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TO PRIORITY FCO

TELEGRAM NUMBER 1993 OF 15 JUL

INFO BEIRUT DAMASCUS AMMAN CAIRO TEL AVIV JEDDA UKMIS NEW YORK

INFO SAVING PARIS ROME MOSCOW OTHER MIDDLE EAST POSTS

YOUR TALKS WITH SHULTZ: MIDDLE EAST

1. SHULTZ AGREED THAT IT WOULD BE DIFFICULT TO MAKE PROGRESS OR EVEN TO STOP MATTERS FROM GETTING WORSE. SOONER OR LATER, THE ARABS WOULD HAVE TO BE WILLING TO SIT DOWN TO NEGOTIATE WITH ISRAEL, THOUGH THIS WAS VERY DIFFICULT FOR THEM. KING HUSSEIN WAS READY BUT NEEDED AT LEAST AN AMBER LIGHT FROM OTHER ARABS AND THE PLO. IT WAS IMPORTANT TO KEEP THE SAUDIS ENGAGED.

2. IT WAS DIFFICULT TO INTERPRET DEVELOPMENTS WITHIN THE PLO. THE SYRIANS HAD INCREASED THEIR CONTROL OF THE PLO BUT MIGHT HAVE OVER-REACHED THEMSELVES. THERE WAS CERTAINLY MUCH LESS PROSPECT OF THE PLO NOW ENDORSING THE SORT OF AGREEMENT REACHED BY ARAFAT WITH KING HUSSEIN IN APRIL. THE EFFECT OF RECENT DISARRAY ON ARAFAT'S POSITION REMAINED TO BE SEEN: HE WOULD NOT LAST IF HE THREW IN THE TOWEL AND SUCCUMBED TO SYRIAN INFLUENCE.

3. SHULTZ WAS WORRIED ABOUT THE FATE OF THE PALESTINIANS AS HUMAN BEINGS. THEIR LIVES WERE AT RISK IN LEBANON WHERE NOBODY WANTED THEM: THOSE IN THE OCCUPIED TERRITORIES HAD NO HOPE FOR THE FUTURE. THE PALESTINIANS WERE ENDANGERED REFUGEES USED ALMOST AS HOSTAGES BY SOME ARAB COUNTRIES. THOUGHT NEEDED TO BE GIVEN TO EASING THEIR PLIGHT, THOUGH SHULTZ DID NOT AS YET HAVE ANY NEW IDEAS.

4. THE PROBLEM IN LEBANON WAS SYRIAN INTRANSIGENCE. THE PRESIDENT HAD INSTRUCTED HIM TO GO TO DAMASCUS TO ESTABLISH A DIRECT DIALOGUE WITH THE SYRIANS, WHICH HE HOPED WOULD CONTINUE. THE SITUATION REMAINED EXPLOSIVE: THERE WERE NOW SOME 7000 OR SO SOVIET MILITARY PERSONNEL IN SYRIA AND A NUMBER OF ARMED TERRORIST GROUPS IN THE BEKATA WHOSE AIM WAS TO STIR UP CONFLICT. PRESIDENT GENAYEL AND HIS MINISTERS WERE RUNNING GREAT PERSONAL RISKS AND DESERVED FULL SUPPORT. THE AMERICANS WERE VERY ANXIOUS TO SEE THEM SUCCEED. THERE WOULD BE INTENSIVE DISCUSSIONS WITH GENAYEL AND BEGIN DURING THEIR VISITS TO WASHINGTON LATER THIS MONTH.

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S. You

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5. YOU ENCOURAGED SHULTZ TO CONTINUE HIS EFFORTS WHICH HAD OUR FULL SUPPORT. THE PUS ASKED ABOUT THE SYRIANS MOTIVES, OTHER THAN TO ENHANCE THEIR STANDING IN THE ARAB WORLD AND TO FRUSTRATE THE ISRAEL/LEBANON AGREEMENT, AND POSSIBLE MEANS OF INFLUENCING THEM. SHULTZ SAID THAT THE SAUDIS WOULD NOT WITHDRAW THEIR FINANCIAL SUPPORT BUT MIGHT BE WILLING TO OFFER MORE AS A CARROT. THE SYRIANS DID HAVE SOME LEGITIMATE SECURITY CONCERNS WHICH THE AMERICANS AND LEBANESE WERE WILLING TO DISCUSS, FOR EXAMPLE ABOUT ARRANGEMENTS IN THE AREA WHERE THE PROPOSED SECURITY ZONE MET THE SYRIAN BORDER. THE SYRIANS HAD EMPHASISED TO HIM THEIR HISTORICAL INTEREST IN LEBANON, CLAIMING THAT SYRIA AND LEBANON WERE REALLY ONE COUNTRY. THEY APPEARED TO WANT RECOGNITION OF THE LEGITIMACY OF THEIR INFLUENCE AND INTEREST IN LEBANON.

6. IN PRIVATE DISCUSSIONS WITH YOU, SHULTZ EMPHASISED THE DIFFICULTIES WHICH THE US FACED IN THE MIDDLE EAST. HE SAID THE US COMMITMENT TO ISRAEL WAS UNCHANGABLE. EVEN THOUGH THE ISRAELIS WERE OFTEN THEIR OWN WORST ENEMY, NOTHING COULD EFFECT THAT BASIC US COMMITMENT. SHULTZ LOOKED TO HUSSEIN AND TO THE SAUDIS AS A POSSIBLE WAY OF KEEPING UP PRESSURE FOR AN ARAB DIALOGUE WITH THE ISRAELIS. IT WAS ONLY IN THAT CONTEXT THAT QUESTIONS ABOUT THE UNREASONABLENESS OF ISRAELI BEHAVIOUR COULD BE ADDRESSED.

FCO PASS SAVING PARIS ROME MOSCOW ABU DHABI ADEM ALGIERS BAGHDAD
BAHRAIN DOHA DUBAI JERUSALEM KHARTOUM KUWAIT MUSCAT RABAT SANA'A
TRIPOLI TUNIS

WRIGHT

**THIS TELEGRAM
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MIDDLE EAST

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