

MIDDLE EAST: ADVANCE COPIES 16

TYPISTS 660930Z

IMMEDIATE ADVANCE COPY

PS
PS/MR HURD
PS/PUS
SIR J LEAHY
MR ~~EGERTON~~
SIR J BULLARD
HD/NENAD
HD/MED
HD/UND

NO 10 DOWNING STREET

CABINET OFFICE D10

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CONFIDENTIAL

DESKBY FCO 060930Z
FROM TEL AVIV 060810Z MAY 83
TO IMMEDIATE FCO
TELNO 136 OF 6 MAY 1983
INFO PRIORITY AMMAN, BEIRUT, CAIRO, DAMASCUS, WASHINGTON, JEDDA,
JERUSALEM AND MODUK.
INFO SAVING OTHER MIDDLE EAST POSTS, UKMIS NEW YORK, PARIS AND ROME.

MY TELNO 135: ISRAEL/LEBANON

1. WITH AGREEMENT NOW IN THE BALANCE, EVENTS SINCE MR SHULTZ ARRIVED IN THE AREA HAVE BROUGHT OUT MORE CLEARLY THAN EVER THE FOLLOWING IMPLICATIONS FOR ISRAEL:

(A) THE BASIC DILEMMA FACING MR BEGIN AND HIS COLLEAGUES: HOW TO EXTRICATE THEMSELVES FROM LEBANON ON TERMS WHICH WILL NOT ONLY PROVIDE REASONABLE ASSURANCE OF SECURITY BUT WILL BE SEEN BY ISRAELIS GENERALLY AND THE OPPOSITION IN PARTICULAR AS AN IMPROVEMENT ON PRE-JUNE 1982. IT HAS BEEN MY VIEW ALL ALONG THAT ONLY A FEW PEOPLE HERE HANKER AFTER A PERMANENT ISRAELI PRESENCE IN LEBANON. MOST ISRAELIS WANT TO GET OUT IF THEY CAN, AND THIS I BELIEVE GOES FOR A MAJORITY OF THE GOVERNMENT, ALL THE MORE SO IN VIEW OF THE STEADY TRICKLE OF CASUALTIES WHICH THE IDF IS TAKING ALMOST DAILY:

(B) AGREEMENT WITH LEBANON IS ONE THING, ACTUAL WITHDRAWAL QUITE ANOTHER. EVEN AFTER SIGNATURE, THE RISK OF MILITARY CONFRONTATION WILL CONTINUE AND MAY PARADOXICALLY BE GREATER IF WITHDRAWAL SEEMS TO BE BLOCKED IN DAMASCUS ONCE THE ISRAELIS HAVE DEMONSTRATED THAT THEY ARE WILLING TO LEAVE ON AGREED TERMS. BUT IN THOSE CIRCUMSTANCES ISRAELI OFFICIALS ARE CLEAR THAT ISRAEL WILL BE BETTER OFF WITH AN AGREEMENT THAN WITHOUT ONE SEMICOLON

(C) THE KEY ROLE OF THE SYRIANS. WHEN I SPOKE BRIEFLY TO MR SHULTZ AT YESTERDAY EVENING'S INAUGURATION OF THE NEW PRESIDENT, HE SAID IT WAS STILL UNCERTAIN HOW FAR THE SYRIANS INTENDED TO PUSH THEIR OPPOSITION TO AN AGREEMENT ALTHOUGH YESTERDAY'S SHELLING NEAR BEIRUT (WHICH HE ASSUMED TO BE SYRIAN-INSPIRED) WAS NOT ENCOURAGING. HE HOPED TO HAVE A BETTER IDEA OF THE SYRIAN POSITION

NEAR BEIRUT (WHICH HE ASSUMED TO BE SYRIAN-INSPIRED) WAS NOT ENCOURAGING. HE HOPED TO HAVE A BETTER IDEA OF THE SYRIAN POSITION WHEN HE VISITED DAMASCUS BEFORE GOING ON TO PARIS. ASSAD'S TALKS IN RIYADH WOULD ALSO HAVE BEEN IMPORTANT.

2. I WAS TOLD AT THE FOREIGN MINISTRY YESTERDAY THAT ISRAELI NEGOTIATORS WERE STILL SEEKING IMPROVEMENTS ON SEVERAL POINTS IN THE TEXT WHICH MR SHULTZ BROUGHT BACK FROM BEIRUT ON THURSDAY BEFORE IT IS CONSIDERED BY THE ISRAELI CABINET TODAY. BUT I FEAR IT MAY BE HOPING TOO MUCH THAT THE CABINET WILL ACTUALLY ENDORSE A TEXT WITHOUT FURTHER ADO. NOR IS THE DEVICE OF SIDE LETTERS FOR THE MOST CONTROVERSIAL POINTS LIKELY TO GO FAR IN MASKING DIFFERENCES OF SUBSTANCE.

3. ACCORDING TO THE MINISTER/COUNSELLOR AT THE US EMBASSY YESTERDAY, THE DRAFT AGREEMENT DEALS WITH THE MAIN OUTSTANDING ISSUES AS FOLLOWS (ALTHOUGH FLATEN SAID HE HAD NOT SEEN ALL THE FINAL FORMULAE):

- A) HADDAD WOULD NOT BE MENTIONED IN THE AGREEMENT NOR IN ANY OF THE ANNEXES. THERE WAS AN UNDERSTANDING NEARER TO THE LEBANESE THAN THE ISRAELI POSITION (IE DEPUTY COMMANDER OF THE SOUTHERN BRIGADE WITH SPECIAL RESPONSIBILITIES FOR INTELLIGENCE OR SOMETHING SIMILAR) SEMICOLON
- B) OPERATIONAL CENTRES WOULD PROBABLY BE LIMITED TO TWO. UP TO 8 JOINT SUPERVISORY TEAMS, EACH WITH LEBANESE AND UP TO TEN IDF, WOULD OPERATE IN SOUTH LEBANON AT ANY ONE TIME. THERE WAS AN UNWRITTEN UNDERSTANDING THAT LEBANESE ARMY OFFICERS IN SOUTH LEBANON WOULD BE INDIVIDUALLY ACCEPTABLE TO ISRAEL SEMICOLON
- C) INTELLIGENCE. FLATEN PRESUMED THAT COVERT INTELLIGENCE COOPERATION WOULD CONTINUE, AS NO DOUBT WOULD THE PRESENCE OF ISRAELI ADVISERS SEMICOLON
- D) UNIFIL. THERE WAS A FORMULA GIVING THE LEBANESE ARMY PRIME RESPONSIBILITY FOR PROTECTING THE PALESTINIAN CAMPS, WITH UNIFIL IN A BACKUP ROLE SEMICOLON
- E) HOT PURSUIT. THIS WAS ACCEPTED BY THE LEBANESE. FLATEN DID NOT KNOW WHETHER THERE WOULD BE SPECIFIC REFERENCE TO THE CONCEPT OR TO THE NORMS OF INTERNATIONAL LAW SEMICOLON
- F) MOVEMENT OF PERSONS. VISAS WOULD BE REQUIRED SEMICOLON
- G) MOVEMENT OF GOODS. THE FINAL FORMULA WAS NEAR THE LATEST LEBANESE POSITION, IE NO IMPORTS FROM ISRAEL OF GOODS PRODUCED AND EXPORTED BY LEBANON SEMICOLON
- F) DIPLOMATIC OFFICES. THERE WAS PROTOCOL ON RIGHTS AND PRIVILEGES. DOUBTFUL IF THE ISRAELI OFFICE IN BEIRUT WOULD BE CALLED "DIPLOMATIC". THE LEBANESE WOULD NOT ESTABLISH AN OFFICE IN JERUSALEM SEMICOLON
- G) SIGNATURE. THE AGREEMENT WAS LIKELY TO BE SIGNED BY MEMBERS OF THE NEGOTIATING TEAM RATHER THAN FOREIGN MINISTERS.

4. FLATEN WAS EMPHATIC THAT SHULTZ HAD RULED OUT THE IDEA (PARAGRAPH 3 OF WASHINGTON TELEGRAM NO 1198) THAT IF ALL ELSE FAILED THE AMERICANS MIGHT PROPOSE AND EXPANSION OF THE MULTINATIONAL FORCE AND ITS DEPLOYMENT TO SOUTH LEBANON. I AM NOT SURE IN ANY CASE THAT THIS WOULD AMOUNT TO CALLING MR BEGIN'S BLUFF. THE ISRAELIS HAVE HITHERTO BEEN ADAMANT THAT THEY COULD NOT RELY ON OUTSIDERS TO KEEP SOUTHERN LEBANON CLEAR OF PLO INFILTRATORS.

5. FCO PASS SAVING ADDRESSEES.

MOBERLY