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FROM TEL AVIV 291230Z JAN 82

TO PRIORITY FCO

TELNO 30 OF 29 JANUARY 1982

INFO PRIORITY CAIRO, WASHINGTON, ROUTINE AMMAN, BEIRUT, DAMASCUS,
JEDDA, CG JERUSALEM, AND UKMIS NEW YORK.US SECRETARY OF STATE'S VISIT TO ISRAEL

1. AT YESTERDAY'S AIRPORT PRESS CONFERENCE AT THE END OF HAIG'S VISIT, BOTH HE AND FOREIGN MINISTER SHAMIR STATED THAT PROGRESS HAD BEEN MADE ON THE AUTONOMY ISSUE. THE IMPRESSION GIVEN PRIVATELY HOWEVER IS THAT ISRAEL AND EGYPT ARE STILL FAR APART.

2. ACCORDING TO THIS MORNING'S PRESS THE FOLLOWING POINTS ON AUTONOMY WERE DISCUSSED DURING THE VISIT:-

I HAIG IS REPORTED TO HAVE RAISED THE ISSUE OF SETTLEMENTS IN THE OCCUPIED TERRITORIES AND TO HAVE SAID THAT CONTINUED SETTLEMENT CONSTITUTES A MAJOR PROBLEM. PREDICTABLY, THE ISRAELIS WOULD NOT BE MOVED.

II HAIG SUGGESTED A FIGURE OF BETWEEN 32 AND 45 FOR MEMBERSHIP OF THE SELF-GOVERNING AUTHORITY, IN CONTRAST TO THE ISRAELI FIGURE OF 20 OR LESS AND THE EGYPTIAN ONE OF 80 OR MORE. HAIG IS SAID ALSO TO HAVE SUGGESTED THE AUTHORITY HAVING POWERS TO ISSUE BYE-LAWS ALTHOUGH NOT TO ACT AS A FULL LEGISLATURE.

III HAIG FLOATED THE IDEA WITH BEGIN OF ALLOWING EAST JERUSALEM ARABS TO VOTE FOR THE SELF-GOVERNING AUTHORITY, BUT THE IDEA WAS TURNED DOWN.

IV BEGIN ALSO TURNED DOWN A SUGGESTION BY HAIG THAT ISRAEL AND EGYPT SHOULD PUBLISH A LIST OF POINTS ON WHICH AGREEMENT HAS ALREADY BEEN REACHED..

3. IT DOES NOT LOOK AS IF HAIG'S SECOND EXPLORATORY VISIT TO ISRAEL HAS ELICITED ANY SIGNS OF FLEXIBILITY ON THE PART OF THE ISRAELIS. THIS MAY BE PARTLY A REACTION TO THE SUPPOSED HARDENING OF THE EGYPTIAN LINE (PARAGRAPH 2 OF MY TELNO 15) WHICH WAS AGAIN RAISED BY SHAMIR DURING TALKS ON 27 JANUARY. SHAMIR IS SAID TO HAVE PRODUCED A LIST OF EGYPTIAN STATEMENTS WHICH HAD CAUSED CONCERN IN JERUSALEM; THAT AUTONOMY IS THE FIRST STEP ON THE ROAD TO SELF-DETERMINATION (SHAMIR HIMSELF STATED IN A LECTURE IN JERUSALEM ON 26 JANUARY THAT ISRAEL HAD PUT FORWARD THE IDEA OF AUTONOMY AS PART OF CAMP DAVID IN ORDER TO REMAIN IN JUDEA, SAMARIA AND GAZA) SEMI COLON THAT ANY AGREEMENT WOULD HAVE TO BE ACCEPTABLE TO THE PLO SEMICOLON THAT THE PALESTINIAN ARABS AND THE PLO MUST HAVE A PART IN THE NEGOTIATIONS SEMICOLON AND THAT EAST JERUSALEM MUST BE INCLUDED IN THE AUTONOMY DISCUSSIONS.

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4. US EMBASSY HAVE CONFIRMED TO US PRESS REPORTS THAT HAIG IS TO APPOINT RICHARD FAIRBANKS AS HIS FULL-TIME SPECIAL REPRESENTATIVE TO THE AUTONOMY TALKS. FAIRBANKS ACCOMPANIED HAIG DURING THE VISIT AND ATTENDED ALL SESSIONS OTHER THAN THE TETE-A-TETE WITH BEGIN.

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