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FM WASHINGTON  
TO IMMEDIATE FCO  
TELNO 1408  
OF 140058Z JUNE 90  
INFO PRIORITY TEL AVIV, JERUSALEM, CAIRO, TUNIS, BAGHDAD  
INFO PRIORITY UKMIS NEW YORK  
INFO ROUTINE OTHER MIDDLE EAST POSTS

*A file*  
*Edm*

MY TELNO 1391: ARAB/ISRAEL  
SUMMARY

1. BAKER PUBLICLY BLAMES ISRAEL FOR THE BREAKDOWN OF THE PEACE PROCESS EARLIER THIS YEAR AND QUESTIONS THE COMMITMENT OF THE NEW ISRAELI GOVERNMENT TO THE PURSUIT OF PEACE.

DETAIL

2. SECRETARY BAKER APPEARED BEFORE THE HOUSE FOREIGN AFFAIRS COMMITTEE TODAY (13 JUNE). IN RESPONSE TO A QUESTION, BAKER REVIEWED RECENT DEVELOPMENTS IN THE MIDDLE EAST, SAYING QUOTE WE WERE VERY VERY CLOSE ...TO PUTTING TOGETHER AN HISTORIC, FIRST-TIME-EVER DIALOGUE BETWEEN THE ISRAELIS AND PALESTINIANS. ...HAD IT BEGUN ,...I DON'T THINK WE WOULD BE FACING THE SITUATION THAT WE ARE FACING IN THE MIDDLE EAST TODAY UNQUOTE. HE NOTED THAT THE POLITICAL CRISIS IN ISRAEL HAD PREVENTED THE GOVERNMENT OF ISRAEL FROM DECIDING WHETHER OR NOT TO PROCEED WITH THE PROCESS, AND THAT THE INTERVENING PERIOD HAD BEEN MARRIED BY A REAL DETERIORATION OF THE SITUATION IN THE REGION. HE ATTRIBUTED THIS IN PART TO GREAT FRUSTRATION AND CONCERN OVER THE LACK OF A PEACE-PROCESS, AND SAID THAT THE CHALLENGE WAS TO ALL PARTIES TO PUT IT BACK ON TRACK. HE SAID:

QUOTE FOR ISRAEL, THAT MEANS SAYING YES TO THE IDEA OF A DIALOGUE WITH PALESTINIANS, AND I HOPE THAT THE NEW ISRAELI GOVERNMENT WILL BE WILLING AND ABLE TO MOVE FORWARD TO SUCH A DIALOGUE AND DO SO IN A WAY THAT MAKES IT POSSIBLE FOR A CREDIBLE PALESTINIAN DELEGATION TO PARTICIPATE. WE, ON OUR PART, ARE PREPARED TO CONTINUE TO TRY AND IMPLEMENT THE ISRAELI GOVERNMENT'S INITIATIVE, BUT LET ME SAY ONE MORE TIME, WE CAN'T DO IT ALONE.

FOR PALESTINIANS, THIS MEANS, I THINK, LOOKING BEYOND THE TRAGIC HUMAN LOSSES THAT THEY HAVE SUFFERED AND RECOMMITTING THEMSELVES TO THE POLITICAL PROCESS. AS I'VE INDICATED, THE

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OUTRAGEOUS ATTACK OF MAY 30TH HAS RAISED SERIOUS QUESTIONS ABOUT RENOUNCING TERRORISM STILL STANDS, AND IT MUST DO SO IN AN AUTHORITATIVE AND UNAMBIGUOUS WAY, AS I SAID YESTERDAY OVER IN THE SENATE. SO FAR, IT HAS NOT DONE SO.

FOR THE ARAB STATES, I THINK THIS MEANS DOING MORE TO CREATE AN ENVIRONMENT THAT CAN SUPPORT ISRAELI-PALESTINIAN RECONCILIATION. WE'RE STILL WILLING TO BE ENGAGED, BUT IF THE POLITICAL WILL TO MOVE AHEAD DOESN'T EXIST IN THE REGION, WE ARE NOT GOING TO BE ABLE TO CREATE THAT POLITICAL WILL FROM OUTSIDE THE REGION. AND THE SOONER EVERYBODY RECOGNIZES THAT, THE BETTER OFF I THINK WE ALL WILL BE UNQUOTE.

3. LATER IN THE HEARING, CONGRESSMAN LEVINE CLAIMED THAT THE ISRAELI-PALESTINIAN DIALOGUE MIGHT HAVE COME ABOUT QUOTE HAD IT NOT BEEN FOR THE INTEMPERATE REMARKS OF THE PRESIDENT WITH REGARD TO EAST JERUSALEM UNQUOTE. BAKER RESPONDED VIGOROUSLY. HE SAID THAT THE ADMINISTRATION WOULD LIKE TO CONTINUE THE PEACE PROCESS QUOTE BUT WE MUST HAVE THE GOOD FAITH ENGAGEMENT OF ALL PARTIES, AND WE MUST HAVE IT PROMPTLY UNQUOTE. HE THEN INDICATED THAT IT WAS THE QUESTION POSED BY THE ADMINISTRATION WHICH BROUGHT ABOUT THE COLLAPSE OF THE ISRAELI GOVERNMENT. HE WENT ON:

QUOTE WE COULD NOT GET A YES ANSWER TO THE QUESTION, QUOTE AS REGARDS THE PARTICIPATION IN THE ISRAELI-PALESTINIAN DIALOGUE, WOULD THE GOVERNMENT OF ISRAEL BE READY TO CONSIDER ON A NAME-BY-NAME BASIS ANY PALESTINIAN WHO WAS A RESIDENT OF THE TERRITORIES? UNQUOTE. AND, AT THE SAME TIME, I MADE IT CLEAR TO MINISTER ARENS THAT WE POSED THIS QUESTION WITH AN ASSUMPTION, NAMELY THAT IN THE END THERE WILL BE A FEW NAMES SELECTED THAT FIT THE CATEGORIES OF DEPORTEES WHO WOULD BE ELIGIBLE TO RETURN AND THE CATEGORIES OF DUAL ADDRESSEES. NOW, THAT'S HOW CLOSE WE GOT. AND IT'S REALLY VERY HARD FOR US TO UNDERSTAND, IN THE FACE, AS WELL, OF THE FACT THAT PALESTINIANS FROM THE TERRITORIES, AS YOU KNOW, WERE PREPARED TO COME TO THE TABLE, AND THEY WERE PREPARED TO TALK WITH ISRAELIS ABOUT ELECTIONS - IT'S HARD FOR US TO UNDERSTAND WHY WE DIDN'T GET A YES ANSWER UNQUOTE.

4. BAKER WENT ON TO SAY THAT THE ADMINISTRATION WERE WILLING TO LET BYGONES BE BYGONES, QUOTE BECAUSE IT IS IMPORTANT FOR THE REASONS THAT WE DISCUSSED HERE THIS MORNING THAT THERE BE A PEACE

PROCESS IN THE MIDDLE EAST. ...BUT THAT'S GOING TO MEAN A GOOD FAITH ENGAGEMENT, WITHOUT DELAY. OR OTHERWISE, WE CAN'T BE EFFECTIVE. AND IT'S GOT TO MEAN A COMMITMENT ON THE PART OF THE PARTIES, THAT THEY REALLY WANT PEACE UNQUOTE. HE THEN REFERRED TO PRESS STORIES COMING OUT OF ISRAEL TO THE EFFECT THAT THE ISRAELI GOVERNMENT WAS TRYING TO IMPOSE NEW CONDITIONS FOR MOVING TO DIALOGUE, OR THAT THE BAKER INITIATIVE WAS NO LONGER RELEVANT. HE CONCLUDED AS FOLLOWS:

QUOTE NOW, IF THAT'S GOING TO BE THE APPROACH, AND THAT'S GOING TO BE THE ATTITUDE, THERE WON'T BE ANY DIALOGUE. AND THERE WON'T BE ANY PEACE, AND THE UNITED STATES OF AMERICA CAN'T MAKE IT HAPPEN. YOU CAN'T, I CAN'T, THE PRESIDENT CAN'T. AND SO, IT'S GOING TO TAKE SOME REALLY GOOD FAITH, AFFIRMATIVE EFFORT ON THE PART OF OUR GOOD FRIENDS IN ISRAEL, AND IF WE DON'T GET IT AND IF WE CAN'T GET IT QUICKLY, I HAVE TO TELL YOU, MR LEVINE, THAT EVERYBODY OVER THERE SHOULD KNOW THAT THE TELEPHONE NUMBER (OF WHITE HOUSE) IS 1-202-456-1414. WHEN YOU'RE SERIOUS ABOUT PEACE, CALL US UNQUOTE.

5. FULL TEXTS OF THESE EXCHANGES FAXED TO ARCHER (NENAD/FCO)

COMMENT

6. THE ADMINISTRATION HAVE TOLD US BEFORE THAT, IF THE PEACE PROCESS STALLED, BAKER WOULD AT SOME STAGE PUBLICLY LAY BLAME WHERE IT WAS DUE. BUT THE TOUGH MANNER IN WHICH HE HAS DONE IT AND APPARENTLY ALSO THE TIMING - APPEAR TO HAVE BEEN THE RESULT OF IMMEDIATE PROVOCATIONS

BAKER CLEARLY TOOK EXCEPTION TO LEVINE'S STATEMENT. (BUT HE WOULD NOT HAVE BEEN SURPRISED BY IT: LEVINE HAS MADE THIS POINT A NUMBER OF TIMES, MOST RECENTLY IN A SPEECH TO THE AIPAC POLICY CONFERENCE IN WASHINGTON YESTERDAY.) STATE TELL US THAT IMMEDIATELY BEFORE THE HEARING, BAKER HAD SEEN A REPORT OF A JERUSALEM POST INTERVIEW WITH SHAMIR, IN WHICH HE APPARENTLY INSISTED THAT PALESTINIANS HAD TO ACCEPT CAMP DAVID-STYLE AUTONOMY FOR THE OCCUPIED TERRITORIES BEFORE DISCUSSION COULD BEGIN.

7. IT IS NOT CLEAR WHERE THIS LEAVES THE ADMINISTRATION'S RELATIONS WITH THE NEW ISRAELI GOVERNMENT OR THE PEACE PROCESS. THE ISRAELI CABINET SECRETARY, RUBINSTEIN, SAW ROSS AND KELLY DURING HIS VISIT TO WASHINGTON YESTERDAY. HIS MESSAGE WAS THAT THE NEW GOVERNMENT WANTED TO WORK WITH THE ADMINISTRATION ON

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US/ISRAELI RELATIONS AND THE PEACE PROCESS. BUT HE BROUGHT NO SPECIFIC IDEAS. KELLY SAID THAT THE ADMINISTRATION WERE READY TO WORK WITH THE NEW GOVERNMENT AND WOULD JUDGE IT ON SUBSTANCE, NOT ON ITS POLITICAL LEANINGS. BUT THE ADMINISTRATION NEEDED TO KNOW QUICKLY WHERE THE GOVERNMENT STOOD ON THE PEACE PROCESS. THIS EXCHANGE HAS BEEN EFFECTIVELY OVERTAKEN BY BAKER'S REMARKS TODAY. WHICH COME CLOSE TO AN ULTIMATUM. IT REMAINS TO BE SEEN WHETHER SHAMIR RESPONDS POSITIVELY TO BAKERS FORTHRIGHT APPROACH, BUT THE ODDS MUST BE STRONGLY ON A DIFFICULT PERIOD AHEAD FOR US/ISRAELI RELATIONS

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