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SAVING TELEGRAM

BY BAG

*Prime Minister*

FROM WASHINGTON

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TO SAVING FCO TEL NO SAVING 44 OF <sup>15</sup> 16 SEPT 80  
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1. Linowitz today briefed EC representatives on his recent trip to the Middle East. He wanted this briefing to be seen as part of the continuing US wish, as expressed by Secretary Muskie when he lunched with EC Ambassadors on 25 July (my tel 2590), to keep in touch on Middle East questions and to ensure that US and EC efforts dovetailed.

2. Linowitz said that he had embarked on his latest Middle East trip without optimism and had warned the President not to expect much. He had returned with a quite different feeling and saw new hope for progress, and a new commitment by both parties to take the peace process forward. He did not wish to overstate this and stressed that it could all still be derailed, but he had detected in his conversations with Sadat and Begin a genuine determination to breathe new life into the Camp David process and to move forward in the search for real autonomy for the Palestinians.

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3. In Jerusalem he had had five hours, spread over two days, tête-à-tête with Begin (which he described as "no easy chore"). The three hour session on the first day had been the frankest, fullest and bluntest conversation he had ever had and left him with little reason to hope that negotiations could be put back on track. Before his second meeting with Begin he had a session with a group of Israeli Cabinet Ministers including Yadin, Sharon and Shamir, to whom he had given a full account of US concerns and of Egyptian concerns as described to the Americans. He also had meetings with Peres and Rabin ("separately" - it seems that all meetings with leading Israelis have to be separate) before his second and more fruitful two hour session with Begin.

4. As a result of these talks he was able to secure Israeli agreement to put to Sadat the text of a statement which called for four things:

- (i) a recommitment by the parties to the Camp David process as the only viable path towards a comprehensive peace in the Middle East;
- (ii) as a foundation for the continuing search for peace, a commitment by both parties to strengthen mutual trust and friendship
- (iii) resumption of the negotiations at a date to be mutually agreed;
- (iv) discussion of the right time and venue for a summit meeting.

5. Linowitz was also able to take Sadat his "impressions" of the Israeli position on certain issues which had become the prime obstacles in the way of continuing negotiations:

- (i) Jerusalem. Begin had outlined to Linowitz his view of recent developments over Jerusalem, going over the history of the Cohen Bill and the way in which its introduction, and its endorsement by the Labour party, had put him on the spot. Begin told Linowitz that the Knesset action did not flow from any initiative or desire on his part and was indeed a deep embarrassment to his government. As regards the move of the Prime Minister's office to

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East Jerusalem, Begin made no promises, but undertook to give serious consideration to what Linowitz had to say about the grave repercussions of any such move and said that no decision would be taken without Cabinet agreement;

(ii) Settlements. Linowitz had made a strong restatement of the US position on settlements to which Begin had replied in familiar terms. However, at the meeting with members of the Israeli Cabinet, Sharon had assured Linowitz that ~~for~~ the four recently announced settlements would be the last; and the Israelis had found a way of ensuring that Linowitz was aware that Begin knew Sharon would say this;

(iii) Confidence building measures. Linowitz had left with the Israelis a list of recommended steps, eg the freeing of some Palestinian political prisoners, family reunification measures and the removal from the military government of certain functions. While anxious for tactical reasons not to appear to take public credit for anything which might flow from this list, the Americans had detected certain moves already by the Israelis;

(iv) Golan. Linowitz had made it clear that the annexation of Golan would be disastrous and carry serious risks for Israel. It would be a violation both of Resolution 242 and of the UN Charter. He had said the same to Peres and Rabin who had assured him that they would oppose any such move. Begin had given the impression that the risk was not serious and did not use any of the emotional language he had over eg settlements.

6. Begin had also made a strong pitch about his disappointment over the way normalisation was going and his personal hurt about things being said about him in the Egyptian press. He had been plaintive about how little he had got in return for peace with Egypt: a bad press, no visitors from Egypt, attacks on Israel by Egypt in the UN, a diplomatic campaign by Butros Ghali to dissuade African countries from re-establishing relations with Israel and denunciation by his own people.

7. Linowitz had conveyed all this to Sadat who had immediately accepted, indeed welcomed, the issuance of the four point statement. Linowitz attributed Sadat's response to satisfaction over Begin's acceptance of his proposal for a summit, his firm recommitment to the Camp David process, his restatement of the wish for mutual trust and friendship and the possibility of some confidence building measures. As a gesture on his side, Sadat had arranged for Shamir to be invited to Egypt.

8. The upshot was that the statement had been duly issued and a number of steps were being taken to enable negotiations to resume, probably around mid-October. There would be preparatory talks, initially bilateral, with the first trilateral meeting taking place before the end of September. The Americans had left with both sides a document, described variously as "Heads of Agreement" or a "Memorandum of Understanding", which set forth substantive suggestions for most of the issues involved in Palestinian autonomy arrangements. The Americans awaited reactions to their document, but thought it might become the focus of attention at the negotiating table. Linowitz admitted that progress would probably be slow and that patience was needed, but he had the feeling that both sides were genuinely concerned about rising temperatures in the area and agreed that the Camp David path to peace needed to be seriously pursued.

9. In the question and answer period which followed, Linowitz added the following:

(i) Thorn Mission. He said that Begin had sincerely regretted the muddle over the dates for Thorn's visit and Linowitz detected no suggestion that he was deliberately trying to avoid a meeting with Thorn. On the contrary he was disappointed that it had not worked out. That said, Linowitz did not wish to conceal that in Begin's mind there was a danger that the European initiative might be counterproductive for Camp David if it seemed to offer a more productive route for

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Palestinians to follow than joining in whatever autonomy arrangements the negotiations produced. (Asked later whether the US or Egypt shared this "nervousness", Linowitz said that he thought that Sadat did to a lesser extent, and quoted in support of this Sadat's willingness to commit himself to language about the Camp David process being the "only viable path" despite the fact that he had recently received Thorn's visit. Linowitz admitted that, although he did not doubt the sincerity of European motives, he personally had an anxiety that the fall-out from the European initiative might be to raise false hopes among Palestinians that it offered a more promising way forward);

(ii) Palestinians. There had been a number of unpublicised meetings between Egyptians and Palestinians, Israelis and Palestinians and even Americans and Palestinians. The Americans also had indirect sources for exploring Palestinian thinking (these included the Jordanians). From these the Americans could not say with confidence that the Palestinians would join in, but the signs were that the West Bankers and Gazans recognised that if the negotiations produced a substantive autonomy plan, it would be in their interest to try to do something with it. Much of what the Americans and Egyptians were trying to put into the autonomy plan was based on what the Egyptians had learned of Palestinian wishes. The negotiations were therefore no longer taking place in a vacuum;

(iii) Contacts with other Arab states. Linowitz said that so far the results of his talks had been conveyed, in less detailed form than at this briefing, through American Ambassadors in the area, but he was thinking that more should probably be done to brief them;

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(iv) Lebanon. Lebanon had only been alluded to as one of a number of developments which could damage prospects (the Syria/Libya merger was another) for the peace negotiations. Linowitz did not consider it part of his mandate to pursue the question of Lebanon with the Israelis;

(v) The American document. Linowitz stressed that this contained substantive not procedural proposals and touched on every issue except that of voting rights for East Jerusalem Arabs on which the Americans felt for the moment they were not ready to put forward proposals;

(vi) The "interim" nature of any agreement which might emerge. Linowitz warned against the ambiguities of the word "interim". The Americans envisaged a document which would substantively flesh out the proposals in the Camp David accord which was itself an interim document. Some areas of autonomy could not be settled from the start but the hope was that any agreement would sufficiently point the way for the Palestinians to decide that they would do best to work with it.

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