

GR 670

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FM WASHINGTON 161619Z JUN 81

TO PRIORITY FCO

TELEGRAM NUMBER 1838 OF 16 JUNE 1981

INFO ROUTINE PARIS, TEL AVIV, BAGHDAD, CAIRO, DAMASCUS, JEDDA,

AMMAN, BEIRUT, UKMIS NEW YORK

INFO SAVING OTHER ME POSTS

LORD PRIVY SEAL'S MEETING WITH THE VICE PRESIDENT

1. WHEN THE LPS SAW THE VICE PRESIDENT THIS MORNING, THE TALK WAS MAINLY ABOUT THE MIDDLE EAST. BUSH ASKED WHETHER MITTERRAND WAS LIKELY TO BE MORE PRO-ISRAEL THAN GISCARD HAD BEEN. THE LPS SAID THAT HE WAS NOT SURE BUT IT WAS WORTH TAKING NOTE OF THE FACT THAT MITTERRAND HAD COME OUT IN FAVOUR OF A PALESTINIAN STATE AND HAD FIRMLY CONDEMNED THE RAID ON IRAQ.

2. BUSH SAID THAT THERE WAS CONSIDERABLE CONCERN IN THE US ADMINISTRATION ABOUT ISRAEL'S BOMBING RAID. IT WAS GENERALLY THOUGHT THAT THIS ACTION HAD STRENGTHENED BEGIN'S ELECTORAL POSITION BUT HE WAS NOT SURE. HE THOUGHT BEGIN MIGHT HAVE OVER-REACHED HIMSELF AND THE EFFECTS OF THE US AND INDEED WORLDWIDE CONDEMNATION COULD HINDER BEGIN ELECTORALLY. ADMITTEDLY, INTELLIGENCE INFORMATION SUGGESTED A BEGIN VICTORY BUT HE THOUGHT IT WAS IMPOSSIBLE TO PREDICT. AMERICAN OFFICIALS PRESENT AT THE DISCUSSION SAID THAT THERE WERE SIGNS OF A BACK-LASH IN ISRAEL AGAINST BEGIN FOLLOWING THE RAID.

3. GILMOUR ASKED WHETHER THERE WAS ANYTHING THE AMERICANS COULD DO TO CONTROL BEGIN AND IN PARTICULAR TO PREVENT ISRAEL ATTACKING SYRIAN SAM SITES. HAVING ASKED WHETHER THAT WAS A RHETORICAL QUESTION, BUSH SAID THAT HE THOUGHT IT WAS POSSIBLE FOR THE AMERICANS TO EXERT INFLUENCE ON THIS MATTER. THEY WERE VERY DISTURBED BY WHAT HAD HAPPENED. HE WOULD BE INTERESTED IN OUR VIEW ON THE ISRAELI ALLEGATION THAT THE MODERATE ARABS WERE RELIEVED AT THE REMOVAL OF THE IRAQ NUCLEAR PLANT AND THEREFORE SECRETLY APPROVED THE ISRAELI ATTACK. THE LPS SAID THAT THERE WAS NO EVIDENCE WHATEVER FOR THIS AND HE GAVE SPECIFIC EVIDENCE OF MODERATE AND INFLUENTIAL ARAB OPINION THAT HAD EXPRESSED GREAT CONCERN ABOUT THE ISRAELI AGGRESSION AND INDIGNATION AGAINST THE UNITED STATES WHICH COULD AFFECT AMERICAN INTERESTS IN THE AREA.

4. THE VICE PRESIDENT ASKED ABOUT THE EUROPEAN INITIATIVE. THE LPS SAID THAT THIS WOULD BE PURSUED. WE WERE CONFIDENT THAT NEITHER US NOR MODERATE ARAB INTERESTS WOULD BE HELPED IF WE LET THE MATTER DROP. WE HAD RESERVATIONS ABOUT THE LIKELIHOOD OF PROGRESS ON THE CAMP DAVID PROCESS. HOW COULD AUTONOMY TALKS BE EXPECTED TO SUCCEED, PARTICULARLY IF BEGIN WAS PERSISTING WITH THE THICKENING UP OF SETTLEMENTS? IN HIS VIEW NO PALESTINIANS CONSIDERED THAT AUTONOMY WAS A SUITABLE OBJECTIVE IN 1981. BUSH THEN SAID: QUOTE THERE IS NO FEELING IN THE US SET-UP THAT THE EUROPEAN INITIATIVE IS ANYTHING BUT CONSTRUCTIVE. UNQUOTE.

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5. REVERTING TO THE QUESTION OF SETTLEMENTS, THE LPS ASKED WHETHER THERE WAS ANY CHANCE OF GETTING SOME STOP TO THIS PROCESS. BUSH ADMITTED THAT THE SETTLEMENTS WAS THE KEY QUESTION. HE DID NOT THINK IT IMPOSSIBLE TO DO SOMETHING.

6. REPORTING THE PRESIDENT'S MEETING LAST WEEK WITH THE AMBASSADORS OF CERTAIN ARAB COUNTRIES, BUSH SAID THAT REAGAN HAD EXPRESSED THE HOPE THAT QUOTE OUT OF ALL THIS CONSTERNATION, GOOD MIGHT COME, THAT IS TO SAY, SOME WAY TO MAKE PEACE UNQUOTE. BY WAY OF ELABORATION OF THIS, BUSH SAID THAT THIS WAS THE ONLY POSITIVE LINE THAT COULD BE TAKEN IN THE IMMEDIATE AFTERMATH OF THE ISRAELI RAID AND THIS WOULD BE THE SHAPE OF US POLICY AFTER THE ISRAELI ELECTIONS.

7. THE TALK ENDED BY THE VICE PRESIDENT SAYING THAT HE VERY MUCH LOOKED FORWARD TO CONTINUING DISCUSSION OF THIS MIDDLE EAST PROBLEM WITH THE LORD PRIVY SEAL DURING HIS VISIT TO LONDON ON 25 JUNE.

FCO PASS SAVING: ABU DHABI, ADEN, ALGIERS, BAHRAIN, DOHA, DUBAI, JERUSALEM, KHARTOUM, KUWAIT, MUSCAT, RABAT, SANA'A, TEL AVIV, TRIPOLI AND TUNIS.

HENDERSON

REPEATED AS REQUESTED

## MIDDLE EAST STANDARD

|       |                |
|-------|----------------|
| NENAD | MAED           |
| MED   | ES & SD        |
| NAD   | ERD            |
| UND   | ESID           |
| EESD  | CONS DEPT      |
| ECD   | CONS EM UNIT   |
| WED   | CABINET OFFICE |
| RID   |                |

## ADDITIONAL DISTRIBUTION ARAB/ISRAEL DISPUTE

THIS TELEGRAM  
WAS NOT  
ADVANCED

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