

ADVANCE COP

CONFIDENTIAL FM WASHINGTON TO IMMEDIATE FCO TEL NO 3051 OF 150127Z DECEMBER 90 INFO PRIORITY TEL AVIV, JERUSALEM, CAIRO, DAMASCUS INFO PRIORITY AMMAN, TUNIS, RIYADH, BAGHDAD, PARIS, MOSCOW

SHAMIR'S VISIT TO WASHINGTON: 11-13 DECEMBER

INFO PRIORITY UKMIS NEW YORK, ACTOR

SUMMARY

1. ADMINISTRATION CONSIDER SHAMIR VISIT A SUCCESS. ATMOSPHERE AND BROAD AGREEMENT OVER THE GULF. ADMINISTRATION PUT DOWN MARKERS ON PEACE PROCESS AND ISRAELI PRACTICES IN OCCUPIED TERRITORIES.

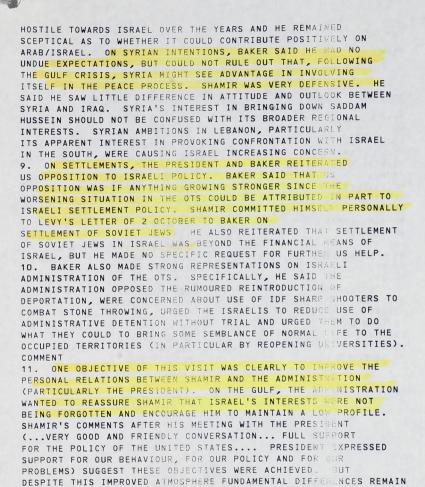
DETAIL

- WE HAVE SPOKEN TO STATE DEPARTMENT (KURTZER, DAS/NEA) AND WELCH (NSC) ABOUT PRIME MINISTER SHAMIR'S VISIT TO WASHINGTON.
- 3. SHAMIR'S MAIN MEETINGS WERE WITH THE PRESIDENT AND CHENEY ON 11 DECEMBER AND BAKER ON 13 DECEMBER. BOTH KURTZER AND WELCH THOUGHT THAT THE VISIT HAD GONE WELL. ALTHOUGH ALL SUBJECTS HAD BEEN COVERED, THE AREAS OF AGREEMENT ON THE MAIN ISSUE OF THE DAY, THE GULF CRISIS, HAD BEEN SUFFICIENT TO OVERSHADOW DIFFERENCES ON THE PEACE PROCESS AND THE OCCUPIED TERRITORIES.
- 4. ON THE GULF CRISIS, THE PRESIDENT TOLD SHAMIR THAT HE WAS DETERMINED TO ACHIEVE AN OUTCOME IN ACCORDANCE WITH UN SECURITY COUNCIL RESOLUTIONS. NONE OF THE ADMINISTRATION'S RECENT MOVES - HIGH LEVEL DIALOGUE, CLOSING OF THE KUWAIT EMBASSY ETC - WERE TO BE SEEN AS ANY DIMINUTION OF THIS. US DID NOT INTEND TO GET DRAWN INTO NEGOTIATIONS WITH IRAQ. AND REMAINED FIRMLY AGAINST ANY LINKAGE WITH THE ARAB/ISRAEL DISPUTE. THE PRESIDENT SAID THAT ISRAEL'S LOW PROFILE WAS CONTRIBUTING TO THE ACHIEVEMENT OF THESE GOALS AND WAS ALSO

PAGE CONFIDENTIAL IN ISRAEL'S OWN INTEREST. SHAMIR APPARENTLY ACCEPTED THIS AND SAID HE WOULD SUPPORT THE ADMINISTRATION IN WHATEVER IT CHOSE TO DO TO RESOLVE THE CRISIS.

- 5. THERE WAS A GENERAL EXCHANGE ON THE POST-CRISIS ENVIRONMENT. THE PRESLDENT SAID THAT, ALTHOUGH A RETURN TO THE STATUS QUO ANTE WOULD MEET THE SECURITY COUNCIL RESOLUTIONS, IT WOULD NOT RESOLVE THE UNDERLYING CAUSES OF THE CRISIS. SHAMIR AGREED ON THE NEED TO TACKLE REGIONAL SECURITY AND ARMS CONTROL. HE EMPHASISED THE IMPORTANCE OF CONTROLLING IRAQ'S NON CONVENTIONAL WEAPONS AND MAINTAINING SANCTIONS BUT DID NOT GO INTO DETAIL ON HOW THIS MIGHT BE ACHIEVED.
- 6. THE PRESIDENT TOLD SHAMIR THAT IT WAS IN THE COLLECTIVE
 INTEREST THAT THE UNITED STATES SHOULD PROVIDE ARMS TO MODERATE
 ARAB STATES FOR THEIR SELF DEFENCE. SHAMIR DID NOT DISPUTE
 THE PRINCIPLE BUT EXPRESSED CONCERN ABOUT THE SIZE OF RECENT
 AND UPCOMING ARMS SALES (PARTICULARLY TO SAUDI ARABIA) AND
 THE RISK OF DIVERSION. THE PRESIDENT (AND IN MORE DETAIL
 CHENEY) REPEATED US COMMITMENTS TO ISRAEL SECURITY AND ITS
 MILITARY QUALITATIVE EDGE IN THE REGION.
- 7. THE PRESIDENT TOLD SHAMIR THAT THE ADMINISTRATION WOULD WANT TO SEE EARLY MOVEMENT ON THE PEACE PROCESS ONCE THE GULF CRISIS WAS RESOLVED. BAKER WENT OVER THIS GROUND IN MORE DETAIL AND, ACCORDING TO KURTZER, IN FAIRLY BLUNT TERMS. BAKER NOTED THAT, FOR A PERIOD OF A YEAR, THE ADMINISTRATION HAD THOUGHT PROGRESS WAS BEING MADE TOWARDS AN ISRAELI-PALESTINIAN DIALOGUE BUT THAT WHEN THE TIME CAME THE ISRAELI GOVERNMENT HAD BEEN UNABLE TO TAKE A DECISION. HE SUGGESTED THAT THE ISRAELIS SHOULD BE GIVING THOUGHT TO HOW THE PROCESS MIGHT BE RESUMED AND, TO THE EXTENT POSSIBLE, MAKING DECISIONS IN ADVANCE RATHER THAN STAVING THEM OFF. WHEN BAKER SUGGESTED THAT NEW IDEAS WERE REQUIRED, SHAMIR RESPONDED DEFENSIVELY THAT THE ISRAELIS STILL HAD A PERFECTLY GOOD PEACE PROPOSAL ON THE TABLE - THEIR FOUR POINTS OF MAY 1989. BAKER SAID THAT AN ADMINISTRATION TEAM LED BY ROSS WOULD VISIT ISRAEL IN THE NEXT FEW WEEKS TO TALK THROUGH POSSIBLE WAYS FORWARD.
- 8. BAKER SUGGESTED TO SHAMIR THAT THE ISRAELIS SHOULD KEEP
 AN OPEN MIND ON THREE POINTS: SOVIET INVOLVEMENT, A ROLE
 FOR THE UN AND SYRIAN INTENTIONS. BAKER NOTED THAT THE
 HELPFUL AND CONSTRUCTIVE PERFORMANCE OF THE SOVIET UNION AND
 THE UNITED NATIONS IN THE GULF CRISIS MEANT THAT ISRAEL COULD
 NO LONGER DISMISS OUT OF HAND THEIR INVOLVEMENT IN THE ARAB/
 ISRAEL DISPUTE. SHAMIR ACKNOWLEDGED THE ROLE OF THE UN IN
 THE GULF CRISIS, BUT SAID THAT IT HAD BECOME INCREASINGLY

PAGE 2
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PAGE 3
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MR PRIDDLE, DEPT OF ENERGY MR APPLEYARD CABINET OFFICE (BY TUBE H29) MR W D REEVES CABINET OFFICE (BY TUBE H29) MR D J GOWAN CABINET OFFICE (BY TUBE H29) MR BARRASS, CARENET OFFICE (BY TUBE H29) PS/NUMBER 10 DOWNING ST SIR P CRADOCK, 10 DOWNING ST CABINET OFFICE DIO (BY TUBE H29) SIR ROBIN BUTLER, CAB OFFICE

MR LS SMITH BANK ENGLAND MR WICKS HMT EMERGENCY UNIT (PASSED)

RESIDENT CLERK

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PAGE 4 CONFIDENTIAL

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