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FROM PRIVATE SECRETARY

SECRETARY OF STATE'S MEETING WITH ISRAELI PRIME MINISTER

1. GOOD ATMOSPHERE BUT PREDICTABLE DIFFERENCES. NO APPARENT GIVE ON ISRAELI POSITION TO REJECT SECRETARY GENERAL'S MISSION. INSISTENCE THAT SHAMIR PLAN IS THE WAY FORWARD ON ARAB/ISRAEL AND THAT EUROPEANS SHOULD PRESS PALESTINIANS TO ACCEPT IT.

DETAIL

2. THE SECRETARY OF STATE MET THE ISRAELI PRIME MINISTER FOR AN HOUR THIS MORNING. THE ATMOSPHERE WAS RELAXED AND FRIENDLY.

3. THE SECRETARY OF STATE BEGAN BY SAYING THAT ISRAEL AND BRITAIN HAD A COMMON INTEREST IN A PEACEFUL AND ORDERLY MIDDLE EAST WITH A SECURE AND CONFIDENT ISRAEL. THE BIGGEST THREAT TO THIS WAS SADDAM HUSSEIN AND THE PRIORITY MUST BE TO GET HIM OUT OF KUWAIT. EITHER BY PEACEFUL MEANS OR BY FORCE. THE ISRAELI GOVERNMENT HAD WISELY KEPT A LOW PROFILE IN THE GULF CRISIS, ALTHOUGH MR LEVY HAD LEFT US IN NO DOUBT ABOUT ISRAEL'S ANXIETIES. WE NEED TO DISCUSS THE FUTURE OF THE REGION - FOR EXAMPLE, IF SADDAM HUSSEIN WITHDREW FROM KUWAIT AND RETAINED HIS MILITARY POWER WE WOULD NEED TO THINK HOW THE CONSEQUENT DANGER COULD BE CONTAINED AND REDUCED. ON THAT BRITAIN AND ISRAEL HAD AN IDENTICAL INTEREST. OUR DIFFERENCES AROSE BECAUSE SADDAM HUSSEIN WAS PORTRAYING HIMSELF AS THE ONLY PERSON WHO REMEMBERED THE PALESTINIANS. THIS WAS NOT SO. IT WOULD BE DANGEROUS IF WE ALLOWED IT TO APPEAR THAT OTHERS HAD FORGOTTEN THE ARAB/ISRAEL DISPUTE. NEITHER WE NOR PRESIDENT BUSH WERE SAYING THAT THERE SHOULD BE AN INITIATIVE NOW. THAT COULD ONLY HAPPEN ONCE IRAQ HAD WITHDRAWN FROM KUWAIT. AFTER THAT, THERE WOULD NEED TO BE A FRESH EFFORT. WE UNDERSTOOD THE ISRAELI POSITION. THE SOLUTION OF THE PALESTINIAN PROBLEM COULD NOT BE DIVORCED FROM THE QUESTION OF ISRAEL'S RELATIONS WITH HER NEIGHBOURS, WITH WHOM ISRAEL WAS STILL FORMALLY AT A STATE OF WAR. WE HOPED THAT IN THE

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NEW SITUATION WHICH WOULD ARISE AFTER THE GULF CRISIS THERE WOULD BE ROOM FOR NEW THINKING. THE PALESTINIANS WOULD NEED TO THINK AGAIN, NOT LEAST BECAUSE THE PLO HAD MADE A GRAVE ERROR IN THEIR SUPPORT FOR SADDAM HUSSEIN. WE ALSO HOPED THAT THERE WOULD BE FRESH THINKING BY ISRAEL.

4. SHAMIR AGREED THAT THERE WAS A COMMON DANGER TO THE MIDDLE EAST FROM SADDAM HUSSEIN. THE SITUATION THAT HE HAD CREATED WAS UNTENABLE. IT WAS A PROBLEM FOR ALL THE CIVILISED WORLD. BUT THERE WAS A SPECIAL ASPECT RELATED TO ISRAEL. SADDAM HUSSEIN HAD DECIDED THAT ISRAEL SHOULD BE A TARGET - HE HAD SAID MANY TIMES THAT IF THERE WERE MILITARY OPTIONS IN THE MIDDLE EAST, ISRAEL WOULD BE A MAIN TARGET OF IRAQ'S MISSILES. SADDAM HUSSEIN CLAIMED THAT ISRAEL WAS AN ACTIVE PARTNER IN THE COALITION AGAINST IRAQ, ALTHOUGH SHAMIR DID NOT KNOW WHETHER HE WAS SIMPLY SAYING THIS OR WHETHER HE BELIEVED IT. PART OF THE PROBLEM WAS THAT SADDAM HUSSEIN'S PEOPLE TOLD HIM WHAT HE WANTED TO HEAR. BUT THERE WAS A REAL DANGER TO ISRAEL. THE GOVERNMENT HAD ISSUED CW PROTECTION TO ITS CITIZENS.

5. THERE WAS ALSO THE PROBLEM OF JORDAN. IT WAS IN ISRAEL'S INTEREST TO SEE THAT JORDAN REMAINED STABLE. JORDAN WAS THE BUFFER BETWEEN ISRAEL AND IRAQ. SO FAR JORDAN HAD DONE ITS BEST TO ENSURE THAT THERE WAS NO CONFRONTATION ON THE ISRAEL/JORDAN BORDER, AND THAT NEITHER TERRORISTS NOR WEAPONS WERE INFILTRATED INTO ISRAEL. THERE WAS A TACIT AGREEMENT BETWEEN JORDAN AND ISRAEL. BUT ISRAEL WAS CONCERNED ABOUT WHAT MIGHT BE HAPPENING ON JORDAN'S EASTERN BORDER. THE NEWSPAPER HAD TALKED ABOUT THE POSSIBILITY OF ISRAELI PRE-EMPTIVE ACTION AGAINST IRAQ, BUT THIS WAS QUITE WRONG. NEVERTHELESS IS IRAQ ATTACKED ISRAEL OR MOVED INTO JORDAN, ISRAEL WOULD HAVE TO RESPOND AND THAT WOULD NEED COORDINATION WITH OTHERS. THIS WAS A DELICATE PROBLEM.

6. THE SECRETARY OF STATE SAID THAT WE TRIED TO KEEP CLOSE TO THE JORDANIANS AND HE HAD ONLY RECENTLY TALKED TO KING HUSSEIN AND CROWN PRINCE HASSAN. JORDANIAN RELATIONS WITH EGYPT AND SAUDI ARABIA WERE VERY BAD - BOTH MUBARAK AND KING FAHD FELT INSULTED AND DECEIVED AND WERE RELUCTANT TO HELP KING HUSSEIN. THE JORDANIANS WERE TRYING TO IMPLEMENT SANCTIONS AND KING HUSSEIN HAD FOR THE MOMENT STOPPED HIS POLICY OF MEDIATION. BUT EGYPT AND SAUDI ARABIA WERE NOT READY TO MEND THEIR FENCES WITH THE KING. THIS CREATED A DANGEROUS SITUATION - KING HUSSEIN WAS BETTER THAN ANYONE WHO MIGHT TAKE HIS PLACE. SHAMIR AGREED. THE ISRAELIS UNDERSTOOD THE DIFFICULTY OF THE KING'S POSITION, BUT THE SITUATION WAS DANGEROUS.

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HE HOPED THAT ISRAEL WOULD KNOW EXACTLY WHEN THE IRAQIS ENTERED JORDAN: THIS WAS VERY IMPORTANT. THERE WOULD THEN HAVE TO BE COORDINATION. BUT KING HUSSEIN KNEW PERFECTLY WELL THAT ISRAEL HAD NO AGGRESSIVE INTENTION AGAINST JORDAN.

7. THE SECRETARY OF STATE SAID THAT HE HAD READ SHAMIR'S STATEMENT TO THE KNESSET ABOUT SCR 672. HE HOPED THAT SOME WAY COULD BE FOUND OF ENABLING THE SECRETARY GENERAL'S MISSION TO COME TO ISRAEL. LEVY HAD RIGHTLY SAID THAT ISRAEL HAD A TRADITION OF RECEIVING THE SECRETARY GENERAL'S REPRESENTATIVES, EVEN UNDER DIFFICULT CIRCUMSTANCES. WE WERE ANXIOUS THAT THE PLO SHOULD NOT BE GIVEN WHAT THEY WERE AFTER - A SERIES OF SECURITY COUNCIL DEBATES WHICH DIVERTED ATTENTION FROM SADDAM HUSSEIN. SHAMIR SAID THAT IN THE CIRCUMSTANCES, ISRAEL COULD NOT ACT DIFFERENTLY. THAT JERUSALEM WAS PART OF ISRAEL'S SOVEREIGN TERRITORY WAS A MATTER OF PRINCIPLE. THERE WAS A NATIONAL CONSENSUS ON THIS AND THE ISRAELI GOVERNMENT COULD NOT PARTICIPATE IN NEGOTIATIONS ABOUT THE CITY STATUS. SHAMIR HAD NOTHING AGAINST THE SECRETARY GENERAL, BUT COULD NOT ACCEPT THE DECISION OF THE SECURITY COUNCIL. ISRAEL HAD ALREADY INSTITUTED AN INVESTIGATORY COMMISSION, WHOSE REPORT SHOULD BE READY NEXT WEEK. IT WOULD BE PUBLIC AND THE SECRETARY GENERAL COULD READ IT. HE SAW NO NEED FOR ANY FURTHER INVESTIGATION. ISRAEL REGRETTED THE LOSS OF LIFE, ESPECIALLY IN JERUSALEM GIVEN THE EFFORTS WHICH HAD BEEN MADE TO AVOID ANYTHING OF THIS SORT. SINCE 1967 JERUSLEM HAD BEEN PEACEFUL. IT HAD BEEN AN OPEN CITY WITH RELIGIOUS FREEDOM FOR ALL. THIS WAS IN CONTRAST TO PRE 1967 WHEN EAST JERUSALEM HAD EFFECTIVELY BEEN CLOSED. SHAMIR UNDERSTOOD THAT THERE WAS A DIFFERENCE OF VIEW OVER JERUSALEM'S STATUS BUT SOME OF THE WORDING OF THE SECURITY COUNCIL RESOLUTION HAD BEEN INSULTING. FOR EXAMPLE, TO REFER TO THE INCIDENT AT QUOTE HARAM AL SHARIS UNQUOTE, BUT NOT TO MENTION TEMPLE MOUNT OR THE WESTERN WALL, INFLAMED ISRAELI EMOTIONS. TO ACCEPT THE SECURITY COUNCIL RESOLUTION WOULD BE TO ACCEPT ARAB TERRORISM.

8. THE SECRETARY OF STATE SAID THAT HE UNDERSTOOD THE VERY STRONG FEELINGS ON THIS ISSUE. BUT THE ISRAELIS WERE SURELY SKILFUL ENOUGH TO FEEL THEY COULD RECEIVE THE SECRETARY GENERAL'S MISSION WITHOUT ACCEPTING THE SECURITY COUNCIL RESOLUTION. SHAMIR SAID THAT THE SECRETARY GENERAL'S MISSION WOULD BE THE FIRST STEP - THEN THERE WOULD BE ANOTHER AND ANOTHER. THERE HAD BEEN NO MENTION THAT THE DEATHS FOLLOWED AN ATTACK WITH ROCKS AND STONES ON JEWISH WORSHIPPERS. AS REGARDS THE DANGER OF DIVERTING ATTENTION FROM

SADDAM HUSSEIN, MANY ARABS REALISED THAT THE GULF CRISIS WAS A FAR GREATER DANGER IN THAT IT REPRESENTED A PHYSICAL THREAT TO THEM.

9. THE SECRETARY OF STATE SAID THAT HE HAD STUDIED THE SHAMIR PLAN. BUT WHAT REALISTICALLY WERE THE POSSIBILITIES OF FINDING REPRESENTATIVE PALESTINIANS WHO WERE NOT CONNECTED WITH THE PLO? COULD ISRAEL IDENTIFY PALESTINIANS WITH WHOM IT COULD DO BUSINESS, OR WAS THE PRESENT SITUATION GOING TO CONTINUE INDEFINITELY? SHAMIR REPLIED THAT SOME PEOPLE ACCUSED HIM OF WANTING TO MAINTAIN THE STATUS QUO. THIS WAS NOT SO. (THE SECRETARY OF STATE INTERJECTED THAT IF SHAMIR DID NOT WANT TO MAINTAIN THE STATUS QUO HE WAS NEVERTHELESS PRETTY GOOD AT DOING SO). SHAMIR SAID THAT ISRAEL WANTED PEACE. JEWS WERE NOW ARRIVING IN ISRAEL IN GREAT NUMBERS AND IN ORDER TO ACHIEVE THE SORT OF ISRAEL THEY WANTED ISRAEL NEEDED PEACE WITH ITS NEIGHBOURS. PALESTINIAN TERRORISM WAS A PROBLEM WHICH ISRAEL COULD HANDLE. IT WAS NOT A DANGER TO THE COUNTRY'S EXISTENCE. ANY DANGER OF WAR WOULD COME FROM COUNTRIES, NOT TERRORISTS: THE MAIN TEST OF PEACE WOULD BE WHETHER RELATIONS BETWEEN ISRAEL AND ARAB COUNTRIES COULD BE IMPROVED. ISRAEL WAS STILL FORMALLY AT A STATE OF WAR WITH HER NEIGHBOURS. A SETTLEMENT WITH THE PALESTINIANS THEREFORE DEPENDED TO A LARGE EXTENT ON ISRAEL'S RELATIONS WITH ITS NEIGHBOURS. ARAB GOVERNMENTS MUST BE ENCOURAGED TO URGE THE PALESTINIANS TO COME TO A PEACEFUL SETTLEMENT WITH ISRAEL. BUT IT WAS NOT POPULAR DOMESTICALLY FOR ARABS TO TALK ABOUT PEACE WITH ISRAEL. EVEN MUBARAK FOUND THAT IT SERVED HIS INTERESTS TO SAY THAT HE SUPPORTED THE PLO EVEN THOUGH HE DID NOT LIKE THEM. THE SAME WAS TRUE OF ASAD AND KING HUSSEIN.

10. SHAMIR ACCEPTED THAT HIS PLAN WAS NOT EASY TO IMPLEMENT. BUT IT WAS BASED ON THE CAMP DAVID ACCORD AND SERVED AS A GOOD FRAMEWORK BECAUSE IT DID NOT REQUIRE THE ARABS TO TALK ABOUT A PERMANENT SOLUTION. IT ONLY PROPOSED THE WAY TO PROCEED TOWARDS A PEACEFUL SETTLEMENT. THE PLAN WOULD WORK IN TWO STAGES: FIRST THERE WOULD BE TALKS LEADING TO AUTONOMY AND ONLY THEN WOULD THERE BE NEGOTIATIONS ABOUT A PERMANENT SOLUTION. THE PLO COULD NOT PARTICIPATE IN THIS PROCESS BECAUSE THEY DID NOT WANT PEACE: THEIR REAL ASPIRATION WAS TO DESTROY ISRAEL. PLO SUPPORT FOR IRAQ FOR FURTHER PROOF OF THIS THE PLO SAW SADDAM HUSSEIN AS THE MAN WHO WOULD PUT AN END TO ISRAEL. BUT MANY PALESTINIANS UNDERSTOOD THAT THEY WOULD GET NOTHING FROM ISRAEL BY VIOLENCE, BUT THEY COULD GET A LOT THROUGH NEGOTIATION. HE ADDED THAT THE ISRAELIS WERE NOT GOOD NEGOTIATORS.

11. THE SECRETARY OF STATE SAID THAT ALTHOUGH THE SHAMIR PLAN WAS

BASED ON CAMP DAVID, THE FACT WAS THAT THIS PART OF CAMP DAVID HAD NOT WORKED. THE ARAB COUNTRIES WERE NOT PREPARED TO PRESS ON THE PALESTINIANS A PROCESS WHICH BEGAN FROM WHAT THEY REGARDED AS THE WRONG END - WHAT ISRAEL WAS PREPARED TO GRANT THE PALESTINIANS RATHER THAN THE SELF DETERMINATION WHICH THEY, AND WE, THOUGHT THE PALESTINIANS MUST HAVE. WE NEEDED TO FIND A WAY TO RECONCILE ISRAEL'S NEED FOR SECURITY WITH THE NEED OF THE PALESTINIANS FOR SELF DETERMINATION. HOWEVER UNSATISFACTORY THE PLO WERE, THEY STILL HAD SUBSTANTIAL SUPPORT.

12. SHAMIR SAID THAT IT WAS UNLIKELY THAT ANY ISRAELI GOVERNMENT WOULD DEVIATE FROM THE CAMP DAVID PRINCIPLES WHICH HAD RESULTED FROM COMPROMISE ON BOTH SIDES. RUBINSTEIN (CABINET SECRETARY) INTERJECTED THAT THE PALESTINIANS NEVER MISSED AN OPPORTUNITY TO MISS AN OPPORTUNITY. THIS WAS A HISTORIC PATTERN GOING BACK TO THE 1920S. IT WAS OPEN TO THE PALESHMNIANS TO SAY THAT THEY SHAMIR PLAN WAS NOT IDEAL BUT THAT THEY COULD BUILD ON IT. INSTEAD THEY WERE MISSING ANOTHER OPPORTUNITY BY EMPHASISING WHAT COULD NOT BE ACHIEVED RATHER THAN WHAT WAS FEASIBLE. THE INTIFADA WAS CONTINUING, BUT HALF OF ITS ENERGY WAS DEVOTED TO INTERNAL BATTLES. BRITAIN SHOULD TRY TO PERSUADE THE PALESTINIANS TO ACCEPT THE SHAMIR PLAN.

13. THE SECRETARY OF STATE SAID THE INTIFADA HAD CREATED BITTERNESS ON BOTH SIDES WHICH WOULD BE HARD TO ERADICATE. BUT IT WAS HARD TO SEE HOW IT COULD END. SHAMIR SAID THAT IT WOULD COME TO AN END. IN 1936-39 THERE HAD BEEN AN INTIFADA, BUT IT HAD PETERED OUT WITHOUT A RESULT. THE PRESENT INTIFADA WOULD BE OVERCOME. THE EUROPEANS SHOULD TRY TO CONVINCING THE PALESTINIANS TO TRY THE ISRAELI PLAN. THERE WAS EVEN SOME OPPOSITION TO THE SHAMIR PLAN IN THE ISRAELI CABINET. BUT IF THE PLAN WAS ACCEPTED THEY COULD LEAVE AND A GOVERNMENT OF NATIONAL UNITY MIGHT BE FORMED. BUT THE FIRST STEP WAS FOR THE EUROPEANS TO CONVINCING THE PALESTINIANS.

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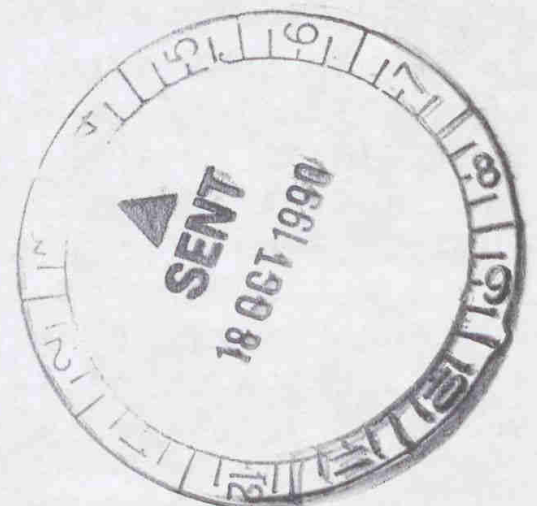
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