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CONFIDENTIAL

FM FCO

TO IMMEDIATE WASHINGTON

TELNO 1953

OF 061235Z DECEMBER 85

INFO IMMEDIATE AMMAN, CAIRO, TEL AVIV

INFO PRIORITY BAGHDAD, JERUSALEM, TUNIS, ALGIERS, BEIRUT, MOSCOW

INFO PRIORITY UKMIS NEW YORK, DAMASCUS, RIYADH

DISCUSSIONS WITH MR RICHARD MURPHY: ARAB/ISRAEL

SUMMARY

1. MURPHY REVIEWED DEVELOPMENTS AND GAVE AN ACCOUNT OF HIS RECENT MEETINGS IN THE REGION. HE STRESSED KING HUSSEIN'S DETERMINATION TO CONTINUE HIS INITIATIVE, CONCENTRATING ON SETTING UP AN INTERNATIONAL FRAMEWORK, AND PERES' DESIRE, DESPITE THE OBSTACLES, TO BREAK THE COALITION BY FEBRUARY. NO HINT OF US READINESS TO PLAY A MORE ACTIVE ROLE. BRIEF DISCUSSIONS OF LEBANON AND EGYPT/LIBYA.

2. MURPHY, ACCOMPANIED BY CLUVERIUS AND BY SEITZ AND MS RAPHEL

1 CONFIDENTIAL (US EMBASSY) HAD A BRIEF TALK ON 6 DECEMBER WITH MR RENTON AND A LONGER DISCUSSION WITH OFFICIALS. THE FOLLOWING SUMMARISES THE MAIN POINTS OF INTEREST ON ARAB/ISRAEL.

- 3. MURPHY NOTED THAT IN KING HUSSEIN'S ORIGINAL FOUR-STAGE PROGRAMME THE PRINCIPLE OF PRE-MEETINGS CAUSED THE AMERICANS MORE DIFFICULTY THAN THE PALESTINIAN NAMES PROPOSED. SHULTZ OPPOSED A US/PLO DIALOGUE WHICH MIGHT LEAD NOWHERE. THE SUMMER AND THE AUTUMN OF THIS 'YEAR OF OPPORTUNITY' HAD THEREFORE BEEN 'LOST'. TERRORIST INCIDENTS AND THE ABORTED LONDON MEETING SUPPORTED ARGUMENTS FOR CAUTION. SUMMIT DISCUSSION ON THE MIDDLE EAST (TO ARAB DISAPPOINTMENT) HAD CONSISTED ONLY OF A TWO SENTENCE EXCHANGE ON STANDARD LINES BETWEEN FOREIGN MINISTERS (INITIATED BY SHULTZ).
- 4. MURPHY THEN SPOKE OF HIS RECENT DISCUSSIONS WITH LEADERS IN THE REGION. HUSSEIN REMAINED CONVINCED HE COULD 'MASTER' ARAFAT AND DID NOT WISH HIM TO BE FURTHE RWEAKENED. HE FAVOURED SOVIET PARTICIPATION IN AN INTERNATIONAL FRAMEWORK TO AVOID SUPER-POWER POLARISATION. JORDAN WOULD TAKE THE LEAD IN HANDLING SYRIA, BUT IT WAS FOR THE AMERICANS TO DEAL PRIMARILY WITH THE SOVIETS.BOTH SHOULD BE INVITED SERIOUSLY TO PARTICIPATE, ALTHOUGH IF THEY DECLINED TO DO SO, MATTERS COULD PROCEED WITHOUT THEM. AFTER SOME MISGIVINGS ABOUT RIFAI'S PERFORMANCE IN DAMASCUS, THE KING HAD DECIDED TO ACCELERATE THE PACE OF JORDAN/SYRIA NEGOTIATIONS. KASM WAS TO VISIT AMMAN THE FOLLOWING WEEK WITH A SUMMIT IN PROSPECT IN DAMASCUS BEFORE THE END OF THE MONTH.
- 5. MUBARAK WAS SHOWING A LITTLE MORE SENSITIVITY TO JORDANIAN CONCERN ABOUT EGYPTIAN ACTIONS. HIS TONE WAS NOT AS STRIDENT AS BEFORE BUT EGYPT FELT THAT IT HAD AN IMPORTANT ROLE TO PLAY IN HANDLING ARAFAT AND THE PLO. THE SAUDIS WERE SATISFIED AT THE COURSE OF RECONCILIATION TALKS AND THEIR ROLE IN FOSTERING ARABUNITY. THE SYRIANS WERE CONTENT WITH JORDANIAN PUBLIC REJECTION OF PARTIAL SOLUTIONS; BUT PUZZLED AT THEIR OWN INABILITY TO IMPOSE THEIR WILL IN LEBANON. THEY BADLY NEEDED SAUDI CASH, BUT RETAINED THE POTENTIAL TO CAUSE JORDAN PROBLEMS ON THE PEACE PROCESS. THE PLO WERE IN DISARRAY. ARAFAT WAS TO VISIT AMMAN ON 7/8 DECEMBER AND HUSSEIN EXPECTED CLEAR ANSWERS ON SCRS 242 AND

338, RENUNCIATION OF VIOLENCE AND READINESS TO NEGOTIATE WITH ISRAEL. HUSSEIN WOULD NOT SAY WHAT HE HAD IN MIND IF THESE WERE NOT FORTHCOMING (AS SEEMED LIKELY) BUT HAD SPOKEN IN OCTOBER OF SEEING NO SHORT TERM ALTERNATIVE TO THE PLO AS A NEGOTIATING PARTNER.

THE AMERICANS EXPECTED THE ISRAELI COALITION TO COLLAPSE, BUT TIME WAS PRESSING IF PERES WAS TO ENGINEER THIS TO HIS OWN ADVANTAGE. IF THE ROTATION WERE TO TAKE PLACE NEXT OCTOBER HE WOULD, AS FOREIGN MINISTER, LOSE PROMINENCE TO THE ADVANTAGE OF RABIN. PERES HESITATED BETWEEN USING PROGRESS ON ARAB/ISRAEL OR ISRAEL/EGYPT RELATIONS, NEEDING A REAL ISSUE TO JUSTIFY BREAKING THE COALITION, AND TO REBUTACCUSATIONS OF CYNICAL SELF-SEEKING IN DOING SO.PROSPECTS ON TABA LOOKED BETTER THEN BEFORE THE TUNIS RAID. PERES WANTED THE BACK-STAGE DIALOGUE WITH HUSSEIN TO COME TO THE FORE, BUT ALTHOUGH THE ATMOSPHERE WAS GOOD IT LACKED SUBSTANCE. SOME LIMITED PROGRESS ON THE ECONOMY HAD

7. ON PROSPECTS, MURPHY SAID THAT MANY OF KING HUSSEIN'S ADVISERS WERE BEMUSED AT ELECTORAL DEVELOPMENTS IN ISRAEL AND FELT UNABLE TO DO MORE THAN SIT BACK AND AWAIT EVENTS, BUT THE KING REMAINED DETERMINED TO MAKE PROGRESS. RIFAI PROBABLY FAVOURED DEVELOPING THE RAPPROCHEMENT WITH SYRIA. JORDAN NEEDED SAUDI CASH AND COULD PROBABLY OBTAIN IT BY A JOINT APPROACH WITH THE PLO. BUT A JOINT JORDANIAN/SYRIAN PROGRAMME WOULD GUARANTEE SAUDI SUPPORT. QUESTIONED ON HOW REALISTIC IT WAS TO ENVISAGE SYRIA PLAYING A POSITIVE ROLE IN AN INTERNATIONAL FRAMEWORK, MURPHY POINTED TO THE 1973 PRECEDENT, BY WHICH JORDAN HOPED PERHAPS TO BE ABLE (WITH SYRIAN AGREEMENT) TO REPRESENT SYRIAN INTERESTS. MURPHY EXPECTED AN AMBIGUOUS PLO RESPONSE TO THE JORDANIANS. HUSSEIN COULD MOVE WITHOUT THE PLO, BUT ONLY WITH A GUARANTEE OF ISRAEL RETURNING ALL THE TERRITORY OCCUPIED IN 1967. BUT, LOOKED AT REALISTICALLY, CONCESSIONS WOULD HAVE TO BE MADE AND THESE HE COULD ONLY CONTEMPLATE IN PARTNERSHIP WITH THE PLO. A JOINT DELEGATION INCLUDING PALESTINIANS NOMINATED BY THE PLO BUT NOT PROMINENT WITHIN IT, APPEARED TO CONTINUE TO OFFER THE BEST CHANCE OF PROGRESS.

8. THERE FOLLOWED AN EXCHANGE ON IRAQI VIEWS. WE NOTED INCREASED IRAQI INTEREST IN ARAB/ISRAEL, PERHAPS A REACTION TO NERVOUSNESS ABOUT SYRIA/JORDAN RELATIONS. THE IRAQIS ARGUED AGAINST ATTEMPTING TO PUT PRESSURE ON ARAFAT WHICH WOULD IN THEIR VIEW IN ANY CASE BE FUTILE. THEY WOULD BE UNWILLING AFTER THE EXPERIENCE OF THE ISRAELI RAID ON THEIR NUCLEAR REACTORTO OFFER A PERMANENT HOME TO THE PLO, BUT PALESTINIANS WERE FREER TO COME AND GO AND MORE PALESTINIAN ACTIVITY COULD TAKE PLACE IN IRAQ. THE IRAQI INITIATIVE ON MESSAGES TO THE UNITED STATES BEFORE GENEVA HAD BEEN UNSUBTLE. IRAQI CONCERNS ABOUT EGYPTIAN STABILITY COULD STEM FROM NERVOUSNESS ABOUT A POSSIBLE FUNDAMENTALIST TAKEOVER IN CAIRO ON THE IRANIAN MODEL. 9. ON LEBANON, MURPHY SAID THAT THE ISRAELIS REGARDED THE SECURITY ZONE AS A SUCCESS AND INDEED MORE EFFECTIVE THAN EXPECTED. THEY FAILED TO ACCEPT THE ARGUMENT THAT IN THE LONGER TERM IT OFFERED A MAJOR TARGET, PARTICULARLY FOR THE SYRIANS. . THE LATEST SUICIDE BOMBER HAD BEEN A SYRIAN GIRL AND HER SACRIFICE HAD BEEN FETED IN DAMASCUS. WE AGREED THAT THE SITUATION IN THE SOUTH WAS UNSTABLE IF NOT PERHAPS QUITE AS POTENTIALLY EXPLOSIVE AS URQUHART MAINTAINED. THE AMERICANS HAD WARNED THE SYRIANS THAT THE NEW IRANIAN AMBASSADOR PROPOSED FOR BEIRUT WOULD POSE A THREAT TO SYRIAN INTERESTS AND HOPED THAT THE APPOINTMENT WOULD NOT BE PERMITTED. MURPHY HAD ALSO REJECTED CLAIMS THAT THE US WERE BLOCKING SYRIAN RECONCILIATION PLANS IN LEBANON NOTING THAT HOBEIKA WAS USING THIS LINE IN AN ATTEMPT TO COVER HIS OWN POLITICAL MISTAKES.

10. THE POSSIBILITY OF EGYPTIAN MILITARY ACTION AGAINST LIBYA WAS NOTED BUT WE AGREED THAT EGYPTIAN MILITARY OPTIONS WERE LIMITED AND EXILE GROUPS DID NOT INSPIRE CONFIDENCE AS A CHANNEL FOR COVERT ACTION. A HALF HEARTED OR UNSUCCESSFUL OPERATION AGAINST QADHAFI WOULD PREJUDICE EGYPTIAN RE-EMERGENCE IN THE ARAB WORLD ALTHOUGH A SUCCESSFUL ONE COULD ENHANCE THE PROSPECTS FOR REINTEGRATION.

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