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MR RENTON'S VISIT: CALL ON ISRAELI PRIME MINISTER

SUMMARY

1. USEFUL MEETING. PERES DETERMINED TO PRESS ON WITH THE PEACE PROCESS, BUT LOOKING TO KING HUSSEIN TO MAKE UP HIS MIND. FULLY-FLEDGED INTERNATIONAL CONFERENCE A NON-STARTER, BUT OPEN TO SOVIET/SYRIAN PARTICIPATION ON ISRAELI (AND US) TERMS. NO ILLUSIONS ON SYRIAN PRIORITIES BUT READINESS TO COOPERATE WITH ASSAD BEHIND THE SCENES. FIRM SUPPORT FOR STRENGTHENING THE KING'S HAND.

DETAIL

2. MR RENTON HAD A USEFUL UNSCHEDULED 45 MINUTE MEETING WITH THE ISRAELI PRIME MINISTER ON 16 DECEMBER. PERES WAS IN WELCOMING AND REFLECTIVE MOOD, LOOKING FORWARD, AS HE PUT IT, TO CONTINUING DISCUSSIONS HE HAD WITH THE PRIME MINISTER AT THE UNGA WHEN HE CAME TO LONDON NEXT MONTH.

3. ON THE PEACE PROCESS, PERES SAID HE WAS IN THE CAMP OF THE OPTIMISTS (''WHAT IS THE POINT OF BEING A PESSIMIST?''). IMPROVED BILATERAL RELATIONS WITH EGYPT WAS IMPORTANT AS A MODEL ELSEWHERE IN THE REGION. ON THE JORDANIAN SIDE, THE KING HAD BEEN MORE OPTIMISTIC ABOUT THE ABILITY OF THE PLO TO MOVE FORWARD THAN HE HAD. BUT PERES SAID HE WAS DETERMINED TO PERSEVERE DESPITE COALITION DIFFICULTIES.

4. ON PALESTINIAN REPRESENTATION PERES SUGGESTED THAT THE KING SHOULD BACK AUTHENTIC REPRESENTATIVES AND MOVE AWAY FROM THE PLO.

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HE WAS SURE THAT OTHERS WOULD FOLLOW SUCH A LEAD. AS SHULTZ HAD MADE CLEAR IN LONDON RECENTLY, THE US VIEW OF THE PLO WAS CLOSER TO ISRAEL THAN TO THE KING. ARAFAT SEEMED TO THINK THAT, THE MILITARY OPTION HAVING FAILED, HE SHOULD NOW PURSUE DIPLOMATIC ACTIVITY BUT WITHOUT TAKING DIPLOMATIC DECISIONS. THIS WAS NO WAY TO MAKE PROGRESS.

5. ON THE INTERNATIONAL CONFERENCE, PERES SAID HE HAD TRIED TO HELP THE KING BY HIS POSITIVE REFERENCES AT NEW YORK TO A POSSIBLE INTERNATIONAL FORUM. HE COULD NOT HOWEVER ALTER THE UNDERSTANDING HE BELIEVED HE HAD REACHED WITH THE US, EGYPT AND JORDAN, WHEREBY THE FORUM WOULD SIMPLY PROVIDE COVER AND GENERAL SUPPORT FOR DIRECT NEGOTIATIONS, ON A BILATERAL BASIS, BETWEEN THE VARIOUS PARTIES CONCERNED. ISRAEL HAD NO CLEAR VIEW AS TO WHICH MEMBERS OF THE SECURITY COUNCIL SHOULD ATTEND. THE SOVIET UNION, HE BELIEVED, WOULD BE HAPPY WITH JUST THEMSELVES AND THE AMERICANS.

6. IN UNOFFICIAL CONTACTS WITH THE ISRAELI GOVERNMENT, THE RUSSIANS HAD INDICATED THAT THEY MIGHT BE READY TO CONSIDER OPENING DIPLOMATIC RELATIONS WITH ISRAEL, AND RESUMING JEWISH EMIGRATION TO ISRAEL BUT NOT TO THE US. EVERYTHING HAD BEEN PUT ON ICE PENDING THE OUTCOME OF THE GENEVA SUMMIT. THEY HAD ALSO MADE CLEAR THAT ANY GREATER SOVIET INVOLVEMENT IN THE REGION WOULD HAVE TO TAKE CAREFUL ACCOUNT OF THE EVOLVING BILATERAL RELATIONSHIP WITH THE US. NOR WOULD THE RUSSIANS WISH TO UPSET THE FOUR "PILLARS" OF THEIR PRESENCE IN THE MIDDLE EAST - SYRIA, LIBYA, ETHIOPIA, PDRY. (THEY HAD MADE CLEAR THE PARTICULAR IMPORTANCE ATTACHED TO SYRIAN REQUIREMENTS ON GOLAN.) PERES COMMENTED THAT THE GENEVA SUMMIT WAS NOW OVER, BUT NOTHING MUCH WAS HAPPENING. INEVITABLY, US PERCEPTIONS OF RUSSIAN POLICY WERE MARKED BY CONTINUING DISTRUST. A NUMBER OF IDEAS WERE STILL UNDER CONSIDERATION.

7. ASKED ABOUT THE TIMING OF THE NEXT MOVES, PERES THOUGHT THE KING OPERATED BETWEEN THE TWO POLES OF THE ROTATION OF THE ISRAELI PREMIERSHIP AND THE PERES SPEECH AT THE UNGA. THE KING HAD MISREAD THE SIGNS IN TWO WAYS. FIRST, HE HAD ALLOWED THE TIMETABLE TO SLIP, BELIEVING THAT THE ARAB SIDE COULD MOVE WHEN THEY WISHED, AND OVERESTIMATING PERES FREEDOM OF ACTION AND ISRAELI FLEXIBILITY FOLLOWING THE UNGA SPEECH. SECONDLY, THE KING HAD PLACED TOO MUCH FAITH IN THE ABILITY AND WILLINGNESS OF THE US TO DELIVER THE SOVIET UNION. JORDAN AND EGYPT WERE NOW URGING THE USSR TO RESTORE DIPLOMATIC RELATIONS WITH ISRAEL EXCLAIM IT WAS UP TO THE KING TO MAKE THE NEXT MOVE. THE DANGER WAS THAT, THE CLOSER

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HE MOVED TO THE SYRIAN POSITION ON THE INTERNATIONAL CONFERENCE, THE FURTHER HE MOVED FROM THE POSITION HE HAD PREVIOUSLY AGREED WITH THE ISRAELIS (AMONGST OTHERS).

8. ON THE SYRIAN POSITION, PERES THOUGHT ASSAD AIMED TO DESTROY THE HUSSEIN/ARAFAT AGREEMENT OF 11 FEBRUARY, TO END HIS OWN ISOLATION IN THE ARAB WORLD, AND TO RESOLVE HIS INTERNAL DIFFICULTIES RELATED TO THE SUCCESSION. MURPHY HAD PUT A NUMBER OF SUGGESTIONS TO THE SYRIANS ON BEHALF OF THE LIMITED AMOUNT OF TACIT COOPERATION WHICH ALREADY EXISTED BETWEEN THE TWO COUNTRIES, EG IN SOUTH LEBANON. INITIAL REACTIONS HAD BEEN CONSTRUCTIVE, BUT A SUBSEQUENT SESSION HAD BEEN LESS POSITIVE. ON THE INTERNATIONAL CONFERENCE THE SYRIANS KNEW THAT THEIR POSITION WAS A NON-STARTER FOR ISRAEL. PERES CONCLUDED THAT ASSAD'S MAIN PRIORITIES REMAINED (A) REGIONAL HEGEMONY AND (B) STRATEGIC BALANCE WITH ISRAEL. HE WOULD ONLY CONSIDER THE PEACE PROCESS AND OTHER OPTIONS IN THE LIGHT OF PROGRESS ON THESE TWO FRONTS.

9. ANALYSING THE RECENT JORDANIAN OVERTURES TO SYRIA, PERES COMMENTED THAT NEITHER COUNTRY HAD BEEN UNABLE TO RESIST SAUDI (FINANCIAL) PRESSURE TO RESTORE CONTACT. IN ADDITION, THE KING HAD WISHED TO SEND AN CLEAR SIGNAL TO ARAFAT. THIRDLY, ZAID RIFA'I HAD PROBABLY MOVED AHEAD OF HIS KING. PERES FIRMLY STATED THAT KING HUSSEIN WAS THE BEST CANDIDATE AVAILABLE TO CONTINUE THE PEACE PROCESS, AND THAT HIS FRIENDS SHOULD STRENGTHEN HIS HAND IN WHATEVER WAY THEY COULD. HIS OWN VIEW WAS THAT THE KING SHOULD NOW DECIDE TO TAKE THE NON-PLO PATH. IF HE CAME FORWARD, HE WOULD BE SUPPORTED BY OTHERS, AND NOTHING UNTOWARD WOULD HAPPEN TO HIM.

(REPEATED AS REQUESTED)

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MR GOODALL
MR EGERTON
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MR SAMUEL
MR LONG

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**THIS TELEGRAM
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