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TO IMMEDIATE FCO

TELEGRAM NUMBER 3007 OF 10 SEPTEMBER

INFO PRIORITY TEL AVIV AMMAN CAIRO BEIRUT
ROUTINE UKMIS NEW YORK MOSCOW

INFO SAVING OTHER EC POST AND OTHER MIDDLE EAST POSTS

MY TELNO 2995: US MIDDLE EAST POLICY

1. SHULTZ GAVE THE SENATE FOREIGN RELATIONS COMMITTEE TODAY A VERY SIMILAR BRIEFING TO THE ONE HE GAVE THEIR OPPOSITE NUMBERS IN THE HOUSE YESTERDAY. HE COMMENTED THAT THE INITIAL FORMAL REACTIONS FROM BOTH SIDES SHOWED THAT THEY WERE OPPOSED TO THE PRESIDENT'S POSITION: THE ARAB SUMMIT COMMUNIQUE WAS AT VARIANCE WITH AMERICAN VIEWS ON SEVERAL KEY ISSUES. BUT THESE WERE OPENING POSITIONS. THE NEED FOR NEGOTIATIONS WAS CLEAR. NOW WAS THE TIME FOR QUIET DIPLOMACY TO PURSUE THE PRESIDENT'S INITIATIVE AND BRING IT TO FRUITION.

THE ADMINISTRATION WOULD BE WORKING HARD TO TAKE THE PEACE PROCESS FORWARD.

2. ASKED WHETHER THERE WAS IN FACT ANY COMMON GROUND BETWEEN THE PARTIES, SHULTZ INSTANCED THE GENUINE, IF UNSPOKEN, DESIRE FOR PEACE ON ALL SIDES, THE GENERAL ACCEPTANCE OF THE NEED FOR SOME TRANSITIONAL PERIOD AS REGARDS THE OCCUPIED TERRITORIES, AND, POSSIBLY, RECONGNITION OF ISRAEL. IF THE 7TH POINT OF THE ARAB SUMMIT COMMUNIQUE IN FACT IMPLIED RECOGNITION OF ISRAEL, THIS WAS A REAL BREAK THROUGH. THE MAIN QUESTION WAS WHETHER THE ARBAS WERE NOW PREPARED TO BROADEN THE PEACE PROCESS BY COMING TO THE NEGOTIATING TABLE.

3. SHULTZ ANSWERED CRITICISM OF THE LACK OF PRIOR CONSULTATIONS WITH ISRAEL BY REFERRING TO HIS OWN LENGTHY CONVERSATIONS WITH SHAMIR AND SHARON AND TO THE PROLONGED AUTONOMY NEGOTIATIONS. MOST OF THE POSITIONS OUTLINED BY THE PRESIDENT'S SPEECH HAD BEEN CONVEYED BY FAIRBANKS TO THE ISRAELIS DURING THE AUTONOMY TALKS AS AMERICAN QUOTE BRIDGING IDEAS UNQUOTE. ISRAELI VIEWS WERE THUS WELL KNOWN TO THE ADMINISTRATION AND THE ISRAELIS SHOULD NOT HAVE BEEN SURPRISED BY THE CONTENT OF THE PRESIDENT'S SPEECH. ASKED HOW THE ISRAELIS WERE TO BE PERSUADED TO MODIFY THEIR POSITION, SHULTZ STRESSED THE ATTRACTIONS TO THEM OF A LONG TERM PEACE. HE DISCLAIMED ANY INTENTION OF INTERFERING IN ISRAELI INTERNAL POLITICS: THE ADMINISTRATION WOULD OF COURSE CONTINUE TO DEAL WITH BEGIN AND HIS GOVERNMENT.

4. CONGRESSIONAL REACTION TO THE PRESIDENT'S INITIATIVE HAS BEEN GENERALLY FAVOURABLE AND THE ADMINISTRATION ARE CLEARLY ANXIOUS TO MAINTAIN BIPARTISAN SUPPORT FOR IT. THE PRESIDENT OF THE INFLUENTIAL AMERICAN JEWISH COMMITTEE HAS MEANWHILE JOINED OTHER JEWISH-AMERICAN LEADERS IN GIVING THE INITIATIVE A QUALIFIED ENDORSEMENT.

5. WHEN I CALLED ON SENATOR PERCY (CHAIRMAN OF THE SENATE FOREIGN RELATIONS COMMITTEE) THIS AFTERNOON HE SAID THAT HE HAD BEEN AMAZED BY THE SUPPORT OF JEWISH GROUPS FOR THE PRESIDENT'S INITIATIVE AND SINGLED OUT THE PRESIDENT OF THE ARAB/ISRAELI PUBLIC AFFAIRS COMMITTEE (APAC) WHOSE COMMENTATION OF PRESIDENT REAGAN'S STATEMENT HAD BEEN UNPRECEDENTED. PERCY WENT ON TO SAY HOW PLEASED HE HAD BEEN TO SEE YOUR STATEMENT WELCOMING THE AMERICAN INITIATIVE IN TERMS WHICH REFLECTED HIS OWN VIEWS PRECISELY. HE WAS CONVICTED FROM HIS MANY CONVERSATIONS WITH KING HUSSEIN THAT WHAT THE PRESIDENT HAD PROPOSED WAS EXACTLY WHAT HUSSEIN WANTED TO ACHIEVE THOUGH HUSSEIN COULD NEVER ENDORSE THE CONCEPT OF FEDERATION IN PUBLIC. PERCY ALSO ADDED THAT HE HAD DINED WITH THE CYPRIOT FOREIGN MINISTER, ROLANDIS, SHORTLY BEFORE THE LATTER HAD BEEN DUE TO SEE ARAFAT. HE HAD URGED ROLANDIS TO TELL ARAFAT THAT IF HE WANTED TO ACHIEVE POLITICAL POWER HE SHOULD GRASP THE OPPORTUNITY WHICH THE US INITIATIVE HAD PRESENTED.

FCC PASS SAVING TO
ABU DHABI ADEN ALGIERS BAGHDAD BAHRAIN DAMASCUS DOHA DUBAI
JEDDA JERUSALEM KHARTOUM KUWAIT MUSCAT RABAT SANA'A TRIPOLI TUNIS

ATHENS BONN BRUSSELS COPENHAGEN DUBLIN LUXEMBOURG PARIS ROME
THE HAGUE UKREP BRUSSELS

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