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IRAQ/KUWAIT: ISRAELI ATTITUDES

SUMMARY

1. CONFUSION OVER EILAT TRANSIT FOR EGYPTIAN WORKERS STORY: DECISION NOT TO DECIDE ON DISTRIBUTION OF GAS MASKS: SHAMIR SAYS ISRAEL WILL NOT ASSIST SADDAM HUSSEIN'S EFFORTS TO INVOLVE ISRAEL IN THE CURRENT CONFRONTATION, AND MAKES REASSURING NOISES IN JORDAN'S DIRECTION: FIRST INDICATION OF FIRM ISRAELI ASSESSMENT THAT IRAQ HAS CHEMICAL WARHEADS FOR ITS MISSILES.

DETAIL

- 2. THE EGYPTIANS LOCALLY ARE DENYING REPORTS PUT ABOUT BY FOREIGN MINISTER LEVY (MY TELNO 282) THAT THEY REQUESTED ISRAEL TO ALLOW EGYPTIAN MIGRANT WORKERS FROM IRAQ AND KUWAIT TO TRANSIT FROM AQABA TO EILAT ON THEIR WAY TO TABA. EGYPTIAN EMBASSY OFFICIALS HERE TOLD ME THAT LEVY FIRST MADE THE OFFER OF EILAT TO THEM, NOT VICE VERSA. THEY REPORTED LEVY'S APPROACH TO CAIRO. BUT LEVY'S GOING PUBLIC HAD CAUSED THEM PROBLEMS.
- 3. A MEETING OF THE INTER-MINISTERIAL COMMITTEE ON DEFENCE (CHAIRED BY SHAMIR) ON 22 AUGUST DECIDED NOT TO DECIDE ON THE DISTRIBUTION OF GAS MASKS, FOLLOWING LEVY'S CHALLENGE TO ARENS ON THIS SUBJECT (MY TELNO 279, NOT TO ALL). THE MATTER HAS BEEN REFERRED TO A SMALLER SUBCOMMITTEE IE. PUT ON HOLD. SHAMIR APPARENTLY PREVENTED ANY SUBSTANTIVE DISCUSSION ON THIS ISSUE AT YESTERDAY'S MEETING.
- IN A TV INTERVIEW ON 22 AUGUST SHAMIR SAID SADDAM HUSSEIN SOUGHT TO ENGAGE ISRAEL IN HOSTILITIES IN ORDER TO BREAK OUT OF HIS ISOLATION AND GALVANISE THE ARAB WORLD. ISRAEL WOULD NOT BE PROVOKED. 'ISRAEL HAS NO INTEREST IN AIDING SADDAM HUSSEIN, WHO WANTS TO INVOLVE US IN THE CURRENT CONFRONTATION'. BUT, IF ATTACKED, ISRAEL WOULD ENSURE ITS ENEMIES PAID A 'TERRIBLE PRICE'. SHAMIR ALSO SAID ISRAEL WANTED TO SEE KING HUSSEIN PRESIDING OVER A STRONG AND

PAGE 1 CONFIDENTIAL STABLE JORDAN.

- YEHOYADA HAIM (DEPUTY DIRECTOR MFA POLITICAL RESEARCH CENTRE, AND PART OF THE MFA TEAM LEADING ON THE CURRENT CRISIS), TOLD ME ON 22 AUGUST THAT WHILE A PEACEFUL SETTLEMENT COULD NOT BE EXCLUDED (ON TERMS HE SUGGESTED WOULD BE AT LEAST SATISFACTORY TO SADDAM HUSSEIN, FOLLOWING A WEAKENING OF WESTERN RESOLVE AND A GROWTH IN PRO-IRAQI FEELING IN THE ARAB WORLD), THE PROBABILITY OF A MILITARY CONFLICT WAS SIGNIFICANTLY HIGHER. HE HAD NO CLEAR SCENARIO FOR THE INITIATION OF CONFLICT, BUT SUGGESTED THAT AMONG SADDAM HUSSIN'S MILITARY OPTIONS THE ISRAEL CARD WAS THE MOST ATTRACTIVE IN TERMS OF ITS IMPACT ON THE ARAB WORLD. SADDAM HUSSEIN MIGHT SEEK TO PROMPT ISRAELI ACTION BY MOVING TROOPS INTO JORDAN. A MISSILE ATTACK (HE SPECIFICALLY MENTIONED AL ABBAS AS WELL AS SCUD) WAS A HIGH PROBABILITY. HAIM SAID 'IT SEEMS' IRAQ HAD CHEMICAL WARHEADS FOR ITS MISSILES. THE ISRAELI GOVERNMENT WAS KEEPING QUIET ABOUT THIS SINCE IN THE MIDDLE EAST 'WORDS CAN LEAD TO WARS'.
- 6. ISRAEL'S DILEMMA, HAIM SUGGESTED, WAS THAT INITIATING A
 PRE-EMPTIVE STRIKE AGAINST THIS MISSILE THREAT WOULD PLAY INTO SADDAM
 HUSSEIN'S HANDS, WHILE NOT TAKING ANY ACTION MEANT LIVING WITH THE
 THREAT OF A CW MISSILE ATTACK. THE RECENTLY REPEATED IRAQI ASSURANCE
 ONLY TO USE CW IN RESPONSE TO A NUCLEAR ATTACK COULD BE TAKEN NO MORE
 SERIOUSLY THAN SADDAM HUSSEIN'S ASSURANCES TO MUBARAK NOT TO INVADE
 KUWAIT.

COMMENT

- 7. LEVY HAS COME OUT BADLY ON BOTH THE EILAT TRANSIT AND THE GAS MASKS ISSUES. HE IS BEING CRITICISED FOR GOING PUBLIC TOO QUICKLY, LACK OF SENSITIVITY, PLAYING POLITICS (RIVALRY WITH ARENS) AND BREAKING THE GENERALLY UNITED 'PLAY IT COOL' GOVERNMENT LINE. THE DECISION TO REFER THE GAS MASKS QUESTION TO A SMALL SUBCOMMITTEE IS BEING SEEN AS A VICTORY FOR ARENS' ARGUMENT THAT DISTRIBUTION MIGHT BE MISPERCEIVED BY IRAQ AS AN INDICATION THAT ISRAEL WAS PLANNING A PRE-EMPTIVE STRIKE.
- 8. ON HAIM'S REMARKS, THIS IS THE FIRST TIME I HAVE HEARD AN ISRAELI OFFICIAL TAKE IT FOR GRANTED THAT IRAQ NOW HAS A CW MISSILE CAPABILITY, AND THAT AL ABBAS IS OPERATIONAL. CONTACTS WITH THE IDFOVER THE LAST FEW DAYS SUGGEST THEIR KNOWLEDGE OF IRAQI CHEMICAL CAPABILITY IS SKETCHY, AND THAT SOME IN THE MILITARY ARE MORE OPTIMISTIC THAN HAIM ABOUT THE POSSIBILITY OF ISRAEL REMAINING UNINVOLVED.

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