CONFIDENTIAL CONFIDENTIAL FM TEL AVIV

TO PRIORITY FCO

TELNO 54

OF 171400Z FEBRUARY 86

INFO ROUTINE AMMAN, JERUSALEM, CAIRO, DAMASCUS, WASHINGTON INFO ROUTINE UKMIS NEW YORK, RIYADH, TUNIS

AMMAN TELNO 76: ARAB/ISRAEL: THE PEACE PROCESS

SUMMARY

1. THE ISRAELIS HAVE NOT YET WRITTEN OFF DIRECT TALKS WITH KING HUSSEIN. SUSPICION OF JORDANIAN CONTACTS WITH SYRIA. CAUTION NEEDED TILL THE KING'S POSITION IS CLARIFIED.

DETAIL

- 2. THE FAILURE OF THE HUSSEIN/ARAFAT TALKS TO PRODUCE A SUFFICIENT SHIFT IN PLO POSITIONS HAS BEEN GREETED WITHOUT SURPRISE IN ISRAEL. THE GROWING GAP BETWEEN THE PLO AND THE KING IS WELCOME TO BOTH HALVES OF THE USRAEL COALITION, WHO SEE THIS AS REDUCING THE COMPLICATIONS FOR ISRAEL OF ANY JOINT JORDANIAN/PALESTINIAN DELEGATION. DIRECT TALKS WITH JORDAN ARE STILL SEEN AS AN OPTION, AS PERES HAS MADE CLEAR IN PUBLIC (EG HIS SPEECH TO THE KNESSET ON 12 FEBRUARY).
- MEANWHILE THE ISRAELIS ARE WAITING FOR THE KING'S NEXT MOVE AND ARE SUSPICIOUS OF HIS CONTACTS WITH SYRIA. ALTHOUGH PERES HAS CONSISTENTLY MAINTAINED THE DOOR SHOULD BE OPEN FOR SYRIAN PARTICIPATION IN ANY INTERNATIONAL MEETING, HE DOES NOT BELIEVE PRESIDENT ASSAD IS CURRENTLY INTERESTED IN REACHING AN AGREEMENT. WHEN I SAW FOREIGN MINISTER SHAMIR A WEEK AGO HE WAS EVEN MORE DISMISSIVE OF SYRIAN INTENTIONS, AND FAVOURED A WAITING GAME WITH JORDAN ("WHEN THE KING IS READY, HE WILL FIND A WAY TO NEGOTIATE WITH US'') .
- 4. UNTIL THE KING'S POSITION IS CLEARER I ENDORSE MR COLES' ADVICE (AMMAN TEL NO 76) THAT WE SHOULD TREAT PROPOSALS FOR EARLY EC ACTION WITH GREAT CAUTION.

SQUIRE

MIDDLE EAST

LIMITED

NENAD MED NAD SOVIET D PLANNING STAFF UND (POCO UNIT) ECD(E) NEWS INFO D

PUSD SED SCD DEFENCE D PS/MR RENTON PS/PUS MR FERGUSSON MR DEREK THOMAS

MR GOODALL SIR & MIERS MR RATFORD MR LONG

ADDITIONAL DISTRIBUTION ARAB/ISRAEL

CONFIDENT'AL