

ADVANCE COPY

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TELNO 069  
OF 061000Z MARCH 90  
INFO IMMEDIATE WASHINGTON  
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ARAB/ISRAEL: THE PEACE PROCESS

## SUMMARY

1. LIKUD MINISTERS 'AGREE IN PRINCIPLE' TO THE LATEST BAKER PROPOSALS, BUT SUBJECT TO LABOUR AGREEMENT THAT INHABITANTS OF EAST JERUSALEM SHOULD NOT PARTICIPATE IN ELECTIONS AND THAT THE PLO SHOULD NOT 'CONTROL' THE CAIRO TALKS.

## DETAIL

2. AT A LENGTHY NIGHT MEETING ON 5 MARCH (THE SECOND IN 3 DAYS) LIKUD MINISTERS AGREED TO ACCEPT 'THE BAKER FORMULA FOR THE CONTINUATION OF THE PEACE PROCESS'. BUT THIS WAS CONDITIONAL ON ESTABLISHING AN AGREED GOVERNMENT POSITION IN THE CAIRO NEGOTIATING TALKS, AND ON LABOUR AGREEING THAT:

A. INHABITANTS OF EAST JERUSALEM BE EXCLUDED FROM VOTING IN THE ELECTIONS IN THE OTS OR STANDING AS CANDIDATES.

B. ISRAEL SHOULD WITHDRAW FROM THE CAIRO TALKS IF THE PLO ATTEMPTED TO 'CONTROL THE PROCESS'.

3. LABOUR MINISTERS ARE TO MEET LATER TODAY (6 MARCH). PERES HAS ALREADY DESCRIBED THE LIKUD DECISION AS AMOUNTING TO A REJECTION OF THE PEACE PROCESS. HE SAID THAT PARTICIPATION IN ELECTION OF JORDANIAN CITIZENS LIVING IN JERUSALEM WOULD HAVE NO IMPLICATIONS FOR THE FUTURE STATUS OF THE CITY, WHICH WOULD REMAIN THE CAPITAL OF THE JEWISH PEOPLE. HE TOO OPPOSED PARTICIPATION IN THE CAIRO TALKS OF A PLO DELEGATION BUT A PALESTINIAN DELEGATION WOULD BE FREE TO MAKE CONTACT AS IT CHOSE WITH THE ARAB WORLD. RABIN HAS SO FAR SAID NOTHING.

4. THE LIKUD MEETINGS TOOK PLACE AGAINST CONTINUING DISPUTES WITHIN BOTH THE MAIN PARTIES. LEVY BOYCOTTED THE SECOND MEETING (AS BEING 'POINTLESS'). HE AND SHARON HAVE REITERATED THREATS TO RECONVENE THE LIKUD CENTRAL COMMITTEE. ON THE LABOUR SIDE THERE HAVE BEEN FURTHER

PUBLIC DIFFERENCES BETWEEN PERES AND RABIN. PERES CONTINUED TO DEMAND A FINAL GOVERNMENT DECISION THIS WEEK, RABIN SAID THAT A FEW EXTRA DAYS WOULD MAKE NO DIFFERENCE, AND BY IMPLICATION, ACCUSED PERES OF BEING KEENER TO TOPPLE THE GOVERNMENT THAN TO FURTHER THE PEACE PROCESS.

## COMMENT

5. THE LIKUD ARE TRYING TO PUT LABOUR ON THE SPOT AND TO EXPLOIT THEIR INTERNAL DIFFERENCES. THEY ARE FOCUSING ON GENERAL POINTS OF PRINCIPLE WHICH WOULD BE POPULAR WITH THE ELECTORATE (THE STATUS OF JERUSALEM, THE PLO ROLE) RATHER THAN ON THE NARROWER ISSUES OF THE COMPOSITION OF THE PALESTINIAN DELEGATION IN CAIRO. ON JERUSALEM THEY ARE PLAYING UP WHAT THEY ARE REPRESENTING AS THE THREATENING TONE OF STATEMENTS OF THE LAST THREE DAYS ON US POLICY BY PRESIDENT BUSH AND THE STATE DEPARTMENT SPOKESWOMAN. LABOUR'S NEXT MOVE WILL VERY MUCH DEPEND, AS EVER, ON RABIN. THE GUESS IS THAT HE WILL BE MORE POSITIVE THAN PERES AND WILL TRY TO NEGOTIATE TOWARDS AN AGREED GOVERNMENT POSITION FOR THE CAIRO TALKS. IF SO, IT IS QUITE LIKELY THAT THE ISSUES WILL NOT BE RESOLVED AT THE MEETING OF THE INNER CABINET ON 7 MARCH. WE COULD BE IN FOR SEVERAL MORE DAYS OF DEBATE WITHIN AND BETWEEN THE TWO MAIN PARTIES.

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