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TO IMMEDIATE FCO
TELEGRAM NUMBER 2910 OF 1 SEPTEMBER
INFO IMMEDIATE CAIRO TEL AVIV AMMAN UKMIS NEW YORK
(PERSONAL FOR AMBASSADORS)

MY TELNO 2784: U.S. REVIEW OF MIDDLE EAST POLICY

1. THE PRESIDENT WILL BE MAKING A STATEMENT ON THE MIDDLE EAST ON TELEVISION THIS EVENING. EAGLEBURGER HAS GIVEN, ME THE FOLLOWING ADVANCE TEXT OF A MESSAGE FROM SHULTZ TO YOU WHICH THE US EMBASSY ARE BEING INSTRUCTED TO DELIVER AS SOON AS POSSIBLE:

DEAR MR. SECRETARY:

AS YOU MAY BE AWARE, THE PRESIDENT HAS BEEN ENGAGED IN A MAJOR REVIEW OF OUR MIDDLE EAST POLICY OVER THE PAST FEW WEEKS. WE HAD BEEN PLANNING A SIGNIFICANT EFFORT ON THE PEACE PROCESS BEFORE THE LEBANON WAR INTERVENED. THAT CONFLICT ONLY ACCENTUATED THE URGENT NEED TO PRESS FORWARD. IN THE COURSE OF OUR POLICY REVIEW, WE TOOK INTO CAREFUL CONSIDERATION THE VIEWS WHICH HAVE BEEN EXPRESSED BY HER MAJESTY'S GOVERNMENT OVER THE PAST MONTHS ON THE PEACE PROCESS. WE VALUE YOUR GOVERNMENT'S COUNSEL AND THE DEPTH OF THE UNITED KINGDOM'S LONG EXPERIENCE IN THE MIDDLE EAST. OUR REVIEW IS NOW COMPLETED AND THE PRESIDENT HAS ASKED ME TO SHARE WITH YOU OUR CONCLUSIONS, MANY OF WHICH HE WILL BE ANNOUNCING IN A MAJOR STATEMENT THIS EVENING.

THE LEBANON CONFLICT WAS A KEY FACTOR IN OUR DELIBERATIONS, BOTH BECAUSE IT STRESSED THE URGENCY OF MOVING FORWARD, AND BECAUSE IT FOCUSED THE WORLD'S ATTENTION ON THE CENTRAL ISSUE OF THE PEACE PROCESS -- THE PALESTINIAN PROBLEM. IN ADDITION, THE DEPARTURE OF THE LAST PLO FIGHTERS FROM WEST BEIRUT IS RENEWED TESTIMONY TO THE FACT THAT DIPLOMACY CAN SUCCEED IN REACHING SOLUTIONS TO HIGHLY COMPLEX DISPUTES IN THIS AREA. MUCH REMAINS TO BE DONE IN LEBANON AND WE MUST CONTINUE AND INTENSIFY THE INTERNATIONAL COOPERATION NECESSARY TO REBUILD LEBANON AND RESTORE ITS SOVEREIGNTY AND TERRITORIAL INTEGRITY. BUT WE MUST NOT ALLOW THE PROBLEMS OF LEBANON TO DEFLECT US FROM SEEKING A RESOLUTION OF THE PALESTINIAN PROBLEM.

THE PRESIDENT HAS ESTABLISHED AS HIS FIRM OBJECTIVE NEGOTIATIONS TOWARD A JUST, HONORABLE AND DURABLE PEACE WHICH RESOLVE THE PALESTINIAN PROBLEM IN ALL ITS ASPECTS AND PROVIDE FOR THE LEGITIMATE RIGHTS OF THE PALESTINIAN PEOPLE. IT IS ONLY IN THE CONTEXT OF GENUINE PEACE THAT THE SECURITY OF ISRAEL, JORDAN AND THE OTHER STATES IN THE AREA CAN BE ASSURED. THE POLICY THE PRESIDENT

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OUTLINES THIS EVENING WILL GUIDE OUR COURSE TOWARD THOSE OBJECTIVES IN THE MONTHS AND YEARS TO COME. HE BELIEVES THAT AMERICA, IN PARTNERSHIP WITH ITS ALLIES, THE MODERATE ARAB STATES, AND ISRAEL HAS A UNIQUE OPPORTUNITY AT THIS MOMENT TO FURTHER THE CAUSE OF PEACE IN THIS REGION WHILE AT THE SAME TIME PROMOTING THE NATIONAL INTEREST OF OURSELVES AND OUR ALLIES.

THE PRESIDENT AND I HAVE GIVEN MUCH THOUGHT IN THE PAST WEEKS ABOUT HOW THE U.S. CAN BEST PLAY ITS ROLE IN THIS PROCESS, AND WHAT NEW INITIATIVES WE MIGHT UNDERTAKE. WE HAVE CONCLUDED THAT WE MUST MAKE A MAJOR EFFORT TO EXPAND THE NEGOTIATIONS BY INVOLVING JORDAN AND THE PALESTINIANS. THEIR INVOLVEMENT WILL CLEARLY HAVE TO BE BASED ON A SUPPORTIVE MODERATE ARAB CONSENSUS IF WE ARE TO SUCCEED IN OUR EFFORTS. MOST SIGNIFICANTLY, WE HAVE ALSO CONCLUDED THAT THE UNITED STATES CAN NO LONGER REMAIN SILENT ON THE CRITICAL ISSUES INVOLVED IF WE ARE TO RESTORE CREDIBILITY TO THE PEACE PROCESS, WHILE DEVELOPING UNDERSTANDING AND SUPPORT AT HOME AND ABROAD. IT IS FOR THIS REASON THAT THE PRESIDENT HAS DECIDED TODAY TO LAY HIS THOUGHTS BEFORE THE AMERICAN PEOPLE AND THE WORLD.

AS THE PRESIDENT COMMITS THE UNITED STATES TO A FRESH START ON THE ROAD TO PEACE, WITH ALL OF THE PROBLEMS AS WELL AS PROMISE THIS WILL ENTAIL, IT IS IMPORTANT THE U.S. STAND FIRMLY ON THE COMMITMENTS IT HAS ALREADY MADE. THEREFORE, WE WILL MAINTAIN OUR ALLEGIANCE TO CAMP DAVID, AS WELL AS REMAIN FIRM ON THE CONDITIONS WE REQUIRE FOR RECOGNITION OF AND NEGOTIATION WITH THE PLO. THE PRESIDENT IS AWARE OF THE DOUBTS EXPRESSED BY HER MAJESTY'S GOVERNMENT IN THE PAST ABOUT THE CONTINUING VALIDITY OF THE CAMP DAVID PROCESS. NEVERTHELESS, HE FEELS STRONGLY THAT THE FRAMEWORK AGREEMENT IS RICH IN ITS LANGUAGE AND THAT IT CAN ACCOMMODATE THE ASPIRATIONS OF ISRAEL FOR PEACE AND OF THE PALESTINIANS FOR IDENTITY. THROUGH A FIRM U.S. STAND BEHIND ITS OWN INTERPRETATIONS AND ITS POSITIONS, WE CAN GIVE THE CAMP DAVID FRAMEWORK AGREEMENT NEW MEANING AND A NEW DYNAMIC.

AMERICA'S COMMITMENT TO ISRAEL'S SECURITY REMAINS THE FOUNDATION OF OUR PEACE POLICY. REAL, DURABLE PEACE, HOWEVER, CANNOT BE ACHIEVED UNLESS THERE IS A JUST, HONORABLE AND EQUITABLE SOLUTION TO THE PALESTINIAN PROBLEM. IT IS OUR POSITION THAT SUCH A SOLUTION MUST REST FIRMLY ON RESOLUTION 242, WHICH IN OUR VIEW REQUIRES ISRAELI WITHDRAWAL IN RETURN FOR PEACE, AND APPLIES TO THE WEST BANK AND GAZA, AS WELL AS THE GOLAN HEIGHTS. NEGOTIATIONS MUST DETERMINE THE BORDERS, BUT OUR POSITION IN THESE NEGOTIATIONS ON THE EXTENT OF WITHDRAWAL WILL BE SIGNIFICANTLY INFLUENCED BY THE EXTENT AND NATURE OF THE PEACE AND SECURITY ARRANGEMENTS BEING OFFERED IN RETURN.

IT IS OUR STRONG BELIEF THAT THE PALESTINIAN PROBLEM CANNOT BE RESOLVED THROUGH ISRAELI SOVEREIGNTY OR CONTROL OVER THE WEST BANK AND GAZA. ACCORDINGLY, WE WILL NOT SUPPORT SUCH A SOLUTION.

NEITHER CAN IT BE RESOLVED, HOWEVER, THROUGH THE CREATION OF AN INDEPENDENT PALESTINIAN STATE IN THE OCCUPIED TERRITORIES. THERE IS NO FOUNDATION OF POLITICAL SUPPORT IN THE UNITED STATES FOR SUCH A SOLUTION, AND ISRAEL IS ADAMANTLY OPPOSED. WE WILL NOT SUPPORT THE CREATION OF AN INDEPENDENT PALESTINIAN STATE.

THE TERM "SELF-DETERMINATION" HAS, IN THE MIDDLE EAST CONTEXT, BECOME A CODEWORD FOR THE FORMATION OF A PALESTINIAN STATE. WE WILL NOT SUPPORT THIS EXCLUSIVE DEFINITION OF SELF-DETERMINATION. NEVERTHELESS, THE PRESIDENT IS TOTALLY COMMITTED TO THE PROPOSITION THAT THE PALESTINIANS MUST TAKE A LEADING ROLE IN DETERMINING THEIR OWN FUTURE. HE ALSO FULLY SUPPORTS THE PROVISION IN THE CAMP DAVID ACCORDS PROVIDING FOR THE ELECTED REPRESENTATIVES OF THE INHABITANTS OF THE WEST BANK AND GAZA TO DECIDE HOW THEY SHALL GOVERN THEMSELVES, CONSISTENT WITH THE PROVISIONS OF THEIR AGREEMENT IN THE FINAL STATUS NEGOTIATIONS. OBVIOUSLY, THE PALESTINIANS THEMSELVES ARE KEY TO OUR EFFORT.

THE PREFERENCE WE INTEND TO PURSUE IN THE FINAL STATUS NEGOTIATIONS IS ASSOCIATION OF THE WEST BANK AND GAZA WITH JORDAN. WE BELIEVE SUCH A RESULT WOULD PROVIDE JUSTICE FOR THE PALESTINIANS IN THE CONTEXT OF ASSURED SECURITY FOR ISRAEL AND JORDAN. ABOVE ALL, IT IS A REALISTIC AND FAIR SOLUTION.

REGARDING THE ISRAELI SETTLEMENTS, THEIR ULTIMATE FUTURE MUST BE DETERMINED IN THE COURSE OF THE FINAL STATUS NEGOTIATIONS. WE WILL NOT SUPPORT THEIR CONTINUATION AS EXTRATERRITORIAL OUTPOSTS, BUT NEITHER WILL WE SUPPORT EFFORTS TO DENY JEWS THE OPPORTUNITY TO LIVE IN THE WEST BANK AND GAZA UNDER THE DULY CONSTITUTED GOVERNMENTAL AUTHORITY THERE, AS ARABS LIVE IN ISRAEL.

AS WE HAVE INFORMED THE PARTIES, OUR POSITION ON JERUSALEM HAS BEEN STATED MANY TIMES IN THE PAST AND WAS ASSOCIATED WITH THE CAMP DAVID FRAMEWORK AGREEMENT IN THE FORM OF A LETTER FROM PRESIDENT CARTER. WE WILL FULLY SUPPORT THE POSITION THAT THE STATUS OF JERUSALEM MUST BE DETERMINED THROUGH NEGOTIATIONS.

THESE ARE ALL POSITIONS ON FINAL STATUS ISSUES WHICH WE ARE PREPARED TO SUPPORT IN THE FINAL PEACE NEGOTIATIONS AND WHICH, IN OUR VIEW, ARE REALISTIC, ATTAINABLE AND JUST. BUT TO REACH SUCH A RESOLUTION, A TRANSITIONAL PERIOD IS NECESSARY. OUR POSITION IS THAT THE OBJECTIVE OF A TRANSITIONAL PERIOD IS THE PEACEFUL AND ORDERLY TRANSFER OF AUTHORITY FROM ISRAEL TO THE PALESTINIAN INHABITANTS. IN THIS REGARD, WE WILL SUPPORT:

--THE DEFINITION OF FULL AUTONOMY AS GIVING THE PALESTINIAN INHABITANTS REAL AUTHORITY OVER THEMSELVES, THE LAND, AND ITS RESOURCES, SUBJECT TO FAIR SAFEGUARDS ON WATER.

--ECONOMIC, COMMERCIAL, SOCIAL AND CULTURAL TIES BETWEEN THE WEST BANK, GAZA AND JORDAN.

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--PARTICIPATION BY THE PALESTINIAN INHABITANTS OF EAST JERUSALEM IN THE ELECTION FOR THE WEST BANK/GAZA AUTHORITY.

-- A REAL SETTLEMENTS FREEZE.

--PROGRESSIVE PALESTINIAN RESPONSIBILITY FOR INTERNAL SECURITY BASED ON CAPABILITY AND PERFORMANCE. WE WILL OPPOSE:

-- DISMANTLEMENT OF THE EXISTING SETTLEMENTS.

--PROVISIONS WHICH REPRESENT A LEGITIMATE THREAT TO ISRAEL'S SECURITY, REASONABLY DEFINED.

--ISOLATION OF THE WEST BANK AND GAZA FROM ISRAEL.

--MEASURES WHICH ACCORD EITHER THE PALESTINIANS OR THE ISRAELIS GENERALLY RECOGNIZED SOVEREIGN RIGHTS, WITH THE EXCEPTION OF EXTERNAL SECURITY WHICH MUST REMAIN IN ISRAEL'S HANDS DURING THE TRANSITIONAL PERIOD.

WE HAVE DISCUSSED EACH OF THE ABOVE POSITIONS IN DETAIL WITH KING HUSSEIN. HE HAS EXPRESSED HIS BELIEF THAT THIS IS A SERIOUS PROPOSAL WHICH HE IS GIVING SERIOUS ATTENTION. WE HAVE ALSO OUTLINED OUR POSITIONS IN ISRAEL, EGYPT, SAUDI ARABIA AND IN OTHER CONCERNED CAPITALS. IN THIS CONNECTION, I UNDERSTAND THAT DOUGLAS HURD WILL BE TRAVELLING IN THE NEXT FEW DAYS TO THE MIDDLE EAST. I WOULD HOPE THAT HER MAJESTY'S GOVERNMENT WOULD SUPPORT US IN THE EFFORT WE ARE UNDERTAKING. I ALSO WOULD HOPE THAT MR. HURD'S SCHEDULE WOULD PERMIT A STOP IN AMMAN FOR DISCUSSIONS WITH KING HUSSEIN, DURING A TIME WHICH COULD BE CRITICAL TO OUR EFFORTS. AS WE PROCEED, IT IS VITAL THAT OUR TWO GOVERNMENTS, AND YOU AND I, STAY IN CLOSE TOUCH. I WILL WELCOME FURTHER PERSONAL DISCUSSION OF THESE INITIATIVES BOTH BEFORE AND AFTER MR. HURD'S TRIP.

THE UNITED STATES RECOGNIZES AND ACCEPTS ITS RESPONSIBILITY TO SEIZE THIS HISTORIC OPPORTUNITY: THE PRESIDENT WANTS YOU AND THE PRIME MINISTER TO KNOW THAT HE IS PERSONALLY COMMITTED TO THE COURSE UPON WHICH HE IS NOW EMBARKED. HE INTENDS TO STAND BY THE POSITIONS I HAVE DESCRIBED, WHATEVER THE REACTION FROM ANY QUARTER. HE WILL BE PROCEEDING WITH BOLDNESS AND DETERMINATION, RECOGNIZING THE RISKS, SO THAT WE MAY SUCCEED IN RESURRECTING THE SPIRIT OF PEACE AND HOPE FOR A JUST SOLUTION FOR THE PALESTINIAN PROBLEM IN ALL OF ITS ASPECTS. I BELIEVE THAT OUR NATIONAL INTERESTS AND RESPONSIBILITY TO FUTURE GENERATIONS IN THE MIDDLE EAST DEMAND NO LESS. SINCERELY, END TEXT.
THOMAS

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