCE THE US FROM THE LIKUD CONDITIONS IN ORDER TO PRESERVE US CREDIBILITY. ISRAELI POLITICKING AND BUSH AND BAKER'S TRAVELS MAY DELAY THIS. DETAIL

2. ON 6 JULY, STATE DEPARTMENT SPOKESMAN SAID THAT THE US WERE CONTINUING THEIR EFFORTS IN SUPPORT OF THE ISRAELI COALITION GOVERNMENT'S 14 MAY PROPOSAL, SEEING IT AS PROVIDING THE MOST REALISTIC WAY TO ADVANCE THE PEACE PROCESS. NOW WAS THE TIME FOR PALESTINIANS TO ACCEPT THE ELECTIONS PROPOSAL, AND TO ENTER INTO A DIALOGUE WITH THE ISRAELIS TO FLESH OUT THE DETAILS OF THE INITIATIVE, AND TO MAKE ELECTIONS AND NEGOTIATIONS WORK.

3. PRESSED ABOUT THE LIKUD CONDITIONS, SPOKESMAN ADDED THAT THE US DEALT WITH GOVERNMENTS. THEY DID NOT WANT TO GET INTO THE MIDDLE OF ISRAELI DOMESTIC POLITICS. PARTISAN DECLARATIONS, PARTICULARLY IF THEY APPEARED TO BE MORE RESTRICTIVE OR TO IMPOSE CONDITIONS, DID NOT ADVANCE THE PROSPECTS FOR PEACE.

4. US OFFICIALS HAVE TOLD US THAT BAKER MAY COMMENT FURTHER IN A PRESS CONFERENCE ON 7 JULY. THEIR PRELIMINARY PRIVATE ASSESSMENT IS THAT SHAMIR HAS INDEED DEVALUED HIS OWN INITIATIVE. THE US WILL BE SEEKING AN EXPLANATION FROM SHAMIR. UNLESS SOME CONVINCING RATIONALE IS PRODUCED, US OFFICIALS SAY THE ADMINISTRATION MAY WELL BE OBLIGED TO SPELL OUT IN PUBLIC WHICH ISRAELI POSITIONS IT CAN CONTINUE TO SUPPORT. IMMEDIATE LABOUR/LIKUD POLITICKING MAY DELAY THIS.

5. STATE DEPARTMENT OFFICIALS STILL HOPE THAT THE PLO WILL SEE THIS AS AN OPPORTUNITY TO EXPOSE SHAMIR (AND DRAW OUT FAVOURABLE US POSITIONS ON ELECTION DETAILS) BY AGREEING TO AN ISRAELI/OTS PALESTINIAN DIALOGUE. (THE PRELIMINARY PLO RESPONSE TO PELLETREAU HAS APPARENTLY BEEN TO REJECT THE LIKUD CONDITIONS, BUT NOT TO HARDEN THEIR POSITION ON THE PRINCIPLE OF ELECTIONS.) BUT STATE FEAR THAT ONE EFFECT OF LIKUD'S MOVE MAY BE TO LET

ARAFAT OFF THE HOOK OF HAVING TO RESPOND TO THE ELECTIONS INITIATIVE.

COMMENT

6. THOUGH US OFFICIALS DENIED ANY LINKAGE TO THE DEPORTATIONS RESOLUTION IN THE SECURITY COUNCIL, THERE WAS A NOTICEABLE CHANGE OF TONE IN OUR CONTACTS WITH THEM ABOUT THE NEGOTIATIONS IN NEW YORK AFTER THE OUTCOME OF THE LIKUD CENTRAL COMMITTEE WAS KNOWN. THE ADMINISTRATION WERE GLAD IN THE END TO BE ABLE TO AVOID A VETO.

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ARAB/ISRAEL: LIKUD CENTRAL COMMITTEE

SUMMARY

1. NEAR UNANIMITY AMONG LABOUR MINISTERS ON LEAVING COALITION: SHAMIR INITIATIVE SEEN AS DEAD. DEBATE ON TACTICS IN PROGRESS.

DETAIL

2. MIFT CONTAINS DETAILS OF THE UNANIMOUS DECISION BY THE LIKUD CENTRAL COMMITTEE ON 5 JULY TO ENDORSE THE SHAMIR INITIATIVE BUT WITH THE SHARON QUALIFICATIONS, NOW TO BE BINDING ON LIKUD WITHIN THE GOVERNMENT.

3. NOVIK (POLITICAL ADVISER TO PERES) HAS GIVEN ME THE FOLLOWING ANYALYSIS OF LABOUR REACTIONS, WHICH IS IN PART ENDORSED (AND IS NOT CONTRADICTED) BY PRESS COMMENT TO DATE. IN SUMMARY, ALL LABOUR MINISTERS EXCEPT GUR ARE AGREED THAT THIS IS THE END OF THE SHAMIR INITIATIVE AND OF THE COALITION GOVERNMENT, AND THE DIFFERENCES ARE ONLY ABOUT HOW TO EXTRACT LABOUR WITH MAXIMUM CREDIT OVER THE NEXT DAYS AND WEEKS.

4. PERES ANALYSES THE REASONS AS FOLLOWS. TO THE PEOPLE OF ISRAEL, LABOUR MUST MAKE IT PLAIN THAT THEY CAN NO LONGER SUPPORT THE LIE WHICH IS LIKUD POLICY AS NOW MODIFIED. TO THE PALESTINIAN AND THE ARAB WORLD IN GENERAL, LABOUR MUST EXPRESS UNDERSTANDING OF THEIR FRUSTRATION AND DEMONSTRATE A RESOLVE TO KEEP THE HOPE OF PEACE ALIVE, SO AS TO REDUCE THE RISK OF VIOLENT REACTION. TO THE REST OF THE WORLD, LABOUR MUST SHOW CONSISTENCY BY CONDEMNING LIKUD'S DESERTION OF THE INTITIATIVE WHICH LABOUR MINISTERS HAVE BEEN PROMOTING.

5. RABIN IS MOST AFFECTED BY THE CONDITION THAT NEGOTIATIONS CANNOT START UNTIL THE INTIFADA HAS ENDED. HE SEES THIS AS SHARON'S WAY OF PUTTING HIM ON THE SPOT. HE IS ALSO PERSONALLY AFFRONTED BY

SHAMIR'S SUCCESS IN OPENING OUT AREAS OF THE INITIATIVE WHICH RABIN HAD BEEN ABLE TO LEAVE DELIBERATELY AMBIGUOUS.

6. ON IMMEDIATE TACTICS, PERES IS INCLINED TO BREAK THE COALITION AS SOON AS POSSIBLE, PERHAPS BY A VOTE OF NO CONFIDENCE DURING THE NEXT WEEK. RABIN, WHILE ADMITTING THAT THE INITIATIVE IS FINISHED, WANTS THIS FACT TO BE EXPOSED MORE CLEARLY TO THE PUBLIC AND WOULD THEREFORE PREFER TO LEAVE A LITTLE TIME FOR ARAB AND WORLD REACTION TO DEMONSTRATE THAT THERE IS NOW NO HOPE FOR THE INITIATIVE.

7. LABOUR ARE THEREFORE LIKELY TO WATCH REACTION TO THE LIKUD DECISION, IN PARTICULAR FROM THE US, WITH GREAT CARE. NOVIK IS INCLINED TO EXPLAIN THE INITIAL US INFORMAL REACTION, SEEN HERE AS BEING THAT SOMETHING COULD STILL BE SALVAGED FROM THE INITIATIVE, AS DERIVING FROM THE DEEP US ATTACHMENT TO THEIR RELUCTANCE TO SEE THIS DESTROYED BY ANY ISRAELI ACTION. A MORE UNEQUIVOCAL CONDEMNATION OF LIKUD' S NEW POLICY WOULD THEREFORE HELP LABOUR.

8. THE OPTIONS FOR THE FUTURE NOW APPEAR TO BE A NARROW COALITION EITHER OF THE LEFT OR OF THE RIGHT. LABOUR ADMIT THAT A NARROW LEFT COALITION WOULD NOT BE AT ALL EASY AND COULD NOT SURVIVE LONG, BUT BELIEVE THAT THE SAME GOES FOR A NARROW RIGHT COALITION. THEY THINK THAT A GENERAL ELECTION IN ISRAEL MAY BE NOT FAR OFF.

COMMENT

9. THE DISTRESS AMONG LABOUR MINISTERS IS PREDICATABLE. THERE MAY BE AN ELEMENT OF OVER-ERACTION SO SOON AFTER THE EVENT. THERE ARE PEOPLE AROUND (INCLUDING SOME LIKUDNIKS) WHO ARGUE THAT SHAMIR WILL FIND A WAY TO KEEP HIS INITIATIVE ALIVE AND TO WRIGGLE OUT OF THE APPARENT COMMITMENTS WHICH HEMADE TO LIKUD YESTERDAY. I FIND IT DIFFICULT TO SEE HOW HE COULD DO THIS, AND REGARD NOVIK'S ACCOUNT OF THE INEVITABLITY OF LABOUR'S DESERTING THE COALITION AS ENTIRELY PLAUSIBLE. BUT I SEE THAT THERE MAY BE A CASE FOR THOSE OUTSIDE ISRAEL TO RESTRICT THEIR CRITICISMS OF THE LIKUD DECISION TO THOSE ELEMENTS WHICH ARE PLAINLY CONTRARY TO GOOD SENSE AND PROGRESS, AND TO MAINTAIN THE HOPE THAT SOMETHING MAY YET COME OF THE ELECTIONS INITIATIVE.

10. PLEASE SEE MIFT.

ELLIOTT

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OUT TELEGRAM

Classification	Caveat	Precedence
CONFIDENTIAL		IMMEDIATE

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CONFIDENTIAL

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T123/89

FM FCO
TO IMMEDIATE RIYADH
TELNO
OF 6 JULY 89
INFO ROUTINE AMMAN, BAGHDAD, CAIRO, DAMASCUS, HOLY SEE, KUWAIT,
INFO ROUTINE MOSCOW, UKMIS NEW YORK, TEL AVIV, TUNIS,
INFO ROUTINE RABAT, ALGIERS, WASHINGTON

MESSAGE FROM PRIME MINISTER TO KING FAHD

1. Grateful if you could pass on the following text of a letter from the Prime Minister to King Fahd.

BEGINS:

Sir,

I was most grateful for your letter which was passed to me by your Foreign Minister, His Royal Highness Prince Saud al Faisal, about the plans of the Tripartite Supreme Arab Committee to find a solution to the crisis in Lebanon. It was very helpful to be so fully informed.

The United Kingdom has given its strong support to the Arab League's efforts and we contribute as best we can to the achievement of a lasting ceasefire. That is the essential first step for a resumption of talks between all the Lebanese groups and restoration of the authority of the Lebanese state. I am convinced that the best hope for such an outcome lies in the mediation efforts of the Tripartite Supreme Arab Committee.

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Authorised for despatch by	Initials	Date/time	
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XY 48 (REV)

CONFIDENTIAL IMMEDIATE

I was able to reassure Prince Saud on 19 June of our full support for the Committee's efforts. I do not underestimate the difficulty of the tasks which they have undertaken, but their ingenious and comprehensive plan of action has our full support.

I hope that you will find the opportunity to visit your home in Britain this summer after your visit to Washington, and I greatly look forward to meeting you again.

Please accept, Sir, the expression of my sincere wishes for your success.,

With my deepest respect and warm good wishes.

(Signed)

Margaret Thatcher

Prime Minister

ENDS.

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OUT TELEGRAM

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	Classification	Caveat	Precedence
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(Signed)

Margaret Thatcher

Prime Minister

ENDS.

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(1)

10 DOWNING STREET

PRIME MINISTER

LEBANON

You will recall that Prince Saud brought you a letter from King Fahd. No substantive reply is needed, but it would be a courtesy to send a brief response.

Agree to the attached? Yes

C.D.P.

(C. D. POWELL)
6 July 1989

Foreign and Commonwealth Office

London SW1A 2AH

6 July 1989

Dear Charles

Lebanon: Committee of Three

During Prince Saud's call on the Prime Minister on 19 June he handed over a letter about the work of the Committee of Three set up to mediate in the Lebanese crisis.

Although the Prime Minister made our position clear to Prince Saud we think it right to maintain the dialogue in meeting with King Fahd. I enclose a draft reply which the Prime Minister might like to send, in the form of a telegram to Riyadh.

Yours ever

Bob Peirce

(R N Peirce)
Private Secretary

C D Powell Esq
PS/10 Downing Street

OUT TELEGRAM

		Classification	Caveat	Precedence
		CONFIDENTIAL		IMMEDIATE

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TO
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OF
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BEGINS:

Sir,

I was most grateful for your letter which was passed to me by your Foreign Minister, His Royal Highness Prince Saud al Faisal, about the plans of the Tripartite Supreme Arab Committee to find a solution to the crisis in Lebanon.

As you know, Sir, the United Kingdom has consistently supported the praiseworthy efforts of the Arab League. We, together with our European partners, have taken every opportunity to call for a complete and definitive ceasefire, which will lead to an equitable political solution. We consider that such a solution requires the resumption of dialogue between all Lebanese, in order to allow the reconstruction of institutions under which the authority of the state will be restored. We also believe that the best hope for such a

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OUT TELEGRAM (CONT)

Classification	Caveat	Precedence
CONFIDENTIAL		IMMEDIATE

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solution lies in the mediation efforts of the Tripartite Supreme Arab Committee, ~~which may represent a last chance for Lebanon.~~

I was most grateful for the opportunity to discuss all these matters with Prince Saud on 19 June, and I was able to reassure him of our continued support. I do not underestimate ~~the difficulty of the tasks which lie before~~ her ~~the Committee~~, but I hope that before long their efforts will lead ~~once again to~~ to restore ~~the~~ independence, sovereignty, unity and territorial integrity ~~of Lebanon. This was also the message which Geoffrey Howe gave the Algerian Foreign Minister during his visit to London on 30 June.~~

I hope that you will find the opportunity to visit your home in Britain this summer after your visit to Washington, and I greatly look forward to meeting you again.

Please accept, Sir, the expression of my sincere wishes for your success.,

With my deepest respect and warm good wishes.

(Signed)

Margaret Thatcher

Prime Minister

ENDS.

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MIDDLE EAST: Situation
A 19

بسم الله الرحمن الرحيم

دولة السيدة/ مارجريت تاتشر

رئيسة وزراء بريطانيا

تحية طيبة:

يسرني وقد تسلمت رسالتك الوديه بما اشتملت عليه من افادة عن المحادثات التي اجريتموها مع رئيس وزراء اسرائيل حول القضية الفلسطينية ـ ان اعرب عن الشكر والتقدير البالغين على الاهتمام بهذه القضيه ، والبحث عن الاسس العملية العادلة لتسويتها.

ولا شك ان اطلاع دولتك على مايواجهه اليوم الشعب الفلسطيني من معاناة وأوضاع وظروف قاسية في الاراضي المحتلة مما يؤكد مدى الحاجة القصوى للاهتمام بهذا الوضع خاصة وان هذه المعاناة لن تزيده الا تعقيدا وتوترا ينعكس في مجمله على قضايا الامن والسلام في المنطقه وغيرها .

وقد اطلعت على ماأشرت اليه دولتك عن بحث هذه المسألة مع الرئيس جورج بوش، وأود ان اشير الى ان احدا منا لايريد اكثر من الحق الشرعي الذى حددته القرارات التي اتخذها مجلس الامن ، والهيئات والمنظمات الدوليه وكان لبريطانيا مشاركة ايجابية وفعاله فيها والتي قبلها بدوره رئيس منظمة التحرير الفلسطينيه وأيدها في مؤتمر القمة العربي في اجتماعه الاخير في الدار البيضاء .

وبالنسبة لقضية لبنان فقد بينت في رسالتي المؤرخة في ١٤ يونيو ١٩٨٩ ماتم بشأنها ، ولابد ان سمو الامير سعود الفيصل وزير خارجيتنا قد شرح لدولتك ماتقرر بشأنها . وفي هذا الخصوص اؤكد ان اللجنة الثلاثية سوف تعمل بكل امكانياتها

لانهاء الوضع المؤلم في لبنان .

في الوقت الذى نسعى فيه الى تحقيق مانتطلع اليه من نتائج ايجابية لهذه القضية اثق بان دولتك تشاركينا الرأى بان القضية الفلسطينية بالاضافة الى المسألتين اللبنانية والعراقية الايرانيه قضايا تواجه المنطقة وتنعكس آثارها على الامن والاستقرار فيها ، واننا نتطلع الى الجهود المخلصة التي تبذلونها تجاه هذه القضايا والمساعدة في حلها .

وأغتنم هذه المناسبة فاتمنى لكم دوام الصحة والسعادة ولشعبكم الصديق دوام الرخاء والرفاه .

وتقبلو تحياتي وتقديري .،،،

صديقكم

فهد بن عبدالعزيز آل سعود

٢٤ ذى القعده١٤٠٩هـ

الموافق٢٦يونيو١٩٨٩م

Subject filed on Middle East Sit Pt 19 cc OPS MASTER.

In the Name of Allah the Merciful, the Compassionate

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. 1189/89

Her Excellency Margaret Thatcher
Prime Minister of Britain

Greetings:

I have the pleasure, having received your friendly letter which included a report on the talks you held with the Prime Minister of Israel on the Palestine issue, to express considerable gratitude and appreciation for [your] attention to this issue and [your] search for practical and just bases for settling it.

There is no doubt that Your Excellency is aware of the distress and the difficult circumstances and conditions which the Palestinian people are facing today in the occupied territories, which confirms the extent of the dire need for attention to this issue, particularly when this suffering will only increase its complexity and tension which will reflect as a whole on the issues of security and peace in the region and beyond.

I studied what Your Excellency mentioned about the discussion on this question with President George Bush and I would like to point out that no one of us wants more than the legitimate right defined by the resolutions adopted by the Security Council and international bodies and organisations, in which Britain participated positively and effectively and which for his part the Chairman of the Palestine Liberation Organisation accepted and supported at the Arab Summit Conference in its recent meeting in Casablanca.

With reference to the issue of Lebanon, I explained in my letter dated 14 June 1989 what had been done and His Highness Prince Saud al Faisal, our Minister of Foreign Affairs, must have explained to Your Excellency what had been resolved. In this regard, I confirm that the tripartite committee will work with all its might to end the distressing situation in Lebanon.

At a time when we are endeavouring to achieve the positive results we look for on this issue, I am confident that Your Excellency will share our view that the Palestinian issue, in addition to the Lebanon and Iran/Iraq issues, are issues faced by the region and their effects will reflect on its security and stability. We look forward to the sincere efforts you will be making regarding these issues and in helping to solve them.

I take this opportunity to wish you lasting health and happiness and to wish your friendly people lasting prosperity and well-being.

Accept my greetings and esteem

Fahd bin Abdul Aziz Al Saud

24 Dhu 'l Qada 1409 AH
26 June 1989 AD

SUBJECT cc MASTER

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

NB original letter with FCO

19 June 1989

Dear Bill,

PRIME MINISTER'S MEETING WITH PRINCE SAUD

The Prime Minister had a talk this morning with Prince Saud Al Faisal to enable him to brief her on the work of the Arab League Committee of Three appointed at the Casablanca Summit to bring about a solution to the Lebanese crisis. I imagine Prince Saud subsequently covered much of the same ground when he met the Foreign Secretary.

The Prime Minister enquired after King Fahd. Prince Saud said that the King conveyed his regards and respects, together with his gratitude for the reception accorded Prince Sultan. The King had received a full report of Prince Sultan's talk with the Prime Minister and was very pleased with it. Prince Saud handed over the enclosed letter from King Fahd.

The Prime Minister invited Prince Saud to tell her about the Arab League's activities over Lebanon. She was sure it was right for the League to take a lead rather than involve the United Nations.

Prince Saud then read from detailed notes summarising the Arab League's views. The Committee of Three had concluded that the situation in Lebanon threatened not only the people of the Middle East but posed wider risks. A solution had to be found and the Committee had decided to play the role of referee rather than mediator. Its suggestions constituted a middle ground between the views of all the various factions. The Committee had come up with its plan only after a painstaking survey of all the various proposals which had been examined in the past. It was not concerned so much with technical and legal issues as with political and moral ones. In this spirit, it had proposed the adoption of a National Reconciliation Charter, which would provide for political reform and power-sharing, reinstate the authority of the Lebanese State over the whole territory of the country, liberate Lebanon from Israeli occupation, and work out the relations between Syria and Lebanon. The plan would be implemented by a series of steps. First, Parliamentarians would be invited to meet outside Lebanon to discuss the Charter. If all went well, they would then be asked to

convene in Beirut for further consideration of it. This would be followed by a formal meeting to ratify the Charter, elect a Speaker of the Parliament and then a President of the Lebanon. The President would in turn nominate a Prime Minister, who would form a government of National Unity.

Prince Saud emphasised that this proposal took account of the views of all the factions and there was no need for the Committee to solicit any further opinions. They had selected from the various ideas which had been considered in the past those which seemed to command consensus. So there was nothing new or revolutionary in the plan and it should be generally acceptable. The key equation was the balance between political reforms on the one hand and guarantees of Lebanon's national idenity on the other. The Committee had contacted neighbouring countries, in particular Syria and Iraq, to discuss the termination of hostilities and their future relations with Lebanon. The Committee's aim was to achieve a ceasefire which led to cessation of all hostilities and removal of all barriers and blockades.

Prince Saud said that Syria had generally accepted the Committee's outlook and its role as referee and acknowledged the need to settle the question of Syria's relations with Lebanon and the role of Syrian troops there. Syria recognised that these troops would have to be withdrawn and the Committee hoped to reach written agreements with them on this. President Saddam Hussein had promised Iraq's full support and had agreed to stop shipping arms to Lebanon. Syria had agreed to raise the blockade on humanitarian shipments but not that on arms shipments. Another aspect which had to be dealt with was Israel's presence in South Lebanon. Here the Permanent Members of the UN Security Council would have a very important role. The aim must be to allow the Lebanese armed forces to hold the border areas, while beefing up UNIFIL. This should take care of Israel's concerns. The Committee would very much appreciate any help the United Kingdom could give with this.

Prince Saud said that the Committee was trying to get away from the vicious circle which had characterised past efforts to achieve a solution. These had always foundered on the question of who had to take the first step, who had to withdraw first, and so on. Now they were treating each issue separately and on its merits. They would not ask the Syrians to move precipitately out of Lebanon until there was a Lebanese force ready to replace them. Lebanon would continue to need assistance after a settlement while it rebuilt its armed forces and its political parties. In the longer term, the aim should be to diminish the confessionalism of Lebanese politics except at the most senior level. Prince Saud said he would let the Prime Minister have the Committee's final document when it was worked out because they were very keen to have her help. The areas in which help was needed were to moderate Israel's attitudes and prevent it from imposing insupportable conditions on withdrawal of its forces; to show Syria that it was not isolated, to urge both Syria and Iraq not to conduct their quarrels in Lebanon. The prize of a

solution was a major one and would help greatly towards a wider Middle East peace.

The Prime Minister thanked Prince Saud and said she would make a few general comments. She was sure that the Arab League were absolutely right to make a further effort to achieve a solution. Without that, Lebanon's integrity would be dissipated. The Committee's plan would be unexceptionable for reasonable people, but it might be more difficult to persuade the totally unreasonable groups involved in Lebanon's affairs to implement it. Some of them loved their hatreds more than anything else. The Committee would have to be very firm with Lebanese politicians and bind them to sell any agreement reached to their people rather than distance themselves from it. Once having embarked on this course, the Committee must be prepared to go all the way and stay with it until it was finished. She foresaw plenty of difficulties, not least with Assad. Shamir would not be easy either and would watch very closely what the Syrians did. The Prime Minister continued that the United Kingdom would do everything it could to provide support for the Committee's efforts. She agreed that their plan represented possibly the last hope for Lebanon.

Prince Saud thanked the Prime Minister for this firm declaration of support which would be greatly welcomed by King Fahd.

As Prince Saud was leaving, the Prime Minister said we regretted he had been forced to postpone his official visit and we hoped he would make it later in the year.

I am copying this letter and enclosure to Brian Hawtin (Ministry of Defence) and to Trevor Woolley (Cabinet Office).

Yours sincerely,

CHARLES POWELL

R. N. Peirce, Esq.,
Foreign and Commonwealth Office

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T115/89

UNOFFICIAL TRANSLATION

SUBJECT ⊂ MASTER OPS

MADAME PRIME MINISTER,

IT GIVES ME PLEASURE TO RELAY TO YOU THAT BASED ON THE RESOLUTION ADOPTED BY THE EXTR-ORDINARY ARAB SUMMIT CONFERENCE WHICH CONVENED IN CASABLANCA, MOROCCO, DURING THE PERIOD FROM 17 TO 20 SHAWWAL 1409 H CORRESPONDING TO THE PERIOD FROM 26 TO 29 MAY 1989 PROMULAGATING THE FORMATION OF A COMMITTEE CONSISTING OF THE HEADS OF STATES OF THE KINGDOM OF SAUDI ARABIA, THE KINGDOM OF MOROCCO AND THE POPULAR DEMOCRATIC REPUBLIC OF ALGERIA, AND VESTING IT WITH COMPLETE AND COMPREHENSIVE AUTHORITIES FOR ACHIEVING THE OBJECTIVES SET BY THE CONFERENCE FOR SOLVING THE LEBANESE CRISIS; THE ABOVE MENTIONED TRIPARTITE SUPREME ARAB COMMITTEE HAS CONVENED IN RABAT, MOROCCO ON THE FIRST OF THULKEDA 1409 CORRESPONDING TO JUNE 4, 1989 AND EXAMINED ALL SIDES OF THE LEBANESE CRISIS AND APPROVED THE PLAN OF ACTION WHICH IT SHALL PURSUE AT THIS STAGE FOR ACHIEVING THE DESIRED OBJECTIVES. THE ABOVE MENTIONED PLAN OF ACTION CALLS FOR ESTABLISHING INTENSIVE REGIONAL AND INTERNATIONAL CONTACTS AND FOR COMMISSIONING A REPRESENTATIVE OF THE COMMITTEE TO CONTACT AND COORDINATE WITH THE LEBANESE PARTIES. WITHIN THIS FRAMEWORK, THE KINGDOM OF SAUDI ARABIA WAS COMMISSIONED TO ESTABLISH NECESSARY CONTACTS WITH THE BRITISH GOVERNMENT SO AS TO EXPLAIN THE OBJECTIVES OF THE COMMITTEE AND TO SOLICIT ITS SUPPORT OF ITS EFFORTS

AIMING AT FINDING A COMPREHENSIVE AND FINAL SOLUTION TO THE LEBANESE CRISIS.

MADAME PRIME MINISTER,

NO DOUBT THAT YOU ARE AWARE OF THE SERIOUS IMPLICATIONS OF THE LEBANESE CRISIS AND WHAT HAS RESULTED FROM ITS CONTINUATION OF ABSENCE OF SECURITY, BLOODSHED, DESTRUCTION OF ESTABLISHMENTS AND PROPERTIES, WEAKNESS OF GOVERNMENT AGENCIES, THE VACANCY OF THE OFFICE OF THE PRESIDENCY, FAILURE OF THE LEGISLATIVE AUTHORITY AND THE DIVISION IN THE EXECUTIVE POWER WHICH LED TO CONTINUOUS FIGHTING AND TO THE PARALYSIS OF PUBLIC UTILITIES AND TO THE DETERIORATION IN THE ECONOMIC AND LIVING CONDITIONS OF THE LEBANESE PEOPLE. OF COURSE, YOU ARE WELL AWARE, MADAME PRIME MINISTER OF THE IMPACT OF THE DETERIORATING LEBANESE SITUATION MAY HAVE ON THE SECURITY AND STABLILITY OF THE MIDDLE EAST REGION IN GENERAL.

FROM THE ABOVE, WE HOPE THAT YOU SHARE OUR OPINION THAT THE SOLUTION TO THIS CRISIS LAY IN ACHEIVING RECONCILIATION AMONG THE LEBANESE BASED ON THE ADOPTION OF CONSTITUTIONAL REFORMS, HOLDING PRESIDENTIAL ELECTIONS AND FORMING A GOVERNMENT OF NATIONAL UNITY SO AS TO PRESERVE THE UNITY OF LEBANON, ITS INDEPENDENCE AND SOVEREIGNTY AND TO REINSTATE THE AUTHORITY OF THE LEBANESE STATE OVER THE ENTIRETY OF ITS TERRITORY WITH THE AIM OF PROTECTING ITS SECURITY AND STABILITY BY MEANS OF ITS INTRINSIC POWERS AND TO REVITALIZE THE LEBANESE STATES WITH ALL ITS CONSTITUTIONAL AND SECURITY INSTITUTIONS AND TO PURSUE THE

IMPLEMENTATION OF RESOLUTION 425 AND ALL INTERNATIONAL RESOLUTIONS PROMULGATING THE TOTAL ELIMINATION OF ISRAELI OCCUPATION.

MADAME PRIME MINISTER,

WITHIN THIS FRAMEWORK, IT GIVES ME PLEASURE TO HAVE MY LETTER TO YOU CARRIED BY HIS ROYAL HIGHNESS PRINCE SAUD AL FAISAL, THE MINISTER OF FOREIGN AFFAIRS, WHO, BY COMMISSION OF THE T.S.A.C., WILL EXPLAIN TO YOU THE OBJECTIVES OF THE COMMITTEE AND ITS PLAN OF ACTION. WE ARE CERTAIN THAT THE MEMBER COUNTRIES OF THE COMMITTEE, WHICH CERTAINLY INCLUDE THE KINGDOM OF SAUDI ARABIA, COUNT HEAVILY ON YOUR PERSONAL VITAL ROLE, MADAME PRIME MINISTER, AND THAT OF THE RESPONSIBLES IN YOUR GOVERNMENT IN SUPPORTING THE COMMITTEE FOR ACHIEVING ITS OBJECTIVES. FROM THE ABOVE, WE HOPE FOR CONSULTATION AND COORDINATION WITH YOU FOR THE IMPLEMENTATION OF THE COMMITTEE'S PLAN OF ACTION.

IN CONCLUSION, PLEASE ACCEPT, THE EXPRESSION OF MY SINCERE WISHES OF SUCCESS AND CONTINUED HEALTH AND HAPPINESS FOR YOU.

MAY GOD BLESS YOU,

FAHD BIN ABDUL AZIZ AL-SAUD
KING OF SAUDI ARABIA

دولة السيده/ مارجريت تاتشر

رئيسة وزراء بريطانيا

يسرني ان انقل لدولتك انه بناءا على القرار الذي اتخذه مؤتمر القمه العربي غير العادى والذي تم انعقاده في مدينة الدار البيضاء بالمملكة المغربيه في الفترة من ١٧ الى ٢٠ شوال ١٤٠٩ هـ الموافق من ٢٦ الى ٢٩ مايو ١٩٨٩م والقاضي بتشكيل لجنة مكونة من رؤساء الدول في كل من المملكة العربية السعوديه والمملكة المغربية والجمهورية الجزائرية الديمقراطيه الشعبيه وتخويلها الصلاحيات الشاملة والكاملة لتحقيق الاهداف التي اقرها المؤتمر لحل الازمة اللبنانيه ، فلقد اجتمعت اللجنه الثلاثية العربية العليا المشار اليها في الرباط بالمملكة المغربيه بتاريخ ١ ذى القعده ١٤٠٩هـ الموافق ٤يونيو١٩٨٩م حيث تدارست جميع جوانب الازمة اللبنانيه واقرت خطة العمل التي ستنتهجها في هذه المرحله من اجل تحقيق الاهداف المنشوده ، وتتضمن خطة العمل المشار اليها اجراء اتصالات اقليمية ودولية مكثفه وتكليف مندوب عن اللجنة للاتصال والتنسيق مع الاطراف اللبنانيه وفي هذا الاطار فلقد تم تكليف المملكة العربية السعوديه باجراء الاتصالات اللازمة مع حكومة المملكة المتحده لشرح أهداف اللجنة وطلب مساندتها في جهودها الرامية الى الى ايجاد

حل شامل ونهائى للازمة اللبنانيه .

دولة رئيسة الوزراء

لاشك ان دولتك على اطلاع تام على الابعاد الخطيره للازمة اللبنانيه وما نجم عن استمرار هذه الازمة من غياب للامن واراقة للدماء وتدمير للمؤسسات والممتلكات وعجز في اجهزة الدولة وخلو سدة رئاسة الجمهوريه وتعطل السلطة التشريعيه وانقسام السلطة التنفيذية مما ادى الى تجدد الاقتتال بصفة مستمرة والى شلل في مرافق المجتمع وترد في الاوضاع الاقتصاديه والمعيشية للشعب اللبناني ، كما لايخفى على دولتك بطبيعة الحال انعكاس الوضع اللبناني المتدهور على الامن والاستقرار في منطقة الشرق الاوسط بصفة عامه .

ومن هذا المنطلق فاننا نأ مل من ان دولتك تشاركيننا الرأي في ان المقومات الاساسيه لايجاد الحل المنشود لهذه الازمة انما تكمن في تحقيق الوفاق بين اللبنانيين المبني على اقرار الاصلاحات الدستوريه واجراء الانتخابات الرئاسيه وتشكيل حكومة اتحاد وطني للحفاظ على وحدة لبنان واستقلاله وسيادته وبسط سلطة الدولة اللبنانية على كافة التراب اللبناني بهدف حماية امنها واستقرارها بقواتها الذاتيه ، واعادة احياء الدولة اللبنانيه كاملة بكافة مؤسساتها الدستوريه والامنية والعمل على تنفيذ القرار رقم ٤٢٥ والقرارات الدولية القاضية بازالة الاحتلال الاسرائيلى ازالة

تامة وشامله .

دولة رئيسة الوزراء

وفي هذا الاطار يسرني ان يحمل رسالتي هذه صاحب السمو الملكي الامير سعود الفيصل وزير الخارجيه الذي سيشرح لدولتك بتكليف من اللجنة الثلاثية العليا اهداف اللجنة وخطة عملها ، واننا واثقون بان الدول الاعضاء في اللجنة العليا ويشمل ذلك بالتأكيد المملكة العربية السعوديه يعولون كثيرا على الدور الحيوى لدولتك شخصيا وللمسئولين في الحكومة البريطانيه في مؤازرة اللجنة في تنفيذ اهدافها . ومن هذا المنطلق فاننا نأمل ان يجري التنسيق والتشاور معكم من اجل وضع خطة عمل اللجنة موضع التنفيذ .

وفي الختام ارجو تقبل اصدق تمنياتي لدولتك بالتوفيق وبدوام الصحة والسعادة والهناء .

والله يحفظك ،،، الصديق المخلص

فهد بن عبد العزيز آل سعود

الاربعاء ١١ ذى القعده ١٤٠٩ هـ

الموافق ١٤ يونيو ١٩٨٩ م

Foreign and Commonwealth Office

London SW1A 2AH

CONFIDENTIAL

16 June 1989

Dear Charles

Prince Saud's Call on the Prime Minister

The Saudi Foreign Minister, Prince Saud Al Faisal, is calling on the Prime Minister at 11.00 Monday 19 June for 20 minutes.

The purpose of his visit is to brief her on the work of the Arab League Committee of Three appointed at the Casablanca Summit of 23-26 May to bring about a solution to the Lebanese crisis. He is also likely to bring a message from the Three (Kings Hassan and Fahd, and President Chadli). Foreign Ministers representing the Three are at present visiting capitals of the Five Permanent Members of the UN Security Council. (Prince Saud saw President Bush on 14 June.)

The Three were mandated to reach agreement with all Lebanese parties, within six months, on:

(a) constitutional reform with the aim of forming a government of national reconciliation;

(b) the reconvening of the Lebanese parliament;

(c) the election of a new President.

The Assistant Secretary-General of the Arab League, Ibrahimi, has meanwhile met the parties in Lebanon without making any headway.

Prince Saud's main objective is likely to be to seek our continued support for the Arab League initiative.

Our aim is to keep the Arab League in play and to discourage a premature reference to the Security Council. The Prime Minister should therefore reassure Prince Saud of our full support. She might wish to recall our

/constant

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constant support for the Six Man Ministerial Committee led by Sheikh Sabah and draw attention to the Twelve's / statement of 12 June (copy enclosed) and her meeting with the UN Secretary General on 14 June.

The Prime Minister will wish to emphasise that there is no practical alternative to the Arab League's efforts, and that to internationalize the issue by, for example, raising it at the Security Council, would not be productive without the support of all the parties involved.

Prince Saud may also ask for help in getting the Israelis out of Lebanon. The Prime Minister will wish to say that we do not approve of the Israeli presence, as our continued restrictions on defence sales show. But it is not realistic to expect them to leave until there is a central government in Beirut capable of exercising control over the whole country. She may wish to add that the Three should be working towards a Syrian withdrawal, and an end to Iraqi interference in Lebanon. She might ask Prince Saud about the Committee's talks in Baghdad and Damascus.

In response to requests for further assistance, the Prime Minister might mention her own message to General Aoun (copied to Dr Hoss), which Ibrahimi told HMA Beirut had been most helpful.

It would be useful to take the opportunity to reaffirm publicly, after Prince Saud's call, our continued full support for the Arab League's efforts in Lebanon and for our common objective of restoring Lebanon's independence, sovereignty, unity and territorial integrity.

On Arab/Israel, the Prime Minister will recall that she sent King Fahd an account of her talks with Mr Shamir on 22 May, and discussed them with Prince Sultan on 31 May. She might say that we hope that the broad Arab backing for Arafat's moderate line which emerged from the Arab Summit in Casablanca will be followed up. Mr Shamir's election proposals are unsatisfactory in their present form, but they do offer a possible way forward. The Saudis should urge the PLO to respond

/constructively

constructively, for example by allowing Palestinians in the Occupied Territories to discuss them with the Israelis. Prince Saud may well urge the Prime Minister in turn to meet Arafat.

If there is time, the Prime Minister might refer to the successful visit of Saudi Defence Minister Prince Sultan (29 May - 2 June) and to HMG's full support for the successful implementation of Project al-Yamamah and the Offset Programme.

Prince Saud was due to pay an official visit to London from 17 to 19 May when the Prime Minister had agreed to receive him, but had to postpone in order to prepare for the Arab League Summit later in the month. If the Prime Minister gets the opportunity, she might say that she hopes that it will be possible for Prince Saud to make a longer visit later in the year. The Prime Minister last met Prince Saud during King Fahd's State Visit in March 1987. His last official visit in his own right was in October 1983.

/ I enclose a copy of Prince Saud's personality note.

Yours ever

(R N Peirce)
Private Secretary

C D Powell Esq
10 Downing Street

STATEMENT BY THE TWELVE ON LEBANON: 12 JUNE 1989

The Twelve express their full support for the Committee of Three Heads of State, established by the recent Arab Summit in Casablanca. They hope that this Committee, made up of the Heads of State of Three Arab countries enjoying acknowledged authority and influence, and who have expressed their wish to work with the Security Council of the United Nations, will have the cooperation of all parties concerned with a view to a complete and definitive ceasefire and an equitable political solution to the Lebanese crisis. Such a solution requires the resumption of dialogue between all Lebanese, so as to allow the putting in place of renewed institutions under which the restoration of the state will be secured.

They stress once again that this process demands the withdrawal from Lebanon of all non-Lebanese Military Forces, with the exception of UNIFIL.

The Twelve reiterate their support for the independence, sovereignty, unity and territorial integrity of Lebanon, as expressed in their previous statements on the tragic situation prevailing in that country.

HRH PRINCE SAUD AL FAISAL BIN ABDUL AZIZ

MINISTER OF FOREIGN AFFAIRS

Born 1941. Third son of King Faisal. Studied in USA and one year at LSE. Deputy Minister of Petroleum and Mineral Resources 1971-1975. Minister of State for Foreign Affairs, March 1975. Minister of Foreign Affairs, October 1975. Founder member of the King Faisal International Welfare Association.

Appointed to Ministry of Foreign Affairs after the assassination of his father. At the time it was generally predicted that his appointment would bring reforms to a second rate body. These expectations have been only partially fulfilled.

The guiding hand in Saudi foreign policy is that of King Fahd, who keeps Saud firmly in his place. Though Saud is firmly anti-Soviet, his views on, in particular the Arab/Israel dispute are closer to those of his own generation of Arab nationalists, and he can sound more intransigent than King Fahd. There has been occasional evidence of strain between the two, and of some resentment at the involvement of others in foreign affairs (eg Prince Bandar bin Sultan and Prince Salman bin Abdul Aziz (qqv)).

While at the Ministry of Petroleum, Saud was considered by a leading British economist good enough to have reached the top even if he had not been a Prince. He is tall, handsome and articulate. He speaks excellent English. The Saudis appreciate that he is an important asset. He accompanied Prince Sultan (qv) to London in September 1985, and the King on his State Visit in 1987.

Married to Jauhara bint Yazid bin Abdullah bin Abdul Rahman. Two sons and three daughters. His daughter Haya married the Astronaut Prince Sultan bin Salman, at a grand ceremony in Riyadh in November 1988. Prince Saud's favourite sport is tennis followed by skiing. He is very interested in wildlife conservation in Saudi Arabia, and is Director of the National Commission for Wildlife Conservation and Development which runs the game park at Thumamh. Honorary GCMG 1981, GCVO 1987.

PRIME MINISTER

MEETING WITH PRINCE SAUD

You are to see Prince Saud on Monday. He comes as a member of the Arab League Committee of Three appointed to bring about a solution to the Lebanese crisis. He will want to explain to you the work which his Committee is undertaking and seek some public statement of support (which we can give). It is also an opportunity to say a few words about the broader Middle East situation, although time is very limited.

Prince Saud has already been in Washington and you will find in the folder a telegram giving a very full account of his talks there. As you will see, the Committee are working on a national reconciliation charter for political and constitutional reform in Lebanon which they hope would be accepted by all parties. They are committed to convening a meeting of Lebanese parliamentarians outside Lebanon to negotiate a final version of the charter. They would then supervise a formal session of the National Assembly in Lebanon to endorse the charter, elect a Speaker and elect a President. It is an ambitious task. They recognise that withdrawal of foreign forces must also be part of any solution, but do not seem willing to press the Syrians very hard, arguing that a gradual withdrawal is better for stability.

The sort of help which they are likely to seek from us is constant urging of the various parties in Lebanon to maintain the ceasefire, encouragement to the Christians to take part in the discussions on reconciliation and reform, and persuasion of the Israelis to confirm willingness to withdraw from South Lebanon in the context of the solution.

You will want to start by expressing regret that Prince Saud's planned official visit had to be postponed and suggesting that he might like to reinstate it later in the year. You should refer to the success of Prince Sultan's recent visit. You

should say that you very much hope to see King Fahd if he opts to stop in London on his way to or from Washington in July.

Thereafter, you will want to ask Prince Saud to report on the work of the Arab League Committee of Three. You can say that you are sure it is right for the Arab League to be taking the lead rather than take the issue to the UN Security Council. You can express full support for what the Arab League are doing. You will want to stress the importance of focusing withdrawal of foreign forces, particularly the Syrians. The Arab League will need to press the Syrians hard (and the Saudis may have to stump up some cash to reward them). You can offer to put out a short statement after the meeting, expressing our full support for the Arab League's efforts to restore Lebanon's independence, sovereignty and territorial integrity.

On the broader Arab/Israel front, you need not go into detail on your meeting with Shamir, since Prince Saud will have seen your letter to King Fahd. But you might develop the point that you see no realistic alternative for the time being but to build on the Israeli proposals for elections. The most sensible next step is to get the PLO to allow Palestinians in the territories to discuss the proposals with the Israelis.

A fuller note is in the folder, with the Washington telegram.

C D.P.

C. D. POWELL
16 June 1989

DS3AKM

Reform not a mechanism

Plan - consultation, hope
and procedures

Political Road

Not Rule Change

Reform - sharing of Power

Authority of State.

Political structure

Issued out.

System / Interest relationships.

Invite to Parties — to unite with Interest

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Prime Minister
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him on Monday
morning.
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OUR TELNO 1651: LEBANON: PRINCE SAUD IN WASHINGTON

SUMMARY

1. DETAILED BRIEFING FROM STATE DEPARTMENT ON SAUD'S MEETING WITH BUSH AND BAKER. THE TRIPARTITE COMMITTEE HAVE DEVELOPED A FULL PLAN OF ACTION BUT CRUCIAL DETAILS STILL LACKING. LESS EMPHASIS THAN EXPECTED ON ISRAELI WITHDRAWAL.

DETAIL

2. PRINCE SAUD AL FAISAL, REPRESENTING THE ARAB LEAGUE TRIPARTITE COMMITTEE, PRESENTED AN ELABORATE PROGRAMME OF ACTION TO PRESIDENT BUSH AND SECRETARY BAKER DURING THEIR MEETING ON 14 JUNE. THE MEETING, SCHEDULED FOR HALF AN HOUR, RAN FOR 90 MINUTES ALMOST ENTIRELY DEVOTED TO LEBANON. PRINCE SAUD SPOKE FROM A WRITTEN SCRIPT BUT LEFT NO SPEAKING NOTE. THE FOLLOWING ACCOUNT IS BASED ON A FULL BRIEFING FROM THE NOTE-TAKER ACTING ASSISTANT SECRETARY/NEA, PAUL HARE, ON 15 JUNE.

3. IN A GENERAL INTRODUCTION, SAUD TOLD PRESIDENT BUSH THAT THE TRIPARTITE COMMITTEE INTENDED TO PLAY THE ROLE OF REFEREE NOT MEDIATOR. HE WENT ON TO DESCRIBE A THREE PART PLAN OF ACTION:

I) THE TRIPARTITE COMMITTEE WOULD DEVELOP ON THEIR OWN A ''NATIONAL RECONCILIATION CHARTER'' (NRC) COVERING THE ESSENTIAL ELEMENTS OF POLITICAL/CONSTITUTIONAL REFORM. SAUD GAVE NO DETAILS BUT PROMISED A COPY OF THE DRAFT NRC IN DUE COURSE. DESCRIBING IT IN OUTLINE, HE SAID THAT THE PRINCIPLE OF POWER-SHARING WOULD HAVE TO BE ACCEPTED BY THE MARONITES IN RETURN FOR GUARANTEES THAT THE NEW CONSTITUTIONAL ARRANGEMENTS WOULD NOT ABOLISH CONFESSIONALISM AT A STROKE. SAUD CONFIRMED THAT, IN DEVELOPING THE NRC, THE COMMITTEE WOULD NOT BE CONSULTING THE VARIOUS LEBANESE FACTIONS. THE POSITIONS OF THE PARTIES WERE WELL-KNOWN. THE COMMITTEE HAD ACCESS TO PAST

NEGOTIATING RECORDS AND WOULD DRAW ON IDENTIFIED AREAS OF CONSENSUS.

II) THE COMMITTEE WOULD CONVENE A MEETING OF LEBANESE PARLIAMENTARIANS OUTSIDE LEBANON WHO WOULD CONSIDER AND NEGOTIATE A FINAL VERSION OF THE NRC (THE PHRASE SAUD USED WAS ''THRASH IT OUT'').

III) ONCE THE NRC WAS AGREED, THE NATIONAL ASSEMBLY WOULD CONVENE IN BEIRUT (IE IN FORMAL SESSION), WITH THE TASKS OF ENDORSING THE NRC, ELECTING A SPEAKER AND ELECTING A PRESIDENT. (SAUD DID NOT ELABORATE. HARE COMMENCTED THAT REFORM AND ELECTIONS WERE CLEARLY CONCEIVED AS A PACKAGE: IT WAS NOT BEYOND LEBANESE INGENUITY TO FIND A WAY TO HANDLE ALL THREE TASKS SIMULTANEOUSLY)

4. SAUD DESCRIBED IBRAHIMI'S IMMEDIATE TASKS AS:

I) TO STABILISE THE CEASEFIRE

II) TO NEGOTIATE AGREEMENT ON THE LIFTING OF THE BLOCKADES, AND

III) TO NEGOTIATE ATTENDANCE BY THE DEPUTIES AT THE FIRST EXTERNAL MEETING TO CONSIDER THE NRC. (PARA. 3 II ABOVE).

SAUD EMPHASISED THAT THE TRIPARTITE COMMITTEE WERE NOT LINKING THEIR OWN WORK ON THE NRC TO PROGRESS BY IBRAHIMI ON A CEASEFIRE AND LIFTING THE BLOCKADES. NONE OF THE PARTIES SHOULD BE GIVEN THE OPPORTUNITY TO TORPEDO THE WHOLE PROCESS BY REFUSING TO COOPERATE IN A CEASEFIRE.

5. SAUD DEALT WITH THE ISRAELI AND SYRIAN PRESENCE IN LEBANON UNDER THE RUBRIC OF INTERNATIONAL ASPECTS BUT SAID SEVERAL TIMES THAT ISRAELI WITHDRAWAL FROM LEBANON COULD NOT BE LINKED TO SYRIAN WITHDRAWAL (OR VICE VERSA): THEY WERE BEST HANDLED AS DISCRETE ISSUES.

(A) ISRAEL

SAUD SAID ISRAELI WITHDRAWAL SHOULD BE ACCOMPLISHED IN THE CONTEXT OF THE RE-ESTABLISHMENT OF LEBANESE SOVEREIGNTY AND THE INTRODUCTION OF A LEBANESE MILITARY PRESENCE IN THE SOUTH. THERE SHOULD ALSO BE AN ''INTENSIFICATION OF THE UN PRESENCE ON THE BORDER'' (SAUD DID NOT MENTION UNIFIL BY NAME AND LEFT OPEN THE QUESTION OF AN INCREASE IN UN FORCE LEVELS). THIS WOULD ALL BE GOVERNED BY THE TERMS OF UNSCR RESOLUTION 425 AND THE 1948 ISRAELI-LEBANESE TRUCE AGREEMENT.

(B) SYRIA

SAUD DIVIDED THE SYRIAN TROOP PRESENCE INTO TWO CATEGORIES: (I) THEIR ''SECURITY PRESENCE'' (SAUD WAS NOT EXPLICIT BUT THE US TOOK THIS TO BE THE SYRIAN PRESENCE IN GREATER BEIRUT), AND (II) THEIR PRESENCE FOR SYRIAN MILITARY PURPOSES (IE IN THE BEQA'A).

(I) SAUD SAID THAT IT WOULD BE NECESSARY, ONCE THE POLITICAL NEGOTIATIONS HAD BEGUN, FOR THE RELATIONSHIP BETWEEN SYRIA AND

LEBANON TO BE ''IDENTIFIED'' UNDER THE AUSPICES OF THE COMMITTEE. IN THAT CONTEXT, THE SYRIANS WOULD WITHDRAW AND BE REPLACED BY LEBANESE NATIONAL UNITS. SAUD ADDED THE QUALIFICATION THAT IT WOULD BE IMPORTANT NOT TO MOVE TOO QUICKLY: PREVIOUS SYRIAN WITHDRAWALS HAD BEEN TOO PRECIPITATE AND HAD CREATED THE CONDITIONS FOR AN EARLY DETERIORATION IN SECURITY.

(II) AS FOR THE SYRIAN PRESENCE IN THE BEQA'A, SAUD SAID THAT ONE HAD TO BEAR IN MIND THE OVERALL LEBANESE-SYRIAN RELATIONSHIP AND THE HISTORY OF FRENCH ACTIONS IN CARVING OUT A MARONITE STATE (HARE AGREED THAT THIS SEEMED TO BE MORE THAN A NOD TOWARDS SYRIA'S CLAIM TO A SPECIAL RELATIONSHIP WITH LEBANON.

US ROLE

6. SAUD OUTLINED FOUR TASKS FOR THE ADMINISTRATION:

(I) TO IMPRESS ON ALL PARTIES THE NEED TO MAINTAIN THE CEASEFIRE

(II) TO URGE THE LEBANESE, AND ESPECIALLY THE MARONITES, TO ACCEPT THE NECESSITY OF NATIONAL RECONCILIATION/POLITICAL REFORM (IE THE NRC)

(III) TO EXERCISE US INFLUENCE TO ENCOURAGE MORE MODERATE BEHAVIOUR BY SYRIA AND IRAQ (IN THAT CONTEXT, SAUD SAID THAT IT WOULD BE HELPFUL IF SYRIA WAS NOT EXCLUDED FROM THE PEACE PROCESS).

(IV) TO PERSUADE THE ISRAELIS TO RESTATE THAT THEY WOULD BE WILLING TO WITHDRAW FROM LEBANON PROVIDED ADEQUATE SECURITY ARRANGEMENTS WERE IN PLACE IN THE SOUTH.

HARE SAID THAT THE PRESIDENT AND BAKER HAD GIVEN NO PARTICULAR ANSWER ON (III), HAD READILY AGREED TO (I), ON (II), HAD SAID THEY WOULD FIRST HAVE TO EXAMINE CLOSELY THE COMMITTEE'S DETAILED PROPOSALS, AND HAD SAID THE US WOULD CONSIDER ACTION ON (IV), WHICH MIGHT BE POSSIBLE IN THE CONTEXT OF PROGRESS ON OTHER ASPECTS OF THE COMMITTEE'S PROGRAMME.

SAUDI ROLE WITH SYRIA

7. IN ANSWER TO A QUESTION, HARE SAID THAT THERE HAD BEEN NO REFERENCE BY EITHER SIDE DURING THE MEETING TO SAUDI CHEQUEBOOK DIPLOMACY. BUT SAUD HAD MADE CLEAR THAT, IF THE COMMITTEE'S PLAN WERE TO SUCCEED, IT HAD TO HAVE SYRIA'S FULL FLEDGED SUPPORT AND COULD NOT BE ''IMPOSED''. (HARE COMMENTED THAT FREQUENT LUBRICATION WOULD NO DOUBT BE NEEDED TO KEEP THE PROCESS MOVING FORWARD: THE US HAD RECEIVED ONE REPORT OF A SINGLE DOLLARS 100 MILLION SAUDI PAYMENT TO SYRIA MADE DURING OR SOON AFTER THE CASABLANCA SUMMIT. THEY HAD NO COLLATERAL FOR THIS AND WOULD BE GRATEFUL FOR OUR ASSESSMENT.)

8. HARE NOTED FINALLY THAT SAUD HAD EMPHASISED THE NEED FOR

CONFIDENTIALITY. PRESIDENT BUSH HAD AGREED THAT THE ADMINISTRATION WOULD RESTRICT PUBLIC COMMENT TO CONFIRMATION OF US SUPPORT FOR THE ARAB LEAGUE'S EFFORTS (AS IN THE STATEMENT IN TUR). HARE ADDED THAT WE WOULD NO DOUBT BE RECEIVING A SIMILAR, IF NOT IDENTICAL, ACCOUNT FROM SAUD ON 19 JUNE BUT HE WOULD BE GRATEFUL IF WE DID NOT REVEAL THAT WE HAD RECEIVED A DETAILED BRIEFING ON HIS TALKS HERE.

COMMENT

8. HARE SAID IT HAD BEEN DIFFICULT AT TIMES DURING THE MEETING TO DISTINGUISH BETWEEN THE FORMAL POSITIONS OF THE TRIPARTITE COMMITTEE AND SAUD'S PERSONAL EMBELLISHMENTS. IN HIS BRIEFING, HE HAD TRIED TO CONCENTRATE ON THE FORMER.

9. THE ADMINISTRATION DID NOT EXPECT SAUD TO PRESENT SO DETAILED A PROGRAMME AND ARE IMPRESSED BY THE SERIOUS APPROACH BY THE TRIPARTITE COMMITTEE WHICH THIS INDICATES. (SAUD DESCRIBED THEIR WORK AS ''THE LAST OPPORTUNITY FOR PEACE IN LEBANON'': BUSH APPARENTLY AGREED THAT THE COMMITTEE'S EFFORTS WERE THE ''ONLY GAME IN TOWN''.) BUT THE ADMINISTRATION ARE WELL AWARE OF THE GRIM REALITY OF CONDITIONS IN BEIRUT AND HARE SHOWED LITTLE OPTIMISM, NOTING THAT THE COMMITTEE STILL HAVE TO FILL IN CRUCIAL DETAILS IN THEIR PROPOSALS.

10. ON THE BASIS OF THE CASABLANCA COMMUNIQUE, BUSH AND BAKER WERE BRIEFED TO RESIST EXCESSIVE CRITICISM OF THE ISRAELI PRESENCE AS THE CAUSE OF LEBANON'S TROUBLES. BUT SAUD DOWNPLAYED THAT ANGLE. US OFFICIALS TAKE THIS AT LEAST AS AN ENCOURAGING SIGN.

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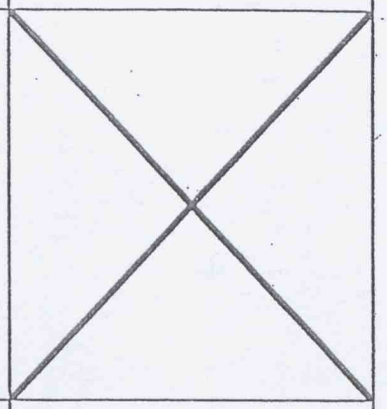
Extract details: Lord Chalfont to Powell 9/6/84	
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ARAB SUMMIT

SUMMARY

1. KING HUSSEIN'S COMMENTS ON THE ARAB SUMMIT. A NEAR FIASCO REDEEMED ONLY BY EGYPT'S READMISSION TO THE ARAB LEAGUE. VERY PESSIMISTIC ABOUT LEBANON. STRESSES THE NEED FOR BETTER PREPARATION IN THE APPROACH TO THE RIYADH SUMMIT.

DETAIL

2. I HAD AN AUDIENCE WITH KING HUSSEIN ON 30 MAY. HIS COMMENTS ON THE ARAB SUMMIT FELL INTO THREE MAIN AREAS.

READMISSION OF EGYPT

3. HE EXPRESSED SATISFACTION THAT EGYPT'S RETURN TO THE ARAB LEAGUE HAD BEEN ACHIEVED WITH LESS DIFFICULTY THAN HE HAD EXPECTED. THE ARAB LEAGUE SHOULD NOW RETURN TO CAIRO. IN REPLY TO MY QUESTION, HE INDICATED, RATHER TO MY SURPRISE, THAT THIS MIGHT HAPPEN FAIRLY SOON BUT DID NOT ELABORATE. HE SAID THAT THERE WAS NOT MUCH CONFIDENCE IN THE PRESENT SECRETARY-GENERAL IMPLYING THAT THIS VIEW WAS SHARED BY AT LEAST THE MODERATES AND THAT SOME CHANGE MIGHT BE IN THE WIND.

ARAB/ISRAEL

4. THE OUTCOME HAD BEEN SATISFACTORY IN THE SENSE THAT THE DRAFT PREPARED BY FOREIGN MINISTERS, WHICH GAVE BROAD SUPPORT TO THE PLO, HAD SURVIVED MORE OR LESS INTACT. BUT THERE HAD BEEN MUCH BICKERING AS A RESULT OF WHICH HE BELIEVED THAT ARAFAT NOW ACCEPTED THAT THE IDEA OF PREPARATORY DISCUSSIONS AMONG THE FIVE ARAB STATES WOULD DO MORE HARM THAN GOOD. QADHAFI HAD TRIED TO MAKE LAST MINUTE CHANGES TO THE TEXT WHICH HE HAD STRONGLY RESISTED, ARGUING THAT IF LIBYAN AMENDMENTS WERE TO BE ACCEPTED, JORDAN TOO WOULD WANT TO MAKE CHANGES. ON THIS BASIS THE DRAFT WAS ALLOWED TO GO THROUGH

UNCHANGED.

5. IN REPLY TO MY QUESTION, THE KING SAID THAT THE ARRANGEMENTS FOR THE COMMITTEE TO BE CHAIRED BY KING HASSAN WERE VERY FLEXIBLE. IT HAD BEEN AGREED THAT HASSAN AND ARAFAT BETWEEN THEM WOULD DECIDE WHO ELSE THEY MIGHT NEED TO CO-OPT IN ORDER TO PURSUE THE OBJECTIVES SET OUT IN THE COMMUNIQUE UNDER THE HEADING, ''PLO STRATEGY''.

LEBANON

6. THE KING SAID THAT THE DISCUSSION ON LEBANON WAS UNSATISFACTORY. THERE SHOULD HAVE BEEN MUCH GREATER ADVANCE PREPARATION. THE ACC MEMBERS HAD FAILED TO GET THEIR ACT TOGETHER WITH THE RESULT THAT HE AND SADDAM HAD TAKEN RATHER DIFFERENT APPROACHES WITH MUBARAK SOMEWHERE IN THE MIDDLE. IN ARGUING FOR THE WITHDRAWAL OF ALL FOREIGN FORCES, HE HAD TRIED TO REASSURE ASAD THAT HE WOULD CONTINUE TO HAVE A MAJOR ROLE TO PLAY IN THE CONTEXT OF THE ARAB FORCE WHICH HE (HUSSEIN) HAD ALSO ADVOCATED (WITH LINKS ALSO TO THE FIVE PERMANENT MEMBERS OF THE SECURITY COUNCIL). BUT THERE HAD BEEN A MAJOR CONFRONTATION BETWEEN SADDAM AND ASAD AND THUS NO AGREEMENT. THE COMMITTEE OF SIX HAD ADMITTED FAILURE. THE THREE-MAN COMMITTEE NOW ESTABLISHED HAD NO MANDATE (THIS TOO PROVED TOO DIFFICULT) AND WAS LEFT TO DO WHATEVER IT COULD TO PREPARE THE GROUND FOR POLITICAL REFORM.

7. KING HUSSEIN REMARKED THAT HE WAS BY NO MEANS THE ONLY HEAD OF STATE TO MAKE CLEAR AT THE SUMMIT THAT THE CHRISTIAN COMMUNITY IN LEBANON COULD NOT SIMPLY BE ALLOWED TO GO UNDER. I TOOK HIM TO MEAN THAT THE SUPPLY OF ARMS TO AOUN (PRESUMABLY FROM IRAQ AT LEAST) WOULD CONTINUE.

8. THE KING COMMENTED THAT THE SUMMIT HAD COME CLOSE TO BEING A FIASCO. HE HAD OFFERED KING FAHD HIS HELP IN PREPARING THE GROUND FOR THE NEXT ORDINARY SUMMIT IN RIYADH. HE BELIEVED THAT THE EMERGENCE OF THE THREE GROUPINGS (MAGHREB, GCC AND ACC) SHOULD MAKE IT EASIER TO CONCERT POSITIONS AND TO MINIMISE THE SCOPE FOR WRECKING BY INDIVIDUAL COUNTRIES.

9. SEE MIFT (NOT TO ALL).

REEVE

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.ARAB/ISRAEL
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INFO IMMEDIATE TEL AVIV, CAIRO, WASHINGTON, ACTOR

PERSONAL FOR HEADS OF MISSION

MIPT: AUDIENCE WITH KING HUSSEIN ON 30 MAY: ARAB/ISRAEL

SUMMARY

1. IN THE LIGHT OF CASABLANCA KING HUSSEIN PESSIMISTIC THAT SHAMIR'S ELECTION PROPOSAL CAN BE SUCCESSFULLY EXPLOITED. REVEALS THAT HE MAY SEE ARENS SHORTLY. BUT GIVEN SHAMIR'S KNOWN POSITION, STRONGLY DOUBTS THAT MUCH CAN BE ACHIEVED.

DETAIL

2. I ASKED THE KING FOR HIS REACTION TO MRS THATCHER'S MESSAGE, DELIVERED TO HIM AT CASABLANCA, AND IN PARTICULAR FOR HIS COMMENTS ON THE NEXT STEPS.

3. THE KING SAID THAT HE HAD RELAYED TO ARAFAT MRS THATCHER'S COMMENT THAT IT WOULD BE IMPORTANT FOR THE PALESTINIANS TO PRODUCE POSITIVE IDEAS OF THEIR OWN. BUT GIVEN SHAMIR'S TOTAL INFLEXIBILITY ON THE CENTRAL ISSUE OF TERRITORY FOR PEACE, IT WAS NOT EASY TO SEE HOW THE PLO COULD BE EXPECTED TO MOVE THINGS FORWARD. HE HIMSELF HAD ALWAYS HAD RESERVATIONS ABOUT THE FEASIBILITY OF BUILDING ON SHAMIR'S ELECTION PROPOSAL, THOUGH HE CONTINUED TO AVOID BEING TOO NEGATIVE IN PUBLIC. I ASKED WHETHER THE PLO MIGHT, FOR EXAMPLE, CONSIDER MAKING A FORMAL COUNTER PROPOSAL. THE KING SAID THAT IF ARAFAT WERE TO DO THIS, HE WOULD OBVIOUSLY HAVE TO CAST IT IN THE CONTEXT OF AN INTERNATIONAL CONFERENCE WITH EMPHASIS ON THE NEED FOR ELECTIONS TO FORM PART OF A COMPREHENSIVE PEACE PLAN. IN OTHER WORDS THE PLO'S COUNTER PROPOSAL WOULD DIFFER VERY LITTLE FROM THE LANGUAGE USED IN THE FINAL COMMUNIQUE AT CASABLANCA.

4. —/

SECRET/UK EYES A

4. KING HUSSEIN SAID THAT MUBARAK STRONGLY FAVOURED DIRECT CONTACTS WITH THE ISRAELIS AND HAD URGED HIM TO USE HIS OWN LINES OF COMMUNICATION WITH TEL AVIV. HE TOLD ME, IN THE STRICTEST CONFIDENCE, THAT HE MIGHT IN FACT BE SEEING ARENS IN THE NEXT FEW DAYS THOUGH HE WAS EXTREMELY DOUBTFUL THAT THIS WOULD ACHIEVE ANYTHING. WHAT WORRIED HIM WAS NOT JUST THE ISRAELI REFUSAL TO ACCEPT THE CONCEPT OF TERRITORY FOR PEACE. THE WHOLE THRUST OF SHAMIR'S APPROACH, AS PRESENTED TO MRS THATCHER, WAS TO EXCLUDE THE PLO. BUT THE NEW REALITY WAS THAT THE PLO WOULD HAVE TO PARTICIPATE IN THE VFUCE NEGOTIATIONS. ISRAELI ATTEMPTS TO RESIST THIS THROUGH DIRECT NEGOTIATIONS WITH JORDAN WERE DOOMED TO FAILURE.

5. THE KING ALSO MENTIONED THAT THE AMERICANS WERE STILL PRESSING FOR THE PLO TO NOMINATE THREE WEST BANK PALESTINIANS WHO MIGHT NEGOTIATE WITH ISRAEL. HE HAD TOLD THE AMERICAN AMBASSADOR (WHO HAD PRECEDED ME) THAT HE DOUBTED WHETHER THE PLO WOULD COUNTENANCE SUCH AN ARRANGEMENT UNLESS THE AMERICANS THEMSELVES PARTICIPATED. THE PLO'S AIM WOULD BE TO LOCK THE AMERICANS INTO THE PROCESS AND TO GET THEM TO FORCE ISRAEL TO CHANGE ITS TUNE. IN ANY CASE, HE HAD TOLD SUDDARTH THAT IT WAS FOR THE AMERICANS TO PURSUE THIS IDEA DIRECT WITH THE PLO. (COMMENT: I ASSUME THAT THE REASON WHY THE AMERICANS ARE ATTEMPTING TO USE HUSSEIN IS PRECISELY TO AVOID BEING DRAWN INTO AN INTERMEDIARY ROLE BETWEEN ISRAEL AND THE PALESTINIANS.)

6. ON THE QUESTION OF CONFEDERATION, THE KING REPEATED THE POINT HE HAS MADE TO ME PREVIOUSLY, THAT CONFEDERATION COULD ONLY COME ABOUT BETWEEN TWO SOVEREIGN STATES. HOWEVER HE BELIEVED THAT THE NECESSARY ARRANGEMENTS FOR CONDEDERATION COULD BE WORKED OUT IN ADVANCE AS PART OF THE PEACE NEGOTIATIONS. THE PALESTINIAN STATE MIGHT ONLY EXIST FOR A FEW HOURS BEFORE CONFEDERATION, BUT IT WOULD HAVE TO COME INTO BEING FIRST.

COMMENT

7. IT IS OF COURSE IN CHARACTER THAT KING HUSSEIN SHOULD BE PREPARED TO MEET ARENS, THOUGH THE RISKS, IF THIS WERE TO BECOME PUBLIC KNOWLEDGE, MUST BE CONSIDERABLE, PARTICULARLY AT A TIME OF POLITICAL TENSION WITHIN JORDAN. I SHOULD BE GRATEFUL IF THIS INFORMATION COULD BE VERY CLOSELY HELD. I DO NOT KNOW WHETHER THE KING HAS TOLD THE AMERICANS, BUT WE SHOULD NOT ASSUME THAT HE HAS.

IF

IF THE MEETING DOES TAKE PLACE, IT SHOULD AT LEAST ENABLE HIM TO DISPEL SOME ISRAELI ILLUSIONS ABOUT JORDAN'S FUTURE ROLE IN PEACE NEGOTIATIONS WHICH, BY ALL RECENT ACCOUNTS, SEEM TO BULK LARGE IN SHAMIR'S AND ARENS' THINKING. AS THE KING INDICATED, THE DIFFICULTY IS REALLY TWO-FOLD: IF A SETTLEMENT IS TO BE REACHED, SHAMIR WILL HAVE TO AGREE TO RETURN SOME TERRITORY: BUT EVEN IF HE CAN BE PERSUADED TO DO THIS, HE CANNOT LOOK TO JORDAN AS HIS SOLE, OR EVEN HIS MAJOR, NEGOTIATING PARTNER. KING HUSSEIN IS FULLY COMMITTED TO THE PAN-ARAB POSITION THAT THE PLO MUST PARTICIPATE IN NEGOTIATIONS FOR THE RETURN OF TERRITORY WHICH IT WILL EVENTUALLY CONTROL. THERE MAY BE SOME SCOPE FOR FUDGING THE PRECISE ALLEGIANCE OF THE PALESTINIANS CHOSEN TO NEGOTIATE WITH ISRAEL, BUT THE IDEA THAT ISRAEL CAN BY-PASS THE PLO ALTOGETHER AS SHAMIR HOPES, MUST NOW BE OUT OF THE QUESTION. I LABOUR THE POINT ONLY BECAUSE ANY ATTEMPT TO DO THIS WOULD GREATLY INCREASE THE PALESTINIAN THREAT TO JORDAN AND TO THE HASHEMITES IN PARTICULAR, AT A TIME WHEN THE INTERNAL SITUATION IS ALREADY MORE STRAINED THAN IT HAS BEEN FOR ALMOST TWENTY YEARS.

N.B. 11

REEVE

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OUR TELNO 1393: ARAB/ISRAEL: BAKER MIDDLE EAST SPEECH

SUMMARY

1. IMPORTANT HARD-HITTING SPEECH BY BAKER TO AIPAC CONFERENCE. NO NEW ELEMENTS OF SUBSTANCE BUT RELATIVELY FEW PRO-ISRAELI FLOURISHES. OVERALL A TOUGH MESSAGE TO ISRAEL AS WELL AS TO THE PALESTINIANS/ARABS.

DETAIL

2. SECRETARY BAKER GAVE A MAJOR SPEECH ON THE MIDDLE EAST BEFORE THE AMERICAN-ISRAEL PUBLIC AFFAIRS COMMITTEE (AIPAC) ANNUAL CONFERENCE ON 22 MAY, UNDER THE TITLE ''PRINCIPLES AND PRAGMATISM: AMERICAN POLICY TOWARD THE ARAB-ISRAELI CONFLICT''. (FULL TEXT SENT BY FAX TO SALVESEN/NENAD, AND BY BAG TO OTHERS.) THE SPEECH CONTAINED STANDARD TRIBUTES TO US-ISRAELI STRATEGIC CO-OPERATION AND THE STRENGTH OF BIPARTISAN SUPPORT FOR ISRAEL, BUT, CONSIDERING HIS AUDIENCE, BAKER THREW RELATIVELY FEW RHETORICAL BOUQUETS TO ISRAEL.

3. FOLLOWING ARE EXTRACTS ON THE MAIN POINTS OF SUBSTANCE:

- SHAMIR, PRAGMATISM AND PRINCIPLE. AFTER AN ANECDOTE TO ILLUSTRATE THE IMPORTANCE OF PRAGMATISM AND POLITICAL COMPROMISE, BAKER SAID THAT HE AND SHAMIR HAD ESTABLISHED A STRONG WORKING RELATIONSHIP. ''WE UNDERSTAND EACH OTHER TO BE PRAGMATISTS, GUIDED BY PRINCIPLE''.

- ISRAELI CAUTION. ''WE UNDERSTAND ISRAEL'S CAUTION ESPECIALLY WHEN ASSESSING ARAB ATTITUDES ABOUT PEACE .... AT THE SAME TIME, CAUTION MUST NEVER BECOME PARALYSIS. TEN YEARS AFTER CAMP DAVID, EGYPT REMAINS FIRMLY COMMITTED TO PEACE AND ARAB ATTITUDES ARE CHANGING. EGYPT'S READMISSION INTO THE ARAB LEAGUE ON ITS OWN TERMS AND WITH THE PEACE TREATY INTACT IS ONE SIGN OF CHANGE. EVOLVING PALESTINIAN ATTITUDES ARE ANOTHER. MUCH MORE NEEDS TO BE DONE - TO BE DEMONSTRATED - THAT SUCH CHANGE IS REAL. BUT THAT CHANGE CANNOT BE IGNORED EVEN NOW. THIS IS SURELY A TIME WHEN ..... THE RIGHT MIX OF PRINCIPLES AND PRAGMATISM IS REQUIRED.''

- US PRINCIPLES.

(I) ''THE OBJECT OF THE PEACE PROCESS IS A COMPREHENSIVE

SETTLEMENT ACHIEVED THROUGH NEGOTIATIONS BASED ON UNSCR 242 AND 338. IN OUR VIEW, THESE NEGOTIATIONS MUST INVOLVE TERRITORY FOR PEACE, SECURITY AND RECOGNITION FOR ISRAEL AND ALL THE STATES OF THE REGION, AND PALESTINIAN POLITICAL RIGHTS.''

(II) ''FOR NEGOTIATIONS TO SUCCEED, THEY MUST ALLOW THE PARTIES TO DEAL DIRECTLY WITH EACH OTHER FACE-TO-FACE. A PROPERLY STRUCTURED INTERNATIONAL CONFERENCE COULD BE USEFUL AT AN APPROPRIATE TIME, BUT ONLY IF IT DID NOT INTERFERE WITH OR IN ANY WAY REPLACE OR BE A SUBSTITUTE FOR DIRECT TALKS BETWEEN THE PARTIES.''

(III) ''.... SOME TRANSITIONAL PERIOD IS NEEDED, ASSOCIATED IN TIME AND SEQUENCE WITH NEGOTIATIONS ON FINAL STATUS. SUCH A TRANSITION WILL ALLOW THE PARTIES TO TAKE THE MEASURE OF EACH OTHER'S PERFORMANCE, TO ENCOURAGE ATTITUDES TO CHANGE AND TO DEMONSTRATE THAT PEACE AND COEXISTENCE IS DESIRED.''

(IV) ''IN ADVANCE OF DIRECT NEGOTIATIONS, NEITHER THE UNITED STATES NOR ANY OTHER PARTY, INSIDE OR OUTSIDE, CAN OR WILL DICTATE AN OUTCOME. THAT IS WHY THE UNITED STATES DOES NOT SUPPORT ANNEXATION OR PERMANENT ISRAELI CONTROL OF THE WEST BANK AND GAZA, NOR DO WE SUPPORT THE CREATION OF AN INDEPENDENT PALESTINIAN STATE.''

- SHAPE OF FINAL SETTLEMENT. ''WE DO HAVE AN IDEA ABOUT THE REASONABLE MIDDLE GROUND TO WHICH A SETTLEMENT SHOULD BE DIRECTED. THAT IS SELF-GOVERNMENT FOR PALESTINIANS IN THE WEST BANK AND GAZA IN A MANNER ACCEPTABLE TO PALESTINIANS, ISRAEL AND JORDAN. SUCH A FORMULA PROVIDES AMPLE SCOPE FOR PALESTINIANS TO ACHIEVE THEIR FULL POLITICAL RIGHTS. IT ALSO PROVIDES AMPLE PROTECTION FOR ISRAEL'S SECURITY.'' (CF. FROM THE 1 SEPTEMBER REAGAN PLAN: ''IT IS THE FIRM VIEW OF THE US THAT SELF-GOVERNMENT BY THE PALESTINIANS OF THE WEST BANK AND GAZA IN ASSOCIATION WITH JORDAN OFFERS THE BEST CHANCE FOR A DURABLE, JUST AND LASTING PEACE'').

- NEXT STEPS. BAKER EXPLAINED THE NEED FOR A PRE-NEGOTIATING PHASE, RATHER THAN A HIGHLY VISIBLE AMERICAN INITIATIVE. THE US WOULD REMAIN ENGAGED IN THE EFFORT TO CREATE AN ENVIRONMENT TO LAUNCH AND SUSTAIN NEGOTIATIONS. THIS WOULD REQUIRE DIFFICULT, BUT NECESSARY, DECISIONS FOR PEACE BY ALL THE PARTIES.

- OTS ELECTIONS.

(I) THE ISRAELI CABINET VERSION OF SHAMIR'S PROPOSAL, HAD INDICATED ISRAELI GOVERNMENT POSITIONS ON ''SOME BUT NOT ALL OF THE ISSUES INVOLVED .... THE ISRAELI PROPOSAL IS AN IMPORTANT AND POSITIVE START DOWN THE ROAD TOWARDS CONSTRUCTING WORKABLE NEGOTIATIONS ... THIS DESERVES A CONSTRUCTIVE PALESTINIAN AND BROADER ARAB RESPONSE. MUCH WORK NEEDS TO BE DONE TO ELICIT

PALESTINIAN AND ARAB THINKING ON THE KEY ELEMENTS IN THE PROCESS, TO FLESH OUT SOME DETAILS OF THE ISRAELI PROPOSALS AND TO BRIDGE AREAS WHERE VIEWPOINTS DIFFER. BOTH SIDES OF COURSE ARE GOING TO HAVE TO BUILD POLITICAL CONSTITUENCIES FOR PEACE''.

(II) DETAIL. ''ELECTIONS SHOULD BE FREE AND FAIR, OF COURSE, AND SHOULD BE FREE OF INTERFERENCE FROM ANY QUARTER. THROUGH OPEN ACCESS TO MEDIA AND OUTSIDE OBSERVERS, THE INTEGRITY OF THE ELECTORAL PROCESS CAN BE AFFIRMED. AND PARTICIPATION IN THE ELECTIONS SHOULD BE AS OPEN AS POSSIBLE''.

- ISRAELI-PALESTINIAN DIALOGUE. ''IT IS HIGH TIME FOR A SERIOUS POLITICAL DIALOGUE BETWEEN ISRAELI OFFICIALS AND PALESTINIANS IN THE TERRITORIES TO BRING ABOUT A COMMON UNDERSTANDING ON THESE AND OTHER ISSUES. PALESTINIANS SHOULD NOT SHY FROM A DIALOGUE WITH ISRAEL THAT CAN TRANSFORM THE CURRENT ENVIRONMENT, AND DETERMINE THE GROUND RULES FOR GETTING TO, FOR CONDUCTING AND INDEED FOR MOVING BEYOND ELECTIONS. .... FOR MANY ISRAELIS, IT WILL NOT BE EASY TO ENTER A NEGOTIATING PROCESS WHOSE SUCCESSFUL OUTCOME WILL IN ALL PROBABILITY INVOLVE TERRITORIAL WITHDRAWAL AND THE EMERGENCE OF A NEW POLITICAL REALITY''.

- CHALLENGES

(I) FOR THE ARAB WORLD. ''END THE ECONOMIC BOYCOTT. STOP CHALLENGES TO ISRAEL'S STANDING IN INTERNATIONAL ORGANISATIONS. REPUDIATE THE ODIOUS LINE THAT ZIONISM IS RACISM.''

(II) FOR ISRAEL. ''LAY ASIDE, ONCE AND FOR ALL, THE UNREALISTIC VISION OF A GREATER ISRAEL. ISRAELI INTERESTS IN THE WEST BANK AND GAZA - SECURITY AND OTHERWISE - CAN BE ACCOMMODATED IN A SETTLEMENT BASED ON UNSCR 242. FORESWEAR ANNEXATION. STOP SETTLEMENT ACTIVITY. ALLOW SCHOOLS TO RE-OPEN. REACH OUT TO THE PALESTINIANS AS NEIGHBOURS WHO DESERVE POLITICAL RIGHTS.''

(III) FOR THE PALESTINIANS. ''SPEAK WITH ONE VOICE FOR PEACE. RENOUNCE THE POLICY OF PHASES IN ALL LANGUAGES, NOT JUST THOSE ADDRESSED TO THE WEST. PRACTICE CONSTRUCTIVE DIPLOMACY. AMEND THE COVENANT. TRANSLATE THE DIALOGUE OF VIOLENCE IN THE INTIFADEH INTO A DIALOGUE OF POLITICS AND DIPLOMACY. REACH OUT TO ISRAELIS AND CONVINCE THEM OF YOUR PEACEFUL INTENTIONS ... UNDERSTAND THAT NO-ONE IS GOING TO DELIVER ISRAEL FOR YOU.''

(IV) FOR THE SOVIET UNION. IT WAS FOR THEM TO DEMONSTRATE CONVINCINGLY THAT THEY WERE SERIOUS ABOUT NEW THINKING IN THE ARAB-ISRAEL CONFLICT.

4. COMMENT. BAKER SAID NOTHING NEW OF SUBSTANCE BUT EVIDENTLY INTENDED TO SEND A STRONG SIGNAL TO ALL THE PARTIES. IN VIEW OF HIS AUDIENCE, IT WILL BE SEEN AS ESPECIALLY DIRECTED TO ISRAEL.

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IMMEDIATELY AFTER THE SPEECH, MEMBERS OF THE ISRAELI AND SOVIET EMBASSIES TO WHOM WE SPOKE BOTH (SEPARATELY) DESCRIBED THE SPEECH AS TOUGH. THE RUSSIAN WAS SMILING, THE ISRAELI NOT.

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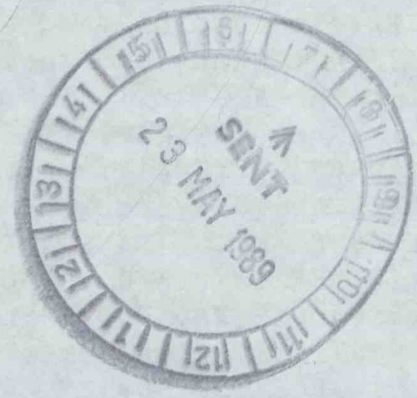

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FCO TELNO 951: ARAB/ISRAEL: ARENS AND RABIN IN WASHINGTON

SUMMARY

1. BAKER RESISTS ARENS' LINE THAT ISRAEL HAS MOVED ON ELECTIONS AS FAR AS IS NECESSARY AND POLITICALLY POSSIBLE: AND EXPRESSES CONCERN ABOUT NEW ISRAELI MEASURES IN THE TERRITORIES. RABIN EXPECTED TO BE MORE FLEXIBLE, AT LEAST ON THE PACKAGING OF ELECTIONS. STATE DEPARTMENT SPOKESMAN STATEMENT.

DETAIL

2. BURNS (PRINCIPAL DEPUTY, POLICY PLANNING, STATE) HAS BRIEFED US ABOUT BAKER'S MEETING WITH ARENS ON 18 MAY AND THE LINE HE WILL TAKE WITH RABIN ON 22 MAY.

3. ARENS' OBJECTIVES APPEAR TO HAVE BEEN TO FOCUS ATTENTION ON THE ENTIRE FOUR-POINT SHAMIR PROPOSAL, WHILE CLAIMING THAT ISRAEL'S POSITION ON THE ELECTIONS ELEMENT NEEDS NO FURTHER ELABORATION IN THE ABSENCE OF ANY CONSIDERED RESPONSE FROM THE OTHER SIDE (THE ARABS). IN HIS PUBLIC COMMENTS HE HAS TRIED TO LEAVE THE IMPRESSION THAT THE ADMINISTRATION HAS ENDORSED SHAMIR'S BROADER PLAN AND WILL PROMOTE IT AS THEIR OWN.

4. BURNS WARNED US NOT TO TAKE THIS AT FACE VALUE. BAKER HAD TOLD ARENS THAT THE US FOCUS WOULD REMAIN ON THE ELECTIONS PROPOSAL WHICH THEY WOULD CONTINUE TO RECOMMEND TO THIRD PARTIES LN BROAD TERMS AS AN IDEA WORTH SERIOUS EXPLORATION. BUT THE ISRAELI CABINET PROPOSAL OF 14 MAY REMAINED JUST THAT, AND WAS NOT A US PLAN. IT WAS A STEP IN THE RIGHT DIRECTION BUT ISRAEL HAD TO DO MORE, EVEN WITHOUT A PALESTINIAN/ARAB RESPONSE.

5. BURNS CONFIRMED THAT STATE EXPECTED LESS FROM ARENS, WHO HAD MADE PLAIN PUBLICLY AND PRIVATELY THAT HE TOOK A RESTRICTED VIEW OF THE ELECTIONS IDEA, THAN THEY DID OF RABIN, WHO WAS THE ARCHITECT OF THE IDEA AND THE MAIN POSITIVE INFLUENCE ON SHAMIR. RABIN APPEARED AT LEAST TO APPRECIATE THAT THE PROPOSAL HAD TO BE PRESENTED IN A SYMBOLICALLY MORE ATTRACTIVE PACKAGE. THEY HOPED BAKER WOULD BE ABLE TO EXPLORE IN MORE DETAIL WITH RABIN ON 22 MAY THE IMPORTANT ELEMENTS WHICH HE HAD RAISED IN HIS LETTER TO ARENS, BUT WHICH THE ISRAELI CABINET PROPOSAL HAD IGNORED.

6. BAKER HAD ALSO RAISED WITH ARENS (AS HE WOULD WITH RABIN) US

CONCERN ABOUT ISRAEL'S RECENT SECURITY MEASURES IN THE OCCUPIED TERRITORIES. THE ISRAELI EXPLANATION THAT THESE WERE THE STICK, WHICH WOULD MAKE THE ELECTIONS CARROT MORE ATTRACTIVE TO THE PALESTINIANS, WAS MISCONCEIVED. INCREASED HARSHNESS ON THE GROUND WAS LIABLE TO HARDEN PALESTINIAN ATTITUDES. ARENS HAD ASSERTED THAT THE MEASURES WERE NECESSARY TO PLACATE ISRAELI RIGHT-WING PRESSURES. BAKER HAD MADE CLEAR THAT IN HIS VIEW THE MEASURES WERE SIMPLY COUNTERPRODUCTIVE.

ARAB SUMMIT

7. BURNS SAID THAT THE US WERE PUTTING ACROSS THE MESSAGE IN ARAB CAPITALS BEFORE THE SUMMIT THAT THEY HOPED THE SUMMIT WOULD NOT SET BACK THE PROCESS, EG BY A DISMISSAL OF THE ELECTIONS IDEA. THE SUMMIT SHOULD RATHER GIVE THE MAXIMUM SUPPORT POSSIBLE FOR ARAFAT'S GENEVA COMMITMENTS. OSAMA AL BAZ HAD BEEN SURPRISINGLY CONFIDENT IN CAIRO DURING HIS MEETING WITH ROSS THAT THE SUMMIT RESULTS WOULD NOT BE COUNTER PRODUCTIVE.

STATE DEPARTMENT STATEMENT

8. SPOKESMAN ISSUED THE FOLLOWING STATEMENT ON 19 MAY ABOUT THE BAKER/ARENS MEETING:

BEGINS

THE SECRETARY HAD A GOOD DISCUSSION WITH MINISTER ARENS. THE FOCUS WAS ON EFFORTS TO MOVE THE PEACE PROCESS FORWARD. THE EMPHASIS RIGHT NOW SHOULD BE ON GETTING THE PARTIES TO THE ARAB-ISRAELI CONFLICT TO SHOW FLEXIBILITY AND CREATIVITY IN GETTING A DIALOGUE STARTED AND IN SETTING THE STAGE FOR PEACE NEGOTIATIONS. BOTH THE UNITED STATES AND ISRAEL ARE COMMITTED TO DOING WHAT WE CAN IN THIS REGARD.

LAST SUNDAY, THE ISRAELI GOVERNMENT ADOPTED A PROPOSAL WHICH HAS PROMISING POSSIBILITIES. IT'S A SERIOUS PROPOSAL. MUCH WORK NEEDS TO BE DONE, BUT THIS PROPOSAL IS CERTAINLY A GOOD START IN THE RIGHT DIRECTION. ELECTIONS CAN PROVIDE THE OPPORTUNITY TO LAUNCH A POLITICAL NEGOTIATING PROCESS THAT, FOR THE FIRST TIME, INVOLVES PALESTINIANS DIRECTLY IN EVERY STAGE OF THE PROCESS. BUT ELECTIONS CANNOT EXIST IN A VACUUM. THEY MUST BE PART OF THE PROCESS THAT LINKS TRANSITIONAL AND FINAL STATUS ARRANGEMENTS. ISRAELIS AND PALESTINIANS MUST LOOK FOR WAYS TO CONTRIBUTE TO AN ATMOSPHERE THAT WOULD STRENGTHEN CONDITIONS FOR A POLITICAL DIALOGUE AND NEGOTIATIONS FOR A COMPREHENSIVE PEACE.

SECRETARY BAKER TOLD MINISTER ARENS THAT THE UNITED STATES WOULD CONTINUE OUR EFFORTS TO THIS END. WE BELIEVE THAT THE PARTIES MUST BEAR THE MAJOR RESPONSIBILITY TO ENSURE MOVEMENT FORWARD IN THE PROCESS. WE HOPE AND EXPECT THAT OTHER PARTIES WILL ALSO EXPLORE THE ISRAELI PROPOSAL SERIOUSLY AND CONSTRUCTIVELY. NONE OF US CAN AFFORD TO MISS A

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TELNO 1367
OF 170414Z MAY 89
INFO PRIORITY RIYADH, CAIRO, RABAT, AMMAN
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FCO TELNO 151 : ARAB/ISRAEL : SECRETARY BAKER ON MR SHAMIR'S VISIT

SUMMARY

1. BAKER SUGGESTS THAT THE PRIME MINISTER PRESS SHAMIR TO MOVE BEYOND THE ISRAELI CABINET POSITION OF 14 MAY.

DETAIL

2. I SAW SECRETARY BAKER ON 16 MAY TO EXPLORE THE LATEST US POSITION BEFORE SHAMIR'S VISIT TO LONDON. I TOLD BAKER THAT THE PRIME MINISTER WOULD WELCOME HIS VIEWS ON HOW SHE SHOULD HANDLE SHAMIR. SHE WAS SEEKING SIMILAR ADVICE IN OTHER CAPITALS, INCLUDING AMMAN AND RIYADH. PRINCE BANDAR HAD JUST GIVEN ME KING FAHD'S RESPONSE. KING FAHD'S MAIN SUGGESTION HAD BEEN THAT THE PRIME MINISTER SHOULD IMPRESS ON SHAMIR THAT THERE HAD BEEN A THOROUGH SEA CHANGE IN THE REGION, IN PARTICULAR IN ARAB ATTITUDES TO ISRAEL, AND THAT ISRAEL HAD TO RESPOND.

3. BAKER SAID THAT THERE WERE INDEED OPPORTUNITIES TO BE GRASPED IN THE REGION. HE WAS GRATEFUL FOR THE CHANCE TO CONTRIBUTE SOME THOUGHTS. THE ESSENTIAL POINT WAS THAT WE SHOULD ALL CONTINUE TO PRESS THE ISRAELIS TO EXPAND THEIR ELECTIONS IDEA. THE ARGUMENT TO DEVELOP WITH SHAMIR WAS THAT THE US HAD MADE PROGRESS IN PERSUADING KING HUSSEIN, PRESIDENT MUBARAK, THE PLO (TO SOME EXTENT) AND MOST RECENTLY THE SOVIET UNION TO FOCUS ON SHAMIR'S ELECTION IDEA AS THE WAY FORWARD. ALL WERE WILLING TO TAKE ADVANTAGE OF THE OPPORTUNITY WHICH THE IDEA PRESENTED BUT MANY HAD SUSPICIONS THAT IT WAS DESIGNED ON THE ISRAELI SIDE ONLY TO BUY TIME AND TO STALL. SHAMIR SHOULD BE TOLD THAT NEITHER THE UK NOR THE US WOULD PARTICIPATE IN ANYTHING WHICH DID NOT OFFER CONTINUING PROMISE OF FORWARD PROGRESS.

4. BAKER SAID THAT THE PRIME MINISTER WOULD WISH TO TAKE INTO ACCOUNT THAT SHAMIR HAD PUSHED HIS PROPOSAL THROUGH THE ISRAELI CABINET AGAINST OPPOSITION FROM HIS RIGHT WING. NEVERTHELESS,

IT SHOULD BE IMPRESSED ON HIM THAT HE HAD TO HANDLE BOTH HIMSELF AND HIS PROPOSAL IN SUCH A WAY AS TO MOVE THE PROCESS FORWARD. TO DO THIS HE WOULD HAVE TO EXPAND ON THE ISRAELI CABINET POSITION OF 14 MAY. SPECIFICALLY, MOVEMENT WOULD BE NEEDED ON INTERNATIONAL SUPERVISION OF ELECTIONS AND SOME MEANS TO INVOLVE PALESTINIANS OUTSIDE THE TERRITORIES. ALSO, ELECTIONS COULD NOT BE MADE CONDITIONAL ON AN END TO THE INTIFADEH. (LATER IN THE CONVERSATION, BAKER AGREED THAT MUCH ELSE HAD TO BE ADDED, BOTH ON THE MECHANICS OF THE ELECTORAL PROCESS AND ON THE FUNCTION OF THOSE ELECTED).

5. I NOTED THAT THERE WERE TWO CONTRASTING VIEWS OF SHAMIR THE MAN, ONE THAT HE WAS CAPABLE OF PRAGMATISM, THE OTHER THAT HE WAS AN UNREGENERATE HARD-LINER. BAKER SAID THAT NEITHER DESCRIPTLON WHOLLY FITTED. CURRENTLY AT LEAST SHAMIR WAS SHOWING MORE FLEXIBILITY THAN ARENS. BUT BAKER AGREED THAT, WHICHEVER VIEW MIGHT BE CLOSER TO THE TRUTH, THE WAY TO TEST SHAMIR WAS TO TAKE HIS PROPOSAL AT FACE VALUE.

SOVIET UNION

6. I ASKED BAKER WHETHER HIS TALKS IN MOSCOW HAD THROWN ANY NEW LIGHT ON SOVIET ATTITUDES. BAKER SAID THAT THIS WAS AN AREA IN WHICH THERE MIGHT BE SOME DIFFERENCE OF OPINION WITH US. HE THOUGHT THAT THE PRIME MINISTER BELIEVED, AS HAD THE PREVIOUS US ADMINISTRATION, THAT OUR AIM SHOULD BE TO EXCLUDE THE SOVIET UNION FROM ANY ROLE IN THE MIDDLE EAST. THE PRESENT ADMINISTRATION'S LINE, HOWEVER, WAS THAT THE SOVIET UNION COULD PLAY A ROLE, PROVIDED THEY PROVED THEIR BONA FIDES. IN MOSCOW THE RUSSIANS HAD STARTED BY ADVANCING TWO IDEAS: FIRST, THAT DISCUSSIONS COULD BEGIN IN A QUADRIPARTITE FORUM OF THE SOVIET UNION, UNITED STATES, PLO AND ISRAEL: SECOND, THAT NEGOTIATIONS WOULD REQUIRE AN INTERNATIONAL CONFERENCE INVOLVING THE PERMANENT FIVE. BAKER HAD TOLD SHEVARDNADZE THAT THE FIRST WAS A NON-STARTER AND THE SECOND INAPPROPRIATE AT THIS STAGE SINCE IT COULD PRE-EMPT AND CONFUSE PRESENT OPPORTUNITIES. HOWEVER, AT THE END OF THEIR MEETINGS, THE RUSSIANS HAD SAID THAT THE IDEA OF ELECTIONS IN THE OCCUPIED TERRITORIES WAS WORTH SERIOUS CONSIDERATION.

7. I SAID THAT WE WERE NOT OPPOSED TO THE SOVIET UNION PLAYING A RESPONSIBLE PART IN THE PEACE PROCESS. ONE INITIAL WAY TO TEST SOVIET INTENTIONS AND TO GIVE THEM A SENSE OF INVOLVEMENT WHILE CLOSELY MONITORING THEIR ATTITUDES AND BEHAVIOUR, WAS TO ALLOW INFORMAL DISCUSSION OF THE MIDDLE EAST AMONG THE PERMANENT FIVE IN NEW YORK. THIS WAS AN INFORMAL AND CONFIDENTIAL FORUM WHICH THE US AND UK (AND FRANCE) COULD CAREFULLY REGULATE. BAKER MADE

NO COMMENT .

8. RETURNING TO THE HANDLING OF SHAMIR, BAKER SAID THAT THE SOVIET POSITION ILLUSTRATED THAT BASICALLY EVERYONE WAS WILLING TO WORK ON SHAMIR'S IDEA. SHAMIR SHOULD BE TOLD THIS BUT ALSO THAT HE HAD A RESPONSIBILITY TO GIVE HIS OWN IDEA A CHANCE. THE ISRAELI CABINET HAD LAID OUT WHAT MUST BE TAKEN AS A FIRST NEGOTIATING POSITION. SHAMIR HAD TO TREAT IT AS SUCH AND BE WILLING TO MOVE FURTHER. SOME OF SHAMIR'S PUBLIC REMARKS IN ISRAEL (E.G. THE APPARENT QUALIFICATION OF HIS COMMITMENT TO DEAL WITH WHOMEVER WAS ELECTED) SHOULD BE DISCOUNTED AS DRIVEN BY DOMESTIC POLITICAL PRESSURES. THE ADMINISTRATION WOULD GO BY WHAT SHAMIR HAD TOLD THEM HIMSELF.

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9. I ASKED BAKER WHETHER HE HAD THOUGHT OF SENDING ROSS TO TUNIS, IN ADDITION TO TEL AVIV, AMMAN AND CAIRO. BAKER REPLIED THAT PELLETREAU REMAINED THE CHANNEL FOR THE US-PLO DIALOGUE, THOUGH THERE COULD COME A TIME WHEN THAT CHANGED. THE US WERE ALSO WORKING ON THE PLO THROUGH THE SAUDIS, EGYPTIANS AND OTHERS. THE MAIN EFFORT WAS TO PERSUADE THE PLO TO ALLOW PALESTINIANS IN THE OCCUPIED TERRITORIES TO STAND IN THE ELECTIONS.

10. I SAID THAT SMALL GESTURES TO THE PLO COULD RELIVE PRESSURES ON THEM TO MAKE UNHELPFUL MOVES SUCH AS IN WHO. BAKER AGREED AND ADDED THAT ARAFAT APPEARED IN THE END TO HAVE COOPERATED IN TURNING OFF THE PLO CAMPAIGN FOR WHO MEMBERSHIP (BAKER DID NOT ELABORATE - WE DO NOT KNOW WHAT GROUNDS HE HAS FOR BELIEVING THIS).

COMMENT

11. BAKER'S SUGGESTED LINE FOR THE PRIME MINISTER TO USE WITH SHAMIR CORRESPONDS CLOSELY WITH WHAT WE KNOW OF THE TONE AND CONTENT OF HIS OWN RECENT LETTER TO ARENS (SEE MY TELNO 1234).

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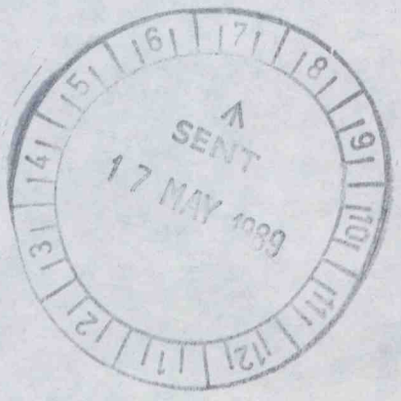

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MIPT (NOT TO ALL): AUDIENCE WITH KING HUSSEIN: LEBANON AT THE ARAB SUMMIT

1. AT MY AUDIENCE WITH KING HUSSEIN ON 15 MAY (DEVOTED MAINLY TO THE PEACE PROCESS) HE COMMENTED ALSO THAT HE EXPECTED THAT THE FORTHCOMING ARAB SUMMIT WOULD DEVOTE MUCH TIME TO LEBANON. HE HAD JUST HAD A LENGTHY TELEPHONE CONVERSATION WITH ASAD IN WHICH HE HAD TRIED TO PERSUADE HIM THAT HE SHOULD ATTEND THE SUMMIT IN PERSON. HE HAD ARGUED THAT ALTHOUGH JORDAN HAD FIRMLY SUPPORTED SYRIA'S ORIGINAL INTERVENTION IN LEBANON, THERE WAS NOW A NEED FOR A COMPLETELY NEW APPROACH IF LEBANON WAS TO SURVIVE AS A COUNTRY. HE HIMSELF ADVOCATED THE WITHDRAWAL OF ALL FOREIGN FORCES AND HE HAD PUT IT TO ASAD THAT THIS WOULD BE IN THE INTERESTS OF SYRIA AS WELL AS LEBANON AND THE WHOLE ARAB WORLD. HE HAD STRESSED THAT IF ASAD DID DECIDE TO ATTEND THE SUMMIT, HE (THE KING) WOULD TRY TO ENSURE THAT ASAD WAS IN NO WAY ISOLATED. THE AIM WOULD BE TO REACH AGREEMENT ON A PACKAGE ACCEPTABLE TO ALL PARTIES. IF SUCH AN AGREEMENT NEEDED TO BE REINFORCED BY THE PRESENCE OF AN ARAB FORCE, JORDAN WOULD BE READY TO CONSIDER THAT IDEA SYMPATHETICALLY. IT MIGHT ALSO BE USEFUL TO SEEK SECURITY COUNCIL ENDORSEMENT OF ANY AGREEMENT EMERGING AT THE SUMMIT. THE KING FELT THAT HIS ARGUMENTS HAD MADE SOME IMPRESSION ON ASAD WHO HAD SHOWN INCREASING FLEXIBILITY IN RECENT WEEKS, FOR EXAMPLE OVER EGYPT'S READMISSION TO THE ARAB LEAGUE.

2. THE KING SAID THAT HE HAD ALSO BEEN IN TOUCH WITH KING HASSAN ARGUING THAT THE MEETINGS AT THE SUMMIT SHOULD BE LARGELY CONFINED TO HEADS OF STATE AND CONDUCTED WITHOUT PUBLICITY. (THE FOREIGN MINISTER HAS SINCE TOLD ME THAT THE KING REMINDED HASSAN OF THE ACC'S DECISION NOT TO ATTEND UNLESS EGYPT WERE INVITED: IN THE JORDANIAN VIEW THIS MEANT THAT MUBARAK SHOULD BE INVITED FROM THE OUTSET RATHER THAN AFTER A PRELIMINARY MEETING AT CASABLANCA.)

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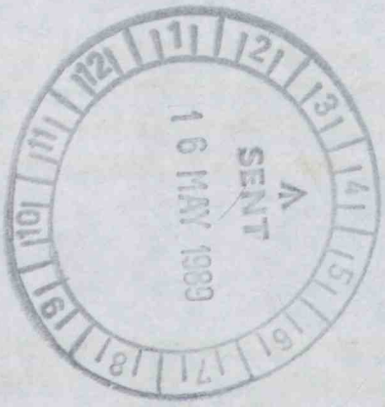

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YOUR TELNO 151: MR SHAMIR'S VISIT: ARAB/ISRAEL

SUMMARY

1. KING SEES SHAMIR'S OPPOSITION TO LAND FOR PEACE AS CENTRAL OBSTACLE TO PROGRESS. SCEPTICAL ABOUT POSSIBILITY OF BUILDING ON ELECTION PROPOSAL UNLESS THIS CAN BE OVERCOME. AGREES WITH PLO THAT ELECTIONS MUST BE LINKED TO FINAL SETTLEMENT. REMAINS COMMITTED TO ROLE FOR FIVE PERMANENT MEMBERS IN PEACE PROCESS BUT SEES SCOPE FOR PREPARATORY WORK BY SUPERPOWERS. HOPES ARAB SUMMIT WILL SUPPORT ARAFAT.

DETAIL

2. I HAD AN AUDIENCE WITH KING HUSSEIN ON 15 MAY. HIS VIEWS ON THE VARIOUS ASPECTS OF THE PEACE PROCESS CAN BE SUMMARISED AS FOLLOWS.

ELECTIONS IN THE OCCUPIED TERRITORIES

3. THE KING SAID THAT HIS LAST READ-OUT ON SHAMIR'S THINKING HAD BEEN FROM PRESIDENT MITTERRAND AND CONVEYED THE IMPRESSION THAT SHAMIR REMAINED IMMOVABLE ON THE CENTRAL ISSUE OF TERRITORY FOR PEACE. AGAINST THIS BACKGROUND HE (THE KING) REMAINED DEEPLY SCEPTICAL ABOUT SHAMIR'S ELECTION PROPOSAL. WHAT PURPOSE WERE THESE ELECTIONS MEANT TO SERVE? COULD THERE BE ANY GUARANTEE THAT THEY WOULD BE FAIRLY CONDUCTED? MIGHT THEY NOT IN ANY CASE PRODUCE REPRESENTATIVES MORE RADICAL IN THEIR APPROACH THAN ARAFAT? ABOVE ALL, WHERE WERE THEY INTENDED TO LEAD? THUS, ALTHOUGH HE WAS STILL ENCOURAGED BY PRESIDENT BUSH'S APPROACH, AS DESCRIBED TO HIM IN WASHINGTON AND SUBSEQUENTLY (WHAT HE HAD HEARD ABOUT THE BAKER LETTER TO ARENS WAS ALSO VERY ENCOURAGING), THE PROSPECTS OF REAL MOVEMENT WERE EXTREMELY DIM UNLESS SHAMIR COULD BE PERSUADED TO CHANGE HIS ATTITUDE ON THE FUNDAMENTAL ISSUE. MRS THATCHER, THE KING FELT SURE, WAS WELL AWARE OF THE

IMPORTANCE OF SECURING A SHIFT IN SHAMIR'S POSITION. WITHOUT THAT, HE SAW NO PROSPECT THAT THE ELECTION PROPOSAL COULD BE EXPLOITED.

RELATIONS WITH THE PLO

4. THE KING SAID THAT HE REMAINED IN CLOSE TOUCH WITH ARAFAT (ABU MA'ZEN HAS BEEN HERE FOR DISCUSSIONS OVER THE PAST TWO WEEKS) AND CONTINUED TO URGE HIM TO BE AS FLEXIBLE AS POSSIBLE, PARTICULARLY IN AVOIDING AN OUTRIGHT REJECTION OF ELECTIONS AS SUCH. BUT, AS WOULD BE CLEAR FROM HIS EARLIER REMARKS, HE ENTIRELY AGREED WITH THE PLO POSITION THAT THE ELECTION PROPOSAL WAS OF NO VALUE UNLESS IT WAS CLEARLY SEEN TO BE PART OF A PROCESS LEADING TO A FINAL SETTLEMENT.

5. I ASKED THE KING WHETHER HE HAD DISCUSSED WITH THE PLO THE AMERICAN SUGGESTION THAT THEY SHOULD NOMINATE SOME INDIVIDUALS IN THE WEST BANK WHO MIGHT ENTER INTO DISCUSSIONS WITH THE ISRAELIS (MY TELNO 236, NOT TO ALL, AND PLEASE PROTECT). THE KING SAID HE HAD RELAYED THIS SUGGESTION TO THE HEAD OF THE PLO OFFICE IN AMMAN. THERE HAD BEEN NO COME-BACK BUT HE HAD NOT REALLY EXPECTED ONE. HE HAD SUGGESTED THAT ARAFAT SHOULD DISCUSS THE MATTER DIRECT WITH THE AMERICANS, AND INDEED HE ASSUMED THAT THE AMERICANS WOULD THEMSELVES HAVE PUT THE POINT DIRECT TO THE PLO. THE KING ALSO MENTIONED, IN THE SAME CONTEXT, THAT FEISAL HUSSEINI HAD ASKED TO VISIT JORDAN FOR TALKS ON HIS WAY BACK FROM THE UNITED STATES SINCE THE ISRAELIS HAD REFUSED TO ALLOW HIM TO CROSS DIRECT FROM THE WEST BANK TO JORDAN.

SOVIET ATTITUDE

6. THE KING SAID THAT HE REMAINED VERY SATISFIED WITH THE SOVIET APPROACH AS DESCRIBED TO HIM BY TARASOV DURING HIS RECENT VISIT TO AMMAN. I ASKED FOR HIS REACTION TO GERASIMOV'S SUGGESTION OF DIRECT ISRAELI-PLO DISCUSSIONS UNDER SUPERPOWER AUSPICES. HE REPLIED THAT HE HAD CONTINUED TO ARGUE STRONGLY FOR A FIVE POWER APPROACH. THERE MIGHT NEVERTHELESS BE SOME SCOPE FOR PREPARATORY DISCUSSIONS BETWEEN THE TWO SUPERPOWERS ALONG THE LINES OF THE NAMIBIA PRECEDENT, WHICH WOULD PAVE THE WAY FOR THE FIVE POWER CONFERENCE.

ARAB SUMMIT

7. THE KING SAID THAT HE WOULD BE WORKING HARD AT THE SUMMIT

TO SUPPORT ARAFAT AND TO TRY TO ENSURE THAT THE SUMMIT DID NOT TIE ARAFAT'S HANDS. IN REPLY TO MY QUESTION, HE MADE CLEAR THAT HE WAS PARTICULARLY CONCERNED ABOUT THE SYRIANS, ABETTED BY THE OTHER RADICALS. IT WOULD BE A GREAT SETBACK IF THEY SUCCEEDED IN IMPOSING NEW LIMITS ON ARAFAT'S FREEDOM OF MANOEUVRE.

COMMENT

8. THE KING SAID HOW MUCH HE VALUED THE CHANCE TO FEED IN HIS VIEWS TO MRS THATCHER IN ADVANCE OF HER MEETING WITH SHAMIR. IT IS CLEAR FROM HIS COMMENTS THAT, ALTHOUGH HE REMAINS ENCOURAGED BY THE APPROACH OF THE NEW ADMINISTRATION (WHICH HE SEES AS A GREAT IMPROVEMENT ON THAT OF THE REAGAN AND SHULTZ), HE IS NEVERTHELESS VERY CONCERNED THAT SHAMIR WILL SUCCEED IN HIS TACTICS OF USING THE ELECTION PROPOSAL TO BUY TIME, OR EVEN WORSE, TO STAGE ELECTIONS WHICH LEAD NOWHERE, AND AT THE SAME SPLIT THE PALESTINIANS WITHIN THE TERRITORIES FROM THOSE OUTSIDE. HE TAKES HEART FROM THE EVIDENCE HE HAS SEEN OF AMERICAN DETERMINATION NOT TO BE BAMBOOZLED BY SHAMIR BUT HE IS WORRIED THAT THE US CONGRESS WOULD BE MORE EASILY TAKEN IN BY A PROPOSAL WHICH ARENS AND RABIN WILL NO DOUBT PORTRAY AS ENSHRINING SACRED DEMOCRATIC PRINCIPLES. HE IS ALSO CONSCIOUS OF THE FRAGILITY OF ARAFAT'S POSITION. IN THIS CONTEXT, HE REMARKED MORE THAN ONCE THAT TIME WAS SHORT. HE IS WELL AWARE THAT THERE ARE MANY POSSIBILITIES FOR SABOTAGING THE PLO'S MODERATE STANCE AND THAT THE RISKS INCREASE AS TIME PASSES WITHOUT ANY TANGIBLE GAINS WHICH MIGHT BOLSTER ARAFAT'S POSITION. HE IS HOPING THAT MRS THATCHER WILL USE THE OPPORTUNITY OF HER MEETING TO PUT THE CENTRAL ISSUES (PARA 3 ABOVE) SQUARELY TO SHAMIR AND BELIVES THAT HER PLAIN SPEAKING COULD HAVE CONSIDERABLE IMPACT.

9. MY MIFT (NOT TO ALL) REPORTS THE KING'S COMMENTS ON SYRIA, LEBANON AND THE ARAB SUMMIT.

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MIPT: ISRAELI PEACE PROPOSALS

1. FOLLOWING IS SUMMARY OF PROPOSALS AGREED ON 14 MAY BY THE ISRAELI CABINET, AND PUBLISHED IN THE PRESS ON 15 MAY.

BASIC PREMISES

ISRAEL FAVOURS DIRECT NEGOTIATIONS BASED ON THE PRICIPLES OF CAMP DAVID, OPPOSES A SEPARATE PALESTINIAN STATE, AND WILL NOT NEGOTIATE WITH THE PLO.

''SUBJECTS TO BE DEALT WITH IN THE PEACE PROCESS''

A) CAMP DAVID TO BE A ''CORNERSTONE FOR ENLARGING THE CIRCLE OF PEACE IN THE REGION''.

B) THE ESTABLISHMENT OF PEACEFUL RELATIONS BETWEEN ISRAEL AND ARAB STATES.

C) AN INTERNATIONAL EFFORT TO SOLVE THE REFUGEE PROBLEM IN THE OTS.

D) ''FREE AND DEMOCRATIC ELECTIONS AMONGST THE PALISTINIAN ARAB INHABITANTS OF JUDEA, SAMARIA AND GAZA'', TO CHOOSE A ''REPRESENTATION'' TO NEGOTIATE ON (FIRST STAGE) A TRANSITIONAL PERIOD OF SELF-RULE AND (SECOND STAGE) A PERMANENT SOLUTION.

PRINCIPLES

THE ''INTER-LOCK'' BETWEEN THE TWO STAGE ''IS A TIMETABLE ON WHICH THE PLAN IS BUILT: THE PEACE PROCESS DELINEATED BY THE INITIATIVE IS BASED ON RESOLUTIONS 242 AND 338 UPON WHICH THE CAMP DAVID ACCORDS ARE FOUNDED.''

TIMETABLE

A FIVE YEAR TRANSITIONAL PERIOD WITH NEGOTIATIONS ON THE PERMANENT SOLUTION TO BEGIN NO LATER THAN THE THIRD YEAR.

PARTICIPATION IN NEGOTIATIONS

FIRST STAGE: ISRAEL AND THE ''ELECTED REPRESENTATION'' FROM THE OTS, JORDAN AND EGYPT TO BE INVITED TO PARTICIPATE IF THEY WISH. SECOND STAGE: ISRAEL , THE ELECTED REPRESENTATION AND JORDAN. EGYPT MAY PARTICIPATE. A PEACE TREATY TO BE CONCLUDED BETWEEN ISRAEL AND JORDAN WITH THE ''REPRESENTATION'' FROM THE OTS PARTICIPATING IN THE NEGOTIATIONS.

TRANSITIONAL PERIOD

DURING THE TRANSITIONAL PERIOD THERE WILL BE SELF-RULE IN THE OTS. ISRAEL WILL CONTINUE TO BE RESPONSIBLE FOR SECURITY, FOREIGN AFFAIRS AND ALL MATTERS CONCERNING ISRAELI CITIZENS IN THE OTS.

SUBSTANCE OF PERMANENT SOLUTION

EACH PARTY TO RAISE ANY SUBJECT THAT IT WISHES. THE OBJECTIVES TO BE A PERMANENT SOLUTION ACCEPTABLE TO THE NEGOTIATING PARTIES, AND ARRANGEMENTS FOR ''PEACE AND BORDERS BETWEEN ISRAEL AND JORDAN''.

DETAILS OF IMPLEMENTATION

THE PROCESS TO BEGIN WITH ''DIALOGUE AND BASIC AGREEMENT'' WITH OCCUPANTS OF THE OTS, AS WELL AS EGYPT AND JORDAN IF THEY WISH TO TAKE PART, ON PRINCIPLES CONSTITUTING THE INITIATIVE. THIS STAGE IS TO BE FOLLOWED BY THE ELECTION PROCESS. THE ''REPRESENTATION'' ELECTED WILL NEGOTIATE ON THE TRANSITIONAL PERIOD, WILL CONSTITUTE THE SELF-GOVERNING AUTHORITY DURING THE TRANSITION PERIOD, AND WILL BE THE ''CENTRAL PALISTINIAN COMPONENT SUBJECT TO AGREEMENT AFTER THREE YEARS IN THE NEGOTIATIONS FOR THE PERMANENT SOLUTION''. DURING THE ELECTIONS AND BEFORE THEM ''THERE SHALL BE A CALMING OF THE VIOLENCE'' IN THE OTS. ALL PALESTINIAN RESIDENTS OF ''JUDEA, SAMARIA AND GAZA'' CAN PARTICIPATE IN THE PROCESS.
CANDIDATURES MUST BE SUBMITTED 'IN ACCORDANCE WITH THE DETAILED DOCUMENTS WHICH SHALL DETERMINE THE SUBJECT OF THE ELECTIONS''.

IMMEDIATELY AFTER THE ELECTIONS THE ''REPRESENTATION'' WILL NEGOTIATE ON ARRANGEMENTS FOR THE TRANSITIONAL PERIOD INCLUDING THE ARRANGEMENTS OF SELF-RULE.

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ISRAELI PEACE PROPOSALS

SUMMARY

1. SHAMIR'S ''PEACE PROPOSALS'' AGREED BY CABINET, BUT COME UNDER PREDICTABLE CRITICISM, PARTICULARLY FROM THE RIGHT. CONTENTIOUS ISSUES ON THE ELECTORAL PROGRAMME ARE NOT ADDRESSED. THE GOVERNMENT MOUNTS A CAMPAIGN FOR SUPPORT IN EUROPE AND THE US.

DETAIL

2. AFTER A 7-HOUR MEETING ON 14 MAY THE ISRAELI CABINET APPROVED BY 20 VOTES TO 6, A DOCUMENT CONTAINING SHAMIR'S ''PEACE PROPOSALS''. THE 20 PARAGRAPH DOCUMENT IS PUBLISHED. WE HAVE SENT THE TEXT BY FAX TO NENAD. A SUMMARY IS CONTAINED IN MIFT. OF THE 6 MINISTERS VOTING AGAINST, 4 WERE FROM THE RIGHT WING - SHARON, MODA'I , LEVY (LIKUD) AND SHAKI (NRP,) AND 2 FROM THE LEFT - WEIZMANN AND EDRI (LABOUR).

3. THE DOCUMENT WAS THE PRODUCT OF NEGOTIATION BETWEEN SHAMIR, ARENS, PERES AND RABIN. IT DOES NOT ADDRESS SOME TO THE MOST CONTENTIOUS ISSUES INCLUDING INTERNATIONAL SUPERVISION/OBSERVATION OF ELECTIONS, PARTICIPATION OF INHABITANTS OF EAST JERUSALEM. IT OFFERS NOTHING ON THE SUBSTANCE OF THE FINAL SETTLEMENT SEMICOLON THE PLAN IS SAID TO BE BASED ON SCRS 242 AND 338, BUT IT REITERATES ISRAELI OPPOSITION TO AN INDEPENDENT PALESTINIAN STAGE, AND TO NEGOTIATION WITH THE PLO. THE LINKAGE BETWEEN THE TRANSITIONAL STAGE AND THE FINAL SETTLEMENT IS DESCRIBED ONLY IN TERMS OF A 5 YEAR NEGOTIATING TIME-TABLE.

4. THE PROPOSALS ARE BEING CRITICISED BY THE RIGHT AS REPRESENTING A SURRENDER TO THE INTIFADA AND LEADING TO NEGOTIATION WITH THE PLO AND TO TERRITORIAL COMPROMISE. THE LABOUR LEADERSHIP IS SUPPORTING THE PLAN. PERES HAS CALLED FOR EUROPEAN SUPPORT AND ARGUES THAT THERE IS NO BETTER ALTERNATIVE. WEIZMANN AND EDRI

OPPOSED THE PROPOSALS AS UNREALISTIC AND SAY THAT THE NEXT STEP SHOULD BE DIRECT NEGOTIATION WITH THE PLO. THE LEFT WING ZIONIST PARTIES - CRM, MAPAM - HAVE GIVEN CONDITIONAL SUPPORT TO THE PLAN AS THE START OF A NEGOTIATING PROCESS.

5. THE NEXT STAGE IS AN INTERNATIONAL LOBBYING EXERCISE. THE DOCUMENT WAS DISCUSSED ON 14 MAY WITH THE VISITING US DELEGATION, LED BY ROSS (STATE DEPARTMENT). ARENS AND RABIN WILL BOTH BE IN WASHINGTON THIS WEEK, AND ARENS RETURNS VIA NEXT WEEK'S MEETING IN BRUSSELS WITH EC FOREIGN MINISTERS. SHAMIR WILL BE IN LONDON FROM 21-24 MAY AND THEN GOES ON TO MADRID.

6. THE DOCUMENT HARDLY MEETS US DEMANDS FOR A FULLY DETAILED PROGRAMME. BUT THIS WAS AS EXPECTED. THE AVOIDANCE OF THORNY ISSUES REFLECTS LACK OF AGREEMENT BETWEEN THE TWO MAIN PARTIES. BUT THE DOCUMENT DOES NOT FORECLOSE OPTIONS ON ELECTORAL MECHANICS, AND LOOKS TO REPRESENT AN OPENING NEGOTIATING POSITION.

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OF 270036Z APRIL 89
INFO PRIORITY TUNIS, RABAT, CAIRO, TEL AVIA, AMMAN
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FCO TELNO 98 TO RABAT: ARAB/ISRAEL: KING HASSAN'S MESSAGE

SUMMARY

1. US OFFICIALS SCEPTICAL THAT MOROCCAN MEMORANDUM REPRESENTS THE PLO'S LATEST VIEWS. US EFFORTS CONCENTRATED ON ELICITING A DETAILED AND PLAUSIBLE ISRAELI POSITION ON ELECTIONS.

DETAIL

2, ACTION TAKEN ON TUR ON 26 APRIL SEPARATELY WITH WELCH (HAASS' DEPUTY, NSC), BURNS (PRINCIPAL DEPUTY, POLICY PLANNING, STATE) AND KIRBY (DAS/NEA, STATE).

3. THEIR FIRST REACTION TO THE MOROCCAN MEMORANDUM WAS TO SHARE OUR DOUBTS THAT IT REPRESENTED THE CURRENT STATE OF PLO OPINION ON ELECTIONS. TO ABU SHARIF'S LINE TO MR WALDEGRAVE (WHICH KIRBY SAID HAD BEEN GOOD NEWS), THEY ADDED SALAH KHALAF'S STATEMENT OF 25 APRIL AS APPARENT EVIDENCE OF MORE CONSTRUCTIVE THINKING IN TUNIS. BUT THE POINT AGAIN CAME ACROSS STRONGLY THAT THE PLO MUST LODGE THEIR CONSIDERED RESPONSE DIRECTLY WITH THE US THROUGH THE US-PLO DIALOGUE, AND THE SOONER THE BETTER. (THE NEXT FORMAL MEETING OF THE DIALOGUE WILL BE AFTER PELLETREAU'S RETURN TO TUNIS IN EARLY MAY AND PROBABLY ALSO AFTER THE NEXT US-SOVIET BILATERAL ROUND IN MOSCOW ON 10-11 MAY. BUT KIRBY SAID PELLETREAU'S DEPUTY WOULD BE AUTHORISED TO RECEIVE ANY PLO RESPONSE BEFORE THEN, IF ONE WAS OFFERED.)

4. BURNS NOTED THAT IN US EXPERIENCE KING HASSAN WAS NOT THE MOST RELIABLE OF CHANNELS. IN THIS CASE, THE REFERENCE TO THE PROPOSED EXTRAORDINARY ARAB SUMMIT SHOWED THAT HASSAN WAS AS INTERESTED AS EVER IN HIS OWN ROLE IN THE PROCESS. HIS CURIOUS INDIRECT APPROACH TO THE NEW US ADMINISTRATION WAS ALSO UNNECESSARILY COMPLICATED - AGAIN FORM RATHER THAN SUBSTANCE.

5. ON THE NAMIBIA POINT, WELCH COMMENTED THAT, ACCORDING TO RIFAI, THE JORDANIANS HAD TOLD ARAFAT IN AMMAN, BEFORE KING HUSSEIN'S VISIT TO WASHINGTON, THAT HIS CLAIMED PARALLEL BETWEEN NAMIBIAN ELECTIONS AND THE OCCUPIED TERRITORY WAS INAPPROPRIATE. IT WAS NOT ONLY WESTERN COUNTRIES, THEREFORE, WHO SAW THROUGH THIS ARGUMENT.

6. WE ASKED OUR CONTACTS HOW THE ADMINISTRATION SAW THE NEXT STEPS. EXTERNALLY, THE US ARE AWAITING THE PLO'S CONSIDERED VIEW ON ELECTIONS (AS ABOVE). MEANWHILE, THEY HAVE HAD SEVERAL INFORMAL CONTACTS WITH THE ISRAELIS TO ENCOURAGE THEM TO ELABORATE SHAMIR'S PROPOSAL IN A FORM WHICH OFFERS SOME CHANCE OF RETAINING PALESTINIAN INTEREST. THEY ARE NOT WILLING TO WAIT FOR THE ARENS AND RABIN VISITS TO WASHINGTON, STILL SEVERAL WEEKS AWAY, TO HEAR FURTHER FROM THE ISRAELIS. A FORMAL MESSAGE FROM BAKER TO ARENS IS IN THE WORKS. INTERNALLY, THEY ARE RESEARCHING THE EXTENSIVE GROUND COVERED DURING THE CAMP DAVID AUTONOMY TALKS AND BEGINNING TO SKETCH OUT A US VIEW ON ELECTIONS (AND WHAT FOLLOWS). THEY FORESEE THE NEED FOR A US POSITION TO BRIDGE INEVITABLE GAPS BETWEEN ISRAELI AND PLO VIEWS. THE CHOICE AT THAT STAGE WILL BE TO ADMIT DEADLOCK OR TRY TO SELL A US FORMULA. OUR CONTACTS UNDERLINE THAT THE LATTER WILL REQUIRE A VERY SENSITIVE POLITICAL DECISION WHICH HAS NOT YET EVEN BEEN BROACHED.

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KING HUSSEIN IN WASHINGTON
SUMMARY
1. HUSSEIN AVOIDS PUBLIC COMMENT ON OTS ELECTIONS. HE ENCOURAGES AND SUPPORTS PRESIDENT BUSH'S EFFORTS IN THE PEACE PROCESS BUT RE-AFFIRMS THE PLO'S CENTRAL ROLE. BUSH REPEATS US COMMITMENT TO TERRITORY FOR PEACE.
DETAIL
2. ON 19 APRIL, THE FIRST DAY OF HIS EXTENDED OFFICIAL WORKING VISIT TO WASHINGTON, KING HUSSEIN MET PRESIDENT BUSH, AND HAD LUNCH WITH VICE-PRESIDENT QUAYLE BEFORE AFTERNOON MEETINGS ON THE HILL AND A FORMAL DINNER IN THE WHITE HOUSE. IN A LEISURELY PROGRAMME, THE KING WILL HAVE FURTHER MEETINGS ON 20 APRIL WITH BAKER AND CHENEY BEFORE GOING TO NEW YORK ON 21 APRIL TO DELIVER A SPEECH TO THE COUNCIL ON FOREIGN RELATIONS. HE THEN TRAVELS TO BOSTON TO RECEIVE AN HONORARY DEGREE FROM BOSTON UNIVERSITY ON 22 APRIL.
3. FOR THE RECORD, FULL TEXTS OF THE WHITE HOUSE DEPARTURE STATEMENTS ARE IN MIFT.
4. HIGHLIGHTS OF BUSH'S STATEMENT WERE:
- TERRITORY FOR PEACE: US COMMITMENT TO BRING ABOUT QUOTE A COMPREHENSIVE SETTLEMENT THROUGH NEGOTIATIONS BASED ON UN RESOLUTIONS 242 AND 338, AND THE PRINCIPLE OF TERRITORY FOR PEACE UNQUOTE.
- ELECTIONS: QUOTE PROPERLY DESIGNED AND MUTUALLY ACCEPTABLE ELECTIONS COULD, AS AN INITIAL STEP, CONTRIBUTE TO A POLITICAL PROCESS LEADING TO NEGOTIATIONS ON THE FINAL STATUS OF THE WEST BANK AND GAZA UNQUOTE
- JORDANIAN ROLE: QUOTE THE TIME HAS COME TO ..... FOCUS ON THE DIFFICULT BUT CRITICAL WORK OF STRUCTURING A SERIOUS NEGOTIATING PROCESS. HIS MAJESTY COMMITTED JORDAN TO THIS TASK, AND I COMMIT THE UNITED STATES TO THIS TASK UNQUOTE.
- US-JORDAN: QUOTE "JORDAN'S SECURITY REMAINS OF FUNDAMENTAL CONCERN TO THE UNITED STATES, AND I HAVE REASSURED HIS MAJESTY THAT THE UNITED STATES WILL DO ITS UTMOST TO HELP MEET JORDAN'S

ECONOMIC AND MILITARY REQUIREMENTS UNQUOTE.
5. KING HUSSEIN MADE NO REFERENCE IN HIS STATEMENT TO ELECTIONS IN THE OCCUPIED TERRITORIES. HIS MAIN POINTS WERE:
- PRESIDENT BUSH'S RECENT EXPLICIT REAFFIRMATION OF AMERICAN SUPPORT FOR THE END OF ISRAELI OCCUPATION IN RETURN FOR PEACE, AND FOR THE POLITICAL RIGHTS OF THE PALESTINIAN PEOPLE, AN INTEGRAL PART OF ANY COMPREHENSIVE SETTLEMENT, HAD BEEN QUOTE GOOD, CONSTRUCTIVE AND COMMENDABLE UNQUOTE.
- THE PLO, WITH THE OVERWHELMING SUPPORT OF THE ARAB WORLD, HAD MADE A SIGNIFICANT CONTRIBUTION TO PEACE. THE DECISION BY THE UNITED STATES TO UNDERTAKE SUBSTANTIVE DISCUSSIONS WITH THE PLO HAD FURTHER IMPROVED THE PROSPECTS. HE HOPED THAT THIS WOULD PROMPT ISRAEL TO RESPOND SIMILARLY TO THE REQUIREMENTS OF PEACE AND RECOGNISE THE LEGITIMATE REPRESENTATIVE OF THE PALESTINIAN PEOPLE. PEACE COULD NEITHER BE NEGOTIATED NOR ACHIEVED WITHOUT PLO PARTICIPATION.
- INTERNATIONAL CONFERENCE: QUOTE THE FORUM FOR A NEGOTIATED COMPREHENSIVE SETTLEMENT IS A PEACE CONFERENCE UNDER THE AUSPICES OF THE UNITED NATIONS. ANY STEPS TAKEN SHOULD LEAD TO SUCH A CONFERENCE IF OUR EFFORTS TO ARRIVE AT A COMPREHENSIVE SETTLEMENT ARE NOT TO BE DIVERTED UNQUOTE.
- PRESIDENT BUSH'S ROLE: QUOTE YOU ARE THE RIGHT LEADER, IN THE RIGHT OFFICE, AT THE RIGHT TIME.....YOU ARE IN A UNIQUE POSITION TO HELP THE PROTAGONISTS IN OUR AREA TO ENGENDER THE NEEDED TRUST AND HOPE, AND TO ASSIST US IN BRINGING THE CONFLICT TO A JUST AND DURABLE CONCLUSION. I CAN ASSURE YOU THAT I FULLY SUPPORT YOU IH ALL YOUR EFFORTS IN THIS REGARD UNQUOTE.
6. IMMEDIATE COMMENT ON THE HUSSEIN-BUSH MEETING BY A SENIOR ADMINISTRATION OFFICIAL, BRIEFING THE PRESS ON BACKGROUND, INCLUDED THE FOLLOWING:
- ELECTIONS: KING HUSSEIN HAD EXPRESSED SOME CONCERNS ABOUT THE PROPOSAL' INCLUDING THAT ANY STEPS TAKEN SHOULD LEAD TO FINAL STATUS NEGOTIATIONS AND A COMPREHENSIVE SETTLEMENT. BUT, AFTER HEARING BUSH AND BAKER EXPLAIN THE US APPROACH, HUSSEIN HAD SAID HE WAS ENCOURAGED AND RE-ASSURED AND HAD REITERATED HIS SUPPORT FOR THE PRESIDENT. HE HAD SAID HE WOULD TRY TO WORK WITH OTHERS IN ORDER TO ENSURE THAT IDEAS WHICH COULD ADVANCE THE PROSPECTS FOR PEACE WERE NOT DISMISSED PREMATURELY.
- PLO: HUSSEIN HAD INDICATED THAT THE KEY FROM HIS PERSPECTIVE WAS THE ROLE OF THE PALESTINIANS AND THE PLO.
- JORDANIAN ROLE: IN THE US VIEW, KING HUSSEIN WOULD REMAIN A VERY IMPORTANT ACTOR IN THE PEACE PROCESS. BUT THE US RESPECTED THE KING'S DECISION TO DISENGAGE FROM THE WEST BANK AND THERE HAD

NOT BEEN ANY US EFFORT TO ENCOURAGE HIM TO BACKTRACK.
7. SEE MIFT.

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MIPT (NOT TO ALL): SECRETARY OF STATE'S TALKS WITH BAKER, 17 APRIL: MIDDLE EAST
MIDDLE EAST
1. BAKER SUMMARISED THE US APPROACH IN FAMILIAR TERMS. THEY HAD TOLD MUBARAK AND SHAMIR THAT THEY WOULD SUPPORT A PROPERLY STRUCTURED INTERNATIONAL CONFERENCE AT THE APPROPRIATE TIME. THEY HAD SENT SHAMIR A SIGNAL BEFORE HIS ARRIVAL THAT HE SHOULD BRING NEW IDEAS WITH HIM. SHAMIR'S ELECTION PROPOSAL DID HAVE SOME MERIT. FOR THE FIRST TIME, IT ENVISAGED ELECTIONS FOR THE PURPOSE OF PRODUCING PALESTINIAN REPRESENTATIVES TO NEGOTIATE TRANSITIONAL ARRANGEMENTS, WHICH WOULD IN TURN LEAD ON TO PERMANENT STATUS NEGOTIATIONS. SHAMIR HAD CONFIRMED THAT THE ISRAELIS WOULD DEAL WITH WHOEVER WAS ELECTED. THE SECRETARY OF STATE ASKED WHETHER THEY REALLY BELIEVED THAT THE ELECTIONS WOULD PRODUCE NON-PLO PALESTINIANS. BAKER COMMENTED THAT THEY NEEDED A FICTION AND THAT THE US WERE PREPARED TO ALLOW THEM TO BELIEVE IN ONE IF THAT OPENED THE PROSPECT FOR ELECTIONS.
2 BAKER CONTINUED THAT SHAMIR'S PROPOSAL GAVE AN OPPORTUNITY TO GET NEGOTIATIONS GOING. MUBARAK, HUSSEIN AND ARAFAT HAD BEEN CONCERTING THEIR POSITIONS BEFORE HUSSEIN'S VISIT TO WASHINGTON THIS WEEK. MUBARAK AND HUSSEIN (AND, BY IMPLICATION, ARAFAT) SEEMED TO HAVE AGREED THAT HUSSEIN SHOULD NOT RULE OUT ELECTIONS.
3. BAKER SAID THAT HE HAD IMPRESSED ON SHAMIR THE NEED FOR FLEXIBILITY IN DEVELOPING THE ELECTIONS IDEA. MANY QUESTIONS STILL REMAINED TO BE NEGOTIATED (FOR EXAMPLE SHOULD THERE BE INTERNATIONAL SUPERVISION, COULD ELECTIONS TAKE PLACE WHILE THE INTIFADEH CONTINUED, WHAT WOULD BE THE LINK BETWEEN ELECTIONS AND THE PERMANENT STATUS NEGOTIATIONS, IE WOULD OTHERS THAN THOSE ELECTED BE ABLE TO NEGOTIATE ON FINAL STATUS?). SHAMIR HAD ACKNOWLEDGED THE NEED FOR FLEXIBILITY. BUT HE REMAINED DETERMINED NOT TO BE SEEN TO NEGOTIATE WITH THE PLO VIA THE US.
4. THE SECRETARY OF STATE AGREED THAT THERE WERE POSSIBILITIES IN THE ISRAELI APPROACH. CONTINUED US ENGAGEMENT WAS CRUCIAL. BAKER'S FORMULA ON THE INTERNATIONAL CONFERENCE WAS IMPORTANT, AS WAS THE PRESIDENT'S COMMENT DURING

MUBARAK'S VISIT ABOUT THE LONGER TERM OBJECTIVES.
SELF-DETERMINATION ALSO REMAINED AN IMPORTANT CONCEPT.
5. THE PUS ASKED WHETHER THE US ATTITUDE TOWARDS INVOLVEMENT OF THE FIVE IN NEW YORK WAS LIKELY TO CHANGE AS THE PROCESS MOVED FORWARD. BAKER THOUGHT THIS UNLIKELY, ALTHOUGH HE DID NOT RULE IT OUT. TWO OF THE FIVE STILL DID NOT HAVE RELATIONS WITH ISRAEL. GIVEN THAT, THE FIVE DID NOT PROVIDE A BASIS FOR A QUOTE PROPERLY STRUCTURED UNQUOTE CONFERENCE. HE CLEARLY IMPLIED THAT ISRAELI SENSITIVITIES WERE A MAJOR FACTOR IN US THINKING ON THIS POINT. SHAMIR WAS BETTER PLACED THAN ANYONE ELSE IN ISRAEL TO MOVE TOWARDS NEGOTIATIONS WITH THE PALESTINIANS. BUT THE ISRAELIS WERE IN A JUMPY MOOD. IT WAS IMPORTANT NOT TO JEOPARDISE THE POSSIBILITIES THAT NOW EXISTED.
6. THE SECRETARY OF STATE SAID THAT THE FIVE POTENTIALLY HAD A USEFUL PART TO PLAY, NOT LEAST IN KEEPING TABS ON SOVIET ACTIVITY. BAKER COMMENTED THAT WE SHOULD WELCOME THE RUSSIANS INTO THE MIDDLE EAST PEACE PROCESS BUT MAKE CLEAR THAT WE EXPECTED THEM TO USE THEIR INFLUENCE, FOR EXAMPLE ON THE SYRIANS.
7. BAKER ADDED THAT THE US/PLO DIALOGUE REMAINED FRAGILE. PRESSURE WAS RISING IN CONGRESS TO BREAK IT OFF. THERE WAS THE PROBLEM OF THE ACTIVITIES OF SPLINTER GROUPS SUCH AS THE PFLP-GC. THE JEWISH LOBBY WERE STILL SPLIT. MANY WERE BROADLY SUPPORTIVE OF THE US APPROACH TO THE PEACE PROCESS. BUT THIS SUPPORT TOO WAS FRAGILE, AND THE LOBBY WOULD RAPIDLY CLOSE RANKS IF US POLICY APPEARED TO THREATEN ISRAEL'S SECURITY.

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SENT 18 APR 1989

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Foreign and Commonwealth Office

London SW1A 2AH

14 April 1989

Dear Charles

CDT
14/4.

Omani Concern over Saudi/Iraqi Non-Interference Agreement

I enclose a copy of Muscat telno 138 which records, in paragraph 6, the concern expressed by Sultan Qaboos to the Home Secretary during his recent visit about the non-interference agreement signed at the end of March by Saudi Arabia and Iraq. The Sultan asked for his concern to be passed on to the Prime Minister.

As you know, the Sultan has long been distrustful of his larger and stronger Arab neighbours, especially Saudi Arabia with which Oman has long-standing border problems. The Sultan mentioned his concerns about Saudi Arabia to the Prime Minister during her visit last July in the context of the announcement earlier that month of major new British arms sales to Saudi Arabia. The non-interference pact is obviously giving him renewed worries. He is probably nervous that agreement between his much stronger neighbours not to interfere in each other's affairs will give them a freer hand to interfere in Omani affairs. But, while the Sultan is right to be wary, we believe he is over-reacting. Iraq sees the agreement principally as a means of strengthening her position vis-à-vis Iran by minimising other potential regional threats. For the Saudis, the agreement will go some way to alleviate their worries about their powerful and aggressive northern neighbour, which has long had designs on the Kingdom's pre-eminent position amongst the Gulf States, and about the recently formed Arab Cooperation Council between Iraq, Jordan, Egypt and Yemen. The right tactic for the Sultan in this situation would be to reinforce his links with, and the performance of, the Gulf Cooperation Council.

We see no need for the Prime Minister to send a personal message of reassurance to the Sultan. We have sent a telegram to Muscat giving our initial analysis

/and

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and instructing the Ambassador to provide some reassurance to the Omani Foreign Minister. I enclose a copy. The Prime Minister might discuss the subject with the Sultan when he visits in July.

Yours ever

Bob Peirce

(R N Peirce)
Private Secretary

C D Powell Esq
10 Downing Street

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FM MUSCAT
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TELNO 138
OF 301610Z MARCH 89
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YOUR TELNO 119 (NOT TO ALL): HOME SECRETARY'S GULF TOUR:
AUDIENCE WITH THE SULTAN

1. THE HOME SECRETARY HAD AN AUDIENCE TODAY (30 MARCH) WITH THE SULTAN IN SALALAH.

2. THE HOME SECRETARY EXPLAINED BRIEFLY THE PURPOSE OF HIS VISIT TO THE GULF AND THE IMPORTANCE OF INTERNATIONAL COOPEATION IN TACKLING EFFECTIVELY THE PROBLEMS OF TERRORISM, DRUGS AND ORGANISED CRIME. HE HAD BEEN MUCH IMPRESSED BY HIS VISIT THE PREVIOUS DAY TO THE ROYAL OMAN POLICE. THERE WERE A NUMBER OF AREAS, INCLUDING TRAINING, IN WHICH WE COULD BUILD ON THE PRESENT LEVEL OF COOPERATION. HE WOULD BE LOOKING INTO THESE.

3. MR HURD DELIVERED THE PRIME MINISTER'S MESSAGE ON TORNADO (YOUR TELNO 115, NOT TO ALL). HE STRESSED HOW MUCH WE APPRECIATED THE CLOSE WORKING RELATIONSHIP WE HAD WITH OMAN AND MADE CLEAR THAT THIS WOULD NOT BE AFFECTED BY THE SULTAN'S DECISION. THE SULTAN EMPHASISED THAT THIS WAS A DECISION TO POSTPONE, NOT TO CANCEL. THE INTENTION NOW WAS TO HAVE HAWKS BEFORE TORNADO. HE HOPED LATER, RESOURCES PERMITTING, TO REVERT TO THE ORIGINAL INTENTION TO BUY TORNADO.

4. HE AGREED WITH THE HOME SECRETARY'S VIEW THAT THE DECISION WAS LIKELY TO ATTRACT CONSIDERABLE PUBLICITY WHEN ANNOUNCED, AND THAT THE HANDLING IN PUBLIC WAS IMPORTANT. HE WOULD HIMSELF MAKE NO STATEMENT. IT WOULD BE IMPORTANT IN ANY PUBLIC STATEMENT TO STRESS THAT AIRCRAFT PURCHASES WERE PART OF A PHASED PROGRAMME (SEMI COLON) THAT NO FINAL DECISIONS HAD YET BEEN TAKEN ABOUT THE LONGER TERM PROGRAMME (SEMI COLON) AND THAT THE DECISION NOT TO PROCEED WITH TORNADO OWED NOTHING TO POLITICAL, MILITARY OR PROFESSIONAL DOUBTS ABOUT THE AIRCRAFT'S EFFECTIVENESS, BUT HAD BEEN TAKEN FOR PLANNING AND FINANCIAL

REASONS. THE SULTAN AGREED THAT I SHOULD NOW CONSULT QAIS ZAWAWI OVER THE PUBLIC WORDING OF AN ANNOUNCEMENT. (I HOPE TO DO THIS ON SATURDAY OR SUNDAY).

5. THE SULTAN SPOKE ABOUT IRAN, MONTAZERI'S RESIGNATION, AND THE PART THIS PLAYED IN THE PRESENT POWER STRUGGLE. RAFSANJANI WAS NOW IN A DIFFICULT POSITION. THE SULTAN SAID THAT HE HAD REASONABLY CLOSE CONTACT WITH MODERATE ELEMENTS IN IRAN. IN HIS VIEW IRAN'S ONLY HOPE FOR THE FUTURE, FROM BOTH A MILITARY AND ECONOMIC POINT OF VIEW, WAS FOR THE MODERATES TO PREVAIL. THE SULTAN DID NOT MENTION THE SATANIC VERSES OR OUR OWN RELATIONS WITH IRAN.

6. DURING A SHORT TETE-A-TETE AFTERWARDS THE SULTAN TOLD THE HOME SECRETARY THAT HE WAS DEEPLY CONCERNED ABOUT THE RECENT IRAQ-SAUDI AGREEMENT AND WOULD BE GRATEFUL IF THE PRIME MINISTER COULD BE INFORMED OF THIS. HE WAS SURE THAT HIS DISQUIET WAS SHARED THROUGHOUT THE GULF. THE SAUDIS HAD ACTED IN FEAR THAT THE IRAQIS WOULD NOW TURN THE HEAT ON THEM, AND THAT SAUDI ARABIA COULD EXPECT NO SUPPORT FROM JORDAN, THE YAR OR INDEED EGYPT. HE SAID THAT THIS WAS A DANGEROUS TURN OF EVENTS OF WHICH WE SHOULD BE AWARE. (THIS FITS IN WITH, BUT WAS MORE SPECIFIC THAN, SIMILAR DISQUIET EXPRESSED TO MR HURD BY QAIS ZAWAWI AND YUSUF ALAWI.)

7. FCO PLEASE ADVANCE TO PRIVATE SECETARY TO THE HOME SECRETARY.

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YOUR TELNO 138 : OMANI CONCERN ABOUT SAUDI/IRAQI NON-INTERFERENCE AGREEMENT

1. We are informing No 10 of the Sultan's concern about the implications for Oman of the recent Saudi-Iraqi non-interference pact. Please go over THE preliminary analysis below with Yusuf bin Alawi, emphasising its frankness and sensitivity. The Sultan's visit in July will provide an opportunity to discuss the subject in greater depth.

2. We understand the background to the Sultan's concern. In theory, the agreement could allow the Iraqis and Saudis to re-target some of the political and military resources at present directed against each other. Given the history of Saudi-Omani ~~border problems~~ RELATIONS and the close ties to Iran which Oman kept up during the Gulf conflict, Oman has reason to worry about potentially hostile intentions from both Saudi Arabia and Iraq. Iraq, in addition, has already shown its capacity to interfere in other countries' affairs (eg Lebanon).

3. However, without wishing to appear complacent, we believe

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that the Sultan should not be over-concerned that the agreement will be detrimental to Oman's interests. Saudi Arabia and Iraq are, in practice, unlikely to put a great deal of faith in a piece of paper, and will continue to be wary of each other. This will keep resources pinned down. Moreover, we think it very unlikely that either Saudi Arabia or Iraqi seriously intends to interfere in Oman's internal affairs. Saudi Arabia, despite her residual territorial designs on Oman reflected in periodic border incidents, would be very unlikely to want to undermine the cohesion of the GCC by a systematic attempt at destabilising Oman, particularly in the wake of the creation of the ACC which it views as an unwelcome counterweight to the GCC's influence in the region.

4. The Saudis claim the agreement was an Iraqi initiative. Iraq is no doubt motivated by a desire to strengthen its position vis-a-vis Iran. But Iraq has stated a wish to see similar agreements concluded with - and between - other Arab countries [B, C] (Riyadh telno 194 (para 4) and Baghdad telno 242, on which you may draw). This may in itself provide a measure of reassurance. Despite its past record with the Gulf, it is difficult to see what Baghdad would hope to gain at this juncture by interference in Oman's affairs. Since the ceasefire Iraq has tended to pursue its regional ambitions in a relatively unaggressive and cooperative way (relations with Syria excepted), (and the ACC itself seems to be evidence of this.) Provided Iraq feels that its views are being accorded an importance by other Arab countries commensurate with its military and economic strength, there is a good chance that moderate external policies will prevail in Baghdad. In particular, Iraq can have little interest in undermining the GCC as long as it is seen as a source /// of reconstruction funds, and Iraqi ministers have made reassuring noises // to the Gulf countries.

5. In short, we believe the Iraqi-Saudi agreement to be / primarily a political gesture which should not (not) significantly cause problems for Oman. It might also be worth

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pointing out that it is open to Oman to conclude similar agreements with its neighbours if the Sultan believes this would give Oman an extra layer of security (the Bahrain Foreign Minister was positively enthusiastic about the agreement when I saw him on 1 April and expressed the hope that there would be more such agreements). But his best tactic would be to further consolidate the links he already has with the other member states of the GCC.

6. Riyadh may wish to comment further. Kuwait may also have views on how the agreement has affected its relations with Saudi Arabia and Iraq.

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MIPT: SHAMIR'S PROPOSALS.

1. AREN'S REMARKS APPEAR TO SHOW A GENUINE INTEREST IN HEARING BRITISH VIEWS. I THINK THAT WE SHOULD TEST THIS . BUT THEY CONTAIN NOTHING NEW ON THE CENTRAL ISSUES - THE NATURE OF THE FINAL SETTLEMENT, THE NEGOTIATING ROLE OF THE PLO. NOR DID HE CLARIFY ISRAELI PROPOSALS ON ELECTIONS IN THE OTS.

2. IT IS NO SURPRISE THAT THE LIKUD SHOULD BE LAUNCHING A DIPLOMATIC CAMPAIGN WITH MAJOR WESTERN COUNTRIES. THIS IS COMPATIBLE WITH THE THEORY THAT SHAMIR'S PROPOSALS IN WASHINGTON ARE A SMOKESCREEN, AND THAT HIS OBJECTIVE IS TO BUY TIME. THE EMPHASIS ON HELP TO REFUGEES CERTAINLY LOOKS LIKE A DIVERSIONARY TACTIC AT THIS STAGE. BUT THE ALTERNATIVE THEORY - THAT BY PROPOSING ELECTIONS IN THE OTS SHAMIR HAS, WITTINGLY OR NOT, OPENED UP NEW POSSIBILITIES - HAS GAINED SOME GROUND AMONG MODERATE OPINION HERE. OPTIMISTS POINT TO:

(A) THE INSISTENCE THAT NEGOTIATIONS ON A FINAL SETTLEMENT WILL BE WITHOUT PRE-CONDITIONS (ALTHOUGH THIS ECHOES BEGIN'S PROTESTATIONS AT THE END OF THE CAMP DAVID PROCESS):

(B) THE CONCESSIONS INVOLVED IF THE ISRAELIS AGREE TO ''POLITICAL ELECTIONS'' WHICH WOULD ALLOW ELECTED REPRESENTATIVES TO NEGOTIATE THE MODALITIES OF AUTONOMY. THIS WOULD GO FURTHER THAN CAMP DAVID. (BUT OF COURSE THE ISRAELIS HAVE YET TO GIVE ANY PRECISE COMMITMENT).

(C) ENCOURAGING HINTS ABOUT THE MECHANICS OF ELECTIONS, INCLUDING THE POSSIBILITIES OF NOMINATING PALESTINIAN REPRESENTATIVES FROM OUTSIDE THE OTS, AND OF A DIRECT POLLING SYSTEM THAT COULD MEET THE PROBLEM OF THE STATUS OF VOTERS IN EAST JERUSALEM.

3. THE LABOUR PARTY ARE DELAYING JUDGEMENT UNTIL THEY SEE THE RESULTS OF US CONTACTS WITH THE PLO. MOVES ON THE LEFT OF THE

PARTY TO WITHDRAW FROM THE GOVERNMENT ARE FOR THE MOMENT SUSPENDED. PERES HAS HELDF OFF PUBLICISING ALTERNATIVE PROPOSALS. HE HAS PUBLICLY SUPPORTED THE PRINCIPLE OF ELECTIONS IN THE OTS (WHICH BOTH HE AND RABIN PROPOSED BEFORE THE ISRAELI ELECTION LAST NOVEMBER), WHILE QUESTIONING WHETHER ENOUGH IS ON OFFER TO INDUCE THE PALESTINIANS TO JOIN A NEW PROCESS. HE HAS ALSO COMMENTED THAT WHETHER THE ISRAELIS LIKE IT OR NOT, THE US IS NOW INVOLVED IN A PROCESS OF INDIRECT NEGOTIATIONS WITH ISRAEL AND THE PLO. IT IS THIS LAST POINT, VIGOROUSLY CONTESTED BY LIKUD, WHICH HAS CAUSED SOME TWITCHING ON THE RIGHT.

4. I REGRET THAT I STILL SEE NO REAL EVIDENCE FOR THE OPTIMISTIC INTERPRETATION OF SHAMIR'S MOTIVES, OR ANY SIGN THAT HE WILL SHIFT ON THE CENTRAL ISSUES. HE MAY BE COUNTING ON THE PLO'S TURNING DOWN THE ELECTION PROPOSAL. EVEN IF THEY DO NOT , HE HAS LEFT HIMSELF ROOM FOR MANOEUVRE. ARENS IS CAREFULLY CULTIVATING HIS REPUTATION AS A MOVE MODERATE INTERLOCUTOR. BUT EVEN REAL LIKUD MODERATES SUCH AS DAN MERIDOR, WITH WHOM I HAD A LONG CONVERSATION LAST WEEK, REVEAL NO CRACK IN THE PARTY'S UNITY ON QUESTIONS OF SUBSTANCE. MOREOVER I DOUBT WHETHER AT PRESENT THE LABOUR PARTY WILL HELP US OUT. AS SALAI MERIDOR SAID TO ME, SHAMIR PLAN MAY OR MAY NOT GET ANYWHERE - BUT NO ALTERNATIVE PERES PLAN STANDS ANY CHANCE AT ALL OF GAINING POPULAR AND OFFICIAL ENDORSEMENT. FOR THE MOMENT I FEAR THAT HIS IS RIGHT.

5. I BELIEVE THEREFORE THAT THE RIGHT TACTICS NOW ARE TO TAKE SHAMIR'S PROPOSALS AT FACE VALUE, AND TO CONTINUE TO PROBE THEM. THE WAY IS OPEN FOR ME TO PUT TO ARENS, ON INSTRUCTIONS, FURTHER QUESTIONS AND SPECIFIC SUGGESTIONS COVERING, PERHAPS, POINTS WHICH WE BELIEVE COULD INTEREST THE PALESTINIANS IN THE ELECTION PROCESS. I SHOULD BE GRATEFUL FOR GUIDANCE.

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ARAB/ISRAEL: SHAMIR PROPOSALS.

SUMMARY.

1. ARENS BRIEFS SELECTED AMBASSADORS INDIVIDUALLY ON SHAMIR PROPOSALS IN WASHINGTON AND ASKS FOR SUGGESTIONS ON THE PEACE PROCESS AND MONEY FOR REFUGEE RESETTLEMENT.

DETAIL.

2. I WAS SUMMONED TO SEE ARENS IN THE LATE AFTERNOON OF 12 APRIL HE WAS ACCOMPANIED ONLY BY HIS POLITICAL ADVISER, SALAI MERIDOR. MERIDOR TOLD ME SUBSEQUENTLY THAT SIMILAR BRIEFINGS WERE OFFERED TO AMBASSADORS OF THE SUMMIT 7, PLUS THE SPANISH AMBASSADOR REPRESENTING THE EC PRESIDENCY. NETANYAHU WAS BRIEFING THE CANADIANS SEPARATELY BEFORE RETURNING TO ISRAEL.

3. ARENS SET OUT THE FOUR POINTS OF THE SHAMIR PROPOSALS IN ALMOST EXACTLY THE TERMS APPARENTLY USED IN WASHINGTON (WASHINGTON TELNO 965). HE EXPANDED VERY SLIGHTLY ON THE THIRD POINT (A MULTINATIONAL REFUGEE RELIEF PROGRAMME), SAYING THAT ISRAEL WOULD PARTICIPATE IN THE PROGRAMME AND HAD ALREADY DONE A CERTAIN AMOUNT BUT THAT ISRAELI EFFORTS WERE ONLY A DROP IN THE BUCKET: A MAJOR CONTRIBUTION WAS NEEDED FROM THE WORLD IN GENERAL AND THE LEADING INDUSTRIAL POWERS IN PARTICULAR.

4. ARENS SAID THAT THE DETAILS OF THE ELECTIONS PROPOSAL IN PARTICULAR WERE YET TO BE FILLED IN, AND DELIBERATIONS WOULD CONTINUE IN JERUSALEM AFTER SHAMIR' S RETURN ON 14 APRIL. THE ISRAELI GOVERNMENT WOULD WELCOME ADVICE AND SUGGESTIONS FROM FRIENDLY GOVERNMENTS, ''AMONG WHOM THE UK WAS CERTAINLY INCLUDED'', AS THEY MOVED TOWARDS IMPLEMENTATION. THE ISRAELIS BELIEVED THAT THESE PROPOSALS

STOOD A CHANCE OF WINNING ARAB SUPPORT AND IF SO COULD REPRESENT A TURNING POINT FOR THE MIDDLE EAST AFTER A TEN YEAR DRY SPELL. ARENS RECALLED HIS CONVERSATION WITH THE PRIME MINISTER, AT A TIME WHEN HE HAD NOT BEEN ABLE TO SPEAK DEFINITIVELY TO MRS THATCHER ABOUT THE ELECTIONS IDEA BECAUSE SHAMIR HAD NOT ENDORSED IT: HE HAD THE IMPRESSION THAT MRS THATCHER HAD SHOWN SOME INTEREST IN THE IDEA. SHE HAD ALSO AGREED THAT IT WAS IMPORTANT FOR JORDAN TO BE BROUGHT INTO THE PROCESS. ARENS SAID THAT ATTEMPTS WERE BEING MADE TO SCARE KING HUSSEIN AWAY, AND IT WAS NECESSARY TO NEUTRALISE THESE ATTEMPTS.

5. ARENS THEN INVITED COMMENT. I ASKED ABOUT THE CONDITIONS UNDER WHICH THE ELECTIONS MIGHT TAKE PLACE, AND WHETHER ANY INDUCEMENTS MIGHT BE OFFERED TO SECURE PALESTINIAN AGREEMENT TO PARTICIPATE. I SAID IN PARTICULAR THAT IT WOULD CLEARLY BE IMPORTANT FOR THE ELECTIONS TO BE SEEN AS FIRMLY IN THE CONTEXT OF A PROCESS LEADING TO NEGOTIATIONS ON FINAL STATUS FOR THE TERRITORIES. THE EFFECT OF SOME STATEMENTS RECENTLY MADE BY THE ISRAELI SIDE, TO THE EFFECT THAT DIRECT NEGOTIATION WITH THE PLO WOULD NEVER BE POSSIBLE AND THAT AN INDEPENDENT PALESTINIAN STATE WAS TOTALLY EXCLUDED AS A POSSIBLE OUTCOME, SEEMED TO ME TO BE LIKELY TO DESTROY ANY PROSPECT OF MOVEMENT IN THE PEACE PROCESS BEFORE IT HAD EVEN STARTED.
WAS IT NOT POSSIBLE FOR THE ISRAELI GOVERNMENT TO SHOW SOME FLEXIBILITY AND OPENMINDEDNESS ON THESE POINTS?

6. ARENS SAID THAT THE CONTEXT OF THE ELECTIONS WAS CLEARLY ILLUSTRATED BY THE ISRAELI USE OF THE WORD ''INTERIM''. THE CAMP DAVID AGREEMENTS HAD SPELLED OUT THE STAGES, AND SHAMIR HAD ALSO MADE IT PLAIN THAT A FURTHER STAGE OF NEGOTIATIONS WAS ENVISAGED. THE ISRAELI GOVERNMENT MEANT WHAT THEY SAID WHEN THEY SPOKE OF ''WITHOUT PRECONDITIONS''. AS FOR THE PLO, THERE WERE PALESTINIANS IN MANY PLACES - JORDAN, TUNIS, LEBANON: IT WAS THE PALESTINIANS IN THE WEST BANK AND GAZA WHO WERE THE SUBJECT OF THE PRESENT EXERCISE.

7. I PRESSED FURTHER ON THE OPTIONS FOR FINAL STATUS. WOULD ARENS BE ABLE TO GIVE A PERSONAL VIEW ON THE EVENTUAL ACCEPTABILITY OF SOME FORM OF CONFEDERATION? DID HE BELIEVE THAT KING HUSSEIN COULD REALLY BE TEMPTED BACK, GIVEN THE CLEAR STATEMENTS WHICH HE HAD BEEN MAKING? DID THE ISRAELIS HAVE ANY HOPE OF SUPPORT FROM MUBARAK, WHO HAD ALSO BEEN SPEAKING CLEARLY IN RECENT DAYS ABOUT THE UNACCEPTABLE FEATURES OF THE SHAMIR PROPOSALS? ARENS DECLINED

TO SPECULATE ABOUT THE FINAL STATUS, SAYING MERELY THAT IT WAS TOO EARLY TO ADDRESS THIS ISSUE. KING HUSSEIN'S STATEMENTS HAD TO BE TAKEN AT FACE VALUE, BUT ISRAEL HAD SOME HOPES OF SUPPORT FROM MUBARAK AND OTHERS, INCLUDING IN PARTICULAR MRS THATCHER, IN PERSUADING HIM TO CHANGE HIS MIND. (I HAD THE IMPRESSION THAT ARENS WAS A LITTLE DEFENSIVE ON THE CATEGORICAL NATURE OF SHAMIR'S STATEMENTS - LEFT TO HIMSELF HE WOULD PROBABLY HAVE BEEN MORE CAUTIOUS IN PUBLIC.)

8. RETURNING TO THE IMMEDIATE FUTURE, AND TO THE ELECTIONS AND THE PROSPECTS FOR AN INTERIM SOLUTION, I ASKED ABOUT TIMING AND PROCEDURES FOR THE ELECTIONS. I SAID ALSO THAT ISRAEL MUST SURELY REALISE THAT THE PALESTINIANS WOULD FIND IT VERY DIFFICULT TO PARTICIPATE IN ELECTIONS UNDER PRESENT CIRCUMSTANCES IN THE TERRITORIES. WAS THERE ANY CHANCE OF IDF WITHDRAWALS, OR AT LEAST OF A RELAXATION OF THE POLICIES OF DETENTION, OCCASIONAL DEPORTATIONS, AND OTHER MEASURES WHICH WERE SEEN AS MOST OPPRESSIVE IN THE TERRITORIES?

9. ARENS SAID THAT THE ISRAELI GOVERNMENT INTENDED TO PRESS AHEAD AS QUICKLY AS POSSIBLE, BUT THEY WERE NOT YET READY TO SAY PRECISELY WHAT FORM THE ELECTIONS MIGHT TAKE: IT WAS STILL NOT CLEAR WHETHER THEY WOULD BE MUNICIPAL ELECTIONS OR SPECIFICALLY DESIGNED TO ELECT POLITICAL NEGOTIATORS. NOR COULD HE GIVE ANY DETAILS OF THE ISRAELI POSITION ON THE SHAPE OF AN INTERIM ARRANGEMENT, ALTHOUGH THE AUTONOMY MODEL SET OUT IN THE CAMP DAVID AGREEMNTS WAS STILL THE PREFERRED ONE IF NOT THE ONLY POSSIBILITY. IT WAS VERY DIFFICULT TO CONTEMPLATE CHANGES IN THE REGIME IN THE TERRITORIES, AND AN IDF PRESENCE WOULD CLEARLY BE NECESSARY TO PREVENT THE INTIMIDATION OF THE ELECTORATE. ISRAEL WAS DETERMINED TO ENSURE THAT THE ELCTIONS WERE FREE AND FAIR, AND COULL NOT ACCEPT THAT ISRAELIS WERE UNABLE TO ACHIEVE THIS: THERE HAD BEEN NO SERIOUS CRITICISM OF THE ELECTIONS IN THE TERRITORIES IN 1976. HE GAVE NO ENCOURAGEMENT TO THE IDEA OF INTERNATIONAL SUPERVISION.

10. I ASKED FOR AN EXPANSION OF ISRAELI IDEAS ON THE RESETTLEMENT OF REFUGEES. WAS IT THE INTENTION TO SEEK THEIR RESETTLEMENT ELSEWHERE, OR WOULD THEY REMAIN IN THE TERRITORIES? ARENS SAID THAT THERE WAS NO THOUGHT OF FOCIBLE RESETTLEMENT (OR, BY IMPLICATION, OF MASS DEPORTATIONS). THE GOVERNMENT HAD ALREADY RESETTLED NUMBERS OF FAMILIES IN GAZA, FROM 10 OR 12 NEIGHBOURHOODS, AND THIS SHOULD SERVE AS A MODEL FOR WHAT THEY ASPIRED TO IN THE FUTURE. BUT IT WAS ESSENTIALLY A QUESTION OF

RESOURCES. HENCE THE APPEAL TO THE RICHER STATES, WHO MIGHT CHOOSE TO OPERATE THROUGH THE WORLD BANK. ARENS ADDED THAT HE THOUGHT THAT NOT ENOUGH ATTENTION HAD BEEN GIVEN TO THIS ASPECT OF SHAMIR'S PROPOSALS: WORK ON THIS COULD START NOW, AND THE SUGGESTION OF ELECTIONS WAS BY NO MEANS THE ONLY POINT WORTH PURSUING.

11. ARENS SHOWED NO DESIRE TO HURRY THE CONVERSATION BUT WHEN I LEFT THE ITALIAN AMBASSADOR HAD CLEARLY BEEN WAITING FOR A FEW MINUTES. I MENTIONED TO ARENS AS I LEFT THAT I MIGHT WELL BE ASKED TO SEEK A FURTHER APPOINTMENT TO ASK FOR CLARIFICATION AND TO AMPLIFY OUR VIEWS. ARENS SAID THAT HE WOULD WELCOME THIS.

12. FOR COMMENT PLEASE SEE MIFT.

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From the Private Secretary 10 April 1989

ISRAEL, THE OCCUPIED TERRITORIES AND JORDAN: IMPRESSIONS AND A SKETCH FOR A POLICY

The Prime Minister read over the weekend your note of 13 March (which reached me only on 7 April) about Israel, the Occupied Territories and Jordan. She told me that she found it very stimulating although the conclusions you draw are somewhat depressing. She was very pleased to have the opportunity to read it.

May I leave it to you to decide whether you wish this note to be shown more widely in the Foreign and Commonwealth Office.

(C. D. POWELL)

The Hon. William Waldegrave, M.P.

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OUR TELNO 965 AND TEL AVIV TELNO 96: PRIME MINISTER SHAMIR IN WASHINGTON

SUMMARY

1. AS EXPECTED, BOTH SIDES AVOID CONFRONTATION. BUT US - ISRAELI DIFFERENCES EXPLORED CANDIDLY. US OFFICIALS NOT EXAGGERATING SIGNIFICANCE OF SHAMIR'S ELECTIONS PROPOSAL, BUT BELIVE IT GIVES THEM AN OPENING TO EXPLORE WITH THE PLO AND OTHER PARTIES. ISRAELIS ASKED TO ELABORATE THEIR IDEAS.

2. SHAMIR TAKES EDGE OFF CONGRESSIONAL CRITICISM AND BUYS TIME. SUBTLE PLOR RESPONSE COULD KEEP ONUS ON ISRAEL. SHAMIR'S AIDES SAID TO BE WORRIED WHERE PROCESS MIGHT LEAD.

LDETAIL

3. IT WAS CLEAR BEFORE SHAMIR ARRIVED THAT BUSH AND BAKER WOULD NOT SEEK AN OPEN ROW WITH HIM. THEY WANTED CONGRESSIONAL AND US PUBLIC UNEASE WITH ISRAEL'S POLICIES TO CONTINUE TO ACT AS A STIMULUS TO FRESH ISRAELI THINKING. ARENS' VISIT HAD SHOWN THE BENEFIT OF WORKING WITHIN THE LIMITS OF AN EMERGING US CONSENSUS NO LONGER TOTALLY UNCRITICAL OF ISRAEL. ONLY IF SHAMIR HAD COME COMPLETELY EMPTY-HANDED WOULD CONGRESS AND MAINSTREAM US JEWISH OPINION HAVE TOLERATED A MUCH TOUGHER TONE FROM THE ADMINISTRATION.

4. SHAMIR DID THE MINIMUM NECESSARY TO AVOID SUCH AN OUTCOME. HE CLAIMED TO HAVE BROUGHT A 4-POINT INITIATIVE BUT THREE WERE THROW-AWAY POINTS AND THE FOAURTH, THE OFFER OF ELECTIONS IN THE OCCUPIED TERRITORIES, WAS SKETCHED IN NO MORE THAN BARE OUTLINE. HE AVOIDED SAYING ANYTHING OF SUBSTANCE IN PUBLIC ABOUT FINAL STATUS.

5. BRIEFING OECD EMBASSIES ON 7 APRIL, KIRBY (DAS/NEA) ACKNOWLEDGED THAT SHAMIR HAD SO FAR PRESENTED ONLY THE QUOTE GERM OF AN IDEA UNQUOTE. THE US SIDE HAD ALREADY ASKED THE ISRAELIS FOR FURTHER DETAIL IN THREE MAIN AREAS:

- WHAT STEPS SHOULD PRECEED ELECTIONS TO ALLOW THEM TO TAKE PLACE ?

(US OFFICIALS HAVE SEPERATELY CLAIMED TO US THAT THEY HELD SHAMIR

BACK FROM SETTING THE END OF THE INTIFADEH AS A PRECONDITION).
- HOW WOULD ELECTIONS BE STRUCTURED, INCLUDING THE QUESTION OF INTERNATIONAL OBSERVERS AND WHETHER RESIDENTS OF EAST JERUSALEM MIGHT PARTICIPATE.
- WHAT WOULD FOLLOW ? (I.E. THE NEED FOR A CLEAR POLITICAL CONTEXT?).
KIRBY ADDED THAT THE US WAS NOT PRECLUDING OTHER WAYS OF DEALING WITH PALESTINIAN REPRESENTATION AT THE APPROPRIATE TIME: AND THAT ELECTIONS, OR ANY OTHER APPROACH, MUST BE GROUNDED IN A POLITICAL PROCESS LEADING EVENTUALLY TO NEGOTIATIONS ON FINAL STATUS.

6. TO THE OECD, KIRBY SAID ONLY THAT THERE HAD BEEN MUCH DISCUSSION ON THE LAST POINT WITH SHAMIR, BUT PRIVATELY HE AND OTHER US CONTACTS HAVE TOLD US THAT IN ALL THE MEETINGS THE US SIDE PRESSED THE POINT THAT THERE WOULD BE NO PRODUCTIVE PROCESS WITHOUT CLEAR LINKAGE. THE PUBLIC RESULTS OF THESE APPARENTLY CANDID DISCUSSIONS WERE THIN. (SHAMIR AGREED TO THE PASSAGE ON ISRAELI VIEWS OF FINAL STATUS IN BUSH'S DEPARTURE STATEMENT AND WAS PERSUADED TO ADD TO HIS OWN STATEMENT THE SENTENCE THAT QUOTE ALL PROPOSED OPTIONS WILL BE EXAMINED UNQUOTE DURING THE NEGOTIATIONS FOR A PERMANENT AGREEMENT). BUT US OFFICIALS CLAIM THAT THE ISRAELIS SHOULD HAVE TAKEN AWAY A CLEAR SENSE THAT THE US WILL NOT ALLOW THIS ASPECT OF THEIR APPROACH TO BE NEGLECTED.

7. BUSH HIMSELF UNDERSCORED THIS PUBLICLY ON 7 APRIL. ASKED WHAT HE HAD MEANT BY THE END OF OCCUPATION AS A US GOAL, HE REPLIED: QUOTE I DO NOT FEEL THAT THE PROVISIONS OF 242 AND 338 HAVE BEEN FULFILLED. I WANTED TO BE CLEAR TO ALL THE PARTIES OF THE MIDDLE EAST THAT THAT IS MY VIEW, AND, AS BEST THE UNITED STATES CAN, WE WILL HOLD THE PARTIES TO A FULL IMPLEMENTATION OF THOSE RESOLUTIONS. UNQUOTED.

8. IN OPERATIONAL TERMS, US OFFICIALS BELIEVE THAT SHAMIR'S PROPOSAL FOR OTS ELECTIONS, HOWEVER BARE IT IS AT PRESENT, HAS AT LEAST GIVEN THEM SOMETHING TO WORK WITH AND A FOCUS FOR US ACTIVITY WITH THE PARTIES, IN PARTICULAR THE PLO. WE ASKED WHETHER THIS WOULD BE A WHOLEHEARTED EFFORT OR A HOLDING OPERATION AND A MENS OF DEFLECTING PRESSURE FOR AN INTERNATIONAL CONFERENCE. NONE OF OUR CONTACTS SAW IT AS OTHER THAN A LONG HAUL: VIEWS IN BOTH ISRAEL AND TUNIS HAD TO MATURE. BUT EVENTS THEMSELVES WERE UNLIKELY TO ALLOW US POLICY TO DRIFT.

9. A PROBLEM FOR THE US APPROACH WILL BE THAT JUST THE IDEA OF INDIRECT US MEDIATION WITH THE PLO STILL TOUCHES A RAW ISRAELI NERVE. SHAMIR APPARENTLY AGREED FOR INSTANCE, THAT TENSION IN THE TERRITORIES COULD BE REDUCED IN RECIPROCAL MOVES (THE PALESTINIANS TO MOVE FIRST) BUT REJECTED ANY IMPLICATION THAT SUCH MOVES MIGHT NEED TO BE EXPLORED INDIRECTLY WITH TUNIS. (THE US SIDE DID NOT

PRESS THIS POINT BUT MADE IT CLEAR THAT THE US-PLO DIALOGUE WAS A PRACTICAL REALITY).

10. KIRBY TOLD THE OECD GROUP THAT THE US HOPED THAT NO-ONE WOULD SIMPLY DISMISS THE IDEA OF ELECTIONS OUT OF HAND. A REAL ATTEMPT SHOULD BE MADE TO EXPLORE THE PROPOSAL IN ORDER TO DEVELOP AN APPROACH MUTUALLY ACCEPTABLE TO THE PARTIES. HE NOTED THAT PRESIDENT MUBARAK HAD EXPRESSED BROAD SUPPORT FOR THE US APPROACH.

11. NO DATE HAS BEEN SET FOR THE NEXT FORMAL SESSION IN THE US-PLO DIALOGUE. AMBASSADOR PELLETREAU IS DUE BACK IN WASHINGTON FOR TWO WEEKS FROM 18 APRIL TO ATTEND REGULAR US-TUNISIAN CONSULTATIONS. WE ARE TOLD A FORMAL MEETING IS UNLIKELY BEFORE HIS DEPARTURE. EARLY MAY THEREFORE SEEMS THE LIKELY DATE. THE US HOPE TO MAKE PROGRESS MEANWHILE IN FILLING OUT THE ISRAELI OPENING POSITIONS. (US OFFICIALS SAY PRIVATELY THAT, READING BETWEEN THE LINES, THEY ALREADY SEE SOME CHANCE OF ISRAELI FLEXIBILITY OVER INTERNATIONAL SUPERVISION). A US-ISRAELI WORKING GROUP MAY BE SET UP SOON.

SHAMIR/CONGRESS

12. SHAMIR CAME KNOWING THAT HE FACED UNACCUSTOMED PROBLEMS ON THE HILL. ARENS HAD BEEN LEFT IN NO DOUBT THAT ISRAEL'S SUPPORTERS FELT UNDER PRESSURE AND IN TURN WANTED ISRAEL TO TAKE BACK THE INITIATIVE WITH A POSITIVE PEACE PLAN. THE FIRST ACCOUNTS WE HAVE HAD OF SHAMIR'S RECEPTION SUGGEST THAT HIS PROPOSAL OF FREE DEMOCRATIC ELECTIONS IN THE OTS (WITH IT IMPICIT CHALLENGE TO THE PLO'S CLAIMS TO LEADERSHIP) HAD RESONANCE AND HAS BEEN SUFFICIENT TO DULL THE EDGE OF CONGRESSIONAL CRITICISM. SHAMIR WAS QUESTIONED CLOSELY ABOUT HIS PROPOSAL RATHER THAN SUBJECTED TO GENERAL EXHORTATION (THOUGH THERE WAS SOME OF THAT). HIS ANSWERS SUGGESTED FLEXIBILITY (EG ON BEING ABLE TO DEAL WITH ELECTED PALESTINIANS WHO SAID THEY SUPPORTED THE PLO, PROVIDED THEY ALSO CONTINUED TO ACCEPT THE BASIS ON WHICH THEY HAD BEEN ELECTED, I.E. TO NEGOTIATE INTERIM ARRANAGEMENTS). ACCORDING TO STAFFERS, MEMBERS OF CONGRESS APPEARED TO CONCLUDE THAT SHAMIR HAD OPENED A LINE WHICH DESERVED EXPLORATION.

13. ONE INTERPRETATION OF SHAMIR'S INTENTIONS IS THAT ALL THIS IS A SMOKESCREEN CALCULATED TO DISARM CRITICISM OF ISRAEL IN THE US AND BUY TIME, IN THE EXPECTATION OF A PLO OWN GOAL. (SEE TEL AVIV TUR). OTHERS HERE SEE IT AS AN ACHIEVEMENT TO HAVE GOT SHAMIR PREGNANT WITH THE PEACE PROCESS. (THE ISRAEL OFFICE DIRECTOR IN STATE NOTED THAT THIS WAS THE FIRST TIME SINCE CAMP DAVID THAT ANY GOVERNMENT OF ISRAEL HAD FORMALLY PUT FORWARD A SUBSTANTIVE PROPOSAL OF ITS OWN). ON THIS ANALYSIS, THE SUPPOSITION IS THAT WITH CLEVER HANDLING SHAMIR MAY BE LEAD INTO A PROCESS WHICH WILL LEGITIMISE THE PLO'S STANDING IN THE TERRITORIES AND OPEN FURTHER POSSIBILITIES. MARTIN INDYK (WASHINGTON INSTITUTE) WHO HAS BEEN

CLOSE TO THE ISRAELI DELEGATION TOLD US THAT NETANYAHU AND BEN AHARON WERE BOTH CONCERNED THAT SHAMIR WAS STARTING A PROCESS WHICH ISRAELI HARDLINERS MIGHT NOT BE ABLE TO CONTROL.

14. WHETHER OR NOT SHAMIR HAS ANYTHING IN MIND BEYOND SHORT TERM DAMAGE LIMITATION IN THE US, THE ADMINISTRATION DO NOW INTEND TO MAKE HIS ELECTIONS PROPOSAL THE PRELIMINARY FOCAL POINT OF THEIR BILATERAL ACTIVITY IN THE PEACE PROCESS. THEY ARE NOT TAKING THE BALD LINE THAT THE BALL NOW LIES IN THE PLO COURT, SINCE THERE IS STILL MUCH THEY WANT TO SHAKE LOOSE IN THE ISRAELI POSITION. BUT A BLUNTLY NEGATIVE PLO RESPONSE WOULD ALLOW SHAMIR TO ESCAPE UNTESTED AND LEAVE HIM, IN THE US AT LEAST, WITH THE PROPAGANDA ADVANCAGE. THE EROSION OF SUPPORT SUFFERED BY ISRAEL SINCE THE START OF THE INIFADEH WOULD NOT BE REVERSED BY THIS ALONE - IN THE LONG TERM ISRAEL WILL STILL HAVE PROBLEMS TO SLOVE - BUT THE TREND WOULD SLOW. PLO CREDIBILITY WOULD SUFFER FURTHER. ON THE OTHER HAND, A SUBTLE RESPONSE COULD KEEP THE ONUS ON SHAMIR.

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ISRAEL'S INITIATIVE TO THE RENEWAL OF THE PEACE PROCESS

PRIME MINISTER SHAMIR'S STATEMENT FOLLOWING HIS MEETING WITH THE _ UNITED STATES PRESIDENT, MR. GEORGE BUSH ON 6.4.89

MR. PRESIDENT, TO ADVANCE THE CAUSE OF PEACE, WE HAVE PUT FORWARD A FOUR-POINT PEACE INITIATIVE:

FIRST, WE PROPOSE AN EFFORT TO MAKE THE EXISTING PEACE BETWEEN ISRAEL AND EGYPT, BASED ON THE CAMP DAVID ACCORDS, A CORNERSTONE FOR EXPANDING PEACE IN THE REGION. WE CALL UPON THE THREE SIGNATORIES OF THE CAMP DAVID ACCORDS, AT THIS 10TH ANNIVERSARY OF THE TREATY OF PEACE, TO REAFFIRM INDEED THEIR DEDICATION TO THE ACCORDS.

SECOND, WE CALL UPON THE UNITED STATES AND EGYPT TO MAKE IT CLEAR TO THE ARAB GOVERNMENTS THAT THEY MUST ABANDON THEIR HOSTILITY AND BELLIGERENCY TOWARDS ISRAEL. THEY MUST REPLACE POLITICAL WARFARE AND ECONOMIC BOYCOTTS WITH NEGOTIATIONS AND COOPERATION.

THIRD, WE CALL FOR A MULTINATIONAL EFFORT, UNDER THE LEADERSHIP OF THE U.S. AND WITH SUBSTANTIAL ISRAELI PARTICIPATION, TO FINALLY SOLVE THE ARAB REFUGEE PROBLEM, PERPETUATED BY ARAB GOVERNMENTS, WHILE ISRAEL ABSORBS HUNDREDS OF THOUSANDS OF JEWISH REFUGEES FROM ARAB COUNTRIES. ALL THESE REFUGEES SHOULD HAVE DECENT HOUSING AND LIVE IN DIGNITY. THIS PROCESS DOES NOT HAVE TO AWAIT A POLITICAL SOLUTION OR TO SUBSTITUTE FOR IT.

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שגרירות ישראל
לונדון

FOURTH, IN ORDER TO LAUNCH A POLITICAL NEGOTIATING PROCESS, WE PROPOSE FREE DEMOCRATIC ELECTIONS, FREE FROM AN ATMOSPHERE OF PLO VIOLENCE, TERROR AND INTIMIDATION, AMONG THE PALESTINIAN ARABS OF JUDEA, SAMARIA AND GAZA. THEIR PURPOSE IS TO PRODUCE A DELEGATION TO NEGOTIATE AN INTERIM PERIOD OF SELF-GOVERNING ADMINISTRATION. THE SHAPE OF MODALITIES AND PARTICIPATION IN THE ELECTIONS WILL HAVE TO BE DISCUSSED. THE INTERIM PHASE TO PROVIDE A VITAL TEST OF COEXISTENCE AND COOPERATION. IT WILL BE FOLLOWED BY NEGOTIATIONS FOR A PERMANENT AGREEMENT. ALL PROPOSED OPTIONS WILL BE EXAMINED DURING THESE NEGOTIATIONS.

THIS IS AN OUTLINE OF OUR COMPREHENSIVE PLAN FOR PEACE. IT IS BASED ON DEMOCRATIC PRINCIPLES. IT ADDRESSES THE REAL ISSUES. TOGETHER, I BELIEVE WE CAN ACHIEVE THESE GOALS. MAY GOD LEAD US TO THE RIGHT DECISION.

THANK YOU, MR. PRESIDENT

ISRAEL ישראל

Foreign and Commonwealth Office

London SW1A 2AH

4 April 1989

~~Charles~~
We can destroy it
& file original
OR

Dear Charles

Prime Minister's Message to President Mubarak

We spoke yesterday about a small discrepancy between the letter that the Prime Minister signed on 31 March and the text that was passed to President Mubarak on his transit through Heathrow on 1 April by Roger Tomkys. You agreed that in the circumstances we should not transmit a signed original. I enclose, for your record, FCO telno 100 to Cairo with the text of the message transmitted to the Egyptians.

Yours ever

R N Peirce

(R N Peirce)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

111733
MDHOAN 8380

PRIME MINISTER'S PERSONAL MESSAGE SERIAL NO. T.65a/89

SUBJECT cc Martin OPS

CONFIDENTIAL
FM FCO
TO IMMEDIATE CAIRO
TELNO 100
OF 031000Z APRIL 89
AND TO IMMEDIATE WASHINGTON
INFO PRIORITY RIYADH, KHARTOUM, BEIRUT, BAGHDAD, AMMAN
INFO PRIORITY TEL AVIV
INFO SAVING TRIPOLI, DAMASCUS

MIPT: PRESIDENT MUBARAK'S STOPOVER

1. FOLLOWING IS TEXT OF MESSAGE FROM THE PRIME MINISTER TO PRESIDENT MUBARAK:

BEGINS

DEAR MR PRESIDENT

I AM SO SORRY THAT MY ABSENCE IN AFRICA MEANS THAT IT IS NOT POSSIBLE FOR US TO MEET ON THIS OCCASION. I WANTED TO LET YOU HAVE MY THOUGHTS ON THE PALESTINIAN QUESTION BEFORE YOUR VISIT TO WASHINGTON.

I BELIEVE THAT ISRAEL WILL BE DRIVEN BY NECESSITY TO NEGOTIATE, THOUGH THERE IS NO DOUBT THAT MR SHAMIR WILL DO SO VERY TOUGHLY. IT IS DAWNING ON THE ISRAELIS THAT THEY WILL HAVE TO NEGOTIATE WITH PALESTINIANS WHO HAVE THE PLO'S APPROVAL EVEN IF NOT WITH THE PLO ITSELF. AS I SAID IN MOROCCO THIS WEEK, IT WILL BE ESSENTIAL FOR ISRAEL TO NEGOTIATE WITH PALESTINIAN REPRESENTATIVES FROM INSIDE AND OUTSIDE THE OCCUPIED TERRITORIES. IT IS EQUALLY ESSENTIAL THAT, PENDING SUCH NEGOTIATIONS, THE PALESTINIANS LIVE UP TO CHAIRMAN ARAFAT'S COMMITMENT TO REFRAIN FROM TERRORISM. EGYPT'S INFLUENCE AND COUNSEL WILL CONTINUE TO PLAY A LARGE PART IN KEEPING THE PLO ON THE PATH TO PEACE.

I BELIEVE THAT THE AMERICANS WILL BE FIRM WITH THE ISRAELIS ON THE CRUCIAL ISSUE OF TERRITORY FOR PEACE, BUT THAT THEY WILL WANT NEGOTIATIONS TO BE WELL PREPARED. THEY SEEM TO ENVISAGE PROCEEDING BY PARALLEL NEGOTIATIONS BETWEEN THE UNITED STATES AND THE PLO AND BETWEEN ISRAEL AND THE PALESTINIANS STARTING WITH SMALL STEPS TO CALM THE SITUATION IN THE OCCUPIED TERRITORIES. THE EVENTUAL AIM SEEMS STILL TO BE AN INTERNATIONAL CONFERENCE ALTHOUGH THE AMERICANS DO NOT WANT TO GIVE THIS ANY PROMINENCE AT THIS STAGE. OUR OWN VIEW REMAINS THAT THE FIVE PERMANENT MEMBERS OF THE SECURITY COUNCIL SHOULD HAVE A ROLE AT SUCH A CONFERENCE AND THAT IT WOULD BE A MISTAKE FOR NEGOTIATIONS TO BE HELD UNDER THE AEGIS OF THE UNITED STATES AND THE SOVIET UNION ALONE.

I AM CONFIDENT THAT PRESIDENT BUSH IS PREPARED TO MAKE A SERIOUS EFFORT TO BRING ABOUT NEGOTIATIONS AND IN DUE COURSE TO BRING MORE PRESSURE TO BEAR ON ISRAEL THAN PRESIDENT REAGAN WAS WILLING TO DO. BUT, REALISTICALLY, IT IS LIKELY TO TAKE THE REMAINDER OF THIS YEAR BEFORE NEGOTIATIONS CAN START. IT WOULD, I THINK, BE WRONG TO RUSH PRESIDENT BUSH. BUT WE SHALL CONTINUE TO ENCOURAGE HIM, AS I HOPE YOU WILL DO ALSO, TO GIVE THIS PRIORITY AND TO WORK TO PERSUADE MR SHAMIR TO ACCEPT THE NEED FOR NEGOTIATIONS WITH PALESTINIANS ON THE BASIS OF TERRITORY FOR PEACE. MR SHAMIR IS LIKELY TO VISIT LONDON NEXT MONTH AND I SHALL TAKE THE OPPORTUNITY TO URGE THE CASE FOR TALKS BETWEEN ISRAEL AND THE PALESTINIANS.

I VERY MUCH LOOK FORWARD TO HEARING YOUR IMPRESSIONS IN THE LIGHT OF YOUR DISCUSSIONS IN WASHINGTON. I REGRET THAT I SHALL BE PREOCCUPIED WITH PRESIDENT GORBACHEV'S VISIT WHEN YOU RETURN VIA HEATHROW. BUT I HAVE ASKED WILLIAM WALDEGRAVE TO CALL ON YOU THEN.

WARM REGARDS
YOURS SINCERELY

MARGARET THATCHER ENDS

HOWE

YYYY

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INFO ROUTINE BONN, TOKYO, PEKING
INFO SAVING TRIPOLI, DAMASCUS

MIPT AND FCO TELNO 98 TO CAIRO: PRESIDENT MUBARAK IN WASHINGTON
1. FOLLOWING ARE THE DEPARTURE STATEMENTS BY PRESIDENT BUSH AND PRESIDENT MUBARAK AT THE WHITE HOUSE AFTER THEIR MEETING ON 3 APRIL.
2. PRESIDENT BUSH.
BEGINS

IT WAS A SPECIAL PLEASURE FOR ME TO WELCOME OUR GOOD FRIEND, PRESIDENT HOSNI MUBARAK, TO THE WHITE HOUSE THIS MORNING. OUR PERSONAL RELATIONSHIP GOES BACK SEVERAL YEARS, FROM THE DAYS WE WERE BOTH VICE PRESIDENTS, THEN THROUGH MY VISIT TO CAIRO IN 1986, AND THEN OUR MOST RECENT MEETING IN TOKYO IN FEBRUARY.

I AM GLAD FOR THIS EARLY OPPORTUNITY TO DISCUSS WITH PRESIDENT MUBARAK THE VITAL INTERESTS OF MY ADMINISTRATION IN MOVING THE PEACE PROCESS FORWARD. EGYPT'S PIVOTAL ROLE IN THE MIDDLE EAST, AND OUR STRONG BILATERAL RELATIONSHIP, REMAIN KEY TO ACHIEVING THAT GOAL. PRESIDENT MUBARAK'S VISIT IS PARTICULARLY TIMELY. FOR OVER 15 YEARS, EGYPT HAS BEEN OUR PARTNER IN THE PEACE PROCESS, AND 10 YEARS AGO, EGYPT AND ISRAEL SIGNED THEIR HISTORIC TREATY OF PEACE. EGYPT'S CONTINUED COMMITMENT TO EXPANDING THAT PEACE IS A SOURCE OF GREAT ENCOURAGEMENT FOR ALL OF US WHO SEEK A COMPREHENSIVE RESOLUTION TO THE ARAB-ISRAEL CONFLICT. THE RE-EMERGENCE OF EGYPT AS A RESPECTED LEADER OF THE ARAB WORLD ATTESTS TO PRESIDENT MUBARAK'S STATEMANSHIP AND ABILITY, AS WELL AS TO EGYPT'S WISDOM IN PURSUING THE PATH OF PEACE.

IN OUR DISCUSSIONS, WE SPENT A CONSIDERABLE AMOUNT OF TIME TALKING ABOUT THE MIDDLE EAST PEACE PROCESS. WE SHARE A SENSE OF URGENCY TO MOVE TOWARD A COMPREHENSIVE SETTLEMENT THROUGH DIRECT NEGOTIATIONS. TEN YEARS OF PEACE BETWEEN EGYPT AND ISRAEL DEMONSTRATE THAT PEACE WORKS, AND IT CAN WORK FOR ISRAELIS AND PALESTINIANS, AS WELL. THERE IS A NEED NOW FOR CREATIVITY, DEMONSTRABLE COMMITMENT, AND THE APPLICATION OF SOUND PRINCIPLES. CREATIVITY IN ORDER TO LOOK AGAIN AT OLD PROBLEMS, AND THEN DEVISE IMAGINATIVE WAYS OF SOLVING THEM. COMMITMENT TO

FACE THE CHALLENGES AND RISKS OF MAKING PEACE RATHER THAN THROWING UP OUR HANDS AND GIVING UP, AND ADHERENCE TO SOUND PRINCIPLES LIKE THE UNITED NATIONS SECURITY COUNCIL RESOLUTIONS 242 AND 338. A NEW ATMOSPHERE MUST BE CREATED, WHERE ISRAELIS AND ARABS FEEL EACH OTHER'S WILLINGNESS TO COMPROMISE SO THAT BOTH SIDES CAN WIN. VIOLENCE CAN GIVE WAY TO DIALOGUE, ONCE BOTH SIDES UNDERSTAND THAT THE DIALOGUE WILL OFFER POLITICAL GAIN. EGYPT AND THE UNITED STATES SHARE THE GOALS OF SECURITY FOR ISRAEL, THE END OF THE OCCUPATION, AND ACHIEVEMENT OF PALESTINIAN POLITICAL RIGHTS. THESE ARE THE PROMISES HELD OUT BY A SUSTAINED COMMITMENT TO A NEGOTIATED SETTLEMENT, TOWARDS WHICH A PROPERLY STRUCTURED INTERNATIONAL CONFERENCE COULD PLAY A USEFUL ROLE AT AN APPROPRIATE TIME.

WE ALSO HAD A CHANCE TO REVIEW SOME IMPORTANT ELEMENTS OF OUR OWN BILATERAL RELATIONSHIP. THEY'VE BEEN SEALED AT THE HIGHEST LEVELS, THESE SPECIAL TIES THAT WE HAVE WITH EGYPT, AND FORGED BY THE GLOBAL IMPERATIVES OF PEACE, STABILITY, AND DEVELOPMENT IN THE REGION. THEY ARE STRONG AND FLEXIBLE, REAFFIRMED BY EVERY ADMINISTRATION AND RESILIENT TO WITHSTAND TURBULENT TIMES FOR THE REGION AND FOR THE WORLD.

PRESIDENT MUBARAK ENJOYS OUR FULL SUPPORT AS HE IMPLEMENTS COURAGEOUS REFORM MEASURES TO STRENGTHEN EGYPT'S ECONOMY FOR FUTURE GENERATIONS. AND UNDER THE INSPIRED STEWARDSHIP OF PRESIDENT MUBARAK, EGYPT HAS GROWN IN STATURE AND IN STRENGTH, AND WE IN THE UNITED STATES WELCOME THIS DEVELOPMENT. WE ARE PROUD OF OUR PARTNERSHIP WITH EGYPT, AND I LOOK FORWARD TO WORKING CLOSELY WITH PRESIDENT MUBARAK IN CARRYING OUT OUR COMMON VISION OF PEACE, STABILITY, AND DEVELOPMENT IN THE MIDDLE EAST.
ENDS

3. PRESIDENT MUBARAK
BEGINS

ONCE AGAIN, I MEET WITH MY OLD FRIEND, PRESIDENT BUSH, IN AN ATMOSPHERE OF GENUINE FRIENDSHIP AND MUTUAL UNDERSTANDING. I HAVE KNOWN THE PRESIDENT FOR MANY YEARS, AND I HAVE ALWAYS FOUND HIM A MAN OF HONOR AND COMMITMENT. HIS VAST EXPERIENCE AND PROFOUND UNDERSTANDING OF INTERNATIONAL PROBLEMS HAVE BEEN SKILLFULLY EMPLOYED FOR THE GOOD OF HIS COUNTRY AND THE CAUSE OF WORLD PEACE.

TODAY, WE DISCUSSED A WIDE RANGE OF ISSUES OF COMMON CONCERN. NATURALLY WE FOCUSED ON MATTERS RELATED TO THE BILATERAL RELATIONS AND THE SITUATION IN THE MIDDLE EAST. I'M HAPPY TO SAY THAT WE CONCLUDED THIS ROUND OF TALKS WITH A NOTE OF OPTIMISM AND HOPE. WE ARE QUITE SATISFIED WITH THE STATE OF US-EGYPTIAN COOPERATION. OUR STEADILY INCREASING INTERACTION

BETWEEN OUR TWO PEOPLES CONSTITUTES A CORNERSTONE OF THE POLICY OF OUR TWO COUNTRIES. WE ARE EQUALLY DETERMINED TO CEMENT THIS FRIENDSHIP EVEN FURTHER.

AS PRESIDENT BUSH SAID, OUR COMMITMENT TO THE PROMOTION OF PEACE IN THE MIDDLE EAST IS THE PARAMOUNT ONE THAT TAKES PRIORITY OVER ANY OTHER CONCERN. TO US, PEACE IS NOT ONLY A CHERISHED IDEAL, BUT ALSO A PRACTICAL NECESSITY. WE BELIEVE THAT THE AREA STANDS AT A HISTORIC CROSSROADS CERTAIN TO AFFECT THE FUTURE OF MANY GENERATIONS. IT IS OUR SACRED DUTY TO EXERT MAXIMUM EFFORT IN ORDER TO WIDEN THE SCOPE OF PEACE AND TO REMOVE THE REMALNING OBSTACLES TO A JUST AND A COMPREHENSIVE SETTLEMENT.

THE PAST FEW MONTHS HAVE WITNESSED SEVERAL BREAKTHROUGHS. THE PLO HAS ACCEPTED UNEQUIVOCALLY THE REQUIREMENTS FOR PEACE. AN ARAB CONSENSUS HAS EMERGED IN FAVOR OF PEACE AND RECONCILIATION. THE UNITED STATES INITIATED A DIALOGUE WITH THE PLO, THUS ENABLING ITSELF TO COMMUNICATE DIRECTLY WITH ALL PARTIES TO THE CONFLICT. A MAJORITY OF THE ISRAELI PEOPLE IS SHAPING UP IN SUPPORT OF PEACE, WORLD POWERS ARE ADOPTING CONSTRUCTIVE POLICIES DESIGNED TO HELP THE PARTIES REACH AGREEMENT.

IN SHORT, THE SITUATION IS RIPE FOR AN ACTIVE EFFORT MORE THAN EVER BEFORE. THE UNITED STATES HAS CONTRIBUTED GREATLY TO THE PROCESS OF BRINGING ABOUT THIS REMARKABLE CHANGE. IT REMAINS HIGHLY QUALIFIED TO PLAY A PIVOTAL ROLE DURING THE MONTHS AHEAD. WE FOUND OURSELVES IN AGREEMENT ON MOST ISSUES AT STAKE. TOGETHER, WE BELIEVE THAT FOR ANY SETTLEMENT TO BE DURABLE, IT SHOULD BE A COMPREHENSIVE ONE THAT ADDRESSES ALL ASPECTS OF THE DISPUTE, PARTICULARLY THE PALESTINIAN PROBLEM. THAT SETTLEMENT SHOULD BE ACHIEVED THROUGH DIRECT NEGOTIATIONS BETWEEN ISRAEL AND ALL ARAB PARTNERS, WITHIN THE FRAMEWORK OF THE INTERNATIONAL PEACE CONFERENCE.

THE BASIS OF THE NEGOTIATION IS SECURITY COUNCIL RESOLUTION 242 AND 338, THE PRINCIPLE OF LAND FOR PEACE, SECURITY FOR ALL PARTIES CONCERNED, AND REALIZATION OF THE LEGITIMATE NATIONAL RIGHTS OF THE PALESTINIAN PEOPLE. WE ARE BOTH OPPOSED TO THE ANNEXATION OF THE OCCUPIED TERRITORIES AS FIRMLY AS WE STAND AGAINST ANY IRREDENTIST CLAIMS AND VENGEFUL ACTS. WE REJECT THE POLICIES THAT RESULT IN THE CONTINUATION OF VIOLENCE AND ESCALATION OF TENSION.

I DISCUSSED WITH PRESIDENT BUSH SOME IDEAS DESIGNED TO ACTIVATE THE PEACE PROCESS, AND TO FACILITATE STARTING THE NEGOTIATIONS. ON THE OTHER HAND, WE EXPRESSED DEEP CONCERN OVER RECENT DEVELOPMENTS IN LEBANON, AND AGREED TO DOUBLE OUR EFFORTS IN ORDER TO HELP THE LEBANESE PEOPLE PUT AN END TO THEIR TRAGEDY

AND RESUME THEIR PEACEFUL MISSION.

LAST BUT NOT LEAST, WE DISCUSSED CERTAIN AFRICAN PROBLEMS AND I WAS PLEASED TO FIND PRESIDENT BUSH AWARE OF THE URGENT NEED FOR A CONCERTED ACTION ON SOUTHERN AFRICA AND THE DEBT PROBLEM.

AGAIN, I ENJOYED THE MEETING WITH OUR DEAR FRIEND PRESIDENT BUSH TODAY, AND I AM LOOKING FORWARD TO PURSUING WITH HIM OUR FRIENDLY TALKS TOMORROW.

THANK YOU.

ENDS

ACLAND

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MITTERRAND/ARAFAT MEETING

SUMMARY

1. MITTERRAND WILL MEET ARAFAT IN FRANCE THIS YEAR.

DETIAL

2. THE ELYSEE ANNOUNCED YESTERDAY THAT PRESIDENT MITTERRAND WOULD MEET ARAFAT LATER THIS YEAR AND THAT THE MEETING WOULD TAKE PLACE IN FRANCE. NO DATE HAS YET BEEN FIXED (THE SPOKESMAN SAID THAT THE PRESIDENT HIMSELF WOULD DECIDE IN DUE COURSE). THE FRENCH MAY PREFER THE MEETING TO TAKE PLACE BEFORE 1 JULY IN ORDER TO AVOID THE POSSIBLE IMPLICATION THAT FRANCE WAS ACTING IN AN EC PRESIDENCY CAPACITY. THE DECISION IS CONTRARY TO THE GENERAL EXPECTATION THAT THE MEETING WOULD TAKE PLACE IN EGYPT, WHERE MITTERRAND IS DUE TO PAY A STATE VISIT SOME TIME THIS YEAR.

3. THIS WILL BE THE FIRST TIME THAT A FRENCH HEAD OF STATE HAS MET THE PLO CHAIRMAN. THERE HAVE BEEN A NUMBER OF MEETINGS SINCE 1974 BETWEEN FRENCH FOREIGN MINISTERS AND ARAFAT.

FERGUSSON

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FERGUSSON

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FROM HEAD OF CHANCERY

US/PLO

SUMMARY

1. SECOND FORMAL ROUND OF TALKS, AND FIRST UNDER BUSH ADMINISTRATION. ATMOSPHERE IS GOOD. US EMPHASISE INTEREST IN REDUCING TENSION IN OCCUPIED TERRITORIES AND REITERATE STRONG VIEWS ON TERRORISM AND VIOLENCE. PLO BLAME ISRAELI PRACTICES IN OT'S FOR TENSION THERE. IN MARGINS, PLO STRESS TO VISITING US MEDIA THEIR READINESS FOR DIRECT NEGOTIATIONS WITH ISRAEL AND DOWNPLAY NEED FOR INTERNATIONAL CONFERENCE. IN ADVANCE OF SHAMIR VISIT TO WASHINGTON, FACT OF THE TALKS AND ASSOCIATED MEDIA INTEREST MORE IMPORTANT THAN BREAKING NEW GROUND ON SUBSTANCE.

DETAIL

2. THE SECOND FORMAL ROUND OF TALKS BETWEEN THE US AND PLO WAS HELD IN TUNIS ON 22 MARCH AMIDST MUCH US AND INTERNATIONAL MEDIA INTEREST. THE TALKS LASTED OVER FOUR HOURS . THE US TEAM COMPRISED AMBASSADOR PELLETREAU AND TWO EMBASSY STAFF. THE PLO TEAM WERE ABDERROBO (PLO EXECUTIVE COMMITTEE, DFLP), BELAWI (PLO AMBASSADOR TO ARAB LEAGUE AND TUNIS), AND ABU JAFFER (NO. 2 IN THE POLITICAL DEPARTMENT).

3. IN PRESS BRIEFINGS IMMEDIATELY AFTER THE TALKS ENDED LAST EVENING BOTH SIDES APPEARED SATISFIED WITH THEIR DISCUSSIONS, ALTHOUGH NEITHER WAS GIVING AWAY MUCH ON SUBSTANCE. ATMOSPHERES WERE REPORTEDLY GOOD.

4. PELLETREAU INDICATED THAT THE US SIDE HAD BEEN ABLE TO ACHIEVE THEIR TWIN AIMS OF REGISTERING AGAIN THEIR INTEREST IN FINDING PRACTICAL WAYS OF REDUCING TENSION IN THE OCCUPIED

TERRITORIES AND OF EMPHASISING THEIR STRONG VIEWS ON TERRORISM, AND VIOLENCE, WITHOUT SPECIFYING IN HIS PRESS BRIEFING THESE APPLIED TO CLASHES ON THE ISRAEL/LEBANON BORDER.HE ALSO REITERATED THE US POSITION ON THE NEED FOR DIRECT NEGOTIATIONS. CONTRARY TO BBC WORLD SERVICE REPORTS LAST NIGHT HE DID NOT HOWEVER IDENTIFY THE PLO AND ISRAEL AS THE PARTIES TO ANY NEGOTIATIONS : INDEED AS MIGHT BE EXPECTED THE US EMBASSY HERE ARE REFUSING TO BE DRAWN ON THE IMPLICATIONS OF BAKER'S TESTIMONY TO CONGRESS ON THIS POINT AND REMAIN CAREFUL TO REFER TO QUOTE PALESTINIANS UNQUOTE RATHER THAN THE PLO AS SUCH IN THIS CONTEXT.

5. ABDERROBO HAS INDICATED THAT THE PLO LINE IN THE TALKS WAS THAT TENSION IN THE OCCUPIED TERRITORIES WAS A DIRECT CONSEQUENCE OF THE ACTIVITIES OF ISRAELI OCCUPYING FORCES AND ILLEGAL SETTLERS. THE INTIFADHA WOULD CONTINUE UNTIL ISRAEL WITHDREW. PRIVATELY HE IS POINTING OUT THAT THE PLO LEADERSHIP COULD NOT STOP THE UPRISING EVEN IF THEY WISHED TO.

6. IN THE MARGINS OF THE TALKS THE PLO HAVE BEEN ACTIVE IN BRIEFING THE MANY VISITING US AND OTHER INTERNATIONAL MEDIA ON THEIR GENERAL POSITIONS. WHILE SOME, SUCH AS ABDERROBO, HAVE STOOD BY PNC POLICY ON THE ROLE OF AN INTERNATIONAL CONFERENCE, WE HAVE HEARD THAT OTHERS INCLUDING BASSAM ABU SHARIF AND ABU IYYAD (WHO ARE CLOSER TO ARAFAT) HAVE EMPHASISED READINESS FOR DIRECT NEGOTIATIONS WITH ISRAEL : THE PRECISE FORUM WAS LESS IMPORTANT THAN ARRIVING AT A PEACE SETTLEMENT WHICH RESULTED IN AN INDEPENDANT PALESTINIAN STATE. ASKED HOW A SETTLEMENT MIGHT BE UNDERWRITTEN WITHOUT AN INTERNATIONAL CONFERENCE, BASSAM ABU SHARIF HAS APPARENTLY SPOKEN OF THE POSSIBILITY OF US-SOVIET GUARANTEES.

COMMENT

7. AT FIRST SIGHT AT LEAST THE TALKS DO NOT APPEAR TO HAVE INVOLVED ANY NEW DEVELOPMENTS ON SUBSTANCE. THIS WAS TO BE EXPECTED. AS REPORTED, PELLETREAU AND BELAWI HAVE KEPT IN REGULAR INFORMAL CONTACT SINCE THE FIRST ROUND OF TALKS LAST DECEMBER. THE PLO (BOTH BASSAM ABU SHARIF AND BELAWI) TOLD US EARLIER IN THE WEEK THAT THEY WERE NOT EXPECTING SUBSTANTIVE SHIFTS FROM THIS ROUND, AND INDEED DO NOT EXPECT THE US/PLO DIALOGUE IN TUNIS TO PROVIDE THE OCCASION FOR THAT SORT OF PROGRESS.

8. THE SIGNIFICANCE OF THIS SECOND ROUND AS SEEN FROM HERE, LIES IN :

(I) THE BUSH ADMINISTRATION VISIBLY PICKING UP WHERE ITS PREDECESSORS LEFT OFF IN DECEMBER.

(II) THE FURTHER OPPORTUNITY PROVIDED FOR THE PLO POSITIONS TO BE SCRUTINISED BY THE VISITING US MEDIA. THE PLO CERTAINLY, AND PRESUMABLY ALSO THE ADMINISTRATION IN WASHINGTON, WILL SEE PARTICULAR ADVANTAGE IN HAVING REGISTERED ACTION ON BOTH COUNTS, IN ADVANCE OF SHAMIR'S VISIT TO WASHINGTON AT THE BEGINNING OF NEXT MONTH TO DELIVER THE LONG AWAITED ISRAELI RESPONSE. DEPENDING ON THE OUTCOME OF THAT VISIT (AND THOSE OF MUBARAH AND KING HUSSEIN) THE PLO MAY NOT FIND IT SUCH EASY GOING NEXT TIME : FOR THE MOMENT HOWEVER THEY APPEAR NICELY PLACED.

9. WE HOPE TO OBTAIN A FULLER PRIVATE READ-OUT FROM BOTH THE US EMBASSY AND THE PLO ONCE THE MEDIA HAVE LEFT TOWN, AND WILL REPORT AGAIN AFTER THE EASTER HOLIDAY WITH ANY ADDITIONAL COMMENTS FROM THE AMBASSADOR (AWAY ON DUTY TOUR IN SOUSSE).

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ADDITIONAL 12

ARAB/ISRAEL

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OUR TELNO 794 (NOT TO ALL): ARAB/ISRAEL: US VIEWS

SUMMARY

1. ROSS DESCRIBES BROAD US APPROACH TO THE PEACE PROCESS. AN EARLY AIM IS TO ACHIEVE PARALLEL US-PLO AND ISRAELI-PALESTINIAN DIALOGUES. CONCESSIONS REQUIRED FROM BOTH THE PLO AND ISRAEL ON PALESTINIAN REPRESENTATION IN THIS FIRST STAGE. STRATEGIC SIGNIFICANCE OF THE INTIFADEH TO THE PLO RECOGNISED. INITIAL, RECIPROCAL STEPS HAVE TO BE BALANCED. SHAMIR PUT ON THE SPOT TO PRODUCE CREDIBLE, WORKABLE IDEAS. TO BE CONVINCING, THE US HAS TO INDUCE CHANGE IN ISRAEL'S POSITIONS. BUT INTERNAL PRESSURES WITHIN ISRAEL LIKELY TO BE THE KEY.

DETAIL

2. ROSS (DIRECTOR, POLICY PLANNING STAFF) BRIEFED US LATE ON 22 MARCH ON THE BROAD US APPROACH TO THE PEACE PROCESS. ARENS' VISIT HAD BEEN THE OPENING SHOT WITH THE ISRAELIS, THE US-PLO MEETING IN TUNIS ON 22 MARCH WITH THE PLO. THE PURPOSE WITH BOTH HAD BEEN TO SET OUT THE US TWO-TIER CONCEPT (INITIAL, GRADUATED, RECIPROCAL STEPS: AND BROAD DISCUSSION OF FINAL STATUS ELEMENTS) WITHOUT LOOKING FOR IMMEDIATE RESPONSES. IN ISRAEL'S CASE IT HAD BEEN MADE VERY CLEAR THAT SHAMIR SHOULD PRESENT THE ISRAELI RESPONSE ON 6 APRIL AND THAT WHAT WAS REQUIRED WERE NEW ISRAELI IDEAS WHICH THE US COULD PUT TO WORK WITHIN THEIR TWO-TIER CONCEPT. THE US WOULD REJECT UNWORKABLE OR QUOTE WARMED-OVER UNQUOTE PROPOSALS. ISRAEL HAD TO TAKE A NEW LOOK.

3. IN THE PLO'S CASE, THE NEXT FORMAL MEETING WOULD PROBABLY FOLLOW THE MUBARAK AND SHAMIR VISITS. THIS WOULD BE THEIR OPPORTUNITY TO SHOW THAT THEY WERE WILLING TO REFLECT THEIR NEW COMMITMENTS TO PEACE IN PRACTICAL STEPS. PRESS REPORTS OF AN IMBALANCE IN THE CONCESSIONS BEING ASKED OF THE PLO AND ISRAEL WERE MISLEADING AND REFLECTED ISRAELI BRIEFING. OF COURSE THE PLO COULD NOT GIVE UP THE INTIFADEH, WHICH

WAS OF STRATEGIC SIGNIFICANCE TO THEM, IN RETURN FOR A FEW TACTICAL GESTURES FROM ISRAEL. AS AN EXAMPLE OF THE SMALL-SCALE RECIPROCAL STEPS WHICH THE US HAD IN MIND, ROSS CITED A POSSIBLE ISRAELI ANNOUNCEMENT THAT THEY WERE STOPPING MILITARY SWEEPS IN CERTAIN AREAS OF THE OTS, TO WHICH A PLO RESPONSE MIGHT BE TO RESTRAIN VIOLENCE INCIDENTS IN THAT AREA.

4. AN EARLY US AIM WAS TO REDUCE BOTH SIDES' SUSPICIONS SUFFICIENTLY TO ACHIEVE PARALLEL DIALOGUES, BETWEEN THE US AND THE PLO AND BETWEEN ISRAEL AND PALESTINIANS IN THE OTS (WHO WOULD BE CLEARLY SPEAKING FOR THE PLO). TO ACHIEVE THIS WOULD REQUIRE CONCESSIONS BY BOTH ISRAEL AND THE PLO. BUT, IF IT COULD BE SET UP, SUCH A PROCESS WOULD REPRESENT A FORM OF PRE-NEGOTIATIONS. IF FURTHER PROGRESS WAS MADE AND CERTAIN THRESHOLDS CROSSED (UNSPECIFIED), THE PARTIES (AS BY THEN AGREED) WOULD MOVE TO FORMAL NEGOTIATIONS. IF THE PARTIES AGREED, A PROPERLY STRUCTURED INTERNATIONAL CONFERENCE MIGHT WELL BE THE SUITABLE WAY TO LAUNCH THE FORMAL NEGOTIATING PROCESS.

5. IN ANSWER TO A QUESTION, ROSS SAID THAT THERE HAD BEEN NO RETREAT IN THE US POSITION ON AN INTERNATIONAL CONFERENCE. THIS ADMINISTRATION DID NOT OPPOSE THE IC IN PRINCIPLE BUT HAD DECIDED THAT NOW WAS NOT THE MOMENT TO DISCUSS SUCH PROCEDURAL MECHANISMS IN DETAIL. THE PARTIES SHOULD NOT BE DISTRACTED FROM CONSIDERING THE FIRST SUBSTANTIVE STEPS, HOWEVER SMALL AT FIRST, WHICH WERE NECESSARY IF ANY PROGRESS WAS TO BE ACHIEVED.

6. WE NOTED THAT IT WOULD BE IMPORTANT DURING THE SHAMIR VISIT FOR THE ADMINISTRATION TO MAINTAIN A CLEAR PUBLIC DISTANCE BETWEEN THEIR POSITIONS (EG ON LAND FOR PEACE) AND UNACCEPTABLE HARD-LINE ISRAELI POSITIONS. THE WHITE HOUSE DEPARTURE STATEMENT WOULD BE READ VERY CLOSELY. ROSS SAID THAT WE SHOULD HAVE NO WORRIES ON THAT SCORE. THE US WOULD BE CLEARLY SEEN TO BE STANDING BY THEIR LONG-TERM BASIC POSITIONS. BUT THE US WOULD NOT CONVINCE THE PLO MERELY BY REPEATING YET AGAIN THEIR COMMITMENT TO LAND FOR PEACE. THE TEST WAS WHETHER THE US COULD INDUCE CHANGE IN ISRAELI POSITIONS AND PERSUADE SHAMIR TO PROPOSE IDEAS WHICH WERE DIFFERENT BOTH IN APPEARANCE AND CONTENT. FIRM US POSITIONS ON BASIC PRINCIPLES WOULD THEN BE A FACTOR IN GIVING THE PLO CONFIDENCE TO RESPOND.

7. WE SUGGESTED THAT SHAMIR MIGHT PROJECT A SEMBLANCE OF MOVEMENT DURING HIS VISIT WITH THE LIMITED OBJECTIVE OF PLACATING THE MALCONTENTS IN THE AMERICAN JEWISH COMMUNITY AND CONGRESS. ROSS SAID THAT SHAMIR WOULD HAVE TO ANSWER FIRST TO HIS DOMESTIC CONSTITUENCY. HE WAS STILL UNDER INTERNAL

PRESSURES. THE POLITICAL BOOST TO LIKUD FROM THE MUNICIPAL ELECTION RESULTS WOULD NOT LAST UNLESS SHAMIR PRODUCED IDEAS TO MOVE ON FROM THE STATUS QUO.

THERE HAD BEEN A 30 PER CENT DROP IN TOURISM TO ISRAEL. THESE WERE FACTORS HE COULD NOT IGNORE.

8. THERE WAS ALSO AN INCENTIVE FOR SHAMIR TO RESPOND CREDIBLY ON THE LINES THAT THE US WERE URGING. IF HE DID PRODUCE WORTHWHILE AND PRACTICABLE IDEAS FOR RECIPROCAL FIRST STEPS, THE US WOULD NOT DECRY THEM AS INSUFFICIENT BUT WOULD LOOK TO THE PLO FOR COMMENTS AND THEIR OWN PROPOSALS. THE ONUS TO RESPOND WOULD SHIFT FROM ISRAEL. (ROSS AGREED, HOWEVER, THAT THIS THINLY VEILED INDIRECT NEGOTIATING PROCESS ITSELF POSED GREAT PROBLEMS OF PRINCIPLE TO LIKUD).

COMMENT

9. IMPORTANT AREAS WHICH REMAIN UNCLEAR INCLUDE:

(I) THE LINKAGE BETWEEN THE TWO TIERS OF US THE US CONCEPT:

(II) WHAT ISSUES (BEYOND INTERIM STEPS IN THE TERRITORIES) THE PALESTINIANS CAN EXPECT TO BE COVERED IN THE PRE-NEGOTIATIONS:

(III) WHETHER THE ADMINISTRATION HAVE IN MIND TO FORCE THE PACE AT ANY STAGE BY SETTING OUT EITHER A TIME-TABLE OR THEIR OWN VIEWS ON POINTS OF SUBSTANCE.

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ARAB/ISRAEL.

SUMMARY.

1. CONTROVERSY OVER ISRAELI INTELLIGENCE COMMUNITY'S VIEWS ON THE INTIFADA COMES AT AN AWKWARD TIME FOR SHAMIR.

DETAIL.

2. THE ISRAELI PRESS HAVE THIS WEEK CARRIED LEAKS OF AN INTELLIGENCE BRIEFING GIVEN LAST WEEK TO THE ISRAELI CABINET (WHETHER TO FULL OR INNER CABINET IS NOT CLEAR).

3. THE BRIEFING REPORTEDLY CONTAINED AN ASSESSMENT OF THE MODERATING SHIFTS WITHIN THE PLO AND THE WILLINGNESS OF MODERATE ARAB GOVERNMENTS TO MOVE TO RECONCILIATION WITH ISRAEL. IT CONCLUDED THAT THERE WAS NO ALTERNATIVE LEADERSHIP TO THE PLO IN THE OTS AND NO POSSIBILITY OF NEGOTIATING WITH ANY PALESTINIANS WITHOUT THE FULL CONSENT OF THE PLO.

4. THE ISREAELI PRESS HAVE LATCHED ON TO THIS LAST POINT. THEY HAVE ATTRIBUTED TO THE INTELLIGENCE COMMUNITY (AND IN PARTICULAR TO GENERAL SHAHAK, THE DIRECTOR OF MILITARY INTELLIGENCE) THE VIEW THAT ISRAEL WILL HAVE TO NEGOTIATE WITH THE PLO IF IT IS TO PUT AN END TO THE INTIFADA.

5. ON 21 MARCH SHAMIR, AT A PRESS CONFERENCE AT HIS ''CONFERENCE ON JEWISH SOLIDARITY'' STRONGLY DENIED THE PRESS REPORT: ''A TOTAL LIE.... WE ARE NOT GETTING ANY ADVICE OF THIS KIND FROM OUR INTELLIGENCE PEOPLE''. WHEN PERES WAS ASKED TO COMMENT HE DUCKED THE QUESTION. SEVERAL ISRAELI NEWSPAPERS THIS MORNING QUOTED UNIDENTIFIED MINISTERS AND OFFICIALS AS CHALLENGING SHAMIR'S DENIAL. RABIN'S OFFICE, IN WHAT LOOKS TO BE AN ACCURATE STATEMENT CONFIRMED THAT THE ANNUAL JOINT INTELLIGENCE EVALUATION HAD BEEN SUBMITTED TO MINISTERS LAST WEEK: BUT IT DID NOT DEAL WITH POLICY

RECOMMENDATIONS AND NEWSPAPER REPORTS OF THIS ASPECT OF THE CONTENTS WERE THUS INACCURATE.

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CABINET OFFICE FOR ASSESSMENTS STAFF
OUR TELNO 794: ARAB/ISRAEL: BAKER TESTIMONY
SUMMARY

1. BAKER STANDS FIRM UNDER FURTHER CONGRESSIONAL QUESTIONING AND REFUSES TO RULE OUT THAT DIRECT ISRAELI PLO CONTACTS MAY EVENTUALLY BE NECESSARY. US SUPPORT FOR LAND FOR PEACE AGAIN CONFIRMED.

DETAIL

2. ON 21 MARCH, BAKER GAVE FURTHER TESTIMONY ON THE HILL, ON THIS OCCASION BEFORE THE HOUSE FOREIGN AFFAIRS INTERNATIONAL OPERATIONS SUB-COMMITTEE (CHAIRMAN CONGRESSMAN DYMALLY, D CALIF). HE WAS QUESTIONED CLOSELY ON MIDDLE EAST ISSUES BY CONGRESSMEN SMITH (D FLA), GILMAN (R-NY) AND BERMAN (D-CALIF) ALL PROMINENT SUPPORTERS OF ISRAEL AND EVIDENTLY WELL-PRIMED. (VERBATIM EXTRACTS OF BAKER'S TESTIMONY BY BAG TO NENAD).

3. BAKER WAS FIRST LED TO CONFIRM THAT IT WAS US POLICY NOT TO SUPPORT AN INDEPENDENT PALESTINIAN STATE. (HIS WRITTEN TESTIMONY CONTAINED THE STANDARD LINE THAT THE US CONTINUED TO BELIEVE THAT AN INDEPENDENT PALESTINIAN STATE WOULD NOT BE A SOURCE OF STABILITY OR CONTRIBUTE TO A JUST AND ENDURING PEACE). BUT BAKER AVOIDED ANY EXPLICIT STATEMENT THAT THE US NEXT WORD UNDERLINED OPPOSED AN INDEPENDENT PALESTINIAN STATE.

4. SMITH THEN TRIED TO LEAD BAKER TO RETREAT FROM HIS PREVIOUS STATEMENTS (SEE TUR) THAT, IN THE INTERESTS OF THE PEACE PROCESS, ISRAEL MIGHT EVENTUALLY HAVE TO TALK DIRECTLY TO THE PLO. BAKER WAS UNMOVED AND REPEATED HIS POSITION IN THE FOLLOWING TERMS:

(I) IT WOULD BE A MAJOR MISTAKE FOR US, IN LIGHT OF THE BEGINNING OF A DIALOGUE BETWEEN THE UNITED STATES AND THE PLO TO RULE OUT CATEGORICALLYABSOLUTELY, TOTALLY AND COMPLETELY, UNDER ANY AND ALL CIRCUMSTANCES, ANY DIALOGUE THAT MIGHT LEAD US TOWARDS

PEACE. THAT WAS MY VIEW LAST WEEK. IT IS MY VIEW THIS WEEK. I THINK IT IS A VERY REASONABLE VIEW. (II) EFFORTS TO NEGOTIATE WITH PALESTINIANS IN THE OCCUPIED TERRITORIES HAVE NOT MET WITH MUCH SUCCESS, REGRETTABLY. BUT THE SITUATION THERE, OVER THE PAST NUMBER OF YEARS, HAS NOT IMPROVED. IT HAS, INDEED, DETERIORATED. THE UNITED STATES HAS SOME DIFFERENCES WITH OUR STANCH ALLY ISRAEL. WE ARE COMMITTED TOTALLY AND COMPLETELY TO THE SECURITY OF ISRAEL. THAT COMMITMENT IS STRONG AND ENDURING AND IT WILL NEVER CHANGE. BUT WE DO HAVE, AND HAVE HAD FOR A LONG TIME, SOME DIFFERENCES WHICH WE DISCUSS FROM TIME TO TIME WITH OUR ALLY. FOR INSTANCE, WE BELIEVE IN LAND FOR PEACE AS A SOLUTION TO THE PROBLEMS IN THE MIDDLE EAST, WE BELIEVE IN UN RESOLUTIONS 242 AND 338.

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BRUSSELS FOR SECRETARY OF STATE'S PARTY

PEACE PROCESS: AMERICAN POSITION

SUMMARY

1. AMERICAN AMBASSADOR IN CAIRO GIVES (PLEASE PROTECT CAREFULLY) AN ACCOUNT OF AMERICAN PEACE PROCESS POSITION AND INSTRUCTIONS TO BE CARRIED OUT WITH EGYPTIANS.

DETAIL

2. I CALLED FOR A ROUND-UP ON MY AMERICAN COLLEAGUE (WISNER) ON 19 MARCH. I BEGAN BY SAYING THAT ALTHOUGH WE FULLY ACCEPTED THE NEED FOR THE US ADMINISTRATION TO TAKE ITS TIME IN FORMULATING A MIDDLE EASTERN POLICY, I PERSONALLY HAD BEEN WORRIED THAT THERE HAD SO FAR BEEN NO SERIOUS AMERICAN ATTEMPT TO MAKE AN INPUT INTO EGYPTIAN THINKING. THERE WAS A DANGER THAT THE EGYPTIANS WERE BECOMING TIED TO A SOVIET/ARAB/PLO CONSENSUS (MORE OR LESS BACKED BY THE EUROPEAN COMMUNITY) WHICH WAS RESPECTABLE ENOUGH ON PAPER, BUT WHICH IT MIGHT PROVE DIFFICULT TO BROKE IN DETAIL WITH THE ISRAELIS IN ADVANCE OF SUBSTANTIVE PEACE NEGOTIATIONS. I POINTED OUT THAT HMG WAS MAINTAINING A DEGREE OF FLUIDITY ON SUCH CONCEPTS AS A PALESTINIAN STATE, AND THE STATUS OF THE PLO AS SOLE REPRESENTATIVES OF THE PALESTINIAN PEOPLE. WE WERE ALSO KEEPING AN OPEN MIND ABOUT THE ROLE WHICH ELECTIONS IN THE OCCUPIED TERRITORIES MIGHT PLAY IN INVOLVING THE ISRAELIS IN DIALOGUE WITH REPRESENTATIVE PALESTINIANS, PROBABLY THOUGH NOT NECESSARILY FROM THE PLO.

3. WISNER EXPRESSED APPRECIATION FOR THESE BRITISH EFFORTS. FORTUNATELY WASHINGTON HAD AT LAST SENT HIM SUBSTANTIVE PEACE PROCESS INSTRUCTIONS. HE WAS TRYING TO CARRY THEM OUT WITH OSAMA AL-BAZ ON 22 MARCH. HE WAS HOWEVER GOING TO AMMAN TODAY, 20 MARCH, TO CONFER WITH HIS COLLEAGUE FROM TEL AVIV WHO WOULD BRIEF HIM ON THE ARENS VISIT TO WASHINGTON. HE ALSO HOPED THAT MUBARAK WOULD BE VISITING WASHINGTON VERY SOON. THE DATES CURRENTLY BEING SUGGESTED

WERE 1-4 APRIL, JUST BEFORE SHAMIR'S ARRIVAL ON 5 APRIL. PREVIOUSLY PROPOSED DATES IN LATE MARCH HAD BEEN ABANDONED BECAUSE THE EGYPTIANS WERE CONFIDENT THAT THE KING OF SAUDI ARABIA WOULD AT LAST BE PAYING THEM A VISIT THEN (SEE PARAGRAPH 14 BELOW FOR EGYPTIAN VIEWS ON DATES).

4. WISNER THEN READ ME VERY RAPIDLY HIS INSTRUCTIONS COVERING THE LINE TO TAKE WITH THE EGYPTIANS AS WELL AS A DESCRIPTION OF AMERICAN PEACE POLICY THINKING. IT WAS CLEAR THAT HE DID NOT WISH ME TO TAKE NOTES AND, AS I HAD ANOTHER ENGAGEMENT IMMEDIATELY AFTERWARDS, WHAT FOLLOWS IS INEVITABLY VERY GENERAL AND SUBJECT TO RESERVE.

5. WISNER HAD ALREADY CONFIRMED THAT THE ARTICLE BY FRIEDMAN IN THE NEW YORK TIMES OF 14 MARCH (RECEIVED FROM HM EMBASSY WASHINGTON) REFLECTED BRIEFING FROM ROSS WHOSE THINKING WAS ALSO ILLUSTRATED IN SEVERAL OTHER RECENT FRIEDMAN ARTICLES. THUS, IT WAS NO SURPRISE THAT THE WASHINGTON INSTRUCTIONS REFLECTED THE TWO-TIER APPROACH MENTIONED IN THE FRIEDMAN ARTICLE: (A) THE REDUCTION OF TENSION, THROUGH EFFORTS ON BOTH SIDES, IN THE OCCUPIED TERRITORIES AND (B) DISCUSSIONS BY THE AMERICANS WITH THE ISRAELIS AND THE PLO OF NUMEROUS DETAILS LEADING TO A FINAL STATUS SOLUTION RESPECTING ISRAEL'S SECURITY CONCERNS AND THE PALESTINIAN QUEST FOR SELF-DETERMINATION (THOUGH I THINK WISNER USED THE OLD TERM ''PALESTINIAN POLITICAL RIGHTS'').

6. THE AMERICAN LINE TO TAKE WITH THE EGYPTIANS MADE IT CLEAR THAT FINAL STATUS INVOLVED THE EXCHANGE OF LAND FOR PEACE AND THAT THE DISCUSSION WITH BOTH SIDES ON MATTERS OF DETAIL MUST BE SET IN THE FRAMEWORK OF WORKING TOWARDS A FINAL STATUS SOLUTION. WISNER WAS PREDICTABLY ASKED TO STRESS CAIRO'S KEY ROLE GIVEN THE LATTER'S SPECIAL INFLUENCE WITH THE PLO AND WITH THE ISRAELIS AND EGYPTIAN LINKS WITH MOSCOW. THE AMERICANS DID NOT EXCLUDE THAT A USEFUL ROLE COULD BE PLAYED BY AN INTERNATIONAL CONFERENCE BUT INSISTED THAT IT WAS PREMATURE TO CONSIDER THIS UNTIL DECISIONS ON DETAIL HAD BEEN WORKED OUT BY THE ISRAELIS AND THE PLO. TO TALK ABOUT THE INTERNATIONAL CONFERENCE OR OTHER SUCH PROCEDURAL MATTERS NOW WOULD GIVE ARAFAT AN EXCUSE FOR NOT GETTING DOWN TO DIFFICULT DETAIL.

7. IN THE BACKGROUND SECTION DESCRIBING IN GREATER FRANKNESS AMERICAN PEACE PROCESS THINKING, WASHINGTON SAID THAT THEY WOULD BE WORKING NOT ONLY THROUGH THE PLO AND THE ISRAELIS BUT ALSO THROUGH MODERATE ARAB STATES, NOTABLY THE EGYPTIANS AND JORDANIANS. THEY WOULD KEEP THE SYRIANS INFORMED BUT MERELY IN THE HOPE OF DISCOURA-

GING DAMASCUS FROM PURSUING A WRECKING TACTIC. THEY WOULD ALSO BE WORKING THROUGH THE SOVIET UNION AND THE EUROPEAN COMMUNITY THOUGH IT WAS HOPED THAT THE EUROPEANS COULD BE DISCOURAGED FROM ADOPTING UNHELPFUL POSITIONS AS AN EXAMPLE OF WHICH WAS MENTIONED A PREMATURE AND EXCESSIVE STRESS ON AN INTERNATIONAL CONFERENCE. THE US DIALOGUE WITH THE UNITED KINGDOM WAS GIVEN SPECIAL MENTION PARTLY IN THE CONTEXT OF DISCOURAGING THE EUROPEANS FROM ADOPTING ''UNHELPFUL'' TACTICS. (WISNER PAUSED AT THIS POINT TO SAY THAT HE HAD BEEN INDISCREET IN REVEALING THE REFERENCE TO THE BRITISH ROLE.)

8. THERE WAS A LENGTHY PASSAGE DESCRIBING THE SPIRIT IN WHICH THE PARALLEL DIALOGUE WITH THE ISRAELIS AND THE PLO SHOULD BE CONDUCTED. ESSENTIALLY THE AMERICANS WERE NOT PREPARED TO THREATEN THE ISRAELIS BUT THEY WOULD BE FIRM AND MAKE IT CLEAR TO ISRAEL THAT THERE WAS A NUMBER OF ''BOTTOM LINES'', FROM WHICH WASHINGTON WOULD NOT BE SHIFTED. IN DEALING WITH THE PLO WASHINGTON WAS NOT SEEKING TO UNDERMINE THE ORGANISATION AND WAS NOT SEEKING FROM THE LATTER ANY NEW POSITIONS SO LONG AS ARAFAT'S GENEVA UNDERTAKINGS WERE SCRUPULOUSLY RESPECTED. HOWEVER IT WAS CLEAR THAT A VERY STRONG LINE WOULD BE TAKEN WITH THE PLO IF THEY ABANDONED THESE ENGAGEMENTS.

9. I SAID I WAS VERY GLAD THAT THE AMERICANS WERE AT LAST TRYING TO GUIDE THE EGYPTIANS. I SAID HOWEVER THAT THOUGH WE REGARDED WASHINGTON AS BEING IN THE DRIVING SEAT ON THE PEACE PROCESS, WE WERE CONVINCED THAT AN INTERNATIONAL CONFERENCE WAS NECESSARY AND WE WERE ATTACHED TO A PERMANENT FIVE CONSULTATIVE ROLE. NEITHER LONDON NOR PARIS FAVOURED A SUPER POWER DIRECTORATE.

COMMENT

10. NO DOUBT HOWEVER HM EMBASSY WASHINGTON WILL BE ABLE (WITHOUT ANY REFERENCE TO MY CONVERSATION WITH WISNER) TO OBTAIN MORE DETAIL BEFORE LONG.

11. TWO POINTS IN PARTICULAR STRUCK ME IN LISTENING TO WISNER'S INSTRUCTIONS. THE FIRST IS THAT THE AMERICAN APPROACH MAKES NO FORMAL LINKS BETWEEN CALMING DOWN THE PALESTINIAN UPRISING ON THE ONE HAND AND ACHIEVING NEGOTIATING RESULTS IN PARALLEL TALKS WITH THE ISRAELIS AND THE PLO ON THE OTHER. WISNER ADMITTED PRIVATELY THAT THE EGYPTIANS WOULD PROBABLY CAUSE CAIRO MORE MISGIVINGS THAN THE PLAYING DOWN OF THE ROLE OF THE INTERNATIONAL CONFERENCE. I THINK HIS JUDGEMENT IS CORRECT.

12. SECONDLY HOWEVER, THE AMERICAN APPROACH TO THE PLO STRUCK ME AS BEING (SUPERFICIALLY AT ANY RATE) EXTRAORDINARILY WHOLE-

HEARTED. SO FAR AS I COULD DETECT, THE ONLY MENTION OF A POSSIBLE ROLE FOR NON-PLO PALESTINIANS WAS IN A THROW-AWAY PHRASE, WHICH I THOUGHT IMPLIED THAT THIS TRACK WOULD ONLY BE USED IF THE PLO FAILED TO PROVE THEMSELVES AS CONSTRUCTIVE INTERLOCUTORS. AT THE SAME TIME THE DESCRIPTION OF THE AMERICAN DIALOGUE WITH THE PLO IMPLIED A DEGREE OF MALLEABILITY ON THE PART OF THE ORGANISATION WHICH SEEMS UNREALISTIC.

13. I CANNOT REMEMBER WHETHER THE INSTRUCTIONS COVERED ELECTIONS IN THE OCCUPIED TERRITORIES AND I MUST CONFESS THAT IN TALKING RECENTLY WITH THE AMERICAN EMBASSY HERE IT HAS NOT BEEN CLEAR WHETHER THIS ELEMENT STILL PLAYS A KEY PART IN AMERICAN THINKING.

14. LATER ON 19 MARCH I HAD A CONVERSATION AT A SOCIAL GATHERING WITH THE EGYPTIAN FOREIGN MINISTER'S CHEF DE CABINET (AMBASSADOR HASSOUNA). HASSOUNA SAID THAT IT WAS STILL VERY MUCH AN OPEN QUESTION WHETHER MUBARAK WOULD GO TO WASHINGTON BEFORE RAMADAN OR NOT. HE WOULD CERTAINLY NOT GO DURING RAMADAN. THE PROBLEM WAS, HASSOUNA ADMITTED, THAT KING FAHD WHO MIGHT ARRIVE AS EARLY AS NEXT WEEKEND COULD NOT BE PINNED DOWN AS REGARDS THE LENGTH OF HIS STAY IN EGYPT. PRESIDENT MUBARAK WOULD SIMPLY HAVE TO STAY IN EGYPT UNTIL THE KING DECIDED TO LEAVE.

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OUR TELNO 733 AND TEL AVIV TELNO 87 (NEITHER TO UKMIS GENEVA):

ARENS' VISIT TO WASHINGTON: AFTERMATH

SUMMARY

1. US-ISRAELI DIFFERENCES ATTRACTING PUBLIC ATTENTION HERE ALSO. ARENS GIVEN A ROUGH RIDE ON THE HILL, PARTICULARLY BY ISRAEL'S TRADITIONAL CONGRESSIONAL SUPPORTERS. PALESTINIANS HAVE ALSO BROKEN NEW GROUND IN CONTACTS ON THE HILL. IN ALL, INCREASED PRESSURE ON SHAMIR TO BRING NEW IDEAS TO WASHINGTON ON 5-6 APRIL. DETAIL

2. THE US AND ISRAELI PRESS HAVE BEEN FEEDING OFF EACH OTHER IN REPORTING US-ISRAELI DISAGREEMENTS, FOLLOWING ARENS' VISIT TO WASHINGTON. IN PART THIS HAS BEEN ARENS' DOING. AFTER AT FIRST PUBLICLY SHRUGGING OFF BAKER'S TESTIMONY TO CONGRESS, ARENS IS REPORTED (BY ISRAELI SOURCES) TO HAVE TELEPHONED BAKER ON 16 MARCH TO COMPLAIN AT BAKER'S LINE ON NEGOTIATIONS WITH THE PLO. (BAKER HAD REPEATED HIS POSITION DURING FURTHER TESTIMONY ON 15 MARCH - SEE PRENTICE'S LETTER OF 16 MARCH TO SALVESEN). BAKER REPORTEDLY MADE IT CLEAR TO ARENS THAT HE STOOD BY HIS STATEMENTS.

3. AS REPORTED IN OUR TUR, BAKER'S REMARKS TO CONGRESS ALSO INCLUDED A FIRM RESTATEMENT OF THE US COMMITMENT TO LAND FOR PEACE. OUR CONTACTS IN STATE HAVE TOLD US THAT BAKER ALSO SPOKE FIRMLY ON THIS POINT TO ARENS DURING THEIR OFFICIAL MEETINGS. BAKER AGREED TO ARENS' REQUEST THAT HE NOT REFER TO LAND FOR PEACE IN HIS DEPARTURE STATEMENT (OUR TELNO 733). BUT, IN DOING SO, HE TOLD ARENS THAT THERE SHOULD BE NO MISTAKE ABOUT WHAT THIS MEANT: THERE WAS A 20 YEAR US COMMITMENT TO THIS PRINCIPLE WHICH WAS NOT GOING TO CHANGE.

4. OUR CONGRESSIONAL CONTACTS (AND A SOURCE IN THE ISRAELI MEDIA) HAVE ALSO CONFIRMED THAT ARENS WAS GIVEN A ROUGH RIDE DURING HIS APPEARANCES ON THE HILL. HIS TOUGHEST ENCOUNTER, INDEED, APPEARS TO HAVE BEEN IN A PRIVATE SESSION WITH A GROUP

OF JEWISH MEMBERS OF CONGRESS. HE WAS APPARENTLY TOLD THAT PLAIN SPEAKING AMONG FRIENDS WAS ESSENTIAL AND THAT A STRAW POLL AMONG THAT GROUP WOULD REVEAL 90 PERCENT DISSATISFACTION WITH THE CURRENT PERFORMANCE OF THE ISRAELI GOVERNMENT ON THE PEACE PROCESS. THEY URGED ARENS TO CONSTRUCT A MORE POSITIVE POLICY.

5. ANOTHER STRAW IN THE WIND - AND A FURTHER SMALL ADVANCE FOR THE PLO - HAS BEEN THE RECEPTION GIVEN TO THE PALESTINIANS ALSO VISITING WASHINGTON THIS WEEK (SEE FIRST TUR). BOTH HANNAH SINIORA AND FEISAL HUSSEINI HAVE HAD MEETINGS WITH THE HOUSE FOREIGN AFFAIRS MIDDLE EAST SUBCOMMITTEE. IN ADDITION, NABIL SHA'ATH (CHAIRMAN OF THE POLITICAL COMMITTEE OF THE PNC) HAS CALLED PRIVATELY ON THE SUBCOMMITTEE CHAIRMAN, CONGRESSMAN LEE HAMILTON. (THIS BUILDS ON THE VISIT TO TUNIS IN FEBRUARY BY CONGRESSMAN WAYNE OWENS, A MEMBER OF HAMILTON'S COMMITTEE.) ACCORDING TO HAMILTON'S STAFF DIRECTOR, THE MEETING WENT WELL. SHA'ATH MADE AN EXCELLENT PERSONAL IMPRESSION AND EMPHASISED THE PLO'S POTENTIAL FLEXIBILITY ON A RANGE OF ISSUES, INCLUDING ELECTIONS IN THE OTS, PROVIDING THE VARIOUS POINTS FORMED PART OF AN ACCEPTABLE OVERALL PACKAGE. (SHA'ATH HAD EARLIER GIVEN A SIMILARLY IMPRESSIVE BRIEFING TO A MIXED ACADEMIC/MEDIA GROUP AT THE BROOKINGS INSTITUTE.)

SHA'ATH ALSO APPARENTLY TOLD HAMILTON THAT HE EXPECTED TO MEET MERIDOR PRIVATELY IN THE MARGINS OF A CONFERENCE IN GENEVA ON 25/26 MARCH, WHICH THEY WERE BOTH DUE TO ATTEND.

COMMENT

7. WE DO NOT BELIEVE THAT THE ADMINISTRATION INTENDED TO STIMULATE THIS DEGREE OF PUBLIC SPECULATION ABOUT US-ISRAELI DISAGREEMENTS. AS NOTED ABOVE, THE ISRAELIS THEMSELVES HAVE CONTRIBUTED TO THE FUSS. ARENS EVIDENTLY FELT THAT BAKER'S STATEMENT COULD NOT BE ALLOWED TO GO UNREMARKED. BAKER HIMSELF WAS PROBABLY AHEAD OF MOST OF HIS SENIOR OFFICIALS IN SPEAKING AS HE DID. BUT HE HAS STUCK TO HIS GUNS. (THE NYT OF 17 MARCH CITES A SENIOR US OFFICIAL AS SAYING THAT BAKER QUOTE DID NOT WAKE UP THIS MORNING WITH ANY REGRETS. THE ISRAELIS HAVE TO UNDERSTAND THAT IT IS A NEW WORLD UNQUOTE.)

8. THERE IS NO EVIDENCE, HOWEVER, THAT EITHER THE ADMINISTRATION OR CONGRESS ARE UNCOMFORTABLE WITH THE IMPRESSION ARENS' VISIT HAS CREATED. BOTH HALVES OF THE US GOVERNMENT HAD THE SAME MOTIVATION FOR THEIR PLAIN SPEAKING, TO UNDERLINE THE NEED FOR SHAMIR TO BRING SOME NEW IDEAS TO WASHINGTON. (EVEN IN THE NORMALLY ANODYNE STATE DEPARTMENT BRIEFING OF WESTERN MISSIONS ON 17 MARCH THE POINT WAS MADE THAT THE ADMINISTRATION ARE LOOKING FOR QUOTE TANGIBLE, PRACTICAL PROPOSALS FROM

SHAMIR WHICH WILL BE CREDIBLE AND ATTRACTIVE TO THE PALESTINIANS UNQUOTE.)

9. AS A SENIOR US OFFICIAL REMARKED AT MY LUNCH TODAY FOR SIR ROBIN BUTLER, ARENS SHOULD BE REPORTING ON HIS RETURN THAT THE SPEAKING NOTES HE HAD BROUGHT WITH HIM WILL CERTAINLY NOT DO FOR SHAMIR.

ACLAND

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CABINET OFFICE FOR WILTON (ASSESSMENTS STAFF)
OUR TELNO 733 (NOT TO ALL): MIDDLE EAST PEACE PROCESS:
ARENS IN WASHINGTON
SUMMARY

1. THE ADMINISTRATION REVEAL MORE OF THEIR THINKING, IN PARTICULAR PROPOSALS FOR PARALLEL US CONTACTS WITH THE PLO AND ISRAEL ABOUT IMMEDIATE CONFIDENCE-BUILDING MEASURES AND THE BROAD PRINCIPLES OF A FINAL SETTLEMENT. ARENS CLEAVES TO HARDLINE POSITIONS, WHILE TRYING TO PLAY DOWN ISRAELI-US DIFFERENCES. THE ADMINISTRATION, ARENS AND THE PARTICIPANTS IN A PEACE NOW/PALESTINIAN CONFERENCE ALL COMPETING FOR MEDIA ATTENTION. IN TESTIMONY TO CONGRESS, BAKER REPEATS US COMMITMENT TO LAND FOR PEACE AND CONCEDES THAT DIRECT NEGOTIATIONS BETWEEN ISRAELAND THE PLO MAY BE NECESSARY.

DETAIL

2. OUR CONTACTS IN STATE DEPARTMENT HAVE CONFIRMED THAT THE FRIEDMAN ARTICLE IN THE NEW YORK TIMES OF 14 MARCH (FAXED TO NENAD, BY BAG TO OTHERS) CONTAINED AN ACCURATE ACCOUNT OF THE LINE BAKER TOOK WITH ARENS ON THE PEACE PROCESS. THE COMPETITION FOR MEDIA AND PUBLIC ATTENTION HAS EMERGED AS A MAJOR THEME OF ARENS' VISIT. THE FRIEDMAN ARTICLE WAS BASED ON A PERSONAL BRIEFING BY DENNIS ROSS (DIRECTOR, POLICY PLANNING): THE ADMINISTRATION WANTED THERE TO BE A COHERENT COUNTERPOINT TO ARENS' PUBLIC STATEMENTS, IN PARTICULAR HIS SPEECH ON 14 MARCH TO THE WASHINGTON INSTITUTE FOR NEAR EAST POLICY (WINEP). IN TESTIMONY BEFORE CONGRESS ON 14 MARCH, BAKER HAS ALSO MADE SOME MORE FORWARD STATEMENTS (PARAGRAPH 7 BELOW). CONCURRENTLY, THE BROOKINGS INSTITUTE HAS BEEN HOST TO A MAJOR SEMINAR FO
ISRAELI
LEFT-WINGERS AND PALESTINIANS FROM THE OCCUPIED TERRITORIES.

3. ACCORDING TO THE FRIEDMAN ARTICLE, BAKER OUTLINED A TWO-TIER, TWIN-TRACK US APPROACH TO THE PEACE PROCESS. THIS WOULD INVOLVE PARALLEL US CONTACTS WITH THE PLO AND ISRAEL

TO FOCUS ON:
(I) SPECIFIC AND IMMEDIATE RECIPROCAL STEPS TO REDUCE TENSIONS IN THE OTS, AND
(II) GENERAL DISCUSSION OF THE ELEMENTS OF A FINAL SETTLEMENT TO RESOLVE ISRAEL'S SECURITY CONCERNS AND THE PALESTINIANS' QUEST FOR NATIONAL SELF-DETERMINATION.
THE STEPS AT (I) WERE REQUIRED TO DEMONSTRATE THAT THINGS HAD REALLY CHANGED. THE GENERAL COMMITMENTS ABOUT A FINAL SETTLEMENT AT (II) WERE NECESSARY TO CONVINCE THE ARABS/PALESTINIANS THAT THE US WERE NOT SIMPLY TRYING TO BUY OFF THE INTIFADEH AS AN END IN ITSELF. ONE WITHOUT THE OTHER SIMPLY WOULD NOT WORJ.
4. KIRBY (DAS/NEA) HAS CONFIRMED TO US THAT THIS IS THE BASIC US GAME-PLAN. BAKER DID NOT ASK ARENS TO TAKE ANY SPECIFIC STEPS BUT US IDEAS ON WHAT MIGHT BE POSSIBLE HAD BEEN PREVIOUSLY OUTLINED TO ISRAELI OFFICIALS. BAKER MADE IT CLEAR THAT THE ADMINISTRATION WOULD EXPECT SHAMIR TO COME IN EARLY APRIL (NOW PROBABLY 5-6 APRIL) WITH SPECIFIC, NEW ISRAELI IDEAS. THE US WOULD USE THE US-PLO DIALOGUE TO ASK THE PLO TO PRODUCE A SIMILAR SERIES OF AGREED PROPOSALS IN THE NEXT FEW WEEKS.
5. FRIEDMAN REPORTED THAT ARENS NEITHER ACCEPTED NOR CATEGORICALLY REJECTED THIS AMERICAN APPROACH. KIRBY PRIVATELY CONFIRMED THIS. ARENS HAD NOT GIVEN MUCH OF A RESPONSE. HE HAD EVIDENTLY BEEN BRIEFED TO LISTEN AND REPORT, IN HIS ROLE AS PATHFINDER FOR SHAMIR. THERE HAD BEEN NONE OF THE TESTINESS HE HAD SOMETIMES SHOWN AS ISRAELI AMBASSADOR TO WASHINGTON. THE TONE HAD BEEN RELAXED THROUGHOUT.
6. IN PUBLIC, ARENS HAS PLAYED DOWN SUGGESTIONS THAT THE ADMINISTRATION ARE LOOKING FOR CHANGES IN ISRAELI POLICY OR BEHAVIOUR AND HAS TALKED UP THE DEGREE OF CONVERGENCE BETWEEN THE US AND ISRAELI APPROACHES. ON CONFIDENCE-BUILDING MEASURES, HE TOOK THE LINE THAT OPTIONS WERE DISCUSSED RATHER THAN REQUESTS MADE AND THAT ISRAEL HAS IN ANY CASE ALREADY INTRODUCED EXPERIMENTAL UNILATERAL STEPS (EG OPENING SCHOOLS AND REDUCING THE ISRAELI MILITARY PRESENCE IN THE GAZA) AND WERE WAITING TO SEE IF THE PALESTINIANS WOULD RESPOND BY REDUCING THE LEVEL OF VIOLENCE.
7. ARENS' SPEECH TO THE WINEP WAS THE MAJOR PUBLIC APPEARANCE OF HIS VISIT. CLEARLY HOPING TO CEMENT GRASS ROOTS AMERICAN JEWISH SUPPORT FOR ISRAELI GOVERNMENT POLICY, ARENS GAVE A SMOOTH PRESENTATION OF ISRAEL'S WILLINGNESS TO MAKE PEACE WITH ANY LEGITIMATE INTERLOCUTOR. BUT IN ALL RESPECTS THE CONTENT (FAX'D TO NENAD, BY BAG TO OTHERS) WAS UNCOMPROMISINGLY HARDLINE. HE PAINTED THE PLO AS UNREFORMED TERRORISTS ON A PAR

WITH HIZBOLLAH, ABU NIDAL AND THE PFLP/GC (WHOM HE BLAMED FOR THE PAN AM 103 BOMBING). TALKING TO THE PLO WOULD BE THE BEGINNING OF A PROCESS WHICH WOULD LEAD TO THE END OF JORDAN AND THE SUBVERSION OF THE ISRAELI-ARAB POPULATION. THE PLO WERE RESPONSIBLE FOR SOME OF THE WORST ATROCITIES THE WORLD HAD SEEN SINCE THE SECOND WORLD WAR. ONLY JORDAN AND PALESTINIANS IN THE OCCUPIED TERRITORIES COULD BE LEGITIMATE INTERLOCUTORS. THE US-PLO DIALOGUE WAS COUNTER-PRODUCTIVE. ELECTIONS IN THE TERRITORIES WERE A POSSIBLE OPTION (HE REFERRED TO RABIN'S PROPOSALS) BUT COULD NOT HAPPEN UNDER THE PRESENT THREAT OF PLO INTIMIDATION. ISRAEL WAS BEST ADVISED, ON THE CAMP DAVID MODEL, TO SAY AS LITTLE AS POSSIBLE AT THIS STAGE ABOUT THE FINAL SETTLEMENT.

8. WHILE ARENS WAS PURSUING THIS CAMPAIGN, BAKER, TESTIFYING BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE, WAS PRESSED TO EXPLAIN THE APPARENT DORMANCY IN THE PEACE PROCESS AND TO SAY WHETHER US POLICY INCLUDED ENCOURAGEMENT OF DIRECT NEGOTIATIONS BETWEEN ISRAEL AND THE PLO, SINCE NO OTHER PALESTINIANS WERE COMING FORWARD. BAKER'S REMARKS (FAXED TO NENAD AND BY BAG TO OTHERS) INCLUDED THE FOLLOWING POINTS:

QUOTE

(I) THE US OF COURSE SUPPORT UN RESOLUTIONS 242 AND 338. WE THINK THOSE RESOLUTIONS MEAN LAND FOR PEACE AND THAT ULTIMATELY THAT IS THE KEY TO PEACE IN THE OCCUPIED TERRITORIES.

(II) AN ELEMENT OF US POLICY IS TO PROMOTE DIRECT MEANINGFUL NEGOTIATIONS BETWEEN THE ISRAELIS AND THE PALESTINIANS. IF YOU CANNOT HAVE DIRECT NEGOTIATIONS THAT ARE MEANINGFUL, WHICH DO NOT INVOLVE NEGOTIATIONS WITH THE PLO, ... WE WOULD THEN HAVE TO SEE NEGOTIATIONS BETWEEN ISRAELIS AND REPRESENTATIVES OF THE PLO. ... IF DIRECT NEGOTIATIONS BETWEEN ISRAELIS AND PALESTINIANS WITHOUT THE PLO CAN BRING ABOUT PEACE, THEN WE SHOULD NOT RULE THOSE OUT. IF, ON THE OTHER HAND, IT TAKES SOMETHING BEYOND THAT, THAT IS THE WAY WE OUGHT TO GO.

(III) THE MIDDLE EAST WOULD RANK RELATIVELY HIGH ON ANYBODY'S PRIORITIES SCALE ... WE ARE NOT IN ANY WAY SEEKING TO LOW KEY OUR INVOLVEMENT ... THIS ADMINISTRATION WILL BE ACTIVE BUT IT IS VERY IMPORTANT THAT THE TIMING AND THAT ACTIVITY BE CORRECT. ... BY THE SAME TOKEN, WE ARE ANXIOUS NOT TO AVOID OPPORTUNITIES THAT MIGHT PRESENT THEMSELVES AS A CONSEQUENCE OF RELATIVELY RECENT CHANGES IN THE SITUATION, SUCH AS THE (US-PLO) DIALOGUE.

UNQUOTE.

9. THE THIRD PARTY COMPETING FOR MEDIA ATTENTION HAS BEEN A GROUP OF ISRAELI LEFT-WINGERS (MORDECHAI BAR-ON AND YAIR

TSABAN) AND PALESTINIANS FROM THE OTS (FEISAL HUSSEINI AND HANNA SINIORA) WHO ADDRESEED A SEMINAR AT BROOKINGS ON 14 MARCH (REPORTED SEPARATELY). ATTENDANCE AT THE SEMINAR (OVER 300) OVERFLOWED THE FACILITIES PROVIDED BY BROOKINGS. THIS FOLLOWED A TWO-DAY AL FAJR/NEW OUTLOOK CONFERENCE IN NEW YORK, WHICH BOTH THE NEW YORK TIMES AND WASHINGTON POST HAVE REPORTED AS PROMINENTLY AS THE ARENS VISIT.

10. ON 15 MARCH, ARENS WILL HAVE FURTHER CONGRESSIONAL MEETINGS, INCLUDING WITH THE HOUSE FOREIGN AFFAIRS COMMITTEE. (HE SAW THE SENATE FOREIGN RELATIONS COMMITTEE TODAY.) THE TONE OF HIS RECEPTION ON THE HILL, ON WHICH WE AIM TO REPORT FURTHER, WILL BE AN IMPORTANT INDICATOR OF THE LATTITUDE LIKELY TO BE AVAILABLE TO THE ADMINISTRATION AS THEY DEVELOP US POLICY.

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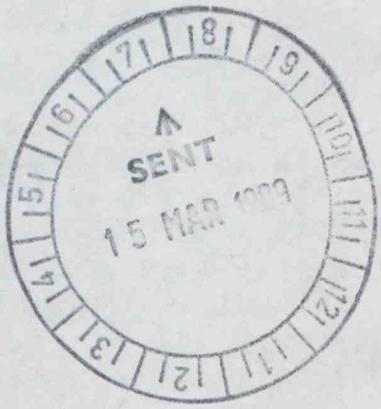

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MIDDLE EAST PEACE PROCESS: ARENS IN WASHINGTON

SUMMARY

1. PUBLIC STATEMENTS AFTER ARENS' MEETINGS WITH BAKER AND PRESIDENT BUSH. FEW SPECIFICS. SIGNALS GIVEN OF US INTEREST IN MAKING PROGRESS, THOUGH IN LOW-KEY.

DETAIL

2. ON THE FIRST DAY OF HIS 13-15 MARCH VISIT TO WASHINGTON, ARENS HAD A LONG PRIVATE MEETING WITH BAKER (NO ACCOUNT YET AVAILABLE), A PLENARY SESSION AND WORKING LUNCH IN STATE DEPARTMENT AND A 30 MINUTE MEETING WITH PRESIDENT BUSH.

3. AFTER THE MEETINGS IN STATE, BAKER AND ARENS MADE THE FOLLOWING REMARKS TO THE PRESS:

A) BAKER:

WE AFFIRMED TO THE MINISTER THAT PRESIDENT BUSH AND I ARE FIRMLY COMMITTED TO CONTINUING THE HISTORIC UNITED STATES-ISRAELI PARTNERSHIP AND TO DO ALL WE CAN TO ASSURE ISRAELS'S SECURITY AND ECONOMIC WELL-BEING.

THESE ARE, OF COURSE, IMPORTANT GOALS FOR THE UNITED STATES BECAUSE ISRAEL IS A FRIEND AND NOT ONLY A FRIEND BUT AN ALLY AND BECAUSE ISRAEL MUST BE SECURE IF WE ARE GOING TO MAKE PROGRESS TOWARD PEACE IN THE MIDDLE EAST.

OUR PRINCIPAL FOCUS OF ATTENTION, OF COURSE, WAS ON THE PEACE PROCESS. WE BOTH AGREED THAT NEED FOR PROGRESS IS OF THE HIGHEST PRIORITY AND THAT WE WOULD CONTINUE TO WORK TOGETHER TO ACHIEVE DIRECT NEGOTIATIONS. I MADE CLEAR OUR VIEW THAT MOVEMENT TOWARD A COMPREHENSIVE PEACE MUST BE BASED ON THE PRINCIPALS OF UNITED NATIONS SECURITY COUNCIL RESOLUTION 242. WE CAN AND MUST FIND A WAY TO MOVE AHEAD WHICH AT ONE AND THE SAME TIME MEETS ISRAEL'S LEGITIMATE SECURITY NEEDS AND ADDRESSES THE LEGITIMATE POLITICAL RIGHTS OF THE PALESTINIAN PEOPLE. WE REVIEWED THE CURRENT SITUATION IN THE WEST BANK AND GAZA AND WE CONSIDERED VARIOUS REINFORCING AND RECIPROCAL STEPS WHICH MIGHT BE TAKEN TO DEFUSE THE TENSIONS THERE.

FINALLY, I REAFFIRMED OUR DESIRE IN THE WEEKS AND MONTHS

AND YEARS AHEAD TO CONTINUE TO WORK CLOSELY WITH ISRAEL IN THE SEARCH FOR PEACE. IN THIS CONNECTION PRESIDENT BUSH AND I LOOK FORWARD TO FURTHER DISCUSSIONS WITH PRIME MINISTER SHAMIR WHEN HE VISITS WASHINGTON. I AM HOPEFUL THAT WITH GOODWILL ON BOTH SIDES WE CAN MOVE FORWARD TOWARD OUR SHARED GOAL OF PEACE.

B) ARENS:

IT WAS A PRIVILEGE FOR ME TO MEET WITH THE SECRETARY OF STATE. I CAME HERE AS THE FOREIGN MINISTER OF THE NEWLY-ELECTED GOVERNMENT IN ISRAEL AND HAVE HAD THE CHANCE TO MEET THE SECRETARY OF STATE OF THE NEWLY-ELECTED ADMINISTRATION HERE IN WASHINGTON. WE MEET AFTER A VERY SOLID FOUNDATION OF FRIENDSHIP. I WOULD SAY OUR ALLIANCE HAS BEEN BUILT OVER THE PAST YEARS BETWEEN THE UNITED STATES AND ISRAEL (SIC).

THE SECRETARY OF STATE HAS PLAYED A VERY IMPORTANT PART IN BUILDING THAT FOUNDATION IN PAST POSITIONS THAT HE HAS HELD.

WE SHARE COMMON IDEALS AND VALUES, COMMON INTERESTS AND CERTAINLY THE COMMON OBJECTIVE OF ADVANCING THE PEACE PROCESS. I THINK THAT OUR TALK TODAY CONTRIBUTED TO BUILDING A BASIS OF UNDERSTANDING BETWEEN US ON HOW WE SHOULD PROCEED IN ORDER TO ADVANCE AS EXPEDITIOUSLY AS POSSIBLE IN THE SEARCH FOR PEACE IN THE MIDDLE EAST.

4. ASKED WHETHER ISRAEL WAS RECEPTIVE TO THE IDEA OF RECIPROCAL STEPS TO RELIEVE TENSION, ARENS REPLIED:

QUOTE WE HAVE EXCHANGED VIEWS ON THE SUBJECT. WE CERTAINLY WANT TO REDUCE TENSION. THAT IS AN INTEREST THAT WE HAVE QUITE ASIDE FROM THE INTEREST THAT THE UNITED STATES GOVERNMENT HAS ON THAT SUBJECT AND I THINK THAT WE WILL FIND COMMON GROUND ON HOW TO DO THAT. IT'S NOT EASY TO DO THAT CONSIDERING THE VIOLENCE IN THE AREA AT THE PRESENT TIME. UNQUOTE.

5. THE WHITE HOUSE ALSO ISSUED A SHORT STATEMENT ABOUT ARENS' CALL ON PRESIDENT BUSH (AT WHICH THE ISRAELI AMBASSADOR AND SALLAI MERIDOR WERE ALSO PRESENT):

QUOTE THE PRESIDENT EMPHASIZED THE UNITED STATES' STRONG AND ENDURING COMMITMENT TO THE SECURITY OF ISRAEL. THE DISCUSSIONS FOCUSED ON THE INTENTIONS OF BOTH COUNTRIES IN MOVING THE MIDDLE EAST PEACE PROCESS FORWARD. PRESIDENT BUSH SAID THE UNITED STATES WANTS PROGRESS, NEW IDEAS, AND LOOKS FORWARD TO THE VISIT BY PRIME MINISTER SHAMIR.

PRESIDENT BUSH EMPHASIZED THAT THE UNITED STATES DOES NOT WANT TO MISS AN OPPORTUNITY FOR PEACE IN THE MIDDLE EAST, AND STILL BELIEVES IN DIRECT TALKS AS THE BEST PATH TO PEACE. UNQUOTE.

6. ARENS WAS LATER ASKED WHAT PRESIDENT BUSH HAD ASKED HIM TO DO AND WHAT HE HAD SAID ISRAEL WAS WILLING TO DO. ARENS SAID:

QUOTE WE DIDN'T ARRIVE AT ANY FINALIZED OR DEFINED POSITIONS. I THINK IT IS PROBABLY PREMATURE TO EXPECT THAT AT THIS POINT. WE HAVE AN UPCOMING VISIT OF OUR PRIME MINISTER TO WASHINGTON IN A FEW WEEKS. BUT WE DISCUSSED THE PEACE PROCESS, THE URGENCY OF TAKING STEPS THAT WOULD ADVANCE THE PEACE PROCESS IN THE AREA, AND THE IMPORTANCE OF ARRIVING AT A CO-ORDINATED POSITION BETWEEN ISRAEL AND THE UNITED STATES IN ORDER TO DO JUST THAT ... IN THE DISCUSSIONS THAT WE HAD TODAY I WAS NOT ASKED TO MAKE ANY (POLICY) CHANGES. WE DISCUSSED VARIOUS OPTIONS.

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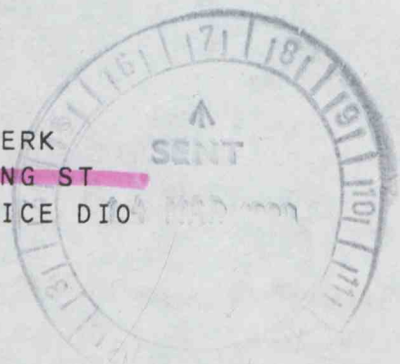

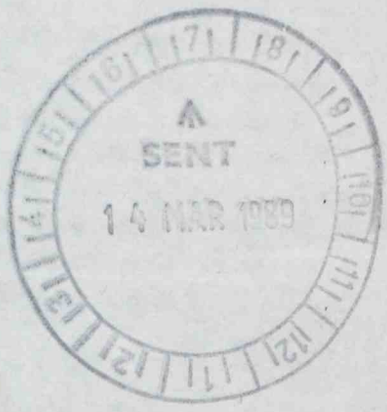

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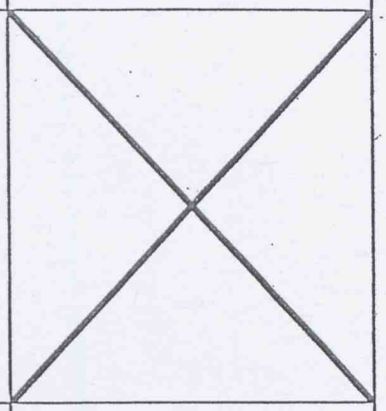
Extract details: Waldegrave to Foreign Secretary 13/3/84	
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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

7 March 1989

Dear Bob,

MIDDLE EAST

The Israelis have now given me the promised account of Arens' visit to Cairo. There is not much to it.

The meeting with Shevardnadze had been a bit of a disappointment. The Soviets had appeared to stiffen their conditions for normalising relations with Israel. Previously, they had asked that Israel accept an international conference. Now they were insisting on the opening of a dialogue with the PLO as well. Shevardnadze had said that he was convinced that the time was ripe for renewed progress towards a settlement and an international conference, and he did not understand Israel's objections to such a conference. Arens responded that Israel did not understand why the Russians were against direct negotiations. There had also been some discussion of terrorism and of the arms race in the area. On the positive side, groups of specialists had been established to meet and discuss specific problems.

Arens' discussions with Mubarak had been very good. Mubarak had agreed that direct negotiations must be the aim, with the role of an international conference being simply that of launching such negotiations. He was no great admirer of the PLO but claimed that he had himself brought about considerable change in their policies. He argued that Israel need have no fear of Iraq or Syria. There had also been a good meeting with the Egyptian Foreign Minister, who had agreed to visit Israel in due course.

I doubt that this adds much to the sum of your knowledge. But I would be grateful if the Department could avoid referring to the fact of the briefing in contacts with the Israeli Embassy.

Yours sincerely,

C. D. POWELL

R. N. Peirce, Esq.
Foreign and Commonwealth Office

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171504
MDADAN 9439

CONFIDENTIAL
FM AMMAN
TO IMMEDIATE FCO
TELNO 114
OF 020630Z MARCH 89
INFO IMMEDIATE TEL AVIV
INFO PRIORITY CAIRO, DAMASCUS, RIYADH, WASHINGTON, UKMIS NEW YORK
INFO PRIORITY PARIS, MOSCOW, JERUSALEM

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MY TELNO 113 (NOT TO ALL): ARAB/ISRAEL PEACE PROCESS

SUMMARY

1. DESPITE IMPROVED CLIMATE FOR NEGOTIATIONS, JORDANIAN PRIME MINISTER SEES ISRAEL'S REFUSAL TO OFFER TERRITORY FOR PEACE AS FUNDAMENTAL OBSTACLE. URGENT NEED FOR MOVEMENT, INITIATED BY AMERICANS. KING TO VISIT WASHINGTON. ARAFAT DESERVES FULL SUPPORT.

DETAIL

2. WHEN I SAW THE JORDANIAN PRIME MINISTER ON 1 MARCH, WE ALSO DISCUSSED THE PEACE PROCESS. I ASKED ZAID RIFA'I HOW HE SAW THE SITUATION IN THE LIGHT OF RECENT DEVELOPMENTS, PARTICULARLY SHEVARDNADZE'S VISIT TO THE REGION.

3. RIFA'I SAID THAT THERE WERE MANY FAVOURABLE POINTERS WITH WHICH WE WERE ALL FAMILIAR. BUT THE BASIC PROBLEM REMAINED THAT THE ISRAELI GOVERNMENT WAS UNWILLING TO TRADE TERRITORY FOR PEACE. THE QUESTION OF WHO NEGOTIATED WITH WHOM, WHERE THE NEGOTIATIONS SHOULD TAKE PLACE AND UNDER WHAT AUSPICES, COULD ALL BE SETTLED WITHOUT TOO MUCH DIFFICULTY IF THIS ONE BASIC ISSUE WERE TO BE RESOLVED. BUT HE SAW NO SIGN OF ANY SHIFT IN THE ISRAELI POSITION AND THE AMERICANS SEEMED RELUCTANT TO COME UP WITH THEIR OWN PROPOSALS. TIME WAS SHORT. MOVEMENT WAS ESSENTIAL THIS YEAR: OTHERWISE WE WOULD ONCE AGAIN BE BOGGED DOWN IN THE WELL-KNOWN AMERICAN ELECTORAL CYCLE. AND ISRAEL WOULD THEN SIT TIGHT.

4. RIFA'I SAID THAT HIS GOVERNMENT WAS COUNTING ON MRS THATCHER TO USE HER INFLUENCE WITH WASHINGTON AND THEY HAD APPLAUDED HER REMARKS IN PARIS ABOUT THE US AND ISRAEL. (AN EDITORIAL IN TODAY'S (1 MARCH) JORDAN TIMES ON THIS THEME HAS THE HEADLINE

''THREE CHEERS FOR THATCHER''). HE KNEW THAT WE FAVOURED PREPARATORY DISCUSSION AMONG THE FIVE PERMANENT MEMBERS. HE BELIEVED THAT THE UN MECHANISM COULD BE OF GREAT HELP TO THE AMERICANS IF THEY WOULD ONLY CONSENT TO IT. THE ARAB/ISRAEL PROBLEM WAS IN ESSENCE A DOMESTIC ISSUE FOR THE UNITED STATES, ALL THE MORE REASON THEN FOR THE AMERICANS TO ALLOW IT TO BE TACKLED IN AN INTERNATIONAL FORUM BASED IN NEW YORK WHERE THEY COULD DEMONSTRATE THAT ISRAEL WAS IN A MINORITY OF ONE ON THE QUESTION OF LAND FOR PEACE AND THUS EXPOSE DOMESTIC PUBLIC OPINION TO THESE PRESSURES FOR A CHANGE IN ISRAELI POLICY.

5. I ASKED ABOUT KING HUSSEIN'S MEETING WITH PRESIDENT BUSH IN TOKYO. ZAID RIFA'I SAID THAT THE KING HAD STRESSED THE NEED FOR URGENT MOVEMENT. THE MEETING HAD BEEN RATHER SHORT BUT THE JORDANIANS HAD HANDED OVER A POSITION PAPER (WHICH HAD NOW ALSO BEEN TRANSMITTED TO BAKER AT HIS REQUEST). THE KING WOULD FOLLOW THIS UP WITH A MEETING IN WASHINGTON. NO DATE HAD YET BEEN FIXED BUT APRIL LOOKED THE MOST LIKELY MONTH.

6. IN RESPONSE TO MY QUESTION ZAID RIFA'I CONFIRMED THAT JORDAN DID NOT SUPPORT SHEVARDNADZE'S SUGGESTION OF PRIOR CONSULTATION BETWEEN THE FIVE ARAB PARTIES. HE DID NOT UNDERSTAND WHY SHEVARDNADZE HAD CONTINUED TO PUSH THIS IN CAIRO, APPARENTLY CLAIMING THAT JORDAN WAS IN AGREEMENT. THE PROPOSAL HAD BEEN ARAFAT'S INITIALLY. RIFA'I BELIEVED THAT ARAFAT SAW IT AS A WAY OF IMPROVING HIS RELATIONS WITH SYRIA: BUT IN THE JORDANIAN VIEW IT MIGHT WELL HAVE THE OPPOSITE EFFECT. IN ANY CASE WHAT WAS THERE FOR THE ARAB PARTIES TO DISCUSS IN ADVANCE OF ISRAELI AGREEMENT TO A CONFERENCE? THE ESSENTIAL THING WAS TO SECURE EARLY MOVEMENT TOWARDS SUCH A CONFERENCE. IN THIS CONNECTION, ZAID RIFA'I SAID THAT HE PERSONALLY DID NOT DISAGREE WITH OUR POSITION THAT THE PLO WAS NOT NECESSARILY THE SOLE REPRESENTATIVE OF THE PALESTINIAN PEOPLE. THE IMPORTANT THING IN HIS VIEW WAS THAT THE PLO HAD NOW TAKEN A MODERATE POSITION. WHY NOT BACK THEM THEREFORE? ATTEMPTS TO FIND OTHER REPRESENTATIVES THROUGH ELECTIONS WOULD MERELY CONSUME VALUABLE TIME AND WOULD IN ANY CASE BE OF DUBIOUS VALIDITY AS LONG AS THE ISRAELIS REMAINED IN CONTROL. AND AT THE END OF THE DAY THOSE ELECTED MIGHT PROVE TO BE MORE EXTREME THAN ARAFAT. I COMMENTED THAT AS LONG AS ISRAEL REFUSED TO NEGOTIATE WITH THE PLO, PALESTINIANS WHO WERE NOT TARRED WITH THE PLO BRUSH MIGHT NEVERTHELESS PROVE VERY USEFUL.

7. ZAID RIFA'I CONCLUDED BY SAYING THAT THE GOVERNMENT WAS

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VERY MUCH LOOKING FORWARD TO MR WALDEGRAVE'S VISIT WHICH THEY REGARDED AS EXTREMELY TIMELY.

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FOLLOWING FROM MINISTER IN AMBASSADOR'S ABSENCE ON TOUR

FCO TELNO 370: ARAB/ISRAEL AMONG THE FIVE

SUMMARY

1. US PROBLEMS WITH EARLY ACTIVITY AMONG THE FIVE UNDIMINISHED AND MAY EVEN HAVE INCREASED FOLLOWING SHEVARDNADZE'S MIDDLE EAST TOUR. UK PROMPTING OF THE SOVIETS COULD UNDERMINE EFFORTS TO STRENGTHEN UK/US BILATERAL DLALOGUE WITH THE NEW US TEAM.
DETAIL
2. AS THE EASIEST WAY TO ADDRESS YOUR UNDERLYING QUESTION, I WILL START WITH THE SIMPLIFYLNG ASSUMPTION THAT, UNPROMPTED, BELONOGOV TAKES THE INITIATIVE IN NEW YORK. WITHOUT CONSULTING THE AMERICANS, I BELIEVE THEIR RESPONSE WOULD BE GOVERNED BY THE FOLLOWING FACTORS:
(I) THEIR BACKGROUND APPROACH HAS NOT CHANGED: AS THEY SEE IT, ACTIVITY ON ARAB/ISRAEL AMONG THE FIVE AT THIS STAGE WOULD RISK CLOSING OPTIONS THEY WISH TO KEEP OPEN AND WOULD MAKE THEIR TASK HARDER WITH AN ALREADY ANXIOUS AND DEFENSIVE ISRAEL. THE LATTER POINT WILL BE UPPERMOST IN THEIR MINDS BEFORE ARENS' VISIT TO WASHINGTON ON 13-15 MARCH AND SHAMIR'S 2-3 WEEKS LATER.
(II) THEY WILL SEE THE SOVIET MOVE FOR WHAT IT IS, IE THE THIN EDGE OF THE WEDGE (OR, AS WE WOULD PUT IT, THE BEGINNING OF A PROCESS). THE IDEA THAT THEY NEED NOT PARTICIPATE IN ANY DISCUSSION OF THE ARAB-ISRAEL ELEMENTS IN A BROADER BELONOGOV BRIEFING WOULD NOT EASE US DOUBTS. THEY WOULD NOT SEE A DISCUSSION A QUATRE (ASSUMING THAT WE, THE FRENCH AND THE CHINESE WOULD NOT ALSO STAY SILENT ON ARAB-ISRAEL), AS LIKELY TO LEAD IN A HELPFUL DIRECTION AT THIS STAGE. INDEED, ONE OF THEIR UNDERLYING CONCERNS

IS THAT THE PERMANENT MEMEBERS WILL DIVIDE FOUR AGAINST ONE IF THESE ISSUES ARE RAISED PREMATURELY IN NEW YORK.
(III) MEDIA REPORTING ON SHEVARDNADZE'S MIDDLE EAST TOUR HAS TENDED TO DRAW THE CONCLUSION THAT THE RUSSIANS ARE STEALING A MARCH ON THE US IN THE PEACE PROCESS. ADMINISTRATION COMMENT HAS BEEN DISMISSIVE BUT THEY HAVE NOT CONCEALED THEIR I
RITATION. THIS WILL NOT MAKE THEM ANY MORE OPEN TO A PROCESS IN NEW YORK WHICH THEY WOULD SEE AS GIVING THE SOVIET UNION AN OPPORTUNITY TO ADD TO THE IMPRESSION THAT THEY ARE IN THE LEAD AND SETING THE AGENDA.
(IV) THE US INTERNAL POLICY REVIEW PROCESS IS ONLY NOW MOVING INTO HIGH GEAR BEFORE THE ARENS/SHAMIR VISITS. MOREOVER, BAKER HAS YET TO DECIDE HOW HE WISHES TO PLAY THE US/SOVIET DIALOGUE ON REGIONAL ISSUES (A REVIEW IS UNDERWAY IN PREPARATION FOR BAKER'S FIRST MEETING WITH SHEVARDNADZE IN VIENNA ON 7 MARCH). THE ADMINISTRATION WOULD NOT WISH TO BE PARTY TO A MULTILATERAL EXCHANGE WITH THE RUSSIANS ON THE MIDDLE EAST BEFORE THE SHAPE OF THEIR BILATERAL REGIONAL DISCUSSIONS IS CLEAR.
3. ON THAT BASIS, WE WOULD EXPECT THE ADMINISTRATION, IF FACED WITH A SOVIET PROPOSAL THAT BELONOGOV BRIEF THE FIVE, TO ATTEMPT TO STEER THE RUSSIANS INTO BRIEFING THEM (AND OTHERS) ON BILATERAL CHANNELS. IF THE RUSSIANS PERSISTED IN THEIR WISH TO BRIEF THE FIVE, IT WOULD BE A DIFFICULT CALL WHETHER THE AMERICANS WOULD REFUSE TO TAKE PART (ALLOWING THE SOVIET UNION TO MAKE PLAY IN THE ARAB WORLD OVER US OBSTRUCTIVENESS IN THE PEACE PROCESS) OR RELUCTANTLY AGREE ON A LISTENING ONLY BASIS. THE LIKELIHOOD OF A FLAT REFUSAL IS FAR GREATER IF THE ISSUE IS FORCED ON THEM BEFORE THE ARENS/SHAMIR VISITS AND BEFORE AMBASSADOR PICKERING'S ARRIVAL IN NEW YORK. (ACCORDING TO HIS OFFICE, HE MAY BE CONFIRMED BY THE SENATE ON 2 MARCH. BUT HE WOULD THEN NEED TO BE SWORN IN. THEIR BEST ESTIMATE FOR HIS ARRIVAL IS MID- TO LATE MARCH).
4. THE AMERICANS MIGHT BE MORE RELAXED IF THE FACT OF A BELONOGOV BRIEFING ON ARAB/ISRAEL WERE TO BE ENTIRELY CONFIDENTIAL AND LIKELY TO STAY THAT WAY. BUT THEY WOULD BE HARD TO CONVINCE, NOT LEAST BECAUSE THEY UNDERSTAND THAT WE AND OTHERS SEE ADVANTAGE IN THE FIVE BEING KNOWN TO BE DOING SOMETHING IN ORDER TO HELP TO DEFUSE ARAB/PALESTINIAN FRUSTRATION AT THE SLOW PACE OF THE PEACE PROCESS. A PRINCIPAL US CONCERN IS THE PUBLIC USE

WHICH MIGHT BE MADE OF EVEN A MINIMAL EXCHANGE AMONG THE FIVE TO SUGGEST THAT A NEW PROCESS HAD BEEN SET IN TRAIN.

5. AGAINST THAT BACKGROUND I HAVE STRONG DOUBTS ABOUT THE SUGGESTION THAT WE SHOULD STIMULATE THE RUSSIANS TO OFFER SUCH A BRIEFING: OUR ASSOCIATION WITH A SOVIET MOVE TO BRIEF THE FIVE WOULD NOT MAKE IT ANY MORE PALATABLE TO THE ADMINISTRATION AND MIGHT INCREASE THEIR FEELING THAT THEY WERE BEING BOUNCED. FLOWING FROM THAT, I WOULD SEE SOME RISK THAT US IRRITATION WOULD AFFECT OUR BILATERAL DIALOGUE WITH THE NEW AMERICAN TEAM. WE KNOW THAT ONE OF THE RECOMMENDATIONS IN THE NEA PAPER ON THE PEACE PROCESS SUBMITED LAST WEEK IS THAT THE UK SHOULD BE KEPT CLOSELY INFORMED ABOUT US ACTIVITY AT ALL STAGES. GIVEN BAKER'S KNOWN INSTINCTS FOR SECRECY, IT ISBY NO MEANS CERTAIN THAT THIS RECOMMENDATION WILL BE ACCEPTED. THE ALTERNATIVE IS NOT, OF COURSE, THAT WE WILL BE COMPLETELY CUT OUT: BUT OUR HELP TO THE AMERICANS OVER THE US-PLO DIALOGUE, OUR MORE RESTRAINED AND BALANCED APPROACH OVERALL AND OUR HABIT OF DISCUSSING OUR DIFFERENCES PRIVATELY WITH THE AMERICANS GIVES US THE BEST CHANCE OF REMAINING A PRIVILEGED INTERLOCUTOR. THE LEAST THAT CAN BE SAID IS THAT TO ASSOCIATE OURSELVES NOW WITH WHAT THE AMERICANS WOULD SEE AS AN UNWELCOME PUSH IN NEW YORK WOULD NOT HELP TO GET OUR DETAILED BILATERAL DIALOGUE WITH THE NEW TEAM OFF TO THE BEST START, AT EITHER OFFICIAL OR MINISTERIAL LEVEL.

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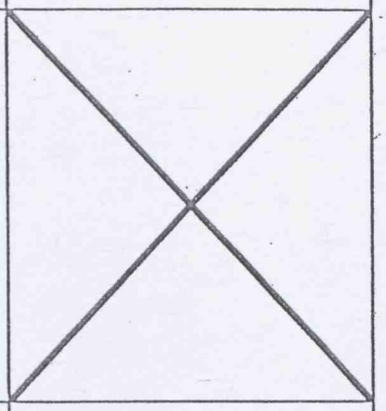
Extract details: Cradock to Powell 27/2/84	
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ARENS' VISIT TO CAIRO.

SUMMARY.

1. IMPRESSIONISTIC BUT FRANK BRIEFING BY ARENS' POLITICAL ADVISER FOR UK EARS ONLY. CHEMISTRY WITH EGYPTIANS AND RUSSIANS GOOD, BUT DIFFERENCES PROBABLY AS GREAT AS EVER. SOME CURIOSITY AS TO SOVIET MOTIVES.

DETAIL.

2. I CALLED ON SALAI MERIDOR, POLITICAL ADVISER TO ARENS, ON 23 FEBRUARY TO DISCUSS ARENS' VISIT TO CAIRO, WHENCE HE HAS JUST RETURNED. MERIDOR SPOKE VERY FRANKLY, ALTHOUGH REVEALING LITTLE ON THE SUBSTANCE. AT THE END HE SAID THAT HE DID NOT WISH WHAT HE HAD SAID TO BE REPEATED TO ''OTHER COUNTRIES''. COMMENT ON THIS ASPECT AND ON THE REMAINDER OF OUR CONVERSATION IS IN MIFT.

3. MERIDOR SAID THAT THE ENTIRE CONVERSATION WITH MUBARAK,OF WELL OVER AN HOUR, HAD UNEXPECTEDLY BEEN TETE-A-TETE: THE REMAINDER OF ARENS' TEAM HAD BEEN EXPECTING TO JOIN HIM AFTER 10 MINUTES. ACCORDING TO ARENS THE ATMOSPHERE HAD BEEN VERY GOOD AND THE PERSONAL CHEMISTRY HAD WORKED, ALTHOUGH THE DIFFERENCES REMAINED AS LARGE AS EVER. ARENS HAD EXPRESSED ISRAEL'S DESIRE THAT EGYPT SHOULD USE HER RAPPROCHEMENT WITH THE REST OF THE ARAB CAMP TO BRING THE ARABS MORE ACTIVELY INTO THE PEACE PROCESS. EGYPT/ ISRAEL RELATIONS WERE FUNDAMENTALLY QUITE GOOD AND COULD BE KEPT THAT WAY IF BOTH SIDES WERE QUICK TO CONTACT EACH OTHER, AT ALL LEVELS, IF MISUNDERSTANDING LOOKED LIKE DEVELOPING. THE SUCCESSFUL HANDLING OF THE TABA AFFAIR (WHICH WAS HARDLY DISCUSSED) WAS AN ILLUSTRATION OF THIS.

4. THE CONVERSATION WITH ABDEL MAGID HAD COVERED SIMILAR GROUND. THERE HAD NOT BEEN TIME TO TALK MUCH ABOUT BILATERAL AFFAIRS, AND THEY HAD CONCENTRATED ON THE PEACE PROCESS. IT WAS

AGREED THAT MAGID SHOULD VISIT JERUSALEM IN THE NEAR FUTURE, AND THE EGYPTIANS WILL PROPOSE A DATE. MEANWHILE THE DIRECTOR GENERAL OF THE ISRAELI MFA, MERHAV, WILL VISIT CAIRO TO PURSUE THE DISCUSSION OF BILATERAL ISSUES.

5. THE DISCUSSION WITH SHEVARDNADZE HAD BEEN LONG AND USEFUL BUT HAD NOT NOTICEABLY NARROWED ANY GAPS. MERIDOR SAID THAT THE MOST INTERESTING ASPECT FOR THE ISRAELIS WAS SOVIET MOTIVES. HE COULD NOT UNDERSTAND WHAT THE RUSSIANS WERE UPT TO. THE TOUR AROUND THE MIDDLE EAST MUST HAVE BEEN DIFFICULT TO ARRANGE, WITH MUBARAK AND HUSSEIN ON THE POINT OF LEAVING FOR THE FUNERAL IN TOKYO. THEY MUST SURELY REALISE THAT NOTHING COULD BE ACHIEVED IN THE MIDDLE EAST WITHOUT US INVOLVEMENT, BUT THE AMERICANS WERE NOT YET READY TO MOVE. IT SEEMED INCONCEIVABLE THAT THE RUSSIANS WERE SEEKING TO STEAL A MARCH ON THE AMERICANS, AND ALMOST AS INCONCEIVABLE THAT THERE HAD BEEN COLLUSION BETWEEN THEM. MAYBE THEY WERE CONCERNED TO BE DOING SOMETHING ACTIVE IN ORDER TO TAKE AWAY THE TASTE OF THE AFGHANISTAN FIASCO.

6. MERIDOR MADE IT PLAIN THROUGHOUT THAT THE ISRAELI GOVERNMENT WERE ABSOLUTELY DETERMINED NEVER TO TALK TO THE PLO. THE IMPLICATION WAS THAT ARENS HAD BEEN PRESSED ON THIS POINT BY BOTH THE EGYPTIANS AND THE RUSSIANS, AND HAD GIVEN NO GROUND. NOBODY COULD DELIVER THE PLO, AND NOBODY COULD DELIVER ISRAEL TO THE PLO. HOWEVER THERE WERE COUNTRIES WHICH HAD A ROLE TO PLAY - THE EGYPTIANS COULD BE USEFUL WITH THE OTHER ARAB STATES, THE RUSSIANS COULD BE USEFLL FOR EXAMPLE WITH SYRIA, THE UK COULD BE USEFUL WITH KING HUSSEIN. ISRAEL WAS PREPARED TO TALK TO ALL OF THESE. BUT IN THE END THE DECISIONS WOULD BE FOR ISRAEL ALONE. SUBSTANTIAL INVOLVEMENT IN DISCUSSION BY EXTERNAL POWERS, AS DISTINCT FROM A FRAMEWORK, WAS UNACCEPTABLE.

7. PLEASE SEE MIFT (NOT TO ALL).

ELLIOTT

YYYY

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FM WASHINGTON
TO DESKBY 110900Z FCO
TELNO 465
OF 110110Z FEBRUARY 89
INFO PRIORITY CAIRO, AMMAN, [illegible] JERUSALEM, TUNIS, RIYADH
INFO PRIORITY UKMIS NEW YORK, PARIS, MOSCOW, PEKING

MY TELNO 353: ARAB/ISRAEL: AMBASSADOR PICKERING

SUMMARY

1. PICKERING OPTIMISTIC THAT THE ADMINISTRATION WILL BECOME SERIOUSLY ENGAGED ON THE MIDDLE EAST, BUT EXPECTS IT TO BE A FEW MONTHS BEFORE THEY SEE THEIR WAY FORWARD CLEARLY. HE CONFIRMS THAT THE US EMPHASIS WILL BE ON BILATERAL ACTIVITY BUT SEES WITHIN THAT A STRONG ROLE FOR OTHERS, ESPECIALLY THE UK.

DETAIL

2. MINISTER, ACCOMPANIED BY PRENTICE RAN OVER THE GROUND AGAIN ON 10 FEBRUARY OVER LUNCH WITH TOM PICKERING, US AMBASSADOR-DESIGNATE TO THE UNITED NATIONS. PICKERING CONFIRMED THAT HE WOULD CONTINUE TO TAKE A CLOSE INTEREST IN MIDDLE EAST ISSUES FROM NEW YORK AND EXPECTED TO PARTICIPATE IN AT LEAST SOME CABINET AND NSC DISCUSSIONS ON THIS AND OTHER ISSUES WITH A UN ANGLE.

3. ON SUBSTANCE, PICKERING APPEARED CONFIDENT THAT THE NEW TEAM WOULD GIVE NO GROUND TO THE ISRAELIS ON BASIC US POSITIONS. US ATTACHMENT TO THE PRINCIPLE OF TERRITORY FOR PEACE WOULD BE STRONGER NOT WEAKER. HE HOPED THAT THE ADMINISTRATION WOULD ALSO FIND AN OCCASION TO SAY THAT SETTLEMENTS IN THE OCCUPIED TERRITORIES WERE ILLEGAL.

4. ON MODALITIES, PICKERING WAS AS FIRM AS OTHERS HAVE BEEN THAT THE US WOULD BE VERY DELIBERATE IN THEIR APPROACH OVER THESE FIRST FEW MONTHS AND WOULD CONTINUE TO PREFER TO OPERATE BILATERALLY. OTHER GOVERNMENTS COULD PLAY A SIGNIFIFANT ROLE IN THIS CONTEXT. ARAB GOVERNMENTS SHOULD BE ENCOURAGED TO ENGAGE VIGOROUSLY WITH THE NEW US TEAM, EXCHANGING VIEWS ON THE IDEAS NOW EMERGING FROM ISRAEL AND IN PARTICULAR OFFERING PRIVATE ADVICE ON HOW THE US COULD BEST USE THE US-PLO DIALOGUE. DONE CONSTRUCTIVELY, THIS WOULD HELP THE NEW TEAM TO FOCUS ON ALL ASPECTS OF THE ISSUE AND WOULD AVOID LEAVING THE FIELD TO THE ISRAELIS. THE ALTERNATIVE COURSE FOR THE ARABS/PLO IN THIS PERIOD WAS TO FALL TO THE TEMPTATION TO SCORE POINTS AT THE UN. THIS WOULD ONLY CLOSE MINDS IN WASHINGTON AND THRUST THE ADMINISTRATION TOWARDS ISRAEL. IF THE ARABS COULD AVOID THAT, THEY WOULD GAIN CREDIT IN WASHINGTON

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FOR THEIR PATIENCE AND RESTRAINT.
5. AS FOR OURSELVES, PICKERING SAW SCOPE FOR MUCH CLOSER CONSULTATION BETWEEN US AND THIS ADMINISTRATION ON THE DETAILED HANDLING OF THE PEACE PROCESS THE US HAD MISSED OPPORTUNITIES IN THE PAST TO MAKE USE OF OUR ACCESS AND INFLUENCE WITH THE PARTIES. SINCE THE OPENING TO THE PLO, OPPORTUNITIES FOR THE US AND UK TO WORK TOGETHER WERE EVEN GREATERR WITH THAT IN MIND, PICKERING HOPED THAT BAKER WOULD COME AWAY FROM YOUR MEETING ON 12 FEBRUARY CONVINCED OF TWO POINTS:
(I) THAT THE PEACE PROCESS HAD TO BE TREATED AS A PRIORITY ISSUE (HE WARNED US AGAINST SPECIFYING ANY PRECISE PRIORITY TO AVOID STIMULATING THE WRONG ANSWER), AND
(II) THAT CLOSE US-UK CONSULTATIONS SHOULD BE AN IMPORTANT ELEMENT OF THE US APPROACH.
6. PICKERING WHOLEHEARTEDLY ENDORSED HMG'S POLICY OF EXPANDING CONTACTS WITH LIKUD MINISTERS. HE THOUGHT THAT SHAMIR, MORE THAN ARENS, WOULD BE SUSCEPTIBLE TO SUCH CULTIVATION AND THAT SOME OF THE CRACKS WHICH SHAMIR HAD OPENED IN HIS POSITIONS ON THE SUBSTANCE COULD BE WIDENED. HE SAID HE WAS URGING THE ADMINISTRATION TO DEVELOP A CLEAR GAME-PLAN FOR HANDLING SHAMIR'S VISIT TO WASHINGTON, SO AS NOT TO ALLOW HIM TO SET THE AGENDA, BUT HE WAS NOT CONFIDENT THAT THIS WOULD GET THEIR ACT TOGETHER IN TIME. IT WOULD HELP IF THEY WOULD AGREE TO PRESENT SHAMIR'S VISIT AS JUST ONE OF A SERIES OF HIGH LEVEL CONSULTATIONS OUT OF WHICH US POLICY WOULD BE DEVELOPED.
7. WE TOOK PICKERING CAREFULLY THROUGH THE ARGUMENTS FOR ACTIVITY ON THE PEACE PROCESS IN NEW YORK AMONG THE FIVE. HE REHEARSED, WITH CONVICTION AND AT LENGTH THE REASONS WHY DISCUSSION AMONG THE FIVE WAS NOT SEEN HERE AS THE WAY TO PROCEED: IN SHORT BECAUSE IT WOULD MAKE THE ISRAELIS HARDER TO HANDLE AND MIGHT FORECLOSE US OPTIONS.

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DETAIL

2. MINISTER, ACCOMPANIED BY PRENTICE RAN OVER THE GROUND AGAIN ON 10 FEBRUARY OVER LUNCH WITH TOM PICKERING, US AMBASSADOR-DESIGNATE TO THE UNITED NATIONS. PICKERING CONFIRMED THAT HE WOULD CONTINUE TO TAKE A CLOSE INTEREST IN MIDDLE EAST ISSUES FROM NEW YORK AND EXPECTED TO PARTICIPATE IN AT LEAST SOME CABINET AND NSC DISCUSSIONS ON THIS AND OTHER ISSUES WITH A UN ANGLE.

3. ON SUBSTANCE, PICKERING APPEARED CONFIDENT THAT THE NEW TEAM WOULD GIVE NO GROUND TO THE ISRAELIS ON BASIC US POSITIONS. US ATTACHMENT TO THE PRINCIPLE OF TERRITORY FOR PEACE WOULD BE STRONGER NOT WEAKER. HE HOPED THAT THE ADMINISTRATION WOULD ALSO FIND AN OCCASION TO SAY THAT SETTLEMENTS IN THE OCCUPIED TERRITORIES WERE ILLEGAL.

4. ON MODALITIES, PICKERING WAS AS FIRM AS OTHERS HAVE BEEN THAT THE US WOULD BE VERY DELIBERATE IN THEIR APPROACH OVER THESE FIRST FEW MONTHS AND WOULD CONTINUE TO PREFER TO OPERATE BILATERALLY. OTHER GOVERNMENTS COULD PLAY A SIGNIFIFANT ROLE IN THIS CONTEXT. ARAB GOVERNMENTS SHOULD BE ENCOURAGED TO ENGAGE VIGOROUSLY WITH THE NEW US TEAM, EXCHANGING VIEWS ON THE IDEAS NOW EMERGING FROM ISRAEL AND IN PARTICULAR OFFERING PRIVATE ADVICE ON HOW THE US COULD BEST USE THE US-PLO DIALOGUE. DONE CONSTRUCTIVELY, THIS WOULD HELP THE NEW TEAM TO FOCUS ON ALL ASPECTS OF THE ISSUE AND WOULD AVOID LEAVING THE FIELD TO THE ISRAELIS. THE ALTERNATIVE COURSE FOR THE ARABS/PLO IN THIS PERIOD WAS TO FALL TO THE TEMPTATION TO SCORE POINTS AT THE UN. THIS WOULD ONLY CLOSE MINDS IN WASHINGTON AND THRUST THE ADMINISTRATION TOWARDS ISRAEL. IF THE ARABS COULD AVOID THAT, THEY WOULD GAIN CREDIT IN WASHINGTON

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FOR THEIR PATIENCE AND RESTRAINT.

5. AS FOR OURSELVES, PICKERING SAW SCOPE FOR MUCH CLOSER CONSULTATION BETWEEN US AND THIS ADMINISTRATION ON THE DETAILED HANDLING OF THE PEACE PROCESS THE US HAD MISSED OPPORTUNITIES IN THE PAST TO MAKE USE OF OUR ACCESS AND INFLUENCE WITH THE PARTIES. SINCE THE OPENING TO THE PLO, OPPORTUNITIES FOR THE US AND UK TO WORK TOGETHER WERE EVEN GREATERR WITH THAT IN MIND, PICKERING HOPED THAT BAKER WOULD COME AWAY FROM YOUR MEETING ON 12 FEBRUARY CONVINCED OF TWO POINTS:

(I) THAT THE PEACE PROCESS HAD TO BE TREATED AS A PRIORITY ISSUE (HE WARNED US AGAINST SPECIFYING ANY PRECISE PRIORITY TO AVOID STIMULATING THE WRONG ANSWER), AND

(II) THAT CLOSE US-UK CONSULTATIONS SHOULD BE AN IMPORTANT ELEMENT OF THE US APPROACH.

6. PICKERING WHOLEHEARTEDLY ENDORSED HMG'S POLICY OF EXPANDING CONTACTS WITH LIKUD MINISTERS. HE THOUGHT THAT SHAMIR, MORE THAN ARENS, WOULD BE SUSCEPTIBLE TO SUCH CULTIVATION AND THAT SOME OF THE CRACKS WHICH SHAMIR HAD OPENED IN HIS POSITIONS ON THE SUBSTANCE COULD BE WIDENED. HE SAID HE WAS URGING THE ADMINISTRATION TO DEVELOP A CLEAR GAME-PLAN FOR HANDLING SHAMIR'S VISIT TO WASHINGTON, SO AS NOT TO ALLOW HIM TO SET THE AGENDA, BUT HE WAS NOT CONFIDENT THAT THIS WOULD GET THEIR ACT TOGETHER IN TIME. IT WOULD HELP IF THEY WOULD AGREE TO PRESENT SHAMIR'S VISIT AS JUST ONE OF A SERIES OF HIGH LEVEL CONSULTATIONS OUT OF WHICH US POLICY WOULD BE DEVELOPED.

7. WE TOOK PICKERING CAREFULLY THROUGH THE ARGUMENTS FOR ACTIVITY ON THE PEACE PROCESS IN NEW YORK AMONG THE FIVE. HE REHEARSED, WITH CONVICTION AND AT LENGTH THE REASONS WHY DISCUSSION AMONG THE FIVE WAS NOT SEEN HERE AS THE WAY TO PROCEED: IN SHORT BECAUSE IT WOULD MAKE THE ISRAELIS HARDER TO HANDLE AND MIGHT FORECLOSE US OPTIONS.

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ARAB/ISRAEL: VISIT OF ISRALI FOREIGN MINISTER

SUMMARY

1. SHAMIR AND ARENS UNDER PRESSURE, ARE HINTING AT FLEXIBILITY. EVENTUAL GENUINE CONCESSIONS ARE NOT QUITE OUT OF THE QUESTION. WORTH DRAWING THEM OUT, BY EMPHASIS ON THE POSITIVE ELEMENTS IN THEIR STRATEGY.

DETAIL

2. IN ADVANCE OF MR ARENS' VISIT TO LONDON I OFFER SOME THOUGHTS ON OUR CURRENT STRATEGY TOWARDS THE ARAB/ISRAEL QUESTION.

3. FOR THE TIME BEING IT IS THE LIKUD LEADERSHIP WITH WHOM WE HAVE TO DEAL ON THE PEACE PROCESS. ONLY IF THEY ARE SEEN TO REJECT REASONABLE PROPOSITIONS WILL LABOUR COME BACK INTO THE GAME: AND SHAMIR, KNOWING THIS, WILL PLAY HIS HAND LONG. BUT HIS POSITION IS COMPLICATED BY RABIN, WHO HAS TAKEN THE INITIATIVE BY FORMULATING HIS OWN PROPOSALS WHICH INCORPORATE LIKUD PROPOSALS ON AUTONOMY BUT OFFER ELECTED REPRESENTATIVES FROM THE OTS THE OPTION OF EVENTUAL CONFEDERATION WITH JORDAN OR ISRAEL.

4. THE PRESSURES ON SHAMIR AND ARENS ARE CONSIDERABLE. THESE ARE EXTERNAL (INTERNATIONAL, NOT LEAST DIASPORA JEWRY): INTERNAL TO ISRAEL (CENTRE-LEFT CONSENSUS THAT PLO SINCERITY SHOULD BE TESTED, COUPLED WITH CONTINUING EFFECTS OF THE INTFADA ON THE ECONOMY AND ON IDF MORALE): AND INTERNAL TO LIKUD (A YOUNGER GROUP WITH OSTENSIBLY MORE PRAGMATIC VIEWS).

5. SHAMIR AND ARENS SEEK TO GIVE THE IMPRESSION (EG SHAMIR'S LE MONDE INTERVIEW ON 1 FEBRUARY) THAT ALMOST ANY OF THEIR FUNDAMENTAL BELIEFS COULD CHANGE OVER TIME. BUT THEY HAVE REMAINED FIRM ON THE TERRITORIAL ISSUE. THEY ARE RESOLUTELY OPPOSED TO ANY PALESTINIAN STATE WEST OF THE JORDAN: AND DETERMINED TO

HAVE NO DIRECT DEALINGS WITH THE PLO, SHORT OF A GENUINE AND FUNDAMENTAL TRANSFORMWTION OF ATTITUDE BY THE PLO AS A WHOLE - WHICH THEY WILL BE EXTREMELY RELUCTANT TO CREDIT. REFERENCES TO AN INTERNATIONAL CONFERENCE ARE STILL ANATHEMA.

6. BUT THERE MAY BE SOME MOVEMENT IN DRESSING UP THEIR CAMP DAVID FORMULA. THEY WILL ACCEPT ELECTIONS IN THE OTS IN THE KNOWLEDGE THAT PLO SUPPORTERS WILL WIN THEM: PUT A SPECIFIC TIME LIMIT ON THE INTERIM AUTONOMY ARRANGEMNTS AND COMMIT THEMSELVES THEREAFTER WITHOUT PRECONDITIONS TO NEGOTIATIONS ON A FINAL SETTLEMENT.

7. IF SHAMIR AND ARENS CAN SECURE US RECOGNITION OF THEIR GOOD FAITH THEY WILL REGARD THE BATTLE AS ALL BUT WON. THEY WILL MAKE MUCH OF THE SECURITY ARGUMENTS PARTICULARLY THE THREAT OF A SEPARATE PALESTINIAN STATE. ON THIS THEY WILL HAVE FULL SUPPORT FROM RABIN. BUT THEY STILL NEED TO PAY ATTENTION TO EUROPE, FOR TWO PRINCIPAL REASONS: EUROPEAN INFLUENCE - PARTICULARLY THAT OF MRS THATCHER - ON US POLICY: AND THE IMPORTANCE OF THE EC FOR ISRAEL'S ECONOMY, PARTICULARLY AS 1992 APPROACHES.

8. THIS ANALYSIS SUGGESTS SOME LINES FOR US TO FOLLOW IN FORTHCOMING MEETINGS IN LONDON AND ISRAEL. IN ESSENCE I BELIEVE THAT WE NEED TO ACCENTUATE THE POSITIVE WHILE THIS GOVERNMENT'S POLICY IS STILL EVOLVING.

ELECTIONS.

9. THE REFERENCES TO ELECTIONS IN THE OTS MERIT EXPLORATION. BOTH LIKUD AND RABIN TACITLY ACCEPT THAT ELECTIONS WILL PRODUCE PRO-PLO WINNERS. BUT IF THE ISRAELIS ARE PREPARED TO CREATE THE CONDITIONS FOR FREE AND FAIR ELECTIONS, INCLUDING RELEASES FROM DETENTIONS, MORE SENSITIVE POLICING BY THE IDF, AND PERHAPS PARTIAL TROOP WITHDRAWALS, THEY WOULD PUT PRESSURE ON THE PLO TO MODIFY THEIR CURRENT OPPOSITION TO ELECTIONS. THE ISRAELIS KNOW THAT THE CASE FOR ELECTIONS WILL APPEAL TO US PUBLIC OPINION.

CONTACTS WITH THE PLO

10. ELECTED REPRESENTATIVES IN THE OTS WOULD PROVIDE A CHANNEL FOR INDIRECT NEGOTIATIONS WITH THE PLO. RABIN (TO OBJECTIONS FROM SOME LUKUDNIKS) HAS ALREADY SANCTIONED DISCUSSIONS WITH PRO-PLO FIGURES (HUSSEINI). ALTHOUGH HIS AIM IS TO AVOID DIRECT DEALINGS WITH THE PLO, THE END HESSLT COULD - IF THE PLO PLAYED THEIR CARDS WELL - BE THE EXACT OPPOSITE.

AUTONOMY

11. THERE IS NO EVIDENCE YET THAT LIKUD'S IDEAS ON AUTONOMY HAVE EVOLVED INTO ANYTHING MORE SATISFACTORY OVER THE YEARS. BUT

IF DECLARED AS A STRICTLY INTERIM MEASURE (AS IN RABIN'S PROPOSALS) THEY COULD FORM AT LEAST A BASIS FOR DISCUSSION. AS THE AMERICANS PUT IT THERE COULD BE POINTS OF INTERSECTION WITH PALESTINIAN INTERESTS.

LAND FOR PZACE

12. THIS IS THE CENTRAL ISSUE. SHAMIR AND ARENS MAKE IT PRETTY CLEAR THAT THEY HAVE NO INTENTION OF YIELDING AN INCH. BUT THE LIKUD POSITION APPEARS TO BE THAT ALTHOUGH THEY CANNOT CONCEDE ANYTHING ON THIS IN ADVANCE OF DEFINITIVE NEGOTIATIONS, AT THE NEGOTIATIONS THEMSELVES ANYTHING CAN BE CONSIDERED. THERE IS AN IMPLICATION THAT GOOD PALESTINIAN BEHAVIOUR DURING THE INTERIM PERIOD COULD LEAD TO A CHANGE OF HEART. IT MAY BE WORTH PRESSING FOR CLARIFICATION OF THIS (AND IT IS TRUE THAT NEGOTIATIONS AT THAT STAGE COULD DEVELOP A MOMENTUM OF THEIR OWN). BUT I FEAR THAT IT IS JUST NOT POLITICALLY POSSIBLE FOR LIKUD TO COMMIT THEMSELVES, IN ADVANCE OF NEGOTIATIONS, TO THE PRINCIPLE OF CONCEDING TERRITORY. THE BEST WE SHALL GET IS A MORE EXPLICIT STATEMENT THAT NOTHING IS EXCLUDED.

INTERNATIONAL CONFERENCE
ZO

13. SHAMIR HAS HINTED AT SUPERPOWER AND/OR UN SECRETARY-GENERAL INVOLVEMENT, BUT ONLY OF A COSMETIC KIND. LIKUD ARE OPPOSED TO ANY INTERNATIONAL CONFERENCE ON THE GROUNDS THAT THE FORMAT IS DESIGNED TO DICTATE SOLUTIONS. THEY MAY ARGUE THAT THE ARGUMENT FOR AN INTERNATIONAL UMBRELLA HAS FALLEN AWAY WITH HUSSEIN'S DISENGAGEMENT AND THE REMOVAL OF THE JORDANIAN OPTION. I BELIEVE THAT AT THIS STAGE IN THE EVOLUTION OF SHAMIR'S POLICY IT IS BEST FOR US TO CONCENTRATE WITH ISRAELI MINISTERS ON THE FIRST OBJECTIVE OF DIRECT ISRAELI/PALESTINIAN NEGOTIATIONS, WHICH TO BE CREDIBLE MUST EFFECTIVELY INVOLVE THE PLO. WE CAN PUT OUR ARGUMENTS TO SHOW THAT THE FIVE CAN PLAY A HELPFUL ROLE, AT ALL STAGES. BUT FOR REASONS SIMILAR TO THOSE SET OUT IN PARA 2 (V) OF WASHINGTON TELNO 353, I THINK THAT WE SHOULD TELL THE ISRAELIS THAT OUR MINDS ARE STILL OPEN ON THE EXACT FORM OF

INTERNATIONAL INVOLVEMENT.

14. THE MOST EFFECTIVE POINT OF ENTRY TO ISRAELI SENSITIVITIES IS UNDERSTANDING OF THEIR OWN CONCERNS - SURVIVAL OF A JEWISH STATE, ECONOMIC VIABILITY, GUARANTEES AGAINST THE EXTERNAL THREAT. THE INTIFADA HAS HEIGHTENED CONSCIOUSNESS HERE OF THE THREAT WHICH THE OTS POSE TO THESE INTERESTS. SHAMIR COULD YET RESPOND CONSTRUCTIVELY. BUT I BELIEVE THAT IT MIGHT BE COUNTER-PRODUCTIVE TO FORCE THE PACE AT THIS STAGE.

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IS UNDERSTANDING OF THEIR OWN CONCERNS - SURVIVAL OF A JEWISH STATE, ECONOMIC VIABILITY ETC..
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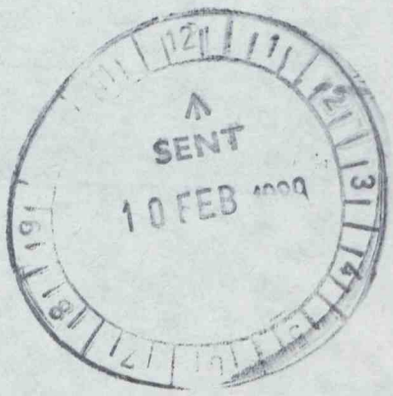

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From the Private Secretary

10 February 1989

ARAB/ISRAEL

Thank you for your letter of 9 February about action over the next few months on Arab/Israel. The Prime Minister has two comments:

- she agrees that we must guard against the risk that the Americans will revert to the idea of peace negotiations under the exclusive sponsorship of the United States and the Soviet Union without the participation of the other permanent members of the United Nations Security Council. But she does not think that the best way to achieve this is to agitate for discussions among the Five Permanent Members of the Security Council now. This will just irritate the Americans if we press it too hard before they have worked out their own ideas. The better way is to demonstrate that we have something to offer which the Americans and Russians alone cannot provide, in particular some detailed ideas on the substance of a settlement; and that the moderate Arab States in the area need the support of a wider framework than US/Soviet sponsorship can on its own provide;

- she thinks that we should be very reserved about the possibility of a meeting between the Foreign Secretary and Mr. Arafat. In her view, this is a long way down the road.

CHARLES POWELL

R. N. Peirce, Esq.,
Foreign and Commonwealth Office.

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PRIME MINISTER

ARAB/ISRAEL

The attached letter sets out the Foreign Secretary's views on our policy on Arab/Israel over the next few months. There is nothing startling in it: indeed it is just a continuation of what we are doing now.

The danger against which we must guard is that of the Americans reverting to the idea of peace negotiations under the exclusive sponsorship of the United States and the Soviet Union, without the participation of the other United Nations Security Council members. I am not sure that the best way to achieve this aim is to agitate for discussions among the Five Permanent Members of the Security Council now as the letter proposes. This will just irritate the Americans if we press it too hard before they have worked out their own ideas. The better way is to demonstrate that we have something to offer which they and the Russians alone cannot provide; and that the moderate Arab states in the area need the support of a wider framework than just the US/Soviet relationship on its own provides.

The next - and most important - step is for you to drive home some simple points with Secretary Baker on Sunday. They are that:

- Arab/Israel must have a very high priority in US foreign policy. It cannot be allowed to drift;

- this will require some tough political decisions if Israel is to be persuaded that the status quo is not an option, but that it must come forward with some negotiable proposals;

- the United States will need the support of its allies if progress is to be made. No-one is better placed to help, because of its historic involvement and because of the

exceptional contacts which you have established with both sides, than the United Kingdom;

- some very detailed work needs to be done on the nature of solutions and we are ready to co-operate very closely with the Americans on this.

C.D.?

C.D. POWELL

9 February 1989

PM2ALL

Prime Minister

cc P.C

Foreign and Commonwealth Office

London SW1A 2AH

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9 February 1989

Dear Charles

Arab/Israel

The Foreign Secretary has considered the action we should be taking over the next few months in the light of the Prime Minister's views, summarised in your letter of 16 January.

The Americans have the key role in the peace process and there can be no question of our trying to pre-empt them or to develop a separate "British initiative". Nevertheless, there are important reasons why we have a role to play. We have important strategic and commercial interests in the region. We are close to, and trusted by, the Arab Governments who are now central to "the peace process" - Jordan, Saudi Arabia and Egypt (and we are perhaps closer than any other Western Government to the smaller Gulf States). Our permanent membership of the Security Council gives us special clout. Our close relationship with the United States is an important asset. And all this gives us some influence in Israel. We are also best placed to try to reduce the risks of a serious clash of policy between the EC and US.

The Foreign Secretary believes that the objectives we now should set ourselves are:

- To persuade the Americans to make the peace process a priority;

- to establish with both the Israelis and the Americans that negotiations based on SCR 242 within the framework of an international conference sponsored by the permanent members of the Security Council are in Israel's and the West's interests;

- to pin the PLO firmly to Arafat's present policy, encouraging them in particular to stick to the Palestine National Council's avowed objective of a confederal state with Jordan;

- to keep the Russians to their present relatively positive policy, but to ensure that they are coralled with the Five, and do not seek to become the Arab "sponsor" in the peace process;

- to convince other Arabs to support Arafat's approach; and

- to encourage our European partners and others concerned, including the Nordics (who have raised their profile recently) to pursue similar policies.

To these ends the following action is in hand:

- The Prime Minister and Sir Geoffrey Howe will talk to Mr Baker on Sunday. The Foreign Secretary will have an opportunity to follow up when he visits Washington (probably in April).

- We have invited Arens and Shamir to London. Mr Waldegrave is to visit Israel at the end of February and the Foreign Secretary plans to go there in the summer. We are stepping up our contacts with the British Jewish community, and will try discreetly to promote meetings between them (and, eventually, Israelis) and Arabs, especially Palestinians. We must show that, while we remain critical of aspects of current Israeli policy, particularly in the Occupied Territories, we understand and sympathise with her fears and realise that she cannot be and should not be pressed to endanger legitimate security needs. The Prime Minister's meeting with Shamir will be an essential element, which might usefully be supplemented by a meeting with the Board of Deputies or a speech to a predominantly Jewish audience.

- We are maintaining our dialogue with the PLO, primarily through Bassam Abu Sharif. Assuming no backsliding, the Foreign Secretary is ready in principle for a meeting with Arafat when that would be useful. But he sees no need for further contact with him at present.

- We should keep closely in touch with King Hussein, the Egyptians and the Saudis. Mr Waldegrave is to visit Jordan in March and the Foreign Secretary has invited Dr Abdul Magid to visit Britain in May. We must try to steer successfully through the minefield of relations with Iraq (Mr Waldegrave is going there next week). Of the Maghreb states Morocco has a role, because of the relationship the King maintains with the large number of

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Moroccan Jews in Israel, and the remaining community in Morocco; the Prime Minister will be able to review this with King Hassan in March. The Arab League intend to send a delegation to capitals of the Five Permanent Members in early March, starting with London. This will be an opportunity to influence Arab thinking. The Foreign Secretary proposes to see them. The PLO representative will be Walid Khalidi, who was a member of the Arab League delegation which called on the Prime Minister in March 1983.

- We must work to keep EC policy on realistic lines. The French and Spaniards have a key role in this; the Foreign Secretary and the Prime Minister discussed the Middle East with Senor Fernandez Ordonez on 6/7 February and the Foreign Secretary will be talking to Dumas about it at the Anglo-French Summit.

- It will be important to keep in touch with the Russians, who have exerted a valuable moderating influence on the PLO in recent months, and whose relationship with Israel is acquiring more substance. Officials will hold talks before Mr Gorbachev's visit here.

- We shall also be keeping in touch with others concerned, for example the Swedes.

The immediate objective is to explore the possibilities of work within the Five. The Americans have no position yet on this; the Israelis retain their suspicions of the UN. But no better proposal for the maintenance of a sense of momentum in the peace process has emerged; and the risks are few, if expectations are kept within reasonable bounds. If the approach were to succeed, it might ultimately lead naturally to preparation for an international conference.

Yours ever

Bob Peirce

(R N Peirce)
Private Secretary

C D Powell Esq
PS/No 10 Downing Street

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MY TELNO 300 AND FCO TELNO 216: ARAB/ISRAEL

SUMMARY

1. NEED TO LOOK ALSO AT CONSTRUCTIVE POINTS IN THE DEVELOPING US APPROACH. OUR OBJECTIVE SHOULD BE TO PROMOTE SERIOUS AND BALANCED US ENGAGEMENT WITH THE PARTIES ON THE SUBSTANCE. SUGGESTIONS FOR MAKING BEST USE OF THE MEETING WITH BAKER ON 12 FEBRUARY.

DETAIL

2. OUR READING OF THE DEVELOPING POSITIONS OF ROSS AND OTHER US POLICY ADVISERS IS NOT AS PESSIMISTIC AS THE ANALYSIS IN TUR. AS SEEN FROM HERE, THERE ARE SEVERAL POINTS WHICH CAN BE SEEN IN A MORE CONSTRUCTIVE LIGHT:

(I) ROSS, HAASS AND PICKERING (WHOM JOHN MOBERLY SAW BRIEFLY ON 3 FEBRUARY) ALL RECOGNISE THAT THE MIDDLE EAST PEACE PROCESS MERITS SERIOUS ATTENTION BY THE NEW ADMINISTRATION. ROSS'S CONFIRMATION THAT THEY WILL DEVELOP A SERIOUS PEACE STRATEGY (SEE TUR) IS NOT A THROWAWAY POINT. IT WILL NEVERTHELESS REQUIRE SUSTAINED EFFORTS BY US AND OTHERS TO KEEP THE PEACE PROCESS HIGH ON THE US AGENDA (AGAINST, FOR INSTANCE POSSIBLE CLAIMS THAT PRIORITY SHOULD BE GIVEN TO US POLICY IN CENTRAL AMERICA AND SOUTHERN AFRICA). THIS REMAINS THE MAJOR POINT TO PRESS WITH BAKER (SEE PARAGRAPH 5 BELOW).

(II) US OFFICIALS RECOGNISE THE POTENTIAL VALUE OF THE US-PLO DIALOGUE AS A TOOL IN THE PEACE PROCESS. BUT THE US DO NOT ACCEPT (AND PRESUMABLY, NEITHER DO WE) THAT THE PLO HAVE DONE ALL THEY NEED TO DO MERELY BY MEETING US CONDITIONS FOR OPENING THE DIALOGUE. THEY WILL WANT TO SEE HOW THE PLO ARE PREPARED TO DEVELOP THE DIALOGUE, NOT LEAST ON HOW THE PEACE PROCESS SHOULD PROCEED. IF THE PLO PARTICIPANTS PLAY THIS RIGHT, IT WILL GIVE THEM AN OPPORTUNITY TO INCREASE PRESSURE ON THE ISRAELIS. ROSS BOTH RECOGNISES THIS AND ACCEPTS IT. THAT IS ENCOURAGING AS FAR AS IT GOES. BUT THE PLO

WILL NOT CUT MUCH ICE HERE BY STANDING PAT ON THE POSITIONS OF THE ALGIERS PNC. FURTHERMORE, RESIDUAL PLO AMBIGUITY OVER TERRORISM REMAINS A THREAT TO THE CONTINUATION OF THE DIALOGUE: APPARENT PLO SANCTION OF ARMED INFILTRATION FROM SOUTH LEBANON INTO ISRAEL HAS GIVEN A HANDY TOOL TO THOSE WHO WOULD LIKE THE ADMINISTRATION TO ABANDON IT. OUR CONTINUED EFFORTS IN TUNIS AND ELSEWHERE TO GET THIS POINT ACROSS TO THE PLO ARE APPRECIATED HERE AND CAN BOLSTER THOSE WHO WANT TO PROTECT THE DIALOGUE FROM DERAILMENT.

(III) US OFFICIALS, INCLUDING ROSS, ACCEPT THAT ISRAEL NEEDS TO PRODUCE A POSITIVE POLITICAL RESPONSE TO RECENT EVENTS. THEY HAVE ALSO SAID THAT ISRAELI PROPOSALS WHICH MAKE NO SENSE WILL NOT BE SWALLOWED WHOLE HERE.

(IV) IT HAS BEEN LONG-STANDING US POLICY TO TRY TO ELIMINATE THE WORST ASPECTS OF THE ISRAELI OCCUPATION, AS MUCH FOR ISRAEL'S OWN GOOD AS FOR THE PALESTINIANS. THE LATEST STATE DEPARTMENT REPORT ON HUMAN RIGHTS (MYTELNO 347) IS FURTHER EVIDENCE OF THIS. WE SHOULD GIVE CREDIT WHERE IT IS DUE, AND ENCOURAGE FURTHER MOVEMENT IN THE RIGHT DIRECTION, BUT NOT PREACH TO THE AMERICANS ABOUT THEIR OBLIGATIONS, OR CLAIM TO KNOW BETTER THAN THEY DO HOW AND HOW MUCH POLITICAL HEAT CAN MOST PRODUCTIVELY BE APPLIED IN THEIR RELATIONSHIP WITH ISRAEL.

(V) INTERNATIONAL CONFERENCE. CONTRARY TO TUR, THERE IS NO REASON TO SUPPOSE THAT THIS ADMINISTRATION IS ANY MORE OR LESS COMMITTED IN PRINCIPLE TO THE CONCEPT OF AN INTERNATIONAL CONFERENCE THAN THE REAGAN ADMINISTRATION WERE IN THE SHULTZ PLAN AND IN THEIR REACTION TO SUBSEQUENT DEVELOPMENTS. BUT WE SHOULD NOT FORGET THAT THE SHULTZ PLAN WAS CONSTRUCTED TO FIT THE TIGHT TIME CONSTRAINTS OF 1988. DEVELOPMENTS SINCE THEN, NOTABLY KING HUSSEIN'S DISENGAGEMENT, THE US OPENING TO THE PLO AND LIKUD'S DOMINANCE OF FOREIGN POLICY IN THE NEW ISRAELI GOVERNMENT, HAVE LED US OFFICIALS (AND NOT MERELY THE NEW TEAM) TO RE-ASSESS THE ORDER IN WHICH THE ELEMENTS IN THE PROCESS SHOULD BE ADDRESSED. THE MAIN CHANGE THEY SEEM TO FAVOUR IS THAT CONSIDERATION OF AN IC BE POSTPONED UNTIL THEY (AND OTHERS) HAVE EXPLORED WHAT CAN BE ACHIEVED THROUGH BILATERAL DIPLOMACY WITH BOTH THE PLO AND THE ISRAELIS, INCLUDING WHETHER SOME DIRECT ISRAELI-PALESTINIAN DIALOGUE CAN BE CREATED. THE UNITED STATES ARE UNDER NO PRESSURE TO DECIDE IN FAVOUR OF ONE FORM OF INTERNATIONAL COVER FOR DIRECT

NEGOTIATIONS OVER ANOTHER. THEY HAVE NO SENSE OF VULNERABILITY ABOUT THEIR STATUS IN THE PROCESS. IF CONDITIONS EVOLVED TO THE POINT WHERE ALL THE REGIONAL PARTIES WERE PREPARED TO ACCEPT A DUAL SUPERPOWER UMBRELLA, THE US WOULD SEE LITTLE REASON NOT TO PROCEED ON THAT BASIS. THAT OUTCOME MAY SEEM UNLIKELY, GIVEN CURRENT PLO ATTITUDES, BUT WE HAVE YET TO SEE WHAT CHANGES MAY FLOW FROM DIRECT US DIALOGUE WITH THE PLO OR WHETHER THE US WILL CHOOSE TO PURSUE SUBSTANTIVE DISCUSSION ON THE MIDDLE EAST WITH THE RUSSIANS. THE QUESTION OF A SUPER-POWER UMBRELLA OR SOME SIMILAR ROLE FOR THE FIVE IS, OF COURSE, AN AREA IN WHICH WE AND THE AMERICANS DISAGREE, AT LEAST TO THE EXTENT THAT WE HAVE A DECIDED PREFERENCE AND THEY ARE RESERVING JUDGEMENT. WHILE THAT REMAINS THE CASE, THE US WILL NOT WISH TO PRE-JUDGE HOW BEST TO LAUNCH NEGOTIATIONS BY CONSIGNING DISCUSSION OF THE MODALITIES TO THE FORUM OF THE FIVE AT THE UN. THIS DOES NOT MEAN THAT THEY HAVE RULED OUT THAT AN IC UNDER UN AUSPICES WITH PARTICIPATION BY THE FIVE MIGHT EVENTUALLY BE THE APPROPRIATE MECHANISM, OR THAT THEY HAVE DECIDED THAT THE FIVE IN NEW YORK SHOULD AT NO STAGE BE INVOLVED.

3. ALL THESE POINTS ARE RELEVANT TO THE QUESTION OF HOW MUCH EMPHASIS WE SHOULD PUT ON THE IMPORTANCE OF OPENING DISCUSSION OF THE PEACE PROCESS AMONG THE FIVE IN NEW YORK. GIVEN THE VIEWS OF ROSS, HAASS, AND PROBABLY ALSO EAGLEBURGER (WHOM I SHALL BE SEEING TOMOROW), IT IS CLEAR THAT THIS WILL BE A DIFFICULT ROW TO HOE HERE. WE WILL KEEP AT IT. TACTICALLY, HOWEVER, MY STRONG ADVICE (MY TELNO 293) REMAINS THAT OUR SLIM CHANCES OF SELLING THE AMERICANS THE IDEA OF EARLY DISCUSSION AMONG THE FIVE WILL BE FURTHER DIMINISHED IF WE CONTINUE TO LINK IT DIRECTLY TO DISCUSSION OF IC MODALITIES.

4. I WOULD WELCOME A VISIT BY GORE-BOOTH TO WASHINGTON FOR CONSULTATIONS AT THE APPROPRIATE TIME. THIS MUST CLEARLY DEPEND ON WHEN A NEW NEA ASSISTANT SECRETARY IS NAMED AND HAS SUFFICIENTLY SETTLED IN. (IT MAY NOT BE NECESSARY TO WAIT FOR FORMAL SENATE CONFIRMATION.) THE RE-EMERGENCE OF AN ACTIVE NEA VOICE IN STATE DEPARTMENT MAY ASSIST OUR EFFORTS AND WE WILL WANT TO GET ALONGSIDE THE NEW MURPHY QUICKLY. BUT WE HAVE TO EXPECT THAT ROSS, HAASS AND OTHERS WILL CONTINUE TO INFLUENCE US POLICY HEAVILY.

5. AS SEEN FROM HERE, ALL THIS INCREASES THE IMPORTANCE OF MAKING THE MOST OF YOUR MEETING WITH BAKER ON 12 FEBRUARY. TACTICALLY, WE MAY ACHIEVE MORE IN THE LONGER TERM BY CONCEN-

TRATING AT THIS FIRST MEETING ON SOME IMPORTANT POINTS WHERE OUR POSITIONS ARE CLOSEST. IF WE CAN SECURE BAKER'S EVEN INFORMAL COMMITMENT TO A FEW, BROAD ''POINTS OF AGREEMENT'' ABOUT THE PEACE PROCESS, WE WOULD HAVE USEFUL AMMUNITION FOR TOUGH DISCUSSIONS LATER WITH HIS OFFICIALS. SUCH POINTS MIGHT BE:

(I) THE MIDDLE EAST PEACE PROCESS DESERVES PRIORITY ATTENTION.

(II) THE US/PLO DIALOGUE IS AN IMPORTANT NEW TOOL, WHICH NEEDS DEVELOPING.

(III) THERE ARE IMPRACTICAL, UNCOMPROMISING POSITIONS TO BE WORN DOWN ON BOTH SIDES. THE EXPECTED ISRAELI PROPOSALS SHOULD BE EXAMINED WITH A CRITICAL EYE AND TESTED AGAINST BASIC PRINCIPLES, SUCH AS TERRITORY FOR PEACE. US EVEN-HANDEDNESS WILL BE INVALUABLE.

(IV) US AND BRITISH OFFICIALS SHOULD CONTINUE TO WORK CLOSELY TOGETHER.

(V) A MORE DETAILED EXCHANGE OF VIEWS AT MINISTERIAL LEVEL WHEN YOU COME TO WASHINGTON.

6. IF WE NEED AT THIS STAGE TO PUT DOWN A MARKER ABOUT EARLY DISCUSSION AMONG THE FIVE, A HELPFUL APPROACH MIGHT BE TO NOTE THE OPPORTUNITIES CREATED BY AMBASSADOR PICKERING'S APPOINTMENT TO NEW YORK AND ASK HOW BAKER INTENDS TO EXPLOIT HIS ARAB-ISRAEL TALENTS AND EXPERIENCE: IT WOULD BE A GREAT HELP IN DEALING WITH THE UN ASPECTS IF PICKERING COULD KEEP HIS COLLEAGUES IN THE FIVE VERY VERY CLOSELY IN THE PICTURE.

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YOUR TELNO 27: ARAB/ISRAEL

SUMMARY

1. HAVE BRIEFED KING ON OUR CONTACTS WITH PLO, IDEAS ON PEACE PROCESS: HE IS VERY HAPPY WITH BOTH. BELIEVES ARAFAT IS UNDER PRESSURE, THAT DISCUSSION AMONGST FIVE PERMANENT MEMBERS WOULD HELP HIM, ARAB LEAGUE C7 ACTIVITY WILL NOT. HOPES TO EXPLAIN NEED FOR EARLY MOVEMENT WHEN HE SEES BUSH IN TOKYO. STILL RELUCTANT TO DISCUSS CONFEDERATION. WILL EXPLAIN THINKING TO BUSH IN TOKYO. SEE MIPT FOR TRAVEL PLANS.

DETAIL

2. I SAW KING HUSSEIN ON 7 FEBRUARY. THE CHIEF OF THE ROYAL COURT WAS ALSO PRESENT.

3. AS INSTRUCTED, I GAVE THE KING A FULL ACCOUNT OF MR WALDEGRAVE'S MEETINGS WITH ARAFAT AND WITH BASSAM ABU SHERIF, AND ALSO DESCRIBED OUR OWN THINKING ON POSSIBLE NEXT STEPS IN THE PEACE PROCESS. I THEN ASKED THE KING HOW HE SAW THE SITUATION.

4. THE KING AGREED THAT THERE WAS A NEED FOR EARLY MOVEMENT. ARAFAT WAS UNDER MUCH PRESSURE AND NEEDED TO DEMONSTRATE THAT THE PEACE PROCESS WAS MOVING FORWARD. THE PLO HAD MADE ITS POSITION CLEAR AND SHOULD NOT BE ASKED TO DO MORE. HE ALSO AGREED WITH ARAFAT IN OPPOSING ELECTIONS ON THE WEST BANK WHICH WOULD SIMPLY BE AN ISRAELI STALLING DEVICE TO AVOID THE MAIN ISSUE OF THE RETURN OF TERRITORY FOR PEACE.

5. THE KING SAID THAT HE WOULD BE SEEING PRESIDENT BUSH IN TOKYO DURING HIROHITO'S FUNERAL (AND THUS BEFORE SHAMIR VISITED WASHINGTON). HE INTENDED TO USE THIS OCCASION TO PUT THE ISSUES SQUARELY TO BUSH (AND TO BAKER AND SCOWCROFT). HE WOULD KEEP THE PRIME MINISTER FULLY INFORMED.

6. THE KING SAID THAT, IN CONSIDERING WHAT ACTIVITY MIGHT BE HELPFUL TO ARAFAT IT WAS IMPORTANT NOT TO DO ANYTHING WHICH MIGHT TAKE THE PRESSURE OFF ISRAEL (AND THE US) TO PUT FORWARD SERIOUS PEACE PROPOSALS AT AN EARLY DATE. FOR EXAMPLE, FURTHER ACTIVITY BY THE ARAB LEAGUE COMMITTEE (I ASSUME HE MEANT THE COMMITTEE OF SEVEN) WAS NOT, IN HIS VIEW, LIKELY TO BE HELPFUL AND HE HAD ADVISED THE PLO AGAINST TAKING PART. ZAID BIN SHAKER INTERJECTED THAT THE SYRIANS MIGHT WELL USE THIS FORUM TO STIR UP PROBLEMS FOR THE PLO. THE KING ADDED THAT THE COMMITTEE'S ACTIVITIES WOULD BE A DISTRACTION FROM THE ESSENTIAL AGENDA AND THUS A WASTE OF TIME. BY CONTRAST HE REGARDED THE IDEA OF PREPARATORY DISCUSSION AMONG THE FIVE PERMANENT MEMBERS AS HELPFUL SINCE THIS WOULD BE PAVING THE WAY, IN A DIRECT SENSE, FOR THE INTERNATIONAL CONFERENCE. HE HOPED THAT THE AMERICANS COULD BE BROUGHT TO ACCEPT THIS IDEA.

7. I REFERRED TO THE PLO'S ATTACHMENT TO CONFEDERATION AND TO BASSAM'S VIEW THAT IT WOULD HELP TO REASSURE THE ISRAELIS AND OTHERS ABOUT THE FINAL OUTCOME OF ANY NEGOTIATION. I WAS OF COURSE AWARE OF THE KING'S PUBLICLY STATED POSITION THAT TALK OF CONFEDERATION WAS PREMATURE. BUT COULD HE SAY AT WHAT STAGE HE WOULD REGARD SUCH DISCUSSION AS LEGITIMATE? FOR EXAMPLE, WOULD HE WISH TO SEE A PALESTINIAN STATE ESTABLISHED FIRST? IF SO, MIGHT THAT NOT MAKE THE NEGOTIATIONS MUCH MORE DIFFICULT?

8. THE KING REPLIED THAT THERE WAS IN ANY CASE NO REASON TO SPEAK OF CONFEDERATION AT PRESENT SINCE THERE WAS NO SIGN OF ANY PEACE NEGOTIATIONS, LET ALONE ANY CONCRETE RESULT. HIS MAIN ANXIETY WAS THAT PREMATURE TALK OF CONFEDERATION WOULD PLAY INTO ISRAELI HANDS BY MUDDYING THE ESSENTIAL ISSUE, WHICH WAS DIRECT NEGOTIATIONS BETWEEN ISRAEL AND THE PLO UNDER INTERNATIONAL AUSPICES. BUT IF THE NEGOTIATIONS GOT STARTED, AND PROGRESSED SATISFACTORILY, HE WOULD OBVIOUSLY CONSIDER WHETHER THERE WAS ANYTHING HE COULD SAY ABOUT CONFEDERATION WHICH MIGHT HELP.

COMMENT

9. THE KING'S COMMENTS ARE CONSISTENT WITH THE VIEWS HE HAS EXPRESSED TO ME PREVIOUSLY (MY TELNO 12). IN SHORT, HE IS VERY CONCERNED THAT DESPITE ITS NEW MODERATE STANCE, BROUGHT ABOUT IN PARY BY DISENGAGEMENT, THE PLO WILL BE BY-PASSED BY THE ISRAELIS WHO WILL DEPLOY NEW PROPOSALS DESIGNED TO WOO THE WEST BANK PALESTINIANS AND THE AMERICANS. HE IS PARTICULARLY WORRIED THAT PART OF THEIR STRATEGY WILL BE TO SEEK TO REINVOLVE JORDAN IN SOME WAY, HENCE HIS

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DESIRE TO AVOID DISCUSSION OF CONFEDERATION AT THIS STAGE. HE IS OBVIOUSLY HOPING THAT HIS FORTHCOMING MEETING WITH PRESIDENT BUSH WILL GIVE HIM A CHANCE OF PRE-EMPTING SHAMIR AND OF INSTILLING A SENSE OF URGENCY INTO AMERICAN POLICY-MAKING.

10. THE KING SAID AS I FELT THAT HE WAS VERY HAPPY WITH OUR OWN POSITION AND THE EVOLUTION OF OUR CONTACTS WITH THE PLO. I HAVE NO DOUBT THAT HE WILL KEEP US FULLY INFORMED ABOUT HIS DIALOGUE WITH THE AMERICANS.

11. I SAID IN CONCLUSION THAT MR WALDEGRAVE WAS HOPING TO SEE THE KING DURING HIS FORTHCOMING VISIT. THE KING SAID THAT HE SHARED THIS HOPE, BUT HE GAVE NO SPECIFIC COMMITMENT ABOUT HIS AVAILABILTIY. I AM NEGOTIATING SEPARATELY WITH ZAID BIN SHAKER OVER THIS AND HE HAS PROMISED TO LET ME KNOW AS SOON AS FIRM DECISIONS HAVE BEEN TAKEN ABOUT THE KING'S TRAVEL PLANS.

12. SEE MIFT (NOT TO ALL).

REEVE

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OUR TELNO 293: ARAB/ISRAEL
SUMMARY
1. FURTHER EVIDENCE THAT BAKER'S ADVISERS ARE LIKELY TO ARGUE AGAINST ANY EARLY DISCUSSION OF THE PEACE PROCESS AMONG THE FIVE IN NEW YORK.
DETAIL
2. MINISTER HAD A FURTHER OPPORTUNITY ON 3 FEBRUARY TO EXPLORE THE IDEAS IN FCO TELNO 27 TO CAIRO WITH DENNIS ROSS (DIRECTOR, POLICY PLANNING STAFF, STATE DEPARTMENT). ROSS HAD BEEN BRIEFED ABOUT OUR EARLIER DISCUSSIONS WITH KIRBY, DAS/NEA (SEE TUR) AND IMMEDIATELY SAID THAT HE DID NOT LIKE THE IDEA OF BRINGING THE FIVE INTO THE ACT AT THIS STAGE. HE ENTIRELY ACCEPTED THAT OUR MOTIVES WERE CONSTRUCTIVE, NOT LEAST IN TRYING TO AVOID A DANGEROUS VACUUM, BUT HIS PERSONAL HOPE (HE STRESSED THAT DECISIONS HAD YET TO BE TAKEN) WAS THAT US POLICY WOULD TAKE A SOMEWHAT DIFFERENT TACK.
3. ROSS'S EMPHASIS WAS CONSISTENTLY ON THE NEED FIRST TO CHANGE THE REALITIES ON THE GROUND, IE IN THE OCCUPIED TERRITORIES (OTS), BEFORE ONE COULD ENVISAGE ELECTIONS AND FURTHER NEGOTIATIONS. IT MIGHT BE POSSIBLE TO BRING ABOUT SUCH CHANGES IN THE OTS THROUGH A PROCESS IN WHICH THE US DEVELOPED THEIR DIALOGUE WITH THE PLO ON THE ONE HAND AND THE ISRAELIS SPOKE TO PALESTINIANS IN THE TERRITORIES ON THE OTHER. SUCH A PARALLEL PROCEDURE WOULD HAVE POINTS OF DIFFICULTY BOTH FOR THE ISRAELIS (INCLUDING THE DEVELOPMENT OF THE US/PLO DIALOGUE) AND FOR ARAFAT (WHO WOULD NOT LIKE NOT BEING AT THE CENTRE OF THE DIALOGUE ABOUT THE SITUATION IN THE TERRITORIES). BUT IT WAS DIFFICULT TO SEE HOW PROGRESS COULD BE MADE IF THE ISRAELIS ON THE ONE HAND AND ARAFAT ON THE OTHER WERE ALLOWED TO DUCK THE DIFFICULT DECISIONS.
4. ROSS ADDED THAT THE PROBLEM ABOUT TALK OF AN INTERNATIONAL CONFERENCE AT THIS STAGE WAS PARTLY THAT IT WOULD MAKE THE ISRAELIS MORE DIFFICULT TO DEAL WITH ON THE KEY ISSUES, AND PARTLY THAT IT WOULD TEMPT ARAFAT TO TALK ONLY ABOUT THE SUBJECTS WHICH WERE EASY FOR HIM AND TO AVOID FACING THE

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REALITIES.
5. ROSS CONCLUDED BY SAYING THAT THERE WOULD BE A US STRATEGY AND THAT ALL CONCERNED WOULD QUICKLY REALISE THAT THE NEW ADMINISTRATION WAS SERIOUS ABOUT IT. THEY WERE SERIOUS ALSO ABOUT THE US/PLO DIALOGUE, WHICH HE SAW AS AN OPPORTUNITY TO EXPOSE ARAFAT: TO EXPOSE HIM AS NOT HAVING SERIOUSLY CHANGED, IF THAT TURNED OUT TO BE THE CASE: BUT ALSO TO EXPOSE A GENUINE COMMITMENT TO A NEW DIRECTION IF HIS RESPONSES WERE SUCH AS TO MAKE THIS CLEAR.

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10 DOWNING STREET
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From the Private Secretary

2 February 1989

ARAB/ISRAEL

Thank you for your letter of 1 February about the invitation to Mr. Arens. The Prime Minister can see Mr. Arens at 11.30 on 15 February.

CHARLES POWELL

Bob Peirce, Esq.,
Foreign and Commonwealth Office

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Foreign and Commonwealth Office

London SW1A 2AH

1 February 1989

Tessa
Can you please give me a call CDP
11.30 - 12.00 on 15th Feb.
TG. 2/2

Dear Charles

Arab/Israel

Thank you for your letter of 26 January about the invitation to Arens.

The Israeli Ambassador gave no indication in a friendly conversation with the Foreign Secretary on 27 January that the Israeli Government felt in any way slighted by the delivery of the invitation to Arens. He has now proposed on instructions a 24-hour visit to London by Arens in the week beginning 13 February.

We have told the Embassy that meetings with the Foreign Secretary and the Prime Minister could only be arranged on the morning of 15 February. I should be grateful for your confirmation that that suits the Prime Minister.

Yours ever

(R N Peirce)
Private Secretary

C D Powell Esq
10 Downing Street

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DEPARTMENT/SERIES PREM 19 PIECE/ITEM 2773 (one piece/item number)	Date and sign
Extract details: Powell to Peirce 26/1/83	X
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Instructions for completion of Dummy Card

Use black or blue pen to complete form.

Use the card for one piece or for each extract removed from a different place within a piece.

Enter the department and series,
eg. HO 405, J 82.

Enter the piece and item references, .
eg. 28, 1079, 84/1, 107/3

Enter extract details if it is an extract rather than a whole piece.
This should be an indication of what the extract is,
eg. Folio 28, Indictment 840079, E107, Letter dated 22/11/1995.
Do not enter details of why the extract is sensitive.

If closed under the FOI Act, enter the FOI exemption numbers applying to the closure, eg. 27(1), 40(2).

Sign and date next to the reason why the record is not available to the public ie. Closed under FOI exemption; Retained under section 3(4) of the Public Records Act 1958; Temporarily retained; Missing at transfer or Number not used.

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From the Private Secretary

16 January 1989

ARAB/ISRAEL

The Prime Minister takes the view that some recent comments risk putting in jeopardy the carefully constructed balance of our Middle East policy. She would like a moratorium on further comments and interviews. Meanwhile, the Prime Minister has underlined three points:

- the Americans have the key role in the peace process. They need time to work up their ideas. There is no question of our trying to pre-empt them;

- she is not even considering a meeting with Mr. Arafat;

- we do <u>not</u> support an independent Palestinian state, only a confederation with Jordan, and would <u>not</u> recognise a Palestinian government in exile

C. D. POWELL

J. S. Wall, Esq.,
Foreign and Commonwealth Office

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MR WALDEGRAVE'S MEETING WITH YASSER ARAFAT

SUMMARY
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1. TWO HOURS OF TALKS FOLOWED BY DINNER. EXCELLENT ATMOSPHERICS. ARAFAT IN GOOD FORM WITH NO RHETORICAL OUTBURSTS, ALTHOUGH GENUINE CONCERN OVER INTIFADHA. DISCUSSION IN PLENARY CENTRED ON PROSPECTS FOR EARLY PROGRESS TOWARDS AN INTERNATIONAL CONFERENCE AFTER THE BUSH ADMINISTRATION, AND THE NEED TO PREEMPT ANTICIPATED ISRAELI ATTEMPTS TO SIDE-TRACK THE PEACE PROCESS. ARAFAT MENTIONED THREE IDEAS: PREPARATORY ACTION BY THE FIVE PERMANENT MEMBERS, AN OPEN DEBATE IN THE SECURITY COUNCIL AND THE FORMATION OF A PROVISIONAL GOVERNMENT. LIBYA, LOCKERBIE, HOSTAGES, THE SOVIET ROLE, AND FUTURE CONTACTS WERE COVERED IN A TETE-A-TETE.

DETAIL
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2. AFTER PROLONGED INITIAL COURTESIES, ARAFAT BEGAN BY ASKING AFTER THE PRIME MINISTER TO WHOM HE PAID REPEATED TRIBUTE THROUGHOUT THE MEETING SEMICOLON SHE HAD BEEN THE FIRST TO UNDERSTAND GORBACHEV, AND WHEREAS OTHER EUROPEANS HAD GOOD RELATIONS WITH WASHINGTON, SHE HAD INFLUENCE. HE KNEW THAT SHE ENJOYED EXCELLENT RELATIONS WITH BUSH. BRITAIN'S ROLE WAS IMPORTANT. ISRAEL REMAINED SET AGAINST AN INTERNATIONAL CONFERENCE AND WAS FLOATING A REVAMPED GENEVA CONFERENCE FORMULA WITH THE US AND SOVIET UNION IN THE CHAIR. SOME QUARTERS IN THE US WERE IN FAVOUR OF SUCH A FORMULA, THE SOVIET UNION MIGHT BE TEMPTED. THE PLO, LIKE ALL THE ARAB STATES, INCLUDING SYRIA, WAS FIRMLY COMMITTED TO AN INTERNATIONAL CONFERENCE UNDER THE AUSPICES OF THE FIVE PERMANENT MEMBERS. THE EUROPEANS NEEDED TO ACT TO PRESERVE THEIR ROLE. WITHIN THE EC BRITAIN WAS PARTICULARLY WELL PLACED TO PLAY AN IMPORTANT ROLE BECAUSE OF OUR LINKS WITH THE ARAB WORLD AND OUR INFLUENCE IN WASHINGTON.

3. MR WALDEGRAVE AGREED. OUR COMMITMENT TO ADVANCING THE PEACE PROCESS WAS GENUINE AND FULL-HEARTED, NOT A PR GAMBIT. HE DID NOT PROPOSE TO PICK OVER PAST PALESTINIAN STATEMENTS: THE FACT OF THIS MEETING SHOWED THAT WE ACCEPTED WHAT ARAFAT HAD SAID IN GENEVA. WE SHARED ARAFAT'S OPPOSITION TO A SUPERPOWER UMBRELLA. THE BUSH ADMINISTRATION INCLUDE EXPERIENCED PEOPLE BUT THE ISRAELIS COULD STILL EXPECT AN UNCRITICAL RECEPTION ON THE HILL FOR COUNTER-PROPOSALS DESIGNED TO THWART THE CONVENING OF AN INTERNATIONAL CONFERENCE. THERE WAS A NEED TO DEVELOP IDEAS WHICH WOULD ENSURE THAT THOSE IN FAVOUR OF AN INTERNATIONAL CONFERENCE WOULD NOT FIND THEMSELVES REACTING TO ISRAELI COUNTER-PROPOSALS INSTEAD. BRITAIN SOUGHT NO FURTHER CONCESSIONS FROM THE PLO IN ADVANCE OF THE INTERNATIONAL CONFERENCE. BUT WE NEEDED TO BE CLEAR ABOUT HOW TO GET TO THE TABLE. CONTACTS BETWEEN THE PLO AND EUROPEAN JEWS COULD HELP TO PREPARE THE WAY.

4. MEANWHILE THE INTIFADHA HAD BROUGHT ABOUT A DRAMATIC CHANGE IN WESTERN OPINION. FOR SUCH SYMPATHY TO BE MAINTAINED IT WAS VITAL THAT THERE SHOULD BE NO RESORT TO ARMS. ARAFAT DESCRIBED THE SITUATION IN THE OCCUPIED TERRITORIES IN FACTUAL TERMS. HIS ORDERS THAT WEAPONS SHOULD NOT BE USED HAD BEEN DISREGARDED ONLY TWICE IN 14 MONTHS.

5. MR WALDEGRAVE STRESSED OUR WISH TO CONCENTRATE ON SUBSTANCE RATHER THAN SYMBOLS. WE WERE LOOKING FOR PRACTICAL MEASURES TO GET THE PEACE PROCESS MOVING. HAD THE PLO IDENTIFIED A NEGOTIATING TEAM AND THEIR POSITIONS ON THE ISSUES. WHAT ABOUT THE OCCUPIED TERRITORIES? ARAFAT SAID ELECTIONS WERE FINE BUT ONLY UNDER UN AUSPICES AND AFTER ISRAELI WITHDRAWAL. ELECTIONS HELD UNDER THE COERCION OF MILITARY OCCUPATION WOULD BE MEANINGLESS. THE LAST TIME ELECTIONS HAD BEEN HELD, IN 1976, ELECTED MAYORS HAD BEEN DEPORTED AND MAIMED. AS TO NEGOTIATIONS, THE PLO HAD DONE A GREAT DEAL OF RESEARCH AND WERE WELL PREPARED: PALESTINIANS KNEW THE FACTS BETTER THAN ANYBODY.

6. ARAFAT STRESSED THE NEED FOR URGENCY. THE ISRAELIS WOULD PLAY FOR TIME AND THE AMERICANS MIGHT WANT TIME FOR THE NEW ADMINISTRATION TO SETTLE. BUT THE DEATH TOLL IN THE OCCUPIED TERRITORIES MEANT THERE WAS NO TIME TO LOSE. 1989 WOULD BE A CRUCIAL YEAR: THEREAFTER THERE WOULD BE CONGRESSIONAL ELECTIONS AND THE US ELECTORAL CYCLE WOULD BEGIN AGAIN. MR WALDEGRAVE AGREED THAT 1989 COULD BE CRUCIAL BUT CAUTIONED AGAINST UNREALISTIC EXPECTATIONS OF A BREAKTHROUGH WITHIN WEEKS OF BUSH TAKING OFFICE.

7. ARAFAT ASKED ABOUT THE UK ATTITUDE TO A PREPARATORY COMMITTEE, NOTING THAT THIS HAD WORKED WELL IN FORMULATING SCR 598 AND BRINGING ABOUT A CEASEFIRE IN THE IRAN-IRAQ WAR. MR WALDEGRAVE EXPLAINED OUR ROLE IN COORDINATING THE FIVE PERMANENT MEMBERS. WE DID NOT RULE OUT A SIMILAR EXERCISE ON ARAB/ISRAEL. BUT THE OBSTACLE TO CONSULTATIONS AMONGST THE FIVE SO FAR WAS US UNREADINESS. THE PLO SHOULD USE THEIR NEWLY ESTABLISHED DIALOGUE WITH THE US TO DEMONSTRATE THAT CONSULTATIONS BETWEEN THE FIVE COULD BE PRODUCTIVE.

8. ARAFAT SAID THAT IF THE US WAS NOT READY FOR AN INTERNATIONAL CONFERENCE IT WOULD BE POSSIBLE TO START WITH A PREPARATORY CONFERENCE. IF THIS WAS NOT POSSIBLE, THE PLO WOULD HAVE TO GO FOR AN OPEN DEBATE IN THE SECURITY COUNCIL WITH NO RESOLUTION: THEY COULD NOT SIMPLY REMAIN SILENT WHILE THE DEATH TOLL MOUNTED.

9. MR WALDEGRAVE MADE CLEAR THAT WE DID NOT RULE OUT A PREPARATORY CONFERENCE IN THE ABSENCE OF OTHER PRACTICAL STEPS. BUT THE DANGER WAS THAT A PREPARATORY CONFERENCE WOULD FALL FOUL OF THE SAME OBSTACLES WHICH STOOD IN THE WAY OF A FULL BLOWN INTERNATIONAL CONFERENCE. MEANWHILE THE EUROPEAN COMMUNITY COULD HELP TO PREVENT PALESTINIANS IN THE OCCUPIED TERRITORIES FROM FEELING ABANDONED BY ACTIVITY EG OVER IMPROVED ACCESS TO EUROPEAN MARKETS. THE PLO SHOULD CONSIDER THE ALTERNATIVES CAREFULLY BEFORE CONFRONTING THE US AT THE UN, OTHERWISE THERE WAS A RISK OF LOSING THE PRESENT OPPORTUNITY.

10. ARAFAT COMMENTED THAT ECONOMIC HELP WAS GOOD BUT NOT THE MAJOR POINT. HE DID NOT COMMENT DIRECTLY BUT IMPLIED THAT HE WAS NOT CONTENT TO REST ON THE US/PLO DIALOGUE WITHOUT ACTION OF SOME KIND AT THE UN. THE BUSH TEAM KNEW THE ISSUES. MR WALDEGRAVE NOTED THE DANGER THAT AN OPEN DEBATE AT THE UN WOULD LEAD THE REST OF THE WORLD, INCLUDING ISRAEL, TO CONCLUDE THAT THE PLO'S PRIVATE DIALOGUE WITH THE US HAD BROKEN DOWN. THIS COULD ENCOURAGE THE ISRAELIS TO DIG IN THEIR HEELS RATHER THAN COME UP WITH A RESPONSE. BUT THE OVERIDING NEED WAS TO MAINTAIN MOMENTUM. WE WOULD CONSIDER ARAFAT'S IDEAS CAREFULLY AND RESPOND.

11. ARAFAT SAID THAT HE LOOKED FORWARD TO CLOSE COORDINATION. MEANWHILE AN ARAB LEAGUE SUB-COMMITTEE LED BY KLIBI WOULD VISIT CAPITALS OF THE FIVE PERMANENT MEMBERS EARLY NEXT MONTH.

12. ASKED ABOUT JORDAN, ARAFAT CONFIRMED THAT RELATIONS WITH THE KING WERE NOW GOOD. THE PLO REMAINED COMMITTED TO CONFEDERATION

BUT WAS FLEXIBLE ABOUT THE DETAILS.

13. ARAFAT THEN SPOKE OF HIS INTENTION TO FORM A PROVISIONAL GOVERNMENT IN ACCORDANCE WITH THE PNC DECISION. THE EXECUTIVE COMMITTEE OF THE PLO WOULD MEANWHILE CARRY OUT THE GOVERNMENT'S FUNCTIONS. PEOPLE WHO FIND THE PLO TAG A TABOO MIGHT FIND IT EASIER TO DEAL WITH A PROVISIONAL GOVERNMENT. HISTORY PROVIDED PLENTY OF PRECEDENTS. THE GOVERNMENT WOULD ALSO INCLUDE LEADERS DRAWN FROM WITHIN THE OCCUPIED TERRITORIES.

14. MR WALDEGRAVE EXPLAINED THAT WE WOULD HAVE LEGAL AND PROTOCOL PROBLEMS ABOUT RECOGNISING A PROVISIONAL GOVERNMENT BUT THAT THIS SHOULD NOT BE ALLOWED TO GET IN THE WAY OF PRACTICAL COOPERATION. THE ESSENCE OF OUR APPROACH TO SUCH QUESTIONS WAS PRAGMATISM. ARAFAT AGREED.

15. IN THE TETE-A-TETE SESSION, ARAFAT STRESSED HIS READINESS TO HELP OVER WESTERN HOSTAGES AND LISTED NUMEROUS CASES HE CLAIMED TO HAVE HELPED WITH IN THE PAST. THE ARCHBISHOP OF CANTERBURY REMAINED IN TOUCH WITH BISHOP KHOURY ABOUT WAITE. ASKED ABOUT LIBYA HE SAID THAT QADHAFI WENT UP AND DOWN LIKE A BAROMETER. HE POINTEDLY MADE NO ATTEMPT TO SUGGEST THAT LIBYAN PROTESTATIONS OF MODERATION REFLECTED ANY GENUINE CHANGE. HE EXPRESSED PLEASURE THAT SYRIA WAS RETURNING TO THE ARAB FOLD AND RELIEF AT THE OUTCOME OF THE ARAB LEAGUE DISCUSSION ON LEBANON AT WHICH HE FELT THE SYRIANS HAD PLAYED A CONSTRUCTIVE ROLE. HE THOUGHT THAT THE RECENT RELEASE OF FRENCH HOSTAGES HAD BEEN AN ENTIRELY LIBYAN AFFAIR: ABU NIDHAL HAD NOT BEEN INVOLVED AT ALL. IRAN HOWEVER WAS NOT ABOUT TO RELINQUISH ITS HOLD IN SOUTHERN LEBANON.

16. MR WALDEGRAVE SAID WE HAD BEEN PLEASED AT ARAFAT'S WORDS OVER THE LOCKERBIE DISASTER. ARAFAT AFFIRMED HE WOULD DO ALL HE COULD. ON FUTURE EXCHANGES, MR WALDEGRAVE SAID THAT WE WANTED TO KEEP IN CLOSE TOUCH: ON A POSSIBLE MEETING WITH YOU THERE WAS NO OBJECTION IN PRINCIPLE BUT WE SHOULD LOOK FOR AN OPPORTUNITY WHICH WOULD TAKE THE PEACE PROCESS FORWARD. ARAFAT SEEMED HAPPY WITH THIS AND SPOKE HELPFULLY WHEN THE QUESTION WAS RAISED LATER BY THE PRESS. HE SUGGESTED THAT CONTACT SHOULD BE MAINTAINED THROUGH BASSAM ABU SHARIF. MR WALDEGRAVE OFFERED TO RECEIVE BASSAM WHEN HE CAME TO LONDON IN LATE JANUARY AND SAID THAT IT WOULD BE HELPFUL IF HE COULD GIVE US THEN THE PLO'S IDEAS ON CONFERENCE MODALITIES.

17. RESIDENT CLERK PLEASE PASS TO DUTY PRIVATE SECRETARY.

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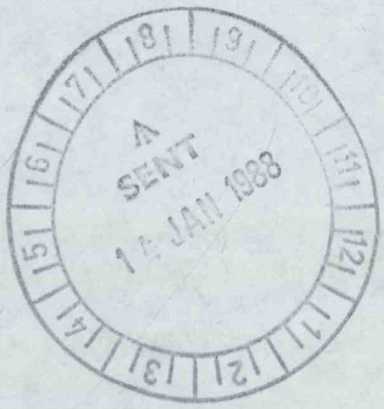

PRIME MINISTER

MIDDLE EAST

I am concerned about the presentation of Mr Waldegrave's meeting with Arafat and our current activities in the Middle East generally. Bernard shares this worry. There are really three grounds for it:

there is too much of an impression of fawning over Arafat;

there is too much talk of a British initiative. There is no such initiative and making claims for one could expose us to a sharp snub and risk making us look ridiculous;

the very careful balance which you have established in our Middle East policy risks being upset to no avail. There is a growing impression that the Arabists in the FCO are in control.

Obviously we cannot disown the FCO without creating a news story in its own right. But I have suggested to Bernard that we ought to try to damp things down during the day by saying:

talk of a British initiative by the press is rather over the top. There is bound to be a hiatus while the Israelis and the new American Administration work out their ideas. There is no question of upsetting the careful balance of our policy or of trying to pre-emp the Americans;

our position remains that we are opposed to an independent Palestinian State. We support a confederation between the West Bank and Jordan. The Israelis can be reassured of this;

no consideration is being given to a meeting between you and Arafat (FCO briefing suggests that it is). Nor is such a meeting likely.

Unless you disagree, we propose to use these points in response to press enquiries.

CHARLES POWELL
14 January 1989

CONFIDENTIAL

cc P.C

(2)

Foreign and Commonwealth Office

London SW1A 2AH

13 January 1989

Dear Charles.

Invitations to Israeli Ministers

Thank you for your letter of 9 January about your meeting with Mr Netanyahu.

The Foreign Secretary agrees that he should have an early meeting with Mr Arens. This would complement his recent Gulf tour and help to create a basis for a meeting between the Prime Minister and Mr Shamir. A meeting between Mr Netanyahu and Mr Waldegrave would also be helpful, if it can be arranged (one was proposed by the Israelis in the margins of the Paris CW Conference but unfortunately fell through because schedules did not coincide).

We have instructed HMA Tel Aviv to explore the possibilities. We would hope that the meetings could take place before Mr Waldegrave visits Israel in the first week of March.

The Foreign Secretary is also considering a stopover in Israel as part of a foreign tour in the Easter recess.

Yours,

Stephen Wall

(J S Wall)
Private Secretary

C D Powell Esq
PS/No 10 Downing Street

CONFIDENTIAL

MIDDLE EAST: SITUATION

15 79

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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

Prime Minister

Arafat's Speech

I attach the text. I have outlined the main passages.

Much of it is a tirade against Israel in ruthless but less extreme language. It is also highly critical of the United States.

Nonetheless our three points are just about here – although the

Israelis would clearly argue that their earlier offers were of any real value. I suspect that the Americans will demand more before agreeing to talk to the PLO.

C.D.J.

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Address of Mr. Yasser Arafat,

Chairman of the Executive Committee
of the
Palestine Liberation Organization,

delivered before
the 43rd session of the UN General Assembly,
meeting in plenary at the United Nations Office in Geneva
on 13 December 1988

(Check against delivery)

Mr President,
Honorable members,

It never occurred to me that my second meeting with this honorable assembly since 1974 would take place in the hospitable city of Geneva. I had thought that the new political positions and postures evolved by our Palestinian people in the course of the Algiers meeting of the Palestine National Council (PNC), all of which have been made public and extremely well received internationally, would have necessitated my travel to the United Nations Headquarters in New York to brief you on our resolutions and projections on the issue of peace in our homeland as formulated by our PNC, the highest legislative authority in the Palestinian body politic.

I am both proud and happy to meet with you today, here in Geneva, after an arbitrary American decision barred me from going to you there. I am proud because I am in your midst and you are the highest rostrum for the problems of justice and peace in the world. I am happy because I am in Geneva, where justice and neutrality are a guidepost and a constitution in a world where the arrogance of power drives some to lose their sense of neutrality and justice. The resolution passed by your esteemed Assembly, with 154 member nations voting to move the session here, was not a victory over the American decision but an unprecedented landslide for the international consensus in favor of justice and peace. It is proof that our people's just cause has become embedded in the fabric of the human conscience.

Our Palestinian people will never forget the position taken by this honorable Assembly and these friendly states in support of right and justice and in defense of the values and principles for which the United Nations Organization was established. This position will be a source of confidence and security to all peoples subjected to injustice, oppression and occupation and struggling, like the Palestinian people, for freedom, dignity and survival.

I extend deep gratitude to all nations, forces and international organizations and personalities who backed our people and supported its national rights -- particularly our friends in the Soviet Union, the People's Republic of China, the socialist countries, the non-aligned states, the Islamic states, the African states, the Asian states, the Latin American states and the other friendly states. I ~~also thank the Western European nations and Japan for their latest stands toward our people~~ and I invite them to take further steps to positively evolve their resolutions in order to open the way for peace and a just settlement in our region, the Middle East.

I reiterate ~~our solidarity with and support~~ for ~~the liberation movements in Namibia and South Africa in their struggle~~; and our support for the African frontline states against the aggression of the racist South African regime.

I seize this opportunity to express my gratitude to those friendly states which took the initiative in supporting us, in endorsing our PNC resolutions and in recognizing the State of Palestine.

And I will not miss this opportunity to warmly thank His Excellency the Secretary-General of the United Nations, Mr. Javier Perez de Cuellar, and his assistants for their relentless efforts to achieve humanity's aspirations for international detente and the settlement of its problems, particularly those related to the Palestine Question. I also extend my thanks and appreciation to the chairman and members of the United Nations Committee on the Exercise of the Inalienable Rights of the Palestinian People on their endeavors for our people's cause, and I salute the non-aligned nations' "Committee of Nine on the Palestine question" for all its constructive contributions to our people's cause.

And to you, Mr. President, my warm congratulations on the occasion of your election as President of this Assembly. I have full confidence in your wisdom and insight. I also congratulate your predecessor on his skillful handling of the proceedings of the previous session.

Lastly, I extend warm greetings and thanks to the Swiss government and people for making this meeting possible.

Mr. President,
Honorable members,

Fourteen years ago, on 13 November 1974, I received a gracious invitation from you to expound the problem of our Palestinian people before this dignified Assembly. Here I am, returning to you after all these eventful years to see new peoples taking their places in your midst, crowning thereby their victories in the

battles for freedom and independence. To the representatives of these peoples, I extend the warm congratulations of our own. Let it be known that I return to you with a stronger voice, a firmer determination and a greater confidence to reiterate my conviction that our struggle will bear fruit and that the State of Palestine, which we proclaimed at our Palestine National Council, will take its place amongst you to join (hands with) you in consolidating the Charter of this organization and the Universal Declaration of Human Rights, in putting an end to the tragedies afflicting humanity and in upholding the principles of right, justice, peace and freedom for all.

Fourteen years ago, when you told us in the General Assembly hall: "Yes to Palestine and the people of Palestine, yes to the Palestine Liberation Organization, yes to the inalienable national rights of the people of Palestine," a few imagined that your resolutions would carry little weight, failing to realize that these resolutions were among the springs that watered the olive branch I carried that day. Since then, we have watered it with blood, tears and sweat, and it has turned into a tree with roots entrenched in the ground, and a stem reaching for the sky, promising to bear the fruits of victory over coercion, injustice and occupation. You gave us hope that freedom and justice would triumph and we gave you a generation of our people that has dedicated its life to the realization of that dream. It is the generation of the blessed *intifada* which today is wielding the homeland's stones to defend the honor of this homeland and be worthy of belonging to a people thirsting for freedom and independence.

I bring you greetings from those heroic people, from our men and our women, from the masses of our blessed *intifada*, which now enters its second year with great momentum and painstaking organization, using a civilized, democratic approach to weather and confront occupation, coercion, tyranny and the barbaric crimes committed daily by the Israeli occupiers.

Greetings to you from our young men and women in the occupation forces' prisons and collective detention centers. Greetings from the children of stones who are challenging occupation forces armed with warplanes, tanks and weapons -- an unarmed Palestinian David facing a heavily armed Israeli Goliath.

I said in concluding my address in our first encounter that, as chairman of the Palestine Liberation Organization and leader of the Palestinian Revolution, I reaffirm that we do not wish to see a drop of Jewish or Arab blood shed, that we do not want the continuation of the fighting for one extra minute. I appealed to you then to spare us all these ordeals and sufferings and to speed up work on the foundations of a just peace based on securing the rights, hopes and aspirations of our people and the equal rights of all peoples.

I said that I was calling upon you to stand by the struggle of our people to exercise its right to self-determination and to enable our people to return from the exile into which it was driven at gunpoint. I solicited your help to end this injustice to which successive generations of our people have been subjected over several decades so that they can live free and sovereign on their soil and in their homeland, enjoying all their national and human rights.

The last thing I said from this rostrum was that war breaks out from Palestine and that peace starts in Palestine.

The dream we entertained at the time was to establish a democratic state of Palestine in which Moslems, Christians and Jews would live with equal rights and obligations as one unified community, like other peoples in this contemporary world.

We were shocked to hear Israeli officialdom interpret this Palestinian dream -- inspired by the spiritual heritage which illuminated Palestine and the civilizational and humanitarian values calling for coexistence in a free democratic society -- as a scheme to destroy and obliterate their entity.

Mr. President,

We had to draw the necessary conclusion regarding the gap between this reality and the dream. We set out in the Palestine Liberation Organization to look for realistic and attainable formulas that would settle the issue on the basis of possible rather than absolute justice while securing the rights of our people to freedom, sovereignty and independence; ensuring for everyone peace, security and stability; and sparing Palestine and the Middle East wars and battles that have been going on for 40 years.

Didn't we, Mr. President, take the initiative of relying on the Charter and resolutions of the United Nations, the Declaration of Human

Rights and international legitimacy as the basis for the settlement of the Arab-Israeli conflict?

Did we not welcome the Vance-Gromyko communiqué of 1977 as a move that could form the basis of a proposed solution to this conflict?

Did we not agree to participate in the Geneva Conference on the basis of the American-Egyptian statement of 1977 to push forward the prospects of a settlement and peace in the region?

Did we not endorse the Arab peace plan in Fez in 1982 and later the call for an international peace conference under the auspices of the United Nations and in keeping with its resolutions?

Did we not underwrite the Brezhnev plan for peace in the Middle East?

Did we not welcome and support the Venice Declaration by the European Community on the bases for a just peace in the area?

Did we not welcome and support the joint initiative of Presidents Gorbachev and Mitterrand on a preparatory committee for the international conference?

Did we not welcome scores of political statements and initiatives put forward by African, Islamic, non-aligned, socialist, European and other groups and states for the purpose of finding a peaceful settlement based on the principles of international legitimacy?

What has been the attitude of Israel on all this, even though not a single one of the aforementioned initiatives or plans or communiqués lacks political balance or overlooks the claims and interests of all the parties to the Arab-Israeli conflict?

Israel's response to all this has been the escalation of its settlement and annexation schemes; the fanning of the flames of conflict with more destruction, devastation and bloodshed; and the expansion of the confrontation fronts to include brotherly Lebanon, which was invaded by the occupation troops in 1982, an invasion punctuated with slaughters and massacres perpetrated against the Lebanese and Palestinian peoples, including the Sabra and Shatila massacres. Until this moment, Israel continues to occupy parts of South Lebanon and Lebanon faces daily raids as well as air, sea and land attacks on its cities and villages and on our camps in the South.

It is painful and regrettable that the American government alone should continue to back these aggressive and expansionist schemes as well as Israel's continued occupation of Palestinian and Arab territories, its crimes, and its iron-fist policy against our children and women.

It is painful and regrettable too that the American government should continue refusing to recognize the right of six million Palestinians to self-determination, a right which is sacred to the American people and other peoples on this planet.

I remind them of the position of President Wilson, author of the two universal principles of international relations, i.e. the inadmissibility of the acquisition of territory by force and the right of peoples to self-determination. I remind them too that when the Palestinian people were consulted by the King-Crane Commission in 1919, they chose the United States as the mandatory power. Circumstances having prevented that, the mandate was given to Britain. My question to the American people is this: Is it fair that the Palestinian people should be deprived of what President Wilson prescribed?

The successive American administrations realize that the only birth certificate for the establishment of the State of Israel is Resolution 181, approved by the General Assembly on 29 November 1947, and endorsed at the time by the United States and the Soviet Union. It provides for the establishment of two states in Palestine, one Palestinian Arab and one Jewish.

How then does the American government explain its position which acknowledges and recognizes the half of that resolution that pertains to Israel and rejects the half pertaining to the Palestinian state? How does the United States government explain its lack of commitment to the execution of a resolution which it has endorsed on more than one occasion in your esteemed Assembly, i.e. (UNGA) Resolution 194, which provides for the right of the Palestinians to return to the homes and properties from which they were evicted and for compensation for those wishing not to exercise this right?

The United States government knows that

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neither the U.S. nor anyone else has the right to apportion international legitimacy and fragment the provisions of international law.

Mr. President.

The uninterrupted struggle of our people for its rights has been going on for several decades during which it has offered hundreds of thousands of martyrs and wounded and endured all kinds of tragedies. On the contrary, its adherence to its Palestinian homeland and national identity has grown stronger.

The leaders of Israel, in their intoxication, deluded themselves into believing that, after our exodus from Beirut, the Palestine Liberation Organization would be thrown into the sea. Little did they expect our march into exile to turn into a procession of return to the homeland, to the field of battle, to occupied Palestine. The result was the heroic popular *intifada* within our occupied land, the *intifada* which is there to stay until the fulfillment of our goals of freedom and national independence.

I take pride, Mr. President, in being one of the sons of this population, whose men, women and children are writing with their blood an outstanding epic of national resistance and who are performing legendary miracles daily to sustain their *intifada* and make it grow until it can impose its will and prove that right can prevail over might. We salute with deep pride our people of the *intifada* as the authors of a unique democratic revolutionary experiment.

Theirs is the faith that could not be crushed by Israel's military machine; that could not be killed by any kind of ammunition; that could not be shaken by the burial of people alive, the breaking of bones, the inducement of miscarriages, or the usurpation of water resources; and that could not be deterred by detention, internment, exile, deportation, collective punishment, the demolition of homes, the closure of universities, schools, trade unions, associations, institutions and newspapers, or the laying of siege to camps, villages and towns. Those brutal reprisals have only served to strengthen that faith, spreading it to every household and giving it roots in every inch of our national soil.

A people with such a heritage and such a history is invincible. All the forces of tyranny and terror cannot sway its deep-rooted faith in its right to its homeland and in such values as justice, peace, love, coexistence and tolerance. The rifle of the revolutionary has protected us from liquidation and the destruction of our national identity in the arenas of hot confrontation. We are fully confident of our ability to protect our green (olive) branch in the arenas of political confrontation.

This worldwide embrace of our just cause, pressing for the realization of peace based on justice, demonstrates clearly that the world has unequivocally identified the predator and the prey, the aggressor and the victim, the struggler for freedom and peace and the terrorist.

The day-to-day practices of the occupation army and the gangs of fanatic armed settlers against our people, women and children, have unveiled the ugly face of Israeli occupation and exposed its true aggressive nature.

This growing worldwide awareness has reached Jewish groups within Israel itself and outside. Their eyes have been opened to the reality of the problem and the essence of the conflict, particularly since they have witnessed the inhuman, day-to-day Israeli practices which undermine the tolerant spirit of Judaism itself.

It has become difficult, if not impossible, for a Jew to reject racial persecution and uphold freedoms and human rights while remaining silent about Israel's crimes against Palestinian human rights, the Palestinian people and the Palestinian homeland, particularly the ugly day-to-day practices of the occupiers and gangs of settlers.

We distinguish, Mr. President, between the Jewish citizen whom the Israeli ruling circles have continuously sought to disinform and mislead and the practices of the leaders of Israel.

We realize that there are within and outside Israel courageous and honorable Jewish people who do not condone the Israeli government's policy of repression, massacres, expansion, settlement and expulsion and who recognize the equal rights of our people to life, freedom and independence. On behalf of the Palestinian people, I thank them all for their courageous and honorable stance.

Our people does not want a right which is not its own or which has not been vested in it by international legitimacy and international law. It does not seek its freedom at the expense

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of anyone else's freedom, nor does it want a destiny which negates the destiny of another people. Our people refuses to be better or worse than any other people. Our people wants to be the equal of all other peoples, with the same rights and obligations. I call upon all peoples of the world, especially those which were afflicted by the Nazi occupation and considered it their duty to close the chapter of coercion and oppression by one people against another and to extend a willing hand to all the victims of terrorism, fascism and Nazism, to see clearly today the responsibilities cast upon them by history towards our downtrodden people, which wants its children to have a place under the sun in their homeland -- a place where they can live in freedom, like the rest of the children of the world.

Mr. President,

It is cause for optimism that our struggle should culminate in the ongoing *intifada* when the international atmosphere is marked by a serious and sustained quest for international detente, accord and progress. We are heartened by the successes scored by the United Nations and its secretary-general in contributing effectively to settling many problems and defusing trouble spots around the world in this new environment of international detente.

Surely, it is impossible to consolidate this new, positive international climate without addressing problems and trouble spots around the globe. This would enable us to formulate a more accurate and reliable yardstick to assess the endeavors of Man and nations and to brace for the next century and the challenges and new responsibilities it will lay before us in terms of averting wars and destruction and promoting more freedom, well-being, peace and progress for mankind.

No one, Mr. President, would dispute the fact that the Palestine problem is *the* problem of our contemporary world. It is the oldest on your agenda. It is the most intricate and complex. Of the regional issues, it poses the most serious threat to international peace and security. Hence its priority among the issues which should command the attention of the two superpowers and all the countries of the world. Hence the need for an effort to outline a course for its equitable solution -- a solution that would spread peace across the Middle East.

We in the Palestine Liberation Organization -- as a leadership responsible for the people of Palestine and its destiny, loyal to the struggle of our people, venerating the sacrifices of our martyrs, eager to contribute to the prevailing climate of coexistence and detente, and conscious of the need to participate in the peaceful efforts to find a political settlement that would put an end to the tragedies of wars and fighting and would open the way for peaceful coexistence under international law -- summoned our Palestine National Council to convene in an extraordinary session in Algiers last November 12-15, the purpose being to specify and clarify our position as a main party to the Arab-Israeli conflict, which cannot be settled without its participation and approval.

It pleases me to inform you, with great pride, that our Palestine National Council, through a totally free exercise of democracy, has again demonstrated its ability to shoulder its national responsibilities, endorsing serious, constructive and responsible resolutions which pave the way for us to reinforce and highlight our desire and contribution to find a peaceful settlement that would secure the national and political rights of our people as well as peace and security for everyone else.

Mr. President,

The first and *decisive* resolution of our Palestine National Council was the proclamation of the establishment of the State of Palestine, with the Holy City of Jerusalem (*al-Quds ash-Sharef*) as its capital. The State of Palestine was declared:

-- By virtue of the Palestinian Arab people's natural, historic and legal right to their homeland, Palestine, and of the sacrifices of their successive generations in defense of the liberty and independence of their homeland;

-- Pursuant to the resolutions of the Arab summit conferences;

-- By the authority of international legitimacy, as embodied in the resolutions of the United Nations since 1947;

-- In implementation of the Palestinian Arab people's right to self-determination, political independence and sovereignty on their soil, and in conformity with your successive resolutions.

It is important for me, in repeating this historic proclamation before the international community, now that it has become one of the official United Nations documents, to reaffirm

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that this decision is irreversible and that we will not relent until it succeeds in casting off the occupation, enabling our Palestinian people wherever they may be to exercise their sovereignty in their state, the State of Palestine. In it they shall develop their national and cultural identity and enjoy full equality in rights. Their religious and political beliefs and their human dignity shall be safeguarded under a democratic parliamentary system of government built on the freedom of opinion; and on the freedom to form parties; and on the protection of the rights of the minority by the majority and respect of the decisions of the majority by the minority; and on social justice and equal rights, free of ethnic, religious, racial or sexual discrimination; and on a constitution that guarantees the rule of law and the independence of the judiciary; and on the basis of total allegiance to the centuries-old spiritual and civilizational Palestinian heritage of religious tolerance and coexistence.

The State of Palestine is an Arab state; its people are an integral part of the Arab nation and of that nation's heritage, its civilization and its aspiration to attain its goals of social progress, unity and liberation. (The State of Palestine) is committed to the Charter of the League of Arab States, the United Nations Charter, the Universal Declaration of Human Rights and the principles of non-alignment.

It is a peace-loving state committed to the principles of peaceful coexistence and it shall strive with all states and peoples to attain a permanent peace built on justice and respect of rights.

It is a state which believes in the settlement of international and regional disputes by peaceful means in accordance with the Charter and resolutions of the United Nations. It rejects threats of force or violence or terrorism or the use of these against its territorial integrity and political independence or the territorial integrity of any other state, without prejudice to its natural right to defend its territory and independence.

It is a state which believes that the future can only bring security to those who are just or have come back to justice. This, Mr. President, is the State of Palestine which we proclaimed and which we shall endeavor to embody so that it can take its place among the states of the world and share creatively in shaping a free world where justice and peace prevail.

Our state, God willing, shall have its provisional government at the earliest possible opportunity. The PNC has mandated the PLO Executive Committee to assume the functions of the said government in the interim.

To embody the aforementioned decision, our Palestine National Council adopted a series of resolutions. I am keen to spotlight the most salient of these, which underline our serious determination to pursue the path of an equitable peaceful settlement and to exert maximum effort to ensure its success.

Our PNC reaffirmed the necessity of convening an international conference on the issue of the Middle East and its core, the Palestinian issue, under the auspices of the United Nations and with the participation of the permanent members of the Security Council and all parties to the conflict in the region, including, on an equal footing, the Palestine Liberation Organization, the sole legitimate representative of the Palestinian people, on the understanding that the international conference will be held on the basis of Security Council Resolutions 242 and 338 and the safeguarding of the legitimate national and political rights of the Palestinian people, foremost among which is its right to self-determination.

All UN resolutions

Our PNC reasserted the need for Israel's withdrawal from all the Palestinian and Arab territories it occupied in 1967, including Arab Jerusalem; the establishment of the Palestinian state; and the annulment of all expropriation and annexation measures and the dismantling of the settlements established by Israel in the Palestinian and Arab territories since 1967, as called for in the Arab summit resolutions of Fez and Algiers.

Our PNC also reaffirmed the necessity of seeking to place the occupied Palestinian territories, including Arab Jerusalem, under the supervision of the United Nations for a limited period, to protect our people, to create an atmosphere conducive to the success of the proceedings of the international conference toward the attainment of a comprehensive political settlement and the achievement of peace and security for all peoples and states in the Middle East, on the basis of mutual consent, and to enable the State of Palestine to exercise its effective authority in these territories, reaffirmed earlier by the resolutions of the Arab summits.

Our PNC called for the settlement of the

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issue of Palestinian refugees in accordance with the pertinent United Nations resolutions. It guaranteed the freedom of worship and the right to engage in religious rites for all faiths in the holy places in Palestine. And it reconfirmed that the relationship between the fraternal Jordanian and Palestinian peoples is a privileged one and that the future relationship between the State of Palestine and the Hashemite Kingdom of Jordan will be built on confederal foundations, on the basis of the two fraternal peoples' free and voluntary choice, in consolidation of the historic ties that bind them and the vital interests they hold in common.

The PNC reaffirmed the need for the Security Council to draw up and guarantee arrangements for security and peace between all the states which are parties to the conflict in the region.

It is important for me, Mr. President, to point out that these resolutions, in their content and wording, reflect our firm desire for peace and freedom, and our total awareness of the climate of international detente and of the eagerness of the international community to achieve balanced solutions that address the claims and fundamental interests of the parties in conflict. These resolutions attest to the solemnity of the Palestinian people's position on the question of peace: that they are committed to peace and believe that it should be secured and guaranteed by the Security Council under the aegis of the United Nations.

These resolutions constitute a firm, unambiguous response to all arguments, prejudices, stands and pretexts used by some nations to cast doubt on the position and policy of the Palestine Liberation Organization

At a time when our people were voting for peace through their *intifada* and their representatives in the PNC, thereby confirming their positive response to the prevailing mood of detente in international relations and to the growing trend toward the settlement of world conflicts by peaceful means, the Israeli government was fanning the flames of aggressive, expansionist conflicts and religious fanaticism, thereby announcing its adherence to the option of belligerence and the dismissal of our people's right.

The Palestinian side, for its part, has formulated clear and responsible political positions which conform with the will of the international community, to promote the convening of the international peace conference and the success of its proceedings. The gratifying and courageous international backing as expressed in the recognition of the State of Palestine is further proof of the credibility of our course and resolutions and their compliance with the international will for peace.

While we greatly appreciate the free American voices that have explained and supported our position and resolutions, we note that the U.S. administration remains uncommitted to even-handedness in its dealings with the parties to the conflict. It continues to demand from us alone the acceptance of positions which cannot be determined prior to negotiation and dialogue within the framework of the international conference.

I would point out here that the answer to the many questions being posed, regardless of their source, rests solely on the acceptance of the equality of the two parties to the conflict and on the recognition of their equal rights on a reciprocal basis. And if the policies applied on the ground are any reflection of the policy-makers' intentions, it is the Palestinian side that has more cause to worry and to demand reassurances about its fate and its future, facing as it does a state of Israel that is bristling with the latest of arms, including nuclear weapons.

Mr. President,

Our Palestine National Council has reaffirmed its commitment to the UN resolutions that uphold the right of peoples to resist foreign occupation, colonialism and racial discrimination, and their right to struggle for independence. It has also reaffirmed its rejection of terrorism in all its forms, including state terrorism, emphasizing its commitment to its past resolutions in this regard, and to the resolution of the Arab summit in Algiers in 1988, and to UN Resolutions 42/159 of 1987 and 61/40 of 1985, and to what was stated on this subject in the Cairo Declaration of 7 November 1985.

This position, Mr. President, is clear and free of all ambiguity. And yet, I, as chairman of the Palestine Liberation Organization, hereby once more declare that I condemn terrorism in all its forms, and at the same time salute those sitting before me in this hall who, in the days when they fought to free their countries from the yoke of colonialism, were accused of terrorism by their oppressors, and who today are the faithful leaders of their peoples, stalwart

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champions of the values of justice and freedom.

I also offer a reverent salute to the martyrs who have fallen at the hands of terrorism and terrorists, foremost among whom is my lifetime companion and deputy, the martyr-symbol Khalil al-Wazir, and the martyrs who fell in the massacres to which our people have been subjected in the various cities, villages and camps of the West Bank, the Gaza Strip and South Lebanon.

Mr. President,
Honorable members,

The situation in our Palestinian homeland can bear no more waiting. Our people and our children, leading our march to liberty, holding aloft the torch of freedom, are being martyred daily for the sake of ending the occupation and laying the foundation of peace in their free, independent homeland and in the region as a whole.

For this reason, the Palestine National Council, taking into consideration the circumstances of the Palestinians and the Israelis and the need for a spirit of tolerance [redacted] between them, built its resolutions on foundations of realism.

The United Nations bears a historic, extraordinary responsibility toward our people and their rights. More than 40 years ago, the United Nations, in its Resolution 181, decided on the establishment of two states in Palestine, one Palestinian Arab and the other Jewish. Despite the historic wrong that was done to our people, it is our view today that the said resolution continues to meet the requirements of international legitimacy which guarantee the Palestinian Arab people's right to sovereignty and national independence.

The acceleration of the peace process in the region requires special efforts on the part of the parties concerned and of the international community, particularly the United States and the Soviet Union, who bear a great responsibility toward the cause of peace in our region.

The United Nations, the permanent members of the Security Council and all international blocs and bodies have a vital role to play at this stage. In my capacity as chairman of the PLO Executive Committee, presently assuming the functions of the provisional government of the State of Palestine, I therefore present the following Palestinian peace initiative:

First: That a serious effort be made to convene, under the supervision of the Secretary-General of the United Nations, the preparatory committee of the international conference for peace in the Middle East -- in accordance with the initiative of President Gorbachev and President Mitterrand, which President Mitterrand presented to your Assembly toward the end of last September and which was supported by many states -- to pave the way for the convening of the international conference, which commands universal support except from the government of Israel.

Second: In view of our belief in international legitimacy and the vital role of the United Nations, that actions be undertaken to place our occupied Palestinian land under temporary United Nations supervision, and that international forces be deployed there to protect our people and, at the same time, to supervise the withdrawal of the Israeli forces from our country.

Third: The PLO will seek a comprehensive settlement among the parties concerned in the Arab-Israeli conflict, including the State of Palestine, Israel and other neighbors, within the framework of the international conference for peace in the Middle East on the basis of Resolutions 242 and 338 and so as to guarantee equality and the balance of interests, especially our people's rights in freedom, national independence, and respect the right to exist in peace and security for all.

If these principles are endorsed at the international conference, we will have come a long way toward a just settlement, and this will enable us to reach agreement on all security and peace arrangements.

Mr. President,

I hope it is clear to everyone that our Palestinian people, determined though they are to gain their legitimate national rights to self-determination, repatriation and the ending of the occupation of the Palestinian state's territory, are equally determined to strive for those goals by peaceful means within the framework of the international conference under the sponsorship of the United Nations and in accordance with its Charter and resolutions. I assure you that, like all other peoples on Earth, we are a people that yearns for peace -- and perhaps with greater

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enthusiasm, considering our long years of suffering and the harsh conditions that plague us and our children, who are deprived of the normalcy of a life free of war, free of tragedy, free of the torment of exile, free of homelessness and daily anguish.

So let the voices supporting the olive branch, peaceful coexistence and international entente be heard. Let all hands join in defense of a historic, possibly irreplaceable opportunity to put an end to a tragedy that has lingered too long and cost thousands of lives and the destruction of hundreds of villages and cities.

We reach for the olive branch because it sprouts in our hearts from the tree of the homeland, the tree of freedom.

Mr. President,
Honorable members,

I come to you in the name of my people, offering my hand so that we can make true peace, peace based on justice.

I ask the leaders of Israel to come here, under the sponsorship of the United Nations, so that, together, we can forge that peace. I say to them, as I say to you, that our people, who want dignity, freedom and peace for themselves and security for their state, want the same things for all the states and parties involved in the Arab-Israeli conflict.

And here, I would address myself specifically to the Israeli people in all their parties and forces, and especially to the advocates of democracy and peace among them. I say to them: Come, let us make peace. Cast away fear and intimidation. Leave behind the specter of the wars that have raged continuously in the furnace of this conflict for the past 40 years. Set aside all threats of wars to come, whose fuel could only be the bodies of our children and yours. Come, let us make peace. Let us make the peace of the bold, far from the arrogance of power and the weapons of destruction; far from occupation and oppression and humiliation and murder and torture.

"Say: 'O People of the Book! Come to common terms,'" so that we can build peace in the land of peace, the land of Palestine. "Glory to God in the highest, and on Earth peace, good will toward men." "O Lord, thou art the peace, and the peace is of you, and the peace shall return unto you. Let us live, O Lord, in peace, and enter Heaven thy house, the house of peace."

Finally, I say to our people: The dawn approaches. Victory is at hand. I see the homeland in your holy stones. I see the flag of our independent Palestine fluttering over the hills of our beloved homeland.

Thank you. Peace be upon you, and God's mercy and His blessings.

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PLO: MR KAUFMAN'S CALL ON ARAFAT

SUMMARY
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1. IN THE COURSE OF A LONG AND UNUSUALLY PRECISE MEETING, ARAFAT REAFFIRMED HIS GENEVA COMMITTMENTS, RULED OUT FORMAL CONTACTS WITH ISRAEL BEFORE AN INTERNATIONAL CONFERENCE, BUT STRESSED HIS WILLINGNESS TO COMPROMISE THERE IN THE INTERESTS OF PEACE. HE CONFIRMED HE HAD ORDERED FATAH TO COOL DOWN INFILTRATION FROM LEBANON AND DISMISSED REPORTS OF THREATS TO FREIJ, WHOM HE TERMED ONE OF HIS CLOSEST FRIENDS. HE SAID HE LOOKED FORWARD TO MEETING MR WALDEGRAVE SOON. FULL RECORD TO NENAD BY NEXT BAG. MR KAUFMAN WILL BRIEF YOU IN PERSON AFTER HIS RETURN TODAY TO LONDON.

DETAIL
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2. MR KAUFMAN, ACCOMPANIED BY MR ROSS, MP, MYSELF AND HEAD OF CHANCERY SPENT TWO AND A HALF HOURS WITH ARAFAT AND 7 SENIOR PLO MEMBERS ON THE EVENING OF 11 JANUARY. MR KAUFMAN LED ARAFAT THROUGH A SERIES OF QUESTIONS, WHICH HE ANSWERED WITH PRECISION, PICKING HIS WAY CAREFULLY THROUGH TRANSLATIONS OF THE KEY WORDS. ARAFAT MADE THE FOLLOWING POINTS -

(A) HE REAFFIRMED HIS GENEVA COMMITTMENTS, EXPLAINING THAT KEY PASSAGES DERIVED FROM SWEDISH AND AMERICAN TEXTS AND THE WORDING OF 242 SEMICOLON

(B) HE INSISTED THAT AN INTERNATIONAL CONFERENCE MUST INVOLVE ALL FIVE PERMANENT MEMBERS: HE REJECTED FIRMLY ANY SUGGESTION OF THE SUPER-POWERS ACTING ALONE SEMICOLON

(C) HE OBSERVED THAT ALL THINGS COULD BE DEALT WITH AT THE CONFERENCE AND EXPRESSED WILLINGNESS TO COMPROMISE, BUT NO DETAILS

WOULD BE DISCUSSED IN ADVANCE WITH INTERMEDIARIES SUCH AS THE LABOUR PARTY DELEGATION SEMICOLON

(D) THE PLO WAS WILLING TO ATTEND EITHER AS AN INDEPENDENT DELEGATION OR AS PART OF A UNIFIED ARAB DELEGATION, WHICH WOULD THEN BREAK INTO BILATERAL SUB-COMMITTEES SEMICOLON

(E) THERE WOULD BE NO FORMAL CONTACTS WITH THE ISRAELIS WITHIN THE OCCUPIED TERRITORIES ON PRACTICAL MATTERS: HOWEVER, CONTACTS WITH INDIVIDUAL ISRAELI POLITICIANS AND OPINION-FORMERS WOULD CONTINUE TO BE DEVELOPED SEMICOLON THEY KNEW THE ISRAELI PEOPLE AS BROTHERS AND WOULD WORK TO BUILD UP PERSONAL LINKS SEMICOLON

(F) CAMP DAVID AND THE JORDANIAN OPTION WERE DEAD SEMICOLON

(G) THE STANDARD PLO POSITION ON CONFEDERATION WAS REPEATED SEMICOLON

(H) FATAH HAD BEEN INSTRUCTED TO ''COOL DOWN'' INFILTRATION FROM LEBANON INTO ISRAEL BUT NOT TO STOP IT COMPLETELY SEMICOLON

(I) ARAFAT ALLEGED HE HAD INTELLIGENCE THAT ISRAEL WAS PREPARING ANOTHER MAJOR INVASION OF LEBANON, EITHER TO THE AWALI RIVER OR AS FAR AS THE BEIRUT/DAMASCUS HIGHWAY SEMICOLON

(J) HE SAID THE INTIFADAH HAD RECEIVED STRICT ORDERS NOT TO USE WEAPONS, DESPITE EXTREME PROVOCATION. CITING THE RIGHT OF SELF-DEFENCE HE ARGUED THAT MILITARY TARGETS WERE PERMITTED BY THE PLO.

3. ON TWO OCCASIONS ARAFAT BECAME EXCITED SEMICOLON EARLY ON WHEN HE ACCUSED MR KAUFMAN OF ACTING AS SPOKESMAN FOR ISRAELI HAWKS WHEN THE LATTER RAISED THE QUESTION OF THE CHARTER, AND AGAIN WHEN SPEAKING OF ISRAELI BRUTALITY. MOST OF THE MEETING HOWEVER WAS CONDUCTED IN A REASONABLE, BUSINESSLIKE AND FRIENDLY SPIRIT AND ARAFAT WAS AT PAINS TO STRESS HIS PEACEFUL INTENTIONS WHEN SPEAKING AFTERWARDS TO THE MEDIA.

4. MR KAUFMAN AFFIRMED BROAD LABOUR PARTY SUPPORT FOR HMG'S POLICIES ON THE MIDDLE EAST.

HMG/EC
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5. WHEN, TOWARDS THE END OF THE MEETING, MR KAUFMAN INVITED

ARAFAT TO OFFER HIS OWN THOUGHTS, HE TURNED TO ME AND REPLAYED A FAMILIAR RECORD OF BRITISH FOOT-DRAGGING, PARTICULARLY WITHIN THE TWELVE. HE CITED THE TROIKA MEETING AS A CONTRAST TO ALLEGED BRITISH RELUCTANCE TO MOVE. I REBUTTED STRONGLY, SAYING THAT BRITISH MINISTERS HAD BEEN MORE ASSIDUOUS THAN ANY OTHER GOVERNMENT IN PURSUING A PRAGMATIC POLICY OVER THE YEARS WHICH HAD BORNE FRUIT IN THE OPENING OF THE DIALOGUE WITH THE AMERICANS, AS HE WELL KNEW. AS FOR THE EUROPEANS, WE HAD OURSELVES PROPOSED EUROPEAN INITIATIVES AND THE TROIKA REPRESENTED ALL 12, OURSELVES INCLUDED. BUT HE SHOULD HEAR A FULLER ACCOUNT OF GOVERNMENT POLICY FROM MR WALDEGRAVE SHORTLY. HE ASKED RHETORICALLY - WHO SAID I WOULD BE SEEING MR WALDEGRAVE? I REPLIED THAT IT WAS IRRATIONAL TO CRITICISE THE BRITISH GOVERNMENT AND THEN AVOID AN OPPORTUNITY TO MAKE HIS POINT DIRECT TO THE KEY MINISTER OR HEAR HIS REPLY. AT THAT HE SMILED AND SAID HE WAS LOOKING FORWARD TO MR WALDEGRAVE'S VISIT AND THEIR MEETING. I TOOK THIS EXCHANGE TO BE A ROUTINE PERFORMANCE FOR THE BENEFIT OF THE AUDIENCE. ARAFAT WAS FRIENDLY TO ME PERSONALLY AND TWO OF HIS AIDES CAME TO ME IMMEDIATELY THE MEETING BROKE UP TO MAKE SURE THAT I HAD NOT TAKEN OFFENCE AND TO DISCUSS ARRANGEMENTS FOR MR WALDEGRAVE'S MEETING, NOW LIKELY TO TAKE PLACE ON FRIDAY 13 JANUARY.

PRESS
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6. A CONTINGENT OF BRITISH PRESS COVERED THE EVENT, MAKING CLEAR TO ME THAT THEY HAD ARRIVED IN TUNIS TO COVER MR WALDEGRAVE.

DAY

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ARAB/ISRAEL: ISRAELI ATTITUDES

SUMMARY

1. THERE IS SPECULATION HERE ABOUT THE CONTENT OF THE PROMISED SHAMIR PEACE INITIATIVE. IT IS LIKELY TO OFFER LITTLE IF ANYTHING BEYOND LIKUD/CAMP DAVID/AUTONOMY FORMULA. LABOUR ARE STUCK FOR AN ALTERNATIVE STRATEGY. PERES SEES LITTLE PROSPECT OF MOVEMENT FOR 18 MONTHS.

DETAIL

2. PUBLIC STATEMENTS BY SHAMIR SINCE THE FORMATION OF THE NEW GOVERNMENT HAVE INCLUDED THE FOLLOWING:

- ISRAEL WILL NOT ATTEND AN INTERNATIONAL CONFERENCE AS ENVISAGED IN THE SHUTLZ PROPOSALS:

- SHAMIR WOULD STAND BY HIS COMMITMENT (IN OCTOBER 1987) TO SHULTZ TO ATTEND A MEETING WITH ARAB COUNTRIES UNDER SUPER-POWER AUSPICES. BUT THE SUPER-POWERS' ROLE WOULD BE TO GIVE ''INTERNATIONA
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LEGITIMISATION TO DIRECT NEGOTIATIONS, AND THEIR ROLE WOULD END THERE'':

- NO NEGOTIATIONS WITH THE PLO. NO ATTENDANCE AT AN INTERNATIONAL CONFERENCE WHERE THE PLO WERE REPRESENTED:

- CAMP DAVID MUST BE THE FRAMEWORK FOR NEGOTIATIONS, ALTHOUGH THE ACCORDS NEED NOT BE FOLLOWED WORD FOR WORD:

- JORDAN SHOULD BE INCLUDED IN THE PROCESS:

- CAMP DAVID PROVIDES FOR ELECTIONS IN THE OCCUPIED TERRITORIES. BUT ONLY AFTER AN AGREEMENT IS REACHED ON AUTONOMY:

- A ''NATIONAL CONSENSUS ON THE RIGHT OF THE JEWS TO LIVE ANYWHERE IN ERETZ ISRAEL''.

3= THERE HAS BEEN NO CLARIFICATION ON WHAT MEASURES OF AUTONOMY MIGHT BE ON OFFER. BEN-AHARON (DIRACTOR GENERAL OF SHAMIR'S OFFICE) SAID, IN AN INTERVIEW WITH THE HEBREW PRESS LAST WEEK, THAT A TRIPLE CONFEDERATION BETWEEN ISRAEL AND ''ARABS EAST AND WEST OF THE JORDAN RIVER'', WOULD BE POSSIBLE AFTER AN INTERIM PERIOD OF AUTONOMY. IT WOULD INVOLVE A COMMON MARKET AND FISCAL ARRANGEMENTS. THE INTERIM SOLUTION WOULD ''TEST COEXISTENCE''. AFTER THAT ARABS WOULD BE GIVEN ''MAXIMUM POLITICAL EXPRESSION'' , AND ISRAEL ''MASIMUM SECURITY''. ''POLITICAL EXPRESSION'' WOULD NOT INVOLVE SOVEREIGNTY. IT WOULD BE BASED ON ''HOME RULE AND ...VOTING RIGHTS IN AMMAN''. NEGOTIATIONS COULD BE LAUNCHED UNDER UN AUSPICES PROVIDED THERE WAS NO UN INVOLVEMENT WITH SUBSTANCE. ''THE MAIN THING IS DIRECT NEGOTIATIONS. THE QUESTION OF WHO LAUNCHES THEM IS OF MARGINAL SIGNIFICANCE.

4. SHAMIR EXPANDED ON THESE POINTS WHEN HE SAW LORD PLUMB ON 9 JANUARY. ISRAEL WOULD NOT BE FORCED INTO ANYTHING BY OUTSIDE INTERVENTION. THE ARABS REGARDED AN INTERNATIONAL CONFERENCE AS A TRIBUNAL WITH ISRAEL ON TRIAL. AN INDEPENDENT PALESTININAIN STATE IN THE TERRITORIES WAS ONLY A STEP TOWARDS THE ULTIMATE DESTRUCTION OF ISRAEL. THE FORMATION OF A PALESTINIAN DELEGATION FROM INHABITANTS OF THE TERRITORIES WAS IMPOSSIBLE AT THE MOMENT BECAUSE OF THE STRENGTH OF THE PLO THREAT. IF JORDAN AND EGYPT COULD HOLD THE PLO IN CHECK AND GIVE SOME PROTECTION TO PALESTINIANS IN THE TERRITORIES, A DELEGATION COULD BE FORMED. HE WOULD BE READY TO NEGOTIATE IMMEDIATELY WITH HUSSEIN.

5. THERE IS NOTHING MUCH NEW IN ANY OF THIS AND IT GIVES NO INDICATION THAT THE INITIATIVE WILL BREAK NEW GROUND. THE ASSUMPTION REMAINS THAT IT WILL DRESS UP LIKUD/CAMP DAVID /AUTONOMY FORMULA WITH THE OBJECTIVES OF:

A. A PR EXERCISE TO CARRY CONVICTION WITH US JEWRY AND CONGRESS, AND THEREBY AVOID PRESSURE TO ACKNOWLEDGE A ROLE FOR THE PLO:

B. PLAYING FOR TIME IN THE EXPECTATION THAT ARAFAT WILL NOT BE ABLE TO MAINTAIN FOR LONG HIS PRESENT MODERATE STANCE. THE GENERAL EXPECTATION IS THAT SHAMIR WILL WANT TO PRESENT HIS

IDEAS FIRST TO THE AMERICANS IN THE COURSE OF A VISIT TO WASHINGTON AS SOON AS THE BUSH ADMINISTRATION HAS SETTLED DOWN, PERHAPS IN LATE FEBRUARY TO MARCH. TALK OF A SHAMIR VISIT TO PARIS IN LATE FEBRUARY COULD FIT INTO THIS PATTERN. BUT SHAMIR AND ARENS VISIBLY RESENT EUROPEAN INVOLVEMENT AND ARE UNLIKELY TO DISCLOSE THEIR HAND TO US, OR EVEN THE PRESS, UNTIL US REACTION IS KNOWN. AS PROPHESIED IN AMMAN TELNO 12, SHAMIR DOES SEEM TO BE HANKERING AFTER DEALING WITH KING HUSSEIN AS A WAY OF AVOIDING OF AVOIDING DEALING WITH THE PLO.

6. LABOUR ARE NOT IN MUCH OF A POSITION TO PUSH THINGS IN THE RIGHG DIRECTION. HUSSEIN'S WITHDRAWLWAL HAS SIDELINED THE JORDANIAN OPTION AND THE BASIS FOR PERES' SUPPORT FOR AN INTERNATIONAL CONFERENCE. THE SPECTRE OF GROWING INTERNATIONAL SUPPORT FOR A SEPARATE PALESTINIAN STATE IS FRIGHTENING THE PARTY LEADERSHIP OFF ANY MOVE TOWARDS NEGOTIATIONS WITH THE PLO IN THE WAKE OF THE US DECISION TO TALK TO THEM. PERES HAS HIS HANDS FULL WITH THE PROBLEMS OF THE ECONOMY AS WELL AS TROUBLE WITHIN THE PARTY. HE TOLD LORD PLUMB THAT HE EXPECTED NOTHING TO HAPPEN ON THE PEACE FRONT IN THE NEXT 18 MONTHS. HE STRESSED THE CONTINUING IMPORTANCE OF HUSSEIN'S ROLE. IF ISRAEL WERE TO CONTEMPLATE TALKS WITH ARAFAT, HABBASH AND OTHERS WOULD REVOLT. THE ONLY VALID PALESTINIAN INTERLOCUTEURS WERE THOSE ELECTED BY AND FROM THE INHABITANTS OF THE OTS. IF EUROPE WANTED TO HELP IT SHOULD URGE THEM TO HOLD ELECTIONS. IF THERA WAS NO INTIMIDATION ISRAEL WOULD NOT ''EXAMINE THE BIOGRAPHIES OF CANDIDATES'' IN THE END ISRAEL WOULD HAVE TO GIVE BACK PART OF THE LAND.

9. IN SUM, THERE IS NO SIGN OF ANY FUNDAMENTAL RETHINKING OF LIKUD'S POSITION. THERE SEEMS NO POSSIBILITY IN FORECEEABLE CIRCUMSTANCES THAT SHAMIR AND ARENS WILL ACCEPT IN ADVANCE OF NEGOTIATIONS, THE PRINCIPLE OF TERRITORY FOR PEACE. PERES HAS FOR THE TIME BEING NO SELLABLE ALTERNATIVE POLICY. THE PICTURE COULD CHANGE IF, AFTER A PERIOD OF LIKUD OBSTRUCTIONISM, THE COALITION IS CONFRONTED WITH A STARK CHOICE BETWEEN SOME FORM OF DIRECT OR INDIRECT DEALING WITH THE PLO OR TOTAL STALEMATE. THE COALITION AGREEMENT PROVIDES, IN EFFECT, FOR EITHER PARTY TO CALL AN ELECTION WHEN IT WISHES AND THIS IS AN IMPORTANT NEW FACTOR. BUT NONE OF THE POLITICIANS I HAVE TALKED TO HERE SEES THE CRUNCH COMING IN THE NEXT 12-18 MONTHS.

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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

9 January 1989

Dear Lyn,

MIDDLE EAST

Mr. Benjamin Netanyahu, Israel's new Deputy Foreign Minister, came to see me on Friday afternoon. He is a formidable operator with strong and hawkish views.

We talked for a long time. The salient points of his presentation were:

- Israel was in a state of political and psychological siege, as never before in its history. It needed the support and counsel of its friends;

- there was no confidence in Israel that the PLO had changed its nature simply because of Arafat's statement. For every positive statement, you can find fifty or a hundred negative and aggressive statements. The Palestinian National Covenant remained unchanged. PLO-sponsored attacks against and over Israel's borders continued;

- Israel would never accept a 'third state' i.e. an independent Palestinian state between Isreal and Jordan. To do so would be suicide for Israel. It would also contain the seeds of Jordan's destruction. The logical result of Europe's enthusiastic response to Arafat's statements was recognition of a Palestinian state in exile, acceptance of Palestinian Embassies and so on. Support for a Palestinian state was not only fruitless, since Israel would never accept it, but would put at risk Europe's wider interests in the region by undermining Jordan. It was not a solution, and going down this route would actually obstruct the chances of reaching a solution;

- Israel hoped that countries like Britain would not rush to accord Arafat meetings at the highest level. To do so would only encourage the PLO to believe that it could achieve a Palestinian state;

- none of this meant that the new Israeli Government would be immobile in the peace process. He knew of no-one in the government who wished simply to maintain the status quo or believed that it could be done. Nor did

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anyone believe that designating Jordan as Palestine was any solution. They would come forward with ideas in due course to change the present situation in the Occupied Territories. The holding of elections was one possibility: but this could not be done in conditions where intimidation was commonplace and only PLO candidates could stand. Mr. Shamir remained attracted by the concept of discussions under the auspices of the two super-powers;

- Mr. Shamir was very grateful for the Prime Minister's message following his appointment as Prime Minister. He would like to meet her and talk. But he needed more time to work out a plan. And he would need to visit Washington first, probably in March. In the meantime, it might be useful as a first step if Mr. Arens (the new Foreign Minister) was to visit London. Mr. Netanyahu would himself like to keep in touch with me.

I said that it was useful to have a clear account of the new Government's thinking. I agreed that Israel was beleagured: but that was in good part her own fault. Too many opportunities had been missed over the past few years. For instance, the Prime Minister had pressed for elections in the Occupied Territories during her visit to Israel almost three years ago. Israel had allowed the initiative to pass out of her hands and to the Arabs and the PLO. Israel must come forward with her own ideas, the sooner the better. I was relieved to hear him say that no-one wanted to keep the status quo. That was a start. I hoped, however, that the idea of an initiative under the auspices of the two super-powers alone would not be pursued. It would hand the Soviet Union the Arabs on a plate, and ignored the important and constructive contribution which countries like the UK could make.

I then took him through the background to our contacts with the PLO, starting with the three points which you had set out in October 1985. We did not believe that the PLO had changed overnight. But Arafat's statement could not be dismissed. It represented movement, and the right course was to exploit that and try to build on it, rather than reject it out of hand. We did not officiously seek a meeting with Arafat. But Mr. Waldegrave would probably meet him next week: the Foreign Secretary might do so in due course. We had consistently made clear that we did not support an independent Palestinian state, only a confederation with Jordan. I did not expect our position to change, nor that of the United States. As for King Hussein, he had shown a remarkable capacity for survival and I did not agree that his judgement was at fault this time. Mr. Netanyahu said his point was that Jordan could not expect Israel to save it from a Palestinian state.

I said that the Prime Minister would understand that Mr. Shamir needed more time before a meeting and would want to visit Washington first, although I hoped that Israel would not delay in putting forward proposals of its own. I

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would consult the Prime Minister and the FCO about the idea of a prior visit by Mr. Arens. Mr. Netanyahu should seek a very early meeting with Mr. Waldegrave (he said that he had requested one). I would also be ready to remain in contact with him.

I have consulted the Prime Minister who thinks it would be useful to invite Mr. Arens for an early meeting.

yours sincerely,

(C.D. POWELL)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

9 January 1989

The Prime Minister will be having dinner on Thursday with the Archbishop of Canterbury. The subject of British hostages in Beirut is very likely to come up and I should be grateful if you could let me have a short brief on the subject by 1600 on Wednesday 11 January. The brief should cover the case of Mr. Keenan since Archbishop Eames will also be present.

(CHARLES POWELL)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

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PRIME MINISTER

MIDDLE EAST

Mr. Benjamin Netanyahu, Israel's new Deputy Foreign Minister, came to see me this afternoon. I attach a note about him. He lives up to his billing: he is a formidable operator with strong and hawkish views.

We talked for a long time and I will not bother you with a detailed account. The salient points of his presentation were:

- Israel was in a state of political and psychological siege, as never before in its history. It needed the support and counsel of its friends. You are regarded as one of Israel's most loyal friends;

- there was no confidence in Israel that the PLO had changed its nature simply because of Arafat's statement. For every positive statement, you can find fifty or a hundred negative and aggressive statements. The Palestinian Covenant remained unchanged. PLO-sponsored attacks against and over Israel's borders continued;

- Israel would never accept a 'third state' i.e. an independent Palestinian state between Isreal and Jordan. To do so would be suicide for Israel. It would also contain the seeds of Jordan's destruction. The logical result of Europe's enthusiastic response to Arafat's statements was recognition of a Palestinian state in exile, acceptance of Palestinian Embassies and so on. Support for a Palestinian state was not only fruitless, since Israel would never accept it, but would put at risk Europe's wider interests in the region by undermining Jordan. It was not a solution, and going down this route would actually obstruct the chances of reaching a solution;

- Israel hoped that countries like Britain would not rush to accord Arafat meetings at the highest level. To do so

SECRET

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would only encourage the PLO to believe that it could achieve a Palestinian state;

- none of this meant that the new Israeli Government would be immobile in the peace process. He knew of no one in the government who wished simply to maintain the status quo or believed that it could be done. Nor did anyone believe that designating Jordan as Palestine was any solution. They would come forward with ideas in due course to change the present situation in the Occupied Territories. The holding of elections was one possibility: but this could not be done in conditions where intimidation was given free rein and only PLO candidates could stand; Have they permitted a 'Palestinian' Party.

- Mr. Shamir was very grateful for your message following his appointment as Prime Minister. He would like to meet you and talk. But he needed more time to work out a plan. And he would need to visit Washington first, probably in March. In the meantime, it might be useful as a first step if Mr. Arens (the new Foreign Minister) was to visit London. Mr. Netanyahu would himself like to keep in touch with me.

I said that it was useful to have a clear account of the new Government's thinking. I was sure there was no change in your friendship for Israel, although that did not rule out your giving advice which they would sometimes find unpalatable. I agreed that Israel was beleagured: but that was in good part her own fault. Too many opportunities had been missed over the past few years. For instance, you had pressed for elections in the Occupied Territories during your visit to Israel almost three years ago. Israel had allowed the initiative to pass out of her hands and to the Arabs and the PLO. Israel must come forward with her own ideas, the sooner the better. I was relieved to hear him say that no one wanted to keep the status quo. That was a start. I hoped, however, that the idea of an initiative under the auspices of the two super-powers alone would not be pursued. It would hand the Soviet Union the Arabs on a plate, and ignored the important and constructive contribution which countries like the UK

could make.

I then took him through the background to our contacts with the PLO, starting with the three points which you had set out in October 1985. We did not believe that the PLO had changed overnight. But Arafat's statement could not be dismissed. It represented movement, and the right course was to exploit that and try to build on it, rather than reject it out of hand. We did not officiously seek a meeting with Arafat. But Mr. Waldegrave would probably meet him next week: the Foreign Secretary might do so in due course. I could not conceive circumstances at present in which you would be prepared to meet him (this was clearly a relief to Mr. Netanyahu). We had consistently made clear that we did not support an independent Palestinian state, only a confederation with Jordan. I did not expect our position to change, nor that of the United States. As for King Hussein, he had shown a remarkable capacity for survival and I would not necessarily agree that his judgment was at fault this time. Mr. Netanyahu said his point was that Jordan could not expect Israel to save it from a Palestinian state.

I said that I felt sure you would understand that Mr. Shamir needed more time before a meeting and would want to visit Washington first, although I hoped that Israel would not delay in putting forward proposals of its own. Personally, I thought it would be a good idea if Mr. Arens were to come here, but I would consult you and then be in touch with the Foreign Office. I would be ready to remain in contact with Mr. Netanyahu.

I hope what I said is in line with your views. I do not intend to give more than a brief account to the FCO. I encouraged Mr. Netanyahu to seek a meeting with William Waldegrave. Would you support an early invitation to Mr. Arens to visit London for talks with the Foreign Secretary?

C.D.P. Yes ms

(C. D. POWELL)
6 January 1988

BENJAMIN NETANYAHU

Deputy Foreign Minister of Israel since December 1988.

Born in Israel of a veteran Herut family, about 1949.

Much of his education was in the US where his father now lives: he has a Master's Degree in Management from Mit and has studied at Harvard. After 5 years of army service he worked as "consultant" in a large industrial conglomerate.

He was first in the public eye in 1979 when he organised an international conference in Jerusalem on Terrorism, in which he still takes a particular interest. (His brother was killed when leading the Israeli rescue team at Entebbe). His association with Arens, then Chairman of the Knesset Defence and Foreign Affairs Committee, is said to date from that time. Netanyahu was Minister at the Israeli Embassy in Washington from 1982-84 (Arens was Ambassador 1982-83), and moved then to New York as Permanent Representative to the UN until 1988.

Comment

He is an energetic and persuasive speaker. Hard-line and not noticeably flexible. The authentic voice of young Likud, and maybe of the future.

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Foreign and Commonwealth Office

London SW1A 2AH

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6 January 1989

Dear Charles,

The purpose of Mr Benjamin Netanyahu's call on you on 6 January is presumably to deliver Mr Shamir's reply to the Prime Minister's message of congratulation. Mr Elliott believes that the Israeli Government have been cogitating over a response to the Prime Minister's general suggestion, in her congratulatory message, for a meeting with Shamir in London and that they will not have been deterred by statements in London over the Christmas holiday which were at first interpreted by the press here as pouring cold water on the idea. The Israelis may well be hoping to agree dates now for the meeting. Mr Elliott expects Shamir's first overseas visit to be to Washington, perhaps at the end of February; he may well have in mind a stopover in London on his return journey.

Netanyahu is a rising Likud hawk. He earned a good reputation as Israel's Permanent Representative in New York, 1983-88 and is apparently going on to the US no doubt to rally the US/Jewish community and to prepare the way for an early visit by Shamir. I enclose a biographical note.

In welcoming this early contact with the new Israeli government, you could remind Netanyahu of our commitment to Israel's right to a secure existence and our wish for good relations with Israel. He is unlikely to have anything new to say at this stage about Israel's policy; Likud's opposition to the territorial withdrawals, to an international conference and to contacts with the PLO is clear and their promised new proposals, probably on autonomy, have not been worked out. Nevertheless, it would be worth repeating our view that Israeli security can be achieved only through negotiations and that Israel should examine <u>all</u> opportunities to bring her enemies to the negotiating table. The PLO have taken significant steps in a direction which we have for some time been urging on them, and which have enabled the Americans to open a dialogue with them. Israel should have nothing to

/fear

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fear from this process: we naturally expect them to approach these changes in the PLO with caution, but they would not lose by putting PLO moderate claims to the test. Indeed not to do so will leave the Palestinians in possession of the moral and political high ground. You could reassure Netanyahu that we have no wish to see Israel isolated: she should therefore regain the initiative and test the PLO's sincerity by accepting face to face negotiations within the framework of an international conference on the basis of SCRs 242 and 338.

You might also ask Netanyahu how he expects the situation in the Occupied Territories to develop. In this context, you could express regret at recent deportations (13 on 1 January), which are contrary to the Fourth Geneva Convention and unhappy examples of action likely to increase bitterness and resentment amongst the Palestinians.

Yours ever,

Lyn Parker

(L Parker)
Private Secretary

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ARENS STATEMENTS ON PEACE PROCESS

SUMMARY

1. ARENS RESPONSE TO EXTERNAL PRESSURE IS TO PLAY FOR TIME. ISRAEL NOW EXAMINING OPTIONS FOR PEACE INITIATIVE.

DETAIL

2. ON 3 JANUARY ARENS ADDRESSED AMBASSADORS COLLECTIVELY ON HIS OUTLOOK AS ISRAEL'S NEW FOREIGN MINISTER: GAVE AN HOUR-LONG PRESS CONFERENCE TO FOREIGN JOURNALISTS: AND OPENED A KNESSET DEBATE ON ISRAEL AND THE PLO.

3. ARENS'S REMARKS ABOUT EUROPEAN PRESSURE ON ISRAEL WERE MADE AT THE PRESS CONFERENCE. THE TRANSCRIPT HAS BEEN SLOW TO EMERGE BUT WE SHALL TELEGRAPH EXCERPTS AS THEY REACH US LATER TODAY. AS REPORTED HERE, ARENS ACCEPTED THAT COMMENTS BY SIR G. HOWE AND OTHER EUROPEAN LEADERS WERE WELL-MEANING, BUT THEY SHOULD UNDERSTAND ISRAEL'S POSITION. EC MEMBERS SHOULD CONSULT ISRAEL BEFORE LAUNCHING ANY MIDDLE EAST INITIATIVE, AND LISTEN CAREFULLY TO ISRAEL'S EVALUATION OF THE SITUATION. EUROPE'S CHAMPIONSHIP OF THE PLO WAS MISGUIDED: THE PLO UNDER ARAFAT'S LEADERSHIP HAD BEEN RESPONSIBLE FOR MANY ATROCITIES.

4. WITH AMBASSADORS ARENS SPOKE GENERALLY OF ISRAEL'S READINESS TO TALK TO ALL COUNTRIES IN THE REGION WHICH FORSHORE VIOLENCE AND ACCEPTED ISRAEL. BUT RECOGNISING TERRORIST GROUPS SUCH AS THE PLO DETRACTED FROM THE BATTLE AGAINST TERRORISM. IN 1989 ISRAEL WOULD GIVE NEW MOMENTUM TO THE PEACE PROCESS. THE GOVERNMENT WERE NOW LOOKING AT THE OPTIONS, AND WOULD NOT BE SHORT OF COURAGE. ISRAEL PAID HEAVILY FOR THE ABSENCE OF PEACE. BUT PEACE COULD NOT BE ACHIEVED AT THE COST OF SECURITY. PRESSED TO SHOW MORE OF HIS HAND, ARENS SAID THAT IT WOULD BE UNHELPFUL TO DISCLOSE IDEAS PIECEMEAL. ISRAEL WOULD PUT FORWAND PROPOSALS ONLY WHEN THEY HAD CRYSTALLISED.

5. I HAD A PERSONAL WORD WITH ARENS AFTERWARDS, AND QUOTED THE SECRETARY OF STATE TO ILLUSTRATE THAT WE NOW LOOKED TO ISRAEL FOR A CONSTRUCTIVE STEP. ARENS REPEATED THAT IT WOULD BE WRONG IN HIS VIEW TO HURRY: BETTER TO GET THE POLICY RIGHT. HIS OFFICIALS CONFIRMED SEPARATELY THAT THE GOVERNMENT ARE THINKING IN TERMS OF PUTTING IDEAS FIRST TO THE AMERICANS ON THE OCCASION OF A SHAMIR VISIT TO WASHINGTON, PERHAPS ABOUT A MONTH AFTER THE INAUGURATIONS OF PRESIDENT BUSH.

6. IN THE KNESSET ARENS REPEATED HIS LINE ON PROGRESS IN 1989 AS A RESULT OF ISRAELI INITIATIVES NOW BEING CRYSTALLISED. HE ATTACKED ARAFAT PERSONALLY FOR LEADING THE PLO'S CAMPAIGN OF DECEPTION ON AN UNPRECEDENTED SCALE, A CAMPAIGN THAT AIMED AT THE DESTUCTION OF ISRAEL IN STAGES. HE QUOTED ARAFAT'S STATEMENT RECENTLY IN RIYADH THAT NO PALESTINIAN LEADER COULD AFFORD TO CALL A HALT TO THE INTIFADA. THE KNESSET PASSED (BY A LARGE MAJORITY) A RESOLUTION REJECTING NEGOTIATIONS WITH THE PLO, OPPOSING THE CREATION OF AN ADDITIONAL ARAB STATE BETWEEN ISRAEL AND THE JORDAN, AND STATING THAT THE PALESTINIAN PROBLEM WOULD BE SOLVED IN A JORDANIAN - PALESTINIAN FRAMEWORK.

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FOR SIR D MIERS, AUSS

FCO TELNO 263 TO TUNIS, AND OUR TELNO 745: THE PLO'S SEARCH FOR A STRATEGY. A PLEA FOR HELP

1. HANI AL-HASSAN, POLITICAL ADVISER TO CHAIRMAN ARAFAT WHO IS FOR ONCE HERE WITH HIM, CALLED AT MY HOUSE AT MY REQUEST ON 2 JANUARY SO THAT I COULD CARRY OUT THE INSTRUCTIONS IN PARAS 3 AND 4 OF YOUR TUR ABOUT THE RECENT PROLIFERATION OF STATEMENTS BY ARAFAT'S ADVISERS ON THE ''ARMED STRUGGLE''. I ALSO RAISED THE LAST POINT IN YOUR PARA 2, ON THE NEED FOR AN EFFECTIVE PALESTINIAN NEGOTIATING GROUP, SOON.

2. HANI WAS RECEPTIVE, TOOK CAREFUL NOTES AND SAID HE WOULD REPORT TO THE CHAIRMAN AT ONCE, BEFORE THEY BOTH LEFT FOR CAIRO ON 3 JANUARY AFTER CALLING ON KING FAHD AT DAMMAM. THE PROBLEM WAS THAT ARAFAT WAS NOW SURROUNDED BY THREE MAIN GROUPS. IN SHORTHAND HE COULD DESCRIBE THEM AS (A) THOSE WHO REPORTED EVERYTHING TO THE RUSSIANS, VIZ QADDUMI, HABBASH, ABU IYYAD AND THE LIKE: (B) THOSE WHO REPORTED EVERYTHING TO THE AMERICANS, BEING US-TRAINED BUSINESSMEN SUCH AS BASIL AQL AND HASEEB SABAH OR ACADEMICS LIKE EDWARD SAEED AND WALEED KHADDURI: AND (C) THE CHAIRMAN'S FACTION, OF WHICH HE HIMSELF WAS ONE, WHO KEPT THEIR COUNSEL AND DID NOT (NOT) INCLINE TO EAST OR WEST. WITH THE RECENT WHIFF OF SUCCESS IN THE PLO'S FORTUNES, THE FIRST TWO GROUPS HAD BECOME MORE STRIDENT AND ASSERTIVE. HENCE THE CLAMOUR WE ADVISED AGAINST.

3. HANI CONTINUED THAT HIS AND THE CHAIRMAN'S WISH WAS TO WORK OUT A SENSIBLE NEGOTIATING

STRATEGY TO SHORTEN THE ''PHASE OF CHILDBIRTH'' OF THE PALESTINIAN STATE. HE AND ARAFAT WANTED BRITAIN TO HELP. THEY REALISED THAT THE MEDITERRANEAN EC STATES, INCLUDING FRANCE, HAD NO (NO) INFLUENCE WITH THE PRESENT OR THE INCOMING US ADMINISTRATION. THE PROOF OF THIS LAY IN THE FACT THAT SHULTZ HAD CHOSEN TO USE THE SWEDISH GOVERNMENT TO BRING TO BIRTH ARAFAT'S GENEVA STATEMENTS. SINCE THEN, THE US CHOICE HAD FALLEN ON SWITZERLAND AND MOROCCO. ARAFAT WANTED US TO KNOW THAT THE SWISS GOVERNMENT HAD COME TO HIM AFTER HIS GENEVA SPEECH TO SUGGEST AN EARLY MEETING UNDER THEIR AUSPICES BETWEEN SENIOR PALESTINIAN AND ISRAELI OFFICIALS, ON SWISS SOIL. THE SWISS HAD ONLY THINLY VEILED THE FACT THAT THIS PROPOSAL HAD BEEN MADE AT US PROMPTING. SIMILARLY, KING HASSAN WAS TRYING TO ARRANGE A MEETING BETWEEN ABU IYYAD AND AN EQUIVALENT RANKING ISRAELI OFFICIAL IN MOROCCO ''WITHIN THE NEXT TEN DAYS''. NEITHER OF THESE MEETINGS LOOKED LIKE COMING TO MUCH, BUT IT SEEMED AS IF THE OUTGOING US ADMINISTRATION WAS TRYING TO ARRANGE ANOTHER STEP IN ITS RELATIONSHIP WITH THE PLO - PERHAPS A VISIT BY A PALESTINIAN DELEGATION OF SOME KIND TO WASHINGTON - BEFORE IT LEFT OFFICE. (I SAID I FOUND THIS A BIT HARD TO CREDIT).

4. HANI SAID THAT ALL THE ABOVE LED HIM BACK TO HIS MAIN SUGGESTION, APPROVED BY ARAFAT, THAT A CONFIDENTIAL DIALOGUE BE SET UP BETWEEN THE PLO AND HMG, WITH THE FOLLOWING AIMS:

(A) DISCUSSION OF A PALESTINIAN NEGOTIATING STRATEGY WHICH WOULD HELP THE NEW US ADMINISTRATION KEEP UP PRESSURE IN THE MOST EFFECTIVE WAY ON ISRAEL.

(B) WOULD KEEP JORDAN ''THE PARTNER ON OUR OTHER FLANK'' BOUND INTO THE SEARCH FOR A SOLUTION. HANI COMMENTED THAT HE WAS ABOUT THE ONLY MAN IN THE PRESENT LEADERSHIP WHO SET STORE ON KEEPING KING HUSSEIN IN PLACE. MOST OF THE OTHERS RECKONED THE PLO COULD NOW DO WITHOUT HIM, BUT DID NOT REALISE THAT THIS ATTITUDE PLAYED INTO ISRAEL'S HAND.

(C) WOULD ENABLE THE PLO TO MEET BRITISH JEWS AND IN DUE COURSE ISRAELI OFFICIALS UNDER BRITISH AUSPICES WHENEVER THIS WAS NECESSARY TO MOVE DIRECT TALKS FORWARD. IN OTHER WORDS, TO GET TALKS GOING IF NECESSARY BEFORE AN INTERNATIONAL CONFERENCE, WITHOUT BEING SUBJECT TO INTERFERENCE OR VETO BY ONE OR OTHER OF THE SUPERPOWERS.

5. I ASKED HANI IF HE REALLY THOUGHT THAT THE SUPERPOWERS WOULD REMAIN IGNORANT OF THIS ''PRIVATE DIALOGUE'' FOR LONG. WHAT WAS THE ADVANTAGE OF SO MUCY SECRECY (HE HAS RATHER A CLOAK AND DAGGER CAST OF MIND)? SURELY THE SIMPLER AND MORE OPEN THE PALESTINIAN STRATEGY, THE BETTER? HANI SAID HE FEARED THE WRECKERS ROUND ARAFAT IN GROUPS (A) AND (B) OF PARA 2 ABOVE. NEITHER HE NOR ARAFAT WOULD MIND IF THE AMERICANS WERE INFORMED BY US OF THE COURSE OF THE PRIVATE DIALOGUE ONCE ESTABLISHED, BUT ARAFAT BELIEVED HE HAD PLAYED THREE SERIOUS CARDS AT GENEVA AND DID NOT (NOT) WANT TO BE FORCED TO PLAY ANY MORE WITHOUT TANGIBLE RETURNS. I ASKED WHAT THE PLO'S REMAINING CARDS WERE. HANI SAID THE MAIN CARD WAS THE UPRISING, WHICH WOULD NOT (NOT) DIE DOWN BUT PROBABLY ESCALATE, RISKING ISRAELI DIVERSIONARY RAIDS INTO LEBANON, AND PERHAPS SYRIA. THE SECOND PLO CARD WAS THEIR ARMED PRESENCE IN SIDON AND NOW TYRE, WHERE THEY HAD BECOME RECONCILED WITH AMAL IN ITS DESPERATE FIGHT WITH HIZBOLLAH. THE THIRD CARD WAS THE PLO'S GREATER INTERNATIONAL RESPECTABILITY RESULTING FROM ITS US-INDUCED CONCESSIONS AT GENEVA. BUT THIS LAST CARD COULD QUICKLY LOSE VALUE IF EG THE DIALOGUE WITH THE NEW US ADMINISTRATION MOVED TOO SLOWLY. THE CHAIRMAN SAW A LEAN PERIOD COMING UP.

6. I ASKED HOW FAR OFF THE CHAIRMAN BELIEVED AN INTERNATIONAL CONFERENCE TO BE. HANI SAID THAT ARAFAT HAD TOLD HIM RECENTLY THAT THE LEADERSHIP SHOULD AIM FOR EITHER THE FORMAL START OF AN IC, OR THE HOLDING OF A PREPARATORY CONFERENCE, BY THE END OF 1989. I SAID I THOUGHT THAT THE LEAD-UP TO ANY TYPE OF CONFERENCE WOULD BE MUCH LONGER THAN THAT. HANI REPLIED THAT THIS WAS PRECISELY THE SORT OF QUESTION HE WOULD LIKE TO PURSUE WITH US IN PRIVATE DIALOGUE. ANOTHER WAS HOW TO PLAY THE FIVE POWER SECURITY COUNCIL CONSULTATIONS ON ARAB-ISRAEL MATTERS, WHICH THE PLO

WERE GLAD TO KNOW BRITAIN WAS FLOATING BEHIND THE SCENES. THIS COULD BE A MOST HELPFUL INITIATIVE.

7. I SAID THAT MR WALDEGRAVE WOULD BE IN TUNIS SOON, WHERE HE HOPED TO SEE ARAFAT (HANI THOUGHT THE MEETING WOULD BE ABOUT 12 JANUARY). I WAS PREPARED TO REPORT OUR CONVERSATION SO THAT MR WALDEGRAVE COULD STUDY IT IN GOOD TIME BEFORE HIS VISIT. HANI SUGGESTED THAT IF HMG SAW ANY MERIT IN HIS PROPOSAL, WHICH HAD ARAFAT'S FULL BACKING, MR WALDEGRAVE MIGHT CONSIDER ASKING FOR A TETE-A-TETE MEETING (OR ONE WITH ONE ADVISER A SIDE ONLY, HANI BEING THE PLO ONE) WITH THE CHAIRMAN AFTER THEIR PLENARY IN TUNIS. MR WALDEGRAVE COULD THEN GIVE ARAFAT OUR RESPONSE. IF IT WAS IN PRINCIPLE FAVOURABLE, HANI WOULD TRAVEL ANYWHERE, TO BRITAIN OR A THIRD COUNTRY, OR JUST REMAIN AT HOME IN SAUDI ARABIA AND FOLLOW UP WITH ME (SINCE ARAFAT TRUSTED ME, EXCLAM). ALTERNATIVELY, HANI COULD VISIT LONDON AFTER THE WALDEGRAVE VISIT TO CALL ON EG GORE-BOOTH, AND EXPLAIN ARAFAT'S THINKING FURTHER. THE MAIN POINT HE KEPT STRESSING WAS THAT BRITAIN HAD THE POLITICAL WEIGHT NOW TO HELP THE PALESTINIANS, IF SHE WAS SO MINDED, MORE THAN ANY OTHER EC OR NEUTRAL COUNTRY: AND ARAFAT'S OWN FACTION (PARA 2(C) ABOVE) SORELY NEEDED ADVICE, PREFERABLY FROM A NON-SUPERPOWER. I THANKED HIM FOR HIS FRANKNESS, AND PROMISED TO REPORT FULLY.

EGERTON

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