

CONFIDENTIAL
FM WASHINGTON
TO IMMEDIATE FCO
TELNO 1579
OF 030203Z JULY 90
INFO IMMEDIATE ACTOR
INFO PRIORITY TEL AVIV, JERUSALEM, CAIRO, AMMAN, TUNIS, BAGHDAD
INFO PRIORITY RIYADH, PARIS, MOSCOW, UKMIS NEW YORK

ADVANCE COPY

MY TELNO 1558: ARAB/ISRAEL: PEACE PROCESS

SUMMARY

1. ADMINISTRATION WILL SEEK CLARIFICATION OF SHAMIR'S REPLY TO BUSH, BUT ARE DETERMINED NOT TO BE DRAWN INTO A LONG NEGOTIATION. APPRECIATION OF DANGERS INHERENT IN CURRENT SITUATION IN THE MIDDLE EAST AND DETERMINATION TO REMAIN ENGAGED WHATEVER THE ISRAELI RESPONSE.

DETAIL

2. GORE-BOOTH DISCUSSED WITH ROSS (STATE DEPARTMENT) AND HAASS (NSC) TODAY (2 JULY) PROSPECTS FOR THE PEACE PROCESS.
3. ROSS SAID THAT THE PRIME MINISTER SHAMIR'S REPLY TO PRESIDENT BUSH'S LETTER HAD BEEN CAREFULLY CRAFTED. HE DESCRIBED IT AS QUOTE NOT RESPONSIVE, BUT NOT DEFINITIVE UNQUOTE. BY THIS HE MEANT THAT SHAMIR WAS BROADLY POSITIVE ON THE IDEA OF A DIALOGUE WITH PALESTINIANS, BUT HE DID NOT DIRECTLY ADDRESS THE ASSUMPTIONS IMPLICIT IN THE QUESTION (IE THAT A PALESTINIAN DELEGATION WOULD INCLUDE DEPORTEES AND DUAL ADDRESSEES). ROSS SAID THAT SHAMIR HAD USED TERMS NOT PREVIOUSLY USED IN US/ISRAELI DISCUSSIONS.
4. IN VIEW OF THESE AMBIGUITIES, ROSS SAID, SECRETARY BAKER HAD DECIDED TO SEEK CLARIFICATION OF THE SHAMIR MESSAGE. HE PROPOSED TO ENGAGE FOREIGN MINISTER LEVY TO SEE WHETHER THERE WAS THE POTENTIAL FOR AGREEMENT. ROSS STRESSED THAT THIS WAS NOT TO BE AN OPEN-ENDED CONSULTATION: NO DEADLINE HAD BEEN SET, BUT HE THOUGHT THAT BAKER WOULD WANT AN ANSWER BY THE END OF JULY. (HAASS, WHO SAID HE SAW LITTLE POTENTIAL FOR PROGRESS IN SHAMIR'S RESPONSE, ALSO THOUGHT THAT THE ADMINISTRATION WOULD NOT PROLONG DISCUSSIONS WITH ISRAEL BEYOND THE END OF JULY.) ROSS FURTHER STRESSED THAT NEITHER BUSH NOR BAKER WERE PREPARED TO COOPERATE WITH THE ISRAELIS IN CREATING THE ILLUSION OF A PEACE PROCESS WHERE ONE DID NOT EXIST. BOTH BELIEVED THAT THE PATH THAT THE ADMINISTRATION HAD FOLLOWED IN TRYING TO BROKER AN ISRAELI-PALESTINIAN DIALOGUE HAD BEEN THE RIGHT ONE. BUT THEY

DID NOT HAVE THE PATIENCE TO PURSUE THIS IN THE FACE OF ISRAELI INTRANSIGENCE (CF BAKER'S STATEMENT TO THE HOUSE FOREIGN RELATIONS COMMITTEE - MY TELNO 1408): IF IT COULD BE TAKEN NO FURTHER THEY WOULD HAVE TO LOOK AT OTHER OPTIONS.

5. GORE-BOOTH NOTED THAT THE CURRENT ATMOSPHERE IN THE MIDDLE EAST WAS POTENTIALLY EXPLOSIVE. AT A TIME WHEN SADDAM HUSSEIN WAS SQUARING UP TO ISRAEL, MODERATE ARAB STATES WERE FRUSTRATED AT THE LACK OF PROGRESS ON THE PEACE PROCESS AND WORRIED ABOUT THE CONSEQUENCES OF SOVIET JEWISH EMIGRATION. THE SITUATION COULD EASILY GET OUT OF HAND. BOTH ROSS AND HAASS AGREED THAT THERE HAD BEEN A SHARP DETERIORATION IN THE ENVIRONMENT. THEY ALSO ACKNOWLEDGED THAT A PEACE PROCESS WAS REQUIRED TO GIVE THE MODERATES SOMETHING TO HANG ON TO, WHICH IMPLIED CONTINUED US INVOLVEMENT. HAASS COMMENTED THERE WAS NO SENSE IN WASHINGTON THAT A PERIOD OF US DISENGAGEMENT WOULD MAKE THE PARTIES MORE WILLING TO COMPROMISE: RATHER THE OPPOSITE. ROSS SAID BAKER'S DETERMINATION TO STAY ENGAGED HAD BEEN REINFORCED BY ABDUL MAJID'S VISIT LAST WEEK, DURING WHICH IT WAS CLEAR THAT THE EGYPTIANS HAD NO INTENTION OF OPTING OUT.

6. GORE-BOOTH ASKED WHETHER THE ADMINISTRATION WERE ATTRACTED BY THE IDEA OF DEALING DIRECTLY WITH ARAB STATES ON THE PEACE PROCESS. ROSS SAID THAT BAKER HAD DESCRIBED THIS AS QUOTE PUTTING THE CART BEFORE THE HORSE UNQUOTE. THE ADMINISTRATION THOUGHT THAT, BY POSITIVE GESTURES TOWARDS ISRAEL, ARAB GOVERNMENTS COULD HELP TO IMPROVE THE ENVIRONMENT FOR PROGRESS ON THE PEACE PROCESS. BUT THEY ACCEPTED THAT THIS WOULD BE DIFFICULT IN CURRENT CIRCUMSTANCES. IN PRIVATE, SEVERAL MODERATE ARAB GOVERNMENTS HAD EXPRESSED WILLINGNESS TO MOVE ONCE AN ISRAELI-PALESTINIAN DIALOGUE WAS LAUNCHED. ROSS SAID BAKER'S INCLINATION REMAINED TO GET A DIALOGUE GOING AND TEST OUT THE SINCERITY OF THESE CLAIMS.

7. ON THE US/PLO DIALOGUE, ROSS SAID THAT THE DECISION TO SUSPEND HAD BEEN NECESSARY BUT NOT EASY. AS IT TURNED OUT, IT HAD BEEN HELPFUL THAT THE PUBLIC REASON FOR THE BREAK HAD BEEN THE PLF RAID. THE RENEWED INVOLVEMENT IN TERRORISM OF FORCE 17, WHICH THE ADMINISTRATION FOUND MORE DISTURBING, HAD BEEN HANDLED PRIVATELY AND COULD BE MET BY PRIVATE PLO ASSURANCES. THE ADMINISTRATION ACCEPTED THAT THE PLO WERE NOT GOING TO DO ANYTHING QUICKLY, THOUGH ABDUL MAJID HAD MADE CLEAR LAST WEEK THAT THE EGYPTIANS WOULD BE WORKING ON THEM. GORE-BOOTH SUGGESTED THAT IT MIGHT BE HELPFUL TO THE ADMINISTRATION TO HAVE THE US/PLO DIALOGUE SUSPENDED WHILE THEY PRESSED THE ISRAELIS FOR A CLEAR RESPONSE. ROSS THOUGHT IT DID NO HARM: AN ISRAELI QUOTE YES UNQUOTE WOULD GIVE ARAFAT AN INCENTIVE TO MEET US CONDITIONS

AND WOULD STRENGTHEN THE HAND OF THE EGYPTIANS.

8. HAASS SAID THAT, IF THE ADMINISTRATION FAILED TO EXTRACT A QUOTE YES UNQUOTE FROM THE ISRAELIS, THERE WOULD BE A FULLY-FLEDGED REVIEW OF OPTIONS, WHICH WOULD INCLUDE CONSULTATIONS WITH THE RUSSIANS, EUROPEANS AND PLAYERS IN THE REGION. GORE-BOOTH NOTED THAT THERE WAS IMPATIENCE IN EUROPE WITH ISRAELI INTRANSIGENCE: THERE WOULD BE PRESSURE FOR ACTION DURING THE ITALIAN PRESIDENCY. WE WOULD DO OUR BEST TO ENSURE THAT THIS WAS CONSTRUCTIVE AND HELPFUL. HE ADDED THAT WE CONTINUED TO SEE A ROLE FOR DISCUSSION OF ARAB/ISRAEL BY THE PERMANENT FIVE IN NEW YORK, EITHER TO FILL A VACUUM OR TO PUT ADDITIONAL PRESSURE ON ISRAEL. HAASS WAS SCEPTICAL ABOUT A ROLE FOR THE FIVE. KURTZER (WHO SAT IN WITH ROSS) WAS NOT DISCOURAGING. HE ALSO HOPED THAT THE ADMINISTRATION COULD REMAIN IN CLOSE TOUCH WITH THE EC. HE THOUGHT THAT EACH COULD PROVIDE HELPFUL CORRECTIVES TO EXTREME TENDENCIES WITHIN THE OTHER'S POLICY: HE CITED THE ADMINISTRATION'S TENDENCY TO ALLOW ISRAEL TOO MUCH TIME TO RESPOND, AND THE EC'S TENDENCY TO ADOPT A PUNITIVE POLICY TOWARDS ISRAEL.

COMMENT

9. THESE WERE GENERALLY ENCOURAGING EXCHANGES. THE ADMINISTRATION MADE CLEAR THAT THEY ARE NOT PREPARED TO ENTER PROTRACTED NEGOTIATIONS WITH ISRAEL, NOR ARE THEY PREPARED TO FALL BACK ON THE EASY OPTION OF ACQUIESCING IN A PEACE PROCESS WHICH IS NOT GOING ANYWHERE. AT THE SAME TIME, THEY CLAIM TO SEE THE DANGER SIGNALS IN THE REGION AND AGREE THAT US DISENGAGEMENT IS NOT AN ACCEPTABLE OPTION. IF, AS SEEMS LIKELY, THE PROCESS OF CLARIFICATION SHOWS THAT THE ISRAELIS ARE NOT WILLING TO PROCEED ON THE BASIS OF THE BAKER INITIATIVE THEN A PERIOD OF REASSESSMENT APPEARS INEVITABLE THESE CONVERSATIONS DID NOT SUGGEST THAT ANYTHING HAS BEEN RULED OUT AT THIS STAGE, OR THAT GREATER EUROPEAN INVOLVEMENT WOULD BE CONSIDERED, A PRIORI, UNWELCOME.

ACLAND

YYYY

CONFIDENTIAL

113123
MDADAN 3677

DISTRIBUTION

15

ADVANCE 15

. ARAB/ISRAEL
PS
PS/MR WALDEGRAVE
PS/PUS
MR P J WESTON
MR TOMKYS
MR GORE-BOOTH
HD/NENAD

HD/MED
HD/CONSULAR D
HD/PUSD
HD/NEWS D
NO 10 DOWNING ST
CABINET OFFICE DIO
RESIDENT CLERK

NNNN

PAGE 4
CONFIDENTIAL