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FM TEL AVIV

TO PRIORITY FCO

TELNO 161

OF 051430Z MAY 86



YOUR TELNO 79: PRIME MINISTER'S VISIT TO ISRAEL: SPEECH

- 1. I WOULD NOT PRESUME OF OFFER DRAFTING OR A DETAILED SYNOPSIS FROM HERE. BUT I THINK IT IMPORTANT TO BEAR IN MIND THAT THE PRIME MINISTER'S STOCK IS VERY HIGH HERE (EVEN MORE SO AFTER THE US RAIDS ON LIBYA). HER STAND ON TERRORISM, HER INFLUENCE BOTH WITH PRESIDENT REAGAN AND WITH KING HUSSEIN COMBINE TO PUT HER IN A SPECIAL POSITION OF BEING ABLE TO SAY THINGS TO THE ISRAELIS WHICH THEY WOULD RESENT FROM THE LIPS OF OTHERS AS INTERFERENCE IN DOMESTIC AFFAIRS.
- 2. I HOPE THE PRIME MINISTER CAN BE ADVISED TO TAKE THIS OPPORTUNITY TO TRY TO FOCUS HER AUDIENCE ON THE LONGER TERM PROSPECTIVE: TO POINT OUT THE NEED FOR A REALISTIC APPROACH TOWARDS THE ARAB/ISRAEL DISPUTE, INCLUDING THE PROBLEMS OF THE WEST BANK AND GAZA, WHICH TAKES ACCOUNT OF THE REALITIES OF PALESTINIAN NATIONALISM AND OF THE INEXORABLE PRESSURED DEMOGRAPHY IN THE TERRITORIES, WHERE THE PROBLEMS WILL ONLY GET WORSE IF LEFT TO DRIFT.
- THIS SORT OF TOUGH MESSAGE WOULD BE PARTICULARLY TIMELY.

 THE PEACE PROCESS IS HALTED ON ALL FRONTS, WITH INTERNAL DIVISIONS PARALYSING THE ARAB SIDE. FOR THE HARDLINERS HERE, THIS SHOWS UP MR PERES (AS UNREALISTIC) IN HOPING FOR A SERIOUS ARAB PARTNER AND STRENGTHENS THE PROPONENTS OF THE STATUS QUO. TO SPEAK LESS FIRMLY WOULD UNDERCUT THOSE LIKE PERES WHO THINK THE STATUS QUO MORE DANGEROUS FOR ISRAEL THAN THE ACTIVE PURSUIT OF THE PEACE PROCESS AND PROGRESS OF SOME SORT IN THE TERRITORIES.
- 4. IN SHORT I THINK THE PRIME MINISTER SHOULD SEEK TO STRETCH THE LIMITS OF WHAT ISRAELIS REGARD AS "THINKABLE". BESIDES A PASSAGE ON PRACTICAL "NEXT STEPS", THE SPEECH MIGHT THEREFORE SEEK TO LIFT THE DEBATE ABOVE SHORT TERM TACTICAL CONSIDERATIONS TOWARDS THE STRATEGY FOR SECURING PEACE FOR FUTURE GENERATIONS. A POSITIVE ATTITUDE TO THE ISRAELI/EGYPTIAN IDEAS ON A MIDDLE EAST ECONOMIC PLAN, AND A CHARACTERISTICALLY ROBUST LINE ON THE EVILS OF TERRORISM WILL DO MUCH TO MITIGATE WHAT FOR SOME OF THE AUDIENCE WILL BE AN UNWELCOME MESSAGE.

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