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OF 192358Z OCTOBER 90
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ARAB/ISRAEL
SUMMARY

1. AMERICANS REFLECTING ON POSSIBLE WAYS FORWARD ON THE ARAB/ISRAEL PROBLEM, CONCENTRATING IN THE FIRST INSTANCE ON RELATIONS BETWEEN ISRAEL AND THE ARAB STATES.

DETAIL

2. ROSS (STATE) LAID OUT CURRENT US THINKING ON THE ARAB/ISRAEL PROBLEM TO THE MINISTER ON 17 OCTOBER. HE SPOKE ON THE ASSUMPTION THAT SOME WAY COULD BE FOUND TO AVOID A US VETO OF A FURTHER SECURITY COUNCIL RESOLUTION ON THE SITUATION IN THE OTS. HE ACCEPTED THAT IT WAS URGENT TO DO WHAT WE COULD TO ERODE PALESTINIAN ADHERENCE TO SADDAM HUSSEIN. BUT WE HAD TO GET BEYOND PRESENT DIFFICULTIES BEFORE CONCRETE ACTION. HE DID NOT MEAN BY THAT THAT WE HAD TO WAIT UNTIL SADDAM HUSSEIN HAD LEFT KUWAIT, ONLY THAT IN THE PRESENT EMOTIONAL ATMOSPHERE IN ISRAEL FOLLOWING TEMPLE MOUNT WE WOULD GET NOWHERE IF WE TRIED TO PUSH MATTERS FORWARD TODAY. THE POSSIBILITIES MIGHT BE GREATER IN A FORTNIGHT OR SO.

3. THE AMERICANS, ROSS SAID, WOULD WANT TO FOLLOW UP BOTH AN EFFORT TO REVIVE THE POSSIBILITIES OF A DIRECT ISRAEL/PALESTINIAN DIALOGUE AND TO INDUCE MOVEMENT BETWEEN ISRAEL AND THE ARAB STATES. THE PALESTINIANS HAD TO BE SHOWN THERE WAS A CREDIBLE ALTERNATIVE TO SADDAM HUSSEIN AND THAT THE IRAQIS COULD NOT DELIVER FOR THEM. THERE WERE ALREADY SPLITS WITHIN THE PLO AND A FERMENT IN THE OTS WHICH COULD IN THE RIGHT CIRCUMSTANCES BE CHANNLED TOWARDS SUPPORT FOR A BETTER DIALOGUE. ROSS BELIEVED THAT THE ISRAELIS HAD DONE SOME THINKING THE AMERICANS COULD WORK WITH INCLUDING ON CONFIDENCE BUILDING MEASURES. BAKER HAD SPOKEN OF CBMS IN EGYPT, SAUDI ARABIA AND SYRIA AROUSING ENTHUSIASM, POLITE INTEREST AND NO REAL RESPONSE RESPECTIVELY. ASSAD PROBABLY WANTED TO KEEP HIS OPTIONS OPEN. BAKER HAD ALSO SUGGESTED THAT THE FACT OF THE ANTI SADDAM HUSSEIN COALITION OPENED UP NEW OPPORTUNITIES FOR PROGRESS ON THE ARAB/ISRAEL FRONT. ROSS COMMENTED THAT PROGRESS BETWEEN THE ARAB STATES AND ISRAEL WAS IMPORTANT NOT JUST IN THE

CONTEXT OF TRYING TO REVIVE A ISRAEL/PALESTINIAN DIALOGUE, BUT ALSO FOR FUTURE POSSIBILITIES OF A REGIONAL SECURITY STRUCTURE, ON WHICH I AM SENDING A SEPARATE TELEGRAM. THE FACT WAS THAT THE WEST COULD NOT SAY TO FRIENDLY ARABS THEY ACKNOWLEDGED ONE THREAT TO THOSE COUNTRIES WHILE AT THE SAME TIME REFUSING TO TAKE ACCOUNT OF THE REALITY OF TENSION BETWEEN ISRAEL AND THE WEST'S ARAB FRIENDS.

4. ROSS SAID THAT CONFIDENCE BUILDING MEASURES ADAPTED FROM EUROPEAN EXPERIENCE PROVIDED THE POTENTIAL FOR POLITICAL ENGAGEMENT AS WELL AS REASSURANCE ON THE SECURITY FRONT. IN THOSE CIRCUMSTANCES MORE AMBITIOUS IDEAS MIGHT BECOME PRACTICABLE OVER TIME. IN PRESENT CIRCUMSTANCES HOWEVER THE ISRAELI PEACE MOVEMENT HAD BEEN DESTROYED BY PLO ALIGNMENT TO SADDAM HUSSEIN WHICH IT HAD MADE IT IMPOSSIBLE FOR PEACENIKS TO ARGUE AGAINST THE ALLEGATION THAT THE PLO'S REAL AIM WAS THE DESTRUCTION OF ISRAEL. WE COULD HOWEVER BY NO MEANS LEAVE THINGS IN ABEYANCE WHILE WE DEALT WITH THE GULF. HE THOUGHT THERE WERE OPENINGS WITH THE ISRAELIS WHICH MIGHT BE EXPLOITED AT THE RIGHT TIME. FOR ALL THEIR DIFFICULTIES WITH SHAMIR, THE AMERICANS HAD TO FIGURE OUT A NEW WAY TO DEAL WITH THE ISRAELI GOVERNMENT. SOME OF THE FUSS ABOUT THE USE OF US FUNDS AND THE SETTLEMENT OF SOVIET REFUGEES WAS FALSE. WHEN IT CAME DOWN TO IT THE ISRAELIS HAD NO MONEY TO PROVIDE FOR INCENTIVES FOR SOVIET SETTLERS GOING BEYOND THE GREEN LINE. ALL THE AMERICANS HAD BEEN ASKING FOR WAS THAT THE GOVERNMENT SHOULD NOT ENCOURAGE SUCH SETTLEMENT. THE ISRAELIS WOULD BE BACK TO THE AMERICANS IN ANOTHER SIX MONTHS FOR MORE MONEY. BAKER HAD SAID HE WOULD JUDGE THEM BY WHAT THEY DID AT THAT STAGE, NOT BY WHAT THEY SAID. ROSS BEMOANED THE FACT THAT THE ISRAELI GOVERNMENT HAD BLINKERS ON WHICH MADE IT HARD FOR ISRAEL TO CONCENTRATE ON THEIR REAL INTERESTS, INCLUDING DEALING WITH SOVIET IMMIGRATION AND, ABOVE ALL, IRAQ.

COMMENT

5. ALTHOUGH WHAT ROSS HAD TO SAY WAS NOT VERY SPECIFIC WE CAN PERHAPS TAKE SOME ENCOURAGEMENT FROM THE FACT THAT THE AMERICANS ARE PREPARED TO CONTEMPLATE FURTHER ACTION ON THE ARAB/ISRAEL PROBLEM INCLUDING AN EVENTUAL RETURN TO THE IDEA OF AN ISRAELI/PALESTINIAN DIALOGUE. THEY HAVE BY THEIR STANDARDS BEEN TOUGH ON THE ISRAELIS IN THE SECURITY COUNCIL. THEY ARE INEVITABLY CONSCIOUS OF THE DIFFICULTY OF PERSUADING THE ISRAELI GOVERNMENT, PARTICULARLY IN PRESENT CIRCUMSTANCES, TO MAKE ANY MOVES TOWARDS THE PALESTINIANS. BUT, EQUALLY, THEY ARE ACUTELY CONSCIOUS OF THE DANGERS OF DOING NOTHING AND ARE DISPOSED TO SEE WHETHER SOME MOVEMENT CAN BE ACHIEVED BETWEEN ISRAEL AND THE

ARAB STATES. I SEE NO EVIDENCE TO SUGGEST THAT THE PRESIDENT'S LOWER RATINGS IN THE PUBLIC OPINION POLLS OR THE IMMINENCE OF THE MID-TERM ELECTIONS WILL AFFECT THIS STAND. TWO OF ROSS'S IDEAS WERE REFLECTED IN POINTS MADE TO YOU DURING YOUR VISIT TO ISRAEL FROM 15 - 18 OCTOBER (TEL AVIV TELNO. 380 PARAS. 6, LAST SENTENCE AND PARA. 8 REFER).

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